

March 22, 2005

Dear Valued Customer:

Lucite International has prepared this update to provide you with pertinent information regarding the global Methyl Methacrylate (MMA) marketplace. These market updates are offered by Lucite International, Inc. to assist you in your business preparation and planning.

Since the last update in December, the MMA market has continued to be challenged with tight global availability and high raw material costs. Global MMA production continues to struggle to catch up with demand.

To add to the supply availability challenges, two of the three U.S. MMA producers have major maintenance turnarounds scheduled in Q2. These turnarounds will remove approximately 70MM lbs of MMA from the U.S. market that was otherwise available in 2004. In Europe, two MMA producers are preparing for maintenance turnarounds in Q2 with one UK producer still invoking a sales allocation program in hopes of building the necessary inventory ahead of its planned September shutdown. The Asian producers will begin their annually scheduled shut downs in Q2 which will place further strain on the Asian balances.

Every customer segment of the U.S. MMA market is reporting that 2005 run rates will remain at robust 2004 rates or better. Asia continues to be the largest consuming region of MMA. Market demand for MMA in Asia has grown at double digit rates for the past three years due to expanding PMMA demand for LCDs as well as growth in transparent ABS, SMMA, Solid Surface and other market segments. The global supply situation is expected to tighten in Q2 2005 as seasonal demand increases while supply is shortened by the numerous plant turnarounds around the globe.

Lucite International's assets are projected to remain sold out in 2005. Our focus remains on taking the necessary steps to meet the commitments made to our contract customers. Supply availability is and will be the dominant issue for 2005.

Please remember that our lead time on orders remains at **3 business days for Tank Trucks and 7 business days for Rail Cars.**

The story remains the same with Natural Gas and Methanol pricing (driven by record high crude oil) remaining far above historical highs and Acetone continuing to set new price records every quarter. The first acetone price increase announcement for Q2 2005 has

been made for \$0.08/lb. Other producers are expected to follow with similar amounts. In summary, the cost side of the business continues to present challenges.

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

Chemical Publications -

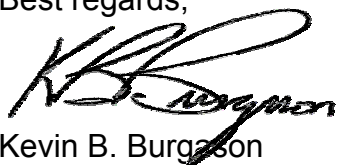
- In Asia, sources believe that the start up of the Lucite Shanghai MMA plant will do little to ease the tight Asia supply as downstream demand continues to grow. *ICIS-LOR*
- In Europe, "Some producers expect a tightening of MMA supply with Q2 shutdowns scheduled at both the Spanish Tarragona and the German Wesseling sites." *ICIS-LOR*
- In the U.S., "Market insiders confirmed that two MMA plants would shut down for maintenance in April for 30-45 days." *ICIS-LOR*
- In the U.S., A major acetone supplier announced a Q2 price increase of \$0.08/lb. Other producers are expected to make announcements in the near future. *ICIS-LOR*

Macroeconomic Indicators -

- The overall economy grew for the 40th consecutive month in a row with the manufacturing sector seeing growth for the 21st consecutive month in a row (February). – *Institute of Supply Management*.
- U.S. housing starts rose to a 21 year high in January & again in February. – *Reuters & Bloomberg*
- "All told, the economy seems to have entered 2005 expanding at a reasonably good pace." – (Greenspan) *Associated Free Press*
- Consensus forecasts for GDP in 2005 put growth at 3.6% (over the 4.4% in 2004) – *Associated Free Press*

As the largest supplier of MMA to the merchant 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,

A handwritten signature in black ink, appearing to read "Kevin B. Burgason".

Kevin B. Burgason
Product Manager, Monomers