

30 April 2008

Dear Customer

PRICE RISE 01 JUNE 2008

Olex wishes to advise that there will be a price increase effective **1st June 2008**, which will apply to all orders supplied from this date.

This increase is due to the continual rise in the price of raw materials in particular copper.

To assist in your planning, the following increases will apply:

Product	1 st June 2008
Copper Power Cables	4.0%
Aluminium Cables	0.0%
Glands & Accessories	0.0%

As mentioned in my letter dated 29 February 2008, Olex Price Lists are no longer printed; however copies are available for download from our website:

www.olex.co.nz/Products/Price-Lists.html

PRICE LIST REVISION 01 JULY 2008

Please be advised that Olex will be revising the Price Lists and the pricing discount structure currently used. Overall, pricing and discounts will be returned to more realistic levels following a period of historical drift.

The Price List revision will be effective **1st July 2008** and will be applied to the 1st June 2008 Price List.

The following reductions will be implemented:

Group	Reduction
TPS and Power Cables	70%
Instrumentation and Flexibles	70%
Industrial	30%

Please be assured this revision will not result in any tangible difference to the price you pay for your products.

Specific details on the revised Price List will be sent shortly. If you have any queries, please feel free to contact me on (06) 755 9825.

Yours faithfully



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Price List Revision - 1st July 2008

Questions our customers may have ...

1. Why is Olex revising its Price List?

The Price List needs to return to more realistic levels in line with actual prices charged in the market place. With the high discounts now offered in the market place there is significant danger of margin erosion by inadvertent mistakes.

2. What levels of revision will apply and what product groups are affected?

Top TPS	70%
Other TPS and Power Cables	70%
Instrumentation and Flexibles	70%
Industrial	30%

As determined from the 1st June 2008 Price List

3. How has the market been advised of the Price List revision?

Advice to the market by Olex has been by:

- A number of letters stating our intent being sent to customers over the last 9 months.
- All senior managers of all our Major Customers have been briefed in person.
- Olex Account Managers have been advising their customers verbally.

Further, when the announcement is made it will be posted on the Olex website.

4. How will Olex help its customers to determine the new discounts that will be applied?

There will be a Discount calculator for each product group on the Olex Website. Olex also intends to produce and distribute a discount tool to help in this regard.

5. How can Olex stop the price creep that will continue after the Price List revision?

The price creep that has occurred since the last revision has largely been as a result of metal movements on the LME.

Olex is looking at alternative methods for price maintenance and adjustment on a more frequent basis. The Price List will also continue to be trimmed in content to assist the administration required to process price adjustments.

6. What if Olex's competitors do not apply the same revision?

Olex is committed to the realignment of the price list and will continue with the Price List restructure.