February 4, 2010

To Our Valued Customers,

Over the past 18 months, we have undertaken significant steps to control our costs by aggressively taking cost out of our business. Not unlike you, this has meant making difficult decisions, such as reducing workforce, reducing working hours and reducing discretionary spending. We have however continued our focus on process improvement initiatives such as Lean Manufacturing, and automation to simultaneously reduce costs while improving quality. These initiatives are what have allowed us to maintain our list price structure since June 2008.

Although we have cut discretionary spending, we have maintained our focus on the industry and are committed to our efforts to grow the use of sprinklers though national code adoption and local sprinkler initiatives.

Unfortunately, even with concerted and aggressive efforts to minimize costs, we cannot control the price of raw material commodities, exchange rates, health care inflation, and the rising cost of oil and transportation. Based on these challenges, we have found it necessary to increase our list prices on most sprinklers, valves, and devices 5%-7%. The price increase will be effective March 23, 2010.

We will continue to work closely with our vendors to minimize the impact of resale price increases and to provide as much advanced notice as possible. As you are aware it is difficult to accurately define these increases, although we expect increases in the range of 5%-25% on resale items.

Our new price book information will be available on February 26, 2010 and will be published on our website for your review. Tyco Fire Suppression & Building Products is committed to supporting you and the fire sprinkler industry through technology and innovation. We appreciate your continued support.

Sincerely,

TYCO FIRE SUPPRESSION
& BUILDING PRODUCTS

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