

2/27/07



February 27, 2007

To our valued customers:

Our resin suppliers have notified us of a price increase for plastic resins. Rising hydrocarbon costs, improving domestic demand, lower inventories and a robust export market have all been cited as contributing factors to the price increase.

Because of this increase in raw material costs, Covalence Plastics will raise prices 8% on all Can Liner and Food Bag products effective with orders placed April 2, 2007. Additionally, prices will be advanced on all non-guaranteed contracts. Unfortunately, we will not be able to accommodate loading orders in advance of this price change.

Price increases are a time consuming activity for all of us and we will work with you to minimize the impact on you and your customers. Your Covalence Plastics sales professional will be in contact with you to detail the new pricing and answer any of your questions.

Thank you for your business and continued support.

Sincerely,

Mike Jackelen
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