

Announcement

#08-38K

Date: June 16, 2008
To: All Kidde Distributors
From: Kate Houghton, Director of Marketing
Subject: Pre-notification of price increases

As you are no doubt aware, there is significant price pressure in worldwide commodity markets with everything from steel to propane being affected by shortage in supply and surging prices. Many of the commodities and products being affected are either feedstock items or core components of our various fire protection systems product lines. Kidde Fire Systems remains committed to working with our suppliers to minimize the impact of cost increases on our product lines, however some level of increased costs is unavoidable under current market conditions.

Kidde Fire Systems is currently assessing the impact of these fluctuating and increasing commodities prices and it is likely that we will be forced to issue price increase adjustments in the near term. As such we feel it only prudent to advise you of such an imminent price adjustment so that you can adjust your project bids and submittals accordingly. We strongly recommend that you consider decreasing the time period that your quotations are valid for and consider the use of pricing escalation clauses in your contracts and bids.

We appreciate your understanding in this matter and we will be communicating price changes to you shortly. Please do not hesitate to contact your Regional Sales Manager if you have any questions that we can address.

Thank you for your continued business.