



Dear Valued Client:

Paper Market Update: North American newsprint manufacturers have announced back-to-back price increases effective October and December 2017. Other premium paper grades have also been increasing prices. The whole paper market is becoming volatile and will likely get worse before it gets better. Looming paper shortages and further escalating prices could be on the horizon. To get a better sense, we are already hearing of other regional and national printing/publishing companies running out of paper inventory and unable to print. Trumbull Printing has already been approached in two separate instances from others looking to purchase paper from us.

Rest assured, you have our commitment to continue to work closely with the paper mills negotiating the best possible prices on your behalf, as well as maintaining adequate supplies in a tightening paper market. We have purchasing agreements with three Canadian paper companies and continue to purchase at the lowest prices. **We have you covered!**

Primary factors behind all of this:

Supply vs. demand is driving prices upward. There are few remaining North American paper providers and all have reduced capacity, shut down machines, mills, etc.

It's taking traction and could be disastrous for US publishers/printers. Canadian paper companies supply the majority of US newsprint consumption. Only small US newsprint paper companies remain (Norpac included). They have limited regional capacity. Trumbull Printing and all US publishers/printers rely on the Canadian paper supply chain.

All/most US publishing/printing companies (Trumbull Printing included) are outraged with the situation and have provided letters, testimony, etc. to Wash DC as to the devastation that an unfavorable ruling could have on our industry.

The entire Trumbull Printing team continues with relentless focus on improving all cost centers to ensure we remain a long-term, high quality, low cost, viable and valued supplier to you.

We have implemented vast cost cutting measures in all areas of our

business during these recent challenging years. Additionally, our new state-of-the-art Computer to Plate system has enabled us to significantly reduce labor and material costs while enhancing product quality.

Despite these measures, we are unable to continue to absorb the majority of the price increases on our own. These newest price hikes require us to increase rates. Consequently, we must propose a rate increase to our clients to help offset a portion of the increased costs.

We know how challenging this increase is for you, especially at this time, and appreciate your continued support as we navigate these difficult times together.

We will continue to keep you informed of the paper market. Let's hope for relief.

Sincerely & Best Regards,
The Trumbull Team