



March 10, 2010

Dear Valued Customer,

Significant outages of ethylene reactors have caused extreme shortages of ethylene feedstock and polyethylene resins. These shortages have resulted in substantial price increases. Several resin suppliers have implemented order management practices limiting resin availability. Our resin suppliers have informed us that they intend to implement a March 1st resin increase of .06 cents per lb. In addition, there is an increase slated for April 1st of .05 cents per lb. .

Based on the March 1st resin increase, Paragon Films will implement a 7% increase on all grades of film ordered on or after March 29, 2010. Paragon will only accept new orders at current pricing for items in inventory that have a ship date prior to April 10th. Based on current lead times and product availability new orders could be increased immediately 7%.

Pricing for orders accepted is based upon available resin supply. Orders will be limited to **less than** one month historical average purchases and must call for immediate delivery within our current lead times. Paragon reserves the right to accept or decline all orders for any reason.

Paragon Films is grateful for your business and will continue to update you on the April 1st resin increase. Please contact your Paragon Sales Force representative with any questions.

Thank you for your continued support,

Sincerely,

Gregg Smith
Vice President, Sales and Marketing