



Speaker Surcharge to increase effective 9/1/2011

As previously announced (Marketing Update #372, dated 6/6/11 and #390, dated 7/18/11), Federal Signal has been forced to add a surcharge onto all orders for electronic speakers due to the escalating global market prices for the “rare-earth metals” used in Federal Signal’s various 100-watt and 200-watt electronic speakers.

Since that announcement, the costs of “rare-earth metals” has continued to rise.

As a result of this situation, Federal Signal will be increasing the surcharge from the current US\$19.00 per unit to **US\$26.00** per unit on all orders for our electronic speakers and speaker drivers as of September 1, 2011.

To illustrate the global market volatility, the table below shows the average market pricing for one kilogram of neodymium over the past several years.

Date	Market Price of 1 kilogram of Neodymium (US\$)
12-31-2008	\$18.00
12-31-2009	\$29.00
12-31-2010	\$114.50
5-30-2011	\$333.50
6-30-2011	\$419.50
7-31-2011	\$499.50

This change applies to all speaker and speaker driver models. Below is a partial list of the most popular model numbers affected by the implementation of this surcharge.

Popular Speaker models affected (partial list)

Model #	Description
ES100	DynaMax, 100-watt compact speaker
ES100-DEU	DynaMax speaker with connector
750501	AS124, 100-watt composite speaker
TS100-N	TS100, 100-watt speaker
BP100	100-watt speaker

- continued -

page 1 of 2



Model #	Description
CP100-S	100-watt stainless steel speaker
DS100-D	Driver-side Speaker/mount for '08-'10 Dodge 3500
DS100-P	Passenger-side Speaker/mount for '08-'10 Dodge 3500
MC100-02	100-watt motorcycle speaker
Z8280090A	Replacement speaker driver, neo
Z8619145A	Replacement neo driver
<i>BP200 speakers contain TWO speaker drivers, so the applied surcharge on BP200 orders will be 2x the surcharge value – one charge for each speaker driver.</i>	
BP200-EF	200-watt speaker with “Electric F” grille
BP200-Q	200-watt speaker with “Q” grille

Additional information

- This speaker surcharge will appear on invoices as model number “ZSURCHARGE”
- BP200 speaker models contain two neo drivers per speaker, and as a result the surcharge for these models will be US\$52.00 per speaker
- Market prices for “rare-earth” metals are expected to continue to fluctuate and likely increase. As a result, the surcharge amount may increase in the future. Any orders received with requested ship dates beyond 45 days from order placement will have the value of the surcharge calculated on the first business day of the month in which the shipment is requested.

For more information, please contact your local Federal Signal sales representative, visit our website at www.fedsig.com or contact us at 1-800-682-8022.