



THE MOST ADVANCED NAME IN DRAINAGE SYSTEMS



June 17, 2009

Dear Valued Customer:

After a 6 month respite, the energy markets have become very active again. With the recent escalation in oil prices, the HDPE resin producers have announced a flurry of price increases of their own.

In addition to the \$.07 per pound that was passed on to us in February, (which ADS absorbed) they have implemented another \$.03 per pound increase in June, and will implement another \$.03 per pound increase July 1. Yesterday we received notice that the resin producers will attempt to implement \$.08 per pound, effective August 1.

As a result of these resin increases, ADS is now forced to raise our pipe and fittings prices by 5%. Please realize that our 5% increase does not address the \$.08 per pound resin increase announced for August 1. We will address the \$.08 per pound when it becomes necessary.

The 5% increase will be implemented as follows:

Quote: Effective July 1, all quotes will reflect the 5%. As always, quotes will be honored for 30 days.

Orders: Orders that are shipped prior to July 31 will be invoiced at current prices. Shipments that occur after July 31 will reflect the 5% increase. (We realize that some Municipal and DOT work don't allow price escalation, and those orders that are already in house will be honored at existing prices).

Stock Orders: Stocking orders may be placed at current prices providing the delivery occurs prior to July 31.

As always, ADS will work closely with you to ensure a smooth implementation of this price increase. We truly value your business, and we are committed to helping you grow. If you have further questions, please contact your local sales representative.

We remain committed to being the best supplier of storm drainage and related products. We will continue to do the best for you in these extremely difficult times.

Sincerely,

Executive V.P. Sales and Customer Relations