



R. A. Kerley Ink Engineers, Inc.
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www.kerleyink.com

May 7, 2008

Dear Fellow Inkmakers and Kerley Ink Distributors:

Another round of price increases from virtually all of our raw material suppliers hit us just after our last price increase in January. Once again, the costs of raw materials have gone up too far and too fast. As a result, we must increase our prices yet again. *The most significant price changes have been for low-priced items such as black news inks, which are totally dependent on the price of commodities such as soy or petroleum oils.* Less-used colors such as Violet, Purple, Rhodamine Red, and Phthalo Green have also been significantly affected this time.

This time, we evaluated the cost increase of every single formula we produce, rather than applying a "blanket" increase to all items uniformly. We think this minimizes the effect of our increase and will help you, our valued clients, from paying more than you have to. We also want to let you know that we are going to start offering new lines of lower-cost alternative products wherever possible. Please consult our website for details as they become available. (www.kerleyink.com)

On the opposite side of this letter, we have included with this letter a list of our popular products from our catalog and their change in price per pound or kilogram.

For a complete master price list, please contact us at:
customerservice@kerleyink.com or call us at: 708 344 1295.

We remain thankful for your business and we are looking forward to a continuing relationship with you,

John R. "Jack" Whalen
Vice President,
Kerley Ink

(over)

Effective May 19, 2008, Kerley Ink is introducing a price increase for the following products, FOB Broadview, IL, USA:

	Effective US\$/lb increase		Effective US\$/kg increase	
	Min	Max	Min	Max
Black newsinks	0.07	0.09	0.15	0.20
Process Color newsinks	0.05	0.07	0.11	0.15
Non-process newsink base colors (rhod, purple, violet, green, wm red)	0.14	0.68	0.31	1.50
Black Forms Inks	0.05	0.08	0.11	0.18
Process Color Forms Inks	0.04	0.07	0.09	0.15
Non-process forms base colors (rhod, purple, violet, green, wm red)	0.13	0.74	0.29	1.63
Black heatset inks	0.05	0.06	0.11	0.13
Process Color heatset inks	0.05	0.06	0.11	0.13
Non-process heatset base colors (rhod, purple, violet, green, wm red)	0.15	0.97	0.33	2.14
Black sheetfed inks	0.04	0.05	0.09	0.11
Process Color sheetfed inks	0.04	0.05	0.09	0.11
Non-process sheetfed base colors (rhod, purple, violet, green, wm red)	0.14	1.05	0.31	2.32
Super Versalith™ ULTRA base blacks	0.04		0.09	
Super Versalith™ ULTRA base colors	0.04	1.25	0.09	2.76
Sigma™ heatset black	0.05		0.11	
Kerley Book Blacks (30/70, 50-50, 40/60, 60/40)	0.05	0.06	0.11	0.13
All Metallix Silvers	0.06		0.13	
all Metallix Golds	0.09		0.20	
Econ 30™ base	0.05		0.11	
Mineral Oil Black base	0.08		0.18	
K-3 Black base	0.06		0.13	
40-Plus, 45-Plus, 47-Plus Black Bases	0.02	0.03	0.04	0.07
News Vehicles/extenders	0.06	0.09	0.13	0.20
Forms Vehicles/extenders	0.07	0.09	0.15	0.20
Heatset vehicles/extenders	0.05	0.06	0.11	0.13
Heatset Overprints	0.03	0.05	0.07	0.11
Quickset vehicles/extenders	0.03	0.10	0.07	0.22
Quickset Overprints	0.03	0.05	0.07	0.11
PTFE Compounds	0.06		0.13	
Polyethylene Compounds	0.04		0.09	
Cobalt Drier	0.11		0.24	
Manganese Drier	0.04		0.09	

NOTE: Not all Kerley products are covered in the list above. Unlisted products will also have a price adjustment directly proportional to the increase in their cost to manufacture. Please contact us at marketing@kerleyink.com if you have a pricing inquiry for a specific formula.