

FIVE GREAT STEPS TO TAKE AT LICENSING SHOW

25 YEARS OF WALKING THE AISLES:

In some ways it is unfathomable that the Licensing Show is celebrating its 25th anniversary this year. To some of us it seems like yesterday that the show was in its infancy – yet some of us were in our infancy when the show launched!

Walking the show floor – which has been located at times in Atlantic City, the New York Sheraton, Hilton and Javits Convention Center during the last two decades – has taught us a thing or two about how to do business in a colorful, loud and often-times surreal space. (Ever try to talk a serious deal with a Smurf behind you, playing with the collar of your suit or while watching The Naked Cowboy ply his trade just down the aisle?)

The show is truly one of the highlights of the year. It can be inspiring to see the entire industry in one room – and the dinners, parties and the Gala make for great evenings.

So pack your walking shoes and keep these five tips in mind when you attend the 25th Annual Licensing Show:

- 1 **Walk the whole show first without an agenda.**
Think of it as a giant brainstorming session. Let yourself absorb the scene; then step away and think about what you want to explore further.

- 2 **Eavesdrop.** Crowds can make it more frustrating – but you can use them to your advantage. Just listen as you walk and catch the “buzz” – what others are talking about – and look for trends.

- 3 **Reinforce relationships and make new friends.** This is a good time to get face time with people/companies you are targeting. It's one of the best places to exchange information and business cards without too much pressure.

- 4 **Learn to say “No.”** If you meet up with sales pressure, reply that you are gathering information. If you are interested, tell them you would be glad to follow up with them for a more serious conversation after the show. If not, just say thanks – and walk away. In any case, you will not make your best deal on the show floor.

- 5 **Talk to licensors who are working with your competitors.** Get insight on the strengths and weaknesses) of your competitors. It can some times put you on the “short list” if the current deal is not going to be renewed.

We look forward to seeing you at the 25th Annual Licensing Show. We hope you travel safely and enjoy the week!

FIBRE-CRAFT MATERIALS CORP.

A trip through the Fibre-Craft Materials warehouse is a colorful, creative tour of a seemingly foreign land full of wiggle eyes, foam shapes, chenille stems (commonly known as pipe cleaners), craft sticks, and dozens of other types of arts and crafts supplies. But it is when these components are packaged together that the magic really happens, transforming unrelated pieces into kits that allow kids to “DO FUN!”

Established in the early 1950s as a manufacturer of wood fiber pieces for artificial flowers, by 1960 Fibre-Craft had expanded into a successful line of arts and crafts products. In 1996, those arts and crafts products were branded into a line called Creative Hands® and marketed to specialty hobby market and retailers such as AC Moore, Hobby Lobby and Michaels, among others.

Based on the success of its initial Creative Hands® line, the products were made more “mass market” friendly and repackaged in blister cards and packs. As the arts and crafts market segment continued to grow, Fibre-Craft, which was ready to debut a new and unique product in foam (the construction paper of the new millennium), looked toward licensing to grow the business.

Enter Building Q.

Together we knocked on Nickelodeon®'s door to introduce them to Fibre-Craft, a new player in the licensed arts and crafts category. Within a week we were discussing ways to work together. The team at NICK was impressed with Fibre-Craft's strengths in the hobby channels of distribution (FoamWorld™ at Michaels, for example).



It's no secret that buyers talk to each other, and the buzz that had been generated by Creative Hands® opened the door to other opportunities that did not conflict with NICK's other partners within the category segment. The initial production line consisted of Cool Foam™ Art (paint-by-numbers meets fuzzy poster art), foam stickers and a few other foam items including door hangers and picture frame kits.

In 2005, the NICK foam line has become a broad-based program spanning all channels of distribution in multiple NICK properties. According to Mark Porwit, Fibre-Craft's Senior Marketing Manager for Creative Hands®, “The acceptance of the NICK licensed products has really paved the way for our company to expand not only our SKUs and shelf space, but how we look at the market. There are so many opportunities yet to be explored – it is a very exciting time for Fibre-Craft.”

Fibre-Craft's Nickelodeon line will continue as a major player in the arts and crafts category, and in 2006 the company will debut its all-new craft line featuring Spellbound's Koala Bros.™ Throughout, Fibre-Craft's mantra remains deceptively simple: “DO FUN!” which really translates into “MAKE SUCCESS!”

CREATIVE HANDS



“What the show means to us...”

“ I knew my 5 & 3 year old thought their daddy was a good guy, but I wasn't 'COOL' until they saw photos of me with the Red Ranger, Strawberry Shortcake, and SpongeBob. They ask me to this day if I still hangout with them. I think I can milk this for at least another year or two. ”

Tony Olaes
President & CEO
Olaes Enterprises Inc dba. ODM

“ The Licensing Show is a great snapshot of what's happening in the industry - but more than that, it's the opportunity to meet with the people who MAKE IT HAPPEN. We have special meetings scheduled, but the whole team walks the show - it's the best way to stay plugged in. ”

Judith Domanski
Director of Marketing
KosmaKare International

“ The Licensing Show has become a significant event for us. As a license-driven product line, we don't finalize our line until after the show, so we know we are on top of everything that is trending. Something always emerges by show end.

I find it interesting on how the focus has changed in Licensors' pitches over the years in regard to retail support of new properties. It used to be 'Toys R Us is supporting this', then it was 'Wal-Mart is supporting it', then it was 'Target is supporting it', and for the past few years Hot Topic has become the gold standard. Who would have thought a few years ago that a retail chain initially known as the supply stop for Goths and Punks would be establishing the retail trends for all of retail? ”

Alan Dorfman
President
Basic Fun

“ For those of us that have been going to the Licensing Show for too many years, it is a great time to catch up with old friends. It also is a terrific venue to look for “hidden nuggets” that we tend to overlook in the day-to-day running of our business. While we “bitch” about The Javits, it is a show that none of us would miss. ”

Alan Gordon
Comic Images



Does Anyone Really Know What Year it Is?

Moving is bad; I sit here knowing that I have notes – somewhere- with a few really cool ideas and even one outline of a nice, fun column. I'll be dammed if I can find any of them. In the old office I would know exactly what drawer these things would be hidden in, but here in the new digs (which are very nice, by the way) I haven't a clue.

So....now I have real work to do, a deadline for copy that always sneaks up on me, and the only thought that pops into my head is I wish it was July!

Why July you ask? Well my year has several beginnings. Of course there is New Year's, but January 1 is really not an important date; nothing really happens the last part of December and the first week of the year is spent reminding yourself (or others) what you should be doing...

Then there is March 1; **the real start** to the year. The January/February trade shows are over and the chaos that goes with all of that; you hit the ground March 1 with energy and a focus on the “**new**” new year. I always enjoy March as it is a time that there are **four** “years” floating in your head; the one that just past ('04) is still fresh, and you now know how it ended up; the current year ('05) is underway, and in our case, we pretty much know how it will be; the new year ('06) is coming into play, and everything immediate impacts **it**, and the “**newest**” new year ('07) is dawning.

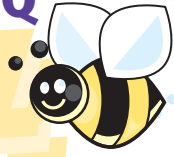
Is there any wonder why we wander clueless on most current events?

So, back to the question, “Why July?” Well by then the work on the current year is done and our heads only have the new and the new new year bouncing around. If you think about it, it actually does begin to make sense. There is actually room in there to start thinking about other stuff...

Also, by July I know I will be able to find those notes...

BUILDING Q

BUZZ



SETTLING IN

After a few minor glitches (ever have your phone blow up during a conference call?), we have comfortably settled into our new office space and everything is moving ahead nicely. We love having visitors, so if you are ever in South Jersey, trek on over to Medford, and stop by and see the new BQ World Headquarters.

2005 LIMA AWARDS

Modern Publishing is on the ballot for Hard Goods Licensee of the Year for its line of Care Bears coloring and activity books. If you have not already cast your vote - Vote for Modern.

VISIT US...

For the 10th consecutive year, visit us on the Licensing Show floor in Booth # 3553. Stop by to meet the team, see our client's current product samples, and to pick up a copy of the long-awaited sequel to the original 1997 version of Spirit of the Deal, Woody's book of truisms, philosophy, and humor about the industry. If you can find Woody on the show floor, he may even autograph a copy for you!

INSPIRED LEADERSHIP

It's good to honor leaders in any industry, and no one deserves to be honored more in licensing than **Al Kahn**, the Chairman and CEO of 4Kids Entertainment. A good friend for more than 20 years (back to those heady first days of Cabbage Patch) we have been inspired by the tremendous impact Al has had on the industry, especially through his leadership of 4Kids. We'll be in the audience cheering when he is inducted into the Murray Altchuler Licensing Hall of Fame on June 22 and hope to see you there. Congratulations, Al!

IT'S GONNA BE HUGE X6

Join Woody for the annual Building Q Fun Run in the Central Park during the Licensing Show at the 6th annual Building Q Fun Run on Thursday, June 23. Applications are available by calling the office or stopping by the show booth (#3553). Registration fees (\$20 per runner/walker) benefit the Children's Brain Tumor Foundation, LIMA's "charity of choice."

BQ PARTICIPATES IN "RIDE YOUR BIKE TO WORK WEEK"

On a challenge from Woody, the staff of Building Q rode their bikes to work during the week of May 16-20 as part of the national "Ride Your Bike to Work Week." Woody paid each member of the team \$1.00 per mile - and at last count they owed him money (at least Gary did).

UPCOMING TRADE SHOWS

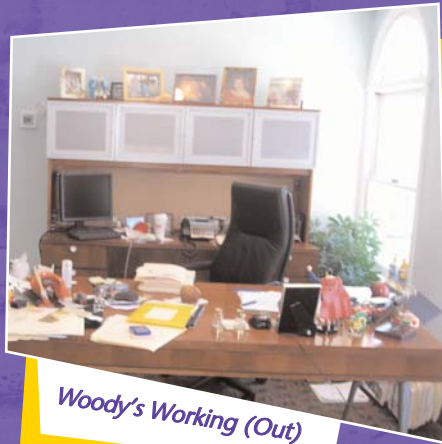
- COMIC CON - July 14-17 - San Diego
- CHA Hobby Show - July 15-17 - Chicago
- MAGIC - August 29 - Sept 1 - Las Vegas
- SHOPA - September 26-30 - Las Vegas
- FALL MASS MARKET TOY FAIR - October 24-27 - New York



Kitchen "During"



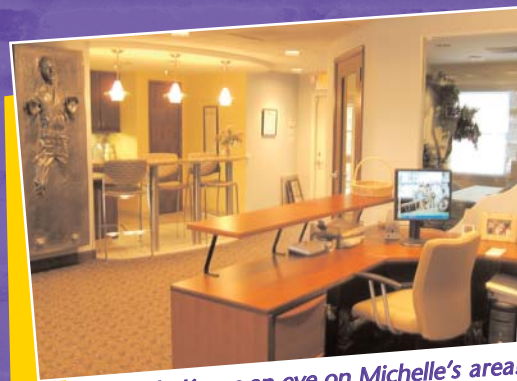
Kitchen "After"



Woody's Working (Out)



Gary's New Spot "During"



Han Solo Keeps an eye on Michelle's area!



Gary's New Spot "After"



News & Previews

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| CLIENT | DISTRIBUTION | CORE PRODUCT LINE | CURRENT LICENSES INCLUDE... (LISTED ALPHABETICALLY) |
|--|--|---|---|
| APPAREL & ACCESSORIES | | | |
| BCI | Mass, Drug, Grocery, Convenience Stores | Sunglasses, Reading Glasses, Computer Eyewear | Crayola, Hawaiian Tropic, Wrangler* |
| ODM | Mass, Mid-Tier, Specialty, Department Store | Men's, Young Men's, Boys, Ladies, Juniors & Girls T-Shirts, Wovens, Knits in all models and fabrics including jersey and fleece, Headwear | Bob Ross, Bruce Lee, Cadillac, Chevrolet, Corona, Cowboy Bebop, DragonBall Z, GMC, Guinness Beer, Happy Days, Hummer, Import Tuner, Initial D, Jarritos, Jimi Hendrix, Leave it to Beaver, Magnum, Mickey's, Miller, Milwaukee's Best, Orange County Choppers, Old English, Pearl Drums, Pontiac, Tonka, Up in Smoke, World Poker Tour, Yu-Yu Hakishu |
| PUGSTER | Online, Mid-Tier, Specialty | Italian Charms, Jewelry & Accessories | Happy Bunny |
| VANDALE INDUSTRIES | Mass, Mid-Tier, Specialty, Department Store | Loungewear, Sleepwear, Daywear, Intimate Apparel for Juniors, Missy and Plus Sizes | Barcode Kitty, Curious George, Pamela Anderson, Rampage |
| COLLECTIBLES | | | |
| COMIC IMAGES | Mass, Drug, Convenience Stores, Hobby | Trading Cards, Collectible Card Games, Antique Gumball Machines, Bobble Heads, Snow Globes, Bobble Pens | Betty Boop, Hulk, Madagascar, Shrek II, Spiderman, Star Wars: Episode III, World Wrestling Entertainment, 24 |
| FOOD | | | |
| BAKERY CRAFTS | Retail & Supermarket Bakeries, Cake & Candy Supply Shops, Ice Cream Shops, Bakery Distributors | Cake Kits, Cake Toppers, Cupcake Decorations, Wedding Ornaments, Candles, Bakery Supply Equipment On Demand Imaging Systems with Licensed Characters and Frames | American Choppers, Atomic Betty*, Batman, Bionicle, Bratz, Build A Bear, Care Bears, Clifford, Crayola, Collegiate Licenses, Curious George, Duel Masters, Harley Davidson Hello Kitty, Holly Hobbie*, Justice League, King Kong, Koala Bros., Lego, Miss Spider, NASCAR & Drivers, Orange County Choppers, Peanuts, Pokemon, Precious Moments, Scooby Doo, Sesame Street, Superman, Transformers, World Wrestling Entertainment |
| FRANKFORD CANDY & CHOCOLATE COMPANY | Mass, Drug, Grocery, Specialty, Convenience Stores | Seasonal & Everyday Chocolate & Non-Chocolate Confections, Jelly Pops & Novelties, Retentive Value-Added Containers, Novelty Lollipops, Dispensers | Barbie, Beatrix Potter, Blues Clues, Care Bears, Curious George, Dora the Explorer, Evergirl, Hot Wheels, Nickelodeon, Scooby Doo, Spongebob Squarepants, World Poker Tour* |
| FUNERARY | | | |
| ETERNAL IMAGE | Funeral Homes | Caskets, Urns | Precious Moments, The Vatican Collection* |
| HOUSEWARES | | | |
| ALOHA WORLDWIDE | Mass, Mid-Tier, Home Stores, Commercial/Industrial | Portable Heaters, Fans, Air Conditioners, Fans, Lighting & Lighting Systems | |
| HEALTH AND BEAUTY AIDS | | | |
| KOSMA-KARE | Mass, Drug, Grocery | Adhesive Bandages & Hand Sanitizer | Rescue Heroes, Strawberry Shortcake, The Wiggles, Teenage Mutant Ninja Turtles |
| STATIONERY AND PUBLISHING | | | |
| INNOVATIVE DESIGNS | Mass, Drug, Specialty Grocery | Stationery and School Supplies | American Dad, Atomic Betty, Care Bears, Family Guy, Napoleon Dynamite*, Orange County Choppers, Spiderman, The Simpsons, Totally Spies, West Coast Customs |
| MODERN PUBLISHING | Mass, Drug, Specialty Grocery | Coloring, Activity and Sticker Books, Story Books, Paint with Water, Workbooks Cut Outs, Dot-To-Dot, Board Books | Babar, Beyblades, Bratz, Build A Bear, Care Bears, Caillou, Connie the Cow, Duel Masters, Hasbro Games, Hot Wheels, HR Puff N Stuff, Little Bratz, Little People, Orange County Choppers, Pokemon, Rescue Heroes, Teenage Mutant Ninja Turtles, Tonka, The Wiggles |
| TOYS AND GAMES | | | |
| BASIC FUN | Mass, Toy, Specialty, Drug, Grocery, Craft & Hobby Stores Catalogues | Functional and Figural Keychains, Water Wiggles, Windup Toys, Impulse Toys, Christmas Ornaments, XTS Trains, Ipod Covers, Cell Phone Charms, Plush | Build A Bear, Cranium, Disney Princesses & Standard Characters, Duncan, Dora the Explorer, Etch-a-Sketch, Fairly Odd Parents, Fisher Price, Franny K. Stein, Hasbro Games, Hi Hi Puffy Ami Yumi*, The Incredibles, Justice League, Jim Benton, JK Monsters, Keroppi, Napoleon Dynamite*, Naughty Naughty Pets, Peanuts, Pez, Pokemon, Power Rangers Simpsons, Snapple, Spiderman, Spongebob, Spy Gear, Superman*, Teenage Mutant Ninja Turtles, Terrible Babies, Transformers, Trollz*, The Wiggles |
| CADACO | Mass, Toy, Specialty | Plug & Play Games Board Games, Activity Sets, Chalk and Outdoors, Magic Kits | Buzztime Entertainment, Counting Sheep, Lance Burton, Marshall Brodien, MLB Cooperstown Collection, MLB Players Association |
| FIBRE-CRAFT | Mass, Toy, Specialty, Drug, Craft Stores | Crafts & Activities | Blues Clues, Dora the Explorer, Koala Bros., Spongebob Squarepants, Scooby Doo |
| FUSION TOYS | Mass, Toy, Specialty, Drug | Room Flyers, Adult Puzzles | Disney Standard Characters, Disney Princesses, Harry Potter, The Incredibles, Justice League Marvel Heroes*, Pooh, Peter Pan, Shrek II, Thunderbirds, Toy Story, Universal Monsters |
| SRM ENTERTAINMENT | Mass, Toy, Specialty, Drug | Light Chasers & Hand Held Light Toys | Dora the Explorer, Justice League, Koala Bros, Power Rangers, Scooby Doo, Sesame Street, Spiderman, Spongebob Squarepants |

* - Contract Pending