



CEILING SYSTEMS

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May 22, 2008

MAY 2008 **SUSPENSION SYSTEMS PRICE INCREASE**

In April we provided you with a steel market advisory that described the dynamics driving steel cost increases. The cost of raw materials to produce steel, the weak US dollar, increasing exports of steel to service higher priced world demand, low steel service center inventories, and higher energy costs are having a greater than expected impact on steel costs.

Because of these aggressively escalating costs, effective with shipments starting **Monday June 23, 2008** all United States and Canada, Commercial and Residential Suspension Systems, including Drywall Grid Systems, Axiom and Serpentina Systems **will increase 12%**.

Steel suppliers are closely managing their capacity versus market consumption. We don't anticipate issues with supply at a normal level of volume.

The steel industry is expecting further increases for the remainder of the year. Taking into account these anticipated costs, we suggest, only as guidelines, a 7-9% price increase for material shipments mid to late 3rd quarter and an additional 7-9% in the 4th quarter of 2008.

These steel cost increases are real and are impacting all regions of the world. We want to assure you that we are committed to containing our costs and minimize the impact of rising steel costs.

We appreciate your support and value the business we do together.