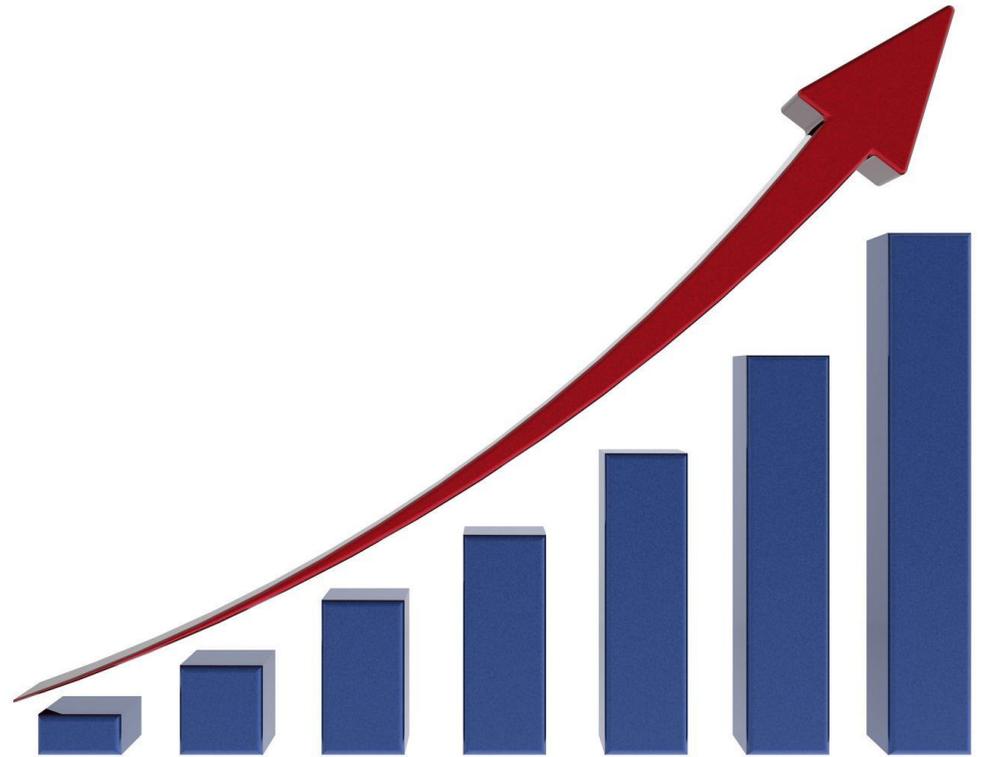
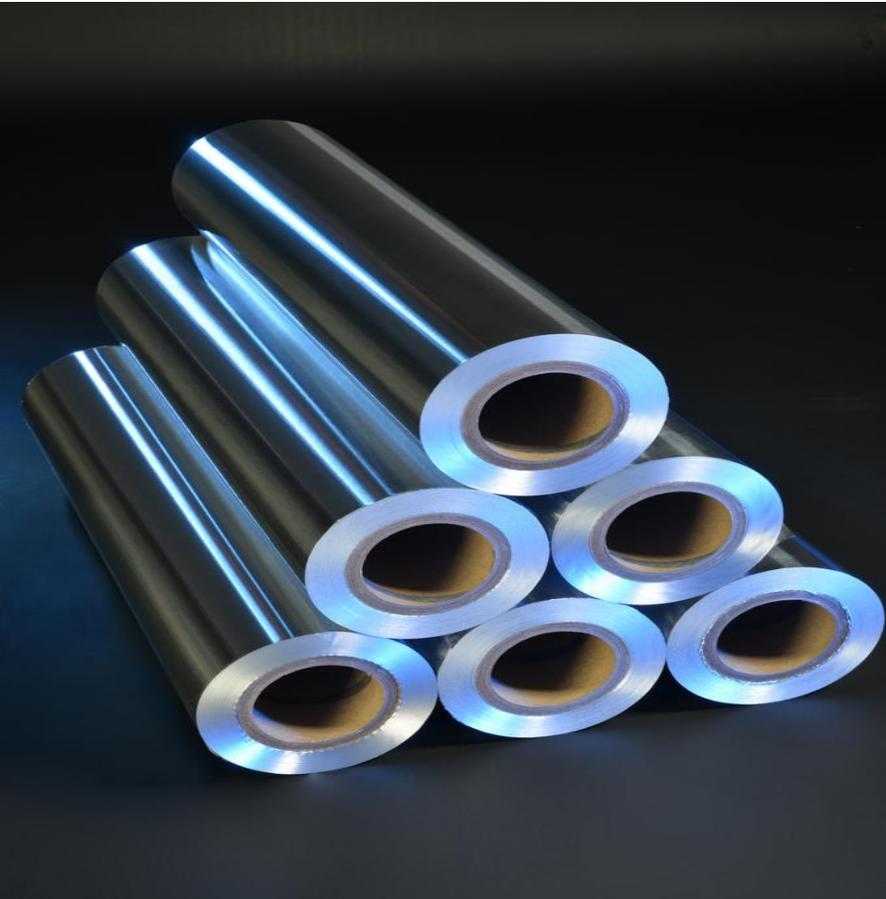
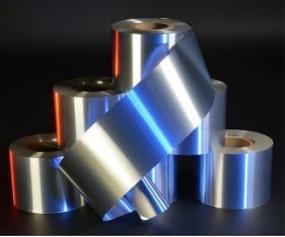




Economic Factors Affecting Aluminum Pricing





Overview

Over the past few months the aluminum market has seen dramatic increases in all our input costs. These increases have been driven by a combination of factors, overall demand is up which is causing very tight domestic supply, rising feedstock costs, structural changes in the duty rates on imports and uncertainty of further US Government actions around imposing incremental duties. These rapid increases are the impetus for All-Foils Inc., putting together the following pages to help inform our customer base as to the key drivers to these structural changes. We take very seriously the responsibility of delivering adequate information on these issues to our customer base and their end users. This helps all of us make the right business decisions to achieve the level of financial health necessary to support our industry.

We have seen a series of events that can be viewed as a “perfect storm”:

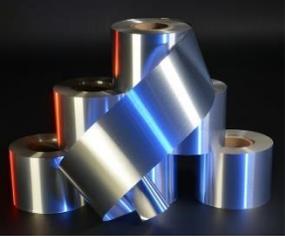
1. Domestic demand and supply imbalances causing our North American aluminum producers to re-evaluate how they service our market.
2. Implementation of a government action to impose incremental import duties on Chinese produced aluminum. These range from 120-180%. Over the course of the next several months we anticipate a final confirmation from the Department of Commerce and the International Trade Commission.
3. Steady increase in the LME (London Mercantile Exchange) and Midwest Premium price for aluminum driven by increased global demand.

While each of our end use markets (Automotive, HVAC, Pharmaceutical, etc.) have unique dynamics, our expectation that strong demand and short supply will continue to put pressure on all our raw material prices in 2018 and beyond. Please know that we will continue to work with all available global producers to ensure supply availability and minimize the cost impact of these extreme market dynamics. I hope this presentation helps explain better the current situation that our industry is facing. We will continue to keep you informed of the ongoing developments in the market.

Thank you for your continued support and please do not hesitate to contact us for further information.



Kevin C. Foos
President
All Foils, Inc.



Summary

| | |
|---|--|
| Rising Costs of Feedstocks | Aluminum International (LME) Aluminum Domestic (Midwest Premium) |
| PLUS | |
| Chinese Duty Increase | Countervailing Duties issued Aug. 7 2017 Preliminary Anti-Dumping Determination Oct. 27, 2017 Commerce final determination Feb. 23, 2018 ITC final determination Apr. 4 2018 |
| PLUS | |
| Changing Supply/Demand Dynamics | North American demand is increasing North American supply is tight due to increased demand and uncertainty China foil supply is "shut" down due to incremental duties HVAC demand driven by end of life & hurricane replacements General market growth |
| PLUS | |
| Uncertainty | What will the US Government final duty rates be? What will be the impact of Section 232 of the Trade Expansion Act? Will the US Mills add capacity and when? |
| EQUALS | |
| Tight Supply/ Rising Raw Material Prices | Rising prices for aluminum |

Glossary of Terms

LME - London Mercantile Exchange - The world center for global metal trading. The index that drives the input cost for aluminum internationally.

Midwest Premium - The actual cost of aluminum used by domestic aluminum producers as an input to their market pricing

Countervailing Duty - an import tax imposed on certain goods in order to prevent dumping or export subsidies

Dumping - occurs when manufacturers export a product to another country at a price below the normal price

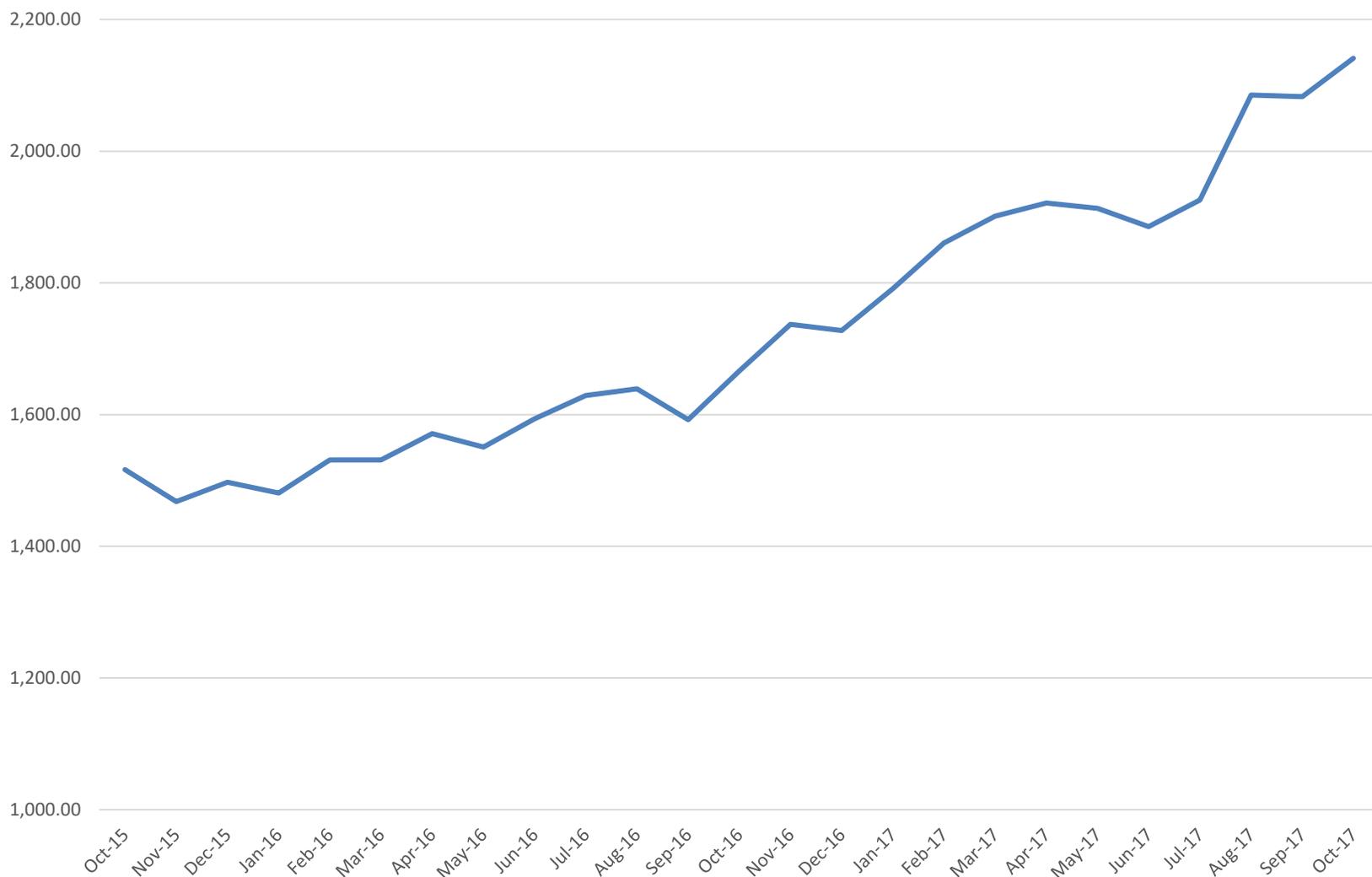
DOC - Department of Commerce

ITC - U.S. International Trade Commission

Section 232 of the Trade Expansion Act - This act will be used to determine the effects on national security due to aluminum imports.

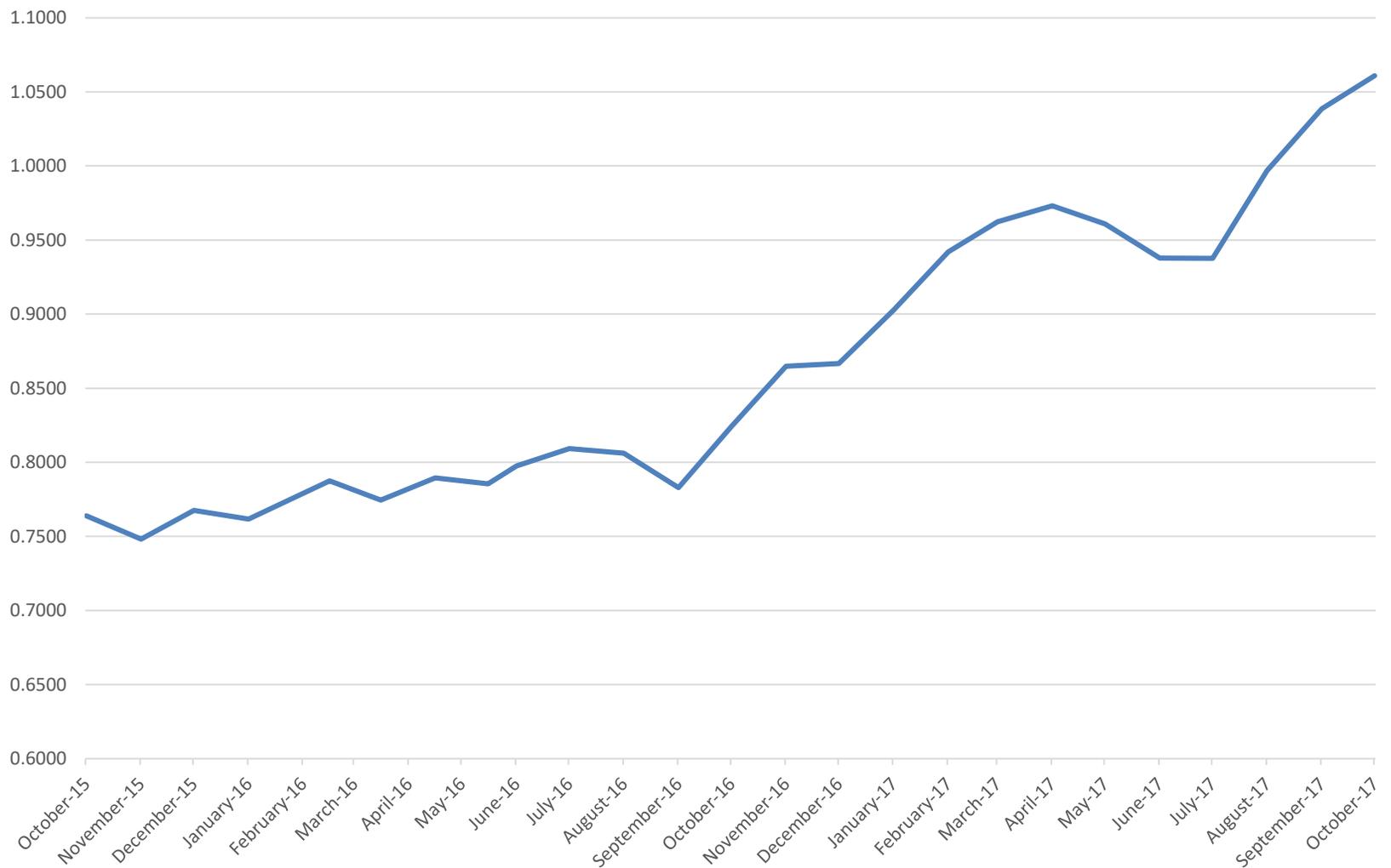


Aluminum Pricing - LME past 24 months (\$/metric tonne)





Aluminum Pricing - Midwest Premium past 24 months (\$/lbs)





Chinese Countervailing Duty Fact Sheet

- On August 8, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the countervailing duty (CVD) investigation of imports of certain aluminum foil from the People's Republic of China (China).
- The CVD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods.
- Commerce has calculated preliminary subsidy rates of 28.33 percent ad valorem for Dingsheng Aluminum Industries (Hong Kong) Trading Co., Ltd, 16.56 percent for Jiangsu Zhongji Lamination Materials Co., Ltd., 80.97 percent for Loften Aluminum (Hong Kong) Limited, and 80.97 percent for both Manakin Industries LLC and Suzhou Manakin Aluminum Processing Technology Co., Ltd. The preliminary subsidy rates for Loften Aluminum (Hong Kong), Manakin Industries LLC, and Suzhou Manakin Aluminum Processing Technology Co., Ltd. were determined entirely on the basis of adverse facts available due to their failure to provide information as requested by the Department.
- As a result of the preliminary affirmative determination, Commerce will instruct U.S. Customs and Border Protection (CBP) to require cash deposits based on these preliminary rates.
- The merchandise covered by this investigation is aluminum foil having a thickness of 0.2 mm (7.8 mil) or less.



Chinese Antidumping Duty Investigation Fact Sheet

- On October 27, 2017, the Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping duty (AD) investigation of imports of aluminum foil from the People's Republic of China (China).
- The AD law provides U.S. businesses and workers with a transparent, quasi-judicial, and internationally accepted mechanism to seek relief from the market distorting effects caused by injurious dumping of imports into the United States, establishing an opportunity to compete on a level playing field.
- For the purpose of an AD investigation, dumping occurs when a foreign company sells an imported product in the United States at less than fair value.

- In this investigation, Commerce preliminarily found that the mandatory respondents:

| Company | Preliminary Dumping Margins |
|----------------------------|-----------------------------|
| Zhongji | 96.81% |
| 14 Separate Rate Companies | 138.16 |
| Dingsheng | 162.24 |
| PRC- Wide Entity | 162.24 |

- The merchandise covered by this investigation is aluminum foil having a thickness of 0.2 mm (7.8 mil) or less.