



Update on Speaker Surcharge

As previously announced, during the second half of 2011, Federal Signal has been forced to add a surcharge onto all orders for electronic speakers due to the fluctuating global market prices for the "rare-earth metals" used in Federal Signal's various 100-watt and 200-watt electronic speakers.

Since 11-7-2011, the surcharge amount has been \$14.25 per driver for orders of speakers and speaker drivers.

This announcement is intended to inform our customers of the following:

1. The \$14.25 surcharge will remain in effect for orders placed through C.O.B. on December 29, 2011.
2. Effective after C.O.B. on 12/29/2011, the surcharge will be discontinued and any new orders received will be priced at our customers' normal discount off of new List Prices that will go into effect as of January 1, 2012. These new List Prices will be published as part of a separate announcement.

We are discontinuing the surcharge at year-end, as we are anticipating some stability in the global market for "rare-earth metals" during 2012. However, should market prices escalate again as they did during 2011, then we may need to initiate another surcharge. However at this time, there are no plans to re-initiate a surcharge during 2012.

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.