



March 22, 2018

Dear Valued Customer,

Knauf Insulation is announcing a price increase on all Residential and Light Commercial Building Batt and Roll Products effective with shipments on or after May 4, 2018. List pricing will be increased per the following guidelines:

Product	Increase %
EcoBatt® Insulation	9%
EcoRoll® Insulation	9%
Manufactured Housing Products	9%
Inner-Safe™ Batt Insulation	9%
Insulation Accessories	10%

In an effort to maintain desired service levels, Knauf Insulation reserves the right to limit purchase quantities, based upon historic purchase levels, prior to the May 4, 2018, price increase date. As we move through 2018, we anticipate ongoing high demand for Knauf Insulation products and reduced inventory levels. Therefore, to better serve you in the upcoming months, we must focus our batt and blanket production on the products with the greatest demand. We will be providing more detailed information in the coming weeks along with production schedules and ordering instructions on these items.

The price increase will be implemented through new list prices. If you have any questions about the implementation of this increase, please contact your Knauf Territory Manager.

The current fuel surcharge remains in place per the previous communication on fuel surcharges. Please note that over recent months, freight costs have increased at an accelerated pace. This trend has been driven by a number of factors that include an ongoing driver shortage, implementation of Electronic Logging and continued growth in demand for over-the-road hauling. Historically Knauf has absorbed market fluctuations in freight, however, we have reached a point where this is not feasible. Knauf will be evaluating how to best manage this growing cost to the business. Look for more information to be communicated in the coming weeks.

Thank you for your continued support of Knauf Insulation. We value your business and are committed to changes that enhance the market for energy efficiency.

Sincerely,

Matt Parrish
Vice President, Sales – Residential and Light Commercial
Knauf Insulation