



July 10, 2010

Dear Valued Customer:

DeRoyal Textiles appreciates the support and confidence you have placed with us by allowing us to serve your textile fabric and product needs. This letter is to communicate that we are in a period of extreme volatility with raw material costs (cotton and yarn) that is unlike any we have seen in recent times. In addition, freight costs and related supply costs are all experiencing substantial increases.

Although DeRoyal continues to make investments in equipment and processes both domestically and internationally to ensure we provide the absolute best quality products and service to our valued customers, we now find it necessary to ask for an adjustment in pricing to absorb a portion of the ongoing escalation in costs. Beginning with shipments on August 30<sup>th</sup>, 2010, a 7% pricing adjustment will be made to pricing for the products we currently supply.

DeRoyal is very appreciative of your support and we will continue to work to bring you the very best products at the most competitive pricing. If you have any questions regarding this letter, please contact one of our sales or customer service representatives at 1-800-845-1062 or email us at [textiles@deroyal.com](mailto:textiles@deroyal.com).

Regards,

Jay Green  
Director of Textile Operations

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