

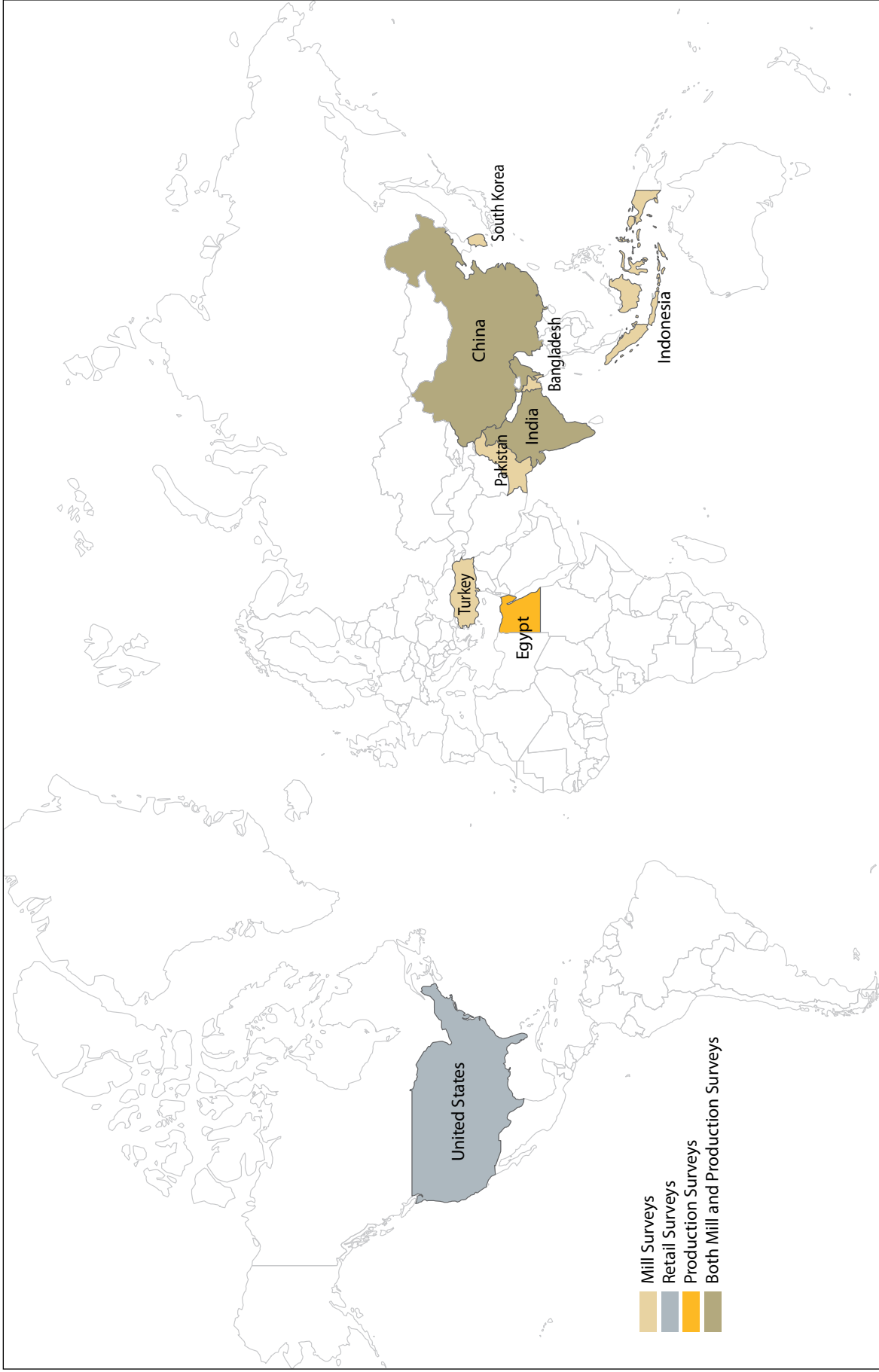


Fibers & Textiles

THE FUTURE OF HIGH QUALITY AND BRANDED COTTON

FCStone, LLC • Fibers & Textiles
3322 West End Avenue, Suite 550
Nashville, Tennessee 37203 U.S.A.
615-724-2225 Office
615-279-5606 Fax
Jim Lambert, Project Manager
jim.lambert@fcstone.com

Map of Study Activity



Contents

Project Notes	1
Executive Summary	3
Introduction	5
Part I: Production.....	10
Part II: Mill Survey.....	61
Part III: Retail/Branded Apparel Feedback	71
Appendices	78

Project Notes

Objective: FCStone Fibers & Textiles proposes to undertake a strategic study of the key countries producing long staple (LS) and extra long staple (ELS) cotton with a primary focus on China, India, and Egypt. Because the supplanting of high quality and branded cotton acreage with long staple cotton will have such a dramatic effect on the world's textile industry, we will include an additional section detailing what 20 major vertical textile mills—all primary users of ELS, Pima and/or Egyptian cotton—think about how this switch will impact their business. An additional bonus to the report will include a section offering thoughts and opinions from up to ten of the top US, Asia and European retailers (and brands) currently using and promoting high quality and/or branded cotton in their final products be it apparel or home furnishings.

Sources: FCStone Fibers & Textiles and CNCotton, our China partner, conducted numerous face-to-face interviews to first hand information, from which charts and tables were compiled.

Personnel: Key personnel responsible for the collection of the data and analysis and forecasts provided in this report are as follows:

Project Leader: Jim Lambert

As Executive Vice President of FCStone Fibers & Textiles, Mr. Lambert oversees the company's China research services and directs many of the consulting projects undertaken by the company. Additionally, he spearheads FCStone Fibers & Textiles' business development strategy and implementation for the firm's various consulting and information service products. Mr. Lambert will oversee the content and preparation of the entire project.

Research Leader: Robert Antoshak

Mr. Antoshak is the CEO of FCStone Fibers & Textiles.

Research Leader: Jin Xi

Mr. Xi is the Manager of the International Cooperation Department of the China National Cotton Information Center and will be responsible for handling all research in China as well as for arranging all interviews within the Xinjiang province.

Research Leader: Fred Hardin

Mr. Hardin is responsible for the marketing of FCStone Fibers & Textiles various products and services to its worldwide clientele. He will be responsible for handling all research in Egypt and India.

Survey Analyst: Saira Farrukh

Ms. Farrukh acts as a Market Analyst and provides key market intelligence information on the Indo-Pak Subcontinent including detailed statistics on the current and projected capabilities in the region's yarn spinners, textile makers and clothing companies. She will handle all the incoming data from the surveyed countries. She will also be the contact person for anyone who is interested in the study and /or have any question about the study.

Survey Analyst: Li Qun

Ms. Li is the Director for the Xinjiang representative office of the China National Cotton Marketing and Monitoring Service (NCMMS). Ms. Li, a former marketing executive with the Xinjiang based Production and Construction Corporation, has more than twenty year's experience with the domestic Chinese cotton industry.

Survey Analyst: Yang Fang

Mr. Yang is the Chief Editor of International News in the Information Department of the China National Cotton.