

18th January 2010

Aluminium prices

Unfortunately, the price of aluminium raw material on the LME continues to rise and it is becoming extremely difficult to know what is going to happen next. The increases are primarily driven by bank and fund speculation which does not help any of us in these already difficult trading conditions.

We obviously have no choice but to purchase metal at these prices in order to safeguard supply, which means that we have to announce a further price rise for extrusions of **£150/tonne (euro 165 per tonne)**, effective on all new orders placed on or after the 1st February 2010.

Many of you have asked what is likely to happen with prices going forward as price increases of this magnitude will affect all of our businesses. One thing which is very clear, is that the fundamentals of supply and demand do not support this level of raw material price. However, it has to be seen as to whether fund support will continue to hold prices at high levels, and potentially, push them even higher in the short term.

Please be assured that we are monitoring the market situation on a daily basis and will keep you informed of developments through our sales teams and via our website www.sapagroup.com/uk/profiles

If you should have any questions, please do not hesitate to call your sales contact who will be pleased to discuss any issues or concerns you may have.

Yours sincerely,



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