

Drocourt, 14 March 2011

Dear Customer,

As you know the fourth biggest earthquake since 1900 shook the northern part of Japan, followed by a disastrous tsunami. Today people are fighting to keep nuclear power plants from causing yet another massive accident. This letter has objective to give you a first update on the Telene supply situation after the devastating events that took place in Japan starting last Friday.

We like to thank you for the numerous and sincere sympathetic message we received since Friday. We passed these on to our colleagues and they are highly appreciative by your concern and sympathy. Naturally we have been in very close contact with our Japanese colleagues from Rimtec and Zeon, and fortunately no personal accidents have been reported. First news on material damage in Tokyo offices and buildings is apparently very limited. On the other hand electrical power failures have caused trains to run very irregular and today only 4 people made it to the office.



Zeon's site where the RIM monomer is produced and the formulation plants have not reported any damage. These sites are located in the Mizushima Coastal Industrial Zone of Kurashiki in the Setouchi region of southern Okayama Prefecture. On the map this is halfway between Hiroshima and Kobe.

Port for all deep-sea freight to Europe is Kobe.

Today we don't have any news on how emergency efforts for the disaster region and power failures impact activities in the production and/or shipment. We also don't have confirmation if there are supply problems with other raw materials such as catalyst, elastomer etc. We expect to get this information within 1-2 days.

Once we receive further information on production and shipment, we will inform you. In any event, an update will be sent Wednesday 16 March the latest.

Sincerely,

Alexander Daemen
President