

# Price Increase Commercialization

March 21, 2011



# 2011 Price Increase Strategy

  
**Price Increase Announcement**

To: Our Valued Cooper Lighting Customers

January 18, 2011  
ACF000344

Due to continuing inflationary pressure in raw materials, packaging, and transportation costs, Cooper Lighting is announcing a general price increase for all lighting and controls products in the range of 5 - 7% on average effective March 21, 2011. Excluded from this increase will be recently introduced LED products, occupancy sensors and Go Green promotional orders.

All orders entered on or prior to March 18, 2011 and calling for immediate release will be honored at current prices. Orders entered on or after March 21, 2011 will be invoiced at the new prices as noted above.

Previously quoted projects will be honored as per the originally quoted terms and conditions. Effective March 21, 2011, all new quotations will be issued using the new prices. A Cooper Lighting sales representative will supply you updated distributor net price files.

Throughout all recent economic cycles, Cooper Lighting has continued to invest in our products and in our customers as demonstrated by our world-class Innovation Center, the most comprehensive line-up of LED products in the industry, and high-performance energy efficient lighting and controls solutions. Going into what we believe will be a year of recovery in 2011, Cooper Lighting remains committed to providing industry-leading lighting solutions and best-in-class service to our channel partners and end-user customers. With your ongoing assistance, we will remain at the forefront of the lighting industry by helping businesses and communities leverage the latest technologies to improve efficiency, reduce costs and enrich the quality of the environment. We value your business and thank you for your continued support.

Sincerely,

  
Daniel Castillo  
Vice President, Sales

  
Craig Kasler  
Vice President, Marketing

  
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**Communication of Strategic Direction**

# Lithonia Price Increase



Acuity Brands, Inc.  
One Lithonia Way  
Conyers, GA 30012-3957  
www.acuitybrands.com

December 28, 2010

To: Authorized Acuity Brands Distributors, U.S. and Canada

The escalation in the cost of materials has increased to the point where a price increase is merited early in 2011. Copper is priced at unprecedented levels. Petroleum prices have caused plastic components to increase and transportation costs are surging. Steel and aluminum spot market prices are up and the mills are enforcing future shipments with premiums.

A price increase of 5 to 7% will be applied to fixtures, certain controls, poles and RELOC® wiring systems in both the U.S. and Canada on February 28, 2011. Excluded from this increase will be Winona Lighting products and all LED luminaires. The last day to enter pre-price-increase orders is February 25, 2011. Quotations for projects will be honored for the terms of the quote.

You will receive price protection for qualified Kick-off Stock Promotion orders. The Lithonia Lighting and Sensor Switch promo is underway until March 31, 2011. Your qualified promotion stock orders will be honored at pre-price-increase levels for the entire promotion period, until the end of March 2011.

We will notify you when the price lists are uploaded in January, at your Lithonia Distributor Center (LDC). The LDC will display the current prices and adjusted prices. At this time, there will be no changes to freight or other terms and conditions of sale.

We believe 2011 will be a year of continued recovery for North American markets. Contracts for new construction are forecasted to increase. Renovation opportunities are plentiful, as clients look to upgrade and capitalize on energy savings. Acuity Brands chooses to sell renovation through distributor partners. No other lighting and controls supplier brings more technology and energy solutions for your team than Acuity Brands. Your business is appreciated and we will tirelessly endeavor to earn your support in 2011.

Regards,

Geoff Marlow  
VP, C&I Sales

Myron Martin  
VP, Pricing and Margin Management

# Day-Brite Price Increase

**PHILIPS  
Day-Brite**

**Business Unit Professional  
Luminaires of North America**

PO Box 1687  
Tupelo, MS 38802-1687  
The United States of America

January 6, 2011

To: All Philips Day-Brite Customers

As a result of continued increases in material, energy related costs, transportation costs and steel costs, Philips Day-Brite is announcing a general price increase for all lighting products in the range of 5-7% effective February 28, 2011. This includes Day-Brite, Capri, and Omega brands. Excluded from this increase will be all LED lighting products.

Orders entered by February 25, 2011 for immediate release will be honored at current prices.

Orders entered February 28, 2011 and after will be invoiced at increased prices as noted above.

Effective immediately, quotations for projects with expected release dates after February 25, 2011 will reflect the new increased prices.

Quick Start Plus 2011 orders will receive price protection through the Quick Start promotion period ending March 31, 2011. Quick Start orders MUST meet all the terms of the promotion in order to receive price protection.

We appreciate your continued support of Philips Day-Brite.

Regards,



R.M. (Bob) Carswell III  
Vice President of Sales  
Philips Day-Brite

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Tupelo, MS 38804  
The United States of America

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# Hubbell Price Increase



**Hubbell Lighting, Inc.**

**Hubbell Lighting, Inc.**  
 R. Bruce Bittner  
 Vice President Sales  
 701 Millennium Boulevard  
 Greenville, SC 29607  
 Phone: 864 678-1530  
 Fax: 864 678-1539  
 www.hubbellighting.com

January 7, 2011

«Name»  
 «Address»  
 «City», «State» «Zip»

Dear Hubbell Lighting Distributor:

The lighting industry in general, including Hubbell Lighting, Inc. (HLI), continues to experience escalating costs, especially in primary metals, packaging and transportation. As a result, HLI announces, effective March 7, 2011 a price increase of 5% to 7% on most of our brands and products.

Examples of cost escalation since the last realized price increase include:

|                                  | <u>April 2009</u> | <u>January 2011</u> | <u>Increase % last 21 months</u> |                               |
|----------------------------------|-------------------|---------------------|----------------------------------|-------------------------------|
| Galvanized Steel (per ton)       | \$ 600            | \$ 915              | 52.5%                            | American Metal Mkt. Data      |
| Aluminum – unalloyed (per ton)   | \$ 1,359          | \$ 2,240            | 64.8%                            | American Metal Mkt. Data      |
| Copper (per ton)                 | \$ 4,141          | \$ 8,713            | 110.4%                           | American Metal Mkt. Data      |
| Zinc (per ton)                   | \$ 1,545          | \$ 2,517            | 62.9%                            | American Metal Mkt. Data      |
| Kraft Linerboard (per ton)       | \$ 545            | \$ 645              | 18.3%                            | US Dept. of Labor Price Index |
| Transportation:                  |                   |                     |                                  |                               |
| On road diesel fuel (per gallon) | \$ 2.23           | \$ 3.29             | 47.5%                            | US Dept. of Energy            |

- ▶ Orders entered prior to March 7, 2011 for immediate shipment will invoice at current prices.
- ▶ All quotations issued on or after March 7, 2011 will reflect the price increase. Projects quoted previous to that date will be honored as per the original terms and conditions of the quotation.
- ▶ Distributor stock pricing with these increases will be provided by your HLI sales representative.

Hubbell Lighting, Inc. continues to focus on producing the highest quality products in the most cost effective manner. Thank you for your support in implementing these changes.

Sincerely,

R. Bruce Bittner

# Valmont Price Increase



November 1, 2010

Re: North American Price Increase Announcement

Dear Valmont Customers:

Due to increased costs of certain raw materials and transportation, Valmont Structures will be increasing list prices on many of the lighting structures we manufacture. This increase will go into effect December 1, 2010. Depending on product type and finish we will be initiating a price increase of up to 5%. We are in the process of updating our price lists to reflect this change and you will receive them soon.

All new project quotations, as of today's date, will reflect the new prices. All hold for release orders must be released for immediate shipment by November 15 or they may be subject to this increase. Please contact your Valmont Sales Manager for specific transaction details.

We thank you for your continued support and remain committed to providing you with comprehensive products, superb technical solutions and remarkable value.

Sincerely,

A handwritten signature in black ink that reads "Dan Witt".

Dan Witt  
Vice President of Marketing, Product Development, and Customer Engagement.

TWP#1381010

# Leviton Price Increase



December 21, 2010

To Our Valued Distribution Partners,

Material costs are impacting many of the raw materials and components that go into our products sold to you. These critical materials, in particular, copper, brass, nickel and plastics continue to increase in cost and require us to raise prices on much of our product line.

Given these factors and our commitment to providing you as much advance notice as possible we are announcing a price increase effective March 7, 2011.

The increase will affect the following products:

**Residential Products:**

- Switches and Receptacles (except TR)- Standard and Decora +3%
- TR Receptacles and TR 15A GFCIs will not go up
- Standard non TR 15A and 20A GFCIs +5%
- Lighting Controls +3%
- Connected Home products 3-5%
- Wall Plates and Cheetah Speed System boxes +3-5%

**Commercial & Industrial Products:**

- Locking Devices and Straight Blade +3%
- 20A GFCIs +5%
- Pin & Sleeve +6%
- Single Cam Devices +7%

**Commercial CommData Products:**

**Lighting Management Products:**

- Occupancy Sensors 3-5%
- Commercial Dimmers 3-5%

Our Leviton Price Agreements expiring at year end or before the March 7, 2011 effective date will be increasing by the same percentages as above. Our local representatives will be assisting your appropriate personnel on these changes.

We will have your new pricing available via E-mail in an Excel Format, or via EDI if you trade that document set with us. For the Excel version please e-mail [pricing@leviton.com](mailto:pricing@leviton.com) with your Leviton account number and please include your "city and state" in the subject field. Your custom pricing will be sent to you no later than February 7th 2011. EDI pricing will be automatically transmitted to you. If you require a hard-copy version, you should contact your Leviton Sales Representative.

At Leviton, we recognize in these challenging times, it is vitally important to competitively support you and your customers while continuing to provide value added services. Our continued process improvements have mitigated a good deal of these increases but not enough to absorb the full impact of these increases.

We continue to expand our line, invest in new technology, and bring new market opportunities that mutually provide top and bottom line benefits. We are grateful to you for the business your company entrusts to us and will continue working to earn it.

Thanks for your continued support.

Sincerely,

William W. Marshall  
Senior Vice President of Sales and Marketing

# Economic Landscape

- Commodity cost increases have been rapid & significant.
- Metals reached new highs for 2010, with projected increases for 2011.
- International stimulus actions & low interest rates creating demand for commodities leading to unstable inflation environment.
- Economic & business forecasts focus on growth in US economy.
- Increasing costs drive increased manufacturing costs & Cooper can no longer absorb the increase costs.

**Inflationary Pressures Across the Market**

# Commodities Forecast Summary

|                  |            | Nov-09         | Nov-10         |                      | Comments   |
|------------------|------------|----------------|----------------|----------------------|--|
|                  | Units      | Global Insight | Global Insight | % Growth 2009 - 2010 |  |
| CR Steel         | \$ / CWT   | 30.8           | 34.3           | 11.2%                | Mills standing firm on recent price increases. Projected to increase through 2011.     |
| HR Steel         | \$ / CWT   | 25.6           | 28.3           | 10.3%                |  |
| Galv. Steel      | \$ / CWT   | 37.9           | 38.5           | 1.6%                 |  |
| Tri-Cities Scrap | \$/MT      | 268            | 385            | 43.4%                | Scrap prices and finished steel is expected to remain strong.                          |
| Copper           | \$/MT      | 6,674          | 8,540          | 28.0%                | Copper prices are expected to reach record in 2012. Escalating costs in 2011.          |
| Aluminum         | \$/MT      | 1,949          | 2,367          | 21.4%                | Prices are projected to rise slowly across 2011.                                       |
| Lead             | \$/MT      | 2,308          | 2,436          | 5.5%                 | High demand for use in batteries for electric and hybrid vehicles.                     |
| Nickel           | \$/MT      | 16,983         | 23,139         | 36.3%                | Prices will move higher as stainless steel mills restock inventories.                  |
| Zinc             | \$/MT      | 2,193          | 2,361          | 7.7%                 | Prices to stay high on steady demand and buoyant copper markets.                       |
| Silver           | \$/Oz.t    | 16.4           | 24.6           | 49.4%                | Could rise to \$30/oz in 2011 vs an average of \$19.94/oz in 2010.                     |
| Oil              | \$/ Barrel | 77             | 84             | 8.9%                 | Crude prices tracking expectations of economic recovery. Currently over \$90 / barrel. |
| Natural Gas      | C /mmBtu   | 461            | 397            | -13.9%               | Projected spot price averages \$4.35/MMBtu for 2011.                                   |

## Copper News:

### Supply

- Nov 17, global copper market was in a deficit of 112,000 tons in the first nine months of the year versus a surplus of 36,000 tons in the same period last year.

### Demand

- Project global consumption to increase by more than 6.0% in 2011 and 2012.

### Prices

- Prices will hold above \$8,000/mt in the second half of 2011 and 2012.

## Aluminum News:

### Supply

- The key to what happens next is the Chinese government's efforts to rein in energy demand have targeted the aluminum industry for cuts.

### Demand

- A scarcity of high-quality mines and sites for new smelters constricts supply in the face of surging global demand

### Prices

- Aluminium will climb to \$2,700 a ton next year, on improving demand and falling output in top producer China.

## Oil News:

### Supply

- Global oil inventories dropped as demand continues to increase at a faster pace than supply..

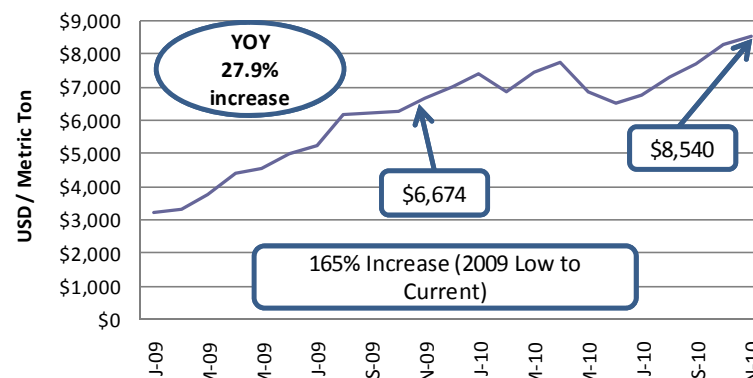
### Demand

- Year-on-year growth in the first half of 2010 estimated at 1.6 million b/d.

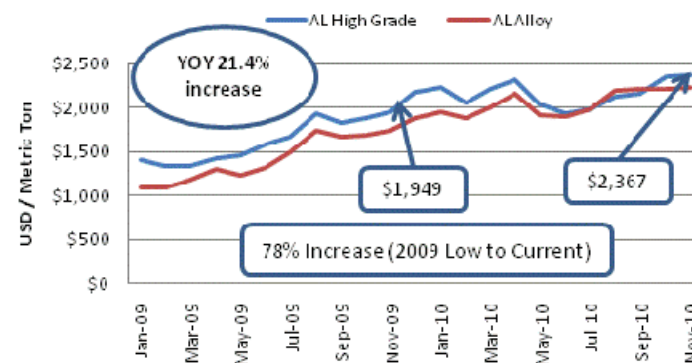
### Price

- Crude prices have been tracking expectations of an economic recovery.

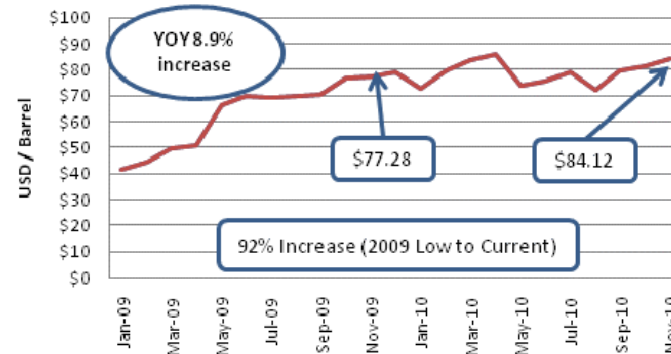
Copper Grade A - LME Official Spot Bid



Primary and Casting Grade Aluminum



Crude Oil - Light Sweet Cushing



- **Industry leader**
- **Broadest Product Offering**
- **Strong nation wide agents**
- **Innovation**
- **Cooper Connection**
- **Strongest Brands – Halo (12<sup>th</sup>)**
- **Proven vendor for over 20 years**
- **Extensive North American Mfg & Distribution Infrastructure**
- **Investing in Tomorrow's Technology: LED & Controls**



**Strong Foundation + Investment in Future = Leadership**