



Essen, June 24, 2008

### **Coveright announces Raw material cost surcharges**

Following news of the latest unprecedented rises in key raw material costs, Coveright Surfaces Europe is announcing price increases of up to 10% on most products and with significantly higher increases for certain product groups. This increase is effective July 1, 2008, or as contracts allow.

The rise in energy costs over the last 18 months is driving price rises of all raw materials. However, the industry is being hit by even more dramatic rises in some basic chemicals.

A new wave of very sharp increases hits Urea and Melamine, pushing the prices respectively 100% and 40% higher than a year ago.

Urea, a key component of our products and also the base feedstock for Melamine crystals, is currently in high demand as a fertilizer. In addition, there is an especially strong demand in China, which is usually a key exporter of Urea. The Chinese government has dramatically reduced exports and this is driving up prices for other industrial users of this important chemical.

The increase in melamine price is driven by a combination of the global melamine manufacturers' reaction to inadequate margins resulting from increasing Urea prices and a tight supply situation. The amount of melamine supplied out of China has been further reduced dramatically, which in combination with major plant closures in Europe and Asia has resulted in a very tight supply situation.

Manufacturers, faced with this monumental raw material price rise are forced to pass on these extraordinary cost increases, which are threatening the survival of many companies in our industry. It is no longer possible for manufacturers to offset these increases by cutting costs elsewhere.

### **About Coveright**

Coveright is the world's leading manufacturer of surfacing materials for decorative, flooring and technical applications in the furniture, flooring, building, woodworking and automotive industries. The company has manufacturing sites in eight countries, and its products are sold in 45 countries worldwide. With an extensive range of high-quality products and customized solutions, broad production and distribution capabilities, and unrivalled customer support, Coveright has everything covered.



[www.coveright.com](http://www.coveright.com)

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