

**Translation of Letter from
Ignacio Hernandez, General Secretary of FEDOTRAZONAS**

March 9, 2007

Dear representatives of Nike and Adidas,

You may have heard that members of the leadership committee of BJ&B signed a severance agreement this week with BJ&B management. In this letter, I want to make clear to you, as General Secretary of the union federation that represents workers at BJ&B, that this agreement was signed under duress, and that it has since been renounced by 5 key leaders of Directorate of the union. The agreement in no way resolves the situation at BJ&B. As Trade Unions that represent for more than five years of workers in this plant, we know that the necessity of the more of 300 workers fired is to keep the plant open, and this includes the leaders of the Union that did not accept the Agreement.

As the leaders of the union have made clear in the attached letter, BJ&B coerced workers into accepting the agreement through pressure and blackmail. The company took advantage of the dire economic circumstances faced by the workers, which were created by the factory's decision to fire the workforce with no notice. As a result, workers and their families had no income whatsoever for the past three weeks. The factory threatened to deposit the minimum terminal compensation owed to the workers in government accounts (in the Department of Internal Revenue), which would have resulted in workers having to wait for months to receive any compensation and in the end, after bureaucratic fees, getting less than the minimum compensation required by law. We profoundly reject these efforts by your supplier, Yupoong, to take advantage of workers and pressure them to sign an agreement that is unjust to the BJ&B workforce as a whole.

It is also important to understand that, with the exception of the small number of workers who signed a separate agreement and a small number of pregnant workers, BJ&B has refused to negotiate regarding severance for the great majority of the workers. In fact, the company insisted that our fellow workers sign documents forgoing their right to negotiate anything beyond the bare legal minimum - despite public promises by Nike. In fact, as of today, 95% of BJ&B workers have received only the bare minimum severance. Instead, the company has tried to negotiate a deal with a small number of workers, using what is essentially bribery and blackmail, to put an end to workers' efforts to top this unjust closure.

To be clear, the primary issue is not severance, but BJ&B's survival. We know that you have it in your power to make sure that this historically important factory remains open and we expect you to do everything possible to make sure this happens. Yet, to date, we have received no response whatsoever from any of the brands regarding what steps you will take to make sure BJ&B stays open. We have simply heard silence from you.

Finally, you must understand that we will oppose any effort by you to portray the narrow and coerced agreement signed by some workers this week as a resolution to the crisis at our factory. The crisis continues, and we will continue [struggling], with the support of our community, until you do what is in your powers to keep this factory alive.

Sincerely,

IGNACIO HERNANDEZ

General Secretary