

Important information about the current development of prices and the pulp situation in Europe

Dear Rauch Customer,

Unpredictable environmental influences, such as the severe earthquake in Chile, the low-pressure system "Xynthia" over south-west Europe and the continuing cold winter in Scandinavia, are causing a shortage of raw materials in the paper industry. The environmental influences have brought the pulp production to a halt and have interrupted the supply chain to Europe and North America.

Within a few weeks this has caused a raw material shortage and significant price increases in the supply of pulp for all paper mills. The manufacturers argue that these critical factors can not be compensated and the increase in prices is inevitable.

The Rauch Group must announce price increases, amongst others in the uncoated and coated grades, of 3 to 6% from May 14 2010, due to the extreme rise in cost of this important raw material component. The price increase will be effective upon publication of our new catalogue. Further steps are dependant on the future development of the commodity market.

Thank you for your understanding and your trust.

Best Regards

R. RAUCH GMBH
Papiere, Folien und Ideen

Elmar Kneer
CEO

Armin Herdecker
CIO