



Westinghouse

September 9, 2011

Dear Westinghouse Customer:

In July 2011 Westinghouse Lighting announced a price increase effective September 1, 2011 due to the continuing escalation in the costs associated with manufacturing, transporting and selling our products. A significant component of that increase was related to the global shortages and cost increases in Rare Earth Oxide Phosphors.

As I indicated previously, Rare Earth Oxide phosphors are a critical component in producing Linear Fluorescent and Compact Fluorescent lamps. They can represent as much as 40% of the total cost. More than 95% of the Rare Earth Oxides mined come from China. The Chinese government strictly controls the production, distribution and export of these Rare Earth Oxides, and has drastically reduced the amount available for production purposes. This has created a lack of stability in product pricing, manufacturing production capacity and lead times associated with Linear Fluorescent products in particular. This global shortage has caused costs to continue to rise dramatically and unpredictably with signs of continued escalation into the future.

Westinghouse Lighting is no longer able to maintain a fixed position on Linear Fluorescent products until this situation stabilizes. As such, effective immediately, Westinghouse Lighting will be moving to a P.O.A. (Price on Availability) quoting structure for all Linear Fluorescent products including, but not limited to: T12, T8, T5, T10 and all specialty fluorescent lamps. All published promotional and proposal pricing will be suspended as of September 23, 2011. This temporary P.O.A. implementation will allow us to cost average our products and best support our partner's needs for product at market competitive levels during this unstable time in our industry.

If you have any questions regarding this P.O.A. quoting structure, please contact your Westinghouse Regional Sales Manager, Customer Service Representative or Westinghouse Manufacturers Representative.

Thank you for your continued support and partnership.

Sincerely,

Jeff Bristol
Sr. Director Sales

Westinghouse Lighting Corporation
a Westinghouse Electric Corporation licensee

12401 McNulty Road, Philadelphia, Pennsylvania 19154-1029 Telephone - 215.671.2000 Fax - 215.464.4115 www.westinghouselighting.com