



To: All B&L Customers
Re: Spring pricing issues
From: Don Tomeny

1/25/11

RESIDENTIAL ROOFING -

1. Pricing - In last month's letter I mentioned that there was a good chance that roofing shingle pricing would remain relatively stable but that there were rumors that one manufacturer was going to announce an increase in April. Well, about a week after that letter was mailed we received a notice from one company that they were going up 6-8% on March 1, 2011. This was followed by all the others within several days – all announcing 5-8% increases on or around March 1st.

Because of the rising price of oil related products, the fact that many distributors have not ordered the traditional large winter buys and the decision by the manufacturers to not build large inventories, I believe this increase will hold. If it does, we should have enough shingles in our yards to maintain current pricing through at least May 1, 2011 so our worst case scenario would be to increase our pricing 5-8% on May 1, 2011. This could be pushed back if the Spring business is slow but I would rather let you know the reality of the situation upfront.

2. Warranty changes – Just prior to the IBS Builders convention in Orlando earlier this month, GAF announced a major change in their shingle warranties. All of their laminated architectural shingles – including Timberline 30 High Definition and Natural Shadow – will now carry a LIFETIME Limited Warranty. The previous warranty had a 5 year 100% coverage provision for labor and materials and then prorated coverage for materials only (no labor) for years 6-30 on Timberline 30. This has now doubled to 10 year 100% coverage for labor and materials and prorated material coverage down to a minimum of 20% for the life of the original purchaser.

This new warranty is in effect for all jobs installed January 1, 2011 or later. There are many more details and we would be happy to provide you with specific information.

As of this date, Owens Corning has formally announced that they will be matching GAF's basic warranty and CertainTeed and IKO have indicated they are in the process of doing the same. There are significant differences between the upgraded warranties and we will let you know these as soon as they are published.

Thanks for your business and we will do our best to keep you informed on any upcoming changes to what will, hopefully, be a better year than 2010.

Very truly yours,
B&L WHOLESALE SUPPLY, INC

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