



BUSINESS INTERIORS

BUSINESS SOLUTIONS TO ENHANCE WORKPLACE PERFORMANCE

August 18, 2008

Plymouth State University
17 High Street
Plymouth, NH 03264

Over the past few months, you likely have heard and read about the rapid increases in the prices of oil, steel and other metals and the corresponding effect on material and transportation costs.

Major macro-economic forces are driving commodity prices higher. For example in the past five months, cold-rolled steel prices rose thirty-five percent and crude petroleum rose forty-two percent. Worldwide demand for oil, steel and other materials continues to grow at a torrid pace. Metal industry capacity, raw material shortages, and increases in transportation costs have all led to unprecedented increases in commodity pricing.

As a result, Steelcase and Business Interiors, like many companies, can no longer afford to absorb these significant increases. Steelcase North America is implementing a commodity surcharge. The surcharge is 1.25% of published list pricing and is not subject to discounting. It applies to Steelcase, Details, PolyVision, Turnstone, Coalesse (including Brayton, Metro, Vecta and Coalesse Live/Work), and Nurture (including Brayton Healthcare and Softcare). Business Interiors will concurrently institute a transportation surcharge of .75 % for all orders delivered inside our Northern New England Markets.

The surcharge is effective September 1, 2008. This is not a price adjustment, and our intent is not to make additional profit from the surcharge. The surcharge is to offset some of the dramatic increases in commodity costs. At this point, it is unclear if or when a significant decline in these commodity prices will occur. We will continue to closely monitor the dynamic changes in the Market.

I am confident that, even with this surcharge, you will continue to find that Business Interiors and Steelcase provide the best value in the industry. Please do not hesitate to call me if you have questions or if I may be of assistance.

Thank you for your business.

Sincerely,

Jim Baker
Dealer Principal