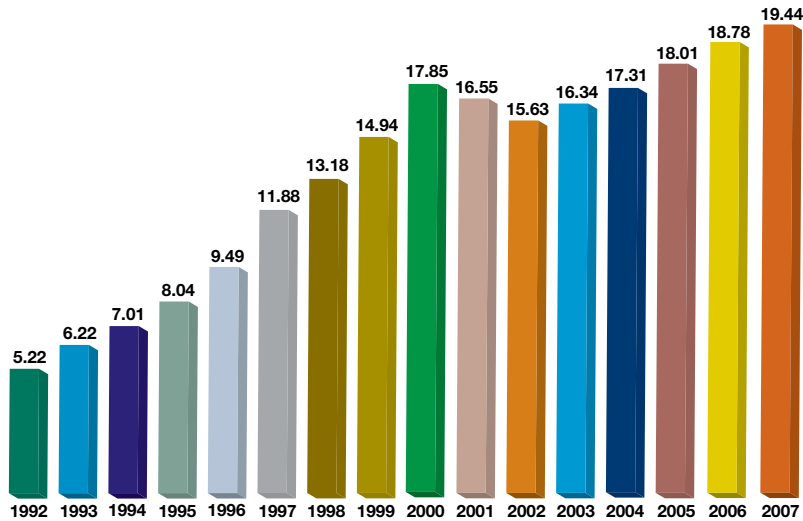


PPAI The 2007 Estimate Of Promotional Products Distributor Sales

The 2007 sales volume figures reflect an increase of 3.5 percent in distributor revenues. With this increase, sales for the industry for 2007 are at \$19,440,837,547. During 2007 both large and small distributor companies saw increases in revenue. Larger companies with sales of \$2.5 million or more experienced a 2.13% growth over 2006 and smaller companies grew by 4.83%. However, the industry saw a decline in the number of small companies from 21,000 to 20,500 this year. The number of companies with sales of \$2.5 million or more also decreased from 965 to 942. This annual estimate of distributor sales is sponsored by Promotional Products Association International and conducted by researchers at Louisiana State University and Glenrich Business Studies.

INDUSTRY SALES VOLUME IN BILLIONS

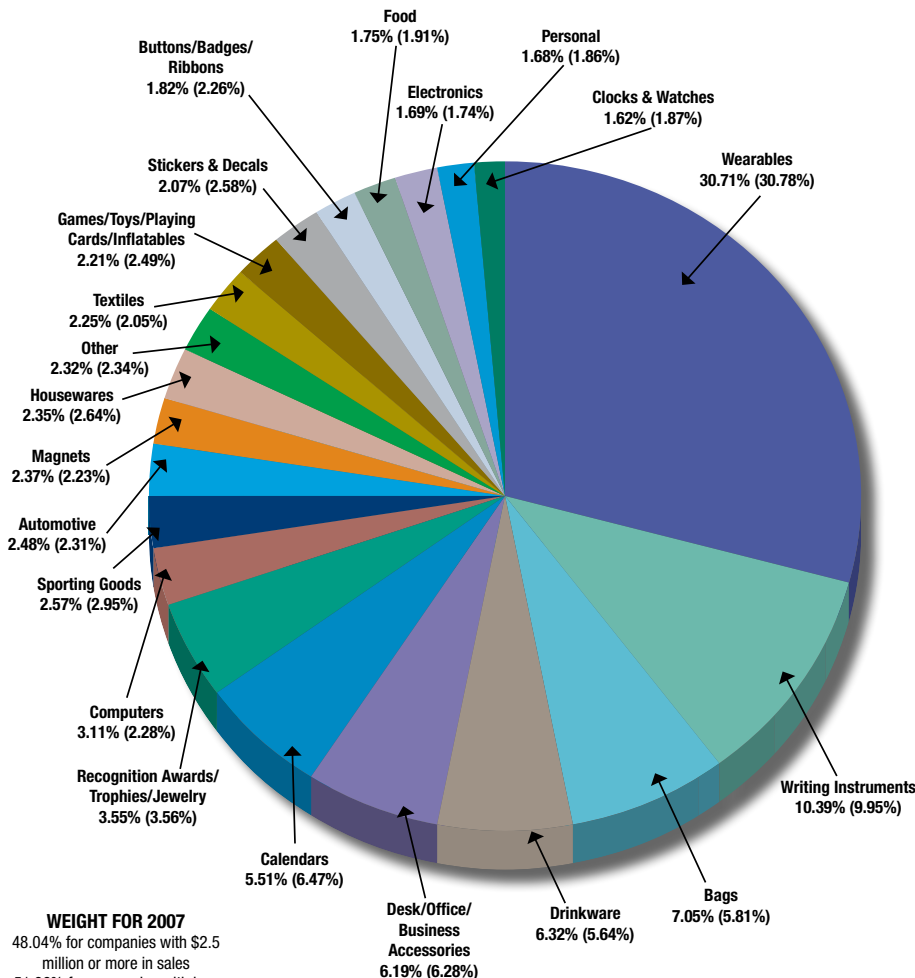


GROWTH OF DISTRIBUTOR SALES VOLUME

Distributor Company Size	Number Of Distributor Companies	Sales Volume	% Increase In Sales Volume Over 2006
Under \$2.5 million	20,500	\$ 10,100,864,014	4.83%
\$2.5 million or more	942	\$ 9,339,973,533	2.13%
INDUSTRY TOTAL	21,442	\$ 19,440,837,547	3.50%

How the estimate of distributor sales is obtained: More than 15,000 promotional products distributor companies are surveyed by researchers at Louisiana State University and Glenrich Business Studies. A point estimate (mean) is derived and multiplied by the number of small distributor companies (20,500). To prevent distortion, a census of the larger distributor companies is conducted and the sum of their sales is added to the sales volume of the smaller distributor companies to arrive at the sales estimate for the entire industry.

2007 SALES BY PRODUCT CATEGORY (2006 FIGURES IN PARENTHESES)



PRODUCT CATEGORY (Includes the following:)

Wearables: T-shirts, golf-shirts, aprons, uniforms, blazers, caps, hats, headbands, jackets, neckwear, footwear, etc.

Writing Instruments: Pens, pencils, markers, highlighters, etc.

Calendars: Wall and wallet calendars, desk diaries, pocket secretaries, etc.

Desk/Office/Business Accessories: Folders, desk pen sets, calculators, non-dated paper products, cubed paper, scratch pads, adhesive notes, stationery, etc.

Bags: Tote bags, shopping bags, satchels, gift bags, drawstring bags, cosmetic bags, paper bags, duffel bags, briefcases, etc.

Drinkware: All—glass, china, ceramic, crystal, plastic and stainless steel drinkware

Recognition Awards/Trophies/Jewelry: Awards, trophies, plaques, certificates, figurines, jewelry, etc.

Sporting Goods/Leisure Products/Travel Accessories: Picnic/party products, camping equipment, barbecue items, bar products, binoculars, luggage, passport cases, etc.

Housewares/Tools: Measuring devices, kitchen products, picture frames, household decorations, ornaments, tool kits, first aid kits, furniture, flashlights, cutlery, weather instruments, etc.

Stickers and Decals: Stickers, decals, etc.

Games/Toys/Playing Cards/Inflatables: Kites, balls, puzzles, stuffed animals, etc.

Other: No examples reported

Automotive Accessories: Key tags, bumper strips, road maps, floor mats, window shades, etc.

Computer Products and Accessories: Mouse pads, monitor frames, disk carriers, wrist pads, software, etc.

Buttons/Badges/Ribbons: Buttons, badges, ribbons, signs, banners, etc.

Magnets: Magnets and magnetic products

Textiles: Flags, towels, umbrellas, pennants, throws, blankets, etc.

Food Gifts: Candy, nuts, gourmet, meat, spices, etc.

Clocks and Watches: Clocks, watches, etc.

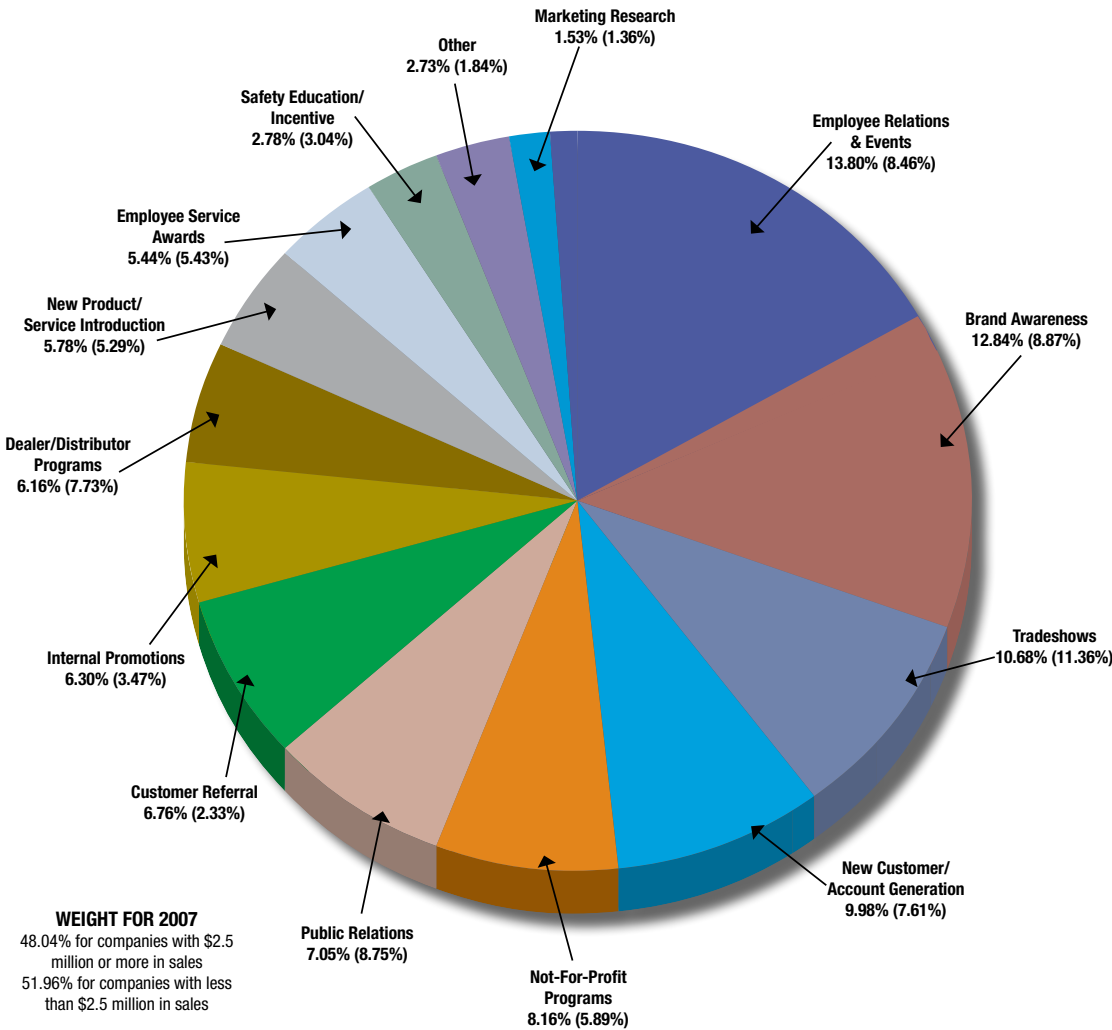
Personal/Pocket-Purse Products: Pocket knives, grooming aids, lighters, matches, sunglasses, wallets, etc.

Electronic Devices & Accessories: Radios, TVs, videotapes, music CDs, phone cards, etc.

WEIGHT FOR 2007

48.04% for companies with \$2.5 million or more in sales
51.96% for companies with less than \$2.5 million in sales

2007 SALES BY PROGRAM CATEGORY (2006 FIGURES IN PARENTHESES)



PROGRAM TYPE (Includes the following:)

Tradeshows: Tradeshow traffic generation

Brand Awareness: Promotion of brand awareness and brand loyalty

Public Relations: Corporate involvement with community, fundraising, sponsorship, school programs, media relations, corporate image

Employee Relations & Events: Morale and motivation, corporate/employee events, employee orientation, organizational commitment/corporate identity, corporate communication, employee training (other than safety), employee referral programs

Dealer/Distributor Programs: Dealer incentives, co-op programs, company stores

New Customer/Account Generation: New customer or new account generation

Not-For-Profit Programs: Not-for-profit use for fundraising, public awareness campaigns (health, environment, public safety, etc.)

Employee Service Awards: Anniversary recognition, service awards, etc.

New Product/Service Introduction: New product or service introduction

Internal Promotions (Incentive; Non-Safety): Sales incentive, TQM/quality programs, productivity, inventory reduction, error reduction, attendance improvement

Safety Education/Incentive: Employee safety and education

Customer Referrals: Customer referral incentive programs

Marketing Research: Marketing research, survey and focus group participation programs

Other: No examples reported

Note: Categories have changed for 2007. The Business Gift category has been eliminated.

ONLINE SALES OF PROMOTIONAL PRODUCTS – A LOOK BACK

* ONLINE SALES ARE DEFINED AS SALES RESULTING FROM ORDERS PLACED THROUGH AN ONLINE STORE OR WEBSITE.

	2005	2006	2007
Total online sales of promotional products for companies with less than \$2,500,000 in sales	\$989,970,292	\$1,305,512,555	\$1,332,303,963.45
Total online sales of promotional products for companies with sales of \$2,500,000 or more	\$1,173,506,686	\$1,407,396,364	\$1,604,607,452.97
TOTAL	\$2,163,476,978	\$2,712,908,919	\$2,936,911,416.42

SEGMENTING INDUSTRY SALES BY SIZE OF COMPANY

Size Of Company	2005	2006	2007
Less than \$250,000	\$1,367,284,621	\$1,545,182,780	\$1,334,940,007
\$250,001-\$500,000	\$1,547,169,188	\$1,708,237,771	\$1,679,156,396
\$500,001-\$1,000,000	\$2,407,057,377	\$2,309,470,772	\$2,359,786,050
\$1,000,001-\$2,500,000	\$4,170,054,414	\$4,071,887,677	\$4,726,981,561
\$2,500,001 or more	\$8,522,198,152	\$9,144,875,661	\$9,339,973,533
TOTAL	\$18,013,763,752	\$18,779,654,661	\$19,440,837,547