



Notification of general price increase

24/08/2018

Dear Customer

Unfortunately we have to announce an across the board price increase effective 01 October 2018.

This has been brought about by a number of issues:

1. The majority of products we supply are imported, have an imported component or are manufactured from imported raw materials.
2. The recent fall in the value of the ZAR has an effect of as much as 10% and even more in some cases.
3. Some key raw materials pricing continues to rise globally in USD and Euro terms, which has a knock on effect on finished product. (Particularly maleic anhydride, fumed silica, epoxy, however fortunately styrene pricing is remaining pretty stable.)
4. Local logistic costs are steadily increasing, namely the price of fuel and electricity.
5. Oil price settling at USD70-75 per barrel, which level is predicted for the remainder of 2018 and 2019, 15% higher than was predicted beginning 2018. A large number of raw materials are oil derivatives.

The average increase in price will be approximately 10%, product dependent.

We will do our best to keep increases as low as possible across the board and negotiate as hard as we can with our various suppliers, but it is largely out of our control and **add resins** cannot absorb these increases any longer.

I hope you understand our position and we will do everything we can in our customer's interest, but we need to remain sustainable to enable **add resins** to continue to provide the best quality products and service at competitive price levels.

Your local sales office or account manager will give you the exact details, taking into account any formal contractual obligations.

Thank you for your valued ongoing support.

Yours sincerely

Stephen Beal, Director.