

**DEROYAL INDUSTRIES, INC.
STATEMENT REGARDING
EMPLOYEE PENSION PLAN**

Filed in Accordance with 29 C.F.R. Section 2520.104-23

This statement is made by the undersigned and filed with the Secretary of Labor as of the 1st day of January, 19 99, in compliance with the reporting and disclosure requirements of Part 1 of Title I of the Employee Retirement Income Security Act of 1974, as amended, in accordance with 29 C.F.R. Section 2520.104-23.

1. The name and address of the Employer:

DeRoyal Industries, Inc.
200 DeBusk Lane
Powell, TN 37849

2. The Employer Identification Number assigned DeRoyal Industries, Inc. the Internal Revenue Service is: 62-1047215

3. The Board of Directors of DeRoyal Industries, Inc. has adopted and approved, effective January, 1, 19 99, an employee pension plan which will be maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees, thereby creating an incentive for such employees to remain in the employ of the Employer and to promote its continued growth. The name of the plan is:

DeRoyal Deferred Compensation Plan

4. As of February, 1, 19 99, the number of employees participating in the Plan is as follows:

<u>Plan</u>	<u>No of Employees</u>
DeRoyal Deferred Compensation Plan	39

5. DeRoyal Industries, Inc. will provide to the Secretary of Labor upon request all relevant Plan documents as required by Section 104(a)(1) of the Employee Retirement Income Security Act of 1974, as amended.

DeRoyal Industries, Inc.

By: Kathleen Dakeberger

Title: Benefits Manager