



Rotasole®

The TECHNOLOGY That *TURNS!*™

Licensing Opportunity

Building an Icon Brand

November 1, 2010

Brand Strengths

- Unique, proprietary technology
- Exclusive Global patent
- Unmatched technology from competitors in the global marketplace
- Clinical study @ University of Sydney Bio-Mechanical Lab confirms that wearing Rotasole during activity reduces stress placed on ankles and knees by 30%
- Established customers include Hammacher/Schlemmer, Footsmart, Foot Solutions, Shoe Buy.com, and a multitude of independent stores.
- Proven consumer acceptance to the technology features and benefits.
- Goes beyond athletics to reach all categories of footwear
- Targets multiple athletic needs: e.g. basketball, tennis, turf
- Would revolutionize some segments of the footwear industry (i.e. service footwear)
- Availability of subject matter expertise including: highly experienced athletic shoe and casual product design team, orthopaedic surgeon, fitness professionals, NCAA referee
- Proven to minimize injuries related to ankle, knee and hip stress for both athletic and non-athletic consumers.
- Can be very competitively priced against typical 'new technology' costs
- Already established college & university relationships

5 Year Objectives – Licensing Partner Outline

- **Build long term Business strategy to attain \$50m plus by year end 2015**
 - Distribution strategy
 - Identify Account/Door tier segmentation
 - Continue the growth of grass roots e-tailers, catalogs, etc.
 - Maximize door placement in current account base by expanding product placement.
 - Insure price is kept relative to product quality, features and benefits.
 - Identify and target select prospect accounts for new distribution
 - Exploit the fitness industry appeal for the technology in adults and kids.
 - Continue to pursue alternative points of distribution including colleges, referees, service industry, specialty organizations focused on health and wellness.
 - Product segmentation strategy
 - Identify tier and category segmentation such as athletic, athleisure, casual, service, walking, specialty athletics.
 - Tie-in key retailer base with each product category and price-point
 - Strategically choose one partner from each segment and develop a launch outline.
 - Insure factory base for each segment is of the highest quality and has adequate production capabilities.
 - Implement 2 product calendars
 - Flexible, quarterly calendar for Influential, fashion products
 - Proactive, seasonal calendar for core product line

Opportunities

- Annual global spend of \$21B (\$4.3B US) in athletic footwear.
- Over the past two years the awareness and acceptance of the brand has been strategically developed through a systematic grass roots effort that has built a foundation of retailers, e-tailers, and consumers. All of these segments show positive growth opportunities.
- With the design and development of new products new channels of distribution within the US can be secured including (Nordstrom's, Macy's, Dick's, other major retailers, Sporting Goods stores, Internet, colleges and universities).
- A significant marketing and public relations campaign could explode the brand beginning in the US and then globally.
- Expand virtual marketing options such as social networking and other alternative marketing outreaches geared toward to reaching targeted mass audiences.
- Global opportunities already exist with countries such as New Zealand, Australia and Japan. Once established the distribution opportunities can be expanded to Europe, Asia, etc.
- Licensing, co-branding and sponsorships with celebrities and/or companies specializing in the apparel, accessory, sporting goods arenas, provide opportunities for meaningful brand impressions and increased brand awareness.

Suggested Marketing Objectives: 2011/2012

- Invest a minimum of 5% of annual sales and continue the successful Grass Roots efforts put forth since the brands inception in the US marketplace.
 - Build Brand awareness and familiarity through Website, facebook, You Tube, Twitter, Industry and National advertising Opportunities.
 - Drive product interest through consumer demand increases at the retail level.
 - Work closely with retailer base to insure we are maximizing any and all consumer directed information and training opportunities.
- Identify and prioritize immediate Marketing initiatives
 - Website design & development a must
 - Increase Internet exposure
 - Continue to implement product seeding plan
 - Enhance/Elevate Tradeshow presence
 - POP design & development
 - Update Packaging design & development
 - Continually develop and execute Guerilla marketing plans
 - Develop Trade & consumer advertising minimally as needed
 - Invest in primary and secondary consumer/industry research as necessary

Global Branding = Rotasole

- Capitalize on relationships to build consistency of brand message in our marketplace
 - Rotasole will be the umbrella brand
 - The name and the logo will be used interchangeably to build consumer recognition.
 - Retailer segmentation may call for the potential of a sub-brand utilizing Rotasole technology.
 - Explore the possibilities within the service industry in 2011.
 - Create Rotasole kids product for a soft launch as soon as possible.
- Develop a clear concise way of differentiating the products within categories and/or retailer segments.
- Insure product differentiation by utilizing materials, colors, packaging. Examples of categories could be:
 - Creations = Premium
 - Essentials = Mid-tier
- Continue to actively explore distributorships outside of the US to maximize global exposure and sales of the brand.

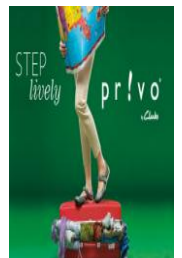
Competitive Landscape: 2011 & Beyond...

- Our key competitors vary within each product segment

Athletic/Sport

Lifestyle/Active

Fashion





Target is a Mindset, not a Demo

Influentials

- Independent
- Confident
- Fashion conscious
- Fun
- Seeks versatility



7/17/10

Topline Sales and Distribution

2011

- \$1.1M
- 30k pair
- 50 Accounts
- 200 Doors
- 60% Women's
- 40% Mens

2013

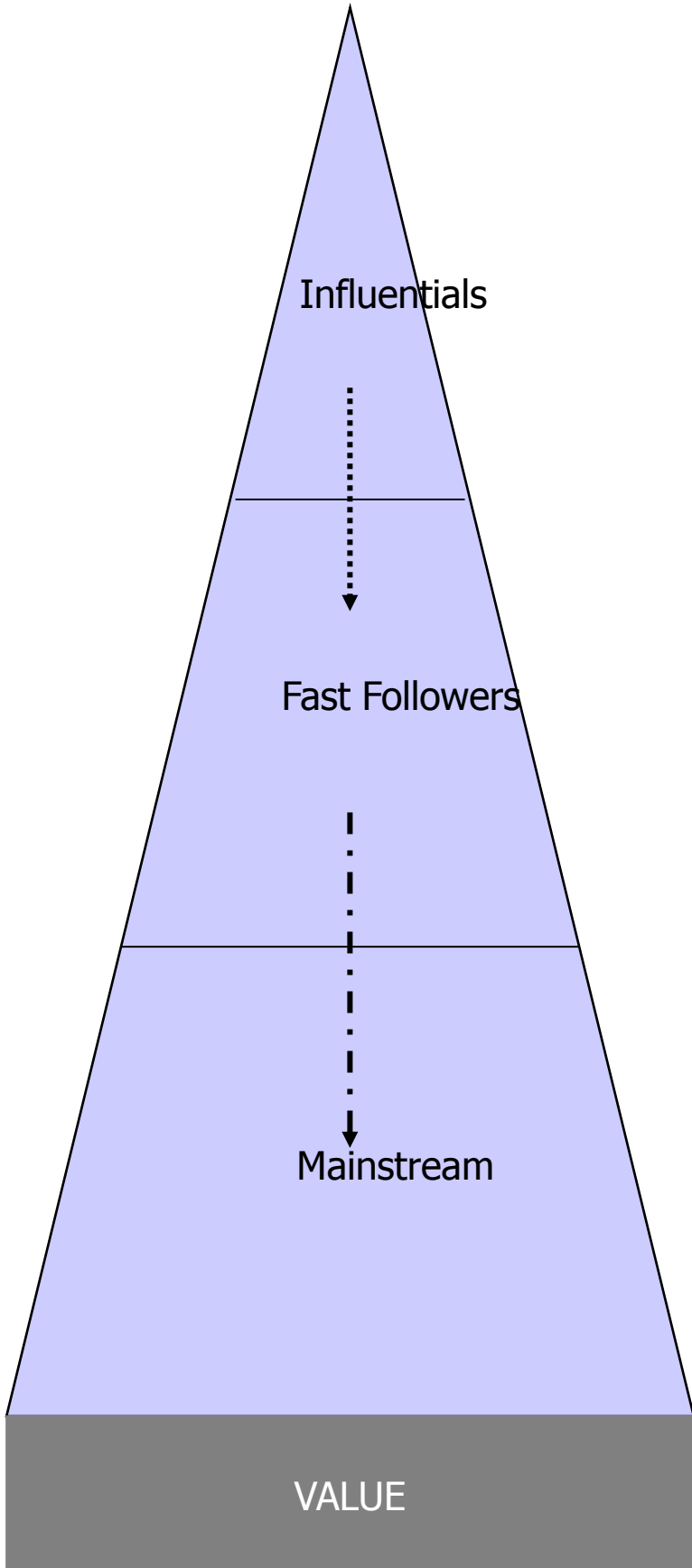
- \$12.5M
- 313K pair

2015

- \$35M
- 875K pair
- 300 Accounts
- 2500 Doors
- 45% Women's
- 30% Mens
- 25% Kids



Influentials = Trend setters & Brand builders



Align Retail Strategy with Consumer cycle

DISTRIBUTION

Premium

Dept. Stores
Key Specialty
Independents

Influentials

Moderate

Dept. Stores
Key E-Tailers
Specialty Chains

Fast Followers

Mass

Dept. Stores
Chain Stores
Independents

Mainstream

Discount

VALUE

Retail Segmentation Defined

Influentials

- Nordstrom
- EastBay
- Zappos.com
- Finish Line
- Von Maur
- Hammacher / Schlemmer
- Bliss
- Premium Independents
 - Fred Segal
 - Tanner Y
 - Littles
 - Abba Dabba
- Dicks (A doors)
- DSW

Fast Followers

- Macy's
- AAEFES
- Dillard's
- QVC
- Champs (A doors)
- Lady Footlocker (A doors)
- Foot Solutions
- Hanger
- 2nd Tier Independents
- Clarks
- JC Penney

Mainstream*

- Carsons
- Footlocker (B & C doors)
- Champs (B+ doors)
- Sears
- Shoe Show
- Shoe Carnival
- Famous Footwear

Discount*

- Kohls
- RackRoom
- Off Broadway
- Academy
- Stage Stores

* No immediate plans to open Mainstream or Discount channels with pure branded p

Segment Product that aligns with both

DISTRIBUTION

PRODUCT

High-end
Dept. Stores
Boutiques
Independents

Fashion/Trendy/Inno
vative

Influential's

Moderate
Dept. Store
E-Tailers
Specialty

Moderate/Trendy

Fast Followers

Mass
Dept. Stores
Independents

Mainstream

Mainstream

Discounts

Mass Discount

VALUE

Next Steps

- Meet and discuss the product, consumer base, retail customer base, opportunities, product development, marketing, etc.
- Review marketing strategies developed by the licensee to insure each segment of the market will be thoroughly covered over the next 3 to 5 years.
- Agree upon a contract that incorporates an initial licensee fee, royalty, consulting (if needed) and manufacturing agreement.
- Once licensee partner is in place seek global distributors that will provide the licensees opportunities to increase overall volume.

Contact Information

- Please contact Charles Liberge in the US at 617-513-3110 or e-mail him at cliberge2000@aol.com for additional information or to set up an appointment to discuss the Rotasole brand.
- Please feel free to visit Rotasole.com for additional product, videos and testing information.