



Ref: PJ/UW

Date: 17th December 2004

J WILLIAMS
INTERPAK LIMITED
DESBOROUGH INDUSTRIAL PARK
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United Kingdom

Dear John

Re: Price Increases

During this last month we have continued to endure further rises in costs of TDI, MDI and Polyols. In addition to this, we will be incurring further increases on these and other chemicals from 1st January 2005.

We are informed that certain downstream materials, particularly Propylene Oxide, are in short supply, this in turn is causing shortages of raw materials to our industry. Our suppliers see this situation continuing through much of next year and cannot rule out further cost increases during the first half of 2005.

The extent of the increases leave us with no alternative but to pass them on. As a result, Foam Block prices will be increased by 11% and Bonded Foam Block prices by 6% with effect from Monday 24th January 2005.

We know that price rises are unwelcome and are seen as adding to the threats of further imported goods, but we are assured by our suppliers that these are world wide problems and will affect everyone using these materials.

Yours sincerely,

Peter S Jackson
NATIONAL SALES MANAGER

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