

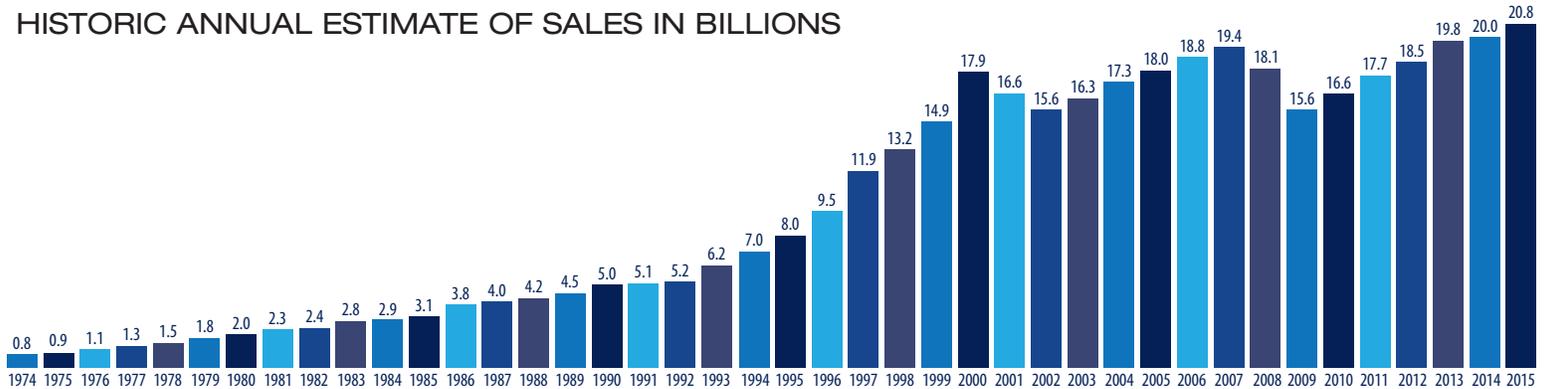
PPAI 2015 Annual Distributor Sales Summary

PPAI has researched and released industry sales data since 1965. This annual distributor sales study is considered the most definitive and comprehensive of its kind in the industry based on actual sales reported by U.S. promotional consultant companies. The information is used primarily to measure industry growth and to convey to prospective buyers of promotional products the magnitude of the industry and the wide acceptance of the products it produces and sells. In 2015, the survey was conducted by Relevant Insights LLC, an independent market research, on behalf of PPAI. Methodology and detailed findings can be reviewed in the full report at ppai.org/research.

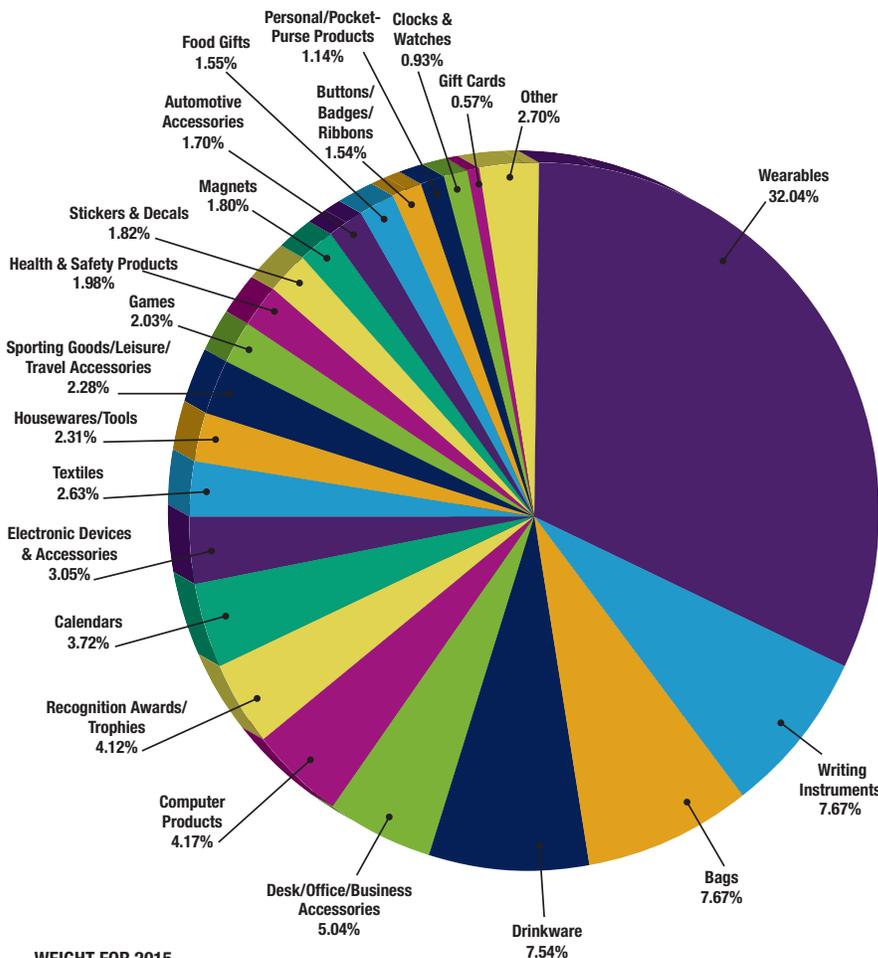
| Distributor Company Size | Number Of Distributor Companies | 2015 Sales Volume | % Increase/Decrease In Sales Volume Over 2014 |
|--------------------------|---------------------------------|-------------------------|---|
| Less than \$2.5 million | 22,153 | \$9,256,371,349 | -6.63% |
| \$2.5 million or more | 868 | \$11,551,799,373 | +14.05% |
| INDUSTRY TOTAL | 23,021 | \$20,808,170,722 | +3.82% |

The year 2015 was a year of average positive growth for promotional products distributors, but also a year in which the gap between small and large distributors widened enough to change the balance between both groups in the total sales volume figures for the industry. 2015 was the year of the large distributor. Overall, distributors' sales volume increased by 3.82% which puts the promotional products industry's revenues at \$20,808,170,722 in 2015.

HISTORIC ANNUAL ESTIMATE OF SALES IN BILLIONS



2015 SALES BY PRODUCT CATEGORY



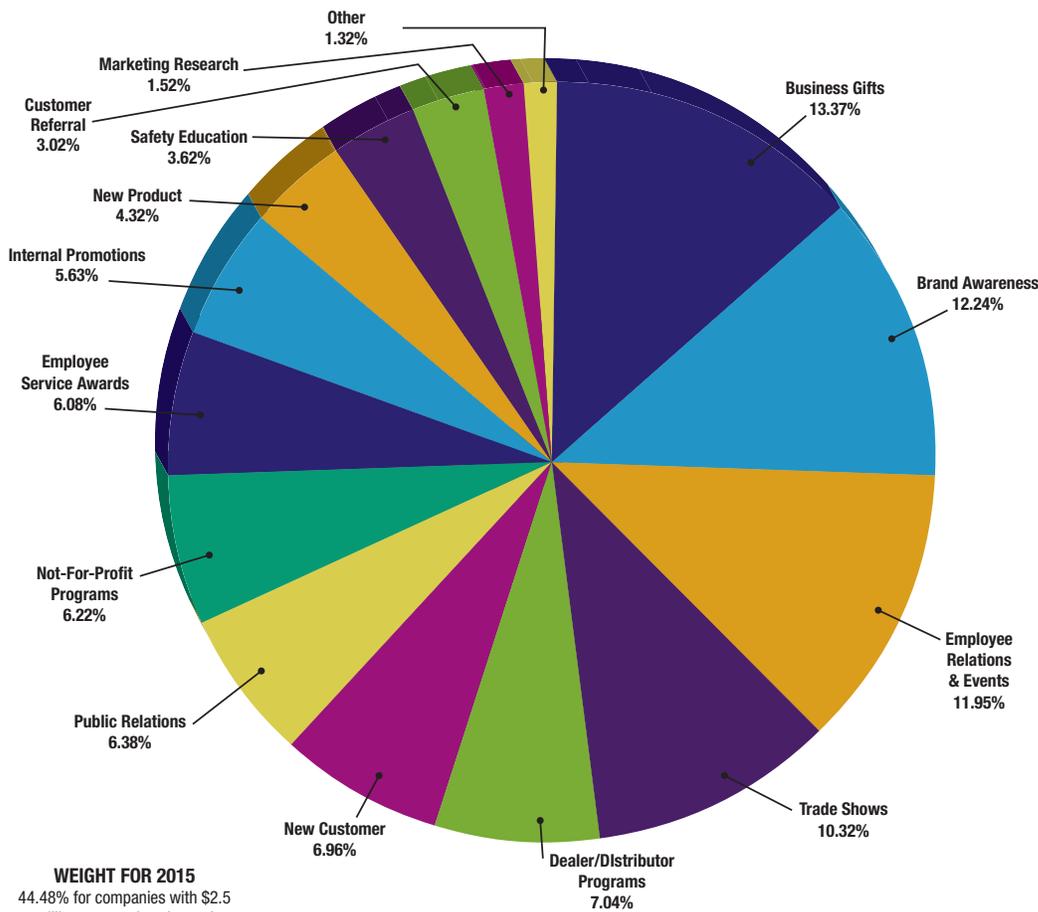
PRODUCT CATEGORY

- Wearables:** T-shirts, golf shirts, aprons, uniforms, blazers, caps, headbands, jackets, neckwear, footwear, etc.
- Writing Instruments:** Pens, pencils, markers, highlighters, etc.
- Bags:** Totebags, 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
- Desk/Office/Business Accessories:** Folders, desk pen sets, calculators, non-dated paper products, cubed paper, scratch pads, adhesive notes, stationery, journals, etc.
- Computer Products and Accessories:** USB drives, Mouse pads, monitor frames, disk carriers, wrist pads, software, etc.
- Recognition Awards/Trophies/Jewelry:** Awards, trophies, plaques, certificates, figurines, jewelry, etc.
- Calendars/Dated Products:** Wall and wallet calendars, desk diaries, pocket secretaries, etc.
- Electronic Devices and Accessories:** Radios, TVs, iPods, Mp-3 players, phones, videotapes, music CDs, phone cards, Flashing products etc.
- Textiles:** Flags, towels, umbrellas, pennants, throws, blankets, etc.
- Housewares/Tools:** Measuring devices, kitchen products, picture frames, household decorations, ornaments, tool kits, first aid kits, furniture, flashlights, cutlery, weather instruments, etc.
- Sporting Goods/Leisure Products/Travel Accessories:** Picnic/party products, camping equipment, barbecue items, bar products, binoculars, luggage, passport cases, etc.
- Games/Toys/Playing Cards/Inflatables:** Balloons, Kites, balls, puzzles, stuffed plush, etc.
- Health & Safety Products:** First-aid kits, hand sanitizers, etc.
- Stickers and Decals:** Stickers, decals, static clings, lettering, etc.
- Magnets:** Magnets and magnetic products
- Automotive Accessories:** Key tags, bumper strips, road maps, floor mats, window shades, etc.
- Food Gifts:** Candy, cookies, nuts, gourmet, meat, spices, bottled water & other drinks etc.
- Buttons/Badges/Ribbons:** Buttons, badges, ribbons, signs, banners, etc.
- Personal/Pocket-Purse Products:** Pocket knives, grooming aids, lighters, matches, sunglasses, wallets, etc.
- Clocks and Watches:** Clocks, watches, etc.
- Gift Cards:** No examples
- Other:** No examples reported

WEIGHT FOR 2015

44.48% for companies with \$2.5 million or more in sales and 55.52% for companies with less than \$2.5 million in sales

2015 SALES BY PROGRAM CATEGORY



WEIGHT FOR 2015

44.48% for companies with \$2.5 million or more in sales and 55.52% for companies with less than \$2.5 million in sales

Responses to questions about product and program categories continue to be a challenge as many distributors do not keep track of their sales by these categories. In order to continue building on the established research, PPAI urges new entrants to the industry and established distributors to keep track of their sales by PPAI's product and program categories shown in this summary.

PROGRAM TYPE

- Business Gifts:** Foster customer goodwill and retention
- Brand Awareness:** Promotion of brand awareness and brand loyalty
- 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
- Trade Shows:** Trade-show traffic generation
- Dealer/Distributor Programs:** Dealer incentives, co-op programs, company stores
- New Customer/Account Generation:** New customer or new account generation
- Public Relations:** Corporate involvement with community, fundraising, sponsorship, school programs, media relations, corporate image
- 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.
- 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
- Customer Referrals:** Customer referral incentive programs
- Marketing Research:** Marketing research, survey and focus group participation programs
- Other:** No examples reported

INDUSTRY SALES BY SIZE OF COMPANY

| Company Size* | 2011 | 2012 | 2013 | 2014 | 2015 | Change over 2014 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------|
| Less than \$250,000 | \$1,645,603,749 | \$1,637,920,855 | \$1,673,365,807 | \$1,846,568,885 | \$1,770,604,678 | -4.11% |
| \$250,001-\$500,000 | \$1,618,544,334 | \$1,879,888,822 | \$1,509,019,388 | \$1,530,260,232 | \$1,481,662,627 | -3.18% |
| \$500,001-\$1,000,000 | \$2,364,147,043 | \$2,358,616,521 | \$2,482,433,936 | \$2,207,506,975 | \$2,562,181,430 | +16.07% |
| \$1,000,001-\$2,500,000 | \$3,455,562,374 | \$3,302,693,393 | \$4,422,696,874 | \$4,329,256,589 | \$3,441,922,613 | -20.50% |
| \$2,500,001 or more | \$8,638,088,190 | \$9,318,526,638 | \$9,739,357,718 | \$10,128,636,250 | \$11,551,799,373 | +14.05% |
| TOTAL | \$17,721,945,690 | \$18,497,646,229 | \$19,826,873,723 | \$20,042,228,931 | \$20,808,170,722 | +3.82% |

ONLINE SALES OF PROMOTIONAL PRODUCTS

Online sales are defined as sales resulting from orders placed through an online store or website.

| Company Size* | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Less than \$2.5 million | \$1,275,870,533 | \$1,553,179,741 | \$1,075,428,815 | \$1,378,340,947 | \$834,370,461 |
| \$2.5 million or more | \$1,823,500,417 | \$2,189,834,184 | \$1,621,952,603 | \$2,203,655,822 | \$3,110,511,442 |
| TOTAL | \$3,099,370,950 | \$3,743,013,925 | \$2,697,381,418 | \$3,581,996,769 | \$3,944,881,904 |

*By Sales Volume

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