



599 Norris Crt,
Kingston, Ontario
CAN K7P-2R9
www.fusetek.com

Head Office:

Tel: 613.384.4144

Fax: 613.384.0167

Toll Free (Canada & US)

Tel: 800.479.3875

Fax: 800.866.7690

December 1st, 2008

To all our valued customers

Ref: price changes

Dear Customer,

With all the hoopla in the media these days regarding retail price drops due to the present favorable currency rates, we would like to offer the following counterpoints.

1. Many wholesale companies, ourselves included, have reduced their prices over the last 18 mths to 2 years as the Canadian dollar appreciated against the USA dollar. As a result, most of today's day-to-day prices are much lower than they were 2 years ago. In other words, we have already reacted to the currency changes.
2. The exchange has little or no impact on the cost of doing business in Canada. Fuel, transportation, salaries, insurance, brokerage, metal costs, etc... have all increased dramatically during this same time period.
3. For US companies selling to Canada in US dollars, this change in currency has zero impact as they still get paid in their native currency. For them, it is business as usual, and as a result, Canadian companies are still seeing price increases from their US suppliers. We are no exception. These increases can only be absorbed to a point.
4. The currency is still fluctuating quickly (a high of \$1.10 and then down to \$1.00 within two weeks – that's 10%!). While the present favorable exchange allows more competitive 'one-shot' deals – long range pricing strategies have to consider the possibility that the present favorable exchange will not remain where it is indefinitely.

Fusetek remains committed to keeping our customers competitive, while still providing the inventories, service and product knowledge that you have come to expect from our company.

Any price increases in the present economic climate are those deemed necessary because of the above factors, and will be kept as low as possible.

If there are any questions or concerns regarding this subject, please feel free to contact our offices.

Best Regards
Malcolm Bird
General Mgr.



KNOWLEDGE. SERVICE. SOLUTIONS.