

OLD WORLD INDUSTRIES, INC.
4065 COMMERCIAL AVENUE
NORTHBROOK, ILLINOIS 60062-1851
847-559-2000 • FAX 847- 559-1329

March 1, 2007

Dear Customer:

Over the last two quarters demand for chlorine derivatives (primarily the vinyl chain) has slowed in response to the domestic housing slump. In response to the slowing demand, global and domestic Chlor-Alkali producers have reduced plant operating rates. These lower plant operating rates have reduced the amount of chlorine but also the amount caustic soda produced. This challenge, coupled with several unexpected Chlor-Alkali plant outages has further tightened the supply-demand balances for caustic soda.

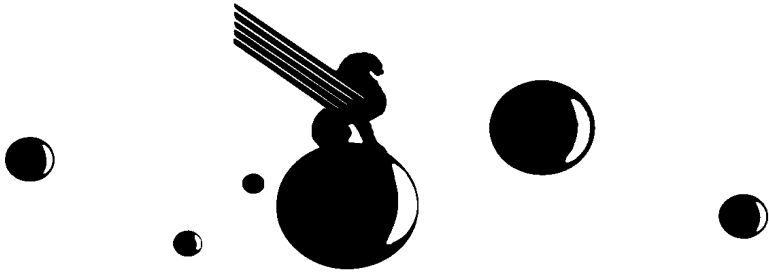
As a consequence these events and increased costs from our current caustic soda suppliers, Old World is announcing the following price increases effective immediately or as contracts allow:

50% Diaphragm Grade Caustic Soda - \$40/sdt
50% Membrane Grade Caustic Soda - \$50/sdt

Your Old World representative will be in touch with you to discuss these issues with you further.

Regards,

Joel Saltzman



VP General Manager

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