



Serving the Tape Industry Since 1987

May 12, 2011

PENNSYLVANIA PAPER & SUPPLY
TERESA KALINICH
215 VINE STREET
SCRANTON, PA 18501

Dear TERESA KALINICH,

We continue to monitor the rapidly escalating major raw material prices that affect our industry. As we projected, beginning last fall, the upward trend will continue at least through Q-3. Overall demand has picked up slightly and although Geo-Political pressure seems more stable the Petro-Chemical Industries continue to push up prices. Gasoline and Diesel Fuel are both over \$4.00 / gallon with Fuel Sur-charges topping 30%.

We are now faced with record pricing for Propylene, which impacts PP resin, BOPP film and Acrylic Adhesive, and continued upward pressure on C-5 Resin and SIS on the Hot Melt side. Price increases for these materials are continuing to impact our industry and we can now clearly see the need for a price adjustment across the board on all products. Effective June 13, 2011, TaraTape will be adjusting pricing on its full line of products by 6% and OPP Carton Sealing Tapes by 8%.

To assure current pricing, please have your orders placed on or before the close of business Friday, June 10, 2011. Orders received by then, for normal demand and immediately shippable will be honored at current pricing.

While we have seen freight rates increase dramatically, we will continue to support our customers with prepaid freight with a minimum order of \$2,500.00. The overall cost per order and ease of processing, make TaraTape the **easiest** company to do business with and the best value in the Industry.

We are working daily to assure continued supply of products to handle your needs. We will continue to keep you apprised of the raw material situation as we move through 2011. Over the next few weeks, you will be provided with updated price pages that will reflect your new pricing. If you have any questions, please contact your Sales Representative or Customer Service.

As always, we appreciate your business and support.

Sincerely,

A handwritten signature in black ink, appearing to read "John Liberatore". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Liberatore
VP Sales & Marketing