Sales History

U.S. Sales History in Billions of Dollars

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars</td>
<td>$84.0</td>
<td>$88.4</td>
<td>$91.8</td>
<td>$94.6</td>
<td>$96.6</td>
</tr>
</tbody>
</table>

Sources: Children’s Business, May 2001 & The NPD Group Inc.
## Sales History (cont.)

Overall % Growth from Previous Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>+2.1%</td>
</tr>
<tr>
<td>1999</td>
<td>+3.1%</td>
</tr>
<tr>
<td>1998</td>
<td>+3.7%</td>
</tr>
<tr>
<td>1997</td>
<td>+5.0%</td>
</tr>
<tr>
<td>1996</td>
<td>+5.1%</td>
</tr>
</tbody>
</table>

Competitors

Top 5 Direct Competitors & Catalog Sales
(in billions of dollars)

1. JC Penney.................. $3.9
2. Spiegel........................ $1.4
3. Land’s End.................... $1.3
4. Sears.......................... $1.1
5. LL Bean........................ $1.0

Source: Industry Analysis, May 2001
Competitors Brands

JC Penney
- St. John’s Bay
- Worthington
- Delicates
- Arizona Jean Co.

Spiegel
- Eddie Bauer
- Newport News

Land’s End

Sears
- Levi’s

LL Bean

Competitors

Top 5 Indirect Competitors & Sales
(in billions of dollars)

1. Gap Inc.............................. $11.6
2. The Limited Inc......................$10.1
3. Polo Ralph Lauren Corp.........$1.7
4. Phillips Van Heusen............ $1.3
5. American Eagle Outfitters.... $1.1

Competitors Brands

- Gap Inc.
  - Gap
  - Old Navy
  - Banana Republic

- The Limited Inc.
  - Express
  - Structure
  - The Limited
  - Lerner New York

- Polo Ralph Lauren Corp.
  - Ralph Lauren Sport
  - Polo Sport
  - Chaps
  - Polo Jeans

- Phillips Van Heusen
  - DKNY
  - IZOD

- American Eagle Outfitters

Environmental Influences

- Legislation
  - Trade Acts
  - Shipping costs
- Cultural Factors
  - Fast-paced
  - Convenience
- Trends
  - On-line shopping
  - Casual attire
  - Value-Oriented

Source: Industry Analysis, May 2001
Industry Forecast

Market Estimates
(in billions of U.S. dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollars</td>
<td>$100.3</td>
<td>$104.1</td>
<td>$108.1</td>
<td>$112.2</td>
<td>$116.5</td>
<td>$120.9</td>
</tr>
</tbody>
</table>

Source: The NDP Group
Segments
Primary Group
  Women
  Ages 35-59
  Active
  Rural area/small towns
Segments (cont)

- Secondary Market
  - Women
  - Ages 60-80
  - Rural areas
  - Lack of transportation
Segments (cont)

- Secondary
  - Men
  - Ages 35-59
  - Convenience
  - Gift buyers
Primary Research

- Barriers to Entry
- Existing Customers
- Potential Customers
Handout #1

Positive Forces in the Consumer Market:

- Low personal savings rate = high personal expenditures
- Low interest rates
- Low unemployment
- Very low inflation

Negative Forces in the Consumer Market:

- Weakening consumer confidence
- Slowly increasing unemployment
- Growing numbers of store closings
- Decreasing levels of consumer household wealth
- Consumers with record high debt
- Volatility in global markets
- Continued Layoffs at larger corporations

Source: Apparel Trends, The NPD Group, Inc. URL: http://www.ndp.com
Handout #2

1999 U.S. Women's Apparel Sales

<table>
<thead>
<tr>
<th>Category</th>
<th>$ in Millions</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store</td>
<td>838,156</td>
<td>88.6</td>
</tr>
<tr>
<td>Catalog</td>
<td>88,924</td>
<td>9.4</td>
</tr>
<tr>
<td>Online/Internet</td>
<td>5,676</td>
<td>0.6</td>
</tr>
<tr>
<td>Not Reported</td>
<td>13,244</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total Women's Apparel</strong></td>
<td><strong>946,000</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

URL: http://www.npd.com
REFERENCES

American Eagle Outfitters URL: http://www.ae.com


Apparel Trends. URL: http://www.retailindustry.com


Gap Inc. URL: http://www.gapinc.com


JC Penney URL: http://www.jcpenney.com

Land’s End URL: http://www.landsend.com


LL Bean URL: http://www.llbean.com

The Limited Inc. URL: http://www.limited.com


Phillips-Van Heusen URL: http://www.pvh.com

“Plus-Size Apparel Market Reveals a New Shape.” *Catalog Age* July 200.

Polo Ralph Lauren  URL: http://www.polo.com


URL: http://www.retailindustry.com


Sears  URL: http://www.sears.com


Spiegel  URL: http://www.spiegel.com


“Women’s Clothing Industry Report.” *Industry Reports*  
URL: http://www.zapdata.com/zapmarkets/

