

PRIME SOURCE[®]

BUILDING PRODUCTS, INC.

February 4, 2015

To Our Valued Customers,

We have been experiencing significant cost increases as it relates to all imported products, especially fasteners and other steel products, due to a variety of reasons:

- The preliminary determination on imported nails announced in December not only affected the named countries, but has also had a ripple effect on costing from other countries. The result of this is higher prices from domestic and global suppliers. We have been and will continue to absorb a large portion of the increase and **risk** in anticipation of the final determination, which will occur in May, 2015.
- Significant shipping vessel capacity issues, which have increased all ocean freight costs.
- Major port delays and congestion which have increased shipping time and costs on all products.
- Overall global supply / demand, significant raw material, production, and environmental coating and pollution issues overseas

PrimeSource has spent the last eight years defending against anti-dumping cases filed by select domestic manufacturers. In our opinion, this "assault" on PrimeSource and other importers of Fasteners, is a perverse application of trade laws and anti-dumping proceedings. Quite simply, these actions and claims filed by these select manufacturers ultimately result in higher prices to our customers and American consumers. **The manifest absurdity and lack of fairness is evident in the fact that many of the products subject to dumping duty filed by these domestic manufacturers are not even made in the US. To our knowledge, these manufacturers have never made many of the products subject to its anti-dumping allegations.** As we see it, these manufacturers, by enlisting the assistance of high-priced Washington attorneys who rely on antiquated laws, have caused confusion in the marketplace to the detriment of the American economy and American consumers. We don't think it is fair and we will continue to lead the fight for what we believe is right for you, our valued customers.

We have been holding sell prices for as long as possible; even as we have been experiencing these increases on duty, environmental, and shipping delays, combined with port congestion. However, now with rulings on dumping duties more clear and shipping situations continuing to escalate, we are forced to react. Due to these and other factors, the intention of this memo is to announce **a price increase on all warehouse orders of imported products beginning with orders placed on Monday, February 16, 2015.** For direct and future container orders please inquire at time of order placement for pricing.

This increase will apply to nails, screws, collated nails, and all other imported steel products, including, but not restricted to; fencing, ceiling wire, tie wire, and other concrete accessory products.

- **Nails & Collated Fasteners – 7% increase**
- **Screws – 5% increase**
- **Other miscellaneous steel & wire products, along with non-steel imported items – 3%**

We will continue to monitor all global markets and will keep you informed as to any future changes, specifically on the duty situation and the final determination in May.

Thank you as always for your business and support.

Sincerely,



David Fishbein
Co-CEO



Bob Furio
Co-CEO