

ELANTAS PDG, Inc.
5200 North Second Street, St. Louis, MO 63147 USA

2011 Price Increase Notification

To Our Customers:

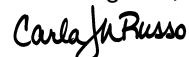
Effective with all orders placed on or after September 19, 2011 and shipped after October 17, 2011, or as allowed by contract, ELANTAS PDG, Inc. is increasing prices on our products. The price increase varies by the product chemistry. For specific pricing related to the items you purchase, please feel free to contact your Customer Service Representative for a quote.

The increases we are experiencing in raw material pricing are simply outpacing the price increases we implemented at the beginning of the year. The petrochemical supply chain is stressed from both an inventory availability and a pricing perspective. The majority of our raw material costs continue to climb above the high prices recorded in 2008 with a number of raw materials trading at all time record highs.

The current supply and demand imbalances, the unrest in the Middle East and the rapid depreciation of the dollar is affecting the way refiners and petrochemical suppliers operate their businesses. The petrochemical supply chain began tightening in late 2010 as the economy started to recover and remains tight today. As a result, there have been shortages on a number of the key raw materials used by EPDG. Fortunately, our purchasing team anticipated these situations and they placed as much material as they could on contracts and supply agreements. However, those supply agreements insured EPDG would have the needed raw materials to manufacture their products, they did not guarantee the price. To date, we are not seeing any short-term indicators that would point to a change in the current trends at any point in the near future. We are continually identifying and implementing process improvements in our plant to mitigate the percentage of the required price increase.

We understand price increases affect your business, but hope you appreciate we do not make this decision lightly. We remain committed to maintaining the high quality of products and service you have come to expect. Thank you for your business and we look forward to working with you in the future.

Best Regards,



CARLA M. RUSSO
Sales & Marketing Director

Date
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