



# RICHELIEU

A STEP AHEAD SINCE 1934

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## Made in USA

Presentation June 2014

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# Background of Offshoring

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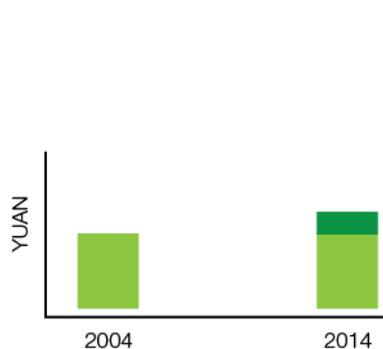


- Richelieu Legwear, a Quebec-based company, acquired assets of International Legwear Group (ILG), a failing sock company based in Burke County, North Carolina in 2011
- Why our industry “offshored”?
  - WTO
  - Lower costs (yarn, labour, packaging, machinery)
  - Currency exchange (RMB)

# Why Re-Shore Now?

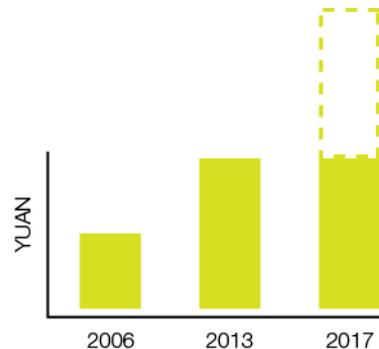
## Advantages of manufacturing in USA

- Currency
- Minimum wage in China
- Interest rates and access to capital
- Transportation costs
- Technology
- FTA's
- Attitudes of customers and consumers
- American know-how



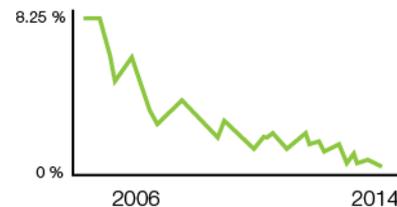
### CURRENCY

Chinese yuan has increased in value by roughly 25% in last 10 years, (Bloomberg)



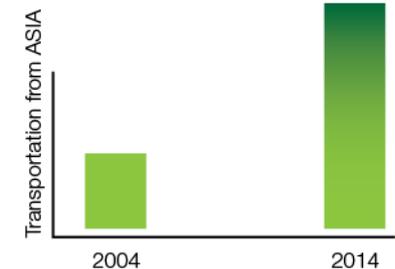
### CHINESE MINIMUM WAGE

has double from 2006 to 2013 and will double again by 2017. (WWD)



### INTEREST RATES AND ACCESS TO CAPITAL

Better than ever, JUNE 29, 2006  
The FED Rate was at 8.25%, now it is effectively 0%.



### TRANSPORTATION

from ASIA has increased by 30% in 10 years, (shipping china). \$4,200, TO CHINA is \$1,300.

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# Moving Forward: Keys to Success

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RICHELIEU

- We have best American sock brand with the best sock in the world – Made in the USA – from bale to retail.
- We make it here, but sell it everywhere.