

May 26<sup>th</sup>, 2008

Dear Valued Customer,

**Re: Second "Steel Surcharge" effective 1<sup>st</sup> August 2008.**

As per my letter to you dated March 27<sup>th</sup> 2008, I indicated we were forced to include a "Steel Surcharge" of **4%, effective June 1<sup>st</sup> 2008**, across the entire Buildex® & Boustead® fastener range (except for Wall-Mates® & washers) & **10%** for *Shakeproof Special Products*. This was caused by the record global cost of steel impacting on our supply of wire and fastener components, combined with freight and transport cost increases due to fuel surcharges levied.

I also indicated that due to the further volatility of global steel pricing and other associated costs expected to further increase, that we may have to add a second "Steel Surcharge" of between 3% and 6% effective August 1<sup>st</sup>, 2008.

*Despite further cost increases, we have managed to absorb the majority of these costs within our business, however a second "Steel Surcharge" will need to be implemented. We have been able to limit it to an amount of **4%** on all Buildex® & Boustead® fasteners (except for Wall-Mates® & washers), & **10%** on Shakeproof Special Products, **effective August 1<sup>st</sup>, 2008**. **Once again, there will be NO change to our paint charge for fasteners and cyclone assemblies and NO change to our trade pack surcharge.***

The prime focus of the business will be to continue to develop and deliver innovative new products to the market which provides better solutions to the end user. We aim to ensure that we maintain Buildex as the premium offering in the market after more than **90 years of manufacturing in Australia**.

I would like to take this opportunity to thank you for your continued support and look forward to our mutual growth through providing innovative products, outstanding quality and uncompromising service.

Regards



Jim Osborne  
**NATIONAL SALES & MARKETING MANAGER**