

Board-Trac[®]

2008

Size of Market Trend Report

Skateboarding

Sample



Overview

- The projections contained within this report are based on the following self-reported data from our consumer studies, not retail sales.
- Participants were asked the following:
 - When was the last time you purchased
 - How often do you purchase
 - How much did you pay
 - Amount purchased in a given year
- This data was then utilized in a Board-Trac proprietary model that factors in:
 - Estimated number of participants in the sport by frequency of participants, which is segmented by very frequent (core); frequent and infrequent participants.



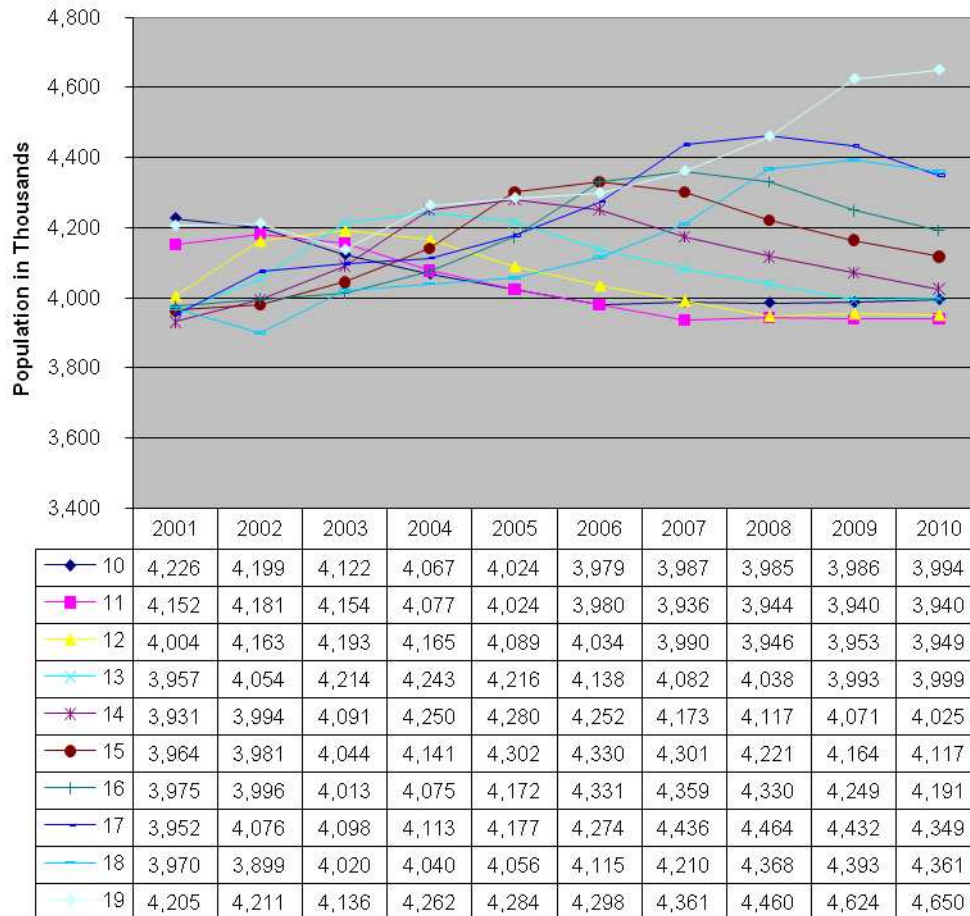
Market Facts

- The following are market facts that may have had an impact on the skateboard market over the past several years:
 - In 2004 and 2006 almost 75% of the participants skated everyday. In comparison only 61% skateboarder everyday in 2008 .
 - The percentage of respondents that have been skateboarding for five or more years has been steadily increasing since 2002 from 9% to 34% today.
 - As with previous years, the majority of skateboarders still prefer street skating.
 - There has been a consistent decrease in the frequency of hardgoods purchases since 2004.
 - There has been a consistent decrease in skate shops' popularity for purchasing hardgoods since 2004, while internet purchases have increased since 2004.
 - Small price increases have occurred in Backpacks, T-Shirts, Jeans, Shorts, Skate Shoes, Sandals and Sunglasses categories from 2006.
 - Significant changes occurred in the “monthly spent on self” category since 2004 when it was \$99.81. It dropped to \$84.50 in 2006 and rose to \$105.54 in 2008.



U.S. Population

U.S. Population Ages 10 to 19
2001 - 2010



- While most ages show a decline from 2005 to 2010, the number of 17-19 year-olds are on an upward trend. However, these are not primary skateboarding consumers.
- The key skateboarding segments, 10 – 14 years of age, have been and will continue to decline over the next several years. This target segment has a significant impact on the market.



Size of Market



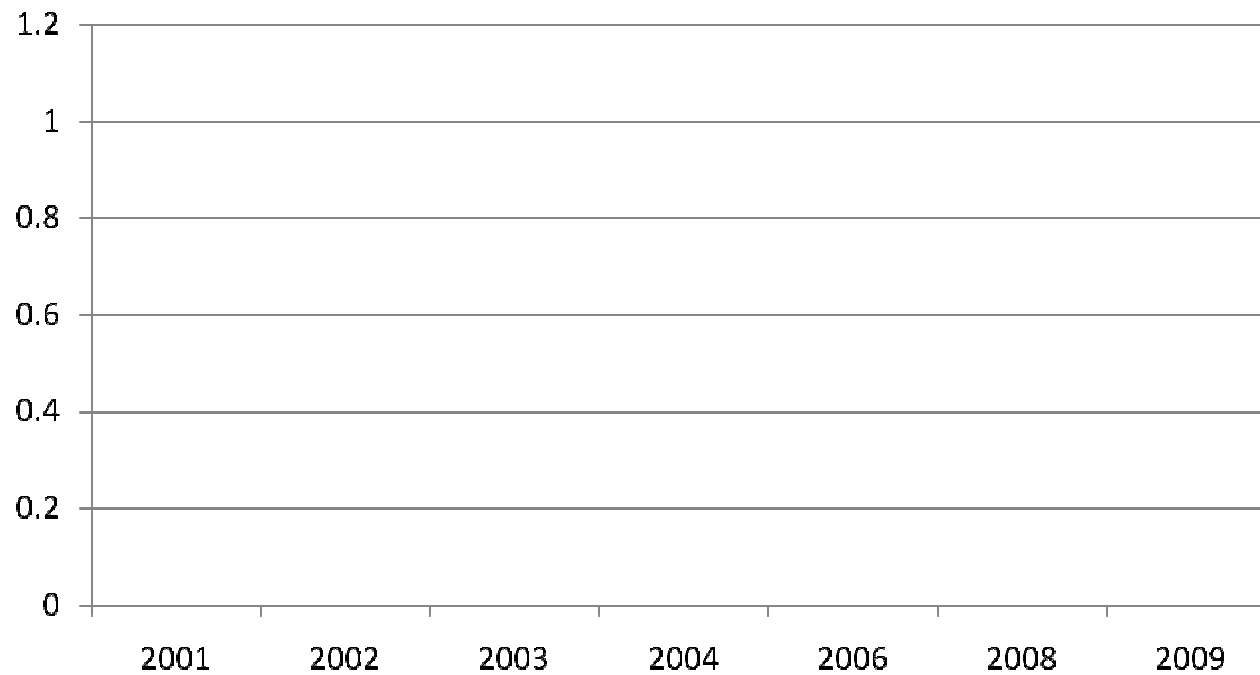
Methodology

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Forecasted Retail Sales*

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* Based on self report retail purchases active participants

2008 Overall Size of Market

Active Participants	\$
Passive Participants	\$
Total Estimated Market	\$



2008	Retail Sales Among Active Participants*	Units	Average Price
HARDGOODS			
Decks			\$51.50
Trucks			\$44.48
Wheels			\$33.57
Helmets			\$36.51
Subtotal			
SOFTGOODS			
T-Shirts			\$17.32
Jeans			\$40.53
Shorts			\$28.50
Skate Shoes			\$64.49
Sandals			\$24.30
Watches			\$49.49
Sunglasses			\$38.73
Backpacks			\$47.50
Subtotal			
Grand Total			

*Based on self-reported survey data, ages 6+ among active participants – skateboarded at least once a week

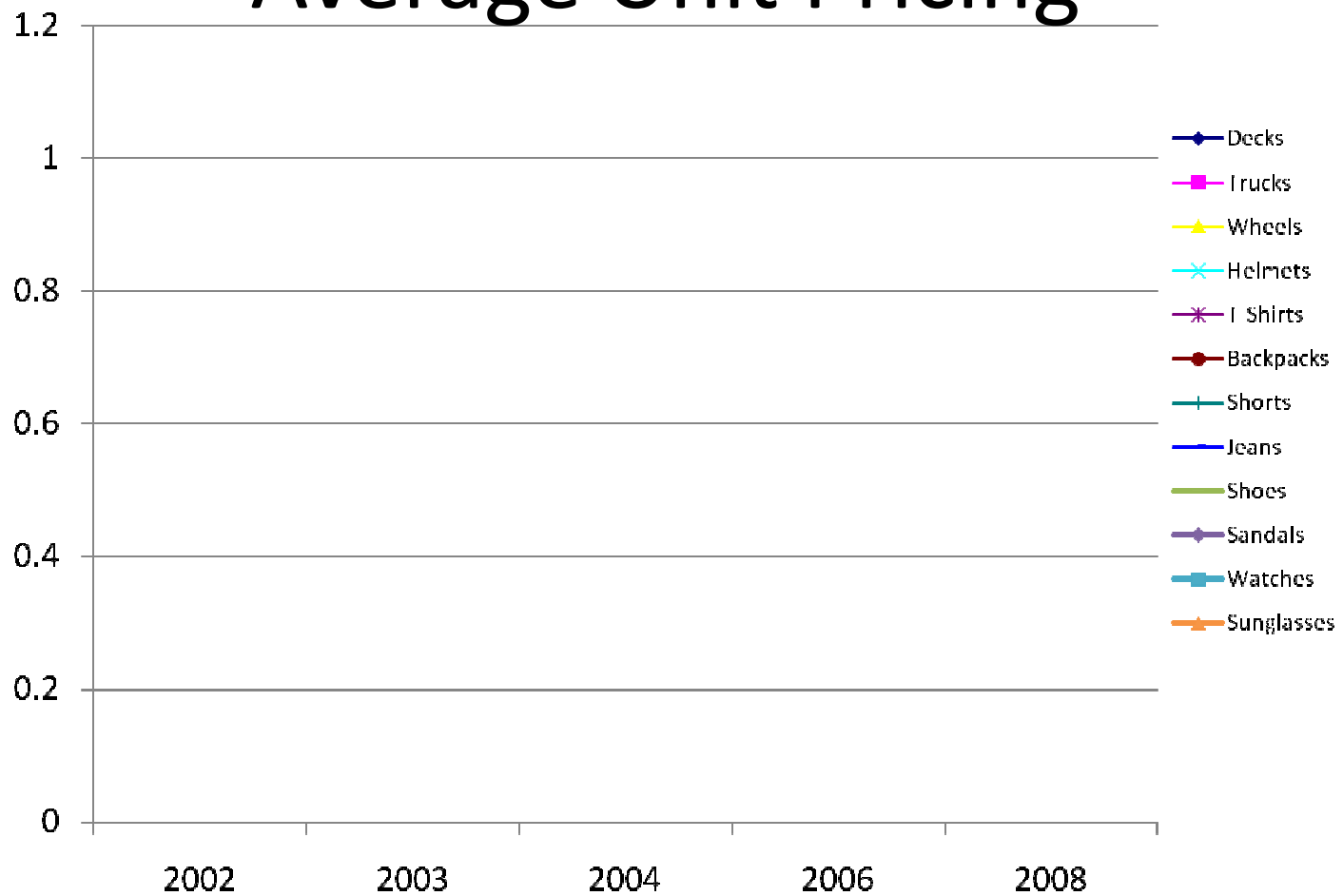


2008	Retail Sales Among Passive Participants*	Units	Average Price
HARDGOODS			
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Watches			\$49.49
Sunglasses			\$38.73
Backpacks			\$47.50
Subtotal			
Grand Total			

*Based on self-reported survey data, ages 6+ among active participants – skateboarded less often than once a week



Average Unit Pricing



Estimated Units Sold

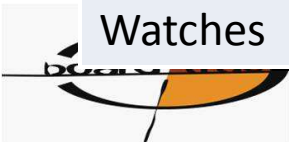
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	2002	2003	2004	2006	2008**
Decks					
Longboards					
Trucks					
Wheels					
Helmets					
T-Shirts					
Shorts					
Jeans					
Backpacks					
Shoes					
Sandals					
Sunglasses					
Watches					

*Note: new modeling was used

**Projected, based on self reported purchases or planned purchases.

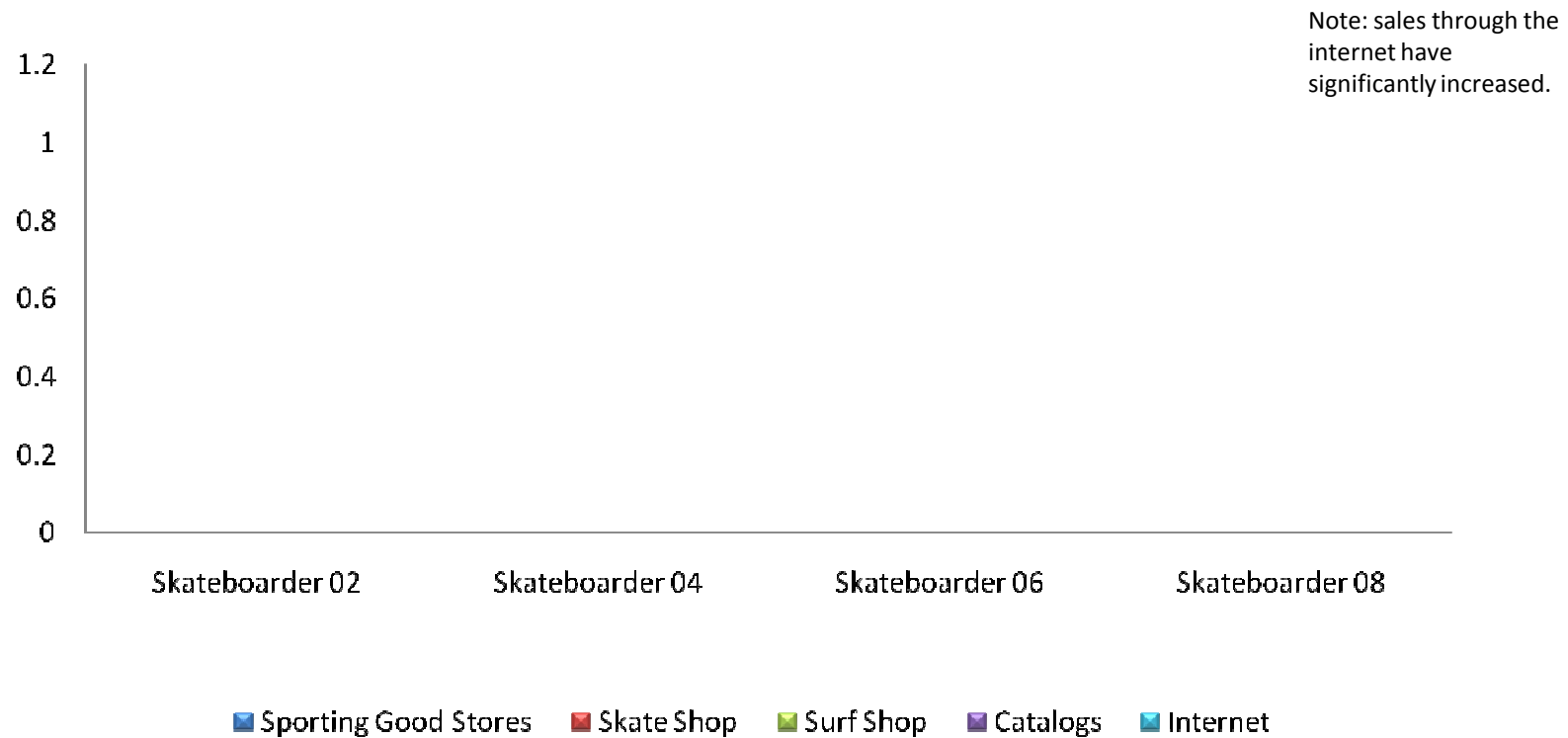
Among active participants



Purchase Habits by Distribution Channel



Typically Shop for Equipment

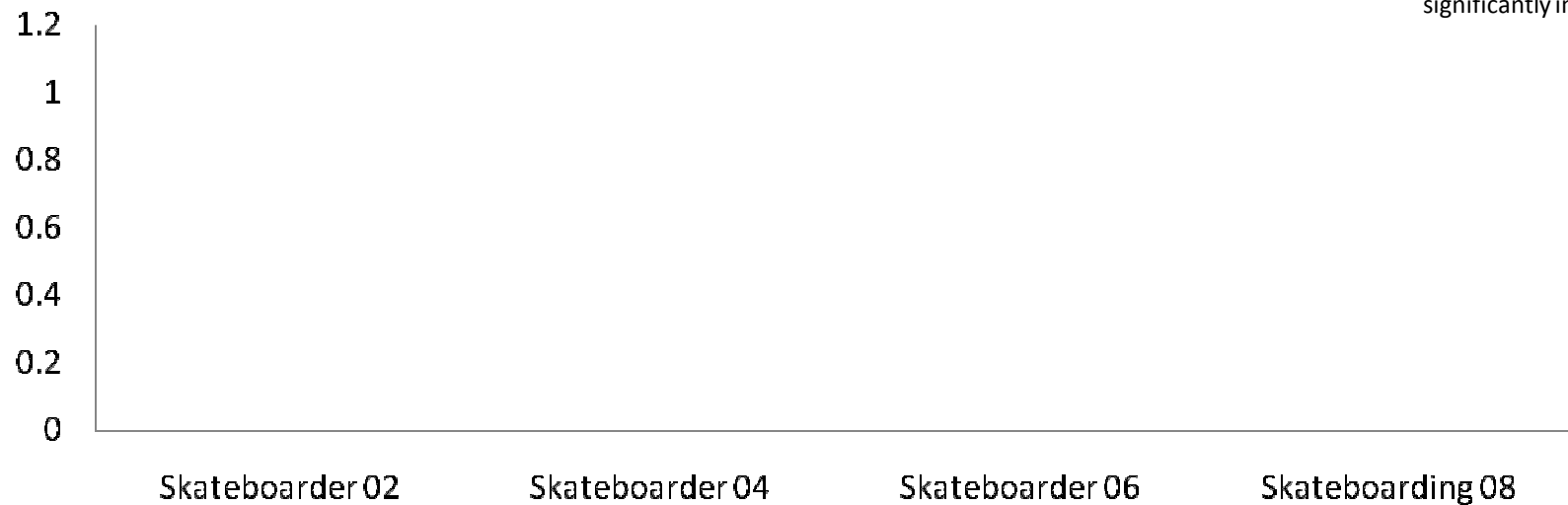


Board-Trac Skateboarding Studies
Multiple response question



Typically Shop for Clothes/Shoes/Accessories

Note: sales through the internet have significantly increased.



- Stores in the Mall
- Outlet Stores
- Internet

- Department Stores
- Speciality Stores

- Sporting Good Stores
- Catalogs

Board-Trac Skateboarding Studies
Multiple response question

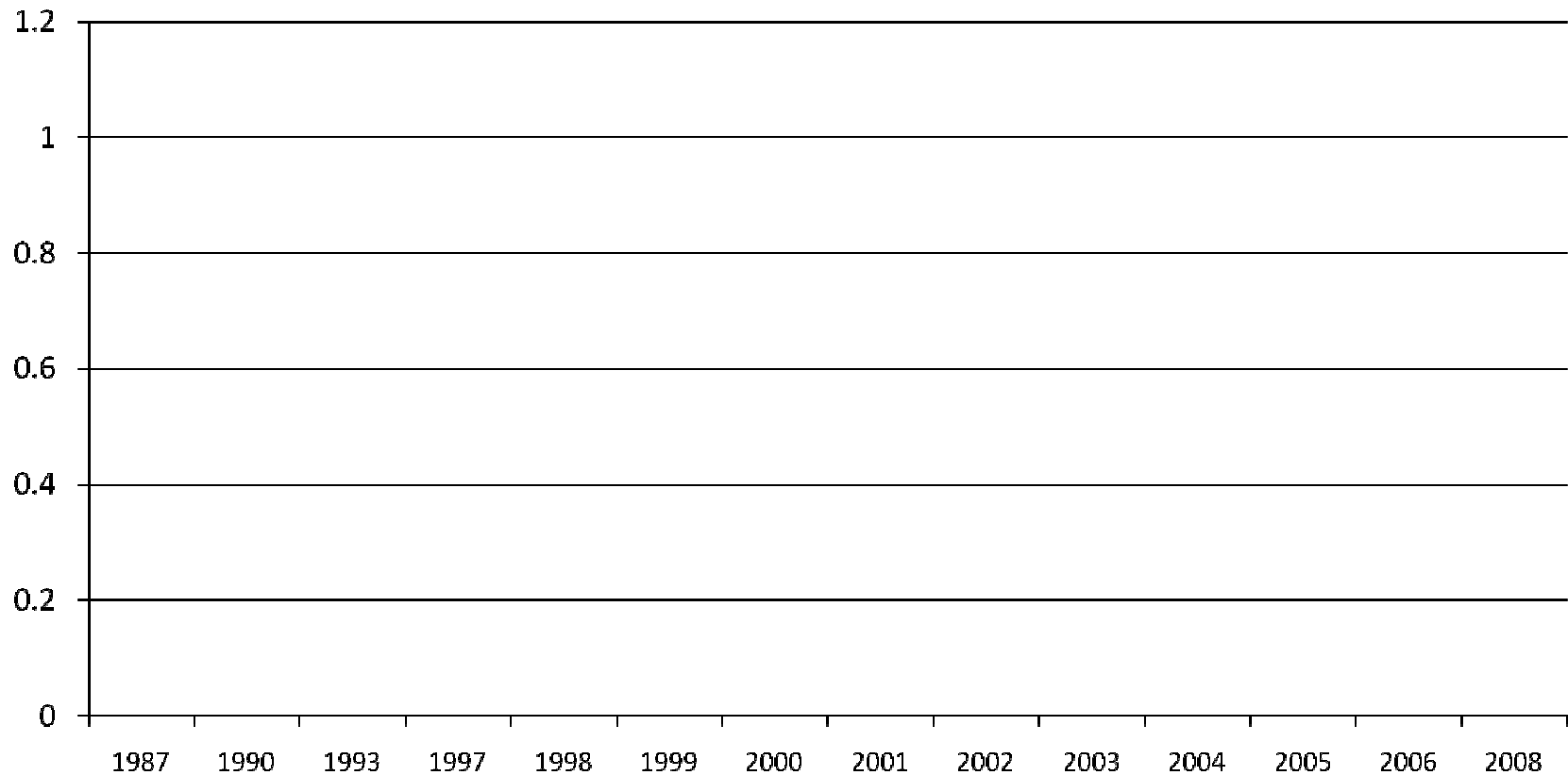


Participation/Demographics



Skateboard Participation

(000)



6+ years of age that skateboarded once or more within year

2008 is based on the number of participants as of 12/31/07



Demographics

2008

- Skateboarding
 - Skateboarders: 1
 - Male: 75.1% / Female: 24.9%
 - Skateboarders: 12 – 24 years of age:
 - Active Skateboarders (52+ times per year):
 - Male: 82.2% / Female: 17.8%
 - Skateboarders: 10 – 24 years of age:



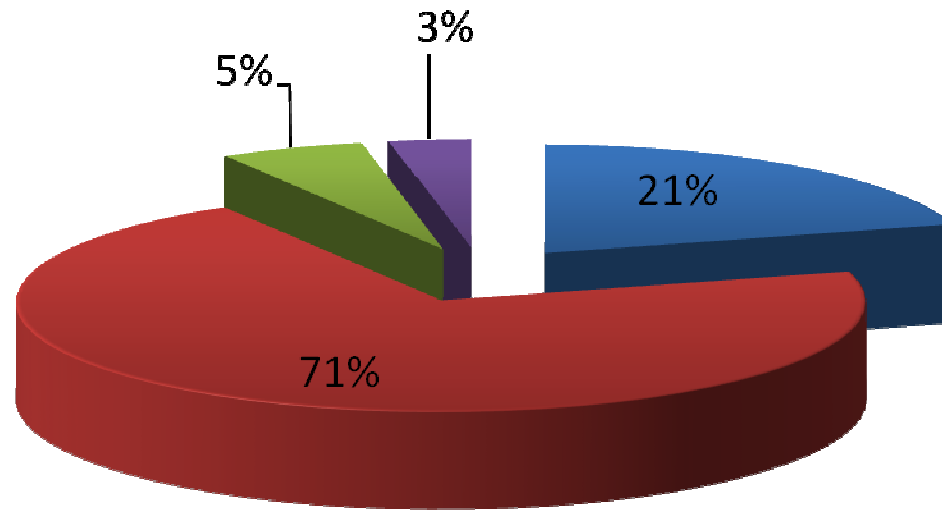
Demographics

2008

- Cross-over:
% of active skateboarders who participate in:
 - BMX:
 - Wakeboarding:
 - Snowboarding:
 - Surfing:
 - Mountain Biking:



2007 Participation By Age



■ 6 - 11 Yrs. Old ■ 12- 17 Yrs. Old ■ 18 - 24 Yrs. Old ■ 25+ Yrs. Old

Frequent skateboarders 52+ times per year



Skateboarder Profile

- Prefers riding regular skateboards than longboards
- Almost 47% own and ride both short and longboards
- Is predominately male
- Also likes to snowboard
- Travels 3-5 miles to get to his/her favorite skate spot
- Listens to Rock and Metal



Skateboarder Profile

- Mostly buys equipment, clothes and accessories from skate shops
- Discovers hot new lines of apparel from the Internet and Magazine ads
- When buying clothes and accessories is mostly concerned about what looks good and what is comfortable to wear



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