



March 16, 2018

Dear White Flyer Distributor/Gun Club,

Many of you have expressed some concern regarding the recent price increase. We are also concerned that we were forced to increase cost of targets due to raw materials. This isn't the first time we have seen a spike in pitch prices. In late 2011 one of our suppliers shut down due to a fire drastically reducing the available pitch which drove prices to a record level. At that time we had to take \$1.00 per case increase. Months later the prices started dropping and we immediately lowered our pricing by \$.40. A year later raw material prices dropped again and we passed on an additional \$.45 per case decrease. We haven't had a price adjustment since the end of 2014.

The reason for the current price increase is tied directly to the aluminum market. Several years ago China flooded the market with cheap aluminum products in Europe and North America. When that happened aluminum plants in these areas were forced to shut down because they could not compete with the lower prices. The aluminum market uses pitch to manufacture the carbon electrodes which are used to smelt the ore. Additionally, the pitch plants either shut down or drastically reduced their productions. Fast forward to today and with our thriving economy the demand for high quality aluminum has created a comeback for the North American and European aluminum industry. The reemerging industry is consuming the same pitch we use in our targets; however the refineries have not scaled up pitch production accordingly. Since Europe is experiencing a similar situation it has forced them to use less than desirable and expensive pitch alternatives in their targets. White Flyer wants to continue to deliver high quality targets to all of our customers and we will not cut corners with cheap raw materials. Raw materials are the largest component in the cost of manufacturing targets and history shows that our pricing tracks with the cost of those raw materials. In addition to the increases White Flyer has also taken four decreases since 2008. If we had not taken those decreases the cost of targets would already be above what was announced on March 13th. If pitch production increases and prices drop, White Flyer as we have done in the past will pass those savings along to the consumer.

For over 125 years White Flyer has done our best to deliver high quality targets that shooters have demanded. We continue to support the shooting world by sponsoring more events and organizations than any other target manufacturer. We sincerely appreciate your consideration and understanding on this issue.

A handwritten signature in black ink, appearing to read "Phil Murray", with a long, sweeping underline that extends to the right.

Phil Murray
White Flyer Targets