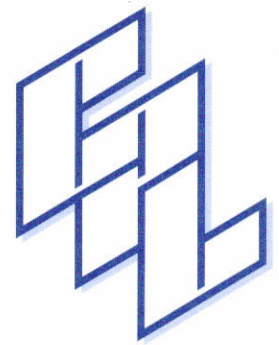


CUMBERLAND PACKAGING LIMITED

MANUFACTURERS OF CORRUGATED PRODUCTS



Tuesday 13th April 2010

Dear Customer,

Pulp & Paper Crisis 2010

During these turbulent times I feel it is important to clarify the situation within the Corrugated Packaging Market.

We are once again facing severe cost increases of our raw materials which are coming into effect from 1st May 2010, with further increases forecasted for June 2010.

As immoral as it seems, the justification from the board mills is a supply and demand situation with demand easily outstripping the present capacity. They have arrived at this situation due to the paper mills taking capacity out of the market place (due to uneconomical paper mills) coupled with the increased demand from the far east.

This situation has been further compounded by the fact that one of the biggest UK suppliers of raw material were put into Administration in January of this year with their order book being spread amongst the remaining three UK suppliers.

I am also aware that in the current market place, various converters of corrugated board are facing reduced credit limits and being forced to extend their lead times from the traditional 48 hours to 4-5 days. This coupled with the tight supply of Kraft paper (which is forecasted to run out by the end of the year) leaves our industry in an extremely volatile position.

At Cumberland we have strong long-term relationships with Smurfit Corrugated (our raw material supplier), and although we are experiencing the increases, we are still maintaining a strong supply chain and a 48 hour turnaround for raw material.

We have worked extremely hard with you – our customer- over the previous increases, in looking at design, styles and grade changes, to minimise the price increases passed on to you. We must all be aware that with this new increase a lot of the traditional ways of minimising the increase have already been explored, we therefore feel that from 1st May we will supply a price for every new order placed. Please rest assured that if there is anything we can do to minimise the effect on your business we will.

We appreciate the short notice and our Sales Team will be in contact over the next 7 days to discuss your requirements over the next couple of months.

I thank you in advance for your co-operation and assure you of our best intentions in dealing with your requirements over the next quarter.

John Watson
Managing Director