



January 13, 2010

To: Our Valued Customers

**Prices to Increase Feb. 1st on high steel content products.
UBP Committed to manufacturing in the USA and keeping costs down.**

The two subject lines above may seem incompatible. They are not.

First, let's talk about steel prices. It is tempting to editorialize on the "demandless price increase" of steel, a close cousin of the "jobless recovery" we are experiencing. It is frustrating, and it makes the challenges of the construction industry just that much more difficult. Nonetheless, a Google search on 'Steel Prices' returns articles from the *Wall Street Journal* and other financial press that indicate that steel prices will likely continue to rise. I'm sure you have probably experienced the big price increases on rebar, wire and other steel products. Our steel costs are going higher as well, so unfortunately, beginning February 1st, most of UBP steel-intensive products will be increasing on average about 5.5%.

Current prices will be honored on orders placed by January 20th with a committed ship date by January 31, 2010. Following that, new pricing will apply.

Keeping Costs Low. (or at least lower!) Please understand that we are doing a LOT here at Universal to keep our costs (and yours) low. Primarily, we are doing everything possible to source, manufacture, employ and sell American.

- We have zero manufacturing in Mexico
- We have installed a fully-automated snap tie machine in our Bellwood manufacturing facility, we are upgrading manufacturing with additional automated capability in Seattle and California, plus semi-automated machines in at least six other U.S. regions.
- The result will be the most fully-automated U.S. manufacturing capability of any concrete accessory company foreign or domestic. This commitment to highly-productive and innovative manufacturing helps guarantee high quality and lower prices.

By being more innovative and more productive than our competitors, our goal at UBP is to beat our competitors on *both* quality and price. And certainly, ALWAYS on service.

If you have questions, please contact our UBP sales representative or me. Many of us will be at the World of Concrete, holding meetings with customers and discussing the exciting details of our Key Account Rebate Program. Let's get together then. Please call Karen Gerber to secure a time that is convenient for you.

Cordially,

Ray Bartholomae
Vice-President, General Manager