

2008 Data Capture

Media Release



Summary

This report contains aggregated dollar (Canadian wholesale) and unit sales figures from bicycle suppliers to the Independent Bicycle Dealer (IBD) channel. It is estimated that the reporting suppliers account for approximately 65% of the channel.

The majority of this report consists of category-by-category breakdowns of Units and Dollar sales figures for 2008. Figures for the corresponding periods of 2006 and 2007 are provided for comparison.

It should be noted that all Dollar figures are at wholesale, unless otherwise stated.

For more information, please contact news@btac.org .

Summary (cont.)

- Year-Over-Year (YOY), the fourth quarter saw considerable fluctuation in both Unit and Dollar Sales, as the global economic downturn impacted on the Canadian bicycle industry. For the entire year, the Canadian IBD sector fared quite well, with Average Unit Prices (AUP) up in all categories except Road bikes (as compared to 2007). Unit Sales and Dollar Sales increased by a total of 6.53% and 9.30% respectively YOY. Clearly, the Canadian IBD sector has weathered the initial economic downturn much better than the U.S. market, where the BPSA reported a 13% drop in Dollar Sales for the Fourth Quarter (compared to 2.17% growth for Canada). Overall, the U.S. grew a slim 2% in Dollar Sales for all of 2008, and fell 6% in Unit Sales, compared to growth of 9.3% and 6.5% respectively for Canada.
- The fourth quarter started in October with significant downturns in both Unit and Dollar Sales across almost every category. 26" wheel bikes showed the greatest drop, down by 32.4% in Unit Sales and 29.3% in Dollar Sales. The decline was fuelled by plummeting sales in the cheaper price points (although all 26" bikes fell). However, a bright point was that AUP actually went up in the 26" category. The only categories that did not drop in October were Road and Miscellaneous.
- November saw the beginning of recovery - overall, Unit Sales were up 5.9% YOY. On a category-by-category basis, the decline in 26" bikes slowed significantly to -6.5% in Unit Sales, and Youth and Hybrid both showed significant YOY growth, while Road and Miscellaneous continued with their growth.
- December continued the recovery, with the 26" category Unit Sales only slightly down on a YOY basis, while Average Unit Prices were up by 18.8%. Youth, Hybrid and Miscellaneous all enjoyed sizable YOY gains in both Units and AUP. The Road category had another large jump in Unit Sales, but it was not matched by Dollar Sales, leading to a significant drop in AUP.
- For the Fourth Quarter as a whole, Unit Sales were down 3.5%, primarily because of the very poor performance in October. From that point on, sales recovered strongly. A very positive point was that Dollar Sales did not decline nearly as much as Unit Sales and, in fact, increased proportionately, leading to an Average Unit Price increase (YOY) for the Quarter of 5.8%. Every category except Road experienced a YOY increase in AUP.

2006/2007/2008 - Unit Sales

	Jan.-December, 2006	Jan.-December, 2007	Jan.-December, 2008		% Change
	Sales Units	Sales Units	Sales Units		Sales Units
					2007 - 2008
Total 26" Bikes	119893	113754	116761		2.64
Total Youth Bikes	38689	43506	44786		2.94
Road Bikes	20201	20378	22698		11.38
Hybrid Bikes	42527	43005	50141		16.59
Other	552	1254	2010		60.29
Total All Bikes	221862	221897	236396		6.53

2006/2007/2008 - Dollar Sales

	Jan.-December, 2006	Jan.-December, 2007	Jan.-December, 2008		% Change
	Sales Dollars *	Sales Dollars *	Sales Dollars *		Sales Dollars
					2007 - 2008
Total 26" Bikes	\$57,243,364	\$52,650,180	\$55,737,604		5.86
Total Youth Bikes	\$5,486,082	\$6,320,074	\$6,797,971		7.56
Road Bikes	\$20,563,604	\$19,111,922	\$19,993,565		4.61
Hybrid Bikes	\$12,919,360	\$12,629,801	\$16,133,352		27.74
Other	\$297,068	\$367,899	\$889,198		141.7
Total All Bikes	\$96,509,478	\$91,079,876	\$99,551,690		9.3
* Wholesale					

2006/2007/2008 - Average Unit Price

	Average Unit Price *	Average Unit Price *	Average Unit Price *		% Change
	Jan.-December, 2006	Jan.-December, 2007	Jan.-December, 2008		Average Unit Price
					2007 - 2008
Total 26" Bikes	\$477	\$463	\$477		3.02
Total Youth Bikes	\$142	\$145	\$152		4.83
Road Bikes	\$1,018	\$938	\$881		-6.08
Hybrid Bikes	\$304	\$294	\$322		9.52
Other	\$538	\$293	\$442		50.85
Total All Bikes	\$435	\$410	\$421		2.68
* Wholesale					

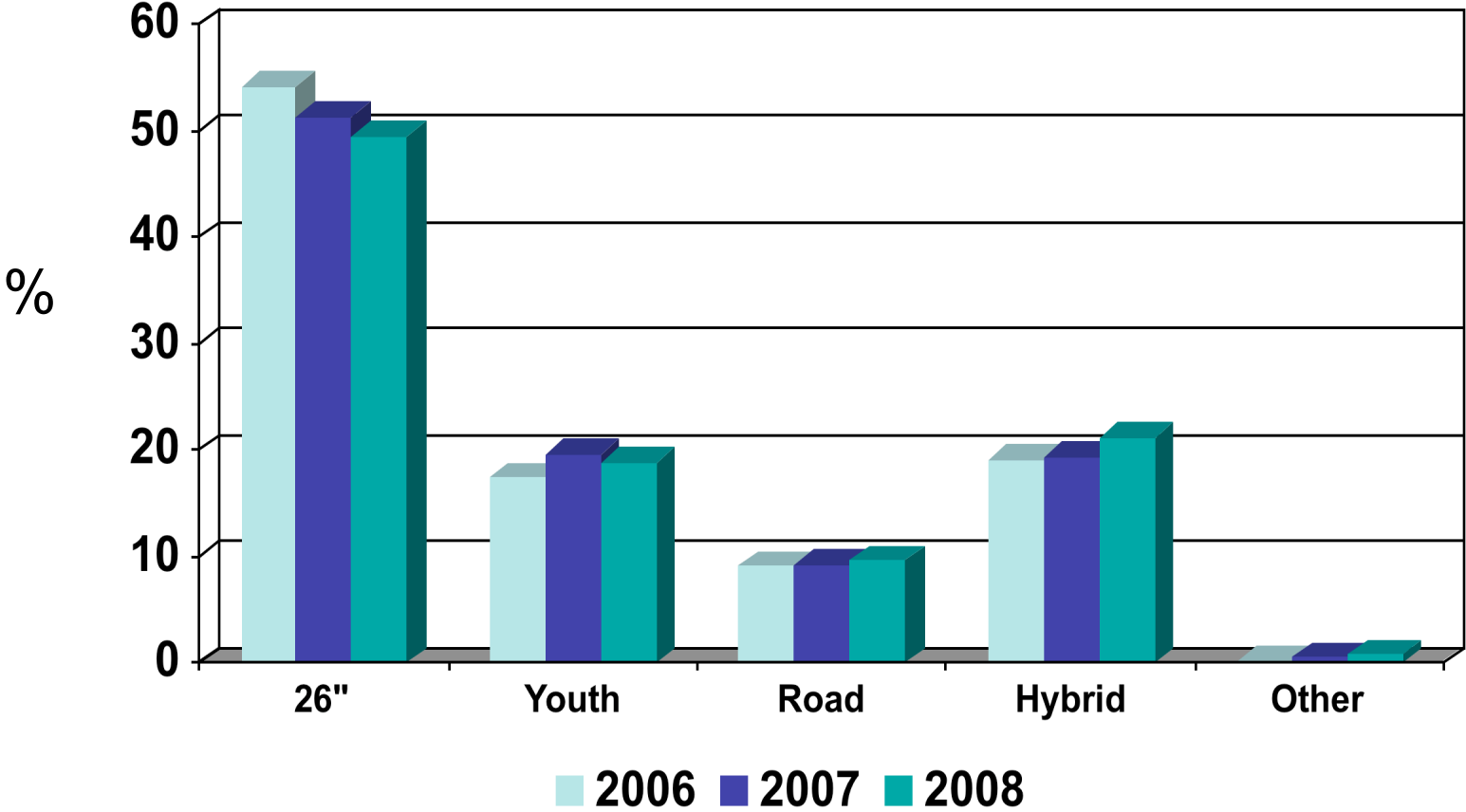
Estimated Size of Market - Unit Sales

	Jan.-December, 2008	Jan.-December, 2008
	Units Sales	Estimated IBD Mkt Size *
		Unit Sales
Total 26" Bikes	116761	179632
Total Youth Bikes	44786	68902
Road Bikes	22698	34920
Hybrid Bikes	50141	77140
Other	2010	3092
Total All Bikes	236396	363686
* Based on an estimated data capture rate of 65% of IBD bicycle suppliers		

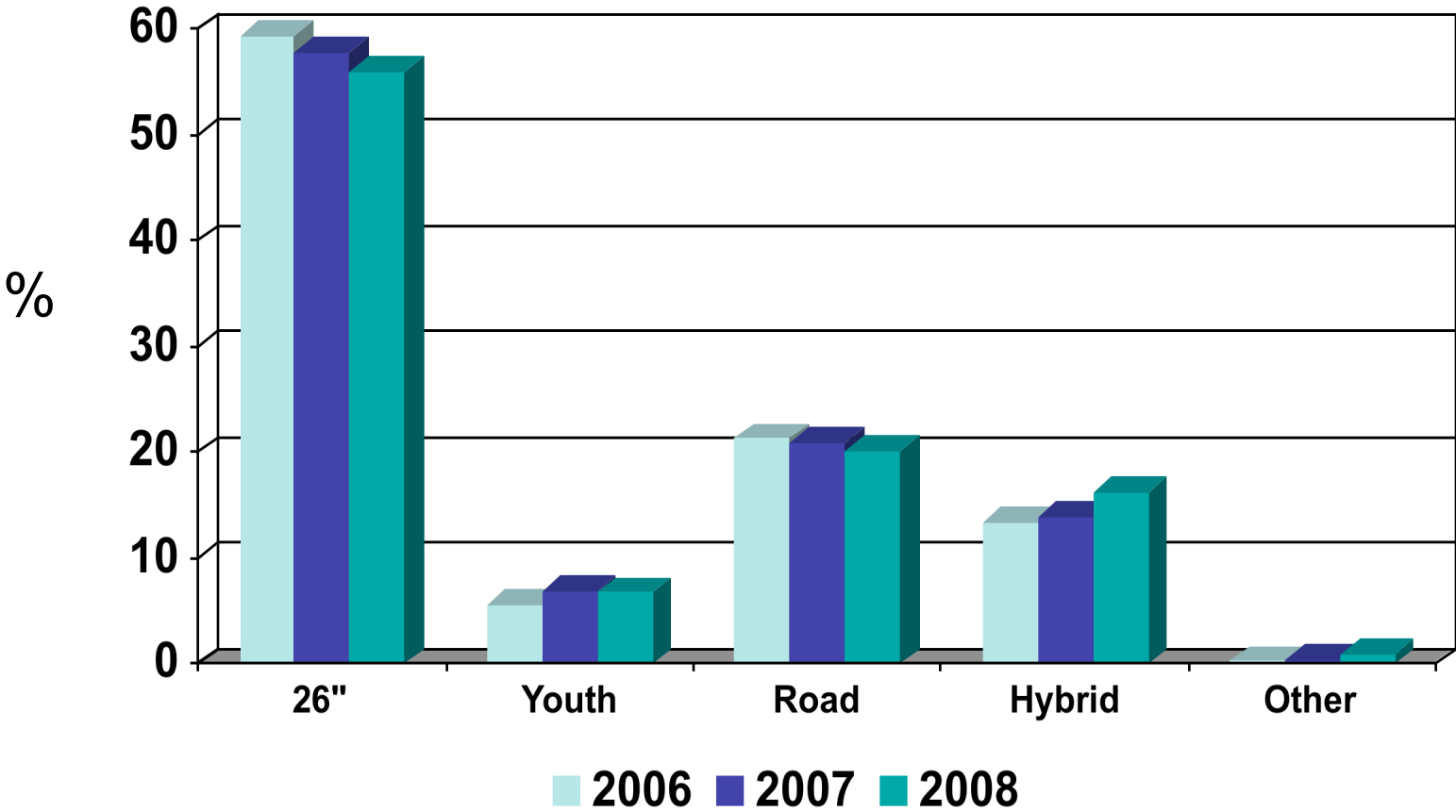
Estimated Size of Market - Dollar Sales

	Jan.-December, 2008	Jan.-December, 2008	Jan.-December, 2008
	Dollar Sales (Wholesale)	Estimated IBD Mkt Size *	Estimated IBD Mkt Size *
		Dollar Sales (Wholesale)	Dollar Sales (Retail) **
Total 26" Bikes	\$55,737,604	\$85,750,160	\$120,050,224
Total Youth Bikes	\$6,797,971	\$10,458,417	\$14,641,784
Road Bikes	\$19,993,565	\$30,759,331	\$43,063,063
Hybrid Bikes	\$16,133,352	\$24,820,542	\$34,748,759
Other	\$889,198	\$1,367,997	\$1,915,195
Total All Bikes	\$99,551,690	\$153,156,446	\$214,419,024
* Based on an estimated data capture rate of 65% of IBD bicycle suppliers			
** Based on an average mark up rate of 40%			

Category Unit Sales - Annual



Category Dollar Sales - Annual



Category % Change AUP - Annual

(Average Unit Price)

