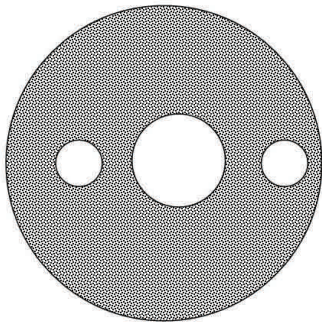
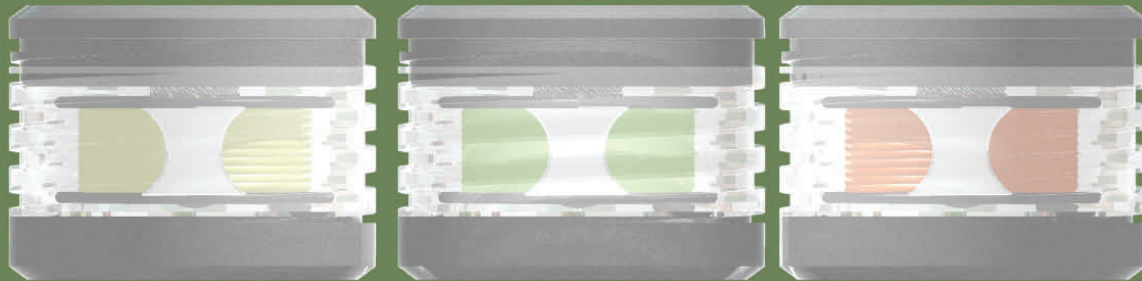
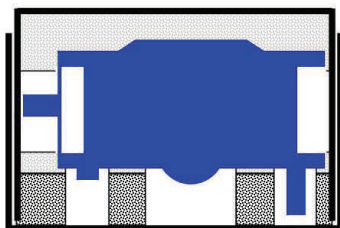
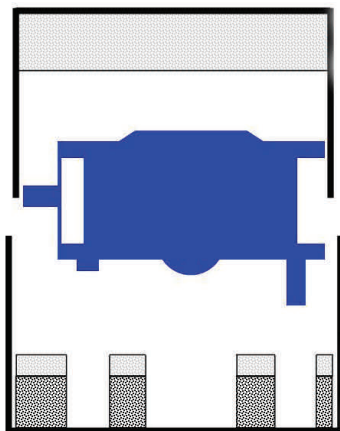


REAL CASE BY



ARE YOU SURE YOU TRUST THAT SOFT NEOPRENE BAG WITH YOUR EXPENSIVE REEL?

- **GENUINE PROTECTION** WITH DUAL DENSITY FOAM INSERTS AND SOLID PVC CONSTRUCTION. THE REEL IS HELD FIRMLY AND EVENLY, NO TORQUE ON THE HANDLE OR SPINDLE FOR LONG TERM STORAGE. IT'S EVEN RECYCLABLE.
- **TRANSLUCENT MATERIAL** SO YOU CAN TELL WHICH REEL IS INSIDE BEFORE YOU OPEN THE CASE. OPEN CELL FOAM IN THE LID ALLOWS MOISTURE TO BE ABSORBED AND EVAPORATED THROUGH THE VENT HOLES.





REAL ADVANTAGES OF THE "REAL CASE"

- 1) **Durable, solid, bullet proof...**almost. I've seen people stand on them but wouldn't really recommend it. The two PVC halves are actually quite soft, but in a miracle of engineering, become extremely rigid when threaded together and resist compression from any direction.
- 2) **The translucent case** allows you to see inside without opening it up. Handy when you have a bag full of reels. Additionally consumers could select different colors for different reels.
- 3) **Die cut foam inserts** are dual density and gently grip the reel on its two faces. No lateral force is applied to the handle or spindle. A reel spends most of it's life in a case, why not make it a good one?
- 4) **Moisture is pulled out** of the reel by soft open cell foam. Additionally this moisture can transpire through the foam and escape to the environment.
- 5) **Branding and labeling** can be easily applied and no adhesives are required. As a retail product it doesn't need a package, just a label, thus minimizing material waste. The PVC is also fully recyclable.
- 6) **Sustainability** should be a primary concern for fly fishermen because the sport depends on the preservation of pristine natural environments. This is an opportunity to differentiate the brand. Launching the Real Case will eliminate a huge source of post consumer waste by eliminating the retail package.

This product will have a unique position in the marketplace because there is simply nothing like it. For your company it could be a significant contribution to a brand identity based on true innovation and passion for the sport of fly fishing. An elegant design in its simplicity and purpose, the "Reel Case" echoes the ingenuity that is, in my mind, the heart of The Waterworks/Lamson.

A reel case directly compliments your core business. The Waterworks/Lamson is known as a premium reel maker and you are well established in the market. With that kind of reputation consumers will listen when you say, "look, we make great reels and now we make a great case, in fact it's the best there is. We know reels and we know how to protect them better than some company that makes back packs. It's not just a product, it's an insurance policy."



Opportunity for market research @ Expo 2006

1. Get to know the market, pricing study, consumer feedback, rep feedback...opportunity to sample the people with wallets
2. 20 samples in each of 4 colors (transparent: orange, red, blue — opaque: gloss black) can be made available for the show.
3. Give samples to reps
4. Don't give samples to consumers, just get feedback, freebies have no inherent value and will not support the premium image.
5. Possible blind test avoids positive or negative brand bias. Meaning, conduct casual interviews away from the booth and brand to ensure you are testing the product and not the reputation of The Waterworks/Lamson.

Considerations for product specification

1. Orders can be placed, directly with the manufacturer, for MOQ's of 500 pcs per color. Breaks @ 1000/2,500 pcs.
2. Sizes and colors can be market tested without significant buildup of inventory.
3. The standard inside diameter is 4.2" which will fit the majority of reel sizes. The next step up is 5.0" ID. In this sense the concept can be implemented without committing to tooling for multiple sizes.
4. Other sizes will require tooling and large minimum orders but the two sizes should cover 80% of the reel market. As a retail product you have no implied obligation to cover every size of reel.
5. Potential retail package for Special Edition reels only. This establishes the case as a true premium product becomes a significant value added proposition for the consumer and the cost is offset by the up-charge for the SE reels.

PRICING SUMMARY FOR THE WATERWORKS/LAMSON

Quantity (pcs)	Pricing @ MSRP \$24.95			Waterworks Margin
	Buys	Sells	Retail	
500	8.00	16.63	24.95	\$8.63 = 108%
1000	7.75	16.63	24.95	\$8.88 = 114%
2500	7.50	16.63	24.95	\$9.13 = 122%
Not an official quotation...price does not include labeling			Retail Margin \$8.32 = 50%	

Quantity (pcs)	Pricing @ MSRP \$19.95			Waterworks Margin
	Buys	Sells	Retail	
500	8.00	13.30	19.95	\$5.30 = 66%
1000	7.75	13.30	19.95	\$5.55 = 72%
2500	7.50	13.30	19.95	\$5.80 = 77%
Not an official quotation...price does not include labeling			Retail Margin \$6.65 = 50%	

Quantity (pcs)	Pricing @ MSRP \$18.00			Waterworks Margin
	Buys	Sells	Retail	
500	8.00	12.00	18.00	\$4.00 = 50%
1000	7.75	12.00	18.00	\$4.25 = 55%
2500	7.50	12.00	18.00	\$4.50 = 60%
Not an official quotation...price does not include labeling			Retail Margin \$6.00 = 50%	

Quantity (pcs)	Gross profit comparison across price points		
	\$18.00 MSRP	\$19.95 MSRP	\$24.95 MSRP
500	2,000.00	2,650.00	4,315.00
1000	4,250.00	5,550.00	8,880.00
2500	11,250.00	14,500.00	22,825.00

PRICING SUMMARY CONTINUED

	Pricing/Volume offset @ 2500 pcs		
Retail (margin)	18.00 (4.50/pc)	19.95 (5.80/pc)	24.95 (9.13/pc)
Gross profit @ 2500 pcs	11,250.00	14,500.00	22,825.00
Break even volume	1563 pcs	1409 pcs	1127 pcs
Revenue after break even	4,216.50	6,372.80	12,535.50
Volume for 11,250.00 gross profit	2500 pcs	1939 pcs	1232 pcs
% change		77% of 2500 pcs	49% of 2500 pcs

CONCLUSIONS

A superior storage system for your reel. This is a product that makes sense, both from a consumer standpoint and from the perspective of a company that sets the standard for premium reels.

As a consumer, it's a reel case that has superior functionality and provides peace of mind. Is your reel safe? If it's in a "Real Case" then the question need not be asked.

As the manufacturer, I believe the product will say to the consumer, "You invested with us and we'll help you take care of that investment so you can pass it on to your kids." This is a legacy sport after all.

Financially the product has potential. Assuming 1/3 of the people who buy a Waterworks/Lamson reel in the next year buy a "Real Case" the volume anticipated would be around 10,000 pcs. That equates to between \$45,000.00 and \$91,300.00 of gross profit depending on the MSRP.

Two factors further improve this scenario. First, as a retail product, any person who walks into a store where Waterworks/Lamson products are sold has the opportunity to buy a "Real Case." A 20-25 dollar price is on the high end but not beyond impulse-buy category for an expensive sport. Second, it's very likely that someone who invests in one "Real Case" will buy several.

A long term agreement need not be solidified at this time but I'd like to opportunity to take advantage of the upcoming show to explore the concept as a retail product. Currently I'm working to prepare approximately 80 samples that can be made available for the show, roughly 20 of each color.