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To: All Mars Electric Customers

RE: Lamp Pricing Policy

Effective Date: 10/3/2011

There have been several dramatic increases in the price of fluorescent lamps in the past 6 months, caused by a shortage of rare earth oxides. At Mars Electric, we have been working with our fluorescent lamp suppliers to keep pricing stable and as competitive as possible. However, increases in fluorescent lamp prices have forced Mars Electric to revise its lamp pricing policy.

Products: All Linear Fluorescent Lamps (TL), Compact Fluorescent Integrated (CFLi) and Compact Fluorescent non-integrated (CFLni) lamps

Issue: Global market fluctuations on cost and availability of Rare Earth Oxide (REO) which comprise the majority of material found in phosphor coatings on fluorescent lamps

Issue: Philips in-to-stock and SPA (Special Pricing Agreement) contract pricing effective on date of delivery

Lamps on OTC quotes – current price will be quoted – actual lamp price based on date of delivery

Lamps on project quotes – current price will be quoted – actual lamp price based on date of delivery

Lamps shipped with fixtures from the manufacturer– no change in policy, per the mfg. quoted terms

If you would like more information on this shortage, and how it's affecting the marketplace, please visit the site below.

<http://www.usa.lighting.philips.com/lightcommunity/trends/phosphor/>

Regards,

Dan Nitowsky

Vice President
Mars Electric Company

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