

TLL THE LICENSING LETTER

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“Made in USA” Trend Enters Licensing Thought Process; Price Points Remain A Challenge

U.S. consumers are increasingly aware of where the products they purchase are made, and they say they want to buy American, even if it means paying more. But whether that will actually translate to sales of licensed products, and whether that will lead to more domestic manufacturing within the U.S. licensing business, remains to be seen.

“For a long time, most manufacturing has been happening abroad, and consumers are becoming more and more aware of that,” says Rachel Terrace of licensing agency Beanstalk. “But [licensors] understand the realities of manufacturing. Licensees that are able to manufacture in the U.S. are few and far between. It can be a struggle to find products made in the USA.”

Terrace compares the Buy American trend to the interest in green products. “Consumers say they want green and would pay more for it, but the reality is, they won’t. They’ll buy a green product if it has the same efficacy and the same price [as a non-green product]. I suspect the same will be the case with Made in America.”

Growing Interest

A number of trends are driving licensors and licensees to pay attention to the Buy American trend. In addition to growing interest from U.S. consumers—who, since the 2008 financial crisis, are increasingly thinking about how to keep jobs at home by considering U.S.-manufactured products—some retailers are placing more emphasis on U.S. goods, at least in some categories.

Walmart announced recently, for example, that it will source an additional \$50 billion worth of goods in the U.S. over the next 10 years. It claims that two-thirds of what it sells now is Made in America, with much of that in the food and household products categories.

“We have seen interest from retailers, from mass up to department stores,” says Kate Dwyer of Coca-Cola. “They’re asking for it. It’s interesting that it crosses all levels.” She points out that many Coca-Cola licensees manufacture in the

U.S., from hard goods such as drinkware to soft goods such as t-shirts, so Coca-Cola is able to work with retailers to satisfy their requests.

Not everyone has seen such increased demand from key retailers, however. “It’s not a topic we hear from them,” says Terrace. “They’re worried about margins.”

Ramez Toubassy of Brand Sense Partners believes only the very high-end of the market will support most Made in America programs at this point. “It’s a massive consumer trend, but mostly at the ultra-premium end of the scale, where there’s not a lot of licensing going on,” he says.

BSP owns a high-end apparel line, M.Nii, which is manufactured in L.A. “That gets us into

Continued on page 4

TLL SURVEY

Retail Sales Of Art-Licensed Merchandise Down .1% In 2012

Retail sales of licensed merchandise based on Art, Artists, and Museums were essentially flat in 2012, showing a very slight decrease of .1% to \$5.586 billion, according to TLL’s Annual Licensing Business Survey. That compares to growth of 2.1% for the licensing business as a whole.

It also represents a setback compared to 2011, when the Art sector saw growth of 1.7%.

“There seemed to be lots of enthusiasm and a good number of new contracts originated, but then the resulting sales and royalties were somewhat lackluster, more holding in place than growth,” says one art licensing agent interviewed.

Retail sales of licensed merchandise based on Art and Artists grew 1.2%, to \$4.22 billion, while Museum-based licensing programs declined 3.1%, to \$1.366 billion. (Not all museum merchandise is licensed; some is sourced by the museum for sale in its own and other retail channels.)

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in short

A package of 7 pairs of little girls’ Hello Kitty or Disney hipster panties by Handcraft are \$9.74 at Walmart, \$9.99 at Target, and \$18 at Herberger’s, all in Minneapolis.



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Licensing Ledger

VALUING AN ANGRY BIRD

What's an Angry Bird worth? About €68.5 million in royalties, or roughly \$1.5-\$1.6 billion at retail worldwide, according to The Licensing Letter's analysis of **Rovio Entertainment's** annual report. The company acknowledges that its rate of growth — revenue doubling year-over-year 2011-2012, and net profits up 57% — will be difficult to sustain. Indeed, without a blockbuster movie or TV series it will be difficult to maintain the current revenue level. Rovio will need a stable of properties in order to live up to its goal of becoming an "entertainment company." Not every one needs to be a blockbuster, but they need to have extended lives. Then again, who knows what Rovio's 518 staffers are up to back in Helsinki? Separately, *Angry Birds Space* and *NASA* teamed up for a recently-opened experiential attraction at the Kennedy Space Center Visitor Complex. The 4,485-square-foot *Angry Birds Space Encounter* features educational activities, photo opportunities, and *Angry Birds* merchandise.

SEQUENTIAL ADDS BRANDS

Sequential Brands Group has acquired the *Ellen Tracy* and *Caribbean Joe* apparel brands from **Brand Matter** for \$62.3 million in cash plus 2.8 million shares of *Sequential*. The two brands are projected by the company to generate \$12-\$14 million in royalty income over the next 12 months, or \$225-\$250 million at retail, according to *THE LICENSING LETTER*. **William Sweedler** is an investor in both *Sequential* and *Brand Matter*, though the other shareholders in each company (*Brand Matter* is private) belong to different investor groups. *Sequential* is run by CEO **Yehuda Shmidman**, formerly of **Iconix**.

TRU NOT GOING PUBLIC

No surprise here: **Toys R Us** is not going public. The company has applied to withdraw its S-1 Registration Statement with the Securities & Exchange Commission, attributing the decision to "unfavorable market conditions, and the company's recently announced executive leadership transition." The latter is a reference to the resignation of Chairman/CEO **Gerald Storch**, who is staying on during the search for a successor. Separately, *TRU* reported net sales of \$13.5 billion worldwide for fiscal 2012 ended February 28, 2013. That's down from \$13.9 billion the prior year. Comp store sales were down 3.5% in the U.S. and 5.0% internationally. Net earnings for 2012 were \$38 million, compared to \$149 million the year earlier. *TRU* is looking to expand its global reach, including throughout China and Southeast Asia.

AG GOING PRIVATE

American Greetings, the greeting card company which developed and owns *Strawberry Shortcake*, *Care Bears*, and other properties, has agreed to be taken private by its founding family in a deal valued at \$878 million. In recent years the company had tried unsuccessfully to sell off its licensed properties. The company has been publicly held since 1969.

BURT'S IN THE PET AISLE

Burt's Bees, the natural health and beauty brand, has licensed **Fetch...for Pets!** to market a line of natural pet care—such as oral care and grooming products—for sale in specialty stores including **Petco** and **PetSmart** starting in this month. *Burt's Bees*, is owned by **The Clorox Company**.

50 LICENSEES FOR 50

Fifty **Ford** licensees will sell products tied to next year's 50th

anniversary of the **Mustang**. Products including die-cast models, video games, apparel, and watches will be offered. A limited-edition leather jacket from **Schott NYC** will debut later this year; **Schott** outfitted the **Tuskegee Airmen**, who flew the "Mustang" P-51 fighter plane after which the car was named, during World War II.

ROOMS TO VERGARA

Actress **Sofia Vergara** and **Latin World Entertainment** have signed a licensing deal with **Rooms To Go** for a collection of living room, dining room, and bedroom furniture to be sold through *Rooms To Go* showrooms starting in fall 2013. **Vergara** also has a deal with **Kmart** that covers apparel, accessories, and home goods.

LICENSES BUOY B-A-M

Books may be the DNA of retailer **Books-A-Million**, but pop culture trends are increasingly the reason shoppers visit its stores, according to the company's **Terrance Finley**, speaking on the company's 4Q earnings call. *Dr. Who* and *The Big Bang Theory* were the two licensed properties singled out for sales of t-shirts and novelty gifts in 4Q 2012; *Duck Commander*, of the A&E Television series *Duck Dynasty*, is the retailer's most recent hot license.

DISNEY ZAPS LUCASARTS

Disney is dismantling the **LucasArts** video game production unit that produced *Star Wars* games, shifting "from an internal development to a licensing model." **LucasArts** has laid off 150-200 people, according to published reports, and development on future titles such as *Star Wars 1313* has ceased. **Disney** also killed the popular *Clone Wars TV* series that aired on **Cartoon Network**, one of **Disney Junior's** key competitors.



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Art-Licensed Merchandise

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All told, Art-related properties accounted for 5.9% of the total licensing business in 2012, with Art and Artists comprising 76% of that and Museums 24% (or 4.4% and 1.4% of the total licensing business, respectively).

On the product category side, Accessories, Apparel, and Publishing all saw declines, while Domestic, Furniture/Home Furnishings, Housewares, Gifts/Novelties, Infant Products, and Stationery/Paper all increased, with most growth percentages less than 1%.

Interestingly, both Stationery/Paper and Furniture/Home Furnishings experienced increases of more than 2% within the Art sector, counter to the business as a whole, where the former declined 3.2% and the latter 2.4%. Within Furniture/Home Furnishings, wall décor was cited by several artists and agents as a particular growth area, while within Stationery/Paper, greeting cards were strong for many artists. “Apparently rumors of their demise are greatly exaggerated,” comments one respondent.

The distribution breakdown for art-licensed products in 2012, by channel, was similar to 2011. E-commerce grew from 10.0% to 10.3%, while discounters and mail order were among the channels that saw slight declines.

Survey respondents and interviewees with expertise in the Art sector seem to have a sense of tempered optimism about 2013. “We are seeing a lot of new giftware contracts again this year, and so far the SKU counts are slightly up on those,” says one. “I assume that may reflect increased confidence on the part of the manufacturers. Let’s hope they are right.”

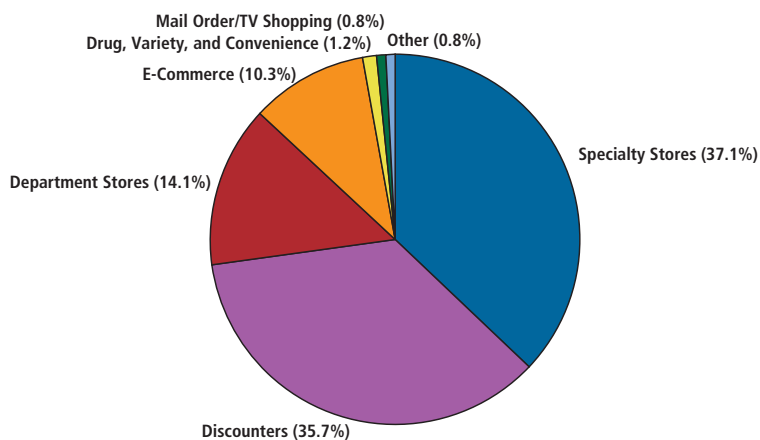
RETAIL SALES OF LICENSED ART-BASED MERCHANDISE, BY PRODUCT CATEGORY, U.S. AND CANADA, 2012

(dollars in billions)

| CATEGORY | 2012 RETAIL SALES | 2011 RETAIL SALES | % CHANGE 2011-2012 | 2012 SHARE OF MARKET |
|----------------------------|-------------------|-------------------|--------------------|----------------------|
| Accessories | \$294.00 | \$300.00 | -2.1% | 5.3% |
| Apparel | \$198.00 | \$200.00 | -0.8% | 3.5% |
| Domestics | \$381.00 | \$380.00 | 0.3% | 6.8% |
| Furniture/Home Furnishings | \$210.00 | \$220.00 | -4.4% | 3.8% |
| Gifts/Novelties | \$1,274.00 | \$1,260.00 | 1.1% | 22.8% |
| Housewares | \$532.00 | \$530.00 | 0.3% | 9.5% |
| Infant Products | \$442.00 | \$440.00 | 0.5% | 7.9% |
| Publishing | \$869.00 | \$880.00 | -1.3% | 15.6% |
| Stationery/Paper | \$1,358.00 | \$1,330.00 | 2.1% | 24.3% |
| Other | \$28.00 | \$50.00 | NA | 0.5% |
| TOTAL | \$5,586.00 | \$5,590.00 | -0.1% | 100.0% |

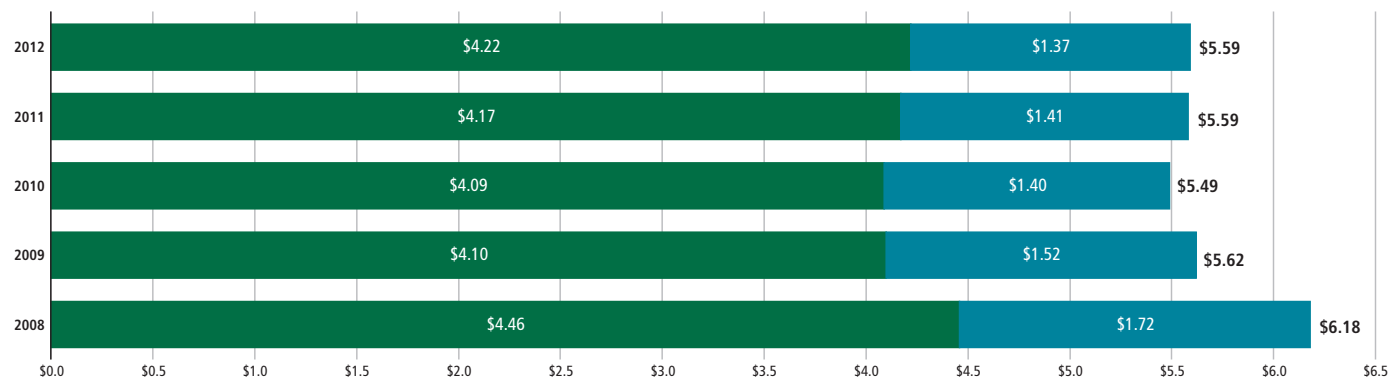
SOURCE: THE LICENSING LETTER

RETAIL SALES OF ART-BASED MERCHANDISE, BY DISTRIBUTION CHANNEL, U.S. AND CANADA, 2012



SOURCE: THE LICENSING LETTER

RETAIL SALES OF LICENSED MERCHANDISE BASED ON ART PROPERTIES ORIGINATING AS ART & ARTISTS AND FROM MUSEUMS U.S. & Canada, 2008-2012, Dollars in Billions



NOTE: Numbers may not add up due to rounding.

SOURCE: THE LICENSING LETTER

“Made in USA”

Continued from page 1

the taste-making, really high-end fashion retailers, which won't take anything any more that's not made in the U.S. or North America. At the

U.S. CONSUMERS CLAIM TO EMBRACE AMERICAN-MADE PRODUCTS — BUT DO THEY?

More than 80% of Americans say they are willing to pay more for U.S.-made products, according to Boston Consulting Group, with the average American willing to pay up to a 60% premium for American-made wooden baby toys, versus the same products made in China.

Consumers say it is “important” or “very important” to them to buy American in many categories, according to Harris Interactive (see chart).

Consumers define Made in America in a number of ways, including “manufactured in the U.S.” (75%), “made by a U.S. company” (52%), “made from parts produced in the U.S.” (47%), and “designed by an American” (25%).

The main reasons respondents consider buying American, according to Harris, include keeping jobs in America, supporting American companies, alleviating safety concerns and quality concerns, patriotism, human rights issues, and reducing environmental impact.

very high end, if your product is high quality and made in America, there are pretty much no price issues at all. High-end consumers will spend almost any amount on American-made.”

Toubassy notes that this phenomenon is indicative of the consumer appeal of made-in-America products, but it does not translate yet to mass channels of distribution. “It’s a matter of what categories can satisfy a more premium price point,” he says. “For most licensed products you need a price point that’s accessible to the broader channels of distribution. It’s not necessarily realistic at this point to manufacture in America at that price point.” He notes that BSP represents mostly mass properties for licensing, and very few of its licensees are currently manufacturing in the U.S.

The pool of potential licensees with U.S. manufacturing capability is slowly growing. As a result of consumer demand and market forces, some manufacturers have begun bringing production back to the U.S.

For example, CelebriDucks, a marketer of collectible rubber ducks that holds licenses for The Wizard of Oz, Elvis Presley, KISS, Major League Baseball and others, recently brought its manufacturing back to the U.S., and its first American-made product was released this month.

In many cases, these are smaller and mid-sized operations, but even Apple has said that it will bring some production back to U.S. factories, albeit for its Macintosh computers only and not its popular iPods or iPhones.

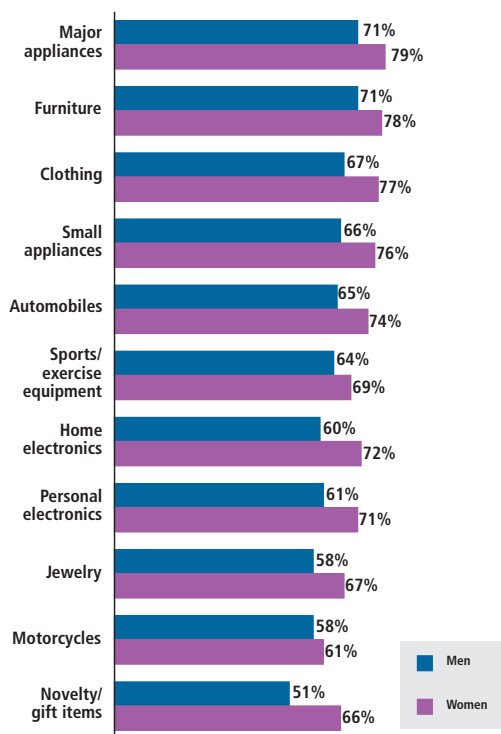
Patricia Rickard of Freedom Group, licensor of Remington, Bushmaster, Marlin, Dakota, and other arms and ammunition brands, has noticed manufacturing returning to the U.S. from Asia, adding that when she visits licensees’ facilities they’re often proud to show how they brought jobs back to the U.S. “It’s a selling point, and they seem to be doing very well with it,” she says. She notes that government incentives to promote local manufacturing, combined with new labor rules in China that make manufacturing there more expensive, are helping support this trend.

The movement toward parity in costs between Asian and U.S. manufacturing is a critical driver, both from the point of view of consumers’ purchasing habits and manufacturers’ need to maintain margins.

Licensee Selection

At the moment, many licensors and agents say that U.S. manufacturing capability is one criterion they may consider as they evaluate potential licensees, but it is almost never the top

U.S. ADULTS WHO CONSIDER IT IMPORTANT OR VERY IMPORTANT TO ‘BUY AMERICAN’ WHEN SHOPPING FOR SELECTED PRODUCTS, BY GENDER



SOURCE: Harris Interactive

Continued on page 11


LICENSES RECENTLY GRANTED, U.S. (Canada as indicated)

| PROPERTY | GRANTED TO | PRODUCTS MANUFACTURED | GRANTED BY |
|----------------------|-------------------------------------|---|------------------------------------|
| Al Agnew | Imagimex | Greeting cards (Canada) | MHS |
| Amylee Weeks | Oklahoma Embroidery Supply & Design | Embroidery | |
| | Primary Colors Design | Journals | |
| Annoying Orange, The | HarperCollins Children's Books | Joke & picture books | Joester Loria Group |
| Apple Jacks | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| ASPCA | Commonwealth Toy & Novelty | Plush toys and accessories | ASPCA |
| Back to the Future | Funko | Figures (U.S., Canada) | Universal Partnerships & Licensing |
| BBQ Pitmasters | Rand McNally | Custom road trips, travel features | Destination America/Discovery |
| Big Lebowski, The | Funko | Figures (U.S., Canada) | Universal Partnerships & Licensing |
| Bride of Chucky | Funko | Figures (U.S., Canada) | |
| Buck Wear | Mustang Products | Drinkware, glassware, kitchen accessories, ceramics, signs, decals, keychains, coin banks (Canada) | MHS |
| Cheez-It | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | Joester Loria Group |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Child's Play 2 | Funko | Figures (U.S., Canada) | Universal Partnerships & Licensing |
| Collin Bogle | Imagimex | Greeting cards (Canada) | MHS |
| Cookie Dough Bites | LikeWear | Apparel | Taste of Nature |
| Corbert Gauthier | Leanin Tree | Greeting cards | MHS |
| Corn Flakes | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | Joester Loria Group |
| | J2 Licensing | NCAA Colleges & Universities t-shirts & fleece (young men's, junior boys, girls) | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Corn Pops | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |

*Extension or renewal.

Continued on page 6


licensing news *Continued from page 5*

| PROPERTY | GRANTED TO | PRODUCTS MANUFACTURED | GRANTED BY |
|-----------------------|----------------------|---|---------------------|
| Corn Pops | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | Joester Loria Group |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Darrell Bush | Fabrique Innovations | Cotton fabric, fleece fabric & throws | MHS |
| | Imagimex | Greeting cards (Canada) | |
| Eggo | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | Joester Loria Group |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Emily the Strange | Evvy | T-shirts (girls) | Membrain Licensing |
| Frigidaire | Euro-Ware | Plastic food storage containers | Beanstalk |
| Froot Loops | C.R. Gibson | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) | Joester Loria Group |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | J2 Licensing | NCAA Colleges & Universities t-shirts & fleece (young men's, junior boys, girls) | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| | Tin Box Co. | Capsule tin carryalls, lunch boxes, storage | |
| Frosted Flakes | C.R. Gibson | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) | |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | J2 Licensing | NCAA Colleges & Universities t-shirts & fleece (young men's, junior boys, girls) | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boy's, girl's), board shorts (young men's, boy's), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| | Tin Box Co. | Capsule tin carryalls, lunch boxes, storage | |
| Hautman Brothers | Imagimex | Greeting cards (Canada) | MHS |
| IZOD | Five Star Blue | Denim (men's) (U.S., Canada) | PVH |
| James Meger | Imagimex | Greeting cards (Canada) | MHS |
| Kardashian Sun Kissed | New Sunshine | Sunless tanning system | The Kardashians |

*Extension or renewal.

Continued on page 7


licensing news *Continued from page 6*

| PROPERTY | GRANTED TO | PRODUCTS MANUFACTURED | GRANTED BY |
|------------------------------------|-------------------------------------|---|---|
| Keebler | Acme Intl. | Kitchen tools, kitchen accessories, bakeware | Joester Loria Group |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Luis Fitch | Oklahoma Embroidery Supply & Design | Embroidery | MHS |
| Marie Claire | Richline Group | Jewelry | PrivateCollection&Co. |
| Mini Wheats | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | Joester Loria Group |
| Monsters and Mysteries in America | Rand McNally | Custom road trips, unique travel features | Destination America |
| NBA/Grateful Dead | Sportiqe | Co-branded apparel | Grateful Dead Productions & National Basketball Association |
| Octonauts | Fisher-Price | Playsets, action figures, Octo-gear | Silvergate Media |
| PAC-MAN and the Ghostly Adventures | BBC Intl. | Footwear | 41 Entertainment |
| Paper D'Art | Raz Imports | Resin figure holiday ornaments | MHS |
| Pop-Tarts | C.R. Gibson | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) | Joester Loria Group |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Popeye | Razor MD | Shaving set (men) | King Features Syndicate |
| Raisin Bran | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | Joester Loria Group |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |

*Extension or renewal.

Continued on page 8

international licensing news *Continued from page 7*

| PROPERTY | GRANTED TO | PRODUCTS MANUFACTURED | GRANTED BY |
|--------------------|----------------------|---|------------------------------------|
| Rice Krispies | Acme Intl. | Kitchen tools, kitchen accessories, bakeware | Joester Loria Group |
| | C.R. Gibson | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) | |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | J2 Licensing | NCAA Colleges & Universities t-shirts & fleece (young men's, junior boy's, girl's) | |
| | Paris Geneve | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) (Canada) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| | Tin Box Co. | Capsule tin carryalls, lunch boxes, storage | |
| Robin Roderick | C&F Enterprises | Ornaments, embroidered towels | MHS |
| Scarface | Funko | Figures (U.S., Canada) | Universal Partnerships & Licensing |
| Special K | Acme Intl. | Kitchen tools, kitchen accessories, bakeware | Joester Loria Group |
| | DGL Group | Headphones, portable speaker systems, docking stations for mobile & electronic devices, cases, covers & holsters for mobile & electronic devices, pedometer | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |
| Stephanie Ryan | Saturday Knight | Bathroom ensembles | MHS |
| Tina Higgins | Ad Lines | Wall art | |
| | Evergreen Enterprise | Kitchenware, kitchen accessories | |
| | Raz Imports | Ornaments, planters, kitchen & wall decor, trays, storage boxes | |
| Trash Pack | CandyRific | Candy & interactive novelty item combinations | Moose Enterprise |
| Universal Monsters | Olander Enterprises | Apparel, accessories | Universal Partnerships & Licensing |
| Vintage | Acme Intl. | Kitchen tools, kitchen accessories, bakeware | Joester Loria Group |
| | C.R. Gibson | T-shirts, fleece tops, sleepwear (young men's, junior boys, girls), board shorts (young men's, boys), boxer shorts (young men's) | |
| | Tabletops Unlimited | Dinnerware, serverware, prepware, beverageware, cookie jars, canisters | |

INTERNATIONAL PROPERTIES AVAILABLE OR RECENTLY ASSIGNED

| PROPERTY | DESCRIPTION | CATEGORIES AVAILABLE | LICENSING CONTACT |
|----------------|---|--|-----------------------------|
| Artestar | Artist catalog/roster including Keith Haring, Robert Mapplethorpe, and others. | All (France) | Veronique Pichon, Sagoo |
| Back2Back | Fashionable, unusual, historic, pop culture, and commercial graphics for iconic consumer products. | Consumer electronics, apparel, gifts, back-to-school (Worldwide) | Maria Strid, Art Ask Agency |
| Dominique Vari | Graphic designer & artist specializing in "Typographical Magic," creating art works with letters and words. | Apparel, gifts, home textile (Worldwide) | |

*Extension or renewal.

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licensing news *Continued from page 8*

| PROPERTY | DESCRIPTION | CATEGORIES AVAILABLE | LICENSING CONTACT |
|-------------------------------------|--|--|------------------------------------|
| Emily the Strange | Apparel company advertising art originally found on stickers that has evolved into a publishing property. | All (Latin America) | Elias Hofman, Exim Licensing Group |
| Geronimo Stilton | Animated television series based on the chapter book series from Scholastic featuring a talking mouse who lives in New Mouse City. | All (Germany) | Guentor Vetter, Euro Lizenzen |
| Hook Up | Handcrafted and traditional style meets contemporary commercial products. | Gifts, stationery, table top, consumer electronics (Worldwide) | Maria Strid, Art Ask Agency |
| Luis Royo | Illustrator specializing in paintings of women in apocalyptic landscapes and fantasy worlds. | Apparel, gift items, accessories, fashion bags, consumer electronics (Worldwide) | |
| Muy Pop | T-shirt brand inspired by everything that pops: bubbles, gum, and pop music. | Back-to-school, gifts, mobile phone accessories, luggage, home textile (Worldwide) | |
| Studiocanal catalogue titles | Creative Licensing Corporation* | Representation (Worldwide) | Studiocanal |

INTERNATIONAL LICENSES RECENTLY GRANTED

| PROPERTY | GRANTED TO | PRODUCTS MANUFACTURED | GRANTED BY |
|---|-------------------------|--|--------------------------------------|
| Chucky Franchise | RH Smith and Sons | Halloween costumes (UK & EIRE) | Universal Partnerships & Licensing |
| Emily the Strange | SLG Beauty | Beauty products (UK) | Sagoo |
| | Sicem Intl. S.R.L. | Apparel (Italy) | |
| Extreme | Imagine8 | Event & resort licensed merchandise (Europe, Middle East, Africa) | Extreme Sports Company |
| | Lucky Seven Caps | Embroidered patches for headwear (Worldwide) | |
| Hellboy 2: The Golden Army | RH Smith and Sons | Halloween costumes (UK & EIRE) | Universal Partnerships & Licensing |
| Hive, The | Heroes for Kids | Toys, gift wrap, cake toppers, books, DVDs (UK) | Space Enterprises |
| Jungle Book, The | Dragon Toys | Battery operated animatronics (U.S., Canada, Australia, New Zealand, South Africa) | DQ Entertainment International |
| | PlayWow International | Inflatable toys, inflatable bath toys, roto molded toys (U.S., South Africa, Australia) | |
| Mister Maker | Creativity Intl.* | Arts & craft packs (UK) | Zodiac Kids |
| PAC-MAN and the Ghostly Adventures | Legend Holdings | Bed linen, pillows, blankets, throws, floor rugs, decorative bedding lines, cushions and cushion covers, beach towels, towels, table linen (Australia & New Zealand) | 41 Entertainment & Gaffney Licensing |
| | Sun City | Apparel (France, Belgium, Monaco) | 41 Entertainment |
| Paul Frank | Royer | Footwear (France) | Sagoo |
| Psycho | Mezco Toyz | Toys (Worldwide) | Universal Partnerships & Licensing |
| Scarface | Trademark Products Ltd. | Apparel (UK & EIRE) | |
| Temple Run | Blues Clothing | Bags & accessories (UK) | Lisle International Licensing |
| | Trade Mark Collections | Bags & accessories (UK) | |
| | Fashions UK | Bags & apparel (Europe) | |
| Tokidoki | Kstationery/ Lannoo | Back-to-school & stationery products (France, Benelux, Portugal) | Sagoo |

*Extension or renewal.

contacts & connections

Contacts & Connections is an alphabetical listing of the licensing companies in this issue.

Acme International Enterprises, Todd Leckinger, VP Sales, 973-416-0400, tleckinger@acme-usa.com.

Ad Lines, Angela D'Amico, 203-880-9590, angela@ad-lines.com.

ASPCA, Helene Gordon, Senior Director Licensing & Retail Development, 212-876-7700, helene.gordon@aspca.org.

BBC International/ Active Licensing Group, Margot Lazar, VP Licensing & Marketing, 561-417-7474, mlazar@bbcintltd.com.

Beanstalk Group, Linda Morgenstern, VP Brand Management, 561-447-6607, linda.morgenstern@beanstalk.com.

Beanstalk Group, The, Rachel Terrace, VP Brand Management, 212-421-6060, rachel.terrace@beanstalk.com.

Bendon Publishing International, Casey Cooke, Licensing Coordinator, 419-207-3600 x245, ccooke@bendonpub.com.

Big Tent Entertainment, Richard Maryyanek, CMO, 212-604-0667, maryyanek@bigtent.tv.

Brandgenuity, Andrew Topkins, Managing Director, 212-925-0730, andy@brandgenuity.com.

Budge Studios, Michael Elman, Creative Director, 514-289-9537, info@budgestudios.ca.

C.R. Gibson, Meryl Taylor, Director Marketing, 615-724-2804, meryl.taylor@crgibson.com.

C&F Enterprises, Barbara Schlegel, Marketing, 880-889-9868, bschlegel@cnfei.com.

CandyRific, Rob Auerbach, President, 502-893-3626 x72, rauerbach@candyrific.com.

Cardinal Industries, Joel Berger, President, 718-784-3000, joelb@cardinalgames.com.

Coca-Cola Company, Kate Dwyer, Group Director Worldwide Licensing, 404-676-7478, katedwyer@na.ko.com.

Commonwealth Toys, Lisa Shamus, EVP, 212-242-4070 x347, lshamus@cwnt-ny.com.

Destination America/Discovery, Marc Etkind, SVP Content Strategy, marc_etkind@discovery.com.

DGL Group, Joey Wahba, CEO, 718-499-1000, joey@dglusa.com.

Dynamic Displays, Becky Thomson, 519-254-9563, bthomson@fabulousinflatables.com.

Euro-Ware, div. Dura-kleen, Charlie Antar, 718-272-4582, charlie@durakleen.com.

Evergreen Enterprises, Brittany Toler, 804-231-1800, brittany.toler@gmail.com.

Evy of California, Corinne Moroney, VP Business Development, 213-746-4647, corinnem@evy.com.

Fabrique Innovations, Sy Garfinkel, President, 212-244-0099, sykel@aol.com.

Five Star Blue, Albert Pardo, EVP, 212-563-4999.

Franco Manufacturing, Lauren Rizzo, 732-623-9508, lauren.rizzo@franco-mfg.com.

Freedom Group, Patricia Rickard, Director Global Licensing, 336-613-1375, patricia.rickard@remington.com.

Funko, Brian Mariotti, President, 425-783-3616, brian@funko.com.

Graj & Gustavsen, Scott Todd, SVP Licensing & Strategic Partnerships, 212-387-0070, scott@ggny.com.

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Ingrooves-Fontana, Michael Plen, VP-Marketing & Promotion, INResidence, 818-212-2952, mplen@ingrooves.com.

J2 Licensing, Jon Rose, 248-577-1100 x13, jon.rose@j2licensing.com.

Joester Loria Group, James Slifer, SVP Business Development, 212-683-5150 x306, jsflifer@tjlgrou.com.

Kellytoy USA, Jonathan Kelly, SVP, 323-588-8697 x16.

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Leanin' Tree, Susan January, VP of Product Management, 303-581-2178, susan.january@leanintree.com.

LikeWear, Lisa Gold, CEO, 973-535-5664, info@likewear.com.

Magnote, Shinya Fujimoto, 415-935-1147.

MHS Licensing, Marty Segelbaum, President, 952-544-1377 x202, marty@mhslicensing.com.

Moose Enterprise, Licensing Manager, 011-61-3-9579-7377, licensing@moosetoys.com.

Mustang Drinkware, Brad Sparling, 519-685-5505, bsparling@mustangproduct.com.

NBA Entertainment, Sal LaRocca, EVP Global Merchandising Group, 212-407-8533, slarocca@nba.com.

New Sunshine, Kurt Sendek, VP Manufacturing, 800-633-0069, ksendek@newsunshinellc.com.

Oklahoma Embroidery Supply and Design, Kim Goodwin, GM, 405-516-4718, kim@oesd.com.

Olander Enterprises, John Olander, 949-497-7138, info@rockrebelshop.com.

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PrivateCollection&Co, Elena Baronoff, Chairman, 305-213-3606, elena@privatecollectionandco.com.

PVH, Kenneth Wyse, President, Licensing, 212-381-3628, kennethwyse@pvh.com.

Rand McNally, Dave Muscatel, CEO, 800-333-0136, dmuscatel@randmcnally.com.

Raz Imports, Ken Row, Creative Director, 214-244-6202, kencarlrow@aol.com.

Razor MD, Scott Saltzman, Chief Shaving Officer, 866-386-8236, scott_saltzman@razormd.com.

Richline Group, Ramona Genao-Archibald, EVP Merchandising, 800-966-8800, ramona@richlinegroup.com.

Saturday Knight, Denise DeWitt, 513-641-1400, ddewitt@skltd.com.

Silvergate Media, Mary Durkan, CEO, 44 20 7151 0115.

SMC Entertainment, Pamela Harris, Director Licensing, 818-678-9680, pamela@smcentertainmentgroup.com.

Sportiqe, Jason Franklin, Co-Owner, 480-858-9900, jason@sportiqe.com.

Staples Promotional Products, Pam Westman, Managing Director, Canada, 905-565-5555 x2243, pam.westman@staplespromoproducts.ca.

Tabletops Unlimited, Dar Molayem, Co-owner/CMO, 310-549-6000, darm@ttucorp.com.

Taste of Nature, Scott Samet, Co - President, 310-396-4433.

Tin Box Company of America, Andy Siegel, Director of Sales, 631-845-1600 x210, siegela@tinboxco.com.

Warner Music Group / Rhino, Sara Nemerov, SVP Consumer Products & Brand Licensing, 212-275-2370, Sara.Nemerov@rhino.com.

international contacts & connections

This section refers to the International listings on Pages 8-9. International calls from the U.S. and Canada must be preceded by the 011-prefix.

Art Ask Agency, Maria Strid, President, 349-3645-2225, maria@artaskagency.com.

Artester, Anastasia Kouriatova, Director Sales & Marketing, 212-627-7242, akouriatova@artestar.com.

Blues Clothing, Patrick Bailey, Commercial Director, 44-207-371-9900, patrick.bailey@blues1.co.uk.

Creative Licensing, Kim Penny, 310-479-6777, kimpenny15@gmail.com.

Creativity International, Rob Ireland, Managing Director, 44-138-448-5550, sales@climited.co.uk.

DQ Entertainment, Manoj Mishra, VP Licensing/ Distribution, 0091-40-2355-3726/27, manojmishra@dqentertainment.com.

Dragon-i Toys, John Tsien, SVP Sales & Marketing, 852-3571-9198, contact@dragon-itoy.com.

Euro Lizenzen, Guenter Vetter, Managing Director, 49-89-266-066, vetter@eurolizenzen.net.

Exim Licensing Group, Elias Hofman, President, 305-534-1900, ehofman@eximlicensing.com.

Extreme Sports Company, Al Gosling, CEO, 44-207-724-1000, branddevelopment@extremeinternational.com.

Fashion UK, Gurdev Mattu, Managing Director, 44-116-276-2929, info@fashions-uk.com.

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Imagine8, Norman Thompson, Director, 44-1925-444474, norman@imagine8.com.

Konami Digital Entertainment, Sandra Arcan, Senior Manager Licensing & Merchandising EMEA, 44-7500-047067, saukar255888@konami.com.

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Legend Australia Holdings, Darren O'Regan, 61299382333, darren@legendaust.com.au.

Lisle International Licensing, Colin Lisle, Managing Director, 44-1937-586237, colin@lisleintllicensing.com.

Lucky Seven Caps, Melanie Moss, mel@luckysevencaps.com.

Mezco Toys, Mike Drake, Licensing Manager, 718-472-5100, drake@mezco.net.

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international contacts & connections *Continued from page 10*

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RH Smith & Sons Limited, Elliott Peckett, Director, 44-1427-619799, marketing@smiffys.com.

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Sicem International Srl, Jonathan Kafri, Manager, 39-055-345751, jonathan.kafri@sicem.eu.

SLG Beauty, Patricia Topping, Joint Managing Director, 44-1242-225720, enquiries@slgbeauty.com.

Space Enterprises, Mark Hurry, Director of Licensing, 44-234-488-884, mark@spaceenterprises.co.uk.

Sun City, Michel Benchetrit, 33-14989-7272, michel.benchetrit@sun-city.fr.

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Universal Partnerships & Licensing, Cindy Chang, VP/GM Licensing, 818-777-2067, cindy.chang@nbcuni.com.

Zodiak Kids, Patricia de Wilde, SVP Consumer Products, France, 33-1-44-34-66-31, patricia.dewilde@zodiakkids.com.

“Made in USA”

Continued from page 4

priority. The importance varies by licensor, of course.

“We look first to the best manufacturer, one that’s going to make quality goods and work well with the brand,” Dwyer says. “That’s our first filter. But if we can partner with an American manufacturer, that’s a win-win for everyone.”

American production is a significant factor in Freedom Group’s licensing activities and extends across all FGI brands. “Our core consumer is all about American values,” says Rickard. “We manufacture in America, and we look for Made in America products from our licensees.”

The majority of Remington licensees, including those with the biggest programs, make all or most of their products in the U.S., Rickard reports. For example, Coastal Pet Products, which markets an extensive line of Remington collars, leashes, harnesses, and accessories for sports and hunting dogs, makes most of its products at its Alliance, Ohio, factory.

The HGTV Home program, represented by Beanstalk, includes several licensees that make products in the U.S., namely Sherwin-Williams (paint), Shaw (flooring), and Bassett Furniture (custom upholstery). The Bassett Furniture chain, which has close to 90 stores, rebranded its custom design studios in each of its locations to the HGTV Home brand last fall, and manufactures the made-to-order sofas and ottomans in the U.S.

“One of the pillars of the marketing message will be Made in America,” Terrace explains. “It’s not the whole message, but it’s part of the message. In furniture and especially case goods, where lots of manufacturing has gone abroad, first to China and now Vietnam, Indonesia, and other Asian countries, it is somewhat of a competitive advantage.”

Brandgenuity represents A&E Networks, which has an All-American group of shows including History’s *American Pickers* and *Swamp*

People and A&E’s *Duck Dynasty*. The last—which is about a family, its duck call and hunting products company, and the family’s life in the Louisiana bayou—attracted 8.6 million viewers to its season premiere this spring and has about 40 licensees on board to date.

Andy Topkins of Brandgenuity says “a meaningful percentage” of the brand’s licensed products are made in the U.S. “It’s an extra check mark or a feather in the cap of a licensee,” he says. “The Robertsons’ products are manufactured in the U.S.A. and they tend to feel good about licensees that manufacture in the U.S.”

Marketing Message

While very few licensors and agents are actively seeking out U.S. manufacturers as a top priority at this point, most say that if the right licensee for a given property happens to manufacture in the U.S., the licensor and licensee will certainly promote that fact. “It can be a real plus when you have the little American flag on a product,” Toubassy says.

W.R. Case & Sons Cutlery highlights the fact that its 22-knife collection under the recently acquired Carhartt license is manufactured in the U.S. Similarly, My Pool Pal, a marketer of flotation swimwear for toddlers, recently paired with camouflage brand True Timber. My Pool Pal noted that True Timber will manufacture the products, which feature its camouflage-patterned fabrics, at its South Carolina plant, bringing 100% of My Pool Pal’s product line back to U.S. production.

Dwyer notes that Made in America can even be a marketing hook outside of the U.S. “Independent of the region, we’ve seen that an Americana graphic and design story has been one of our bestselling themes,” she says.

“All things being equal, [Made in America] is another reason to partner with a licensee,” says Topkins. “It’s not just about saving jobs. There are compelling business reasons as well. The quality tends to be a little bit better, and the speed to market is important.”

in short

WHO’S NEWS

Mark Panko is named President of 4LC Sports & Entertainment, a newly launched licensing agency owned by 4Licensing Corporation.

Pam Westman joins Staples Promotional Products as Managing Director, Canada. Westman was most recently with HIT Entertainment.

Al Ovadia joins All American Licensing & Management Group, the company started by Tim Rothwell and Michael Gottsegen.

Scott Todd is SVP Licensing & Strategic Partnerships at Graj & Gustavsen; he had been with Moda.

Michael Plen is named VP Marketing & Promotion at INresidence, the artist service division of INgrooves Fontana, an indie music distribution and marketing company. Plen will be responsible for licensing, brand integration, and marketing.

Sandra Arcan is named Senior Manager Licensing and Merchandising EMEA at Konami Digital Entertainment. Arcan had been Associate Licensing and Retail Director at 4Kids Entertainment.

Restaurants Extend Brands To Grocery Aisles

Some say that restaurant brand-extension into grocery stores' food aisles is reaching the point of saturation, what with the number of brands that have taken this step over the last several years and the already huge \$2.8 billion in retail sales being generated by restaurant-branded food and beverages, according to THE LICENSING LETTER.

But restaurant brand owners and food company licensees don't seem to think so, judging from the announcements of new and expanded deals that just keep coming:

- ▶ Italian restaurant chain Fazoli's and agent The Valen Group have partnered with Retail Innovations to market branded Italian entrées and sides in grocery stores.

- ▶ Darden Restaurants is expanding distribution of its Olive Garden salad dressings into 3,200 Walmart stores. Darden has been testing five products under the Red Lobster and Olive Garden brands in Sam's Club — through licensees including T. Marzetti and Lotito Foods — and anticipates annual gross sales of \$40 million.
- ▶ Cracker Barrel announced what it terms its first food-related licensing deal in November of last year, for a line of meats with Smithfield Foods' John Morrell division. However, Kraft, the marketer of Cracker Barrel cheeses sold in supermarkets, filed a trademark infringement suit against the chain shortly thereafter.
- ▶ In July 2012, Mrs. Fields and Interbake Foods announced a licensing deal in which Interbake would manufacture and market Mrs. Fields packaged cookies to be sold through retail distribution.
- ▶ Last spring, TCBY signed Spring Creek Holdings, a frozen dessert company, for a line of prepackaged frozen yogurt products under the TCBYGrocery brand.

Meanwhile, Dairy Queen recently signed with licensing agency Global Icons to develop a licensing program focused on its DQ and Orange Julius brands, but the initiative will be centered on non-foods categories such as kitchen electrics, gadgets, housewares, gifts, novelties, toys, and games.

CLASSIFIED: HELP WANTED

Universal Pictures Partnerships & Licensing — Coordinator, Consumer Products Domestic Sales

The Coordinator, Consumer Products Domestic Sales is responsible for providing support to the VPs during the pre & post sales process and following up on deal execution to make sure the deals flow through the process smoothly. To view the full job description and submit an application, please visit www.nbcunicareers.com and search for job # 9240BR. EOE.

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- ▶ Range of royalties for specific property types, by product category
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DID YOU KNOW?

- ▶ Royalties on licensed merchandise averaged 8.7% in 2012
- ▶ Celebrity, sports, estates, and collegiate properties command royalties 1 point or more higher than the average across all property types
- ▶ Across product categories, manufacturers of video games, traditional toys/games, and luggage/travel accessories pay the highest royalties

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2013 ROYALTY TRENDS REPORT

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Royalty Profile For Fashion-Based Licensed Merchandise

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Royalty Profile For Licensed Footwear

Royalty Profile For Licensed Furniture/Home Furnishings

Royalty Profile For Licensed Gifts/Novelties

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APPENDIX: THE LICENSING LETTER GUIDE TO PROPERTY TYPES & PRODUCT CATEGORIES

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