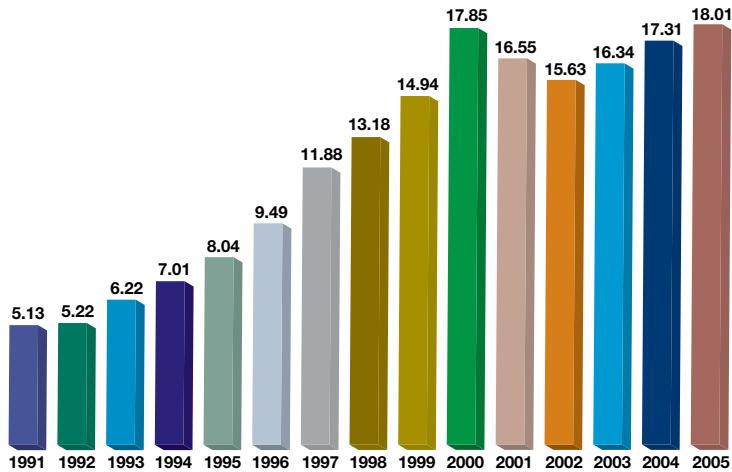


PPAI The 2005 Estimate Of Promotional Products Distributor Sales

The 2005 sales volume figures reflect an increase of 4.06 percent in distributor revenues. With this increase, sales for the industry for 2005 is at \$18,013,763,752—the highest ever! 2005 saw increases in revenue for both large and small distributors. Larger companies with sales more than \$2.5 million experienced a 7.6 percent-growth over 2004 and smaller companies grew by 1.02 percent. The industry also saw an increase in the number of small companies from 20,249 to 20,350 this year. The number of companies with sales of \$2.5 million or more also grew from 919 to 947. 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

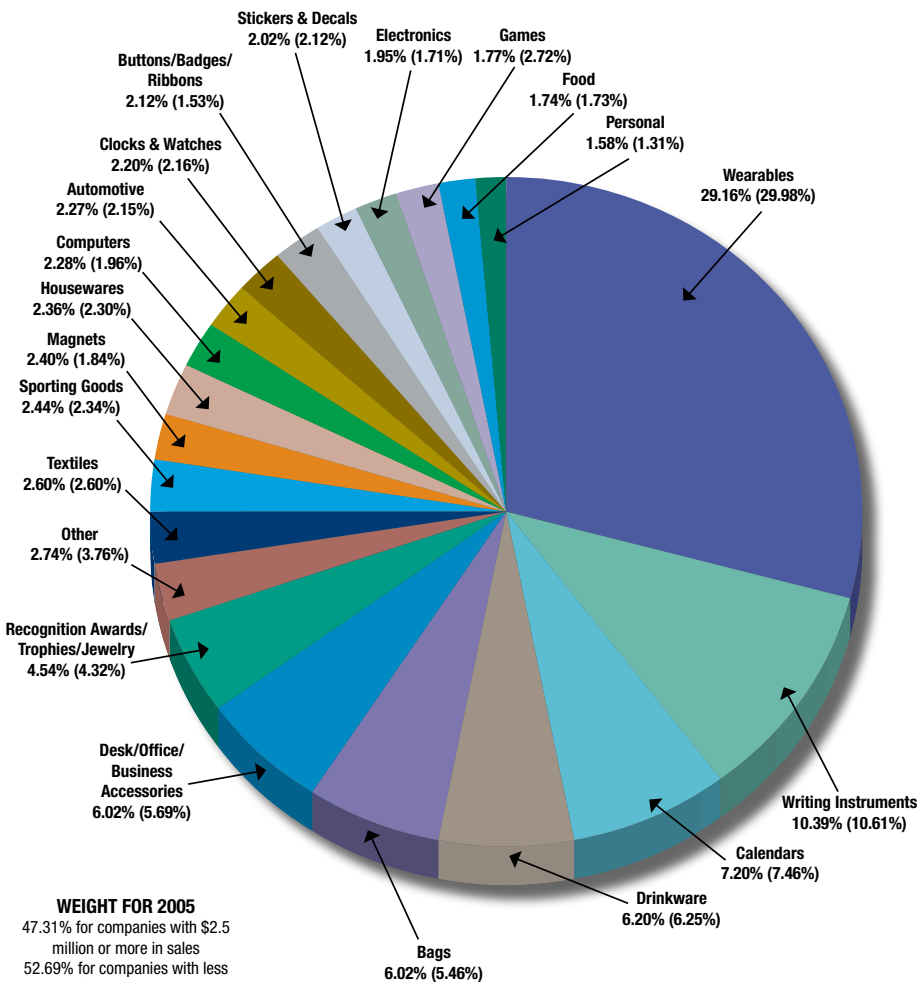


GROWTH OF DISTRIBUTOR SALES VOLUME

Distributor Size	Number Of Distributors	Sales Volume	% Increase In Sales Volume Over 2004
Under \$2.5 million	20,350	\$ 9,491,565,600	1.02%
\$2.5 million or more	947	\$ 8,522,198,152	7.66%
INDUSTRY TOTAL	21,297	\$18,013,763,752	4.06%

How the estimate of Distributor sales is Obtained: More than 15,000 promotional products distributors 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 distributors (20,350). To prevent distortion, a census of the larger distributors is conducted and the sum of their sales is added to the sales volume of the smaller distributors to arrive at the sales estimate for the entire industry.

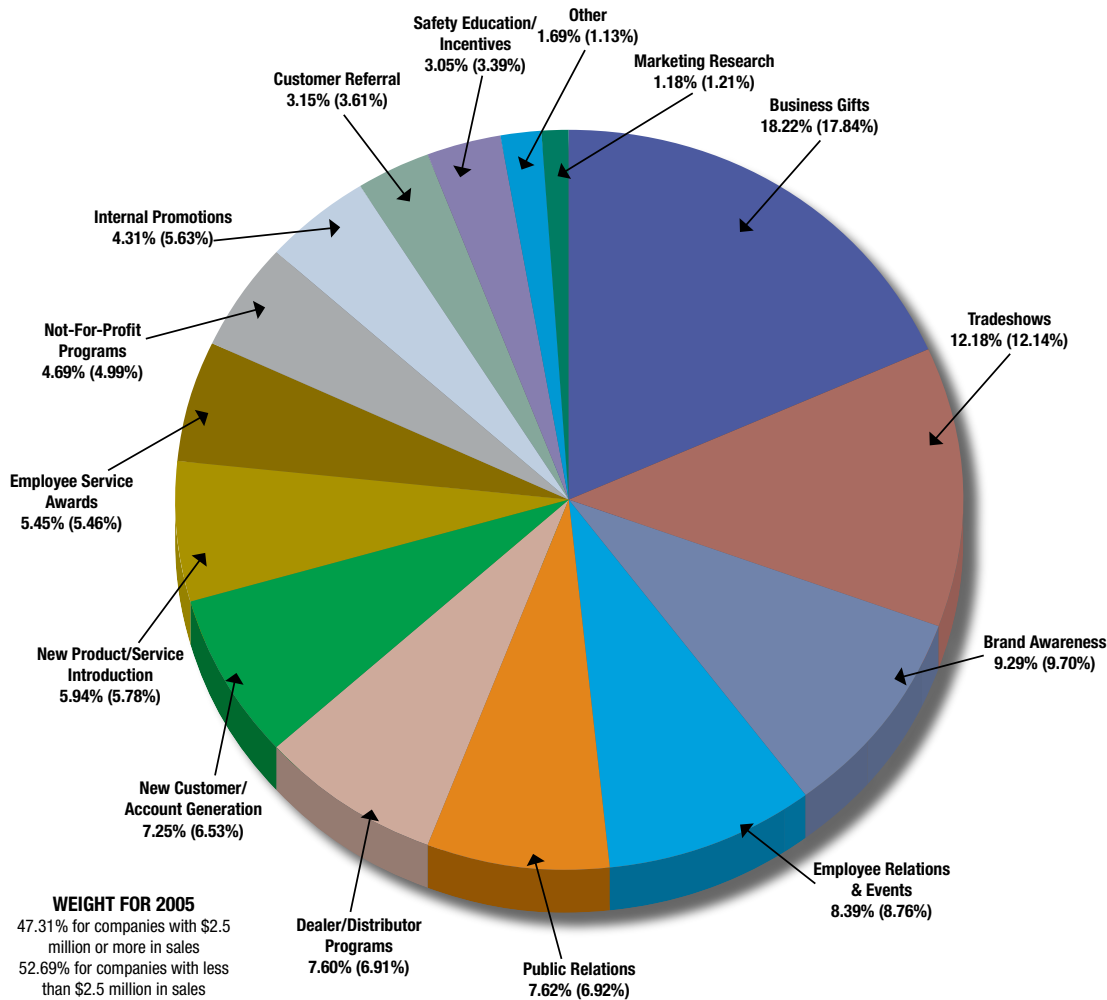
2005 SALES BY PRODUCT CATEGORY (2004 FIGURES IN PARENTHESES)



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.
- Drinkware:** All - glass, china, ceramic, crystal, plastic and stainless steel drinkware
- 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.
- Recognition Awards/Trophies/ Jewelry:** Awards, trophies, plaques, certificates, figurines, jewelry, etc.
- Other:** No examples reported
- Games/Toys/Playing Cards/Inflatables:** Kites, balls, puzzles, stuffed animals, etc.
- Textiles:** Flags, towels, umbrellas, pennants, throws, blankets, 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.
- Clocks and Watches:** Clocks, watches, etc.
- Automotive Accessories:** Key tags, bumper strips, road maps, floor mats, window shades, etc.
- Stickers and Decals:** Stickers, decals, etc
- Computer Products and Accessories:** Mouse pads, monitor frames, disk carriers, wrist pads, software, etc.
- Magnets:** Magnets and magnetic products.
- Food Gifts:** Candy, nuts, gourmet, meat, spices, etc.
- Electronic Devices & Accessories:** Radios, TVs, video tapes, music CDs, phone cards, etc.
- Buttons/Badges/Ribbons:** Buttons, badges, ribbons, signs, banners, etc.
- Personal/Pocket-Purse Products:** Pocket knives, grooming aids, lighters, matches, sunglasses, wallets, etc.

2005 SALES BY PROGRAM CATEGORY (2004 FIGURES IN PARENTHESES)



PROGRAM TYPE Includes the following:

- Business Gifts:** Gifts to foster customer goodwill and retention
- 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
- Tradeshows:** Trade-show traffic generation
- Brand Awareness:** Promotion of brand awareness and brand loyalty
- Employee Service Awards:** Anniversary recognition, service awards, etc.
- Dealer/Distributor Programs:** Dealer incentives, co-op programs, company stores
- Public Relations:** Corporate involvement with community, fundraising, sponsorship, school programs, media relations, corporate image
- New Customer/Account Generation:** New customer or new account generation
- Internal Promotions (Incentive; Non-Safety):** Sales incentive, TQM/quality programs, productivity, inventory reduction, error reduction, attendance improvement
- New Product/Service Introduction:** New product or service introduction
- Safety Education/Incentive:** Employee safety and education
- Not-For-Profit Programs:** Not-for-profit use for fundraising, public awareness campaigns (health, environment, public safety, etc.)
- Customer Referral:** Customer referral incentive programs
- Marketing Research:** Marketing research, survey and focus group participation programs
- Other:** No examples reported

ONLINE SALES OF PROMOTIONAL PRODUCTS – A LOOK BACK

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

	2003	2004	2005
Total online sales of promotional products for companies with less than \$2,500,000 in sales	\$774,087,316	\$937,716,970	\$989,970,292
Total online sales of promotional products for companies with sales of \$2,500,000 or more	\$845,930,624	\$976,014,287	\$1,173,506,686
TOTAL	\$1,620,017,940	\$1,913,731,257	\$2,163,476,978

SEGMENTING INDUSTRY SALES BY SIZE OF COMPANY

Size Of Company	2003	2004	2005
Less than \$250,000	\$1,364,997,974	\$1,428,562,552	\$1,367,284,621
\$250,001-\$500,000	\$1,435,068,264	\$1,725,290,533	\$1,547,169,188
\$500,001-\$1,000,000	\$2,205,807,149	\$2,620,735,631	\$2,407,057,377
\$1,000,001- less than \$2,500,000	\$4,309,256,774	\$3,621,372,904	\$4,170,054,414
\$2,500,000 or more	\$7,026,001,859	\$7,915,768,756	\$8,522,198,152
TOTAL	\$16,341,132,020	\$17,311,730,376	\$18,013,763,752