



CEILING SYSTEMS

[Between us, ideas become reality.]

Sales Bulletin: 2008-57DDC

July 17, 2008

Effective with shipments Monday, August 18 prices for Armstrong Suspension Systems, including Drywall Suspension, will increase 12%. Hanger Wire prices will increase 20% on that date. Axiom and Serpentina products will not be included in this price increase. This increase applies to all commercial and retail customers in the United States, and is in response to the continuing unprecedented rise in steel costs.

Escalators

Only for your planning purposes, we suggest the following guidelines for future pricing:

- Guideline escalators
 - January 1, 2009 5%
 - April 1, 2009 3%
 - July 1, 2009 5%
 - October 1, 2009 3%
- These Guidelines are suggested price levels and are **not a commitment for specific pricing.** They are not obligations for extended pricing action by Armstrong. Use guidelines as a resource for determining any pricing action you take with your customers.

Armstrong Quoting Policies for Suspension Systems

We have revised our current policies regarding Quotes, to help all of us to better manage our businesses and expectations. Effective immediately:

- Armstrong will only quote **for shipment six months beyond the date of initial quote**
- We will quote only projects of 100,000SF or greater
- Quotes will be issued for specific, identifiable projects
- Quotes will NOT be automatically extended beyond the initial six month period
- Orders **must be placed within 90 days** of the initial date of quote
- The order **must ship within six months** of the initial date of quote

Since January, we have experienced double-digit increases in the cost of steel. We expect continued volatility of steel costs into the future. Our Guideline Escalators reflect that view.

All of us in this industry need to adapt to this new environment. Steel costs have changed monthly, with little advance notice. Our Quote Policy was modified to strike a balance between those rising cost pressures and the duration of the contracts associated with the construction business.

We will provide information on how we will handle higher order demand ahead of the price increase in a separate bulletin.

Thank you for your business and continued support.

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