

Childers * Permaclad

August 24, 2006

To: Our Valued Customers

Subject: Price Increase Announcement

Effective September 25, 2006, Stainless Steel and Aluminum prices will be increased. Stainless Steel will increase approximately 15% on account of surging nickel costs, strong world demand and delays in bringing major new projects on stream. Aluminum prices will increase approximately by 3%. Aluminum demand world wide continues to be strong and LME prices have increased this year. Additionally, higher freight, carton, pallet and energy costs are also impacting the price increase.

At the same time, we are introducing a minimum order charge of \$125.00 (before freight and taxes) per order. Minimum order charges have long been in place with most suppliers and are necessary to cover costs of small orders.

Your discount sheet relating to specific list price pages in our catalogue or on our website (www.itwinsulation.ca), will be forwarded to you in the next week.

We appreciate your continued support. ITW Insulation Systems Canada is committed to quality products, competitive pricing and superior service. We will do our best to keep you informed of market conditions in this very volatile environment.

Please feel free to contact your Regional Sales Representative if you would like to discuss details.

Sincerely,

Harry Cumming
General Manager

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