



June 21,2010

To our valued Dietzgen customers,

We understand the difficulties involved with the recent price increases implemented by the paper mills and would like to keep you informed on developments in the market place, articles of interest and resources for updated information. The February 27th earthquake in Chile shut down the two largest pulp makers. At the same time Finland was forced to shut down mills due to a workforce strike. What does this mean? Over night, 12% of the world pulp sales came to a stop which increased the European benchmark pulp price on March-9-2010 to \$875.00, the price on June-15-2010 was \$970.63. With increased costs, higher demand, and less capacity the price of pulp world wide is at an all time high, which translates to higher paper costs.

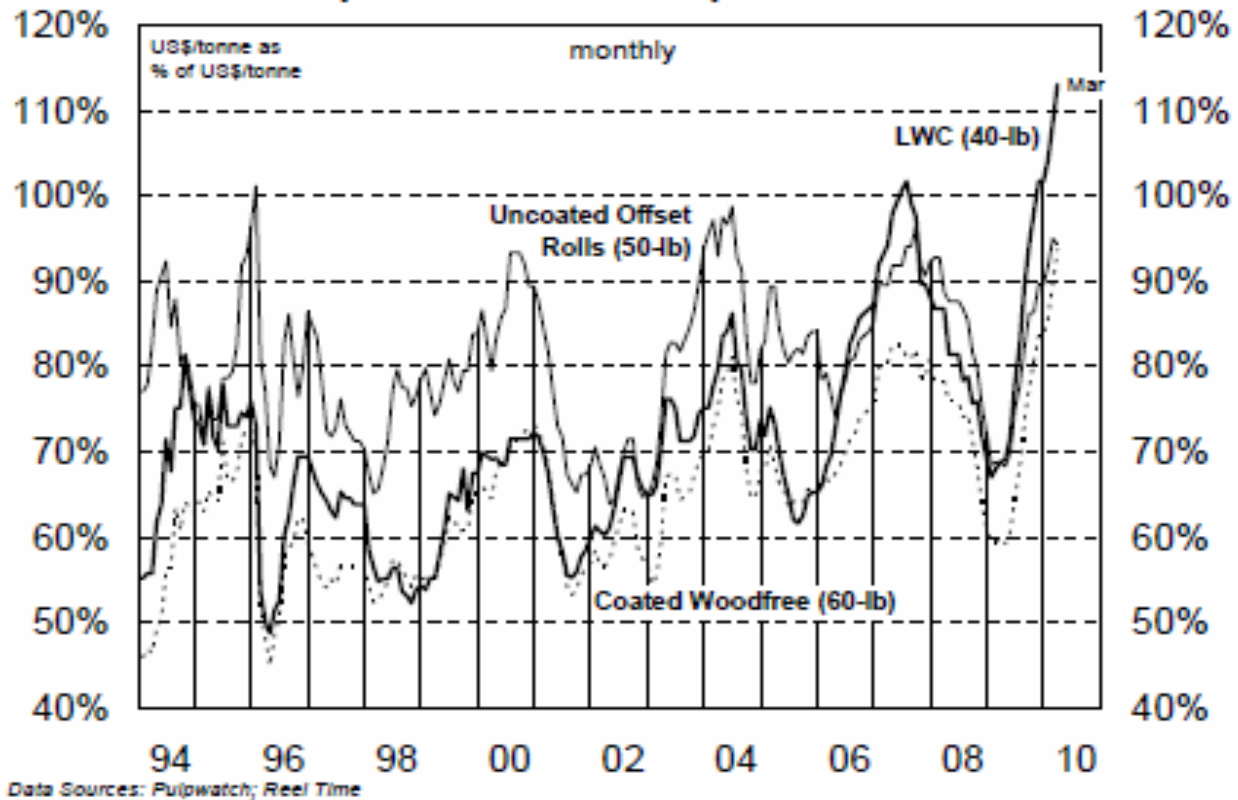
THE PIX PULP BENCHMARK INDEXES (per metric ton)

- **NBSK**: long-fiber northern bleached softwood kraft pulp.
- **BHK**: short-fiber beech hardwood kraft pulp (in the Nordic countries, birch pulp).

Date	NBSK in the U.S. (USD)	NBSK in Europe (USD)	BHK in Europe (USD)	BHK in Europe (Euro)
15-June-10	1012.09	970.63	912.12	752.14
8-June-10	1009.19	967.85	897.59	744.27
1-June-10	984.19	957.32	886.98	716.23
25-May-10	984.19	956.43	885.49	708.56
18-May-10	983.72	952.61	881.51	705.66
11-May-10	975.58	944.64	865.81	679.28
4-May-10	952.31	929.21	839.72	630.66
27-April-10	947.21	928.71	839.74	630.86
20-April-10	947.21	925.76	839.60	620.32
13-April-10	940.23	918.66	831.71	621.42

"Pulp Prices per Ton - NBSK, BHK, Kraft Pulp." *Paper Age Magazine, Paper, Pulp, Tissue, Forest Products, Paper Industry News*. Web. 20 June 2010. <<http://www.paperage.com/foex/pulp.html>>.

NBSK Pulp as % of Paper Prices in U.S.



“Back in the “good old days” in the ’70’s and 80’s the adage was that pulp costs should not exceed 20% of the price of paper. That was when paper companies still made profits. Now the pulp cost is about 100% of the price of paper”

. "Paper and Other Absolute Truths » Blog Archive » With Costs Escalating, It's Crunch Time." *Paper and Other Absolute Truths*. 25 Mar. 2010. Web. 20 June 2010. <<http://absolute-truths.com/?p=1651>>. (George Fellner 3/26/2010 PulpWatchReelTime)

Below is a list of resources for industry news

You can get weekly pulp price updates at <http://www.foex.fi/>

Paper Age Magazine www.paperage.com (offers free subscriptions)

<http://psvallely.blogspot.com/>

<http://psvallely.blogspot.com/2010/05/pulp-markets-stay-tight.html>

<http://psvallely.blogspot.com/2010/05/coated-prices-up.html>

<http://psvallely.blogspot.com/2010/05/coated-producers-begin-to-announce.html>

<http://absolute-truths.com>

www.risiinfo.com (subscription required)

www.irga.com

<http://whattheythink.com/>

www.flaar.org

We will continue to inform you with industry and market updates and changes. Thank you for your continued support, we look forward to working with you and your team, not only as a supplier but as a partner. If you have any questions, please contact me or your Sales Representative.

Respectfully,



Marge Lafferty

Marketing, Business Development Manager

250 S Northwest Hwy, Suite 203, Park Ridge, IL 60068, www.dietzgen.com