SPORTING GOODS® INTELLIGENCE

News and analysis of the international market

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GLOBAL SG STOCKS SURGE 36.2% IN 2010.

The broadly based improvement encompassed every sector and region and easily outpaced the broader stock market indices such as the S&P 500 (+11.8%), the FTSE (+11.1%), the DAX (+15.6%), the Hang Seng (+4.5%) and the Nikkei (-3.3%). It comes on top of an 83.8% gain in the aggregate market capitalization of the industry in 2010 after a 39.5% decline from 2008. Perhaps more interesting is that the global market capitalization of the 90 stocks reached $209.5 billion, exceeding the previous record of 2007 when the aggregate value was $184.6 billion.

Our methodology compares the stock prices of all companies in local currencies to arrive at a percentage change for each stock. This data is then converted into US$ for purposes of comparison and weighted by market cap.

On a regional basis, stocks from the Americas led the bull market with a 42.3% gain in value. Stocks in Europe and Asia had comparable improvements with gains of 28.0% and 28.5%, respectively. On a category basis, retail stocks were the biggest gainers with a 59.2% improvement, followed by apparel stocks at 41.2%, athletic footwear stocks at 30.5% and equipment stocks at 26.6%. The stock gains in the market actually are considerably less than the profit gains, which through nine months in the 60 major stocks we cover for the Scorecard were up 98%.

Nike easily held the top position with a market cap

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Global Industry Stock Market Performers

Company	Exchange	Currency	Market Capitalization in Millions 2010 US$	2010 Local	2009 Local	Change Local
Nike	NYSE	US$	40,820	40,820	32,211	26.7%
Li & Fung	HKEX	HK$	23,320	181,504	120,508	50.6%
Luxottica	Belgium	Euro	14,073	10,620	8,377	26.8%
Adidas Group	Frankfurt	Euro	13,666	10,312	7,903	30.5%
VF Corp	NYSE	US$	9,347	9,347	8,240	13.4%
Fortune Brands	NYSE	US$	9,193	9,193	6,508	41.3%
Yue Yuen	HKEX	HK$	5,921	46,088	36,630	25.8%
Puma AG	Frankfurt	Euro	4,956	3,740	3,496	7.0%
Shimano	Tokyo	JPY	4,900	399,571	360,000	11.0%
lululemon	Nasdaq	US$	4,858	4,858	2,124	128.7%
Dick's SG	NYSE	US$	4,373	4,373	2,886	51.6%
Anta Sports	HKEX	HK$	3,954	30,774	28,286	8.8%
Gildan Activewear	NYSE	US$	3,458	3,458	2,948	17.3%
Deckers	Nasdaq	US$	3,073	3,073	1,335	130.3%
Foot Locker	NYSE	US$	3,042	3,042	1,775	71.4%
Jarden Corp	NYSE	US$	2,836	2,836	2,784	1.9%
Under Armour	NYSE	US$	2,797	2,797	1,398	100.0%
Asics	Tokyo	JPY	2,552	208,158	166,167	25.3%
Warnaco	Nasdaq	US$	2,451	2,451	1,896	29.2%
Hanesbrands	NYSE	US$	2,433	2,433	2,310	5.3%
Li Ning	HKEX	HK$	2,229	17,348	29,796	-41.8%
Alpargatas (S.P.)	Brazil	Real	2,111	3,525	1,878	87.7%
Billabong	ASX	A$	2,096	2,063	2,726	-24.3%
Columbia SpWr	Nasdaq	US$	2,028	2,028	1,314	54.3%
DSW Shoe Whse	NYSE	US$	1,724	1,724	1,179	46.3%
Amer Sports	Helsinki	Euro	1,680	1,267	851	49.0%
Brunswick	NYSE	US$	1,661	1,661	1,118	48.6%
Stella Holdings	HKEX	HK$	1,582	12,313	11,121	10.7%
Wolverine WW	NYSE	US$	1,557	1,557	1,365	14.0%
GSI Commerce	Nasdaq	US$	1,545	1,545	1,412	9.4%
Daphne Int'l	HKEX	HK$	1,532	11,924	10,332	15.4%
Xtep Int'l	HKEX	HK$	1,526	11,881	9,694	22.6%
Crocs	Nasdaq	US$	1,494	1,494	493	202.7%
Cabela's	NYSE	US$	1,477	1,477	964	53.2%
Peak Sport	HKEX	HK$	1,375	10,699	7,505	42.6%
Collective Brands	NYSE	US$	1,316	1,316	1,484	-11.3%
Timberland	NYSE	US$	1,249	1,249	1,017	22.8%
Sports Direct Int'l	London	GBP	1,193	771	578	33.6%
Hibbett SG	Nasdaq	US$	1,031	1,031	645	59.8%
Dorel Industries	Toronto	CAD	981	981	1,045	-6.1%
Skechers	NYSE	US$	953	953	1,370	-30.5%
Finish Line	Nasdaq	US$	917	917	686	33.6%
Genesco	NYSE	US$	886	886	664	33.3%
Quiksilver	NYSE	US$	831	831	266	212.2%
Zumiez	Nasdaq	US$	824	824	390	111.5%
Retail Ventures	NYSE	US$	799	799	446	79.1%
Mizuno	Tokyo	JPY	684	55,814	60,598	-7.9%

Company	Exchange	Currency	Market Capitalization in Millions 2010 US$	2010 Local	2009 Local	Change Local
G-III Apparel	Nasdaq	US$	678	678	368	84.2%
JD Sports Fashion	London	GBP	659	426	244	74.8%
Brown Shoe Co.	NYSE	US$	611	611	430	42.1%
Feng Tay	Taiwan	TW$	579	17,021	14,244	19.5%
Forzani Group Ltd.	Toronto	CAD	524	524	431	21.6%
Callaway	NYSE	US$	517	517	509	1.5%
Accell Group	Amstrdm	Euro	516	389	286	36.2%
Volcom	Nasdaq	US$	461	461	407	13.2%
K-Swiss	Nasdaq	US$	440	440	354	24.2%
Perry Ellis	Nasdaq	US$	388	388	206	88.3%
Fenix Outdoor	Stockholm	SEK	372	2,521	1,490	69.2%
Citi Trends	Nasdaq	US$	364	364	408	-10.8%
Rapala	Nordic	Euro	359	271	196	38.0%
Pacific Sunwear	Nasdaq	US$	358	358	276	29.9%
Shoe Carnival	Nasdaq	US$	356	356	266	34.2%
China Hongxing	SGX	S$	347	448	532	-15.8%
Big 5 SG	Nasdaq	US$	333	333	376	-11.4%
Sturm Ruger	NYSE	US$	288	288	193	49.4%
Smith & Wesson	Nasdaq	US$	225	225	245	-8.0%
BasicNet	Milan	Euro	224	169	119	42.1%
Eagle Nice	HKEX	HK$	158	1,229	1,599	-23.1%
Kingmaker	HKEX	HK$	147	1,145	596	92.1%
KTP Holdings	HKEX	HK$	123	961	262	266.2%
Johnson Outdrs	Nasdaq	US$	118	118	95	24.0%
Delta Apparel	AMEX	US$	115	115	92	24.4%
Pegasus Intl.	HKEX	HK$	115	891	1,001	-10.9%
Symphony	HKEX	HK$	90	698	748	-6.8%
Heelys	Nasdaq	US$	84	84	61	37.6%
Rocky Shoes & Bts	Nasdaq	US$	74	74	43	73.7%
Head N.V.	Vienna	Euro	64	49	57	-15.4%
Lafuma	Paris	Euro	63	48	38	27.0%
Groupe Go Sport	Paris	Euro	58	44	68	-35.8%
Nautilus Group	NYSE	US$	55	55	60	-8.2%
Blacks Leisure	London	GBP	53	34	21	62.5%
JJB Sports	London	GBP	48	31	171	-81.7%
Sport Chalet	Nasdaq	US$	40	40	25	57.2%
Golfsmith	Nasdaq	US$	38	38	36	7.7%
Adams Golf	Nasdaq	US$	35	35	20	74.1%
Ossia Intl	SGX	S$	27	35	34	3.7%
Aldila	Nasdaq	US$	26	26	18	44.4%
Cybex	AMEX	US$	11	11	21	-44.9%
Walking Company	Nasdaq	US$	11	11	1	700.0%
Phoenix Footwear	AMEX	US$	3	3	4	-27.8%
			209,459		Average Change	36.2%

(Local Market Cap - Weighted)

Note: Share price and currency conversion rates are as of Dec 31, 2010 and Dec 30, 2009 exceeding $40.8 billion, far more than any other sporting goods company has ever achieved. Three other companies, Li & Fung, Luxottica and Adidas also had market caps exceeding $10 billion. Of the 39 large cap stocks with a value of more than $1 billion, 13 were retailers, 11 were primarily sneaker companies, nine were apparel companies and six were equipment. By region, Europe had just five entries into this group while Asia had 11 and the Americas had 23.

The four biggest gainers in this group were all U.S. stocks, led by Crocs at 203%, Deckers at 130%, Lululemon at 129% and Under Armour at 100%. Only one stock in this group, Collective Brands, had a stock price decline for the period, but Jarden (+2%), Hanesbrands (+5%), Puma (+7%) and GSI Commerce (+9%) all under-performed in single digits.

Looking at notable stocks by category including stocks with market caps under $1 billion, Quiksilver was the biggest gainer in the apparel market at 212%, although it remains well below its pre-Rossignol levels. The biggest decline for the year was recorded by Billabong, with heavy exposure to the difficult Australian market. KTP Holdings in footwear had a 266% gain for the year while Li Ning's value cooled off with a 42% decline for the year. Gains and losses in the equipment sector were more modest as this sector still is seeing only faint signs of recovery. A 74% gain for Adams Golf topped the category while a 45% decline for Cybex brought up the rear. While The Walking Co. had the biggest percentage gain in retail, by far the stock that created the most value was Lululemon with a 129% gain that made it the most valuable publicly held retail stock on the planet at $4.86 billion compared to Dick's $4.73 billion.

As for regional winners and losers, tiny Walking Co. led the Americas with a 700% gain but of stocks with significant market caps, Quiksilver followed by Crocs would have been better bets. Cybex was the worst performing stock in the region. In Europe, JD Sports took the honors with a 75% gain while rival JJB Sports had the worst performance with an 82% decline. KTP Holdings was easily the largest gainer in Asia and Li Ning the top short.

FEARLESS PREDICTIONS FOR 2011.

We ended 2010 with the economy still choppy, but the sporting goods industry enjoying its best year ever. Through nine months of the year, the 60 major public companies whose net profits we track were up a robust 98% compared to last year at just under $4.1 billion, easily a record for the period. That was certainly great leverage on sales increases that were in the high-single digits for all three quarters, and reflects the coincidence of a number of favorable factors that won't be driving profits in 2011.

First among these is the gross margin improvement in 2010 that was a result of pricing during the depths of the recession when demand was low and inventories were still selling down. Now that demand has revived and inventories are being cautiously rebuilt, factory capacity has tightened and input costs have risen sharply. The bad news is that costs are going up, but the good news seems to be that consumers are willing to spend on sporting goods. Sporting goods retailers keep surprising on the upside, for a change, while electronics retailers are struggling. We think this trend will extend into 2011 as consumers spend their discretionary dollars on activities that are healthy. That should help the industry pass on increased costs and keep gross margin at levels near 2010.

A major negative is the prospect of labor disputes in both professional football and basketball. It's a good possibility that there will be lockouts in the NFL and NBA, raising the unappealing public spectacle of billionaire owners fighting with millionaire players over money and leaving fans in the lurch. Of the two leagues, a NBA lockout would have less impact on sales by far, but both are bad for sales and tarnish their sports.

Another major negative in our view is that 2011 is an off-year in terms of a major event. The heavy marketing spend by the major brands around the Olympics or World Cup gives a significant boost to revenues and store traffic that won't be around this year. The industry will have to rely instead on product trends to keep its momentum going. Fortunately, there is some good news on that front but not for everyone.

Footwear has seen a boom in lightweight running that many brands are participating in, and this is a trend that has legs. The few brands playing in the basketball sector are also generating solid momentum, but an

NBA lockout would cripple that. We believe toning will continue to shrink as a category. There are true believers, but more who will move on to the next fitness fad. Look for the category to consolidate to the top two or three brands and stabilize.

The soft goods sector is driving the industry more than ever. Athletic footwear companies accounted for 72% of all profits through Q3 2010 and apparel firms another 14%, retailers 13% and equipment firms just 1%. To be sure, that reflects a significant improvement for the equipment category over 2009 when it lost over $400 million through the first nine months of the year, much of it related to massive writedowns and restructuring at Brunswick and others. Still, the fact remains that record profits in 2010 came with barely perceptible help from the equipment category.

The equipment market will continue to struggle in 2011. The firearms boom is history, and there remains little in the way of new technology in ski or golf that will drive anything more than a modest replacement market. The free and easy consumer credit that fueled the exercise equipment boom in recent years is also not returning. The one thing that will really sell in equipment these days is safety, whether it's helmets for winter sports or football.

Retailers are coming off an unexpectedly strong Holiday season. We believe that they will be able to sustain that momentum, partly because the product coming from the soft goods brands is on an upswing and partly because the survivors of the recession are operating with lean operations and lean inventories in an environment that has seen much marginal real estate cleansed from the market. This should hold through 2011, but in two or three years much of that retail space will start finding its way back into the market.

Perhaps the biggest unanswered question right now is what will the big brands do with the cash they have been piling up? Will it be spent on acquisitions and set off another round of consolidation? The pressure will increase to either give the cash back to shareholders or do something constructive in 2011. If there is another round of consolidation, only those with the best balance sheets will partake on the buying side.

GOLF DIVESTITURE COULD NET FORTUNE BRANDS $1.1-1.5 BILLION.

Less than a month after announcing it would split into three separate businesses to focus entirely on distilled spirits, Titleist and Foot Joy parent Fortune Brands has reportedly tapped Morgan Stanley to oversee an auction of its golf business that generates annual EBITDA of approximately $120 million and could fetch 10-11x that in a sale, according to unnamed sources who spoke to Bloomberg. The news service speculated that Nike, Adidas, and Srixon parent Sumitomo Rubber Industries are potential suitors for the golf unit but couldn't get any of them to comment.

We would question whether Nike, in particular, would invest further in the golf market given the long-term financial objectives it has set out for itself. The Other Businesses portion of the Eager Beavertons is targeted to exceed its overall mid- to high-single-digit growth rate, a goal that seems unlikely given the current state of the golf market. Adidas also seems to us unlikely. Having taxed its shareholders' patience with the Reebok turnaround, would it really double down on the golf market? FO has another option for the golf division if interested parties don't emerge—it could spin off the unit. Through nine months ended Sep. 30, FO's golf division sales were up 1.7% year-over-year to $1,008.1 million with a y-t-d increase in operating income (before charges) of 20% to $104.5 million.

Perhaps not coincidentally, the Boston Globe featured a profile of Titleist's highly successful ProV1 golf ball in its sports section, citing numerous statistics about the success of the product, which last month celebrated its 10th anniversary. Among them: 75 million Pro V1's have been sold to date; the product has been the top-selling golf ball for 118 consecutive months dating back to Mar. 2001, it owns a current 21.5% market share, and has captured 18 men's majors tournaments.

EUROPEAN GOLFER GRAEME MCDOWELL MOVES TO SRIXON.

The defending U.S. Open champion and Ryder Cup star, currently ranked fifth in the world, has left Callaway Golf for an endorsement deal with Srixon worth a reported $3 million annually. The

Srixon contract covers clubs, balls, hats and gloves starting with this week's Hyundai Tournament of Champions. McDowell is also changing his shoes via a new endorsement deal with ECCO where he'll wear the Danish brand's newly-launched comfort class model and its logo on his hat.

Meanwhile, TaylorMade-adidas Golf signs Colombian pro golfer Camilo Villegas to its Tour Staff and also adds Jim Furyk (6th in the world). He's worn Adidas footwear since 2006 but will now play the Penta TP golf ball and a TaylorMade driver.

RIDDELL RESPONDS TO SENATOR'S DEMAND FOR FTC INQUIRY.

The football helmet maker and official supplier to the NFL through 2014 contends statements and allegations made by Sen. Tom Udall (D-NM) to the Federal Trade Commission about its safety claims and marketing practices are "unfounded and unfair." The company has reached out to Udall's office but its executives have yet to speak to the senator directly. Udall, as detailed in a *New York Times*' article, is asking the FTC to investigate Riddell's claim that its Revolution football helmet models lower concussion risk by 31% and whether they might violate a law that prohibits misleading descriptions of the protective qualities of a safety device.

Riddell, while saying it "welcomes and supports any reasonable, scientific-based updates to helmet standards," stands by its claim and the three-year (2002-2004) University of Pittsburgh Medical Center study it is based on. That study, published in the Feb. 2006 issue of Neurosurgery, found that players who wore the brand's Revolution helmet were "31% less likely to suffer a concussion compared to athletes who wore traditional helmets." Further, Riddell contends a July 2010 NFL helmet testing study of 16 contemporary models in laboratory tests found that three—the Riddell Revolution, Revolution Speed and Schutt DNA Pro—met all three criteria for qualifying as a top performing helmet.

In his statements, Udall also contended that some helmet reconditioning companies may be falsely selling used helmets as meeting an industry safety standard. As far as it's concerned, Riddell, which reconditions one million helmets annually, says that simply isn't true. The company conducts various tests on each helmet it inspects and subjects 25,000 of them to the NOCSAE (National Operating Committee on Standards for Athletic Equipment) "drop test" where the headgear is dropped multiple times at various locations onto a firm rubber pad.

While the debate over Riddell's helmet claims is likely to continue unabated for some time, the company says it continues to move forward with plans to introduce new technological advancements to the category. Two are on deck this year—the 360 football helmet, which introduces new, "significantly advanced" protective features, and Smart Helmet Technology, a feature that will be integrated into various models that will enable sideline personnel to monitor the level of impact on a particular player based on his skill level and position. Company executives stress that the technology is not meant to detect player concussions.

LITTLE LEAGUE COMPOSITE BAT CHANGE REQUIRES PROMPT ACTION.

Retailers and Little League baseball bat vendors are hoping the sports organization will shortly issue procedures for submitting composite bats for re-testing to obtain waivers on specific models for the upcoming season. The need for such action was prompted by Little League's Dec. 30 announcement that it was issuing an immediate and complete moratorium on all composite bats.

<u>Without a process for product waivers, retailers and vendors alike will be left with obsolete inventories and consumers with confusion about what products can legally be purchased</u>. Given Jan.-Feb. is the peak buying season for bats and that some warmer climes (CA, TX, FL) begin their seasons this month, the immediacy of such action is crucial. It's believed Little League may make a formal protocol announcement next week following a sport convention in Nashville and further discussions there with vendors and dealers.

Jess Heald, the former Worth executive who now spearheads the non-profit Batters Up USA, says equipment manufacturers generally ask governing bodies considering equipment standards changes to give them a two-year window before implementation. That timeframe, while not always possible, allows for ample development of new products and for the flushing out of obsolete inventories. Vendors and consumers alike were forewarned by Little League International about a potential composite bat ban at the Majors level last Sep. That's when the organization slapped the composite bats moratorium on its Junior, Senior and Big League Divisions. Citing research data from the University of Massachusetts, Little League said composite bats may exceed its Bat Performance Factor (BFF) of 1.15 after a break-in process, prompting the need for the moratorium. Bat makers will be allowed to submit models for a waiver from the ban, as some have received for organization's higher levels. As for policing the new composite bat moratorium, the baseball organization will publish a list of approved bats on its website and supply the list to individual league officials.

Retailer Baseball Rampage is sure the moratorium on composite bat use will generate abundant confusion among its customers. More than that, the Columbus, OH, retailer, which generates 99% of its business via the internet, has trepidation about the standards change prompting its Little League parents to cease buying any new youth bats for a period of time. And that's tough to digest given many would shell out $200-300 on a latest and greatest composite bat for junior. With some parties questioning the timing of Little League International's after-holiday announcement, Baseball Rampage says the change will force it "to work out some deals" with vendors over the non-conforming bats it already has in-stock and to chase other products to meet any pre- and in-season demand.

RETAIL COMPS SLOW IN DEC.; APPAREL/ACCESSORY STORES LAG.

In the wake of a shift toward online shopping and November's strong 5.6% comp gain that was fueled by strong promotional activity around Thanksgiving Weekend, Dec. same store sales in the U.S. eased to 3.2% (up slightly from 3.0% in Dec. 2009), according to research from Kantar Retail based on 31 reporting retailers, but not Walmart.

The Dec. results in the U.S. were spearheaded by stronger-than-average results at department stores, while apparel and accessory store sales lagged for the month. Amazon.com realized a 4.4% gain in gift shoppers to its site (42.1% vs. 37.7% in 2009) but sporting goods retailers (12.2% vs. 14.9%) and shoe retailers (7.7% vs. 14.4%) both showed a falloff. Meanwhile, specialty apparel retailers such as Gap and Old Navy had a larger drop of shoppers last month, down 7.1% to 15.3% of shoppers vs. 22.4% in Dec. 2009.

At Zumiez, same store sales rose 9.2% for the five weeks ended Jan. 1, higher than the 0.3% gain in the year-ago period but below this year's Street expectations of an 11.5% comp increase for the period. ZUMZ total Dec. sales increased 14.1% to $88.5 million from $77.6%. Interestingly, the chain's same store sales were highest in the period's first, post-Thanksgiving, week (+17.7%) and final seven days (+35.2%) when gift-card purchasing and clearance sales were likely to have begun. During the month, Zumiez experienced a higher number of transactions but fewer consumer dollars were spent on each one. Comps were highest in the South (+10.0%) and Midwest (+5.0%) followed by the Northeast (+4.0%) and West (+3.0%) regions.

Meanwhile, at Pacific Sunwear, women's comps fell 20% in Q4 through Jan. 1, forcing the retailer to lower its Q4 guidance to a GAAP EPS loss of $0.49-.54 ($32.4-35.7 mm) for the period ending Jan. 29 versus prior guidance of a $0.10-.29 loss. The company said it has merchandising and marketing plans in place for the Spring/Summer season that it believes will reverse the negative trend in women's. Through Jan. 1, Pacific Sunwear's overall same store sales were off 7% despite men's being in a positive range.

CROCS SETTLES DISPUTE WITH EPA OVER AD CLAIMS.

Crocs agrees to pay $230,000 and remove antimicrobial claims on several types of its footwear to settle a dispute with the U.S. Environmental Protection Agency. The Federal Insecticide, Fungicide and Rodenticide Act, which the EPA enforces, requires that any product claiming to be antimicrobial must be a registered pesticide with the EPA. One of the ingredients in Crocs' Croslite material is silver, whose properties have been known to retard the growth of bacteria; however, Croslite is not registered as a fungicide. Crocs has agreed to stop making the antimicrobial claims in its advertising.

This is the second time that the EPA has slapped a brand in the outdoor business for anti-microbial claims. The EPA last year settled with The North Face over claims that its AgION technology inhibits the growth of bacteria in footwear. TNF paid a $207,500 fine. In that case, AgION was a registered pesticide but it had not been registered for the use claimed by TNF.

ALDILA BUYS ARCHERY FIRM ASSETS.

The maker of golf shafts has acquired substantially all the assets of Victory Archery, a unit of Miramar Strategic Ventures in a cash and stock deal valued at approximately $2.72 million. The purchase price, $2.3 million cash and 104,319 shares of unregistered ALDA common stock, is for specific equipment, receivables and inventory in addition to other tangible and intangible assets.

The deal also includes a potential earnout of 10% to MSV through Dec. 31, 2015. Principal MSV owners, Todd Boretto, Martin Connolly and Spinergy Inc. have agreed to a non-compete in carbon fiber arrows and related products for a period of six years. With the transaction, MSV was granted a right of first negotiation if Aldila actively exits the archery business before Dec. 31, 2015.

CANADA GOOSE BUYS ENGINEERED APPAREL.

It acquires Winnipeg, Manitoba-based Engineered Apparel, a Canada Goose contractor for the last five years. Financial terms of the transaction weren't disclosed. Engineered Apparel, which employs 120, has specialized in down manufacturing and high-end garment production for the last 15 years.

The acquisition is expected to boost efficiency at Canada Goose while also giving the company better control over its supply chain. Chuck Barbee, president of Engineered Apparel, will continue to run his El Salvador operation that manufactures apparel for Arc'teryx and other premium outerwear brands.

MAINE SOCK CO., SHOE CARE FIRM ARE ACQUIRED IN SEPARATE DEALS.

Totes-Isotoner, the Cincinnati-based company controlled by New York private equity firm MidOcean Partners, has purchased Lewiston, ME-based Acorn Products for an undisclosed price. Acorn, founded in 1976, makes slippers, socks and footwear and sources its products in Mexico and China.

Meanwhile, privately held SC Johnson, parent of the Pledge, Windex and Ziploc brands among others, agrees to pay $328 million for Sara Lee's shoe care business that includes Kiwi and Bama International, a specialty channel shoe accessories unit that distributes in Europe and Canada. The transaction is expected to close by mid-year after customary regulatory clearances are obtained. The Johnson family has a major position in publicly-held Johnson Outdoors.

RETAIL

DICK'S will reportedly spend nearly $2.73 million to renovate a former Sportsman's Warehouse store in Pocatello, ID. DKS is also completing construction on a new store in Escondido, CA, across the street from a Sports Authority, in the San Diego suburb. Work is also beginning on converting a former Mervyn's in Layton, UT to a 46,000 sq. ft. store for a planned Oct. opening.

HONUS WAGNER CO., a retail fixture in Pittsburgh for nearly 80 years, is closing its doors for the last time before March 31. The business, co-owned by couple Murray and Harriet Shapiro, is slated to begin a g-o-b sale later this week or early next week. The business is named after the baseball Hall of Famer, who in 1905 became the first player to sign a bat endorsement contract when he signed a deal with Louisville Slugger parent Hillerich & Bradsby.

PLANET SPORTS opens a 30,000-sq.-ft. store in Delhi, India that has live experience zones in cricket, golf, basketball and table tennis, a first for India. It also stocks 20,000 pairs of footwear with a size guarantee, 40,000 items of apparel, 7,000 accessories, 5,000 items of equipment and 3,100 fitness-related accessories. The retailer now has over 80 sports specialty stores in 30 cities in India. It is part of Future Group's retail operation that has over 1,000 stores and covers 16 million sq. ft. Planet

Sports has sales of about $US 60 million.

RUNNINGS FARM & FLEET, which operates 31 farm, ranch and home supply stores in MN, SD, ND and MT as a family-owned operation, agrees to acquire DJ's Sporting Goods of Montevideo, MN, a hunting, fishing and archery retailer located 130 miles west of Minneapolis. Financial terms of the transaction, expected to close this month, were not disclosed. DJ's started as an automotive and sporting goods retailer in 1974 before shifting its merchandise focus to a single merchandise category. Runnings, based in Marshall, MN, has been in operation since 1947.

SNOWSPORTS RETAIL SALES in Nov. rose 33% in dollars, increasing 36% in specialty doors, 31% in chains and 27% on the internet, according to data from Leisure Trends Group. Meanwhile, the SIA reported the market rose 14% in the Aug.-Nov. timeframe to surpass $1 billion in sales with equipment up 22% in dollars and 13% in units; snowboard dollars up 20% in dollars; and apparel rising 9% season-to-date in dollars despite a warmer than average Oct.

SPORTS AUTHORITY is opening its first S.A. Elite banner outside of the Denver market and third overall this Spring with a store in the San Francisco suburb of Marin. The first two S.A. Elite stores opened outside Denver in Aug. and Nov.

ON THE MOVE: Nation's Best Sports adds seven new members: H&H Gun Range, Oklahoma City, OK; Rockingham Co-operative, Harrisonburg, VA; Recreation Outlet, Salt Lake City, UT; Sitzmark Sports, Overland Park, KS; Specialty Sports, Inc., San Gabriel, CA; and Specialty Sports & Supply, Colorado Springs, CO.++++**Eastern Mountain Sports** inks a multi-year deal to become the official outfitter of Mount Washington (NH) Observatory. The retailer and organization will kick-off their partnership with in-store events in North Conway, NH, and New York City.++++**Hibbett Sporting Goods** is opening a store in Buckhannon, WV by month's end.

COMPANIES

ANTIGUA, which markets under the Antigua and Slazenger labels, is increasing its production capacity in Spring 2011 through the addition of 19 new embroidery machines to better service its golf, corporate, licensed sports and e-commerce apparel and hats businesses.

ASICS launches its 'Sport Releases More Than Just Sweat' campaign, saying the ad effort by VITRO of San Diego represents a new approach for the Japanese brand with its single, global message for consumers worldwide. The campaign addresses the concept of releasing negative energy and thoughts to overcome obstacles that normally would hold one back.

CANADA SHOE CORP. became the exclusive distributor of Phoenix Footwear's Trotters and SoftWalk footwear brands in Canada on Jan. 1. Under terms of the three-year contract, Canada Shoe agreed to purchase Phoenix's remaining inventory in Montreal for $200,000 and to pay the licensor a 20% royalty on subsequent inventory buys.

FRANKLIN RETAIL SOLUTIONS is the new name for Franklin Resource Group to better identify the brand with its mission. It also is launching a new website and marketing materials to highlight its ability to provide customized retail solutions. It also hires Patricia Babka, with over 20 years of experience in the industry at companies like Pearl Izumi and Columbia, as director of business development.

JARDEN CORP. is changing its executive organizational structure after its annual meeting in May, splitting the chairman and CEO roles. Under the planned change, Martin Franklin will move to JAH's executive chairman and oversee all aspects of corporate strategy, while current president and COO James E. Lillie will be elevated to CEO and manage all day-to-day aspects of the business.

LJO promotes Brian Kimberlin, formerly VP of sales, to president. The former Panasonic executive has worked for the maker of casual and athletic footwear since 2006.

MOTIV SPORTS HOLDINGS, founded in 1990 in So. CA as a supplier of bicycles, bike accessories and trailers, child strollers and various actions sports brands, filed for Chap. 7 bankruptcy protection on Dec. 23. The petition lists $13.39

million in liabilities, including more than $11.63 million owed to unsecured creditors, and $6,927 in assets. Besides CEO Kenneth L. Calvert and company officer Richard Maertz, the company is owned by Catic USA and Catic Guangzhou China. Pacific Business Capital is owed a secured $1,761,118. Unsecured trade creditors include Catic Bicycles ($1,555,764), Dodson Bicycle & Machinery of Taiwan ($4,206,454), Li Chen of Taiwan ($720,394), Good Baby Group of Columbus, IN ($1,157,261), He One Industry ($336,780), and K-Line of Newport Beach, CA ($379,322). The first meeting of creditors is slated for Feb. 2.

NIKE 6.0 makes an endorsement deal with Julian Wilson. The five-year contract with the former Quiksilver athlete and 2011 ASP World Tour qualifier is worth a reported $1 million. Wilson will don Nike footwear, apparel and wetsuits under his new agreement that is seen as raising the bar on surfer endorsement contracts going forward.

PROGEAR HOLDINGS (Yes! Golf) may see its Asian supplier Acme Club Co., of Guangzhou, China, as a bidder when the assets of the bankrupt putter company are auctioned off Jan. 18. Acme is owed $566,892 by Progear, which filed for Chap. 7 on Nov. 18. Other significant unsecured creditors of the firm headed by Francis M. Ricci, president, include: Doson Golf Sport ($382,041), Sino Sporting Goods ($287,023), Gel Golf of Hong Kong ($212,574) and Alec Pettigrew of Yes! Golf Asia-Pacific ($171,500). Heritage Global Partners will conduct the live auction on Jan. 18.

STOCKS & EARNINGS

EXCEED CO., parent of the Xidelong Sportswear brand distributed in China, has transferred its stock listing (EDS) to the Nasdaq Global Select Market.

LACROSSE FOOTWEAR pegs total sales for the quarter ended Dec. 31 at $52.1 million, up 23%, led by a 24% increase in work footwear to $31.2 million and 21% gain in outdoor shoe sales to $20.9 million. FY10 net sales will be approximately 8% higher at $150.6 million. BOOT formally announces year-end results Feb. 1.

LAFUMA GROUPE operating income for the fiscal year ended Sep. 30 was €600,000 against €8,100,000, but year-ago results included a €17.1 million capital gain from the sale of various trademarks. The annual net loss was €3.6 million ($4.8 mm) against a profit of €1.7 million. But EBITDA was €12.1 million against €3.6 million. Annual turnover declined nearly 4% to €245.5 million ($328.3 mm) from €254.9 million. The French company said “a clear turnaround” in FY09/10 was fueled by cost reductions and an earlier re-organization. Total operating expense savings from the moves equaled €11.0 million ($14.7 mm). Also, Lafuma realized a €28.5 million ($38.1 mm) reduction in working capital requirements last year.

LEGAL

NEW BALANCE is sued over its toning shoe claims in a federal lawsuit filed by Bistra Pashamova seeking class action status. It contends that New Balance’s claims for the True Balance toning shoes are based on scientifically unsound studies and make misleading claims regarding muscle activation and burning calories. The action, filed by the Boston law firm of Howard Friedman PC, claims the plaintiff was injured as a result of using the shoes, paid for benefits the product did not provide and that New Balance unjustly enriched itself as a result. It seeks restitution of the purchase price and an order that New Balance cease making its claims.

SALSA CYCLES, a subsidiary of Quality Bicycle Products, is recalling approximately 6,500 handlebar stems due to possible breakage. The recall involves Taiwanese-made CroMoto S.U.L. 25.4 and 26.0 threadless handlebar stems and all CroMoto S.U.L. 26.0 quill handlebar stems sold in the aftermarket after April 1, 2010. In a separate CPSC action, **BLACK DIAMOND SPORTS** is recalling approximately 3,500 Avalung 2010 backpacks due to a potential suffocation hazard caused by a faulty air intake tube. The China-made packs were sold in specialty outdoor and ski shops nationally between Jan. 2010 and last month.

SHORT STOPS

Deckers Outdoor shifts Colin Clark, previously SVP of International, to SVP of Emerging Brands.++++Reebok extends its official equipment, apparel, uniform and footwear sponsorship with the National Lacrosse League. The partnership began in 2005.++++**Burris Company**, the maker of riflescopes and Steiner binoculars, names Robert J. Siemers as GM. Last Aug., Steiner shifted its North American headquarters to CO from Moorestown, NJ.++++**Crocs** former CFO Russ Hammer turns up as the CFO of Orbitz, where he succeeds the retiring Marsha Williams.++++**Mountainsmith** promotes Jay Getzel to director of sales and marketing.++++**Crocs** names Becky Gebhardt, a former Land's End executive, as senior creative director, a new position.++++**NHL** reports that it sold out its entire inventory of 38,000 Winter Classic jerseys, a 17% increase, and saw its overall apparel sales rise 41% from the Jan. 1 special event, led by a 150% increase in youth jerseys, 107% improvement in children's apparel and 56% increase in women's apparel items.++++**Head** adds Maria Sharapova as an endorser and will be involved in the development and design of a new performance tour racquet line, a range of junior and kids' racquets, accessories and tennis bags for Fall retail introduction.++++**Spyder** is introducing a special edition hat—The Fallen Patriot Hat—to help support the non-profit Children of the Fallen Patriots Foundation that provides college scholarships and educational counseling to military children who have lost a parent. The Denver company will donate $5 from every hat sold.

OBITUARIES

BRIGITTE BAENKLER-DASSLER: She passed away Jan. 2 at the age of 64. She was one of five children born to Adi and Kaethe Dassler: four daughters and a son, Horst, who was the driving force behind the Adidas brand until his death in 1987. Of the four sisters, Brigitte was the most active in building the Adidas brand. She learned Russian in order to build relationships with the international sports organizations in Eastern Europe. That is a regional strength of the brand that persists today. After the family stepped out of the business, she returned to Herzogenaurach and ran what had been the Sport Hotel there as HerzogPark Hotel. She remained active with the company in its Adi Dassler Standards program, an effort to refocus the brand on its athletes.

ROGER MILLIKEN: The South Carolina, billionaire textile magnate died Dec. 30 in Spartanburg, SC. He was 95. The lifelong, conservative Republican and Yale University graduate took the helm of the family's textile business, Milliken & Co., in 1947 at the age of 32 following the death of this father, Gerrish. During his tenure, he was a vocal opponent of both unionizing efforts by workers and NAFTA as he aimed to protect the state's textile products from lower-priced imports. He was a philanthropist who gave millions to the arts and educational institutions during his life. A widower since the 2003 death of his wife Justine, he is survived by three sons, two daughters and nine grandchildren.

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