

GEM OF THE MONTH

The cost of doing business is more than just the price of the product.



Enter to win \$200 worth of Aaron & company A-TEAM Contractor Apparel. Purchase a total of at least \$100 in IPS products during April & May and enter a drawing to win the apparel. Send the completed form to: Kevin Manning c/o Aaron & Company, PO Box 8310, Piscataway, NJ 08854.



Company Name _____

Your Name _____

Phone No. _____

Invoice numbers with IPS product purchases: _____



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800-4-TRENTON (800-487-3686)
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**These facilities have



Visit us at www.aaronco.com

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Return Service Requested

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RAW MATERIAL COMMODITY PRICES SOAR INTO 2004

Hold on to your hat and prepare for take off. Over the past nine months the pricing of the raw materials for a majority of the products we sell has risen at historic rates. Copper, steel, nickel, and other metals have risen sharply recently. Couple that with the increases in transportation cost and we are seeing significant price increases across many product categories.

Copper futures have jumped to \$1.30 a pound on the Comex division of the New York Mercantile Exchange as of March. This represents a 58% increase since September 30, 2003. High demand in the construction and auto industries coupled with a weakening US dollar in the world economy has driven up the price of copper. The dollar was weakened internationally by the proclamation by Fed Chairman Alan Greenspan that interest rates will remain low for the immediate future. Other alloys like gold, silver, and nickel also saw a boost from this announcement. Like chum to the sharks, those that need the raw copper for production intensified the frenzy by gobbling up the inventory as prices steadily rose fearing that unless they grabbed some now they may not get it later. These actions further reduced supply and continued to drive up prices.

Recent nickel increases have been over 400%!!! The major product affected by this is stainless steel sinks. Elkay has announced a 5 to 8% price increase.

Steel prices are also soaring upward on the world market. The booming Chinese economy is buying up significant amounts of all types of steel for production. The availability of steel for the rest of the world economy has tightened, and with the continued weakening of the US dollar it is more profitable and attractive for the steel producers to sell to other countries. As an indicator as to how the steel market is going, scrap iron has gone from \$110 a gross ton up to \$245 a gross ton from June 2003 to February 2004, and the price of a ton of hot-rolled coil steel hit \$482 in February, up 66% from a price of \$345 a ton in June of 2003.

With the demand from China for raw materials so great shipping capacity has to increase to keep up with the growth. The price for shipping a ton of iron ore has almost tripled due to lack of available ships. It now costs more to ship a ton of iron ore than it does for the iron ore itself. With a rationing of shipping, transportation costs are higher and there is more potential for shortages as all product manufactures via for this limited available shipping capacity.

To further complicate the issue, COKE (metallurgical coal used in the production of raw steel) is also in worldwide shortage due to high demand, and a fire at a major US COKE provider.

Our prices will increase considerably and potentially frequently as our vendors increase prices to us on the commodity based products.

What all this means to us is higher prices in 2004. Starting with the commodity type products like copper tubing, copper fittings, steel pipe and fittings, sheet metal, registers & grilles, and line sets which will be hit the hardest because they are completely fabricated by the raw material. Other products like faucets and heating & cooling equipment will also rise because of their component commodity needs for production. Plastic pipe and fitting manufacturers have also experienced raw material, energy, and transportation increases and will also raise prices accordingly.

Bradford White has announced an across the board \$5 to \$7 increase on residential water heaters and approximately a 2% increase on commercial water heaters effective April 1. The reasoning given was unprecedented increases in raw material costs. They also noted that the raw material markets continue to be in a state of flux and that additional increases might be down the road.

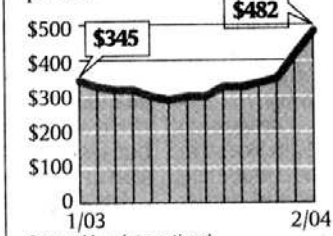
After many years of no to low inflation 2004 looks to be the year that we experience significant inflation due to huge raw material price increases. Our industry will be one of the first affected because our usage of products that are directly tied to the commodity raw materials, but price increases will be coming on virtually all durable goods.

Our prices will increase considerably and potentially frequently as our vendors increase prices to us on the commodity based products. Keep this in mind when quoting your customers on up coming projects, and call for your current pricing.

Those of you that have contracts for business that lock your prices in for a period of time with a customer need to address the significant commodity increases with your customer and ask for some form of relief / increase. This dramatic price increase across the board does not look like it will recede in the near future.

Value of steel up

Steel prices have jumped in response to supply worries. In dollars per ton:



Source: Meps International
By Marcy E. Mullins, USA TODAY

What's Inside

PRICE CHANGES	2
NEW AT AARON & Co.	2
MVP	3
LOAD THE BARN	4

Aaron & Company is excited to announce the addition of select IPS products to our offerings.

IPS is the leader in ABS & PVC cements made for the professional trade and NOT sold through the Big Box Home Centers.



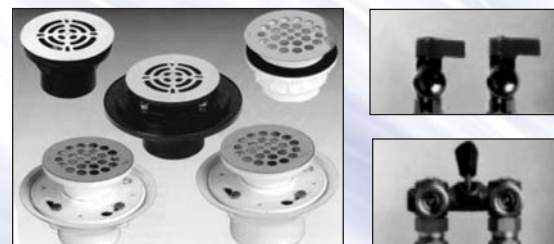
IPS Cements are considered the best on the market because:

- They use more resin than other manufacturers, which creates better joints.
- 3-year shelf life with a manufactured date code you can read (ex April/04) not a digital date code.
- Works better in cold weather, smoother and easier to spread in all conditions.
- Professional made for the Professional Contractor – not a Home Center product.



We will also stock IPS plastic Washing Machine and Ice Maker boxes. IPS is the innovator of these products and has features designed in for a Professional installation:

- Dual 2" PVC/ABS drain couplings with knockout test caps.
- 2" Condensate knockouts
- FACTORY INSTALLED with 2 quarter turner BALL VALVE shut-offs or single lever shut-off.
- Contractor Pack available with frames packed separately from boxes and mounting flanges for protection and safe keeping until finishing stage.



We will also stock other various IPS Plumbing sundry items including test caps, closet and urinal flanges, pipe clamps, shower pan liner, knee pads, soldering accessory flame stopper pads, and general purpose drains.



Flame Stopper Torch Protector 9" x 12"

All products are professional grade, sold through wholesalers only.

PRICE CHANGES

Recent or upcoming manufacturers' price increases include the following alphabetically:

Airmax A/C Coils	Gerber Brass +1.8% (weighted average)
American Metal Products • B-Vent +4-8% • Grilles, Registers, Diffusers +4-5%	Gibson, Frigidaire, Mammoth • Equipment, Parts, Accessories +3%
Amtrol Well Tanks, Residential Pressurisers +5%	Hart & Cooley Grilles, Registers, Diffusers +4-8%
A.Y. McDonald Water Service +10%(includes 2 price increases)	Hoffman Specialty +2%
Ball Valves +7%	Insulation Products +3-5%
B & G Hydronic Specialties +2%	IPS Corp. +3%
Beacon/Morris Unit Heaters +2-6%	Jacuzzi +3%
Bradford White Residential/Commercial +2-4%	Keeney Mfg. +4-8%
Brass Fittings/Nipples +18-22% (includes 2 price increases)	Matco/Norca • Valves, Plumbing Specialties +5-20%
Bock Oil Fired Hot Water Heaters +4-7%	• Malleable Fittings +10%
Brasscraft • Supplies/Stops +5% • Gas Connectors +3%	Mission Rubber
Broan +3%	Mueller Water Service + 10% (includes 2 price increases)
Cain Manufacturing +15-25%	Nibco • Pressure Rated Valves +5-7% • Commercial/Industrial
Charlotte Cast Iron Pipe/Fittings +15% (includes 2 price increases)	Oatey +3-4% (Wax Rings +10%)
Compression/Flare Fittings +6-15%	Purolator Air Filters +3%
Diversitech • E-Lite Pads +2% • Ultralite Pads "no increase"	Sloan • "Royal" Line +5% • Other Products +10%
Elkay, Dayton, Kingsford Stainless Steel Sinks +5-8%	Steel Pipe Nipples +6-10%
E-Z Trap	Swan +5%
Greenfield Hangers +10% • #320 Hanger No Increase	Wardflex +5.5%
	ZM Sheet Metal +10%

Bradford White Gives Back To The Community



Bradford White Corp. donated 220 toys to help the Marine Corps with its Toys for Tots campaign. Cpl. Raymond Rhodes (pictured left) and Lt. Joshua Haydt (middle) of Marine Air Group 49 out of naval Air Station, Joint reserve Base Willow Grove, Pa. received the donation of the toy cars from Ted Sikorski, vice president of marketing. The cars, which are 1/24 scale miniatures of the Bradford White car that raced in the NASCAR circuit, joined another 75,000 toys in the campaign aiding family, families in Bucks and Montgomery counties of Pennsylvania.

Rewards Await YOU!!!!

MVP BONUS POINTS

APRIL

IPS products 2 bonus points for each dollar in purchases. Min \$100 to qualify.



White Rodgers products 2 bonus points for each dollar in purchases. Min \$200 to qualify.



Sign up for the MVP 2004 or A-TEAM CONTRACTOR Program now!!!! Earn rewards for your purchases from Aaron & Company. From Tee shirts and Jackets to the latest electronics and vacations - Aaron & Company is your only local source for supplies where all your purchases count to towards great rewards!!!! Call your Aaron & Company Sales Representative today and ask to be signed up for either the MVP 2004 or A-TEAM CONTRACTOR programs. Its free...you've earned it!!!



MASTER PLUMBERS EDUCATIONAL SERVICE OF NJ TO HOLD LICENSE RENEWAL CLASS AT AARON – PISCATAWAY

The Master Plumbers Educational Service of NJ will hold a license renewal class at Aaron & Company in Piscataway. The class fulfills your continuing education requirement in order to maintain your New Jersey Master Plumbers license. The class is open to the first 30 people to register. The class will be Saturday May 22 from 8:30am to 1:30pm at Aaron & Company, 30 Turner Place, Piscataway. To register call the Master Plumbers Educational Service of New Jersey at 908-496-9034.

Burnham Hydronics

Burnham Hydronics Bucket Boss® GateMouth® Jr. Wide-Opening Tool Bag 2004 Spring Promotion

We are pleased to announce our 2004 spring promotion that will allow you to give your customers a FREE GateMouth Jr. Wide-Opening Tool Bag for each cast iron or steel boiler they purchase during April and May 2004. This durable tool bag features 22 pockets, a wide opening top and is big enough for cordless tools, battery, and accessories.



Call your Aaron & Co. Sales Rep for details!