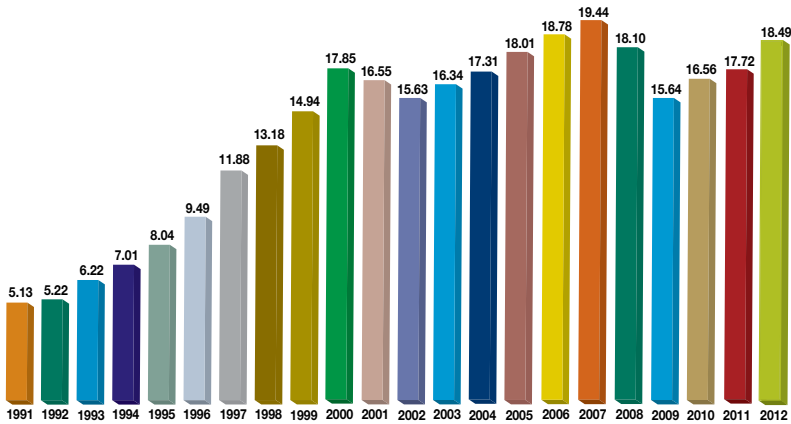


PPAI The 2012 Estimate Of Promotional Products Distributor Sales

The 2012 sales volume figures reflect an increase of 4.38% percent in distributor revenues over 2011. This increase puts promotional product industry's revenues at \$18,497,562,929, up from \$17,721,945,690 in 2011. 2012 saw increases in revenue for both large and small distributor companies. Larger companies with sales of \$2.5 million or more experienced a 7.88% increase over 2011 while smaller companies saw an increase of 1.06%.

INDUSTRY SALES VOLUME IN BILLIONS



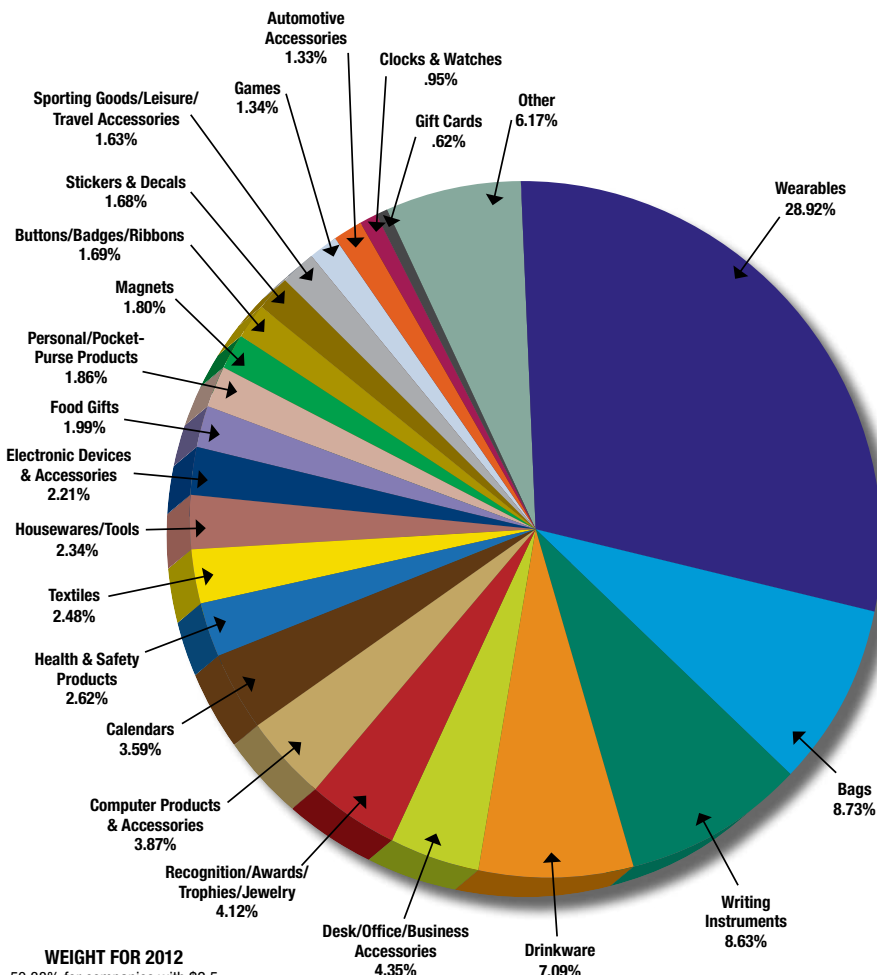
DISTRIBUTOR SALES VOLUME

Distributor Company Size	Number Of Distributor Companies	2012 Sales Volume	% Increase/Decrease In Sales Volume Over 2011
Less than \$2.5 million	22,105	\$9,179,119,591	1.06%
\$2.5 million or more	991	\$9,318,443,338	7.88%
INDUSTRY TOTAL	23,096	\$18,497,562,929	4.38%

How the estimate of distributor sales is obtained: Approximately 25,000 promotional products distributors companies are surveyed by researchers at Relevant Insights, LLC, the University of Nevada and Glenrich Business Studies. A point estimate (mean) is derived and multiplied by the number of small distributor companies (22,105). To prevent distortion, a census of the larger distributor companies is conducted and the sum of their sales is added to the sales volume of the smaller distributor companies to arrive at the sales estimate for the entire industry.

This annual estimate of distributor sales is sponsored by Promotional Products Association International and conducted by Relevant Insights, LLC, researchers at the University of Nevada, Las Vegas and Glenrich Business Studies.

2012 SALES BY PRODUCT CATEGORY



WEIGHT FOR 2012

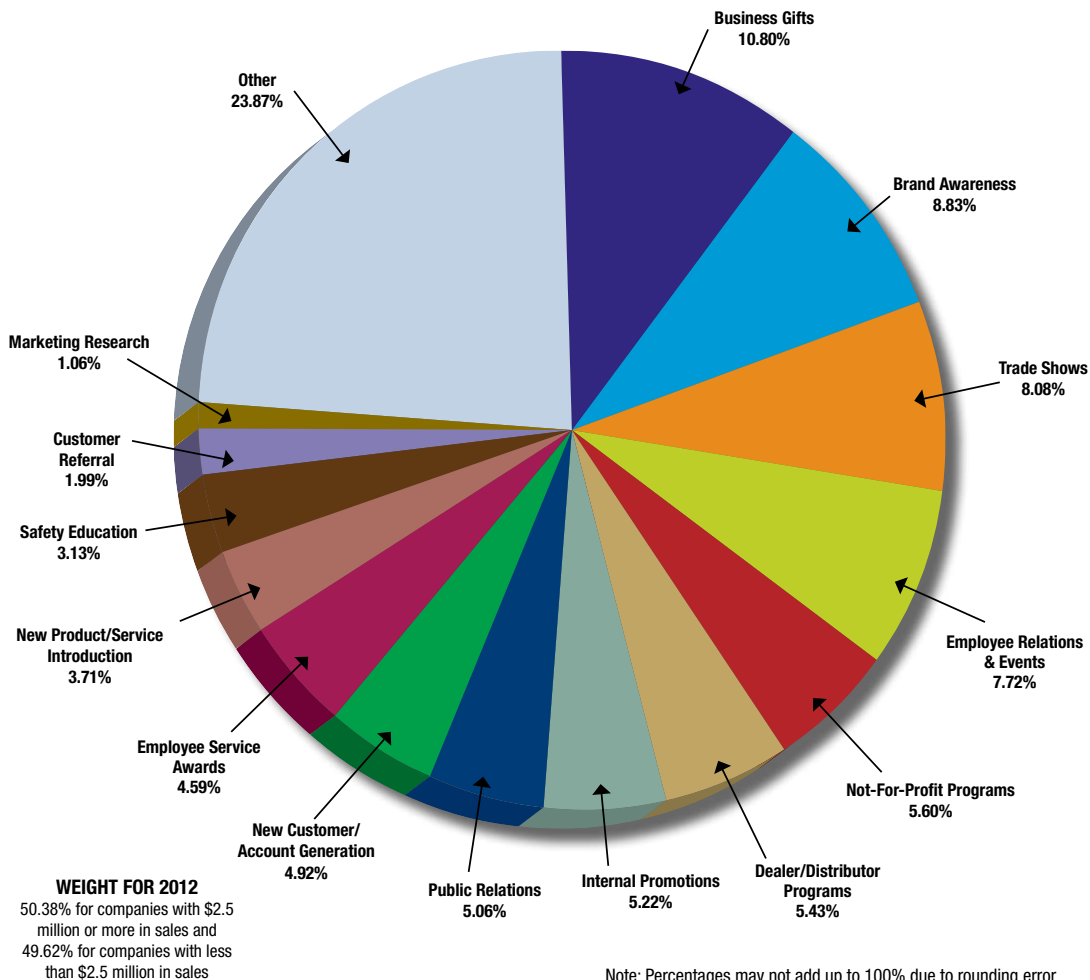
50.38% for companies with \$2.5 million or more in sales and 49.62% for companies with less than \$2.5 million in sales

Note: Percentages may not add up to 100% due to rounding error.

PRODUCT CATEGORY (Includes the following):

- Wearables:** T-shirts, golf shirts, aprons, uniforms, blazers, caps, headbands, jackets, neckwear, footwear, etc.
- Bags:** Totebags, shopping bags, satchels, gift bags, drawstring bags, cosmetic bags, paper bags, duffel bags, briefcases, etc.
- Writing Instruments:** Pens, pencils, markers, highlighters, 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, etc.
- Recognition Awards/Trophies/Jewelry:** Awards, trophies, plaques, certificates, figurines, jewelry, etc.
- Computer Products and Accessories:** USB drives, Mouse pads, monitor frames, disk carriers, wrist pads, software, etc.
- Calendars/Dated Products:** Wall and wallet calendars, desk diaries, pocket secretaries, etc.
- Health & Safety Products:** First-aid kits, hand sanitizers, 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.
- Electronic Devices and Accessories:** Radios, TVs, iPods, Mp-3 players, phones, videotapes, music CDs, phone cards, Flashing products etc.
- Food Gifts:** Candy, cookies, nuts, gourmet, meat, spices, bottled water & other drinks etc.
- Personal/Pocket-Purse Products:** Pocket knives, grooming aids, lighters, matches, sunglasses, wallets, etc.
- Magnets:** Magnets and magnetic products
- Buttons/Badges/Ribbons:** Buttons, badges, ribbons, signs, banners, etc.
- Stickers and Decals:** Stickers, decals, static clings, lettering, 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.
- Automotive Accessories:** Key tags, bumper strips, road maps, floor mats, window shades, etc.
- Clocks and Watches:** Clocks, watches, etc.
- Gift Cards:** No examples
- Other:** No examples reported

2012 SALES BY PROGRAM CATEGORY



PROGRAM TYPE (Includes the following:)

- Business Gifts:** Foster customer goodwill and retention
- Brand Awareness:** Promotion of brand awareness and brand loyalty
- Trade Shows:** Trade-show traffic generation
- 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
- Not-For-Profit Programs:** Not-for-profit use for fundraising, public awareness campaigns (health, environment, public safety, etc.)
- Dealer/Distributor Programs:** Dealer incentives, co-op programs, company stores
- Internal Promotions (Incentive; Non-Safety):** Sales incentive, TQM/quality programs, productivity, inventory reduction, error reduction, attendance improvement
- Public Relations:** Corporate involvement with community, fundraising, sponsorship, school programs, media relations, corporate image
- New Customer/Account Generation:** New customer or new account generation
- Employee Service Awards:** Anniversary recognition, service awards, etc.
- 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

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.

ONLINE SALES OF PROMOTIONAL PRODUCTS – A LOOK BACK

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

	2009	2010	2011	2012
Total online sales of promotional products for companies with less than \$2,500,000 in sales	\$1,253,115,203	\$1,365,036,957	\$1,275,870,533	\$1,553,179,741
Total online sales of promotional products for companies with sales of \$2,500,000 or more	\$1,192,374,689	\$1,351,856,824	\$1,823,500,417	\$2,189,834,184
TOTAL	\$2,445,489,892	\$2,716,893,781	\$3,099,370,950	\$3,743,013,925

SEGMENTING INDUSTRY SALES BY SIZE OF COMPANY

Size Of Company	2009	2010	2011	2012
Less than \$250,000	\$1,449,394,342	\$1,431,535,859	\$1,645,603,749	\$1,637,920,855
\$250,001-\$500,000	\$1,141,927,375	\$1,426,080,834	\$1,618,544,334	\$1,879,888,822
\$500,001-\$1,000,000	\$1,657,285,743	\$1,945,140,287	\$2,364,147,043	\$2,358,616,521
\$1,000,001-\$2,500,000	\$3,529,885,418	\$3,665,214,220	\$3,455,562,374	\$3,302,693,393
\$2,500,001 or more	\$7,860,078,590	\$8,092,190,875	\$8,638,088,190	\$9,318,443,338
TOTAL	\$15,638,571,468	\$16,560,162,075	\$17,721,945,690	\$18,497,562,929