



November 23, 2004

To: All Customers: Immediate Effectivity

RE: **Raw Material Memo.**

Due to the unprecedented raw material marketplace relating to price, supply and delivery at this time, McWilliams Forge is forced to modify certain procedures regarding new or changed orders. Effective immediately, customer requests for increased production, activation of inactive part numbers for which we have not "hedged" material, or delivery improvement requests, will result in immediate price adjustments to reflect the spot buying of raw material necessary to meet these requests. The revised pricing will include the current raw material pricing, any mill surcharges or "price in effect" adders, and the normal markup on that particular order.

McWilliams Forge Company regrets the implementation of this revised procedure, but cannot mitigate the risks associated with non-strategic procurement of raw materials. We appreciate your understanding for the necessity of this action, and we hope that the market returns to some level of sanity soon so we can rescind this provision.

McWilliams Forge Co Inc.