

September 10, 2013

Dear Valued Customer,

Paragon's resin suppliers have announced a price increase effective September 1, 2013. Several suppliers have also announced a second increase, with implementation October 1. Strong export business and limited feedstock inventories are reasons mentioned for the increases.

As a result, Paragon will increase pricing 7% with all new orders placed on or after September 30. All orders must call for immediate shipment based on current lead time, and must ship by October 31. We reserve the right to accept or reject orders for any reason. Your Paragon sales representative will keep you advised of market conditions regarding the October 1 increase.

Paragon's new manufacturing facility in Union Gap, Washington has been producing and shipping film for several months, with a second line to be operational by the end of this year. This is part of Paragon's commitment to meet our customer's growth and keep lead times at a serviceable level.

We appreciate your business and continued support. Please call your Paragon sales rep or customer service representative with any questions or needs.

Best Regards,



Shannon Simmons
Vice President
Sales & Marketing
Paragon Films, Inc.