

TO OUR VALUED CUSTOMERS:

Our domestic steel sources have announced a January 2004 price increase on all hot rolled products. A number of issues are contributing to this mill increase:

1. According to World Steel Dynamics, one of the world's leading steel information services, the global steel industry is operating at 97% capacity. This includes domestic steel mills.
2. Recent consolidation of domestic steel mills has reduced capacity and competition.
3. China is experiencing a tremendous growth period, which has put a strain on the world steel supply.
4. Increased world demand for raw materials (steel scrap, iron ore, and ash coke).
5. It appears the weak U.S. dollar and current domestic steel pricing makes importing steel to the U.S. unattractive to other steel producing countries, even if the Bush administration removes steel import tariffs.

MBCI has no choice but to pass this increase along to you, our valued customer. Effective on all orders placed on or after Monday, January 12, 2004, a 9% price increase on all hot rolled products will be added. Orders placed before January 12, 2004 and shipped by January 19, 2004 will be honored at the old prices.

This increase affects hot rolled products but does not impact sheet good pricing; however, if current trends continue, we may see further increases in both products in the first quarter of 2004.

We appreciate your business and will continue to provide the highest level of service, which you have grown to expect from MBCI.

Thank You,  
MBCI