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International Plastics

Memo

To: MR. KEN FARRINGTON

From: Lynn M. Morgan

Date: 7/11/08

Re: Price Increase

Over the past several weeks, we have been notified of several price increases expected to take effect very shortly. According to the resin manufacturers, this is due to the feedstocks being very high, inventories being below a normal level, and transportation costs being at all time highs. We all know that oil is trading at record highs! Those announced increases have actually taken effect and we can no longer absorb the rapidly rising cost of raw materials. Effective July 21, 2008, we are forced to pass along an increase on all catalog items by **9% . Custom made items will be quoted at that days current market value!!** Keep in mind, this very well may exceed 9%, as most petroleum dependent markets have seen increases of 20-25% since the last quarter of 2007. Please be aware that the most recent trending data indicates the resin manufactures will increase prices again in the very near future!! I fully expect to announce another substantial increase in August. We appreciate your past, present & future business and understanding during what is proving to be another turbulent year!! Please, I encourage you to communicate with your customers and educate them as to what is going on... get them to order now!! International Plastics is committed to keeping you informed of current market conditions and welcomes your questions and comments.

Most Sincerely,



Lynn M. Morgan

Distribution Sales Manager