



October 1, 2017

TO: IBOCO Valued Partners

Subject: WD118 Price Increase Announcement – January 1, 2018

First and foremost, I would like that say 'Thank You!' to our customers for a strong year in 2017. As of today, we believe IBOCO will have another record year of growth in sales due to our customers continued support. This year has been a year of change for the IBOCO Corporation which is allowing us to transition into a stronger supplier to your company. It is the desire of each person at IBOCO to be a Supplier of Choice to you each day and for many years into the future.

Looking back at 2017, the most significant change was the move into our new location in Lakewood, New Jersey. The increase in space is 100% greater compared to our previous location in Edison, New Jersey. The new location has allowed a major increase in operational enhancements allowing IBOCO to service our customers with excellent customer service. Please consider this message a personal invitation to visit our facility.

For 2018, we are announcing a price increase of 5% to 8% for all IBOCO Products. Pricing will be increased for shipments on or after January 1, 2018 and not later than December 31, 2018. This increase is required due to several cost increases IBOCO has experienced over the past few years.

- Raw Material – PVC costs have increased over the past two years as reported in the chart below.





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- Health Insurance – IBOCO continues to receive increases of 20% to 30% per year. For 2018 we have been advised of another increase of +/-20%. Personally, I am against lowering the quality of health insurance just to offer the same employee premium monthly costs.
- Transportation – The cost of delivering the goods from Europe to your company are increasing. We had several long-term contracts with transportation companies that are expiring in 2017. For 2018 costs of transporting goods will increase substantially.

Finally, as we move into 2018, IBOCO's goal is to continue offering a quality product, competitive pricing and industry leading superior customer service to our partners. We appreciate your business and look forward to servicing your requirements.

Sincerely,

Larry M Darst, President
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