

Dear Sirs.

Probably you have been confronted to the gone up commodity prices already by some means or other, and you might be aware that they will keep on rising, too. That applies especially to metals such as copper, silver, gold, alloy and steel.

The following table shows a price development-overview since January 1<sup>st</sup>, 2005 for the major commodities we work up. Thereby we appointed the prices as from January 1<sup>st</sup>, 2005 as 100% reference mark:

Date	Silver Price	Growth Rate	Gold Price	Growth Rate	'Silver/Gold' composition (1%Gold)	Growth Rate
01.01.2005	€ 180/kg		€ 11,45/g		€ 293/kg	
01.06.2005	€ 216/kg	+ 20 %	€ 12,03/g	+ 5 %	€ 334/kg	+ 14/%
01.01.2006	€ 269/kg	+ 49 %	€ 15,51/g	+ 35 %	€ 421/kg	+ 44/%
01.06.2006	€ 350/kg	+ 94 %	€ 17,65/g	+ 54 %	€ 523/kg	+ 79/%

Date	Copper Price*	Growth Rate	Alloy Price	Growth Rate	(Feron) Core Lamination at 1000 pc	Growth Rate
01.01.2005	€ 2,51/kg		£ 1820/t		€ 56	
01.06.2005	€ 3,00/kg	+ 19%	£ 1807/t	- 1%	€ 59	+ 5%
01.01.2006	€ 4,00/kg	+ 59%	£ 2270/t	+ 25%	€ 86	+ 54%
01.06.2006	€ 6,12/kg	+ 144%	£ 2490/t	+ 37%	€ 120	+ 114%

\*Please note that our last mark-up was in autumn 2002. Copper was € 1.55/kg those days, so it almost quadrupled its price up until today!

For further information on this please visit: [www.lme.co.uk](http://www.lme.co.uk), [www.westmetall.com](http://www.westmetall.com) or [www.wc-heraeus.com](http://www.wc-heraeus.com)

Growth rates at +144% for copper, +114% for core lamination as well as +79% for our silver/gold composition in less than 17 months eventually have caused an unavoidable but appropriate price rise at our end which will affect certain product ranges differently:

Coils, foil-coils, wires and cables made from silver or silver-gold composition we charge according to our **updated price table effective from June 19<sup>th</sup>, 2006**. All previous price tables related to these products expired by then.

We expressly reserved to ourselves that orders referring to products which are subject to market fluctuations of more than 10% will be charged according the actual daily price then either way.

Products which are mainly made from copper and/or lamination will be delivered according the current price table until our new price table is effective from August 1<sup>st</sup> onwards.

We expressly reserved to ourselves that orders referring to products which are subject to market fluctuations of more than 10% will be charged according the actual daily price then either way.

Eventually there will be a **new price table effective from August 1<sup>st</sup>, 2006** applying to the entire Mundorf product line-up.

You may rest assured that we regret these inevitable measures ourselves but ask you for some understanding same time! Then again, though there is just little hope on easing of tension within a foreseeable period of time, we are ready to react instantly on falling prices as well in terms of passing lowered prices to you too!

Yours sincerely,

Raimund Mundorf

June 16<sup>th</sup>, 2006 Cologne, Germany

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