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GLOBAL MARKET IS FLAT IN 2008 AS BIG MARKETS SHRINK.

Worldwide sales were level at \$284 billion in retail value in 2008 following a solid 4% increase in the previous year, according to a study by market research company NPD. The U.S. market fell 2%, pulling down the growth in the Americas region by 1%, and Europe also recorded a 1% decline. The Asian market, fueled by the Olympic build-up in China, managed a 4% growth rate while the relatively small Africa/Middle East region had a 7% growth rate.

NPD's study is based on its tracking data it collects in 90 countries. Its most detailed tracking data measures 10 countries which account for 70% of the world's sporting goods sales, according to NPD. It estimates the remaining 30% using assumptions that relate to the gross domestic product of those countries.

Overall, NPD notes that the world population grew 1% in 2008 while sports footwear and equipment sales were flat. Sports apparel sales fell 1% globally. It tracks bicycles and cycling accessories separately and finds a 4% growth rate globally, led by a 7% increase in Middle East/Africa, a 6% increase in Asia and 2% growth in both the Americas and Europe. In athletic footwear, it says sales in the Americas fell 3%, while they were flat in Europe, up 8% in Middle East/Africa and up 4% in Asia. Sports apparel sales were flat in the Americas, down 4% in Europe, but up 6% in Middle East/Africa and up 1% in Asia. For sports equipment, Americas sales fell 3% while Europe was up 1%,

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Global Sales fall in U.S. Europe but grow in Asia, Middle East/Africa.

Asian freight rates rising Aug. 10.

Man Alive leaves The Finish Line.

Sport Chalet FY net loss hits \$52.2 mm.

Supreme Court takes NFL licensing case.

Tyr sues FINA over competition swimwear.

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Misc. Tariff Bill heads to Senate committee.

SG companies get new financing packages.

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VF Corp. creates new licensed unit.

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Companies: 180s, Acushnet, Asics, Crocs, Gildan, Jack Schwartz Shoes, Johnson Outdoors, New Era, Nike, Pou Chen, Pure Fishing, SGMA, Spenco.

Stocks & Earnings: Amer Sports.

Legal: Adidas, CPSC recall, L.L. Bean, Nike.

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Middle East/Africa was up 6% and Asia was up 4%.

While not making specific projections about the outlook for 2009, the report does note that the global recession is having a severe impact on the Chinese market and retailers there are continuing to deal with the overstocks from the Olympics. Meanwhile, it predicts further consolidation of the European sporting goods market, driven by a strong trend to private label merchandise that favors larger retailers. It also believes the retail consolidation will benefit the bigger buying groups like Intersport and Sport 2000. At the vendor level, NPD also sees further consolidation, especially in the swimwear and outdoor segments.

It seems almost certain that global sales will fall in 2009 because the response to the global recession by both retailers and vendors has been to lower inventories and shut down any retail space that is unprofitable. While certainly understandable, the net effect of this response is going to be a contraction of the supply pipeline that will lower sales. We're already seeing a decline in footwear imports for April, although the import levels for May and June will be more telling when available because those months feed the key back-to-school period. An early indication that June production was weak comes from Yue Yuen, the largest factory, which just reported June shipments down 7% to \$411.3 million. Consumers will have fewer places to shop and fewer choices when they do shop, so they will predictably buy less.

It also seems likely that the expected H2 pick-up will be modest in the U.S. market. Comparisons will certainly be easier than in Q2, which has been highly negative at retail as expected because of last year's federal stimulus package. However, the consumer mood remains very touchy, according to a recent survey by consulting firm Retail Forward. Household perceptions of job security are lower as the unemployment rate rose in June, and a drop in the stock market also raised fears about household net worth. Shoppers are divided in their views on whether they will change their shopping habits more. 45% say they need to make changes in their habits while 51% say they will not make changes. However, roughly half of those households have already changed their habits. Only 4% of house-

holds say they have returned to pre-recession shopping habits.

CARGO RATES FROM ASIA RISING ON AUG. 10.

The Transpacific Stabilization Agreement (TSA), citing average current shipping rates that are "not sustainable" for the next 12 months, is adopting an across-the-board increase of \$500 per 40-foot container (FEU) on Aug. 10. There will also be proportionate price increases for other equipment sizes with the rates applying to all commodities and U.S. destinations. Additionally, the TSA intends to pursue full implementation of a quarterly bunker fuel charge that was raised July 1 to reflect higher fuel costs.

Q1 cargo demand from Asia to the U.S. was 20% below the prior year period, and Q2 shipments have only shown slight improvement. There was a \$1,000-\$1,200 decline in average revenue per container during the Oct. 2008-May 2009 timeframe, the TSA said. In certain cases going forward, it will be necessary for certain lines to renegotiate contracts with shippers that do not provide for an interim rate adjustment, the TSA said. Additionally, the organization acknowledged that container lines should not have matched short-term, concessionary rates in the market when contracts were being negotiated. But TSA also agrees with the customer concerns of recent months that revenue deterioration would eventually lead to fewer lines operating with reduced service levels.

TSA members are 14 shipping lines, including COSCO Container Lines, Ltd., Hanjin Shipping Co., Hapag-Lloyd AG, APL Ltd. and Zim Integrated Shipping Services.

MAN ALIVE WAS ANYTHING BUT FOR THE FINISH LINE.

Man Alive under Finish Line ownership, as detailed in a public filing, reflects a chain with an eroding top line and gross margins that was a significant drain on its parent company. In the most recent FY ended Feb. 28, Man Alive had a \$26.4 million loss from continuing operations on sales of \$67.6 million, which included a \$26.4 million impairment charge and a \$13.3 million tax credit. The actual operating

loss was \$39.7 million.

On a pro forma basis, FINL would have had a \$30.4 million profit on sales of \$1,194.7 million instead of the \$4.0 million profit it reported on sales of \$1,262.3 million. Man Alive's annual sales were off 11.4% from \$76.3 million and the reported gross margin, including occupancy costs was a measly 14.0% versus 18.2% for the year ended Mar. 1, 2008. In Q1 this year, Man Alive's loss from continuing operations grew to \$2,365,000 from \$1,477,000 as a result of a 45% drop in quarterly net sales to \$8,133,000 from \$14,920,000. The chain's gross margin for the period ended May 30 was a paltry 8.4% versus 20.4% in Q108.

FINL's four-and-half year experiment dabbling in the world of hip-hop retail came to a formal end on Jul. 3 when the athletic specialty retailer agreed to sell the remaining assets of the chains to the owner of Jimmy Jazz stores. The get-it-off-our books transaction included a \$7.7 million rebate to the acquirer in the form of a \$1.6 million direct payment, \$4.1 million in an escrow account that will be paid out under terms of an agreement and an additional \$2.0 million that will be paid to Jimmy Jazz from in equal monthly installments over the next 12 months. FINL paid \$12 million for the then 38-door mall chain in Jan. 2005. In April 2008, FINL named former Parisian department store chain Ernest Brown as VP/GMM of the then 94-door chain, some five months after hiring Hagggar Clothing retail unit president Lou Spagna as president of the Man Alive banner.

SPORT CHALET REPORTS \$11.1MM LOSS IN Q4.

Comparable store sales at the specialty chain, continuing to be impacted by macroeconomic conditions in the chain's markets, declined 17.7% for the period ended Mar. 29. The Q4 net loss was \$11.1 million versus a loss of \$2.8 million. Revenues in the final period declined nearly 13% to \$84.5 million from \$96.8 million.

For the full year, Sport Chalet recorded a net loss of \$52.2 million against a loss of \$3.4 million. Excluding a non-cash impairment charge and income tax valuation allowance in Q3, the annual net loss was \$35.6 million. Comps for the year declined 12.4%.

Annual revenues, meanwhile, slid 7.4% to \$372.7 million from \$402.5 million.

The retailer has taken a number of initiatives in recent months to improve its financial performance. Among them—the launch of an aggressive inventory management program (\$138.6 million in fresh retail inventory between Jan. and May 31), a renegotiation of lease terms and agreements for projected savings of \$14 million over the next three fiscal years and a lowered expense structure. Payroll expense is forecast to fall \$10.7 million in FY10; additional cost cuts will equal approximately \$9.4 million in FY10.

NFL LICENSED APPAREL CASE TO BE HEARD BY SUPREME COURT.

A four-and-a-half year league tussle between headwear maker American Needle and the National Football League will be argued in the Supreme Court later this year or in early 2010. At stake could be antitrust exemptions for three professional sports leagues—the NFL, NBA and NHL. Major League Baseball has had an antitrust exemption since 1922. The NBA and NHL have each filed friend-of-the-court briefs in the case.

NFL owners, and executives from the other leagues, would like the land's highest court to issue a ruling in the case that would exempt professional sports leagues from costly antitrust lawsuits. American Needle (ANI), meanwhile, wants the Supreme Court to see the case differently than a federal district court and the 7th U.S. Circuit Court of Appeals in Chicago, both of which said the NFL acted as a single entity when it licensed its intellectual property exclusively to Reebok in 2000 for a 10-year period.

But ANI believes the appeals court decision contradicts a 1957 Supreme Court ruling that refused to extend the MLB's antitrust exemption to pro football. In its initial Dec. 2004 complaint, ANI alleged that the NFL, NFL Players Association, individual member clubs and Reebok “intended to create a monopoly in the granting of licenses...”

At that complaint, ANI said its loss of an NFL license in Mar. 2001 cost the company more than \$5 million in business.

TYR FILES COMPLAINT AGAINST FINA.

It wants a French court to nominate an independent legal expert to determine why some competition swimwear has been approved by the international governing body for swimming while nearly identical suits produced by Tyr have not been approved. Tyr claims that four of its competition suits are similar to or even contain a higher percentage of permeable material than suits already approved by FINA. Tyr said it filed the complaint with the Tribunal de Grande de Strasbourg after multiple attempts to resolve the issue with FINA failed.

Last March, FINA issued the Dubai Charter which it said would establish an independent testing program led by the Swiss Federal Institute of Technology. Tyr says that FINA later issued a press release saying it had no methodology for testing air trapping. This led Tyr to wonder how any suits at all could be approved.

FORMER ADIDAS CZAR ROBERT LOUIS-DREYFUS DIES.

The European billionaire credited with turning around the fortunes of Adidas in the mid-1990s, died of leukemia on July 4 which he had battled since his latter days at Adidas. He was 63. The former telecom and advertising executive with Saatchi & Saatchi in the United Kingdom had his business hand in sport for many years. At the time of his death, he was the majority shareholder of the Marseille football club in France.

But Louis-Dreyfus, a cousin to American comedic actress Julia Louis-Dreyfus and an heir to one of France's largest fortunes, was perhaps best known in the world of sports for helping to turn around the near-bankrupt fortunes of Adidas-Salomon AG, where he served as CEO and chairman of the German company's executive board from 1993 until 2001. He was replaced at Adidas in Mar. 2001 by current company CEO Herbert Hainer.

Louis-Dreyfus' many strategic moves at Adidas included ceasing German manufacturing, decentralizing the company's business approach, returning the brand to making more performance-oriented fare and trimming a vast product line by 65%.

Perhaps most important of all, he radically changed the culture of the company from a German-centric, traditional sporting goods brand to a global enterprise. Three years after instituting his ideas, Adidas turned global profits of \$166.6 million in 1996. A year later, he oversaw the company's acquisition of Salomon, most of which has since been sold to Amer Sports except for TaylorMade Golf.

After Adidas, Louis-Dreyfus' impact in world of sporting goods, beyond his reported €20 million investment in Marseille, continued. He served as president of FIFA marketing partner Infront, acquired Le Coq Sportif and played an instrumental role in a plan to create a Chinese retail giant through a merger of four significant market players. But that deal fell through in Dec. 2008.

SGMA PROVIDES UPDATES ON PHIT, LACEY ACTS.

The SGMA is urging all people with ties to the industry through sports, fitness or health to contact their local representatives in Congress and urge passage of the PHIT Act. Since Jan., more than 300 letters to support PHIT have been sent to various members of Congress. The PHIT Act (HR 2105) would allow consumers to be reimbursed with pre-tax dollars to cover expenses related to sports, fitness and other physical activities. If included in the health care reform package, Americans could place up to \$2,000 annually in existing pre-tax Flexible Spending Accounts (FSA), Medical Savings Accounts (MSA) or make medical reimbursement arrangements to pay for physical activities as a form of prevention. Taxpayers spending 7.5% of their income on qualified medical expenses could deduct physical activity expenses directly.

The SGMA says 14 members of the House, both Democrats and Republicans, have agreed to be PHIT co-sponsors. They are: Tammy Baldwin (D-WI), Joe Barton (R-TX), Earl Blumenauer (D-OR), Kevin Brady (R-TX), Robert Brady (D-PA), Christopher Carney (D-PA), Jim Gerlach (R-PA), Phil Gingrey (R-GA), Marcy Kaptur (D-OH), Mike McIntyre (D-NC), Donald Payne (D-NJ), Todd Platts (R-PA), Zach Wamp (R-TN), and Robert Wexler (D-FL).

Meanwhile, the trade group is working to preserve

an exemption in the Lacey Act. Sporting goods are currently exempt from the new reporting requirements on wood and plant content in imported products under the Lacey Act, the trade group confirms. But that exemption is being challenged by non-governmental organizations and environmental groups that want to discourage all illegal harvesting.

The Lacey Act was amended last year to require manufacturers of imported products containing wood and plant material to provide the genus, species and country of origin of the wood or plant. Sporting goods made of composite wood are not affected by the change. Customs and Borders Protection started a phased-in implementation of the reporting requirement earlier this year, breaking down products by category using the Harmonized Tariff Schedule.

CPSC ISSUES STAY ON LEAD BAN ENFORCEMENT FOR BIKE PARTS.

Lead limits for certain parts of bikes, jogging strollers and bike trailers, as ordered in the Consumer Product Safety Improvement Act (CPSIA), have been issued a stay of enforcement until Jul. 1, 2011. The CPSC stay applies to bike components such as tire valve stems, spoke nipples and brake levers. The stay is effective for subject goods manufactured through Jun. 30, 2011, and will remain in effect for the life of the products.

Additionally, the Outdoor Industry Association (OIA) notes that on Aug. 14, the lead content allowable under CPSIA drops to 300 parts per million, the lead paint limit drops to 90 ppm and tracking labels for children's products will be required. No products can be sold from inventory after Aug. 14 that do not meet these requirements. Violations will result in penalties of up to \$100,000, seizure of the property and possible jail time.

OIA WANTS INDUSTRY TAKE ADVANTAGE OF MISC. TARIFF BILL.

The MTB, usually a biennial legislative process, grants temporary, three-year duty suspensions on specific products that are certified to have no U.S. domestic production. In 2006, the OIA passed 12 bills through the MTB to suspend the 37.5% import duty on certain kinds of trail runners and light hiking boots. And last year, the industry organization sub-

mitted eight MTB bills to the House covering products from travel bags and gaiters to sleeping bags.

With the House carrying over its MTB to this year, the Senate Finance Committee is expected to announce its MTB process by Jul. 31. The OIA has helped a large number of its members draft legislative language for MTBs and is currently accepting submissions for assistance with this year's MTB process.

QUIKSILVER GETS EXTENSION IN FLURRY OF FINANCE DEALS.

ZQK's banks agreed to a one month extension of the €55 million credit facility of its European operations, which was due to expire on June 30. The banks, Societe Generale, BNP Paribas and Credit Lyonnais, will receive a one-time payment equal to 1% of the outstanding balance as an arrangement fee. ZQK said it expects to have a permanent financing solution for Europe in place at that time. Last month, ZQK managed to refinance its U.S. operations with a new \$200 million revolving credit facility with Bank of Americas and GE Capital.

Meanwhile, Adidas intends to use the proceeds from its €500 million (\$699.2 mm) bond issue to further improve the structure of its existing debt instruments by partially refinancing short-term bank loans. The five-year bond, said to generate strong demand with the majority placed in Germany and Switzerland with banks and retail intermediaries, pays an annual coupon of 4.75%. Joint lead managers on the transaction were BNP Paribas and Deutsche Bank. The notes will be listed on the Luxembourg Stock Exchange in denominations of €1,000.

Skechers secures a new \$250 million credit facility and provides break even guidance on its first half. Skechers' new four-year, \$250 million secured credit facility had eight lenders participating, including co-lead arrangers Wells Fargo Foothill and Bank of America. Besides the bank facility, SKX redeemed a remaining \$95 million worth of auction rate facilities. The company believes its current total of cash and investments will provide it with sufficient capital for the next four years. Citing the "continuing difficult retail environment," Skechers continues to forecast a "break even" first half of

FY09 and a “return to profitability” in H2. The company spent much of Q2 liquidating excess inventory and cleaning up its balance sheet.

Finally, Head N.V. has extended the deadline to exchange €135 million in 8.5% senior notes for a new 10% senior secured note due 2014 for a fifth time. This action certainly indicates the difficulty Head is having with its bondholders in getting them to go along with the deal that would cut the face value of the bonds to €350 from €1,000. Over the last month, the value of the bonds tendered, €6.6 million, or 4.9% worth of the total principal, hasn't budged. The new deadline for the exchange is Jul. 31 with an Aug. 6 settlement date. The initial deadline for the exchange offer was May 12.

NEXCEN BRANDS CASH, DEBT LEVEL DIDN'T BUDGE IN Q1.

The Athlete's Foot parent, in the final stages of completing its annual report for 2008, says its cash on hand at Q1 ended Mar. 31 was approximately \$8 million, the same as Q4 end on Dec. 31. Likewise, the company's total outstanding debt remained at \$142 million at Q1 end as it was at year-end. NexCen says it will report revenues from its franchise business of approximately \$12 million in Q1, up 15% from Q1/08. Q1/09 results include the company's acquisition of Great American Cookies and its joint venture interest in Shoebox New York.

In Q2, NexCen has introduced the TAF retail concept in both Lebanon and Botswana and Shoebox New York in Korea, where three locations have already opened and a fourth door will open this month.

When the company does file its audited financial statements for 2008 and annual report for the 12-month period by Aug. 31, it expects to report revenues from continuing operations of approximately \$47 million, up from \$20 million in FY07 ended Dec. 31, 2007. But the company also expects

its year-end balance sheet to reflect significant reductions in the value of its intangibles, which comprise its principal assets, due to anticipated impairment charges of \$242 million in 2008. Also, an amended 10-K for the year ended Dec. 31, 2007 is due to be filed by Jul. 31.

VF CORP. CREATES LICENSED SPORTS GROUP; EGECK DEPARTS.

The company says the unit, part of the Imagewear Coalition, is the culmination of the VFC's early 2007 acquisition of Majestic Athletic and eliminates any organizational confusion at the apparel company. Eight former facilities in Easton, PA have been replaced with a single, larger one. The new group also has established global offices in Manchester, England and Tokyo where it opened approximately two months ago. Besides Major League Baseball, VFC's licensed sports apparel covers the NFL, NHL, NBA, NASCAR and Harley-Davidson.

In a separate personnel development, former North Face czar Mike Egeck, president of the company's Contemporary-Brand Coalition, resigned Jun. 30. In his most recent position, he oversaw VF's 7 For All Mankind, Lucy and Splendid businesses.

COLEMAN ACQUIRES AUSTRALIAN COOLER BRAND ESKY.

Jarden Brands-owned Coleman is acquiring the Esky cooler brand, which has been distributed in the Australian market for the last 57 years, from Esky's bankrupt parent Nylex. The purchase price for the transaction, expected to close Jul. 19, wasn't immediately known.

According to published reports, Coleman Asia Pacific expects the Esky brand to be profitable for the company right away. Coleman intends to immediately broaden the distribution reach of the cooler brand from Australia and New Zealand to other parts of Asia, including Japan. Longer-term, the company intends to expand the label into the North American, European and South African markets. In 1989, Coleman and Esky had a licensing agreement whereby the Aussie company made Coleman coolers for the market and Coleman sales reps also sold Esky products into camping stores.

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RETAIL

EDDIE BAUER, which has a bankruptcy auction slated for Jul. 16 and stalking horse bidder CCMP Capital Advisers offering \$202 million, is granted permission to borrow \$100 million in D-I-P financing to fund operations ahead of the auction.

GOLF ETC. franchisee George J. Stark, Jr., of Mount Vernon, WA, filed for Chap. 7 bankruptcy protection on Jun. 24 in Seattle. The petition lists \$743,274 in liabilities and \$95,568 in assets. Top trade creditors are: Nike (\$13,474), TaylorMade (\$10,000), MacGregor Golf (\$9,000), Rapid Advance (\$6,245), Ping (\$3,544), Cleveland Golf/Srixon (\$3,350) and ProActive Sports (\$2,467). The first meeting of creditors is scheduled for Aug. 10.

SPORT SUPPLY GROUP expands its reach in the Indiana team market by acquiring the rights to Gus Doerner Sports' team division, an Evansville, IN business that caters to high school, college and out of school sports programs in southern Indiana. The acquisition price wasn't immediately disclosed. The Doerner team sales group will be added to Sport Supply's existing Indiana sales force through its Kessler's subsidiary.

TEAM SPORTSWEAR, an Austin, TX retailer doing business as Team Spirit, filed for voluntary Chap. 7. The filing page lists \$1-10 million in liabilities and \$50,000-\$100,000 in total assets. Complete schedules are due by Jul. 15. The first meeting of creditors is slated for Aug. 17 in Austin. Among the creditors are: Cutter & Buck, Crocs, Colosseum Athletics, Franco Apparel, Haddad Apparel Group, JanSport, MJ Soffe, New Era Cap, Nike and Schutt

Sports.

ZUMIEZ believes its July and Aug. same store sales will be negatively impacted by the later Labor Day holiday in the U.S. this year and the subsequent later back-to-school dates in many districts. Both factors, however, should have a positive effect on the chain's Sep. sales and comps. For the five weeks ended Jul. 4, ZUMZ comps fell 19.3%, declining double digits in all five weeks of the period. Stores in the West and South had same store sales drops in low 20s; doors in the Midwest and New England had mid-teens declines in same store sales. Total chain sales for the five weeks were off 7.9% to \$32.0 million versus \$34.7 million.

ON THE MOVE: Golfsmith hires Dan Sawall, most recently GM for Nike Factory Stores. He will join the specialty retailer next month as SVP/GMM. Sawall's prior retail experience includes stints with Macy's, Dillard's, Guess and Pacific Sunwear.++++ **West 49**, the operator of action sports retail stores in Canada, renews its credit facilities until Jun. 30, 2010.++++ **Dick's SG** will open its second store in Oregon in a former door operated by bankrupt Joe's Sports & Outdoor.++++ **Foot Locker** inks a new employment agreement with Ronald J. Halls, president and CEO of Foot Locker International, that extends his contract to Jun. 30, 2011 with an option to renew and a minimum base salary of not less than \$750,000.++++ **Bob's Stores** hires JustEnough, a Durham, NC software company, to oversee inventory management and implement a replenishment solution for the 34-door chain. The modular solution is forecast to be fully operational in 60 days.

TRADE & SOURCING

BURMESE EXPORTS may face extended sanctions if the American Apparel and Footwear Association gets its way. The AAFA wants Congress to extend sanctions against Burma for up to another three years. Sanctions against Burma through the 2003 Burmese Freedom and Democracy Act are slated to expire on Jul. 26. Kevin Burke, president of the AAFA, believes an ongoing ban would send a message that the U.S. won't do business with "regimes like the one that brutally enslaves the people of Burma."

Currently, Burma's leading opposition figure and Nobel Peace Prize winner, Aung San Suu Kyi, is on trial for allegedly violating the terms of her house arrest.

FOOTWEAR MAKERS in Indonesia, nine to date, have been approved to receive government stimulus funds to modernize their machinery and bolster productivity. The deadline to apply for the financial assistance is Jul. 31. The Indonesian government will reportedly spend Rp55 billion (\$5.1

mm) on the factories to help finance 10% of all new machinery purchases, according to the Jakarta Post. The government intends to extend the same offer to textile and sugar factories. All makers qualifying for the federal aid must detail their respective plan to spend at least Rp500 million on new machinery. Exports of Indonesian-made footwear are forecast to fall 2.7% this year to \$1.8 billion from \$1.85 billion in 2008.

POLYESTER STAPLE FIBER faces possible antidumping duties. The U.S. International Trade Administration of the Dept. of Commerce has made a preliminary finding that certain polyester

staple fiber from China, used to fill sleeping bags and ski jackets has been sold below normal value into the U.S. According to the Outdoor Industry Association, a final finding will be made to the ITA within 180 days. Should the decision confirm the dumping, the ITA will instruct U.S. Customs and Border Patrol to assess antidumping duties on PSF imports from China.

VIETNAM exports of garments and textiles to the U.S. rose 5% during the Jan.-Apr. timeframe to a reported \$1.6 billion; footwear exports to the U.S. during the same timeframe were nearly 23% higher year-over-year to \$460 million.

COMPANIES

180s is preparing to delve into the performance running apparel market in 2010 with a number of products headed by the Quantum Vent Jacket, a lightweight windbreaker with the ability to ventilate as needed. In the winter products area, the company is relaunching its "Tech Touch" 2.0 technology that allows the wearer to simply operate most MP3, cell phones and other handheld devices while keeping his gloves on. 180s has been owned by private equity firm Patriarch Partners since April 2005.

ACUSHNET COS. is cutting 77 positions at its Titleist distribution center and golf ball factories in southeastern MA over the next 30 days as part of an effort to lower production levels for the short-term.

ASICS is teaming with Advansa on a new high performance, environmentally friendly running apparel collection for Jan. 2010 delivery to retail. The garments utilize Advansa's ThermoCool ECO fibers for both functionality and sustainability. The fiber mix was designed to provide evaporative cooling when the body temperature rises and warmth when external temperatures are lower. Sustainability and ecology are vital issues within the core policies of both companies. Advansa says ThermoCool ECO is the result of more than two years of R&D within its own labs.

CROCS' Director Ron Snyder, who retired as the company's president and CEO in mid-March, resigned from its board on Jun. 30. He brought in former Reebok executive John Duerden to run the company in March and stayed on the board during

a transition period. Crocs said he resigned for personal reasons and not because of any disagreements. He had led Crocs since 2005.

GILDAN said its manufacturing operations in Honduras have been unaffected by the political turmoil that has hit the country. Gildan says its sock making facilities in the country continue to operate "normally at full capacity." And GIL's textile and activewear factories are not operating at this time due to a previously scheduled two-week hiatus to help balance inventory levels with anticipated continuing weak market conditions for activewear in the wholesale distributor channel.

JACK SCHWARTZ SHOES exec VP Larry Schwartz will retire from the business on Jul 23. He joined the company in 1985 and was one of most innovative marketers in the urban shoe market. Among the key brands where he has played a role are British Knights, Lugz and the company's newest brand, Sneaux Shoes. In the late 80s he became one of the first to use hip hop in marketing with a campaign featuring Kool Moe Dee.

JOHNSON OUTDOORS is consolidating its watercraft operations in Sept. to Old Town, ME and will shutter the ops in Ferndale, WA. The plant closure will result in 90 layoffs. Johnson Outdoors estimates the segment consolidation will result in more than \$4 million in annualized savings beginning in FY10, although it will have a negative impact of \$0.16-.20 (\$1.7 mm) against Q4 results.

NEW ERA CAP hires industry veteran Steve Hazell as VP of New Era Europe where he will lead all marketing, sales and distribution in the region. Hazell, most recently GM of Europe for K-Swiss, will report directly to Peter Augustine, president.

NIKE inks a new 10-year deal with the University of North Carolina that is retroactive to Jul. 1, 2008 and valued at \$37.7 million over the term. It includes shoes, apparel, equipment and coaching gear for all 28 Tar Heel teams and a provision to pay a 14% royalty on the sale of all UNC licensed merchandise. Separately, 19 UNC head coaches will have their own contracts with Nike. Further south, the Swoosh signs a five-year, all-school contract with the University of North Florida in Jacksonville, which is making a transition to NCAA Div. 1 sports. The Ospreys will have one year to phase out existing contracts with other apparel suppliers before the Nike contract covering all 17 UNF teams kicks in.

POU CHEN tells the *Taiwan Economic News* that the company is in the midst of streamlining its operations to lower manufacturing costs. At Mar. 31, Pou Chen had 443 footwear production lines in operation in China, Vietnam, Indonesia and Taiwan. In H1, Pou Chen made 130 million pairs of shoes, up 1.8% year-over-year. And in FY08, the company's annual footwear and sporting goods sales turnover increased 15% to NT160.3 mm (\$4.86 billion). MD Tsai Nai-feng told the publication that the company's retailers in China still have considerable inventory left over from the Beijing Games build-up that might not be completely liquidated until Q3.

PURE FISHING names John Doerr, acting as Pure Fishing's interim president for the past three months, as president and CEO. The firm that was relocated to Columbia, SC in Jun. 2008 after 70 years in Spirit Lake, IA. He joined the Jarden Corp.-owned company in Jan. 2006 and has had a number of responsibilities during his tenure, including manufacturing, supply chain, logistics, customer service and fulfillment. Doerr, an avid angler and hunter, replaces Terry Carlson, who was named Pure Fishing's president and CEO in spring 2008.

SGMA is conducting a study of grass roots participation as an offshoot of the trade group's annual *Sports & Fitness Participation Study*. It is expected to detail and analyze how young people in the U.S. (ages 6-24) make decisions to participate in a specific sport or activity, what motivates them to stay with it and why they drop out or stop playing. The *Grassroots Sports Participation in America* study will have a number of parts. The first will focus on the 'Love/Hate' relationship between certain sports and what motivates and influences someone to start playing and stay with it. Part two will focus on brand ratings, buying behavior and consideration sets and likelihood to purchase a specific brand over another.

SPENCO introduces a 'greener' replacement outsole called the "Earthbound" that is made from 55% recycled and renewable materials. It's designed for active consumers seeking firmer support, motion control and cushioning in a more environmentally sustainable footbed.

STOCKS & EARNINGS

AMER SPORTS sees its largest shareholder, Novator Finland, divest its entire 20.11% stake in the company for a reported €7.00 a share. The London-based equity fund had been critical of the

process by which Amer directors were dealing with management, but there were rumors that the group planned to cash out at some point.

LEGAL

ADIDAS remains at legal odds with Herbalife, the marketer of weight, nutritional, skin and personal skin products that uses a Tri-Leaf design trademark, despite reaching a 1998 settlement with the Los Angeles company. Herbalife is seeking a declaratory judgment in U.S. District Court in Los Angeles that states it has not infringed on trademarks owned

by Adidas per a Jul. 1998 settlement agreement between the parties. The Jun. 17 complaint also charges Adidas with intentionally interfering with the company's contract with the Los Angeles Galaxy soccer team. Conflict between Adidas and Herbalife didn't begin to resurface until late Sep. 2006. That's when attorneys for The Stripes alleged

Herbalife breached the Jul. 1998 settlement between the parties. In a separate action, Adidas America and Adidas AG sue [Soccer219.com](#) and its principal, Huy Nguyen for trademark infringement in U.S. District Court in Portland, OR.

CPSC action sees [Polaris Industries](#), of Medina, MN, recall approximately 800 of its 2009 model year [Assault](#) model snowmobiles due to faulty bolts on the rear suspension that can break and cause the rail tip to become dislodged and interfere with the snowmobile's track.

L.L. BEAN was voluntarily dismissed with prejudice on Jul. 3 as a defendant in the ongoing patent infringement suit filed by [TEC-Technology Enabled Clothing](#) in late March. The roster of remaining defendants includes numerous outdoor players from Burton Corp. and Columbia Sportswear to Marmot, Nike and Sport Obermeyer.

NIKE files a trademark infringement and trademark dilution suit against Keith Greene, of Fresno, CA and the websites he operates, including [www.kickzandgear.com](#) and [kickztothreads.com](#) on Jul. 2 for allegedly selling and distributing counterfeit Nike footwear.

SHORT STOPS

Rocky Brands strikes a multi-year distribution agreement for the United Kingdom with Garlands, a distributor of hunting apparel and sporting goods in the market. Rocky will begin shipping product to the U.K. company this fall.++++**Cascade Designs** hires Chris Lowe as sales manager for the Eastern

U.S. He will join the company's existing sales team in Seattle.++++**Patagonia Footwear** adds Mountain Lake Marketing, which formerly represented Timberland and Go-lite, as its Mid-Atlantic sales representatives.++++**Nfinity** is partnering with the American Volleyball Coaches Association and will be the title sponsor of the organization's *Player of the Year* award.++++**Steve Madden** completes its acquisition of nearly all the assets of the Zone 88 and Shakedown Street labels from SML Brands for \$1.25 million plus inventory considerations.++++**Phoenix Footwear Group** completes the asset sale of its Chambers Belt Co. accessories business to Tandy Brands Accessories for \$3.1 million. The purchase price included inventory, equipment and the licensed rights to sell Wrangler products into the mass market until Jun. 30, 2010.++++**Mizuno** will reportedly shutter 22%, or 200, of its 902 retail sites in China this year due to disappointing sales.++++**Li Ning**, according to the *Hong Kong Economic Journal*, has acquired badminton-racquet maker Kason for CNY165 million (\$24.2 mm).++++**Matrix Group**, which operates a number of websites selling sporting goods, saw its warehouse destroyed by fire.++++**Polo Ralph Lauren** will be the official outfitter of the U.S. Olympic and Paralympic Teams in 2010 and 2012.++++**World Federation of the Sporting Goods Industry** nominates Dr. Nouman Butt, director of Capital Sports Corp. (Pvt.) Ltd. , a maker of soccer balls in Pakistan, as the organization's representative on the Independent Monitoring Association for Child Labor (IMAC) board.++++**Ortovox USA** opens a new western U.S. sales and distribution center in West Valley, UT near Salt Lake City.

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