

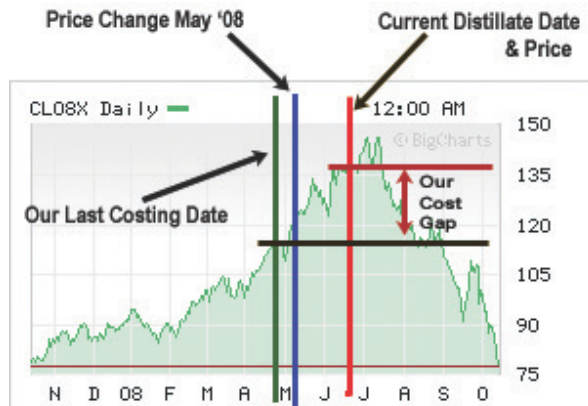
Kerley Ink

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October 14, 2008

Dear Fellow Inkmakers and Kerley Ink Distributors:

Still another round of large price increases from all of our raw material suppliers hit us again in the weeks after our last price increase in May 2008. Once again, the costs of raw materials have gone up too far and too fast. Highlights of this last quarterly round of price increases from our suppliers include an increase of 20-30% for all of the petroleum distillates & vegetable oils, a significant increase in the price of process color flushes, (especially diarylide yellow) and carbon black pigments. ***Most importantly, these costs have not yet come down.*** Below is a chart showing the price of crude oil (\$/bbl) over the past few months and the date of our last price increase in May. As you can see, we have developed a significant gap in our cost of raw materials based on the crude oil index:



Not all items that we offer have been increased in price. We have concentrated on adjusting the prices of mainly low-priced items that have little or no profitability left in them. These items represent the bulk of any significant price increase. If there is a bright side to this increase, it is in the hope that as the price of crude oil and other commodities begins to fall, we will be able to consequently reduce our prices to you also. On the opposite side of this letter, we have included a list of the most popular products from our catalog and their change in price per pound or kilogram. For a complete 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,

Jack Whalen

John R. "Jack" Whalen
Vice President,
Kerley Ink
(over)

Effective October 30, 2008, Kerley Ink is introducing a price increase for the following products, FOB Broadview, IL, USA:

Product Family	Color	Product Type	Avg Increase	Max Increase	Avg \$Kg	Max \$Kg
			\$/lb	\$/lb		
30/70	Black	Finished Ink	0.03	0.10	0.07	0.22
40+ Base	Black	Base	0.08	0.12	0.18	0.26
40-60	Black	Finished Ink	0.06	0.10	0.13	0.22
47 + Base	Black	Base	0.10	0.12	0.22	0.26
50-50	Black	Finished Ink	0.02	0.12	0.04	0.26
60-40	Black	Finished Ink	0.08	0.12	0.18	0.26
Crystagloss	Amber	Varnish	0.05	0.08	0.11	0.18
Ecobright	Process Colors	Finished Ink	0.09	0.13	0.20	0.29
Ecobright	Black	Finished Ink	0.06	0.09	0.13	0.20
Econ 30 Base	Black	Base	0.02	0.02	0.04	0.04
Econ 46 Base	Black	Base	0.16	0.16	0.35	0.35
Econotherm	Black	Finished Ink	0.07	0.17	0.15	0.37
Econotherm	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Econotherm	Process Colors	Finished Ink	0.03	0.13	0.07	0.29
Formsmaster	Process Colors	Finished Ink	0.06	0.15	0.13	0.33
Formsmaster	Special and Mixed Colors	Finished Ink	0.03	0.13	0.07	0.29
Formsmaster	Black	Finished Ink	0.04	0.20	0.09	0.44
Formsmaster Extender	Off-White	Varnish	0.15	0.24	0.33	0.53
Gel Plex	Tan	Compound	0.23	0.31	0.51	0.68
Heavy Web News	Black	Finished Ink	0.09	0.09	0.20	0.20
Litho Dri	Blue	Additive	0.16	0.31	0.35	0.68
LithoGard	Amber	Varnish	0.16	0.29	0.35	0.64
LithoTrol	Amber	Compound	0.07	0.07	0.15	0.15
Lo Tack Web News	Black	Finished Ink	0.08	0.08	0.18	0.18
Maxi Set	Special and Mixed Colors	Finished Ink	0.01	0.07	0.02	0.15
Maxi Set	Base Mixing Colors	Finished Ink	0.00	0.01	0.00	0.02
Maxi Set	Process Colors	Finished Ink	0.08	0.08	0.18	0.18
Maxi Set	Black	Finished Ink	0.01	0.03	0.02	0.07
Maxi Set Extender	Off-White	Varnish	0.03	0.03	0.07	0.07
Maxi Set Vehicle	Amber	Varnish	0.00	0.00	0.00	0.00
Metallix	Special and Mixed Colors	Finished Ink	0.07	0.34	0.15	0.75
Mineral Oil Base	Black	Base	0.05	0.05	0.11	0.11
Nova	Process Colors	Finished Ink	0.10	0.25	0.22	0.55
Nova	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Nova	Black	Finished Ink	0.01	0.09	0.02	0.20
Nova Extender	Amber	Varnish	0.07	0.09	0.15	0.20
PolyMax	Off-White	Compound	0.12	0.12	0.26	0.26
QSG	Amber	Varnish	0.03	0.11	0.07	0.24
Sigma	Black	Finished Ink	0.06	0.10	0.13	0.22
Sonexa	Process Colors	Finished Ink	0.09	0.20	0.20	0.44
Sonexa	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Sonexa	Black	Finished Ink	0.06	0.08	0.13	0.18
Soytab	Black	Finished Ink	0.01	0.02	0.02	0.04
Soytab	Base Mixing Colors	Finished Ink	0.00	0.00	0.00	0.00
Soytab	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Soytab	Process Colors	Finished Ink	0.01	0.11	0.02	0.24
Soytab Extender	Amber	Varnish	0.08	0.14	0.18	0.31
Soytex	Special and Mixed Colors	Finished Ink	0.01	0.23	0.02	0.51
Soytex	Process Colors	Finished Ink	0.04	0.17	0.09	0.37
Soytex	Base Mixing Colors	Finished Ink	0.01	0.22	0.02	0.49
Soytex	Black	Finished Ink	0.02	0.23	0.04	0.51
Soytex Extender	Amber	Varnish	0.11	0.23	0.24	0.51
Speedex	Black	Finished Ink	0.05	0.14	0.11	0.31
Speedex	Process Colors	Finished Ink	0.02	0.07	0.04	0.15
Speedex	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Speedex Extender	Amber	Varnish	0.02	0.03	0.04	0.07
Std Web News	Black	Finished Ink	0.11	0.11	0.24	0.24
Super VersaLith	Process Colors	Finished Ink	0.09	0.27	0.20	0.60
Super VersaLith	Special and Mixed Colors	Finished Ink	0.15	0.64	0.33	1.41
Super VersaLith	Black	Finished Ink	0.05	0.11	0.11	0.24
Super VersaLith Ext	Amber	Varnish	0.06	0.06	0.13	0.13
TetraMax	Off-White	Compound	0.00	0.00	0.00	0.00
ThermaGard	Amber	Varnish	0.07	0.16	0.15	0.35
Thermasoy	Process Colors	Finished Ink	0.08	0.33	0.18	0.73
Thermasoy	Special and Mixed Colors	Finished Ink	0.00	0.00	0.00	0.00
Thermasoy	Black	Finished Ink	0.02	0.11	0.04	0.24
Utiligel	Amber	Varnish	0.06	0.06	0.13	0.13
VersaLith	Black	Finished Ink	0.05	0.16	0.11	0.35
VersaLith	Process Colors	Finished Ink	0.13	0.63	0.29	1.39
VersaLith	Special and Mixed Colors	Finished Ink	0.05	0.43	0.11	0.95
VersaLith Extender	Amber	Varnish	0.17	0.22	0.37	0.49
VSA	Alkali Blue	Flush	0.03	0.10	0.07	0.22
Web News	Process Colors	Finished Ink	0.07	0.17	0.15	0.37
Web News	Black	Finished Ink	0.02	0.07	0.04	0.15
Web News Extender	Off-White	Varnish	0.03	0.09	0.07	0.20

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.