



® 20 Industrial Dr., Northgate Industrial Park, Granite City, IL 62040

July 1, 2008

Dear Valued Customer:

Thank you for placing your multiwall and flexible packaging business with Gateway Packaging.

It's no secret that energy costs continue to increase driving the costs of our core raw materials ever higher. Papermaking is an energy intensive process and poly films are subject to increases based on oil and natural gas as well.

Recent indices show that extensible paper is up \$50/ton over May prices (\$100 over last year) and poly resins are up 11¢/lb. so far this year. Currently there are price increase announcements in the market for corrugated boxes, natural kraft, poly resins and clay-coated paper.

Due to these increases we expect to have to make price adjustments to many of our products effective with shipments August 4, 2008. These adjustments will be based on the structure of each item and will be based on changes in raw material costs. Implementation dates may vary based on actual implementation of anticipated raw material price increases.

As always, we will honor any written agreement that we have in place.

Feel free to call your Gateway representative, or me with any questions.

Gateway Packaging continues in our long-term commitment to provide you with superior value.

Thank you for your continued support.

Sincerely,

Greg Chastain  
Gateway Packaging  
Vice President  
Sales and Marketing  
618-219-4415