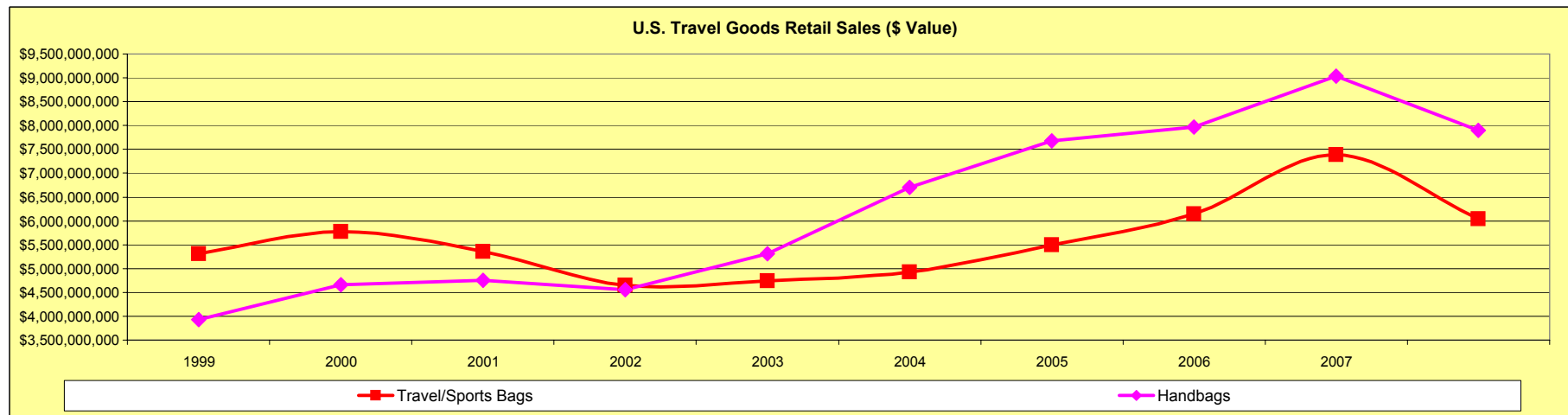
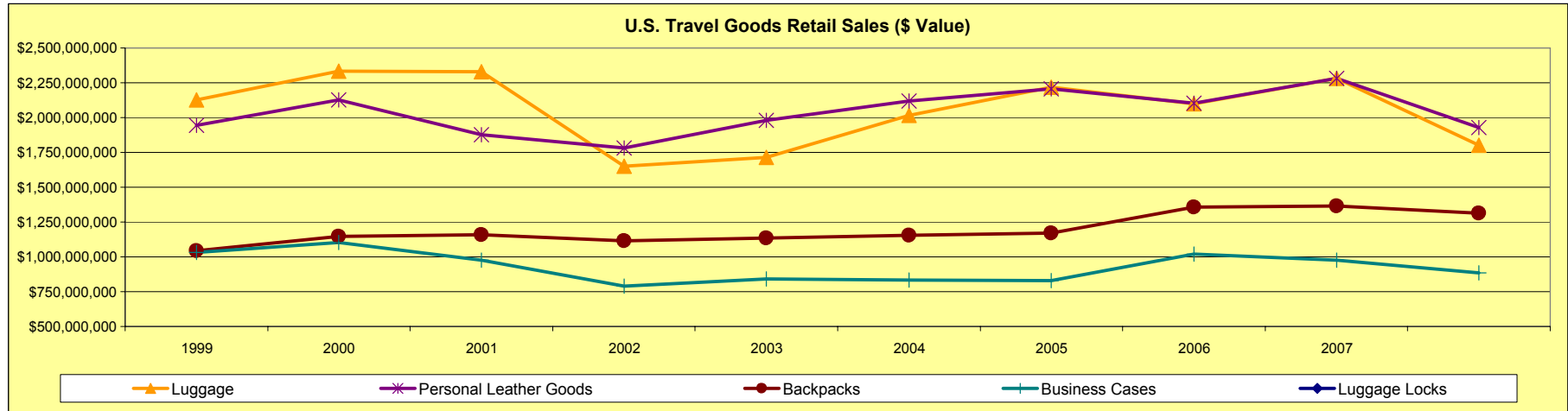




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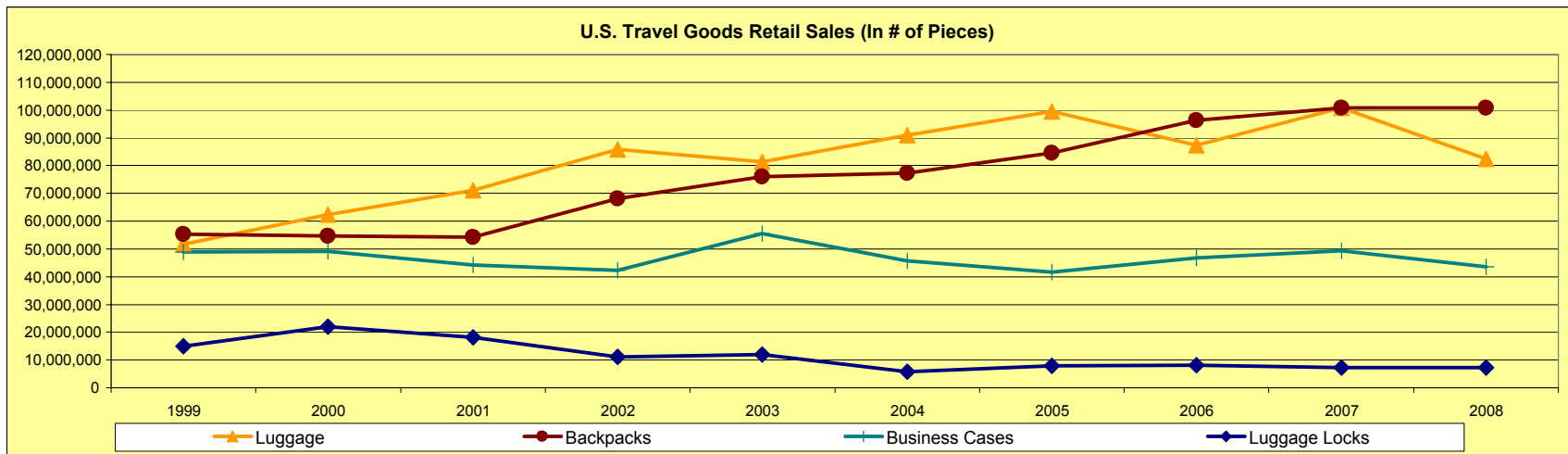
### State of the U.S. Travel Goods Market 1999 - 2008 (In U.S. Dollars)



In US \$s	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 07-08
Luggage	\$2,127,720,300	\$2,333,516,894	\$2,327,891,833	\$1,651,202,987	\$1,714,565,471	\$2,014,447,161	\$2,217,069,740	\$2,100,932,665	\$2,282,612,107	\$1,802,275,569	-21.0%
Business Cases/Computer Bags	\$1,031,375,160	\$1,102,021,944	\$975,026,700	\$791,644,397	\$843,046,671	\$833,203,078	\$829,246,197	\$1,021,136,676	\$977,184,061	\$885,317,819	-9.4%
Travel/Sports Bags	\$5,312,116,232	\$5,775,265,744	\$5,356,735,723	\$4,644,320,845	\$4,740,153,474	\$4,930,995,567	\$5,495,726,071	\$6,147,298,067	\$7,387,589,989	\$6,036,703,076	-18.3%
Handbags	\$3,930,807,124	\$4,664,444,901	\$4,756,723,848	\$4,557,600,230	\$5,314,749,333	\$6,701,832,097	\$7,680,685,008	\$7,971,139,094	\$9,040,805,666	\$7,901,187,720	-12.6%
Personal Leather Goods	\$1,942,951,257	\$2,127,465,489	\$1,877,256,683	\$1,781,405,689	\$1,981,745,961	\$2,120,232,858	\$2,204,831,136	\$2,105,136,762	\$2,282,650,734	\$1,929,002,496	-15.5%
Backpacks	\$1,041,756,543	\$1,147,900,031	\$1,157,846,414	\$1,113,382,848	\$1,133,625,827	\$1,155,153,547	\$1,169,228,011	\$1,357,217,502	\$1,364,993,326	\$1,313,109,259	-3.8%
Luggage Locks (Base Metal)	\$41,288,542	\$51,449,280	\$43,286,211	\$27,666,494	\$22,232,538	\$18,374,545	\$22,133,858	\$29,122,809	\$27,025,363	\$25,261,252	-6.5%

\* All numbers are TGA estimates. Please see last page for explanation and sources.

### State of the U.S. Travel Goods Market 1999 - 2008 (In # of Pieces)



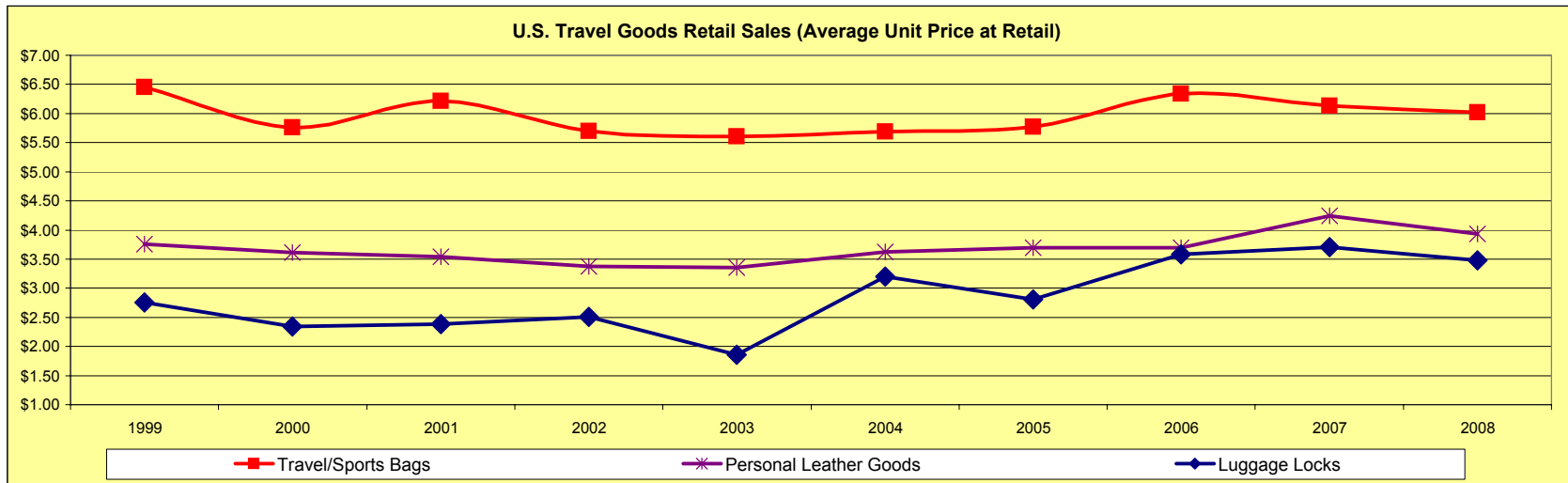
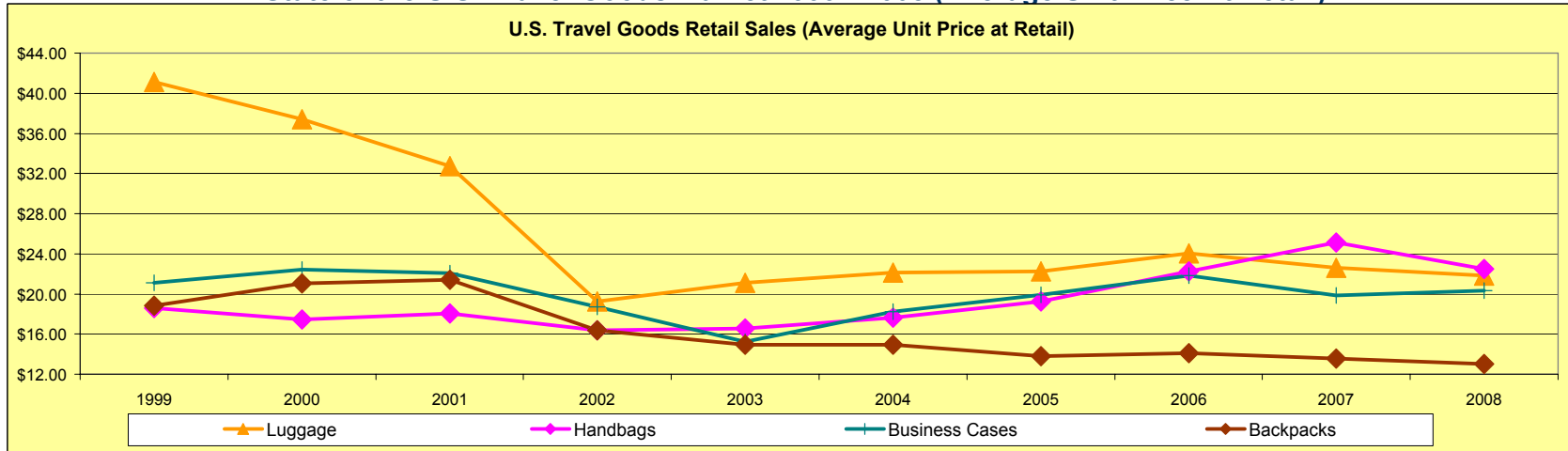
# of Pieces	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 07-08
Luggage	51,739,897	62,357,758	71,169,087	85,750,488	81,253,524	91,060,236	99,524,478	87,305,754	100,844,586	82,485,436	-18.2%
Business Cases/Computer Bags	48,823,370	49,118,607	44,215,899	42,344,437	55,440,281	45,643,544	41,615,628	46,743,863	49,232,086	43,533,000	-11.6%
Travel/Sports Bags	822,776,235	1,001,983,865	861,848,781	814,267,723	845,596,001	866,333,034	951,809,803	970,240,477	1,205,275,537	1,002,852,372	-16.8%
Handbags	211,199,806	267,422,658	263,175,719	278,614,652	321,516,761	379,841,875	399,024,045	358,269,561	359,943,801	351,173,890	-2.4%
Personal Leather Goods	517,809,549	588,651,674	530,564,952	528,399,689	591,583,046	585,438,063	596,038,855	569,701,015	538,524,560	490,511,097	-8.9%
Backpacks	55,270,132	54,589,738	54,157,282	68,095,800	75,908,845	77,346,747	84,619,737	96,393,931	100,830,493	100,707,104	-0.1%
Luggage Locks (Base Metal)	14,988,632	21,921,097	18,187,323	11,047,014	11,992,826	5,747,588	7,889,159	8,140,261	7,290,184	7,253,981	-0.5%

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### State of the U.S. Travel Goods Market 1999 - 2008 (Average Unit Price At Retail)



Avg Unit Price At Retail	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	% Change 07-08
Luggage	\$41.12	\$37.42	\$32.71	\$19.26	\$21.10	\$22.12	\$22.28	\$24.06	\$22.63	\$21.85	-3.5%
Business Cases/Computer Bags	\$21.12	\$22.44	\$22.05	\$18.70	\$15.21	\$18.25	\$19.93	\$21.85	\$19.85	\$20.34	2.5%
Travel/Sports Bags	\$6.46	\$5.76	\$6.22	\$5.70	\$5.61	\$5.69	\$5.77	\$6.34	\$6.13	\$6.02	-1.8%
Handbags	\$18.61	\$17.44	\$18.07	\$16.36	\$16.53	\$17.64	\$19.25	\$22.25	\$25.12	\$22.50	-10.4%
Personal Leather Goods	\$3.75	\$3.61	\$3.54	\$3.37	\$3.35	\$3.62	\$3.70	\$3.70	\$4.24	\$3.93	-7.2%
Backpacks	\$18.85	\$21.03	\$21.38	\$16.35	\$14.93	\$14.93	\$13.82	\$14.08	\$13.54	\$13.04	-3.7%
Luggage Locks (Base Metal)	\$2.75	\$2.35	\$2.38	\$2.50	\$1.85	\$3.20	\$2.81	\$3.58	\$3.71	\$3.48	-6.1%

\* All numbers are TGA estimates. Please see last page for explanation and sources.



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## State of the U.S. Travel Goods Market 1999 - 2008

### Notes, Definitions & Sources

**Notes:** The retail sales numbers are TGA estimates based on certain assumptions regarding the U.S. travel goods market. Those assumptions are:

- Most of the travel goods sold in the United States are imported. The % of the U.S. travel goods market supplied by imports varies depending on the type of product.
- Most imports of travel goods take 6-8 weeks to travel from the U.S. port of entry to retail store shelves and to consumers. Therefore, in order to develop a more accurate picture of the U.S. retail market, TGA has based its retail sales estimates for each year based on the import data for the twelve month period ending October 31 of that year. For example, the retail sales estimate for 2008 is based on U.S. import data for the period November 1, 2007 - October 31, 2008.
- Based on the data available for 2008, TGA estimates that imports currently account for 99% of the U.S. luggage market, 99% of the U.S. business case/computer bag market, 99% of the U.S. travel & sports bag market, 99% of the U.S. handbags market, 90% of the U.S. personal leather goods market, 99% of the U.S. backpack market and 99% of the luggage lock market.
- Travel goods are typically imported one of three ways:
  - 1) by a wholesaler, who then sells the product, at a mark-up, to a retailer, who then sells the product, at a mark-up, to the U.S. consumer;
  - 2) directly by a retailer, who then sells the product, at a mark-up, to the U.S. consumer; or
  - 3) by a wholesaler who sells the product, at a mark-up, to a customer who then provides the product for free or at low cost to its customers/clients for promotional purposes (duffel bags, etc.).
- In order to reflect the mix of different selling patterns and the estimated mark-up at each step in the process, TGA utilizes multipliers for 2008 of 2.5 for luggage, 2.6 for business cases/computer bags, 2.0 for travel/sports bags, 2.6 for handbags, 2.1 for personal leather goods, 2.6 for backpacks and 2.7 for luggage locks to estimate the retail value of U.S. travel goods sales. Please note that these multipliers are somewhat lower than in previous years because of price pressures in the later half of 2008.
- TGA then applies a similar type of formula to estimate the retail value of U.S. production.
- Please note that based on available anecdotal data, TGA assumed that 7.5% of luggage imports and 5% of U.S. imports of all other types of travel goods were not sold due to the difficult economic climate and, instead, were held as unsold inventory going into 2009.
- EXAMPLE (Size of the U.S. Luggage Market 2008):  
U.S. imports (landed duty-paid value): \$771,568,784 + wholesale/retail markup =  $771,568,784 \times 2.5 = \$1.93$  billion (Estimated Retail Value of Imports) + \$23 million (Estimate Retail Value of U.S. production, estimated at 1% of market) = \$1.95 billion \* 0.925 (assumes 7.5% of product held over as inventory) = \$1.803 billion = Size of U.S. Luggage Market in 2008.

#### Definitions:

- **Luggage** - Includes all types of luggage, including luggage sets.
- **Business Cases/Computer Bags** - Includes all types of brief and attache cases and computer bags as well as school satchels and occupational luggage.
- **Travel/Sports Bags** - Includes all types of duffel bags, totes, garment bags, and all other types of travel and sports bags. Does NOT include golf bags, insulated food and beverage bags, or musical instrument cases.
- **Handbags** - Includes all types of women's purses and handbags, except for large tote bags.
- **Personal Leather Goods** - Sometimes described as flat goods or goods ordinarily carried in the pocket or in the handbag. Includes all types of wallets, PDA Cases, cell phone cases, glass cases, business card holders, portfolios, calendar books, CD/DVD cases, cosmetics cases, MP3 player cases, etc.
- **Backpacks** - Includes all types of backpacks (except leather backpacks and computer case backpacks) regardless of end use (i.e. school, travel, hiking, etc.).
- **Luggage Locks (Base Metal)** - Includes all metal-based locks specifically designed for use with luggage and other travel goods.

#### Sources:

- U.S. Production Estimates: Based on *2002 Economic Census* (Published October 2004) and *Annual Survey of Manufacturers*, U.S. Census Bureau, <http://www.census.gov> & other information.
- U.S. Landed/Duty-Paid Imports, U.S. International Trade Commission's Trade Dataweb from U.S. Customs Service and U.S. Census Bureau data, <http://dataweb.usitc.gov>.