

Drocourt, 24 March 2011

Dear Customer,

Following the communication letter of 17 March, this is update of supply situation of Telene by our parent company Rimtec and Zeon.

In past days we were able thanks to hard work of our Japanese colleagues to firm up production planning and arrange for shipment of goods to Europe. While some uncertainty remains, specifically with regard to exact dates of departure of shipments, we start to be more and more confident that impact of disaster in Japan on supply in Europe will be limited, if any at all.

As a result of logistic challenges we may see an impact on supply in IBCs, which will have to be compensated by supply in drums. We also have to point out that demand in first half 2011 is significantly higher compared to first half 2010. Good news of course but does underscores the importance of planning.

I like to repeat the request 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.

From numerous molders and OEMs we receive a variety of questions specifically regarding contingency planning. We understand the importance of these questions and will respond to these questions in due time, however we count on your understanding that our immediate focus is on supply in coming months.

Sincerely,

Alexander Daemen
President