



PRESS INFORMATION

Siegwerk USA & Canada, as well as, Environmental Inks – a member of the Siegwerk group, announces price increase for narrow web inks and coatings

The global availability of raw materials for printing inks continues to be a major concern. With little or no clear outlook as to the length of shortages, availability and price escalations are likely to continue throughout raw material suppliers.

Throughout 2009 raw material supply remained below demand after the drastic economic downturn in 2008. In some instances, suppliers permanently shut down plants to accommodate for the economic downturn while others experienced unplanned shutdowns caused by fire and other uncontrollable forces. Inventories were reduced dramatically over 2009 thus keeping raw materials in tight supply. In 2010, much of the same situation remained. Supply remained far below demand in the marketplace. This coupled with price increases in feed stocks, has created and exacerbated the raw material reality that carries ink suppliers into 2011.

In spite of continued efforts to minimize the effects these supply chain challenges have placed on the ink industry, both Siegwerk and Environmental Inks are forced to announce a 5-8% price increase on all narrow web ink and coatings sold in the U.S. and Canada effective March 1, 2011.

The prices of many types of raw materials sold to the narrow web water-based and solvent-based ink market have increased ranging as follows:

- Titanium Dioxide 12-14%
- Pigments 10-30%
- Carbon Black 6-8%
- Solvent 10-15%
- Resins 7-10%
- Additives 12-14%

The above increases equate to a 10-12% increase in raw material costs overall. While both entities have worked to mitigate the effects of such large price increases on its customer base by focusing on cost reductions and process improvements, neither organization is able to withhold the effects any longer from its customers.

Jim Ross, president of Siegwerk USA and Canada states, "Siegwerk group, as a whole, greatly appreciates its customers' continued business and patience during these challenging and volatile times." He continues, "...and is committed to being a world-class ink supplier and working through this global and regional shortage of raw materials while continuing to supply a consistent, quality product coupled with value-added services."

About Siegwerk

Siegwerk is a world-leading supplier of printing ink for packaging and publications. Our international family business of 4,200 employees strives to exceed customers' expectations of quality, reliability and support. In 2010, we have generated revenues of approximately \$1.14 billion USD. Siegwerk's headquarters is located in Siegburg near Cologne (Germany).

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