

July 18, 2011

Dear Valued Customer

Since 1939 Voss Lighting has been dedicated to providing you with the most energy efficient lighting products available.

In our 70+ years of business, we have seen the lighting industry change dramatically as it has transitioned from incandescent to fluorescent technology and most recently to microprocessor technology (LEDs). Through this our goal has remained unchanged - to offer products that maximize energy savings without sacrificing light quality.

Recently however, market conditions are bringing about changes that will affect the entire supply channel for lighting products, particularly linear and compact fluorescents (CFL's). This past year the price of Rare Earth Elements, 95% of which are mined in China, have increased substantially due to the recent activities of the Chinese government. Rare Earth Elements are critical components in the production of the phosphors used in linear fluorescents and CFL's. Additionally, phosphors are the most expensive component in a linear fluorescent lamp and over the last 12 months the cost of phosphor to manufacturers has soared nearly 300%.

Consequentially, every major lighting manufacturer (GE, Sylvania, Philips, TCP, etc.) has announced price increases beginning as early as August 1, 2011. These price increases are unprecedented – ranging from 5% to 85%. Obviously, such an unparalleled price increase will be passed down the supply channel and ultimately to the end-user.

Going forward, the combination of an escalating global demand for Rare Earth Elements and the continuing restriction of supply by the Chinese government will only serve to exacerbate the current situation. We realize such steep cost increases in the current economic environment will be given more than just a casual consideration. We will continue to work hard to earn your business and provide you with quality products that could allow you to off-set escalating product costs with additional energy savings.

We appreciate the trust you have placed in us as your lighting supplier and will continue to provide you with quality products at a fair market price.

Important Notice: Backorders of fluorescent products may be subject to price increases.

Additional information relating to the price increase can be found on our website at www.vosslighting.com.



Michael H. Voss
President



Steve Sanderson
VP, General Manager

We Sell...to Tell