

PRESS RELEASE

Historic rise in plastic material prices Due to geopolitical context and refinery closures in Europe

The plastic & flexible packaging manufactures that ELIPSO represents are facing a further, historic rise in plastic material prices.

Since December 2011, plastic material prices have risen constantly by €200-€300 per ton (i.e. almost 20%) as the result, among other factors, of an unfavourable international situation (supply crisis from Iran in particular, high oil prices, weaker euro vs. dollar, etc.). This increase is also caused by refining capacity reduction in Europe, partly resulting from the bankruptcy of some refineries and their vapocrackers, considerably limiting supply of naphtha and its derivatives such as ethylene and propylene and, as a result, available capacity for the various plastic resins made from it.

Demand was low in February, but the expected upturn in March is driving resin process beyond a limit that is difficult to absorb for the plastic & flexible packaging manufactures represented by ELIPSO in France.

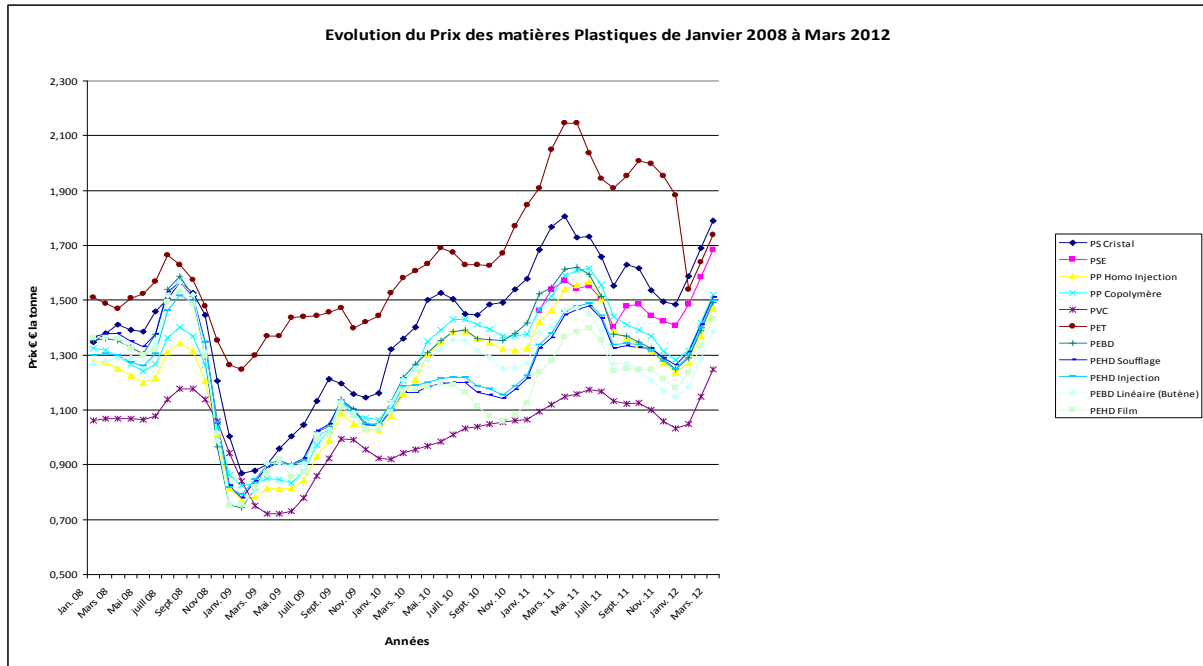
Prices will reach all-time highs in July 2008

However, prices could ease off under certain conditions, i.e. certain European refineries resuming production at pre-crisis levels, resumption of oil supply in Iran in particular. This uncertain future and lack of visibility are creating an alarming situation for our companies in Europe. Moreover, prices in Asia are lower and do not seem to be subject to the same increases as in Europe.

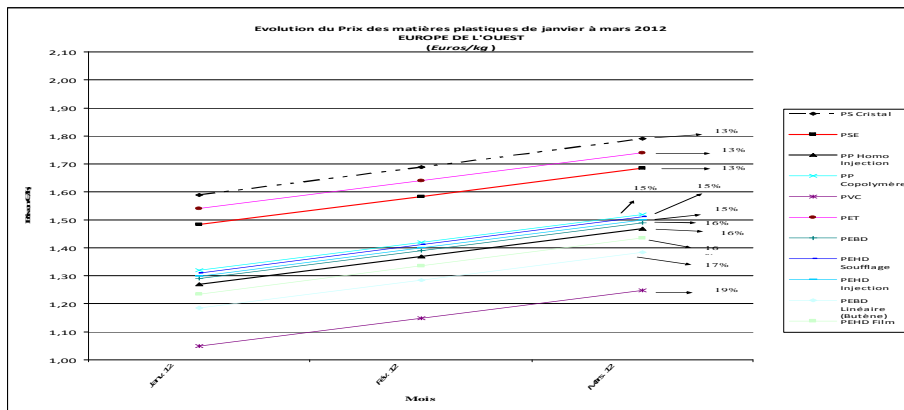
Consequently, plastic & flexible packaging manufacturers, who are carrying out their businesses in early 2012 against a backdrop of crisis, are very worried about this unavoidable, sudden price hike for their raw materials, which is pushing up their production costs and weighing on their competitiveness, particularly in relation to Asia.

Plastic & flexible packaging manufacturers are calling for greater responsibility from the sector. Downstream they are asking resin producers to remain reasonable; upstream they want packaging users to absorb the excess costs due to raw material process, especially as the profession's efforts in terms of eco-design and weight reduction have led to substantial savings.

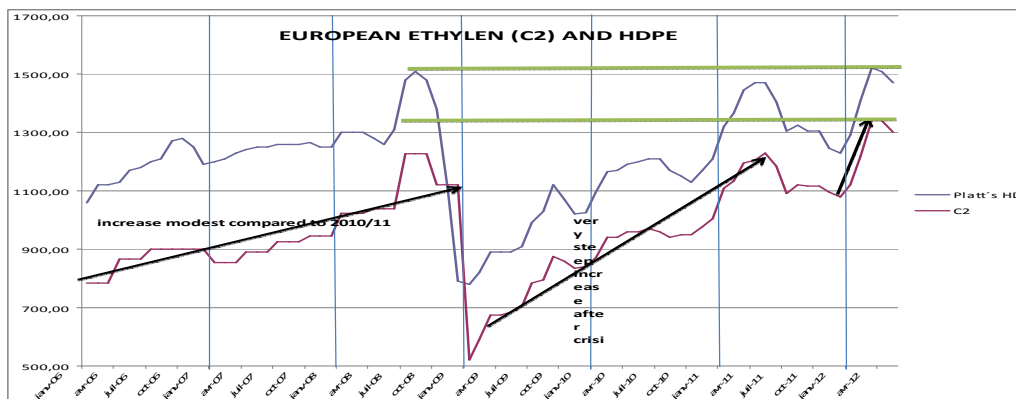
Plastic prices in Europe over the past 4 years (January 2008 - March 2012)



Plastic prices in Europe over the past 3 months (January 2012 - March 2012)



Example: ethylene and hdPE (high-density polyethylene)



ELIPSO represents plastic and flexible packaging manufacturers in France. Its 130 members give it 75- 90% representativeness depending on the sector of activity.

The plastic and flexible packaging industries in France employ 40,000 people in 320 companies, with total annual turnover of 7 billion euros.

These industries are active in every industrial and retailing sector (food & agriculture, health & beauty, personal care, cleaning products, chemicals, industrial products, construction, transport and logistics).

→ www.elipso.org

ELIPSO press contacts:

Françoise GERARDI & Christophe MORVAN
f.gerardi@elipso.org – c.morvan@elipso.org
Tel : +33 (0)1 4622 3366