

THE SUBSTANCE INSIDE™



Protecting Our Intellectual Property - The Facts Regarding SI Group Tackifier Resins

SI Group has been manufacturing tackifier resins for more than 25 years and is a known leader in phenolic resin technology. We hold numerous international patents covering tackifier resins and other phenolic resin products, including patents in China, and are committed to protecting our intellectual property and trade secrets in accordance with the laws of the countries in which we operate.

Recently, Sino Legend (Zhangjiagang) Chemical Co., Ltd., a Chinese company against which we have brought two civil lawsuits for the cause of actions of misappropriation of SI Group trade secrets and declaration of the ownership of a patent application, has published false and misleading information about SI Group and the status of Sino Legend's own attempts at obtaining patent protection for its tackifier resin technology. While legal intervention by SI Group was successful in removing this inaccurate content from Sino Legend's website in late February, we would like to set the record straight regarding Sino Legend and our case against them.

Sino Legend, which was founded in August of 2006, claims to have begun commercial production of tackifiers in 2008. Evidence shows that the plant manager of our Shanghai resins manufacturing facility was hired away by Sino Legend or its affiliates as early as May 2007. Since that time, Sino Legend has been producing tackifier resins replicating SI Group's proprietary tackifier resins, including similar type and level of residual materials in the products.

Although Sino Legend was not established until 2006, its founders are no strangers to SI Group. Prior to establishing a resin manufacturing operation, one of Sino Legend's founding shareholders was a shareholder and a manager of Red Avenue Chemical Company, a past distributor of SI Group resin products that to this day continues to distribute chemical products for a variety of companies, including Sino Legend. Recent media publications describe the distribution relationship between Sino Legend and Red Avenue Chemical affiliates, but do not call attention to the fact that Sino Legend and Red Avenue are in fact affiliated through the same ownership.

While Sino Legend has previously published statements asserting that it holds a patent over its SL-1801 tackifier manufacturing process (which is the subject of SI Group's lawsuit against Sino Legend), this statement is false. Sino Legend has filed a patent application for this tackifier resin manufacturing process (Pat. Appl. 200810041551.7), but the application has not been granted. The application has been suspended pending the outcome of SI Group's lawsuit against Sino Legend.



March 8, 2012

THE SUBSTANCE INSIDE™



Protecting Our Intellectual Property - The Facts Regarding SI Group Tackifier Resins

SI Group China filed lawsuits in February 2010 alleging that Sino Legend has illegally taken SI Group trade secrets and is using them to manufacture and sell tackifier resins, and that Sino Legend has attempted to patent such technology. Supporting our claims, a judicially authorized technology verification center, which is recognized by the Supreme People's Court of the People's Republic of China and hired directly by the Shanghai Public Security Bureau Economic Criminal Investigation General Unit, has confirmed the confidential nature of SI Group's technology. It has also confirmed the similarities between SI Group and Sino Legend product offerings, as well as the similarities in the particular manufacturing processes and equipment utilized by both companies.

In March 2011, SI Group re-instituted two new lawsuits against Sino Legend on behalf of both our US and Chinese affiliates for the same causes of action. Since that time, SI Group has been the victim of a massive online smear campaign intended to portray the SI Group China affiliate as environmentally irresponsible. Sino Legend has filed formal complaints with the environmental authorities in Shanghai, which included the same accusations as the defamatory articles spread over the Internet. In response to these complaints, governmental authorities conducted inspections of SI Group's Shanghai plant on multiple occasions and found no violations at the SI Group site. The irony of these desperate measures lies in the fact that SI Group's Shanghai plant was recently awarded the honorary title of "Model Enterprise of Energy Conservation and Environmental Protection" by the local Songjiang government.

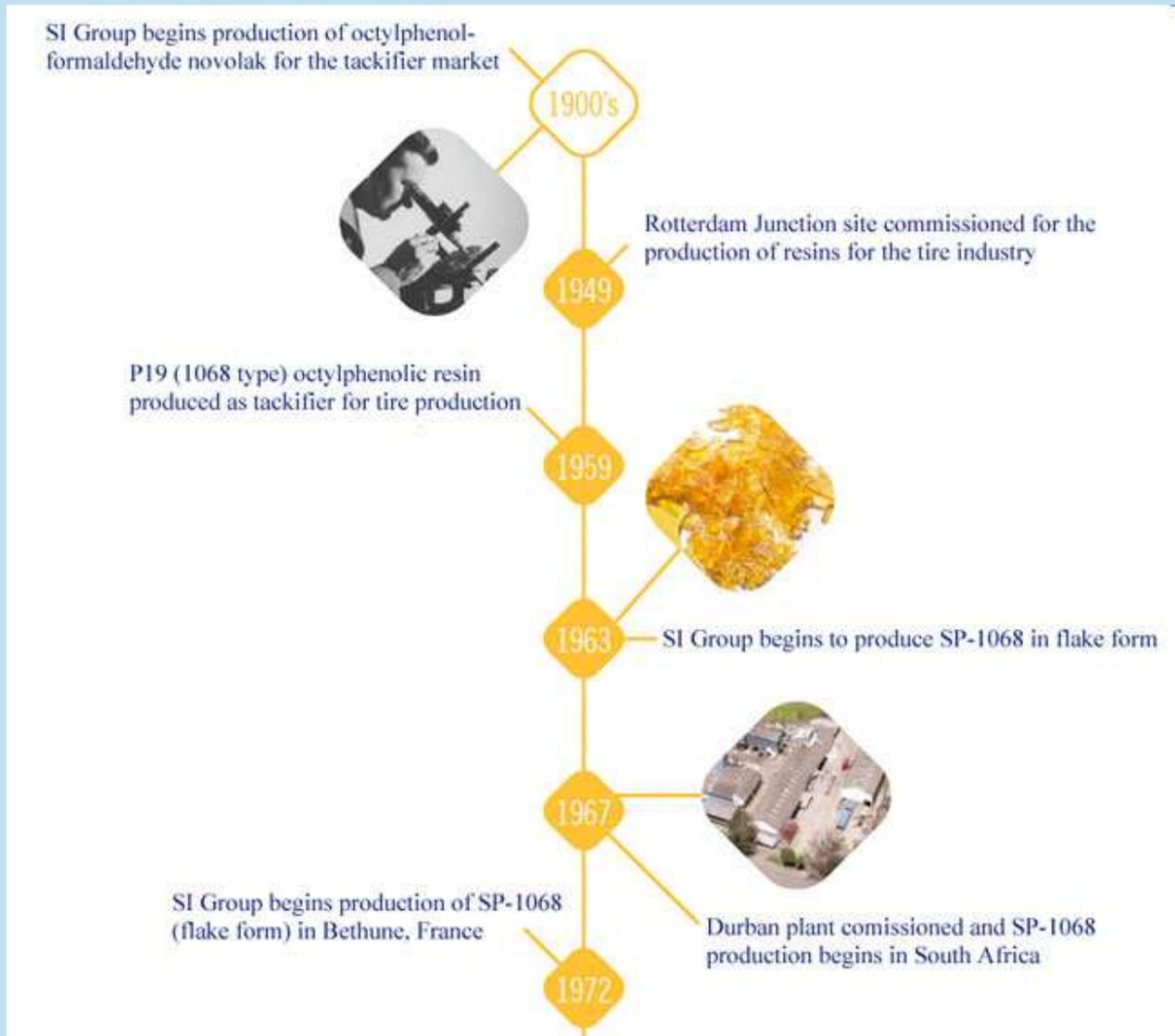
As unfortunate as this situation has been, we have never been more committed to delivering unmatched product quality and service to our Chinese customers. Our global footprint and established reputation as a reliable supplier are central to our Brand. As a leading chemical manufacturer and a pioneer in phenolic resin technology, we continually invest in equipment and R&D, including a recent investment to expand the capacity of our Songjiang plant, and a \$1.5 million investment in an application testing lab for phenolic resins. SI Group's plans for the construction of a new \$30 million plant in Nanjing are currently in motion.

The facts are on our side, and we will always protect our intellectual property wherever it is threatened. Furthermore, we are confident that our proven track record for industry-leading quality, technical expertise and service will continue to be vitally important to our customers.

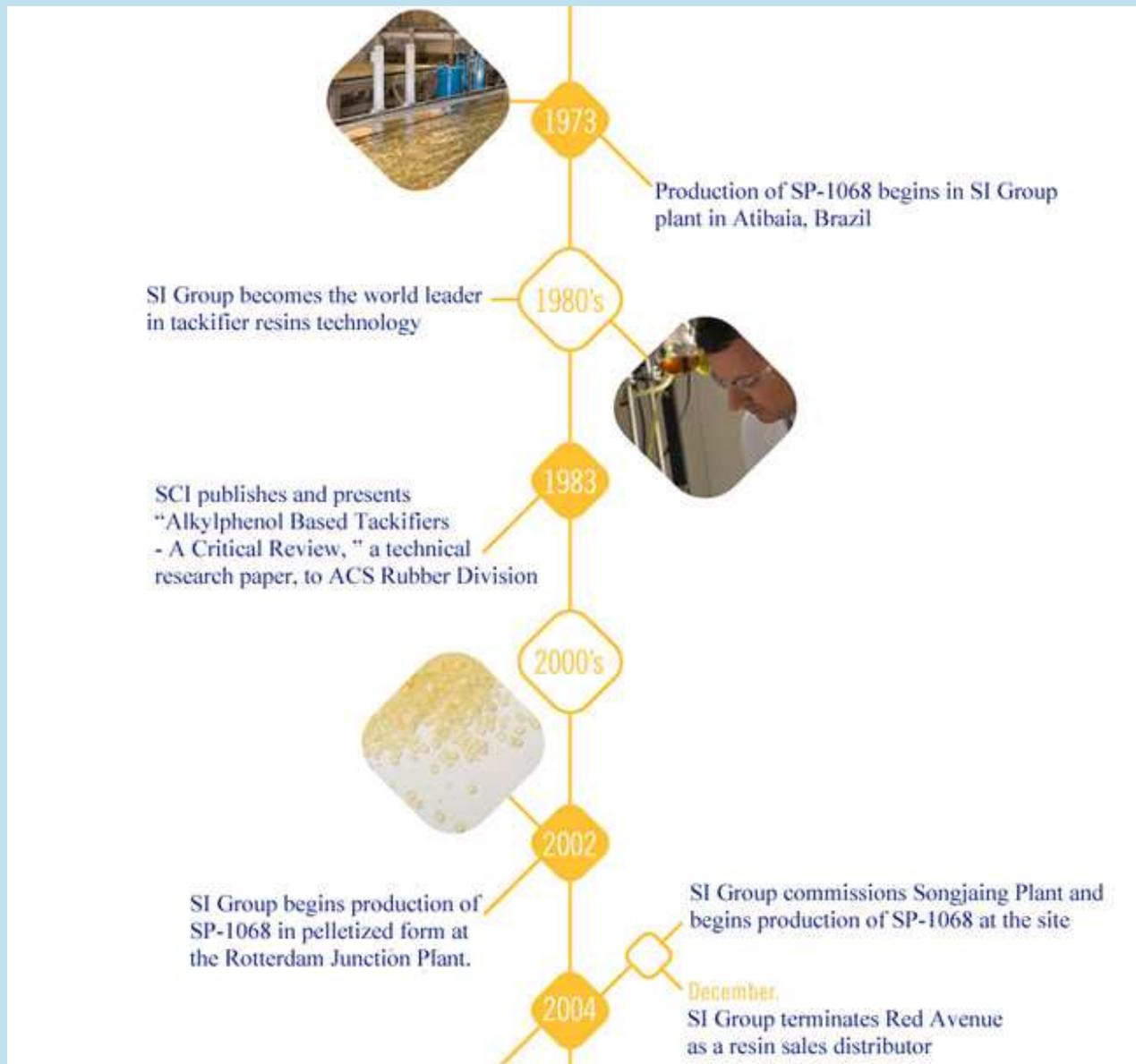


March 8, 2012

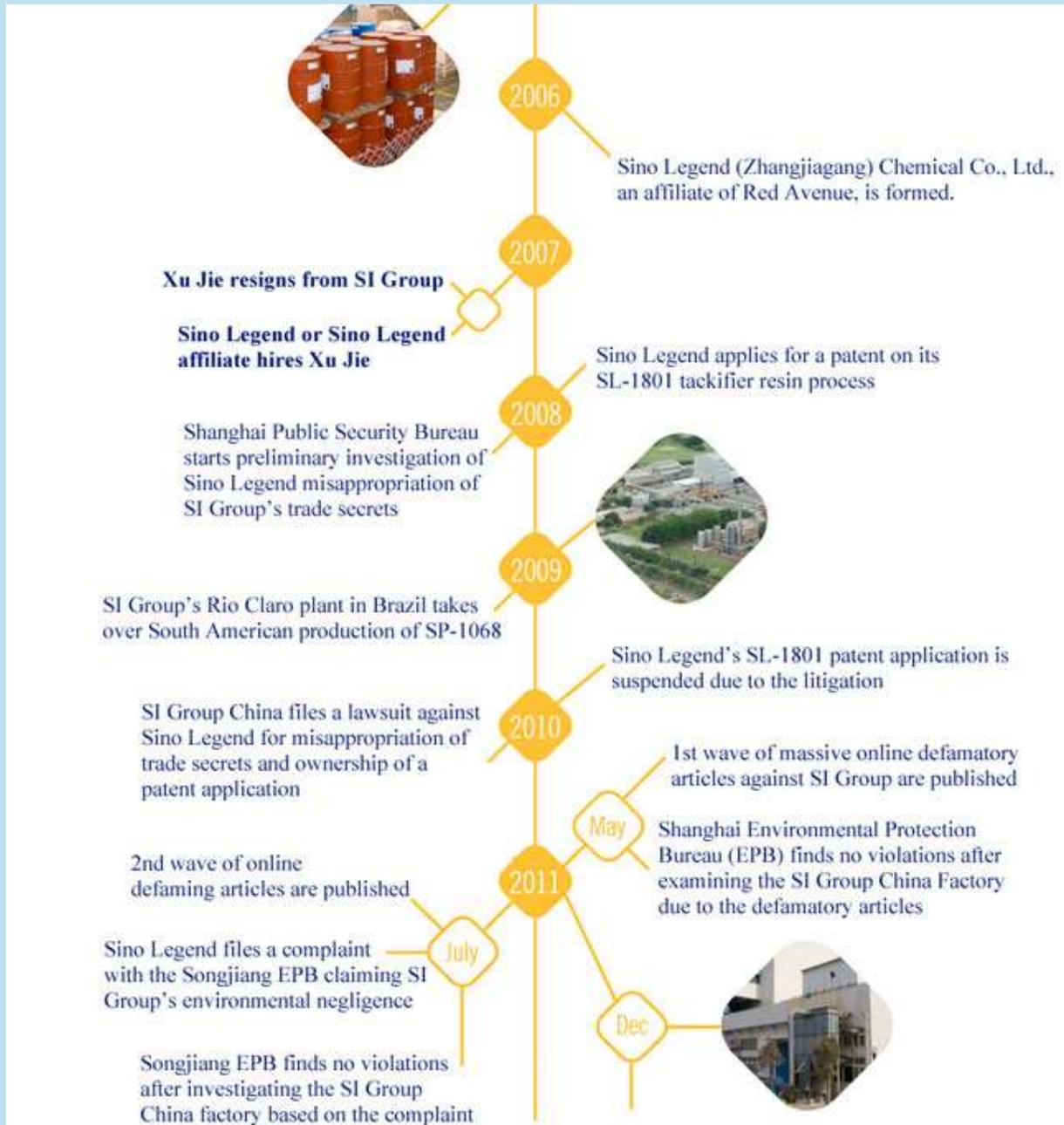
THE SUBSTANCE INSIDE™



THE SUBSTANCE INSIDE™



THE SUBSTANCE INSIDE™



THE SUBSTANCE INSIDE™



2012

Nanjing EPB receives a complaint about SI Group's environmental compliance as an attempt to delay the necessary government permits for SI Group's new factory in Nanjing

Sino Legend launches www.sinolegendfacts.com and continues to publish false and misleading information about SI Group

