

Drocourt, 17 March 2011

Dear Customer,

Following the communication letter of 14 March, this is update of supply situation of Telene by our parent company Rimtec and Zeon. As already communicated Zeon's site where the RIM monomer is produced and the formulation plants have not reported any damage.

This week, production of formulation takes place as originally scheduled and shipments will leave from Kobe as planned. Nevertheless, there remains a high level of uncertainty in planning. Power outages, gasoline shortage and supply of raw materials (additives) all can impact actual production and shipments.

Needless to say, a negative development of Fukushima nuclear reactors can have a huge impact.

We request you to actively work with Ralph Hedel on weekly updates of your company's forecast and to place firm orders as early as realistically possible. This will facilitate planning and also allow us to alert you as soon as possible if any operational issues are likely to impact the supply.

Info on operations can also be found of websites of Zeon (www.zeon.co.jp), Rimtec (www.rimtec.co.jp) and Telene SAS (www.telene.com). A next update will be issued early next week, unless unfortunate events take place prior to that.

Sincerely,

Alexander Daemen
President

