

June 20, 2007

Dear Valued Customer,

Keeping your operation running smoothly and cost effectively is of paramount importance to us. That is why I am writing to you with important information regarding supply chain issues the adhesives industry is anticipating beginning in the next couple of weeks. My purpose in contacting you is to explain the cause of the problem and describe our plan of action to keep you supplied.

### Summary of the Situation

The supply of several materials essential for the manufacture of white emulsion adhesives has been disrupted due to the temporary shutdown of the world's largest acetic acid manufacturing process operated by Celanese in Clear Lake, Texas. This material is necessary for the production of downstream products such as polyvinyl acetate and other raw materials for liquid adhesives. Celanese has declared force majeure and has announced that it can only supply a portion of its customers' normal purchases.

Our goal is to keep your operation running during this time of shortage. To do this, we are using the full leverage of National globally and that of our parent company, ICI. We are taking the following actions:

- Accessing our international manufacturing network to source materials from our businesses in Europe and Asia, which are less directly affected.
- Using ICI's procurement power to source material from suppliers elsewhere around the world. While this is a global shortage, we are already actively pursuing additional sourcing strategies.
- Working with you in an open process to help you manage your adhesive requirements. This can help reduce your costs and allow us to provide sufficient supplies to keep your operation moving.

We will not be accepting new business so that we can pursue our top priority, meeting the needs of existing customers. All orders will be limited to historic consumption levels. While we are not raising prices at this time, we are incurring significant costs to fulfill customer needs and are expecting large increases in costs as demand outstrips supply of raw materials. We hope to be able to communicate more clearly to you on the cost issues by early July but our priority today is on keeping our customers supplied.

As we take these steps to create as large a supply of adhesives as possible, I am also asking you to work with us by sharing with us your expectations of demand over the July 4<sup>th</sup> holiday and throughout the month of July. Your sales professional will be contacting you in the next few days to begin that process of creating an action plan for your operation.

The people of National are committed to keeping your business going and will work in your best interests as we have during times of material shortage in the past. We thank you for your business and reiterate our commitment to our customers. The supply situation is fluid and we will continue to communicate with you as this progresses and more information becomes available.

Sincerely,



Jim Owens  
Corporate Vice President and General Manager  
National Adhesives