

MARKET STATISTICS

Exchange / Symbol	OTCQB: TALN
Price:	\$0.11
Market Cap (\$mm):	\$10.15
Enterprise Value (\$mm):	\$11.72
Shares Outstanding (mm):	92.27
Float (%):	33.12%
Volume (3 month avg.):	5,475
52 Week Range:	\$0.05-\$0.21
Industry:	Textile – Apparel Clothing

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date:	12/31/2015
Cash & Cash Equivalent:	\$2.85
Cash/Share:	\$0.03
Equity (Book Value):	\$6.21
Equity/Share:	\$0.07

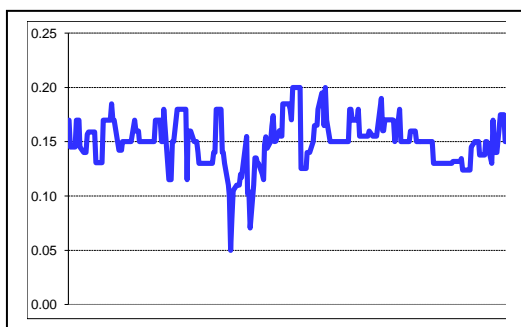
CONDENSED INCOME STATEMENTS

(\$mm, except per share data)

FY - 12/31	Revenue	Income	EBITDA	EPS
FY12	\$44.60	\$0.68	\$1.52	\$(0.12)
FY13	\$52.45	\$9.73	\$2.90	\$0.26
FY14	\$49.32	\$0.57	\$2.01	\$0.01
FY15	\$48.35	\$0.51	\$2.64	\$0.01

LARGEST SHAREHOLDERS

Kutula Holdings Ltd.	38,888,889
Mark Dyne	9,169,000
Perrtech Pty Ltd.	8,333,333
Larry Dyne	5,357,697
Lonnie Schnell	5,343,097
North Star Investment Management	4,767,617
Ronald Dyne	2,777,777
Nancy Agger-Nielsen	100,000
Altfest L J & Co, Inc.	40,250
Gary Dyne	40,000
Peter Vaz	34,000

STOCK CHART

COMPANY DESCRIPTION

Talon International, Inc. is a leading supplier of customized zippers and apparel accessories. Talon International has a globally recognized brand backed by 120 years of experience in the industry. The company is responsible for the invention of the sliding zipper device. Talon's product mix is composed of two main items: zippers and managed trim solutions (i.e. woven & printed labels, buttons & rivets, printed marketing, zippers, thread as well as any other type of trim or accessory product), and Tekfit Stretch Technology™. Tekfit® has exclusive rights to advanced fabric technologies, which facilitate the addition of mechanical stretch into most standard fabrics. There are numerous applications, including waistbands that have the ability to stretch out and back, without the need to add costly and unsightly elastics or other components. Talon is headquartered in Woodland Hills, California, a northern suburb of Los Angeles, and currently employs 195 full time employees, including 28 in the United States and 167 in Asia.

SUMMARY

Talon plans on capturing continuing growth via its integrated business model that provides clients with a one-stop shop for their zipper and trim needs. By operating as a fully integrated, single source supplier focused on being a one-stop shop for its clients, Talon can save clients' time and expenses. Furthermore, by leveraging its decades of experience and expertise in engineering, sourcing, manufacturing and assembly, Talon has positioned itself to effectively compete in a highly fragmented industry. The company's ability to deliver superior products, unmatched customer service, and leading customization capabilities is what sets it apart from its peers. Talon is well-positioned to be an industry leader.

- The company has emerged from a multi-year restructuring effort and recent recapitalization that has enhanced its financial flexibility and set the stage for growth.
- Talon plans to capitalize on a highly fragmented marketplace where major brands/retailers typically have a large number of suppliers spread across the globe from which they obtain their required components. By creating stickier clients with whom they can become a proven supplier helps insulate their clients from the pricing pressures of larger manufacturers.
- The company seeks specialty retail and premium brand opportunities where customers are more concerned about their brand image, brand awareness, high level of service, and flexibility offered at the right price.
- Talon looks to form strategic product alliances and tuck-in acquisitions that will widen its product offerings and increase cross selling opportunities.
- Management wants to improve its brand differentiation with an active R&D program that continues to press for innovative products catering to changing fashion trends. By addressing the industry's increasing appetite for technology Talon is focused on pursuing disruptive technologies in apparel related products.
- The company has an effective marketing program for innovative product lines such as Tekfit®, a patented technology that creates a stretchable product that will return to its original size without altering the garment's appearance.
- Talon is making positive steps on the Tekfit® product line by ramping sales for the Phillips Van Heusen Flex Collar Shirt and Uniqlo's jean application, which started in 2Q15.
- The company has a highly experienced management team led by Larry Dyne and Nancy Agger-Nielsen, both among Talon's top individual shareholders.
- We believe Talon is considerably undervalued based on precedent transactions in their industry. With topline revenue growth and as Tekfit® sales ramp, Talon could be attractive from an acquisition standpoint.

BUSINESS OVERVIEW

Talon International, Inc. is a global provider of customized zippers and apparel accessories. Talon has a global sales presence that includes a large and diversified customer base of approximately 950+ manufacturers, representing approximately 200 marque U.S. and European brands. Talon's product mix is mainly comprised of two principal product groups:

- Talon® Zippers – this includes a complete line of custom metal, coil and plastic zippers
- Talon® Trims (which includes Tekfit® stretch technology products) - the trims are individually customizable woven, leather, synthetic, embroidered, and novelty labels, tapes, specialty fasteners, and packaging; Tekfit® is a patented stretch technology for waistbands, collars and other applications where it is desirable to incorporate stretch into non-stretchable fabrics.

Exhibit 1: TALN Product Groups– Zippers & Trim including Tekfit® Stretch Technology



Talon is actually the world's original zipper company, founded in 1893. The company was the inventor of the zipper and is responsible for many of the innovations that have molded the zippers that are used around the globe today. The world's leading apparel companies and designers call on Talon for premium, fashion-forward, and cost-effective zippers. The company supports its clients' skills and expertise in material procurement and product manufacturing coordination with its own product technology and designs intended to meet fashion demands, as well as cost and functional parameters.

Talon offers a complete range of customizable zippers including metal, plastic and coil branded with the Talon name and logo. Talon zippers are used primarily by manufacturers in the apparel industry and are distributed through Talon's distribution facilities in the U.S., Europe, Hong Kong, and China. The company expands their distribution of zippers through the establishment of a combination of Talon-owned sales and distribution locations, as well as through strategic manufacturing and distribution relationships. This strategy has allowed the company to improve its time-to-market and to source, finish, and distribute to apparel manufacturers within its local markets. The branded zipper market is dominated by one company, YKK, and Talon has positioned themselves to be a viable global alternative to this competitor.

We note that during the 2015 fiscal year, the Company realigned the reporting of its operating segments into two reporting segments (Zippers and Trims) and has restated prior period results to reflect these product categories. The Tekfit operating segment results are now aggregated and reported as part of its Trim operating segment.

TEKFIT®

The majority of the company's revenues come from Talon's zipper and trims operations, equating to ~90% of the total revenues. However, Talon's new Tekfit® line offers significant revenue growth opportunities for the future of Talon's trims product group. This is an innovative technology that lends stretch to non-stretch fabrics, enhancing their fit and comfort. The technology introduces stretch into regular waistbands, collars, shirts, etc., that enables the stretching of the garment by up to 1/2-1" depending on the brand's individual requirement, without altering the appearance of the garment. The garment will return to its original size after use without losing any additional elasticity.

- Between 2003 and 2006, Levi Strauss sold in excess of 40 million pairs of Dockers pants with Tekfit technology that were highly successful at retail.
- Starting in 2014, Talon renewed and improved this technology, and agreed to a new licensing agreement to again include its Tekfit comfort stretch waistband in Dockers pants.
- In September of 2015, the Company launched its partnership with PVH to include its Tekfit Flex Collar in Van Heusen dress shirts; initially these shirts being sold at three key retailers -- Kohl's, J.C. Penney, and Macy's.
- In fiscal year 2015, Talon's trim segment posted \$27.1 million in revenue (a 10% increase of 2014).

When initially licensed, the supply of the Tekfit® brand was limited due to a licensing dispute dating back to 2006. However, in March 2012, Talon ended the licensing dispute and acquired all U.S. existing licenses and patents for this product technology, closing all matters of litigation with patent owners and inventors. The revenues derived from this brand were suppressed due to this litigation in the years 2009-2011, but the brand has since rebounded. Tekfit® revenues also responded positively in FY15 as Talon ramped sales for the Phillips Van Heusen Flex Collar shirt and Uniqlo's smart jean application, which started in Q215.

It is important to note that PVH (Phillips Van Heusen) generated a substantial amount of media buzz to raise public awareness of its new Flex Collar shirt. This media campaign included TV ads, a dedicated website, social media outreach, and branding initiatives with the NY Giants. While all this press coverage has been deemed very positive for PVH's public awareness, in our opinion, the obvious secondary benefit is the increased awareness of the Tekfit® technology throughout the industry. Talon is currently receiving a high influx of inquiries about the Tekfit® technology; we project Tekfit® to continue its forward momentum, potentially increasing FY16 sales by at least 2x as compared to FY15.

Exhibit 2: TALN Tekfit® Applications



STRONG MANAGEMENT TEAM

Talon's management team has considerable experience in the apparel business.

Larry Dyne, now CEO, also served as Talon's President from 2009 until his appointment as Chief Executive Officer in April 2015. Mr. Dyne has been an employee since 1997 and was an employee of a predecessor company since 1992. Over his tenure, Mr. Dyne has filled a number of roles with the company including Executive Vice President of Sales as well as Vice President of Product Development and Global Sourcing, and Vice President of Trim Sales with responsibility for all domestic print production. Through these positions, Mr. Dyne has established extensive and long-term relationships with the world's top brands and clothing retailers.

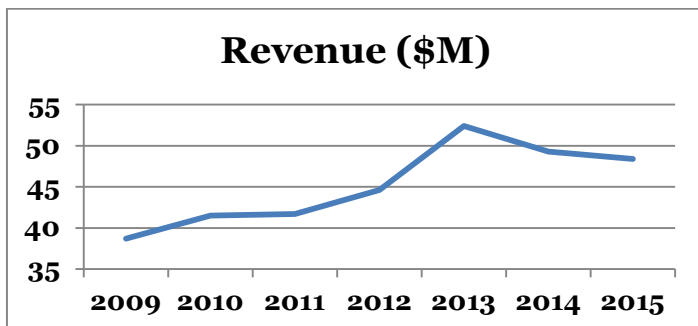
Nancy Agger-Nielsen, is Talon's CFO. Nancy joined Talon in March 2014 as Vice President of Finance, and beginning April 1, 2014 she became the company's Chief Financial Officer. Ms. Agger-Nielsen previously served as CFO of Med-Legal, LLC, a leading California provider of technology based litigation support services, from 2013 to 2014, and as Vice President of Finance for NDC Infrared Engineering from 2004 until 2013, a leading global supplier of on line measurement instrumentation for the manufacturing industry.

GROWTH STRATEGY

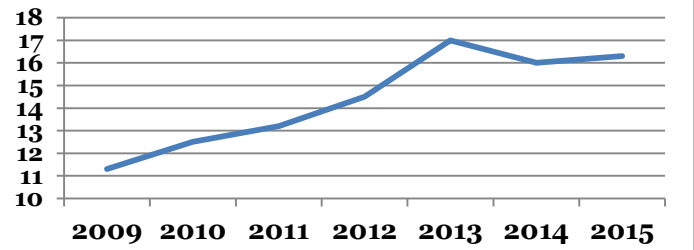
Talon is a company poised for growth. Since its IPO in January 1998, the company has made tremendous steps to grow topline revenues and to be known as the one-stop shop for its clients' zipper and trim needs. Talon plans to expand its sales pipeline while maintaining client retention standards and unique product quality. And management plans to be able to capitalize on economies of scale as customer numbers and customer orders grow with larger retailers, garnering them more supplier bargaining power. Also, with the addition of the Tekfit® brand to its product mix, the company is well-positioned to capture more market share and compete for the business of large retailers. The company has the expertise, systems and relationships in place, all while maintaining a relatively small operational team with which it can continue to control costs and maximize potential profits to its bottom line.

Talon's three-year outlook is positive. We are expecting organic annual revenue growth to be between 10-12%, gross margins of 32-34%, EBITDA as % sales between 8-9.5%, and new brand growth (i.e. Tekfit®) of ~10%.

Exhibit 3: Portfolio Growth –Revenue & Gross Profit



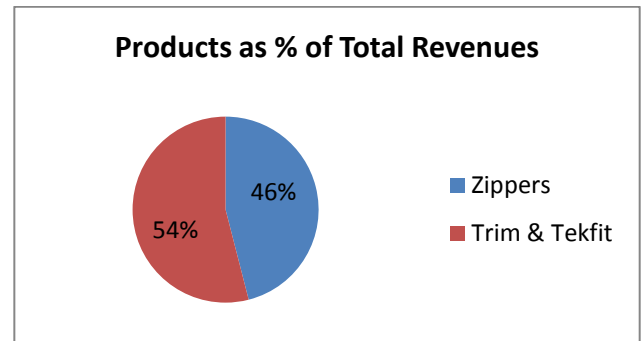
Gross Profit (\$M)



Source: Company Reports

Talon has a clear-cut plan for sustained long-term growth. Management plans to leverage already existing relationships through cross-selling strategies and product expansion and attract the larger retail brands to extend their customer base. Additionally, the team is hyper-focused on escalating Talon's presence in emerging markets around the world. Countries such as India, Bangladesh, and Vietnam show great promise for potential future revenue growth and margin improvement. The company's continued focus on innovation is also a key pillar in the management team's strategy. By both improving current products and adding new ones, the company fully expects to provide the best when it comes to product quality, functionality, and style.

Exhibit 4: Revenue Breakdown by Product for 2015E



Source: Company Reports

INDUSTRY OVERVIEW

The zipper has carved a place for itself in the modern life of today, with its use across apparel, luggage, and footwear. The U.S. alone demands 4.5B zippers per year, amounting to 14 zippers for every American annually. Furthermore, Global Industry Analysts estimate the global zipper market at \$8.2B in 2013, with projections to reach \$11.7B by 2018 for a CAGR of 7.4%.

Japan is the largest zipper manufacturing country, accounting for 68% of the global market. Southeast Asia is the second largest zipper-manufacturing region with countries such as Bangladesh, China, and India being the key contributors. From a geographic standpoint, Asia-Pacific is the largest and fastest growing market, with a 9.6% CAGR between 2013 and 2018. The Chinese zipper market has made progress over the last five years, growing at an average annual rate of 18%. Originally, low prices enhanced the competitiveness of Chinese suppliers in the global market. However, with changing times, clients are veering away from low prices

towards mid- to high-range products. Overall, the Chinese zipper industry houses 200 small to large businesses, with 40% having direct export capability. Furthermore, private participation in China in the segment is high, with 60% private locally owned enterprises, 20% private foreign-owned, 15% joint ventures, and a negligible number of state-owned.

Exhibit 5: List of Major Players in the Industry

Company	Public/Private	Revenues	Country
YKK Group	Private	\$6,982.6 M	Japan
Coats Plc.	LON: COA	\$1,653 M	UK
Zhejiang Weixing Industrial Development Co. Ltd.	SZSE:002003	\$292.3 M	China
Fujian SBS Zipper Science & Technology Co. Ltd.	SZSE:002098	\$ 146.8 M	China
Max Zipper Co. Ltd.	GTSM:8932	\$ 21.9 M	Taiwan
Kee Zippers Co. Ltd.	Private	\$ 21 M	China

Source: Company Reports

The overall industry is highly fragmented with numerous domestic and international players, which leads to an intensely competitive playing field. Furthermore, most players in the zipper and trim business are private. On the zipper side, YKK Group (YKK) is the leading player with a ~46% market share of the global zipper market. YKK has manufacturing operations spread across 71 countries.

The zipper industry's growth rate is driven by the following factors, which are a byproduct of an improving global economy.

- **Expanding downstream industries:** Zippers find utility in apparel, sports equipment, luggage bags, and bedding goods, among other areas. Consequently, the zipper industry is the direct beneficiary of growth in these downstream sectors. Today, these sectors are growing from the combined effects of higher disposable incomes due to an improving global economy and an increase in fashion awareness.
- **Prospects in the quality zipper market:** The branded apparel industry demands zippers of a high quality. Currently, the Chinese zipper industry is replete with poor quality, highly commoditized products. This opens up large potential in the high-end zipper segment, which is driven by quality and innovation.
- **Consumption pattern modifications with growing purchasing power:** Increasing globalization, urbanization, and higher disposable incomes as a result of sustained economic growth are turning consumer preferences towards branded fashion apparel. The industry thus stands to gain from the rise in the spending propensity of the fashion conscious urban population.

We note a few other key trends in the industry as well:

- Plastic zippers are replacing metal zippers
- Waterproof zippers are the latest buzz
- Stylish zipper pulls are in demand

- Specialty zippers such as disposable zippers, ultra-heavy duty, special use and application-based zippers are gaining popularity

On the trim side of the business, the industry structure typically involves local businesses and designers working with the retail brands. Given that trim components are typically more about branding, the need to have close and effective communication is important. Additionally, these players are typically highly specialized and deliver one or two types of products.

Again, management has strategically positioned the company with an all-encompassing portfolio of zipper and trim solutions to offer a one-stop shop for clients. We believe this is unique in the industry as zipper manufacturers typically only supply zippers, and trim players are more truly design shops. By integrating the ability to deliver everything but the fabric, supported by its manufacturing and assembly expertise, Talon is well-positioned to effectively compete. Furthermore, Talon has earned the trust of its customers by meeting specific requirements and delivering a high level of quality and customer service. Lastly, the Company's innovative Tekfit® stretch technology products are key to help it stand out amidst the competition.

RISKS

As with any investment, there are certain risks associated with Talon International's operations as well as with the surrounding economic and regulatory environments.

- The apparel industry is unpredictable, with demand cycles that vary periodically.
- Additionally, the industry is heavily dependent on economic sentiment that determines consumers' spending capacity. Historically, economic turmoil has caused the company's clients to delay initial orders and slow down re-orders.
- Talon faces the threat of changing fashion trends and pricing changes by its competitors. These factors add to the uncertainty regarding the company's future order rates and its financial results.
- There is intense competition from the large, generic zipper suppliers. The company faces challenges in gaining ground with price-sensitive customers, who can be enticed by generic zipper suppliers that offer volume discounts. However, Talon strategically targets sales to specialty retail and brand conscious customers who prefer quality that protects the brand image.
- The apparel industry is teeming with cases of duplicate products that closely resemble their branded counterparts. Although industry organizations and federal laws protect the interests of brands such as Talon's, such products are not always detected or the manufacturers go unpunished in the absence of evidence.
- The company's results may be negatively affected if counterfeit products damage its brand and/or increase costs to Talon to defend itself against erroneous claims.
- Part of Talon's business strategy looks at potential tuck-in acquisitions. While tuck-ins imply small acquisitions, all acquisitions entail a degree of risk that may include integration issues, executive management distraction, asset impairments, etc. If acquisitions do not proceed as planned, financial results may be negatively impacted.

VALUATION SUMMARY

As most competitors are private, we are using a Precedent Transaction analysis to help frame valuation. Given the revamped operations, and given the fact that Talon's operating segments are in two different industries (zippers and trim); we believe taking this approach is appropriate. Additionally, given the relatively smaller revenue scale at which Talon currently operates and the significant investments it has made in front of its expected revenue growth, we are taking an EV/EBITDA & EV/Sales approach. We used a mixture of 10-year industry multiple and precedent transactions to direct our EV/EBITDA & EV/S multiple ranges.

Precedent Transactions - Apparel				Implied	
Date	Target	Value (\$MM)	Buyer	EV/S	EV/EBITDA
7/15/2013	Hudson Clothing, LLC	\$ 143.74	Joe's Jeans Inc.	1.9x	13.5x
9/19/2012	San Diego Hat Company	\$ 6.50	Mainland Headwear Holdings Ltd.	0.6x	11.7x
5/3/2012	Anvil Holdings Inc.	\$ 88.00	Gildan Activewear Inc.	0.4x	5.2x
2/3/2012	Swank Inc.	\$ 57.96	Randa Corporation	0.4x	5.5x
7/18/2011	Ahead, Inc.	\$ 22.40	New Wave Group	0.7x	8.3x
3/16/2011	Barry Holding Co.	\$ 33.87	R.G. Barry Corporation	1.9x	6.0x
1/7/2011	Rafaella Apparel Group	\$ 195.16	Perry Ellis International Inc.	1.5x	14.6x
8/10/2010	GFSI Holdings, Inc.	\$ 228.30	Hanesbrands Inc.	1.0x	7.7x
Apparel Average				1.1x	9.1x
Precedent Transactions - Zippers & Fasteners					
3/2/2016	Checkpoint Systems	\$ 558.34	CCL Industries	0.7x	9.5x
3/22/2007	Paxar	\$ 1,340.00	Avery Dennison Corp	1.5x	14.3x
4/19/2011	Scovill Fasteners	\$ 17.00	Gores Group	-	6.8x
Zippers & Fasteners Average				1.1x	10.2x
Average				1.1x	9.4x
Median				1.0x	8.7x
Max				1.9x	14.6x
Min				0.4x	5.2x

As can be seen above, the fasteners and buttons businesses command a higher EV/EBITDA multiple than the apparel sector. We believe this is due to the fact that in the fasteners and buttons transactions above are transactions focused more on an acquisition of technology and expansive product lines vs. acquiring customers, hence the higher EV/EBITDA multiples.

Valuation Analysis

EV/EBITDA				EV/SALES			
(\$M, except per sh)				(\$M, except per sh)			
Apparel & Fasteners	8.0x	10.0x	11.0x	Apparel & Fasteners	0.5x	1.0x	1.5x
2016E EBITDA	3.7	3.7	3.7	2016E Sales	52.3	52.3	52.3
Projected EV	29.6	37.0	40.7	Projected EV	26.2	52.3	78.5
Less Net Debt	(0.9)	(0.9)	(0.9)	Less Net Debt	(0.9)	(0.9)	(0.9)
Total Market Value	28.7	36.1	39.8	Total Market Value	25.2	51.4	77.5
Shares Outstanding	92.3	92.3	92.3	Shares Outstanding	92.3	92.3	92.3
Stk options/warrants	11.4	11.4	11.4	Stk options/warrants	11.4	11.4	11.4
FD sh out	103.7	103.7	103.7	FD sh out	103.7	103.7	103.7
Total Value per Share	\$ 0.28	\$ 0.35	\$ 0.38	Total Value per Share	\$ 0.24	\$ 0.50	\$ 0.75

We are using EV/EBITDA & EV/S multiples for apparel and fasteners that skew toward the precedent transactions given Talon's Tekfit® technology platform provides it with a competitive advantage vs. its larger competitors.

Below we list important catalysts for the stock in FY16 and beyond:

- New brand win announcement
- Revenue growth expansion
- Uptake in Tekfit® Technology
- Expansion in emerging apparel markets

We believe Talon is considerably undervalued based on the above precedent transactions. If we assigned Talon's revenues even the smallest EV/S multiple of 0.4x it would value Talon's business at \$20.9 million. Additionally, if we assigned Talon's 2016E sales an average multiple of 1.1x EV/S it would imply a total market value of \$57.5 million. At an enterprise value of \$14.5 million, Talon is currently trading at 0.3x EV/S, significantly under industry comparables. We believe with organic topline revenue growth and as Tekfit® sales ramp, Talon could be very attractive from an acquisition standpoint.

Talon is a micro-cap stock burdened with the expenses of a public company. Talon's valuation on an EV/EBITDA basis is slightly more modest but still positive. Assigning Talon's 2016E EBITDA to the zipper and fasteners 10-year industry average EV/EBITDA multiple, 7.5x, would value the business at \$27.8 million. However, by using the average EV/EBITDA multiple of the above blended (apparel & zippers/fasteners) transactions of 9.4x, we arrive at an implied valuation of \$34.8 million.

INCOME STATEMENT

TALN

Consolidated Statements of Income (in thousands \$, except per share amounts)

Fiscal Year: December

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016E
Revenues					
Zipper	\$22,062	\$ 28,756	\$ 24,710	\$ 21,284	\$ 21,816
Trim & Tekfit	22,539	23,691	24,613	27,069	30,508
Total revenues	44,601	52,447	49,323	48,353	52,324
Cost of revenues					
Cost of Sales	30,140	35,475	33,315	32,070	33,951
Total cost of revenues	30,140	35,475	33,315	32,070	33,951
Gross profit (loss)	14,461	16,972	16,008	16,283	18,313
Operating expenses					
Sales and marketing expenses	4,974	5,889	6,330	6,415	6,820
General and administrative	8,492	8,677	7,938	7,483	7,825
Total operating expenses	13,466	14,566	14,268	13,898	14,645
Income (loss) from operations	995	2,406	1,740	2,385	3,668
Other income (expense):					
Interest expense	(51)	(30)	(415)	(516)	(512)
Interest income	4	4	4	3	3
Other income (expense), net	-	-	-	-	-
Total other income (expense)	(47)	(26)	(411)	(513)	(509)
EBT Excl. Unusual Items	948	2,380	1,329	1,872	3,159
Legal settlements		350			
Other unusual items				(1,099)	
EBT incl. unusual items	948	2,730	1,329	773	3,159
Income before taxes					
Provision for taxes (benefit)	268	(7,000)	756	262	975
Net income (loss)	\$ 680	\$ 9,730	\$ 573	\$ 511	\$ 2,184
Preferred stock deemed dividend	3,307	(5,025)	-	-	-
Net income (loss) available to common	(2,627)	14,755	573	511	2,184
Basic EPS (loss)	\$ (0.12)	\$ 0.26	\$ 0.01	\$ 0.01	\$ 0.02
Diluted EPS (loss)	\$ 0.03	\$ 0.16	\$ 0.01	\$ 0.01	\$ 0.02
Basic shares outstanding	22,458	56,213	92,154	92,268	93,078
Diluted shares outstanding	22,458	60,555	94,301	93,522	93,078
Net loss	\$ (2,627)	\$ 14,755	\$ 573	\$ 511	\$ 2,184
EBITDA	1,520	2,901	2,005	2,643	3,668

Margin Analysis

Gross margin	32.4%	32.4%	32.5%	33.7%	35.0%
Sales and marketing expenses	11.2%	11.2%	12.8%	13.3%	13.0%
General and administrative	19.0%	16.5%	16.1%	15.5%	15.0%
Operating margin	2.2%	4.6%	3.5%	4.9%	7.0%
EBITDA margin	6.9%	10.1%	8.1%	12.4%	7.0%
Pre-tax margin	2.1%	4.5%	2.7%	3.9%	6.0%
Net income margin	1.5%	18.6%	1.2%	1.1%	4.2%
Tax rate	28.3%	NM	56.9%	33.9%	43.0%

CORPORATE TIMELINE

December 28, 2015

The company enters into restated credit agreement with Princess Investment Holdings, Inc., among other things, to increase the borrowing availability under the loan agreement from \$3,000,000 and to \$6,000,000 and extend the maturity date of the loan to December 21, 2020

April 13, 2015

Larry Dyne is appointed as the new Chief Executive Officer and to the Talon Board of Directors

May 11th, 2015

PVH Corp. selects Talon's Tekfit technology for the Van Heusen Flex Collar men's dress shirt

June 23, 2014

The company provides Levi Strauss & Company a Tekfit license and agrees to co-branding agreement

June 18, 2014

The company reports renewing for another two-years its agreement with Fat Face Group to supply them all of their apparel Trim and Zipper products

March 5, 2014

Company announces the appointment of Nancy Agger-Nielsen as Chief Financial Officer

January 7, 2014

Talon enters into a Commercial Credit Agreement with Union Bank; the agreement provides for a revolving loan commitment up to \$3.5M

October 8, 2012

First two year agreement with Fat Face Group is announced to supply all apparel trim and zipper products

September 19, 2012

Talon ends litigation and secures patented technology for Tekfit from Pro-Fit Holdings; the company has now completed the process of securing those patent rights within the U.S. as well as the ability to market this technology worldwide

TALON MANAGEMENT TEAM

Larry Dyne, CEO & Director - Prior to this, Mr. Dyne served as our President from 2009 until his appointment as Chief Executive Officer in April 2015. Mr. Dyne has been an employee since 1997 and an employee of a predecessor company since 1992. Over his tenure, Mr. Dyne has filled a number of roles with the company including Executive Vice President of Sales, as well as Vice President of Product Development and Global Sourcing, and Vice President of Trim Sales with responsibility for all domestic print production. Through these positions, Mr. Dyne has established extensive and long-term relationships with the world's top brands and clothing retailers.

Nancy Agger-Nielsen, CFO - Nancy Agger-Nielsen joined Talon in March 2014 as Vice President of Finance, and beginning April 1, 2014 she became the company's Chief Financial Officer. Ms. Agger-Nielsen previously served as CFO of Med-Legal, LLC, a leading California provider of technology based litigation support services, from 2013 to 2014, and as Vice President of Finance for NDC Infrared Engineering from 2004 until 2013, a leading, global supplier of on line measurement instrumentation for the manufacturing industry. Ms. Agger-Nielsen was licensed as a Certified Public Accountant from 1989 until 2002, has completed an MBA program with the Peter F. Drucker School of Management at Claremont Graduate University in Claremont, CA, and earned a Bachelor of Science in Business Administration with an emphasis in Accounting at California State Polytechnic University in Pomona, CA.

Gary Dyne, Executive Vice President Global Sales - Gary Dyne was appointed Executive Vice President Global Accounts in April 2015. He has been Talon's employee since 2002 and previously served as Vice President of Sales and Marketing. Mr. Dyne is responsible for driving and accelerating sales strategies from implementation thru to execution. Mr. Dyne has extensive knowledge of the industry and leadership expertise managing a global sales team. In addition to managing a global sales team, Mr. Dyne is also responsible for managing many of the company's key accounts. He has developed long term key relationships with customers both domestically and internationally.

Peter Vaz, Executive Vice President Asia Operations - Peter Vaz was appointed as Talon's Executive Vice President Asia in May 2015 and has served as Vice President Asia Sales since January 2011. Mr. Vaz has been with Talon since September 2006 and was formerly Director of Trims Operations until December 2010, overseeing Product Development, Supply Chain Management, Quality Assurance and Logistics. With over 20 years of industry experience, Mr. Vaz has fostered relationships across Asia with supply chain partners, clothing manufacturers and global brands. Mr. Vaz earned his Master in Business Administration from the University of Western Sydney, Australia after completing his Bachelor in Commerce with an accounting focus from Bombay University.

BOARD OF DIRECTORS

Mark Dyne, Chairman of the Board - Mr. Dyne has served as Chairman of the Board of Directors since 1997. Mr. Dyne currently serves as the Chief Executive Officer and the Managing Partner of Europlay Capital Advisors, LLC, a merchant banking and advisory firm. Mr. Dyne previously served on the Board of Directors of Skype Global S.a.r.l., the world's leader in V.O.I.P. communications. Mr. Dyne was also previously Chairman and Chief Executive Officer of Sega Gaming Technology, Inc. (USA), and Chairman and Chief Executive Officer of Virgin Interactive Entertainment Ltd. Mr. Dyne was a founder and former director of Sega Ozisoft Pty Ltd. Mr. Dyne was nominated to Talon's Board of Directors for his extensive domestic and international management experience.

David Ellis, Director - David Ellis has served on our Board of Directors since October 2010. Mr. Ellis is a co-founder of GemCap, a provider of asset-based loans, ranging from \$1 million to \$10 million, as a senior-secured lender. Through 2006, Mr. Ellis served as the President of Buxbaum Group. Mr. Ellis has twenty years of experience in the acquisition, insolvency and turnaround management businesses during which he built several international businesses, with an emphasis in the apparel industry. Mr. Ellis was nominated to our Board of Directors for his extensive domestic and international management experience, and knowledge of associated industry practices and trends, and for his financial and investment management expertise.

Robert L. Golden, Director - Robert. Golden joined our Board of Directors in September 2013. Mr. Golden has served as a partner at the accounting firm of Cohen, Bender & Golden, LLP in Los Angeles, California since 2015. Mr. Golden has also served as a partner at the accounting firm of Fenton & Ross in Los Angeles, California during 2013-2015. Mr. Golden has also served as Chief Financial Officer, since 2008, for Promo Shop, Inc., a promotional merchandising and marketing services company that provides creative branded merchandise and custom premiums. From 2004 to 2012, Mr. Golden was a Principal with the accounting firm of Saffer & Flint A.C. in Los Angeles. Prior to 2004, Mr. Golden spent nearly 20 years with national and regional accounting firms beginning with Ernst & Young in 1984. Mr. Golden is licensed as a Certified Public Accountant. Mr. Golden earned his Bachelor of Science in Business Administration with an emphasis in Accounting from the University of Southern California. Mr. Golden was nominated to our Board of Directors for his extensive management experience, knowledge of associated industry practices and trends, and for his financial management expertise.

IMPORTANT DISCLOSURES AND DISCLAIMERS

The following disclosures are related to Stonegate Capital Partners “SCP” research reports.

ANALYST DISCLOSURES

I, Patrick M. Noonan, hereby certify that the view expressed in this research report accurately reflects my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING, REFERRALS, AND FEES FOR SERVICE

SCP does not provide nor has it received compensation for investment banking services on the securities covered in this report. SCP does not expect to receive compensation for investment banking services on the securities covered in this report. SCP has a non-exclusive Advisory Services agreement to provide research coverage, retail and institutional awareness, and overall Investor Relations support for which it is compensated \$5,000 per month. Stonegate Capital Markets “SCM” (Member FINRA) is an affiliate of SCP and may seek to receive future compensation for investment banking or other business relationships with the covered companies mentioned in this report. In certain instances, SCP has contracted with SCM to produce research reports for its client companies. SCP pays SCM a monthly retainer for said services.

POLICY DISCLOSURES

SCP Analysts are restricted from holding or trading securities in the issuers that they cover. SCP and SCM do not make a market in any security nor do they act as dealers in securities. Each SCP analyst has full discretion on the content and valuation discussion based on his or her own due diligence. Analysts are paid in part based on the overall profitability of SCP. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by SCP for services described above. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article. No employee of SCP serves on the company’s Board of Directors. Research analyst and/or a member of the analyst’s household do not own shares of this security. The research analyst and/or a member of the analyst’s household do not serve as an officer, director, or advisory board member of the company. This security is eligible for sale in one or more states. This security is subject to the Securities and Exchange Commission’s Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities. SCP or its affiliates do not beneficially own 1% or more of an equity security of the company. SCP does not have other actual, material conflicts of interest in the securities of the company.

ADDITIONAL INFORMATION

Please note that this report was originally prepared and issued by SCP for distribution to its market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of SCP should seek the advice of their independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources, which we believe to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of SCP and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of SCP is prohibited. Additional information on any securities mentioned is available on request.

RATING & RECOMMENDATION

SCP does not rate the securities covered in its research. SCP does not have, nor has previously had, a rating for any securities of the Company. SCP does not have a price target for any securities of the Company.

CONTACT INFORMATION

Talon International, Inc.

Nancy Agger-Nielson, CFO
21900 Burbank Boulevard, Suite 270
Woodland Hills, CA 91367
Phone: 818-444-4100

Investor Relations

Stonegate Capital Partners
8201 Preston Rd.
Dallas, TX 75229
Phone: 214-987-4121

