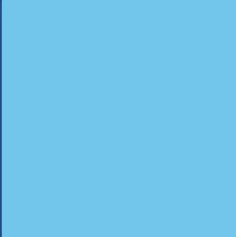


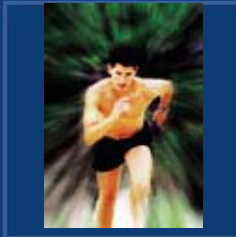
GLOBAL SPORT MARKET SIZE ESTIMATE

Best estimates based on consumer tracking (where available), statistical projections, and our industry expertise.

Figures are sell-out (retail), not wholesale.



YEAR 2006



- Automotive
- Beauty
- Commercial Technology
- Consumer Technology

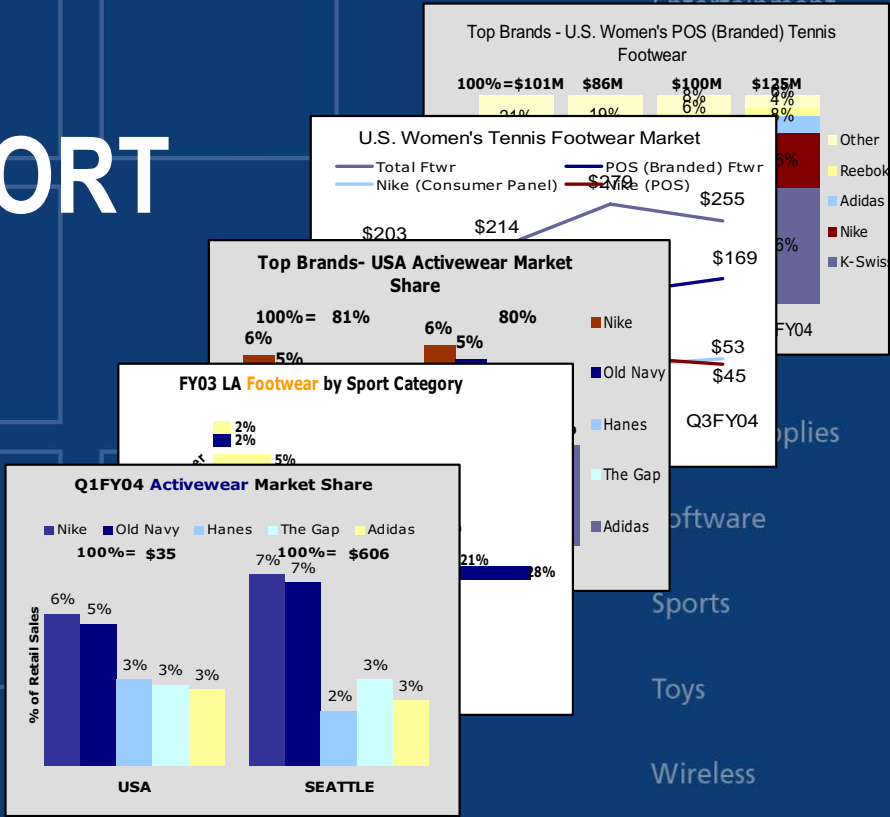
Toys

Wireless

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Automotive
Beauty
Commercial Technology
Consumer Technology

DELIVERABLES and CONTENT OF REPORT



Sport Market (in Million dollars)	%	Sport Footwear market (in Million dollars)	%	Sport Apparel Market (in Million dollars)	%	Sport Equipment Market (in Million dollars)	%	Bicycle and Bicycle accessories Market (in Million dollars)
	footwear		apparel		Equipment		Bicycle	

Country with low income or intermediate income

East Asia and Pacific	
China	
Indonesia	
Philippines	
Thailand	
Vietnam	
All other	
South Asia	
India	
Pakistan	
Bangladesh	
All other	

Latin America and Caribbean	
Brazil	
Argentina	
Colombia	
Mexico	
All other	

Middle-East and North Africa	
Algeria	
Egypt	
Iran	
Morocco	
Saudi Arabia	
All other	

Sub-saharan Africa	
Dem. Rep of the Congo	
Ethiopia	
Nigeria	
South Africa	
All other	

**China apparel
Market size**

**Mexico footwear
Market size**

- An excel report with all the data detailed by country.
- A Powerpoint presentation with main results and methodology highlights.



METHODOLOGY



Automotive

Beauty

Commercial Technology

Consumer Technology

Entertainment

Fashion

Food & Beverage

Foodservice

Home

Office Supplies

Software

Sports

Toys

Wireless

Overall Programs

- The NPD Group measures the Sports Footwear and Sport Apparel markets in key countries around the world, including: United States, Canada, Great Britain, France, Germany, Italy, Spain, Netherlands, Sweden, Switzerland.

The sources of this research are:

USA/Canada: NPD Consumer Panel

GB: NPD/GfK Consumer Panel

Germany: NPD/GfK German Consumer Panel

France: NPD/ TNS French Consumer Panel

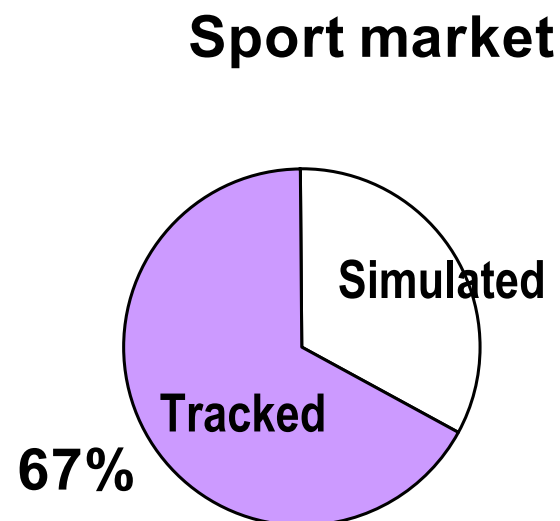
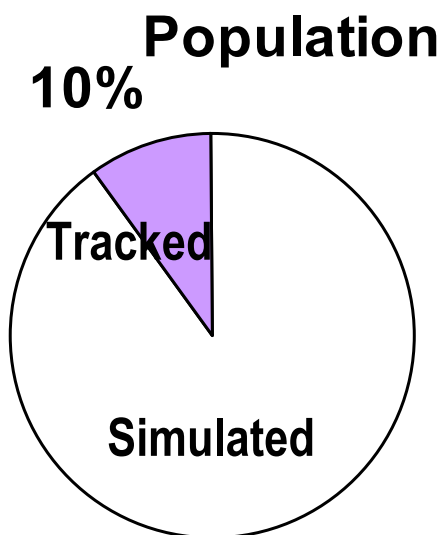
Italy: NPD/IHA Italian Consumer Panel

Spain: NPD/TNS Spanish Consumer Panel

Netherlands, Sweden, Switzerland: GfK Consumer Panel

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- The NPD group in association with its partners has an on-going tracking on footwear and sport apparel in 10 countries.
- These 10 countries account for 10% of the global population and 67% of the global spendings on sporting goods.



A/ On one hand, we measure Market size on sports in 10 high income countries.

C/ Also We do have the GDP per capita for every single country in the world.

B/ On the other hand, we know the gross domestic product (GDP) per capita for these 10 countries.

D/ For all high income countries, we make the assumption that the following ratio is stable :

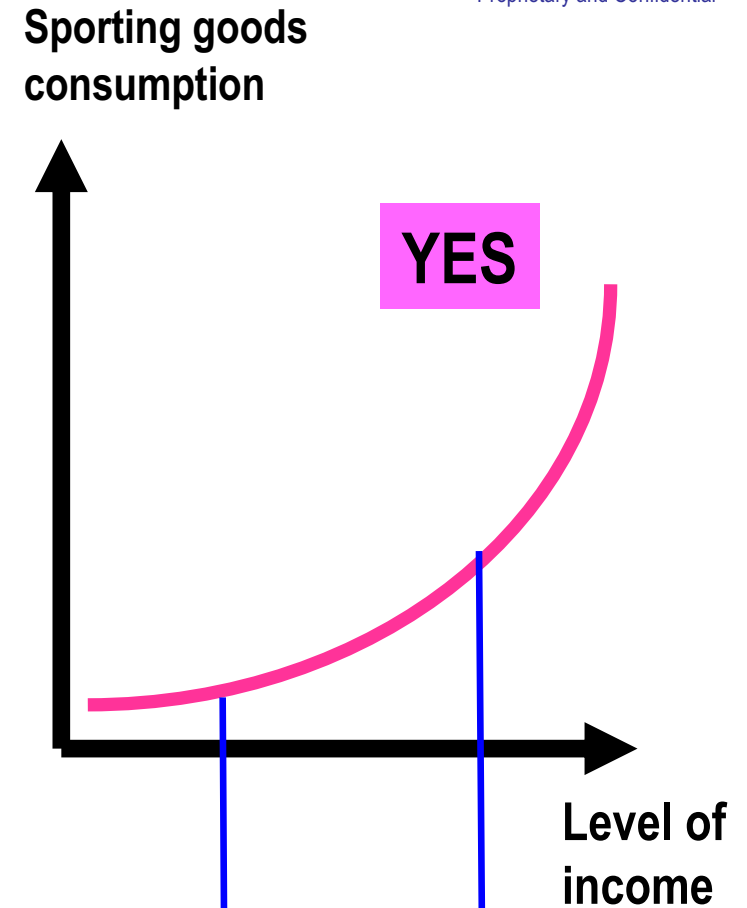
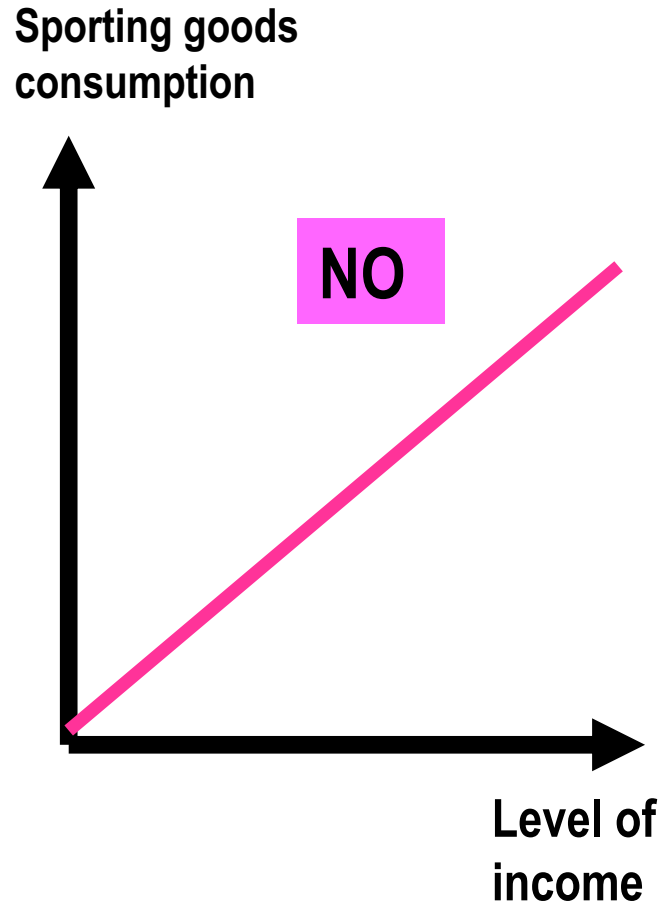
$$\frac{\text{Spending on sports}}{\text{GDP}}$$



A/ B/ C/ D/ give us an estimate of the spending per capita on sport for every high income country.

How Does Sport Market Size Grow With Level Of Income?

Proprietary and Confidential



For low income countries, the ratio : $\frac{\text{Spending on sports}}{\text{GDP}}$
Is lower than for high income countries.

**High income
GDP per capita
> 18 000 USD**

Luxembourg
Norway
United States
Ireland
Iceland
Denmark
Canada
Austria
Switzerland
Qatar
Belgium
Finland
Australia
Netherlands
Japan
Germany
United Kingdom
Sweden
France
Italy
Singapore
United Arab Emirates
Taiwan
Spain
New Zealand
Israel
Greece
Slovenia
South Korea
Portugal
Czech Rep.

**Underscored
countries are those
countries where
NPD has an on
going tracking or
has a partner with
on going tracking.**

Intermediate income GDP per capita

9000-18000 USD

4000-9000 USD

Hungary
Oman
Kuwait
Slovakia
Saudi Arabia
Argentina
Poland
South Africa
Croatia
Chile
Libya
Malaysia
Russia
Mexico

Romania
Brazil
Thailand
Kazakhstan
Tunisia
Iran
Turkey
Belarus
Colombia
China
Dominican Republic
Algeria
Ukraine
Venezuela
Peru
Philippines
Morocco
Indonesia
Egypt
Ecuador

**Low income
GDP per capita
< 4 000 USD**

India
Vietnam
Angola
Pakistan
Bangladesh
Nigeria
Ethiopia
Dem. Rep of the Congo

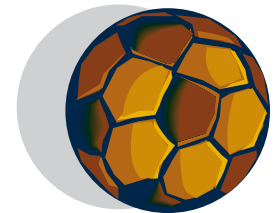
**Segmentation Of Countries By Income determine
the 4 thresholds of ratios spending on sport / GDP used to
calculate sport market size in intermediate and low income
countries.**

- **Countries with intermediate and low income spend less per capita on sports than developed countries.**
 - Because spending on sport requires leisure time above money, and leisure time is a feature for rich country populations.
 - The question on how much less is being simulated by NPD with the help of external sources.

- **Also these countries have a different split between footwear apparel equipment and bicycles.**
 - For instance, bicycles are a form of transportation in day-to-day life (especially in Asia) which gives this market a higher percentage.
 - The psychological factor is the identification with the athletes, emphasizing the importance of apparel and footwear vs. practice (equipment).

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- We project the split observed in tracked countries on simulated countries :
 - 21% footwear
 - 43% apparel
 - 24% equipment
 - 12% bicycles
- Also we introduce **a correction** in that split for countries with **cold latitudes** or with **mountains**.



INCLUDES

FOOTWEAR

- Athletic footwear used for sport usage
- Athletic footwear NOT used for sport usage
- Low performance footwear (leisure / lifestyle / Classics)
- Outdoor shoes
- Sport sandals
- Recreational work boots from the brands considered sport brands by the consumer
- Infant sizes

APPAREL

- Activewear used for sport practice (also called sport apparel)
- Activewear not used for sport practice
- Leisurewear/casual wear used for sport practice
- Branded apparel from brands that the consumer consider belonging to sport universe

EQUIPMENT

- Skis, Ski boots ski bindings
- Camping (tents +sleeping bags+ backpacks + mattresses only)
- In line skates / roller skates
- Cycling (all bicycles whatever usage sport or way of transportation) + accessories
- Backpacks / D-packs (including back to school branded backpacks)

SPORTS

- For equipment we do not have a consumer tracking, only external sources; as a consequence, including borderline sports such as diving, motor sports fishing hunting, fitness ...is subject to variations according to the sources considered
- For apparel, borderline sports such as Motor sports, fishing hunting diving are in only if declared by consumer (perception) but our experience shows that consumers hardly declare them as sports

AGE

- All age groups included, from 0 to 77 years old

DISTRIBUTION

- Whether it is sold or not in sport distribution does not matter

PERCEPTION

- That is up to the consumers to decide if a brand/garment belongs (and therefore declared) or not (then not declared) to the sport universe

EXCLUDES

FOOTWEAR

- Flip flops
- Sandals not designed for walking
- Swim sandals
- Moon boots
- In line skates

APPAREL

- Formal wear / city wear for all kids below 4 (we consider 0-3 age group as irrelevant)

EQUIPMENT

- Excluding travel luggage

SERVICES

all services (bicycles maintenance, rental ski activities, selling tickets for sport competitions) are excluded from the scope of the survey

PUBLIC INFRASTRUCTURES

- Excluded

- **Independancy** from retailers and manufacturers in the data as the recollection of NPD data used for the survey is based on consumer input ; there are many advantages behind an independent external source; one advantage is that the research can be conducted on an on-going basis without being dependant on the industry for data recollection.
- NPD is Measurement of the market through **representative sample** in each country available and **statistical projection** as opposed to other methodologies based on interviews of key brands and retailers from the industry.
- Comparable data from a time perspective : NPD is **sell out not sell-in**
- **We are tracking sales**, not feelings or intentions to purchase.
- Comparable data from a product scope perspective : NPD used **harmonized definitions** of products in its measurement which is never the case from interviews based methodology.
- Complete data : NPD tracking allows to consolidate **the branded market and the non branded market**. NPD also allows to consolidate private labels and very small brands not only the majors.
- Reliability : NPD tracking is is the unique company recollecting sporting goods data at the maximum granularity available which is **item level** (shoes and garment) ; market size is obtained by aggregation as opposed to others methodologies collecting big figures with no possibility to control reliability in details.

- For footwear and apparel, the respondents determine if the product/brand purchased is part of the sport universe.
- It does not matter **if the product has been purchased in specialized sport distribution.**
- What is important, is **the respondent's perception** of the garment/shoes purchased: Does it relate to sport (then declared) or not (then not declared).
- Therefore, **the sports territory is not defined by manufacturers or retailers** but by consumers.

■ Footwear or Apparel.

- **As we have a minimum of 10 000 transactions by country for footwear and apparel together , there is a 90% probability that the real market size is between [NPD result -0.8% and NPD result +0.8%].**
 - For instance, France footwear + apparel basis is a 6.770 USD million market (year 2006 NPD consumer tracking).
 - Footwear reported size by NPD is 2.519.
 - 0.8% of 6.770 = USD 5 million.
 - Understand: “statistically, there is a 90% probability that the market size for footwear is comprised in between [2519-5 ; 2519+5].”
 - In other words there is a +/- 5 Million USD margin of error on the 2.519 footwear figure. Same for apparel.
- **However due to sample bias (sample is not enough representative), the margin of error is actually much higher than 0.8%.**
- **Reconciliation of figures with manufacturers and retailers suggest that the margin of error can vary up to +/- 5% depending on the countries involved.**
-

■ **Conclusion: At country level, for footwear or apparel market size, our figures are reliable with a +/- 5% margin of error.**

- **For instance, staying with the same example France footwear market size, we believe that the market reality is in between[2181; 2857] or say differently 2519 +/- 338 USD million.**

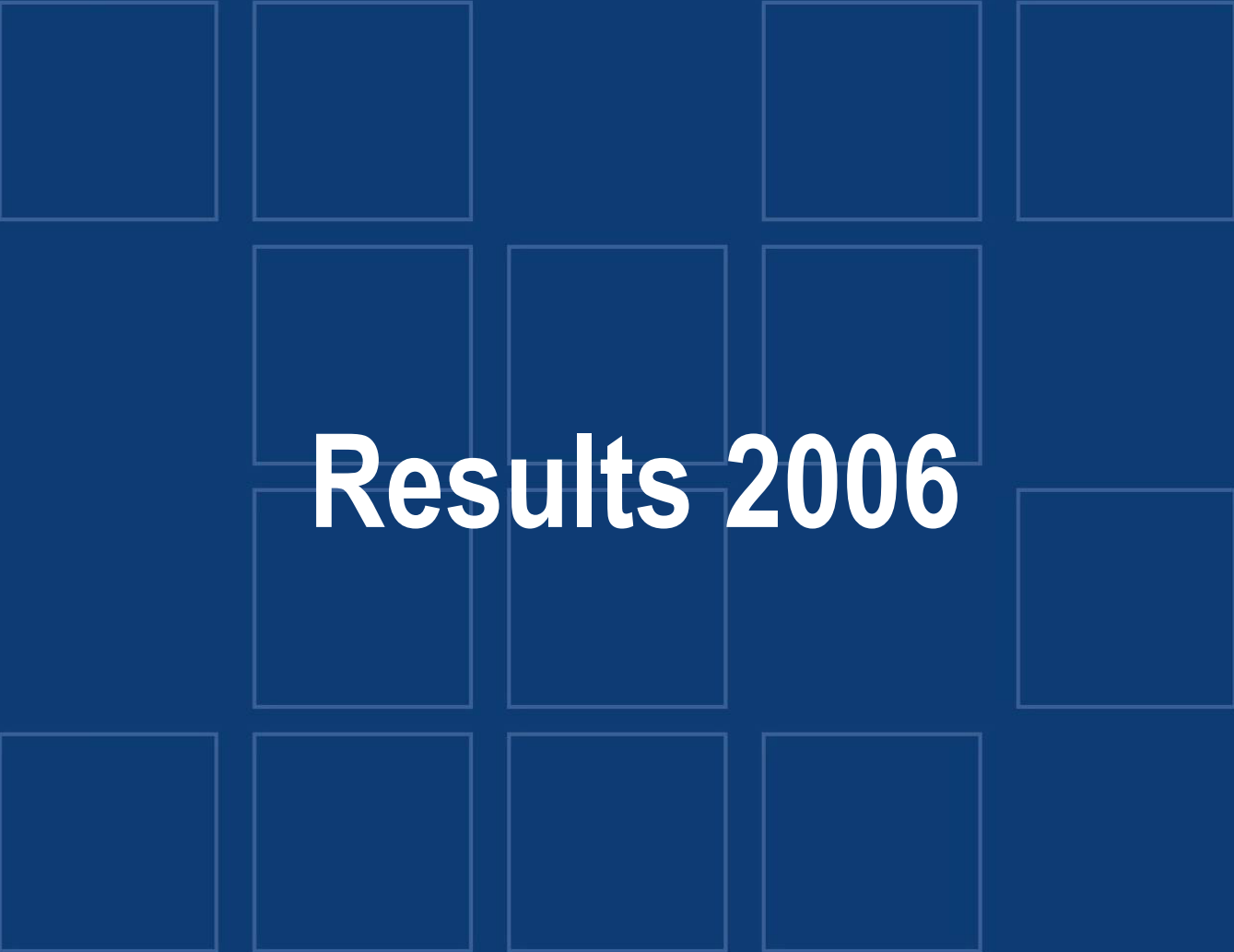
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RETAILERS



CLIENTS

The NPD Group



Results 2006

- Automotive
- Beauty
- Commercial Technology
- Consumer Technology
- Entertainment
- Fashion
- Food & Beverage
- Foodservice
- Home
- Office Supplies
- Software
- Sports
- Toys
- Wireless

Global Size



256 Billion USD

Trend

+4%

Proprietary and Confidential



Footwear
49 billion USD



+3%



Equipment
67 billion USD

+4%



Apparel (active wear)
113 billion USD

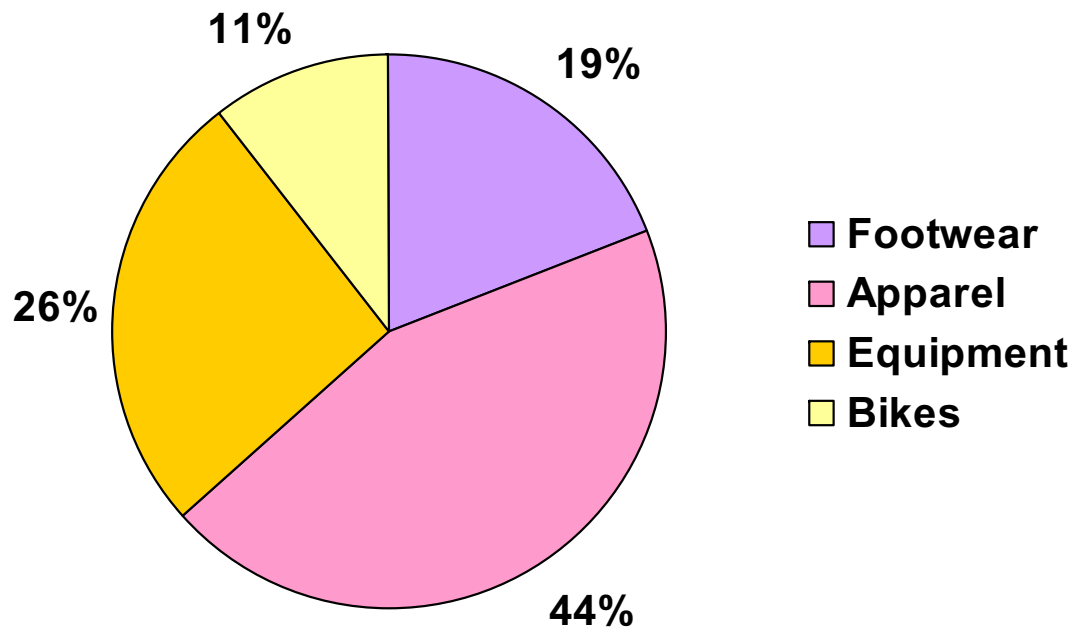
+6%



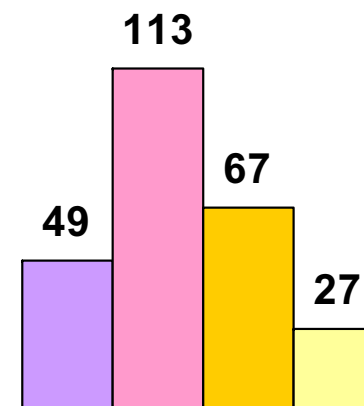
Bikes (and related accessories)
27 billion USD

Stable +1%

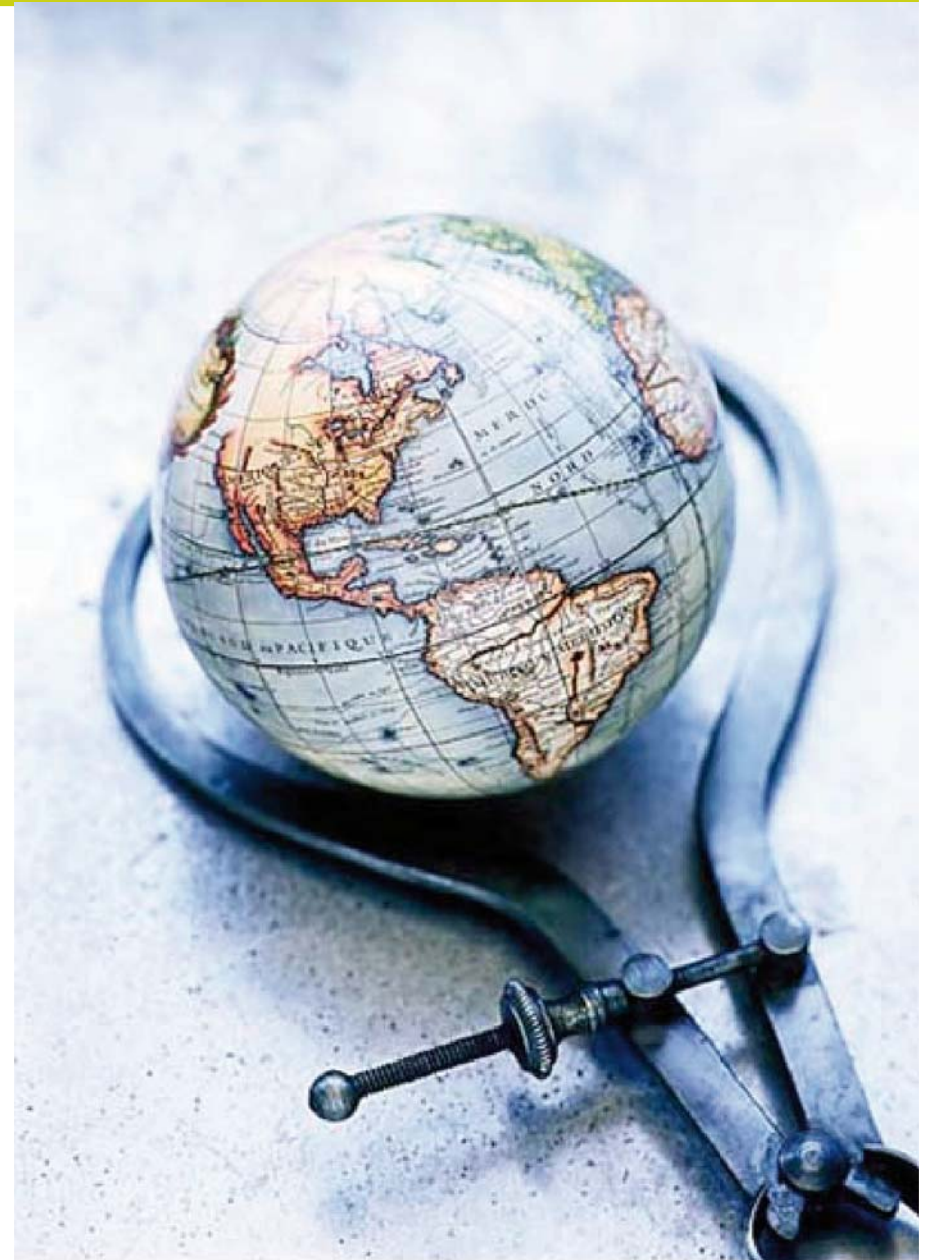
Split by universe of products in % value



In billion USD



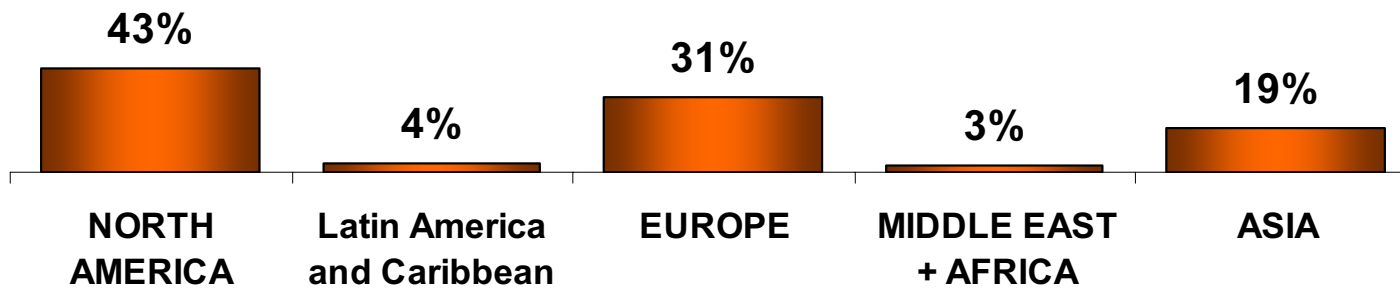
Market Size By Area



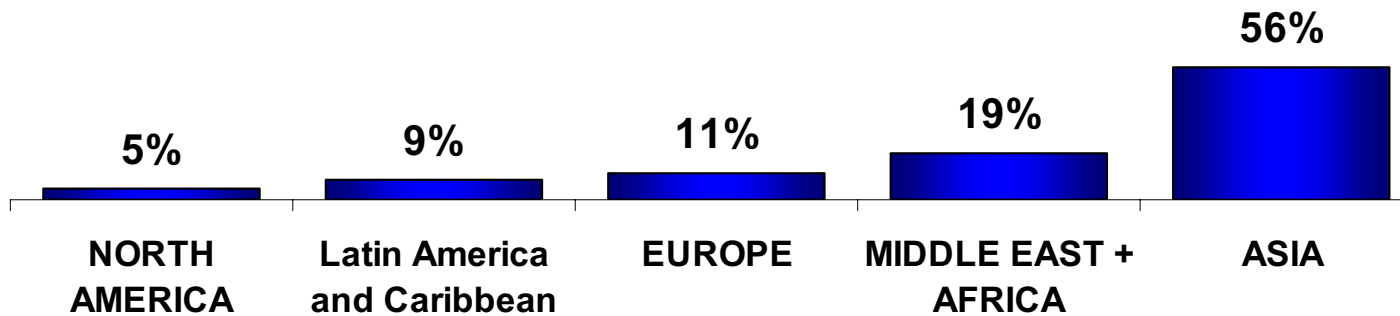
How Does The SPORT Market Look Segmented By Continent (In % Value)?

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GEOGRAPHICAL SPLIT IN BILLIONS USD

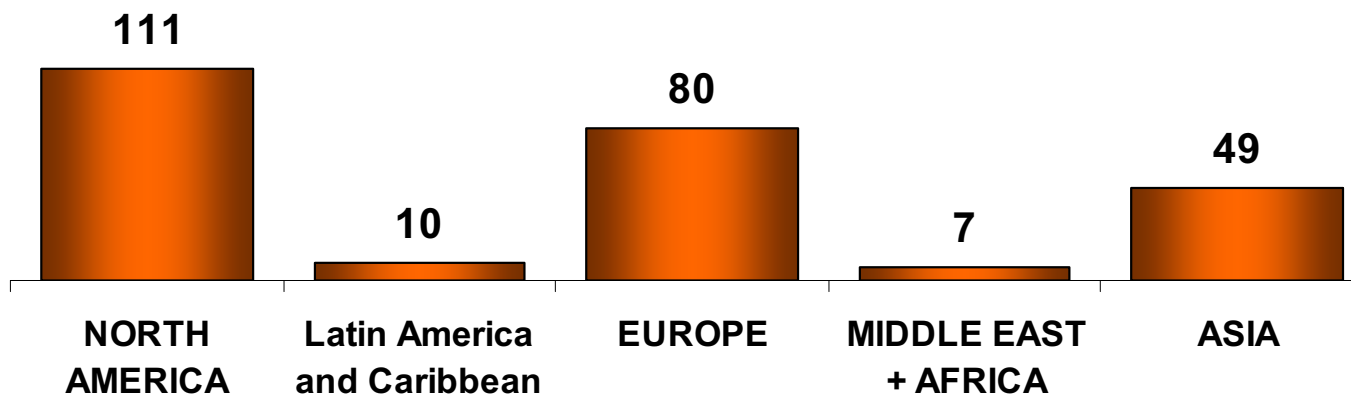


POPULATION IN MILLIONS OF PEOPLE

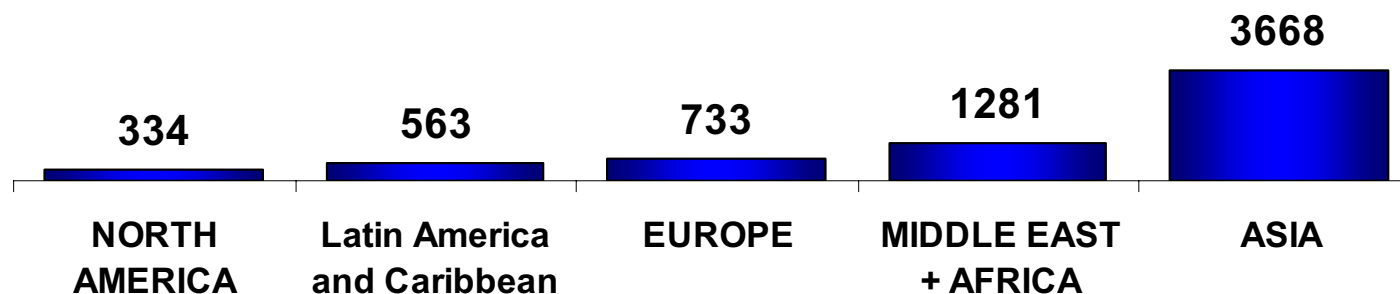


GEOGRAPHICAL SPLIT IN BILLIONS USD

Proprietary and Confidential



POPULATION IN MILLIONS OF PEOPLE





Results by sports.

- Automotive
- Beauty
- Commercial Technology
- Consumer Technology
- Entertainment
- Fashion
- Food & Beverage
- Foodservice
- Home
- Office Supplies
- Software
- Sports
- Toys
- Wireless

How the market is split by sport?

Proprietary and Confidential

**EACH SPORT
generates**

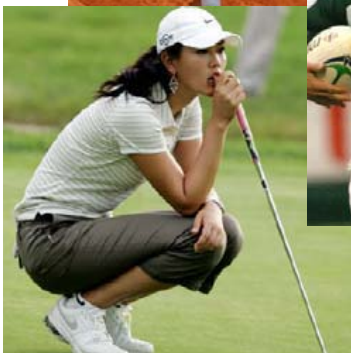


**A Market for
SPORT
PRACTICE**

**A Market for
SPORT
INSPIRED**



- Footwear
- Apparel
- equipment



- Footwear
- Apparel



DEFINITIONS

What is in ? What is out?

Hiking Walking	<p>hiking trekking nordic walking, walking for exercise, mountaineering INCLUDES sport sandals , excludes thongs, flip flops and swim sandals</p> <p>for equipment includes tents sleeping bags pads sticks, backpacks excluding Day-packs excludes treadmills which are counted in running</p>
Football	<p>includes soccer and rugby</p> <p>excludes american football which is in OTHER</p>
Snow sports	<p>Alpine Skiing, Nordic skiing, ice skating and snowboarding Cross country skiing Ski/Boots/Binding/Wear/Other Equipment Excludes Hockey which is in OTHERS</p>
Cycling	<p>all kinds including bicycles used for day to day life</p> <p>Mountain BMX Road Bike/Wear/Helmet/Shoes/Other Equipment</p>
other outdoor sports	<p>horse riding fishing hunting rock climbing surfing sailing windsurfing kiteboard paragliding skydiving surfboards,kiteboards, all kind of boards, kayaks are included , neoprene combinations included parachutes, paraglides are included. Marine sports : Equipment for Scuba Diving/skin diving/Snorkeling</p> <p>equipment excludes camping segments which are counted in walking(backpacks sleeping bags, tents) guns , boats, air bottles for diving also excluded Every equipment that requires a motor or a battery is excluded</p>
Swimming	<p>Swim Suit/Swim Cap/Swim Gogle/Other Swim Equipment including swim sandals</p>
Golf	<p>Club/Ball/Bag/Shoes/Globe/Wear/Other Equipment</p>
Tennis	<p>Racket/Ball/Shoes/Wear/Tennis Bag/String/Other Tennis Equipment</p>
Baseball	<p>includes softball Globe/Wear/Bat/Spike/Ball/Bag/Other Equipment</p>
other sports	<p>rackets sports excluding tennis (badminton, table tennis, squash...) martial arts (kendo judo karate Ju jitsu Sumo) Hockey American football volley ball handball and other ball games excluding basket ball</p>
FITNESS DANCE	<p>Includes all gym club activities (exercise, aerobic , dance, yoga) and same sports when practiced outside the gym. FOR FOOTWEAR includes cross training and fitness FOR EQUIPMENT , includes machines with the exception of treadmills counted in running</p>