

To Our Valued Customers,

As we navigate through dynamic steel markets, we will attempt to help provide an understanding of the current and future market conditions.

Current environment:

- Pricing up over 50% since March 2016 (see attached)
- Global steel availability limitations and outages
- Impact of U.S. Department of Commerce determination of countervailing tariffs.
- Pricing on Fuel, Scrap and Iron Ore sharply rebound
- U.S. economic influences; Strong Automotive and Construction markets

Forecasting supply disruptions is impossible, but current market dynamics clearly have risk, with pricing skewed to the upside in the near term. In the past month, North Star and CSN suffered blast furnace outages limiting their production while US Steel has seen their #14 blast furnace hampered. Based on the mills flat rolled lead times and pricing strength, we believe current domestic hot dipped galvanized capacity utilization is above 90 percent.

As expected during price increases, unusually high ordering patterns (150% over normal) have caused lead-times to extend several weeks. Orders will reflect our price at the time of shipment and not when the order was placed.

ClarkDietrich will continue to communicate the most current information available for planning purposes. Please continue to refer to our Website and local representatives for the latest quoting guidelines and escalation schedule as they may vary per market.

Our Current 2016 Price Increases include the following:

**April 15<sup>th</sup> 2016 - 10%**

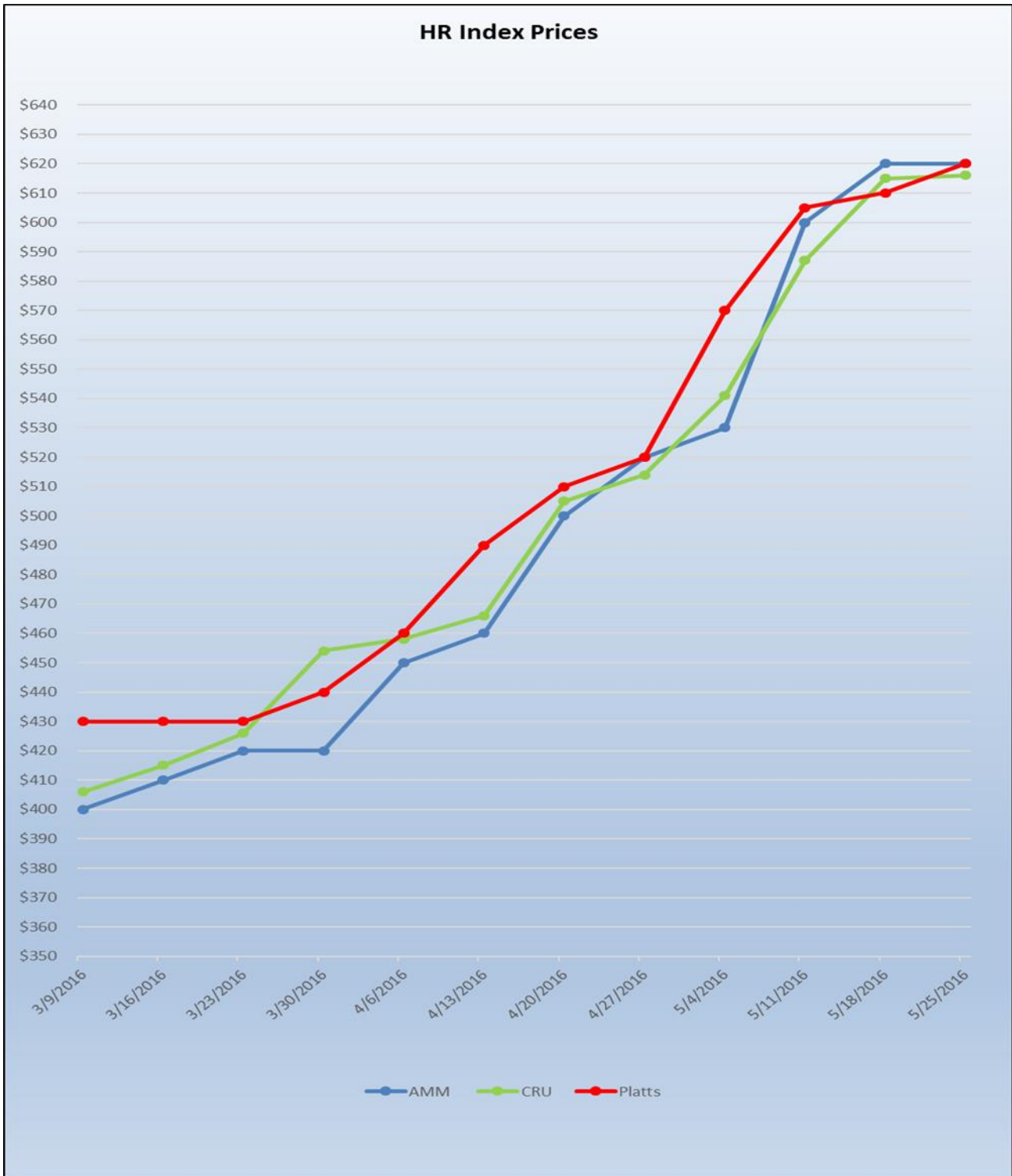
**June 1<sup>st</sup> 2016 - 15%**

**July 1<sup>st</sup> 2016 - 15% - 20% depending on the market**

**August 2016 – To be determined by market**

Thank You for your support and understanding during these unpredictable times. We will do our best to keep you updated and provide the confidence you have come to expect from the ClarkDietrich team!

ClarkDietrich Management Team



Hot Roll (HR) is the basis of hot dipped galvanized sheet steel used in the manufacturing of light gauge metal framing. The above chart reflects the tracking report of 3 major indices.

AMM – American Metal Market

CRU- Commodities Research Group

Platts- Division of McGraw Hill Financial