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October 25, 2011

Dear Valued MSA Channel Partner:

Over the past three years we all have seen unprecedented volatility in our economy, and each day brings with it new challenges to manage our business as we must react to the uncertainty of tomorrow. At MSA we continually strive to implement processes and procedures that improve our delivery and strengthen our support to you, and ensure that our product quality meets the highest industrial standards to protect men and women in hazardous environments around the globe.

While we deploy numerous controls and processes to manage our business efficiently, the fact remains that we cannot entirely mitigate the impact of a volatile economy. More specifically, many suppliers have informed us that they will be passing on cost increases to MSA in the coming months. For example, the cost of resins, colorants and other plastics will rise between 2 and 15%; electronic components and sensor materials between 2 and 10%; filter media and paper around 4 to 5%; and the costs for metal gauges and other component parts will increase by about 5%.

For these reasons we will be implementing a price adjustment effective January 1, 2012. In most cases, the impact of this adjustment will be an average increase of 3%. As we have done in the past, we are targeting only those product areas where the cost increases impact us most severely. Simply put, this is not an across-the-board increase.

As we look to the coming year, please know that MSA is fully committed to managing costs in order to keep future increases to a minimum. As an example, over the past year we have extended our implementation of Demand Flow Technology (DFT) throughout our facilities to further improve production efficiencies. Additionally, supply chain management is a major focus for us as we are negotiating long-term contracts to ensure an uninterrupted flow of raw materials and components to drive our factories. Further we have made meaningful improvements in Demand Planning, and we are implementing a new Phase In/Phase Out (PIPO) plan that will eliminate almost 30,000 part numbers globally. This effort alone will significantly reduce our costs associated with obsolete inventory, and pave the way to stock new and exciting products that will be launched in 2012.

At MSA, continuous improvement is in our DNA. We actively pursue the best employees, concepts, and initiatives to strengthen our business and our partnership with you. As always, I want to thank you for your continued commitment to MSA. If you have any questions about this price adjustment, please feel free to contact me directly by phone (717-371-7889) or by email ([David.Howells@msanet.com](mailto:David.Howells@msanet.com)).

Sincerely,

A handwritten signature in black ink, appearing to read "D. Howells".

David J. Howells  
Director, North America Customer and Distribution Development