



April 7, 2006

To Our Valued Customers:

Everyone in our industry has experienced significant increases in operating costs over the years, while at the same time we have seen a steady decline in profit margins due to industry pressure. Fuel costs, labor, insurance, etc, etc have increased while prices have been pushed down.

As many of you are aware, there have been several announcements by other manufacturers and distributors of automotive glass products stating that a price increase will go into effect this month. This follows a yearlong trend of increases that include the addition of fuel surcharges, increased delivery costs and increased costs of the raw product. After careful consideration, we have no choice but to pass the increase onto our customers. Effective April 17th, we will increase all glass prices by 3%.

Please bear in mind that this increase will only result in an actual cost increase of a couple of dollars per part on your most common purchases. We are certain that this can be passed on to your customer without any impact on your business should you decide not to absorb it yourself.

We thank you for your continued support of AG Distributors. As an independent distributor, without retail or network affiliation, you can count on us to support you –the lifeblood of our business.

Sincerely,

Steve Theisen
Managing Partner

BOISE – SALT LAKE – SPOKANE

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