

March 27<sup>th</sup>, 2008

Dear Valued Customer,

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

As you may be aware, over the last few months the global cost of steel has been significantly impacted by the record iron ore price increase (65%) set by Rio Tinto and BHP Billiton. Consequently, our suppliers of wire and fastener components have implemented significant price increases in an attempt to recover these cost imposts.

Further increases are anticipated in the coming months, obviously impacting on the cost of Buildex fasteners, both imported and manufactured. Combined with freight and transport cost increases of between 6-10% since November (based on fuel surcharges levied), and even the favourable fluctuations in the \$AUD / \$US exchange rate have not been enough to off-set our increased costs.

Despite the magnitude of the cost increases affecting our business, we have taken the decision to limit the increase by including a "Steel Surcharge" of **4%** across the entire Buildex & Boustead fastener range (except for Wallmates & washers) & **10%** for *Shakeproof Special Products*, effective **June 1<sup>st</sup>, 2008**. Depending on the further volatility of global steel pricing, we may have to add a second "Steel Surcharge" of between 3% - 6%, effective from August 1<sup>st</sup>, 2008.

***There will however, 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**.

These initiatives include:

- The recent launch of our *Headlok*® Security Head screw range.
- The launch of our *Fibreglass Tek*® self-drilling screws.
- The launch of our *PolyZIPS*® self-drilling screws.

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**