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Dear Valued Customer:

Lucite International is again sending an update to communicate the latest information on the global Methyl Methacrylate (MMA) marketplace. We hope these periodic updates help provide you with the knowledge necessary to prepare and plan ahead of major market changes.

The bottom line has changed very little since our September update. Global MMA availability remains very tight with production unable to catch up with demand. Most every segment of the MMA market remains healthy with certain areas experiencing double digit improvement. Asia remains as the largest consuming region of MMA with demand into LCD's, Styrene / MMA for food packaging, and transparent ABS products growing at the fastest pace. Europe has experienced a series of unplanned outages resulting in a Force Majeure announcement from the merchant market's largest supplier and some form of sales control with three of the other four producers. Little relief is expected in Q1 2005 as European inventories need much improvement.

The following are some examples of published public information regarding Methyl Methacrylate and the overall economy:

Chemical Publications -

- In Asia, "Short supply continues to plague the Asian methyl methacrylate (MMA) market, fuelling yet another price hike for December cargoes." *ICIS-LOR*
- In Japan, "Several Japanese MMA producers and suppliers have become net importers, and are desperately scouting the global market for scarce spot product, thus adding a further boost to the uptrend." *ICIS-LOR*
- In Europe, "Producers report good demand and a tight market situation." and that inventory levels are low. *ICIS-LOR*
- In the U.S., "Prevailing tight MMA supplies" were reported with expectations for supply to remain tight through the end of the year and into 2005 Q1. *ICIS-LOR*

Macroeconomic Indicators -

- The overall economy grew for the 37<sup>th</sup> consecutive month in a row with the manufacturing sector seeing growth for the 18<sup>th</sup> consecutive month in a row (November). – *Institute of Supply Management*.
- U.S. economic growth has continued to grow at 3.3% in Q2 and 3.9% in Q3. – *Associated Free Press*

There are no indicators leading us to believe that there will be any significant improvement in global MMA inventory in Q1 2005. Demand forecasts are robust and raw materials remain tight. Lucite International's assets are projected to remain sold out in 2005 and we continue to receive requests for product that we are unable to supply. Our focus remains on taking the necessary steps to meet the commitments made to our contract customers. As we have been saying, supply availability is and will be the dominant issue for 2005.

Please remember that we have had to extend our lead times to **3 business days for Tank Trucks and 7 business days for Rail Cars.**

There is little new information to report on this industry's cost challenges. The story remains much the same as it has for most of the year with Natural Gas, Methanol and Acetone pricing far above historical highs and Acetone setting new price records every quarter. Acetone producers are expected to nominate another increase for Acetone effective Q1 2005.

As the global leader of the merchant Methacrylate market, Lucite International will continue to provide you information on the changing conditions affecting this industry. Should you have any questions, please do not hesitate to contact your Account Manager.

Best regards,



Kevin B. Burgason  
Product Manager, Monomers