

# WFSGI NEWS ALERT



KEEP YOURSELF UPDATED ON THE GLOBAL SPORTING GOODS INDUSTRY!

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## Under Armour's sponsorship expenses double in 2010

Under Armour Inc.'s sponsorship obligations totaled \$167 million at the end of 2010, nearly double the \$78 million spent in 2009, according to its lately released annual report.

Under Armour last year signed a multi-year endorsement deal with New England Pa-

triot's quarterback Tom Brady, and this week signed a deal for Heisman Trophy winner Cam Newton.

It also this year becomes an official supplier of gloves to the NFL beginning in 2011 and combine training apparel beginning in 2012. It is already an official pre-

sender of the NFL combine and has the rights to outfit players on-field with its cleats.

Other NFL endorsers include Miles Austin and Anquan Boldin. It has college deals with Auburn, Utah, Maryland, Texas Tech, Hawaii, Temple and Boston College.

*Source: SportsOneSource*

## ISPO photo gallery on WFSGI's website – for members only

The World Federation of the Sporting Goods Industry has installed a photo gallery on its website of this year's events in Munich. You can find photos of the meetings, the WFSGI's guest speakers prior to ISPO show as well as the Official Dinner and much more.

### How to find them

Log in with your e-mail address and password on WFSGI's homepage [www.wfsgi.org](http://www.wfsgi.org). Then click on "Pictures" in the menu and choose the ISPO 2011 gallery to see this year's photos. Please remind that the photos are located in the Mem-

bers Area of the website and can only be opened by WFSGI members.

Should you face access troubles, please get in touch with Marius Widmer.

*Source: WFSGI*

### WFSGI Sustaining Members



## NIKE, Inc. Opens China Logistics Center in Taicang

NIKE, Inc. announced the grand opening of its largest distribution center in Asia, the China Logistics Center in Taicang, Jiangsu China. The new 200,000 square meter facility is on target to be the first LEED (Leadership in Energy and Environmental Design Green Building Rating System™) accredited warehouse complex in China. Construction of the facility generated 1,800 jobs and is expected to provide up to 1,500 permanent jobs by 2015.

The China Logistics Center will handle all in-bound and out-bound NIKE, Inc. products including apparel, footwear, equipment and Nike Golf for mainland China. Through the new logistics center, NIKE, Inc. is bringing the best of its supply chain experience from around the world to ensure even faster delivery of products to Chinese consumers. With the use of new and innovative technology, the center will reduce distribution time and optimize the overall logistics process.

"I am delighted to add the China Logistics Center into our global distribution networks with the opportunity and commitment to stay closer to our Chinese consumers," said Craig Cheek, Vice President

and General Manager of Greater China for NIKE, Inc. "The new China Logistics Center represents Nike China's commitment to doing business in the Greater China geography with environmentally-conscious practices. China is NIKE's second largest, single market and we continue to drive towards our goal of doubling our revenue here by 2015."

### Automated high efficiency facility

The China Logistic Center has many automated features with high-tech equipment that allows for more efficient operations providing higher accuracy and timeliness to market:

- Nike's internally developed Warehouse Management System (WMS) directs all activities either through terminals or through light-weight radio frequency units carried by operators, some of which are voice activated allowing the operator to talk directly to the system.
- Nine kilometers of conveyor belts connect every functional area of the facility so products can easily flow through the different processes
- High-tech sorting equipment will make it easy to fulfill customer orders, especially large orders requiring multiple

products in the same shipping carton, efficiently and accurately.

### Efforts of sustainability to local communities

The China Logistics Center aims to reduce overall energy consumption and includes industry-leading features such as a highly reflective roof, energy management system, vacuum sewerage, maximized use of natural light, and many other elements that focus on reducing water and power usage wherever possible:

- The solar heating system, lighting controls and other energy saving features should help NIKE to reduce 4,200 tons of CO2 emissions annually, while saving up to 4,400,000 Kilowatts of power
- The vacuum sewage system and rainwater collection system is expected to reduce water usage by 80 percent annually
- Fire-resistant walls, fire-resistant doors and an extensive network of sprinklers will improve fire safety by preventing fires from spreading to other parts of the facility

NIKE, Inc. has six additional distribution centers, located in Belgium, Canada, Japan, South Korea and the United States.

Source: Nike, Inc.

## Asics launches 33 by Asics Minimal Collection

Asics introduced a lightweight, minimalist running shoe collection that encourages natural foot movement in its new 33 by Asics collection.

Inspired by the fact that 33 joints in the foot allow it to move efficiently, 33 by ASICS styles features the GEL-Blur33 to debut in April 2011 and the Rush33 available in June 2011, both in select stores.

"We're excited to introduce this new collection for the consumer looking for a lightweight, minimalist style," says Brice Newton, Running Footwear Manager. "We have been encouraging natural foot movement with our Impact Guidance System (I.G.S.) for years, and this is an opportunity to showcase our latest adaptation with 33 by ASICS."

The GEL-Blur33 is a lightweight every day running shoe that provides cushioning through Rearfoot GEL and a Solyte Midsole, comfort with a no-sew upper and ComfortDry Sockliner, and flexibility with its five flex grooves, all weighing in at only 9.88 ounces for men (7.85 ounces for women).

The style will be available in five color combinations for men (black/platinum/maui blue, black/lightning/flame, storm/lightning/neon orange, jet blue/white/ocean, white/black/royal) and five color options for women (sunshine/lightning/orange, neon pink/black/white, white/kiwi/apple green, black/lightning/magenta, titanium/white/ice blue). It will retail for \$85.

The Rush33 is a low mileage running shoe that has an EVA Midsole and soft no-sew upper materials to provide a great natural fit. The platform provides excellent cushioning and flexibility at a weight of only 9.63 ounces for men (7.83 ounces for women). The Rush33 will be available in five eye-catching colors for men (navy/white/apple green, black/white/red, white/black/brilliant blue, titanium/white/lime, classic green/flash yellow/white) and five colors for women (white/wineberry /turquoise, navy/grapemist/white, titanium/white/neon pink, black/white/turquoise, bright orange/fuschia/white). Easily transitional from sport to lifestyle, the Rush33 will retail for just \$70.

Source: SportsOneSource

### WFSGI Sustaining Members



## Lenzing Group attributes record 2010 results to surging cotton prices

The Lenzing Group, a major provider of manmade cellulose fiber to outdoor and other apparel makers, reported its strongest sales and profit in history and said the global cotton shortage should propel growth for years to come.

Preliminary consolidated sales increased by 45% from EUR 1.22 billion in 2009 to EUR 1.77 billion. Preliminary consolidated EBITDA rose by 76% from EUR 187.9 million to EUR 330.6 million. Preliminary consolidated income from operations (EBIT) more than doubled, increasing by 103% from EUR 114.2 million to EUR 231.9 million.

### **“We could have sold even more fibers”**

“In 2010, we benefitted from the expansion strategy we pursued in recent years,” Lenzing CEO Peter Untersperger said of the company’s preliminary results for 2010. “We could have sold even more fibers than we were able to produce. From our point of view, the 2010 business year was not a one-off event but the beginning of a long-term upward trend in the development of the manmade cellulose fiber business. The reason for this is the increasing structural shortage of cotton on the global market, which leads textile manufacturers to increasingly turn to alternatives such as Lenzing fibers.”

Global fiber production increased 8.7% to 73.2 million tons, surpassing the previous record figure of 72.3 million tons in 2007. Based on early estimates, the global production of man-made cellulose fibers reached an all-time high of 4.2 million tons (+12.9%).

While cotton production rose by 13.0% compared to the very weak output in the

previous year to 24.7 million tons, this increase was insufficient to fully satisfy demand. Floodings in Pakistan, India and, most recently, Australia further aggravated the situation. Therefore, cotton prices, which serve as reference prices for the entire fiber industry, have shown an unprecedented upward trend. Since the beginning of 2010, the Cotton “A” Index has increased by 180% to 219.50 ct/lb.

Lenzing was able to raise prices in this environment and thereby offset rising raw material prices for wood, pulp and chemicals.

“However, we intentionally decided not to fully match the cotton price increases, as we see ourselves as a long-term and responsible partner to our customers,” said COO Friedrich Weninger, who runs Lenzing’s Fibers segment.

In total, Lenzing was able to increase its fiber production capacity from 605,000 tons to approx. 710,000 tons currently.

“We picked the right time to put the fourth production line at our subsidiary PT, Weninger said. “South Pacific Viscose (SPV) in Indonesia into operation. In addition, we put in place debottlenecking programs at our viscose fiber factory in Nanjing/China and at SPV. Even with this dynamic expansion, we could not fully satisfy the strong demand for Lenzing fibers.”

### **Plans to increase fiber production**

Concerning the pulp business, the acquisition of a 75% stake in the pulp mill Biocel Paskov (Czech Republic) was an important milestone. By means of a comprehensive

investment program, Paskov is currently being converted into a swing capacity pulp plant that will be able to produce both paper and dissolving pulp.

The strong demand for Lenzing fibers applied to the all textile and nonwovens business areas. Products such as the specialty fiber TENCEL® C, which exhibits especially skin-friendly features due to the integration of micro-particles (chitosan), were newly introduced. Lenzing achieved a technical breakthrough in 2010 by developing new applications of TENCEL® powder in foam mattresses. The pricing outlook prompted Lenzing to lay the foundation last year for the most ambitious expansion program in its history. The company plans to increase fiber production capacity from approximately 710,000 tons as of year-end 2010 by approximately 300,000 tons to more than one million tons by the end of 2014, mainly through expansion and modernization investments.

In addition, the Lenzing Group plans to increase the share of pulp, the most important raw material used in the fiber production process, that it sources from its integrated own supply from currently 40% to more than two-thirds of the Group’s total requirements. Including maintenance investments, Lenzing plans to invest approx. EUR 1.5 billion through 2014.

In 2011, Lenzing is planning to increase production 10% compared to 2010. Assuming prices remain at levels as of the beginning of the 2011 business year and a moderate increase of costs, Lenzing expects to increase sales by 15-20% and further improve EBITDA and EBIT margins.

*Source: SportsOneSource*

## Latest trade numbers – U.S. apparel & footwear imports recovered in 2010

Reflecting the overall U.S. economy, U.S. apparel imports continued to recover over the fall, increasing 16.1 percent to 24.74 billion square meter equivalents (SME) in quantity terms and growing 13.1 percent

to \$71.40 billion in value terms during 2010, compared to 2009, while U.S. footwear imports also accelerated over the fall, with U.S. footwear imports in 2010 growing 14.2 percent to 2.243 billion pairs

in quantity terms and up 16.1 percent to \$18.88 billion in terms of value. For a more detailed analysis of the trade numbers, please click [here](#) (PDF).

*Source: AAFI*

### WFSGI Sustaining Members



## HEAD NV announces the unaudited preliminary results for 2010

As anticipated for the full year 2010, our sales are above last year's level, driven by our winter sports sales which showed strong momentum at the end of the year. This reverses the trend in our other large division, racquets sports, which started the year with some strong growth, but this declined towards the end of the year. Our sales in the year were positively impacted by currency and at constant currency rates would have grown by 5%.

Winter sports for the full year increased by nearly 13% driven by a recovery in the market as a result of good snow prior to the critical pre-Christmas sales period and positive momentum for the brand created by great product development and continued focus on our endorsement strategy. Sales improved in all our product categories.

Racquet sports experienced a strong start to the year, but momentum slowed down in the second half of the year and overall sales were flat on a constant currency basis. Sales in racquets declined in the year

compared to the prior year, but this was offset by improved sales in balls.

Diving sales improved nearly 6% from a low in 2009. This was in part due to positive exchange rate movements and in part due to some momentum by the Mares Brand. We believe that the market recovered and grew in soft products such as fins, masks and neoprene, but declined in the hard goods such as regulators. 2011 will prove another challenging year after the floods in Australia and the shark attacks and civil unrest in Egypt both of which are key dive destinations.

Overall adjusted operating profit has improved by €10.7 million. The improvement in sales, in particular in winter sports has been compounded by the positive impact of our recent restructuring programmes to result in the improved absolute operating profit and operating margin. In 2010, the Company recorded non-cash income of €3.1 million relating to the Executive Stock Option Plans (ESOP) which was due to the decrease of share price over the

period. In 2009, the Company recorded non-cash expense of €9.0 million.

The overall positive cash generation in the year resulted in our net debt reduced by €7.3 million. Cash provided by operating activities was lower by just under €10m as the improvement achieved in 2009 in relation to working capital management could not be repeated in 2010. Capital expenditure was up slightly as anticipated.

It is too early in the year to predict the company's performance in 2011, but we have seen our cost base increase further since the end of the year as some raw materials have jumped in price, and labour rates in China have been subjected to mandatory double digit percentage increases. In addition, the Renminbi has appreciated in value against the US \$, which again increases our sourcing costs.

The 2010 Annual Report will be released on or around the 14 April 2011 and the Head NV AGM will be held on the 26 May 2011.

Source: Head NV

## Easton-Bell Sports sees 8.2% Q4 revenue gain

Easton-Bell Sports, Inc. reported net sales of \$177.1 million for the fourth quarter, an increase of 8.2% as compared to \$163.8 million in the fourth quarter of 2009. Gross margin in the quarter increased to 33.4% from 31.4% and Adjusted EBITDA increased by \$2.3 million or 13.8%. The company's brands include Easton, Bell, Giro, Riddell and Blackburn.

The company's net sales of \$772.8 million for fiscal 2010 represented an increase of 7.9% as compared to \$716.3 million of net sales for fiscal 2009, or a 6.6% increase on a constant currency basis. During the year, gross margin increased to 34.0% from 32.7% and Adjusted EBITDA increased by \$12.9 million or 15.7%.

"Overall we are pleased with both our fourth quarter and results for the year as we were able to deliver top line, margin and EBITDA growth while also investing in our key product launches scheduled for 2011," said Paul Harrington, president and chief executive officer.

Team Sports net sales increased \$8.5 million, or 9.7% for the fourth quarter of fiscal 2010, as compared to the fourth quarter of fiscal 2009 from share gains in the football helmet market, increased sales of baseball and softball bats and the introduction of its new line of hockey sticks. For fiscal 2010, Team Sports net sales increased \$39.8 million or 10.3% as

compared to fiscal 2009, or an 8.4% increase on a constant currency basis.

The company's operating expenses increased \$5.0 million or 12.1% during the fourth quarter of fiscal 2010 as compared to the fourth quarter of 2009 when normalized for \$5.3 million of refinancing costs in 2009 and \$1.8 million of increased incentive compensation in 2010. The increase in the fourth quarter of 2010 related primarily to higher variable selling expense associated with the sales growth, increased marketing expenses for investments in product and brand initiatives and increased product liability defense and settlement costs.

Source: SportsOneSource

## Correction from Handbook 2011

In our 2011 handbook, which has been sent to you on December 2010, there has been a regrettable mistake in the Members Directory. Please take notice of the fact that the website of Leatherware Pvt. Ltd. of Sialkot, Pakistan is not the one indi-

cated in the handbook. The correct one is [www.leatherware.com.pk](http://www.leatherware.com.pk).

WFSGI would like to apologize for any inconvenience caused.

The complete contact details of Leatherware Pvt. Ltd are: 19KM Daska Road, Sialkot, Pakistan / [www.leatherware.com.pk](http://www.leatherware.com.pk) / +92 (52) 622 8310.

Source: WFSGI

### WFSGI Sustaining Members



## adidas Group full year 2010 results

### adidas Group currency-neutral sales increase 9% in the fourth quarter

During the fourth quarter of 2010, Group revenues increased 9% on a currency-neutral basis. Currency-neutral revenues in the Wholesale and Retail segments increased 8% and 23%, respectively. Sales for Other Businesses decreased 3%. By brand, adidas and Reebok sales increased 10% and 15% currency-neutral, respectively. Currency-neutral revenues in Western Europe increased 3% due to growth in the Wholesale and Retail segments as well as Other Businesses. Currency-neutral sales in European Emerging Markets rose 22%, driven by significant growth in the Retail segment. Group sales in North America grew 12% on a currency-neutral basis, driven by a 13% sales increase for adidas and a 24% sales increase for Reebok. Currency-neutral sales in Greater China grew 11%, driven by increases in both the Wholesale and Retail segments. Currency-neutral sales in Other Asian Markets grew 7% as a result of increases in all major markets. In Latin America, sales were up 8% on a currency-neutral basis, driven by both Wholesale and Retail. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 19% to € 2.931 billion in the fourth quarter from € 2.458 billion in 2009.

### Fourth quarter gross margin improves 0.3 percentage points

The Group's gross margin increased 0.3 percentage points to 46.5% (2009: 46.2%) in the fourth quarter, mainly due to a larger share of higher-margin Retail sales and

less clearance sales. Group gross profit increased 20% to € 1.362 billion (2009: € 1.136 billion). Other operating expenses as a percentage of sales increased 0.5 percentage points to 47.1% compared to the prior year (2009: 46.6%). This was mainly due to higher sales and marketing working budget expenses. As a result of the higher other operating expenses as a percentage of sales, the Group's operating margin decreased 0.8 percentage points to 1.0%. Operating profit declined 33% to € 28 million compared to € 42 million in 2009. In the fourth quarter of 2010, the Group's net income attributable to shareholders decreased 64% to reach € 7 million (2009: € 19 million). Diluted earnings per share went down to € 0.03 (2009: € 0.09).

"Our fourth quarter performance rounds off an excellent year for the adidas Group," commented Herbert Hainer, adidas Group CEO. "Not only did we meet, but we beat all our initial expectations for the year. All our brands scored with consumers in an improving worldwide economy. We outgrew our major competitors, achieving record sales of € 12 billion. Along the way, we generated an outstanding operating cash flow of € 1.2 billion. Therefore, I am proud to report that our Group is in fantastic shape."

### adidas Group currency-neutral sales increase 9% in 2010

In 2010, Group revenues grew 9% on a currency-neutral basis, as a result of sales increases in Wholesale, Retail and Other

Businesses. This development exceeded initial Management expectations of a low- to mid-single digit Group sales increase. Currency translation effects had a positive impact on sales in euro terms. Group revenues grew 15% to € 11.990 billion in 2010 from € 10.381 billion in 2009.

### Wholesale and Retail segments drive strong sales growth in 2010

In 2010, currency-neutral sales grew in all segments. Currency-neutral Wholesale revenues increased 8% during the period due to sales growth at both adidas and Reebok. Currency-neutral Retail sales increased 18% versus the prior year as a result of adidas and Reebok sales growth. Comparable Retail store sales improved 11% with the total number of stores growing to 2,270 by the end of the year (2009: 2,212). Revenues in Other Businesses were up 2% on a currency-neutral basis. Sales grew at TaylorMade-adidas Golf, Rockport and Reebok-CCM Hockey.

Currency translation effects had a positive impact on segmental sales in euro terms. Wholesale revenues increased 14% to € 8.181 billion in 2010 from € 7.164 billion in 2009. Retail sales rose 25% to € 2.389 billion versus € 1.906 billion in the prior year. Sales in Other Businesses grew 10% to € 1.420 billion in 2010 (2009: € 1.293 billion).

Find the whole press release with Q4 highlights, 2010 highlights and an outlook to 2011 [here](#).

Source: adidas Group

## Nike credited for innovation

Nike ranked 23rd on Fast Company 's The World's Most Innovative Companies 2011. The business magazine particularly praised its environmental design efforts.

Its profile on Nike stated, "Nike rescued 13 million used plastic bottles, melted them down, and wove them into polyester. Then they created high-performance jerseys (eight bottles per shirt) worn by nine teams during last summer's World Cup. The company also released the Environmental Apparel Design Tool, which helps industry designers make environmentally friendly decisions.

'We want to collaborate,' says Lorrie Vogel, general manager of Nike's Considered team, which oversees the company's sustainability efforts. 'To learn how to thrive in a resource-restrained world, we have to hold everyone to the same standards.'

### The full list includes:

1. Apple; 2. Twitter; 3. Facebook; 4. Nissan; 5. Groupon; 6. Google; 7. Dawning Information Industry; 8. Netflix; 9. Zynga; 10. Epocrates; 11. Trader Joe's; 12. Arm; 13. Burberry; 14. Kosaka Smelting And Refining; 15. Foursquare; 16. Espn; 17.

Turner Sports; 18. Huawei; 19. Intel; 20. Syn-cardia; 21. Donorschoose.Org; 22. Ebay; 23. Nike; 24. Linkedin; 25. Wieden + Kennedy; 26. Yandex; 27. Amazon; 28. Opening Ceremony; 29. Ibm; 30. Amyris; 31. Double Negative; 32. Kaspersky Lab; 33. Pepsico; 34. Univision; 35. Snohetta; 36. Marks & Spencer; 37. Microsoft; 38. Solarcity; 39. Shaadi.Com; 40. Voxiva; 41. Cisco; 42. Enerkem; 43. Samsung; 44. Pandora; 45. GE; 46. Changchun Dacheng Industrial Group; 47. Azul; 48. Stamen Design; 49. Fx; 50. Madecasse

Source: SportsOneSource

### WFSGI Sustaining Members



## Burton Snowboards cuts ties with U.S. shops suspected of gray marketing

Burton Snowboards recently terminated dealer agreements with several US shops suspected of re-selling products through unauthorized channels. This move reflects Burton's ongoing efforts to protect and support its global network of specialty retailers by aggressively combating gray marketing.

"I've said it many times, and I'll say it again – I have absolutely no tolerance for gray marketing," said Jake Burton, Founder and CEO of Burton Snowboards. "I don't get why a snowboard shop in one part of the world has a right to shit on a local shop in

another part of the world for short-term gains. I often think of it in the context of a Japanese dealer shipping product back to Walmart in the US. We want to build a global network of specialty retailers that cares about the sport, the brand, the product and each other. So we're not afraid to end relationships with dealers that gray market anywhere in the world."

Cutting off suspected dealers is just a part of Burton's latest efforts to hammer home the message that gray marketing will not be tolerated. A few months ago in mid-season, Burton took unprecedented ac-

tion by cancelling millions of dollars in US orders that were most likely intended for the gray market in Japan. In addition to tightly monitoring orders and inventory, Burton is closely tracking product that ends up in the gray market and tracing it back to the source.

For the sake of all its retail partners around the world, Burton's goal is to ultimately eliminate gray market activity. The company will continue to do whatever it takes to protect the long-term health of its global specialty dealer network.

Source: *Burton*

## Amer Sports doubling capacity at Bulgarian ski factory

Amer Sports plans to invest BGN 7.8 M, or \$5.5 million at current exchange rates, to expand its Pamporovo Ski factory in the Bulgarian mountain resort of Chepelare over the next three years, according to the office of Bulgaria's Minister of Economy, Energy and Tourism Traycho Traikov.

After its completion in 2013 the factory will double its annual production up to 1 million skis and will be among the world

leaders in the field. Amer Sports bought the factory in 2008 for EUR 5 M (BGN 10 M) and it currently manufactures half of Amer Sports skis. The balance are made at its plant in Austria.

By the end of 2012, Amer Sports will have invested BGN 40 M in the ski plant in Chepelare, which already employs 640 people. The new project shall create another 100 jobs in the high-unemployment region of Smolyan.

Amer Sports Bulgaria EOOD is 100% owned by the Austrian Amer Sports Holding GmbH, a subsidiary of the world ski producer Amer Sports Corporation. The Finnish company Amer Sports Corporation has a market share of about 25% on the global ski market, and its skis are delivered directly to the stores of Atomic and Solomon around the world.

Source: *SportsOneSource*

## Under Armour and Tottenham Hotspur announce partnership

Tottenham Hotspur Football Club and Under Armour, the U.S.-based leader in performance apparel, footwear, and accessories, announced today a global partnership agreement and technical sponsorship. The five-year collaboration is Under Armour's first kit supply agreement with a Barclays Premier League team and represents the Brand's largest European team sponsorship.

Beginning with the 2012/2013 season, Under Armour will provide Tottenham Hotspur with performance apparel, including training wear and playing kit for the Club's First and Academy teams, together with replica product for the Club's supporters around the world.

Founded in 1996 by current President, Chief Executive Officer and Chairman, Kevin Plank, Under Armour is the origina-

tor of performance apparel - gear engineered to keep athletes dry and light throughout the course of a game, practice or workout. Recognised as the fastest growing performance brand in the United States, Under Armour has an unrivalled reputation for innovation with every product designed to improve athlete performance.

Daniel Levy, Tottenham Hotspur Chairman, said: "We are delighted that Under Armour will become our new technical partner from 2012 onwards. They are an extremely ambitious brand with global aspirations, making them ideal partners for Tottenham Hotspur."

Under Armour CEO and Founder, Kevin Plank, added: "This is a highly significant and exciting partnership for Under Armour. Aligning with an elite organization

like Tottenham Hotspur demonstrates our deep commitment to growing the Under Armour brand in the UK and to showcasing our apparel and footwear on the world's most prestigious athletic stages."

While this marks Under Armour's first Barclays Premier League team kit supply agreement, select players continue to wear Under Armour boots during Barclays Premier League matches. In addition to Tottenham Hotspur, Under Armour's European athletic partners include Bundesliga side Hannover 96 and the Welsh Rugby Union.

Some of Under Armour's roster of athletes include Olympic Gold Medallists Michael Phelps and Lindsey Vonn, as well as American football player and Three-Time Super Bowl Champion, Tom Brady.

Source: *Tottenham Hotspur*

### WFSGI Sustaining Members



## Rick Darling installed as AAFA Board of Directors Chairman

During the 2011 American Apparel & Footwear Association (AAFA) Annual Executive Summit in Washington, D.C., outgoing AAFA Chairman Killick Datta, Chairman and Chief Executive Officer of International Brand Partners, LLC, turned over the chairmanship of the AAFA Board of Directors to Rick Darling, President of LF USA, a subsidiary of Hong Kong-headquartered multinational Li & Fung Limited.

The officer rotation ceremony was held Thursday, March 3, 2011 at a gala reception and dinner at the Halcyon House in Washington's historic Georgetown neighborhood.

"When Killick assumed the chairmanship just one year ago, he made AAFA membership and visibility a top priority," said

AAFA President and CEO Kevin M. Burke. "In that time, we have experienced a growth in our membership and reached greater exposure in the global marketplace. Both of these goals have increased AAFA's effectiveness as the voice of the U.S. apparel and footwear industry."

"While the entire AAFA organization has benefitted from Killick's year as chair, we are excited to welcome Rick to the post," Mr. Burke continued.

"As president of a company with significant sourcing competence and widespread global apparel and footwear business, Rick will provide great insight and direction as AAFA continues to tackle the major issues impacting both industries."

"At the forefront of the key issues facing our industry, AAFA has helped to drive critical change and innovation," said Rick Darling. "As a member of the Board for several years, I am honored to serve as Chairman as we continue to extend our reach and influence in the global marketplace."

Currently serving as President of LF USA and Executive Director of Li & Fung Limited, Mr. Darling is an established industry leader with more than 25 years of experience in retail, wholesale, merchandising, marketing, and supply chain management. Prior to LF USA, Mr. Darling founded Millwork Trading Company and has served in various management positions at specialty brand retailers, including Gap, Inc.

Source: AAFA

## Golfsmith announces licensing expansion

Golfsmith International, Inc. plans to expand its reach into Australia and New Zealand in a new alliance aimed at growing its key proprietary brands that include MacGregor, Lynx and Maggie Lane. The licensing and distribution partnership with Walkinshaw Sports is the first step in a global expansion strategy aimed at forming partnerships around the world to build, manage and market Golfsmith's proprietary brands.

The partnership includes a five-year distribution agreement that will allow Walkinshaw to distribute MacGregor Golf equipment throughout the on-course and off-course specialty retail channels in Australia and New Zealand, and a five-year licensing

agreement for Lynx and Maggie Lane. Golfsmith's new alliance will allow the company to grow its brands, but also to reinvest those licensing revenues back into its core U.S. business where the company focuses its efforts and continues to gain momentum and market share.

"We are very excited about this new partnership with Walkinshaw Sports to bring our MacGregor, Lynx and Maggie Lane brands to Australia and New Zealand golfers," said Marty Hanaka, Golfsmith's President and CEO. "In addition to building our brands and our buying power we're also monetizing these assets to benefit our business here in the United States. The Walkinshaw team has the

talent and experience to make this a long and profitable relationship for both companies."

"Walkinshaw is absolutely delighted to partner with the U.S.'s largest specialty golf retailer in Golfsmith. They are a quality organization delivering superior products and services to its trade and consumer customers alike," said Ivan Krizman, Walkinshaw's Managing Director. "Together with Golfsmith we are absolutely committed to this agreement by launching a strong assortment of golf brands and products throughout the Pacific Region."

Golfsmith operates 76 stores across the United States.

Source: SportsOneSource

## Billabong first-half profit declines despite 16% sales gain

Billabong International Ltd. said first-half net profit fell 18% to 57.2 million Australian dollars (US\$57.9 million), in part due to the strength of Australian dollar against the U.S. dollar and euro.

In constant-currency terms, the group's net profit fell 10% to A\$57.2 million from A\$63.4 million a year ago. The retailer had already warned in December that first-half net profit would fall 8% to 13% below the

prior year in constant-currency terms so the news wasn't a surprise to investors.

Total revenue for the half year rose 16% to A\$834.9 million from A\$721 million. Revenue growth in the first half was driven in part by last year's acquisition of Canadian retailer West 49 Inc., which helped boost North American sales 38 percent, the Gold Coast, Australia-based company said today in an earnings pre-

sentation. The company will pay an interim dividend of 16 cents, down from 18 cents a year earlier.

The Australian dollar gained against its U.S. counterpart during the fiscal half year, reaching a record on Dec. 31 and crimping North American earnings. Without the currency impact, profit would have been A\$6 million higher, Billabong said.

Source: SportsOneSource

### WFSGI Sustaining Members



## ispo china 11 meets the commercial momentum of the Asia-Pacific market

- Further increase in attendance of more than 17,700 visitors
- 32% increase in international exhibitors
- European Outdoor Group (EOG) officially endorses ispo china

The seventh sports business network in Asia opened its doors for three days at its new venue, the China National Convention Center in Beijing, to more than 17,700 professional visitors. This represented a further record year for ispo china, with an increase in attendance of 9 percent which confirmed that the event resonates strongly with the rapidly evolving Asia-Pacific market.

As a showcase for premium brands and product innovations, ispo china is matching the mood and the momentum that is being created by today's younger, more affluent and lifestyle oriented consumers. A desire for authentic international products is evidenced by the increasing number of premium brand retailers opening in China and the region, along with a general retail demand for high quality labels. With the transition to consumerism and appetite for sports and leisure activities, ispo china has been well timed in offering a platform for the sports industry to highlight domestic and international trends alike. Outdoor pursuits, including wintersports activities, continue to dominate the scene and ispo china provides a unique opportunity to discover a global perspective on this market, which has both traditional and youth culture appeal. As a reflection of the show's expertise in supporting the growing outdoor market in China, the European Outdoor Group (EOG), announced its decision to officially and exclusively endorse

ispo china. In addition, the Outdoor Industry Association (OIA) chose ispo china to introduce its Eco Index, developed jointly with the EOG, for the first time to Asian market sports business professionals.

Overall a total of 276 exhibitors participated, a 29 percent increase on ispo China 2010 and representing 350 brands from 19 countries. 94 international companies exhibited at ispo China 2011 (a 32 percent increase on the previous year), with Italy, Scandinavia and the USA all having a strong presence. Among first time exhibitors were Phenix, Cratoni Helmets, Osprey, Oakley, Thinkspace, Barco, Salewa, adidas eyewear and Deeluxe, as well as the new French Village.

ispo china further highlighted its powerful networking character through its successful Match Making range of services which assist interested customers with their entry into the Chinese market. This year over 10 brands from Europe, including Mammut, Klättermusen, and Haglöfs participated in the project. Salewa attended ispo China in 2010 through this scheme and this year became an exhibitor at the show, developing their distribution relationship to the next level.

Dynamic features are now an expected and integral part of the ispo china environment. Chinese fashion concepts for the upcoming season were presented in the ispo china Trend Area, where style opinion leaders had been invited to discuss the future of the Chinese sports fashion market with the audience. At the Wearable Technologies Area the fusion between IT technologies and apparel was in the spotlight as companies from the entertain-

ment electronics industry and sporting goods market explored groundbreaking product innovations. The 2011 Beijing Winter Running Festival, Bouldering Cup and Boardsports Warm Up Village all proved popular reflections of the growing lifestyle interest in sports, outdoor and action sports activities.

As an information resource, ispo china continues to hold important and well attended conferences, such as the Asian Pacific Snow Conference (APSC) and the ispo china 2011 Retailing Forum. The program also included the China Outdoor Industry Forum, offering a glimpse into the Chinese outdoor market, as well as markets and trends from Europe and America.

The parallel-held Alpitec China turns ispo china into a 360-degree platform, covering the entire bandwidth of the winter sports industry.

Klaus Dittrich, Chairman & CEO Messe München GmbH, "The consistent growth of ispo China validates the position of this event as the most important B2B sporting goods trade show in the Asia-Pacific region offering a unique opportunity to gain a detailed overview of the Chinese market. This growth is also reflected in the participation of international brands and the increasing number of important events revolving around ispo china, which offer visitors as well as exhibitors the chance to experience the trade show in its entire bandwidth. These business features and the confidence shown by partners such as the European Outdoor Group (EOG) who have announced their official endorsement of the show, confirm that ispo china is the leading sports business network in the Asia-Pacific region."

Source: ISPO China

## First Scandinavian Outdoor Summit in Åre—the "Davos" of the outdoor industry

The Scandinavian Outdoor Summit is the first meeting of its kind and around 300 international participants from outdoor and sport companies, investors, retailers, researchers and innovators will spend two intensive days in Åre, Sweden.

"The industry is gathering its forces. Scandinavia already has a strong position in the outdoor industry, but new markets like Asia and the US are becoming increasingly open, which means we must work even harder to remain at the leading edge," says

Jonas Hellentin, Head of Marketing and Communication for SOG and the Summit's Director.

The keynote speakers are Mark Held, General Secretary of the European Outdoor Group (EOG), Frederic Hufkens, CEO of the A.S Adventure Group, Thomas Lipke, Managing Director and partner in Globetrotter Ausrüstung, as well as many more giants in the outdoor industry. Seminar topics during the summit include distribution, sustainability, brand building,

production, trends, product development and ownership in the outdoor business.

"We are aiming to create a "Davos" for the outdoor industry. The creative environment in Åre is attractive to new innovators in the outdoor industry and the opportunity to test gear on the doorstep, combined with product development in a research environment is absolutely unique." says Tomas Ekström, Peak Innovation.

Source: Business News

### WFSGI Sustaining Members



## Apparel industry leaders launch sustainable apparel coalition

A group of leading apparel and footwear brands, retailers, manufacturers, non-governmental organizations (NGOs), academic experts, and the U.S. Environmental Protection Agency today launched the Sustainable Apparel Coalition. The Coalition will work on a collaborative approach to reduce the environmental and social impacts of apparel and footwear products sold around the world by:

- Leading the industry toward a shared vision of sustainability built on an industry-wide index for measuring and evaluating apparel and footwear product sustainability;
- Spotlighting promising technological innovations; and
- Identifying opportunities for improving current social and environmental practices throughout the supply chain by collaborating to establish consistent expectations for brands, retailers, and manufacturers.

Founding members of the Sustainable Apparel Coalition are based in North Ame-

rica, Asia, Europe and the U.K. They include Adidas, Arvind Mills, C&A, Duke University, Environmental Defense Fund, Esprit, Esquel, Gap Inc., H&M, Hanes-Brands, Intradeco, JC Penney, Kohl's Department Stores, Lenzing, Levi Strauss & Co., LF USA, a division of Li & Fung Limited, Marks & Spencer, Mountain Equipment Co-op, New Balance, Nike, Nordstrom, Otto Group, Outdoor Industry Association, Patagonia, Pentland Brands, REI, TAL Apparel, Target, Timberland, U.S. Environmental Protection Agency, Verité, VF Corp, and Walmart.

### OIA lauds formation of Sustainable Apparel Coalition

Outdoor Industry Association welcomed the formation of the Sustainable Apparel Coalition and the Coalition's adoption of the work of the outdoor industry's Eco Index.

As a founding member of the Coalition, OIA is committed to the creation of a

single, common index for apparel that drives change within the outdoor industry supply chain and broadens the Eco Index work to allow for adoption in the broader apparel and footwear sectors.

Frank Hugelmeyer, president of OIA, said: "OIA is proud of the outdoor industry's foundational contribution of the Eco Index to the work of the Sustainable Apparel Coalition. We are gratified to be a member of this larger coalition that shares our values and desire to reduce the environmental and social impacts of apparel and footwear products sold around the world. The outdoor industry is committed to the development of a single, common index for apparel and footwear. This effort reinforces our belief that global, industry-wide collaboration can lead to advances in sustainability that no one company, region or sector can achieve on its own."

Source: Sustainable Apparel Coalition / SportsOneSource

## European Outdoor Conservation Association signs up six members

The European Outdoor Conservation Association recruited six new members during or immediately after it relaunched at the ispo show, bringing the number of members to 67, a 10% increase in just one week. The Association welcomes Original Buff, Eagle Creek, Cober, Klättermusen, International Sports Marketing Ltd, and new company Roc Noir Skiwear Ltd.

Two members have also added new ideas to the fundraising spectrum for the Association. Original Buff is set to choose and entirely sponsor several of the projects that have applied for funding for 2011, meaning that the total number of projects the Association is able to support this year will increase. Another member, also in a bold move, has pledged to 'top up' its membership fee with 1% of its total turnover each year.

"We are absolutely delighted to see companies participating in this way", said Holger Bismann, EOCA president and general manager of Patagonia Europe. "This type of member involvement is really going to raise the bar as to what the Association can achieve in the future".

Fundraising events were held at existing members' booths. For instance, Berghaus presented a lecture and a film in conjunction with top climber, Leo Houlding. DVDs of Leo's latest conquest were sold at the show, raising over €300.

Keen also sold bags and an ingenious USB stick in the shape of a miniature Keen sandal, raising a €1,000. All monies raised at the show will go straight into conservation projects in 2012.

Following meetings with over 50 non-members at the show, general managers Tanya Bascombe and Catherine Savidge are confident that, as awareness of the Association grows, so too will membership and the funds raised. "We have seen a really positive reaction to our new name and identity at ispo," said Bascombe, "and the reactions we got from companies not yet involved was very enthusiastic."

Savidge added that, "The more companies join in, the more money the whole outdoor industry can put back into the environment, through conservation and the customer really cares about that!"

Source: SportsOneSource

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### WFSGI Sustaining Members



## The real cost of obesity

An obesity pandemic has put pressure on health care systems throughout the world. The United Kingdom, for instance, spent more than £4 billion on obesity-related medical costs in 2007, and that could rise to £9.7 billion by 2050. The United States currently spends about \$160 billion—twice

what it did a decade ago—and that amount could double again by 2018. Yet these huge numbers represent only a fraction of the pandemic's total economic burden on societies. Obesity indirectly costs the United States at least \$450 billion annually—almost three times the

direct medical cost. The situation is comparable in other countries as well. To learn more, read "Why governments must lead the fight against obesity" (October 2010).

Source: McKinsey

## Update on efforts to include physical activity in UN resolution

Physical activity is currently a topic with increasing importance in the milieu of the World Health Organization (WHO) and the United Nations (UN). For our industry this is an opportunity that physical activity will be addressed in the UN resolution that will be constituted at the high-level meeting of the UN General Assembly on the prevention and control of non-communicable diseases (NCD).

If this will be the case, it will raise the importance and obligation for governments, donors, etc. to promote and financially support physical activity. Physical activity will be officially recognized as a solution to prevent NCD and herewith local authorities have to strengthen policies and programs to foster physical activity. This would of course have a tremendous positive impact on our industry and accordingly the sporting goods industry should engage in lobby work on ministerial level, UN level and WHO level.

### Unique opportunity for the industry

We are convinced that there is a necessity for the WFSGI to play an active role in this regard because any governmental decisions that will be taken concerning physical activity will have an influence on our industry. Since this is the first WHO Global Forum and UN high level meeting on healthy lifestyles and NCD control, we think that this is a unique opportunity for the WFSGI to take part from the very beginning in this approach to set physical activity on the UN agenda.

### The upcoming meetings

- WHO Global Forum (Moscow, Russia on April 27 and 28)

The first meeting on the agenda is the WHO Global Forum. For further information please visit [WHO's website](#).

The purpose of this meeting is to address the challenges of NCDs. This event will be the first ever ministerial conference on healthy lifestyles and NCD control. Since the WFSGI is now recognized by the WHO as a stakeholder we are invited to take part in this conference and present the industry's view.

During the first day of this meeting stakeholders will be given the opportunity to respond to the NCD epidemic. In order to do so, different sessions will be organized. Even though the final agenda is not published yet, we know that the WFSGI will be assigned to present its view in the first session designated for the private sector including pharma, insurance etc.

The WFSGI will even be given the honor to appoint the speaker/moderator for this session. A rapporteur from every of the concurrent sessions will report back on outcomes of the discussions held in the groups.

The findings of the meetings from the first day will then flow into the ministerial meetings on the second day. Approximately 70 ministers of different departments will attend this meeting. Please note that that information is not yet public and therefore should be treated confidentially.

### - UN Hearing (June 2011 location not yet published)

According to the UN General Assembly resolution A/RES/65/238 an informal interactive hearing with non-governmental organizations, civil society organizations, the private sector and academia will be organized no later than June 2011 to provide an input to the preparatory process for the high-level meeting. The

date and location of the informal interactive hearing is not yet known.

However, the WHO set the WFSGI on the invitation list for this meeting. But the final decision regarding the invited parties will be made by a task force that will be set up by the UN. For the time being the composition of this task force is not known.

This event will be the last chance to influence the UN agenda through the formal process.

### - UN High-Level Meeting (New York, USA on September 19 and 20)

The high-level meeting of the UN General Assembly on the prevention and control of non-communicable diseases in New York on 19th and 20th September 2011 will decide whether physical activity will be addressed in UN resolution or not. This meeting will only be open to the head of states and UN representatives. For more information please visit the [dedicated section on WHO's website](#).

### WFSGI action plan

To support any efforts including physical activity on the UN agenda we would readily set up a working group in order to discuss further this project. Unfortunately time presses and hence we ask you to reply latest until Thursday March 10, 2011 if you and/or any of your colleagues would join this work group.

We would then set up a first conference call already on Friday March 11, 2011 at 15:00 CET. In order to represent the WFSGI at the WHO Global Forum, the work group will discuss who will attend this meeting. Furthermore a financing plan for this project has to be arranged.

Author: Marc Magnus / WFSGI

### WFSGI Sustaining Members



## EU sets out priorities to dismantle trade barriers

The European Commission published its first Trade and Investment Barriers report which singles out important barriers in the markets of six strategic economic partners and proposes specific actions to remove the barriers. Dismantling these barriers would improve and open up new export and investment opportunities for European companies and people. The report will be presented to the European Council on 24-25 March.

"We need more than paper deals", said EU Trade Commissioner Karel De Gucht. "We need to ensure that the trade deals and rules we have negotiated with our partners are actually implemented on the ground. With today's report to the European Council we are moving the dismantling of trade barriers to the top of our political agenda."

This Trade and Investment Barriers Report is the first such annual report presented to the European Council. It follows a mandate from the EU 2020 strategy and has been

announced in the Commission's recent trade policy Communication "Trade, Growth and World Affairs" as part of a more assertive approach to tackle trade barriers. The report calls for removing trade barriers to become a cornerstone of the EU's relations with its trading partners.

The report suggests concrete action such as the launch of an initiative to open government procurement markets, possible dispute settlement action, making the best use of high level fora such as the Transatlantic Economic Council or the EU-China High Level Economic Dialogue but also raising the barriers at the highest political level in bilateral Summits with the countries concerned.

### Background

The report highlights market access barriers in six of the EU's strategic economic partners: China, India, Russia, Japan, Mercosur (Brazil/Argentina) and the United

States. These countries together cover 45% of the EU's trade in goods and commercial services and 41% of the EU's foreign direct investment.

The 21 barriers listed cover a broad range of barriers such as China's indigenous innovation policy, India's plans to establish burdensome licensing requirements in the telecommunications sector, "Buy American" policies in the US or Russia's new investment rules. The report also lists export restrictions on raw materials which harm European companies who incorporate raw materials into their products.

The European exports potentially affected by the barriers in the report represent around €100 billion and EU imports of raw materials potentially affected are worth around €6 billion. These figures do not equal "lost trade", but they still give an indication of the trade volumes potentially affected by the barriers and the economic stakes involved.

*Source: European Commission*

## Black Diamond honors Chinese distributor

Black Diamond Equipment, a leading global climbing and freeride ski brand, is pleased to announce that Shenzhen Himalaya Trading Co. Ltd. has been named the Black Diamond Equipment 2010 Independent Global Distributor of the Year.

"We are very excited to present Shenzhen Himalaya Trading Ltd. with this award," says Black Diamond Equipment's International Sales Manager Dave Drulard. "This is the first year that we have done something

like this. Shenzhen Himalaya Trading Co. Ltd. finished 2010 with very impressive sales, up a total of 82% overall from the previous year, posting increases in every product category.

Jack Lin and his team at Shenzhen Himalaya Trading Co. Ltd. should be congratulated for their passion in promoting outdoor activities in China. They are helping to grow the outdoor industry in a way that deserves a lot of respect beyond great

sales figures. We are honored to be partnered with them in China."

Black Diamond Equipment works with 23 Independent Global Distributors in 25 nations outside of Europe and North America. The first Independent Global Distributor of the Year Award was announced yesterday at the ISPO China show in Beijing, China, and will become an annual recognition from Black Diamond Equipment moving forward.

*Source: SportsOneSource*

## Brooks Sports sued over 'Fresh' footwear images

Brooks Sports has been sued by Car-Freshner Corp. for allegedly selling footwear bearing images similar to Car-Freshner's trademarked tree design and slogan "I'm Fresh."

The federal trademark infringement suit was filed in U.S. District Court, Syracuse, according to the Watertown Daily News.

Car-Freshner, based in Watertown, claims Brooks' running shoes with a tree design on the inner sole is "virtually indistinguishable" from Car-Freshner's design.

It also claims the sneakers' design includes the phrase "Run Fresh," which Car-Freshner claims violates trademarks it holds to a variety of uses of the word

"Fresh," such as "Play Fresh," "Ride Fresh" and "Live Fresh."

Car-Freshner is seeking a court order to prevent Brooks from continuing to sell the shoes and recall and destroy any already sold.

*Source: SportsOneSource*

### WFSGI Sustaining Members



## Great performance results for Shimano Ice-Tech disc brakes during comparison test

Shimano introduced a revolutionary cooling technology for disc brakes in 2010 named ICE TECHNOLOGIES. Since in any brake system there is a direct relation in between the generated kinetic energy (for brake power) and thermal energy (generated heat), Shimano has focused on the management of the system temperature. Lowering the temperature contributes to avoid negative effects on braking performance, as a result ICE TECHNOLOGIES brake systems have practically zero brake fading in normal usage, it increases the pad-durability up to 100% and reduces noise substantially.

This technology basically consists of two elements. First of all, the rotors have a 3-layer sandwich structure of an aluminum core and two stainless steel outer layers; due to the higher heat dissipation of aluminum it reduces the rotor surface temperature with around 100 degrees. Secondly, the ICE TECHNOLOGIES brake pads that are recommended for trail riding feature aluminum cooling fins that can further improve

the heat dissipation and reduce the brake-pad surface temperature by another 50 degrees.

The renowned German test institute "velotech.de" has tested all SHIMANO XTR disc brakes in the previous weeks with striking results. They have tested the Cross-Country as well as the Trail version of the new XTR with different rotor-sizes and compared them to the famous SAINT brakes as well as with other high-end brands that are included in the usual magazine-tests regularly as well. You can check the details of the test results for the tested brake-models in the attached PDF's of the original "velotech.de" certificates and test reports at the right side of this web page.

### The result in short

- All tested new SHIMANO XTR disc brake models/rotor sizes/pad combinations have exceeded velotech's firm disc brake standards, as well as the DIN EN 14766

and GS standards. See the attached reports for the detailed data.

- The Ice-Tech brakes do withstand testing even under conditions that are 3 times as hard as required by DIN+.

- Even if trying to test until failure of the brake Ice-Tech brakes are far ahead of the other brands and do withstand the test under 1050 Watt, while even the famous SAINT brake cannot do that (as a tip for SAINT users we recommend the usage of Ice-Tech rotors as these will improve the system performance a lot).

### Footnote:

\* = marked brakes did complete the test without failure

\*\* = the brake did fail in the 700W test already

- The new XTR brakes work on a much lower temperature level than regular disc brake systems and do have practically no fading.

Source: Shimano

## Malaysian government may ban electric bicycles

Electric bicycles may be taken off the road if the Cabinet accepts a recommendation from the Transport Ministry. Minister Datuk Seri Kong Cho Ha said he will be presenting a paper to recommend disallowing electric bicycles, citing safety reasons. He said continuing to allow electric bicycles, which have battery-powered motors, could result in a higher risk of injury or death.

"Electric bicycles do not meet the performance specifications of motorcycles. It is more than a bicycle but less than a motorcycle," he told The Star on Tuesday.

While Kong acknowledged that electric bicycles were good for the environment, he stressed that the higher risk of death and injury from collision did not warrant their usage. "If you want to talk about

being environmentally-friendly, using a normal bicycle is still the best," he pointed out.

He added that an electric bicycle could not be classified as an electric motorcycle. "Anyone can use it as there are no restrictions on who can use a bicycle," he said. "There is no need to register an electric bicycle or obtain a driving license, road tax, insurance or registration number. "Any young child will be able to use the electric bicycle without a crash helmet and that means a much higher risk of accidents," he cautioned. Kong said the paper to be presented to the Cabinet would reveal all the facts involving electric bicycles.

Road Transport Department director-general Datuk Solah Mat Hassan said in a statement that electric bicycles currently being sold were designed to travel more than 40km per hour. "According to road safety studies, bicycles that move at more than 20km per hour pose a much higher risk of injury to pedestrians, especially when both share the same lane," he said.

Solah added that facilities for cyclists like special lanes were currently limited to residential and recreational parks. "Cyclists, who use routes other than designated ones, will be exposed to the risk of traffic accidents and contribute to the overall number of accidents," he cautioned.

Source: The Star

**Any questions? Contact Marius Widmer, WFSGI Communication & Marketing Manager**  
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### WFSGI Sustaining Members



## Accell Group profit up 11 % in 2010

Accell Group N.V. recorded a rise in turnover and net profit in 2010. Turnover rose by 1% to € 577.2 million, from € 572.6 million in 2009. Poor weather conditions for bike sales in the fourth quarter and adverse exchange rate effects led to a drop in the operating result in the second half of 2010, compared with the same period of 2009. However, tax benefits and lower interest charges resulted in a rise in net profit of 11% to € 36.4 million in 2010, compared with € 32.7 million in 2009.

### Accell's CEO about 2010

René Takens, Chief Executive Officer of Accell Group said: "We can be reasonably satisfied with our overall performance in 2010, against the background of exceptionally poor weather conditions in 2010 and volatile exchange rate developments around the time of the changeover of bicycle collections in the summer. The drop in turnover was limited in the second

half of the year, though turnover remained unexpectedly strong below our original expectations. Our companies were partly able to charge on the increases in exchange rate of the US dollar and Japanese Yen from April 2010 in new sales prices, although the price increases were received more positively in some segments than in others. In bicycles, last year once again saw greater sales in electric and sports bikes, while sales in city bikes were down. We noted the largest increase in turnover in parts and accessories.

Once again the value of our strong brands and innovations, as well the importance of our well diversified product segments and geographical presence were revealed. This diversity allows us to respond relatively quickly to changes in the market.

We have now completed the acquisition of the Turkish firm Bianchi Bisiklet (now

named Accell Bisiklet) and the 50% participation in the Italian company Atala. Barring unforeseen circumstances, we expect a further rise in turnover and result for 2011."

### Key developments in 2010

The weather conditions made 2010 an unfavourable year for bicycle sales. The long winter led to a late start to the bicycle season. May and August were very wet months and the low temperatures and snow also made the fourth quarter an unfavourable period for bicycle sales. The general economic conditions and the price increases also affected sales. The overall turnover in bicycles dropped slightly. However, sales of high-grade electric bikes and sports bikes increased once again. A clear rise in sales was noted in parts & accessories, both organically and via small-scale acquisitions, while we noted a slight drop in the sale of fitness equipment.

Source: Accell Group

## European Handmade Bicycle Exhibition 2011 cancelled

Contrary to the US, small size frame builder's bicycle shows are less popular in Europe. After two editions, the European Handmade Bicycle Exhibition had to skip the 2011 show. It was scheduled for May 20 to 22 this year.

"Unfortunately we have to cancel the exhibition this year, because there are not enough registrations from exhibitors who

meet our requirements", says organizer Indra Sarkar. "We did not want to make it less than half the size of last year. It seems that though the exhibiting costs are small, for many frame builders it is too much to build showbikes every year. We are also facing competition from other shows also who discovered 'handmade' as a new segment and maybe some frame builders want to check these out too."

"Nevertheless, the network activities have really well developed in the last two years, and there will be a meeting open to any frame builder during May 20-22, to discuss the option of a 2 year turn for the show, along with many more decentralized promotional activities for individual frame building."

Source: BikeEurope

## U.S.: Last year's bike imports were highest in a decade

Suppliers imported 19.77 million bikes into the United States last year, worth more than \$1.43 billion, a historical record value for imports. The only year with more imports was 2000, when suppliers brought in 20.28 million bikes, but their value in unadjusted dollars was \$1.12 billion.

Imports from Taiwan were 3 percent below 2009 levels through the third quarter, but importers of Taiwanese bikes received

so many bikes in the final quarter that Taiwanese business with the United States ended up 12 percent over 2009. Most of these 823,018 Taiwanese made bikes were headed to the specialty retail channel.

Imports from China were up 34 percent over 2009 and accounted for 95 percent of all bikes imported. While the gains for Chinese exporters were across the board,

exporters found ready buyers of juvenile bikes.

Imports of Chinese 24-inch bikes were up 63 percent, sub-20 inch wheel bikes were up 35 percent and 20-inch bikes were up 24 percent. Imports of Chinese produced 26-inch mountain and comfort bikes were up 40 percent.

Source: Bicycle Retailer

### WFSGI Sustaining Members



## British Cycling: supporting women cyclists

In May, British Cycling will launch a unique network of local bike rides for women. It will make it easier for more women to get out on a casual group bike ride. The new network of women-only rides is all about bike riding for fun, in small sociable groups, on local, accessible routes. Local ride champions will help other women to enjoy the fun, fresh air and freedom offered by bikes rides. The first courses are in April.

### Cycletta

Supported by Sky and British Cycling, Cycletta offers the opportunity for women to take part in a women-only 'sportive' - an event on closed roads. These first two events will combine a sportive with female focused entertainment and support inclu-

ding post-event massages. Cycletta North is in Cheshire on 26 June. Cycletta South is in London on 11 September. See [www.cycletta.co.uk](http://www.cycletta.co.uk) for more information.

### Coaching and leadership

British Cycling is committed to growing the number of female coaches, trainers and leaders at all levels. A recent call for women to train as ride leader tutors was oversubscribed.

British Cycling works closely with the Women's Sport and Fitness Foundation and supports their work to encourage, enable and celebrate active women and girls. As the national governing body for cycling, British Cycling wants to work with range of partners who offer cycling opportuni-

ties, and create the conditions for more women and girls to get on their bikes.

### Gender gap risks to get larger

British Cycling's Recreation and Partnerships Director, Stewart Kellett said: "Almost three times as many men as women take part in regular recreational cycling and this gap is getting larger as male participation continues to increase. With the resources British Cycling has at its disposal and our track record of delivering successful recreational programmes such as Sky Ride (with principal partner Sky) we are more than hopeful that these initiatives can be a success. We have a great understanding of what works, how to respond to customers and how to help get new women into bike riding."

*Source: British Cycling*

## Eva Mendes Is new face of Reebok EasyTone

Hollywood actress Eva Mendes has become the new ambassador of footwear brand Reebok EasyTone.

Following in the footsteps of supermodel Helena Christensen and British beauty Kelly Brook, the 'Hitch' star is the new face and body of the toning trainers, reported Contactmusic.

The 36-year-old brunette beauty admitted the sports footwear, which tone muscles in

the legs and bottom as the wearer walks, are a vital part of her wardrobe as they allow her to get a "little extra" exercise as she goes about her life.

"I feel better when I'm in good shape, and that's what I like about Reebok EasyTone - it gives me a little extra as I go about my daily activities," said Mendes.

"Between long days on the set and travel, it's not always possible to get a full wor-

kout in, so I have to make the time I have count. As an actress, being fit is important, and EasyTone is my great secret!"

Uli Becker, president of Reebok International, said Mendes was chosen as the new ambassador because she is "committed to fitness".

Celebrity fans of the fitness footwear include Israeli model Bar Refaeli and pop star Nicole Scherzinger.

*Source: NDTV Movies*

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