



**SPARTECH COLOR & COMPOUNDS
KEARNY OPERATIONS**

Dear Customer

July 8, 2008

I have prepared this letter to all of our customers to advise each of you that Spartech will be raising its prices on all PVC compounds shipped on or after August 4, 2008 from its plant in Kearny New Jersey.

The total amount of this increase will be \$0.105 per pound and is in addition to any increases previously announced.

Because of the volatility and frequency of the increases that we have seen from our suppliers we are including with this Email to you the announcements we have been getting from our suppliers instead of paraphrasing to you their communications to Spartech.

Since our last announcement to you there has been no softening of prices as many of us have hoped for, and in spite of the reduction in demands by the manufacturing economy in the United States, prices continue to rise.

Some suppliers of products to our industry including PolyOne Corporation have even announced that their increases might range as high as 20%.

Summarizing these Price Announcements

PVC Resins +\$0.08 Plasticizers +\$0.17 Stabilizers +\$0.10 Tio2 +\$0.10
Pigments +\$0.15 - \$1.10

Traditional supply / demand economics are not at play today in our world and we believe that we will long remember the summer of 2008.

We want to assure you that we are taking every step possible to insure you of the continued supply of your products while we address the future costs of doing business.

Again I want to thank you for being our customer. We appreciate your business and we will work hard to fill your requirements and earn your business during an unprecedented run up in raw material prices.

Sincerely,

Peter M. Byra 
Business Manager
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