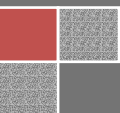




**COMPARATIVE
FURNITURE INDUSTRY
MANUFACTURING COSTS**

BizCosts®....*The Cost of Doing Business*

BizCosts.com
Princeton, NJ



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EXECUTIVE SUMMARY AND NOTES***Introduction***

In the following **BizCosts®** analysis, major operating costs scaled to a representative furniture manufacturing plant are presented for a series of 72 comparative production sites in the U.S. and Canada. In summary Exhibit I, annual costs are itemized and totaled and the full **BizCosts® Report** ranks the 72 cities from the highest cost location to the lowest.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The full **BizCosts® Report** focuses on those key geographically-variable cost elements considered to be most pivotal to the furniture industry site selection process. All Canadian costs in the analysis are expressed in U.S. dollars at parity. Geographically-variable operating cost differentials are current for **2010 and 2011**.

Overall costs were scaled to a hypothetical 150,000 sq. ft. production plant employing 300 hourly workers and shipping over-the-road to a national U.S. market. The cost simulations are designed to provide an independent, third-party point of reference for the corporate planner's assessment of relative operating cost levels in each of the surveyed manufacturing sites. The format of the cost exhibits will also allow the furniture planner to tailor the **BizCosts®** data, plant specifications and shipping assumptions to reflect alternate scales of operation, staffing needs and market expectations.

The full **BizCosts® Report** has been structured to be a useful and authoritative tool for a broad segment of the furniture industry. Geographic differentials in operating costs could be expected to be generally consistent with a variety of furniture manufacturing plants, including those serving the household furniture

market as well as those plants serving the business and institutional market. Overall, these include key industry segments such as:

- Upholstered & Non-Upholstered Household Furniture Manufacturing
- Metal Household Furniture Manufacturing
- Wood and Non-Wood Office Furniture Manufacturing
- Institutional Furniture & Seating Manufacturing
- Wood Kitchen Cabinet & Countertop Manufacturing
- Showcase, Partition, Shelving & Locker Manufacturing
- Blind & Shade Products Manufacturing
- Mattress Manufacturing
- Custom Architectural Woodwork & Millwork Manufacturing
- Outdoor & Seasonal Furniture Products Manufacturing

Comparative Furniture Plant Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected in the full ***BizCosts® Report*** for a series of 72 manufacturing sites in the U.S. and Canada. The comparative plant sites in the ***BizCosts®*** analysis all house regional concentrations of furniture products manufacturing. Major North American benchmark cost centers for the furniture industry, such as High Point/Greensboro, NC, Grand Rapids, MI, Chicago, Los Angeles and Montreal, are included as are a series of smaller market hubs of North American furniture manufacturing activity.

The 72 comparative locations included in the BizCosts® analysis are detailed

below by region.

New England Region

- Bridgeport/Stamford/Norwalk/Danbury, Connecticut
- Boston, Massachusetts
- Worcester, Massachusetts
- Manchester/Nashua, New Hampshire
- Portland, Maine
- Burlington, Vermont

Mid-Atlantic Region

- Buffalo, New York
- Rochester, New York
- Jamestown, New York
- Albany/Schenectady/Troy, New York
- Lancaster, Pennsylvania
- Allentown/Bethlehem, Pennsylvania

Southeast Region

- Richmond, Virginia
- Charleston, South Carolina
- Atlanta/Marietta, Georgia
- Tampa/St. Petersburg, Florida
- Miami, Florida
- Florence/Muscle Shoals, Alabama

North Carolina Region

- Charlotte/Gastonia/Concord, North Carolina
- High Point/Greensboro, North Carolina
- Raleigh/Durham/Chapel Hill, North Carolina

- Hickory/Lenoir, North Carolina
- Asheville, North Carolina
- Fayetteville, North Carolina

Mid-South Region

- Fayetteville/Rogers, Arkansas
- Little Rock/Conway, Arkansas
- Jacksonville, Mississippi
- Leland/Greenville, Mississippi
- Memphis, Tennessee
- Louisville, Kentucky

East North Central Region

- Chicago, Illinois
- Rockford, Illinois
- Evansville/Huntingburg/Jasper, Indiana
- Fort Wayne, Indiana
- Cincinnati, Ohio
- Youngstown/Canfield, Ohio

Michigan Region

- Grand Rapids, Michigan
- Saginaw/Bay City, Michigan
- Zeeland/Holland, Michigan
- Muskegon, Michigan
- Kalamazoo, Michigan
- Ann Arbor, Michigan

West North Central Region

- Cedar Rapids, Iowa
- Davenport/Muscatine, Iowa
- Milwaukee/Waukesha, Wisconsin
- Minneapolis/St. Paul, Minnesota
- Kansas City/North Kansas City, Missouri
- St. Louis, Missouri

South Central Region

- Houston, Texas
- San Antonio, Texas
- Dallas, Texas
- Beaumont/Port Arthur, Texas
- Bryan/Temple, Texas
- Shreveport, Louisiana

Western Region

- Phoenix/Mesa, Arizona
- Denver/Boulder, Colorado
- Las Vegas/Henderson, Nevada
- Salt Lake City/Clearfield, Utah
- Portland, Oregon
- Seattle, Washington

California Region

- Fresno, California
- Los Angeles, California

- Oakland, California
- Riverside/San Bernardino, California
- San Diego, California
- Orange County, California

Canadian Region

- Vancouver, British Columbia
- Calgary, Alberta
- Winnipeg, Manitoba
- Toronto, Ontario
- Montreal, Quebec

Nonexempt Labor Costs

Annual costs for labor, including direct and indirect production workers, are presented in the full ***BizCosts® Report's*** Exhibit II. Costs are based on a representative mix of 39 different nonexempt production, transportation and office/clerical job descriptions for the model furniture plant. Comparative labor costs for management and technical staff were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked, and company-sponsored benefits.

Comparative Electric Power and Natural Gas Costs

Comparative annual electric power and natural gas costs are presented in the full ***BizCosts® Report's*** Exhibit III. Annual costs reflect industrial rate schedules of the respective local electric utilities. Natural gas costs are based on an assumed monthly consumption of industrial-use gas.

Comparative Land Acquisition and Construction Costs

The report's Exhibit IV presents comparative costs for the purchase of industrially-zoned land and the construction of new furniture manufacturing space in each of the 72 surveyed U.S. and Canadian locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of 72 surveyed production sites scaled to the land and building specifications of the model furniture plant. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, equipment, furnishings and other taxable goods associated with the plant.

Comparative Shipping Costs

Transportation costs from each of the 72 surveyed manufacturing sites to a designated national U.S. market are detailed in the full report's Exhibit VI. Comparative costs reflect over-the-road finished product shipments in truckload lots.

About BizCosts® About Boyd

BizCosts® is a registered trademark of The Boyd Company, Inc., of Princeton, NJ, and represents the firm's proprietary operating cost data bank used to shape its domestic and international corporate site selection recommendations. Founded in 1975, Boyd (www.theboydcompany.com) provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis.

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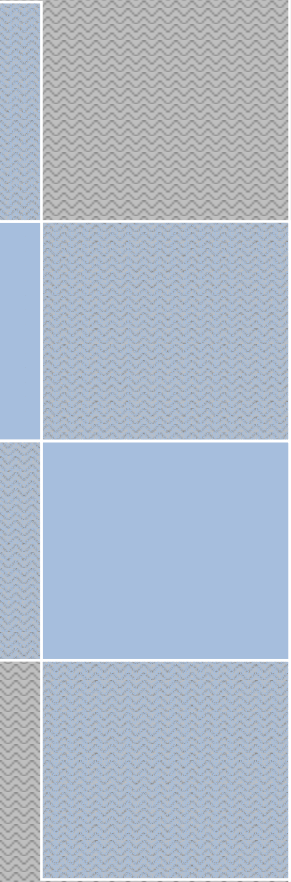
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