



UPDATE ON FIRE

Mijdrecht 7.7.09

## **COLOMBIER INTERNATIONAL BACK TO NORMAL ONLY 5 DAYS AFTER FIRE**

We are now 5 days after the fire and can give you the following update.

The fire was officially declared over on Sunday at 19.00. All fire brigades involved have done an excellent job in containing the fire to mainly one building and to get under control so rapidly.

Most of the building structure has been torn down and approximately half of the damaged inventory has been removed from the site. The remainder will be cleared in the coming days and weeks.

We have on Friday secured additional warehouse space in our neighbourhood that now enables us to receive goods again such that our operations can continue uninterruptedly.

We started all our machines on Friday at about 10.30 and have been running normal shifts since then. The effective standstill of our machine capacity has therefore been limited to three and half hours.

Fortunately we have about 3000 tons of paper in an outside warehouse which will cover our immediate needs for orders in the coming weeks. In addition we have secured an additional 3500 tons of paper that will be delivered on short notice so that our customers should experience none or very little disturbances to their delivery schedules.

Obviously our property is fully insured and the cooperation with our insurance company has been very good and constructive. In addition to our property insurance we have additional cover for loss of business of a decline in gross margin/profit for up to 12 months and for any additional cost such extra warehousing costs and the like. Whilst we do not expect nor want to gain out of this tragic event we do not expect to be hurt either.

Except for one fixed saw and a bricket press none of our production machines were damaged. With our mobile converting equipment we are now able to quickly react by moving our production capacity to where the paper is that we are buying. This together with the conversion capacity and the 15.000-20.000 tons of paper available within the Colombier Group will ensure that our service can continue with little or no impact on our customers.

We are grateful for all the support that our long-term suppliers and customers have shown our company in this somewhat challenging time. It is a strong sign of the success of our close partnership model that we have fostered since a long time. I would also like to thank our employees who have all been instrumental to get us back into normal operational mode this fast.

Kind Regards,

Sander Sneider  
Managing Director