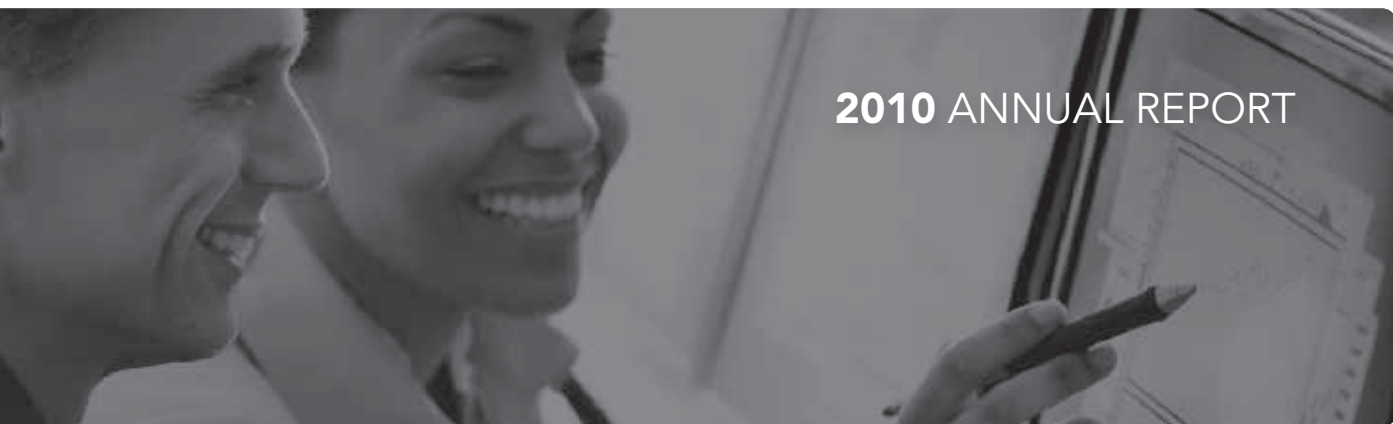




ENSURING THE **GROWTH
AND SUCCESS** OF THE
OUTDOOR INDUSTRY



2010 ANNUAL REPORT





OUTDOOR INDUSTRY ASSOCIATION® IS THE LEADING TRADE ASSOCIATION FOR THE OUTDOOR INDUSTRY AND THE TITLE SPONSOR OF OUTDOOR RETAILER.

OIA supports the growth and success of more than 4,000 manufacturers, distributors, suppliers and retailers of outdoor recreation apparel, footwear, equipment and services.

Member owned and driven, OIA aids outdoor companies directly by:

- » Advocating for Issues Critical to the Future of the Outdoor Industry
- » Building Stronger Business Leaders
- » Changing the Way the World Does Business
- » Inspiring New Generations

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“AS I HAND THE ROLE OF CHAIR OF THE OIA BOARD OF DIRECTORS TO WILL MANZER, I’M REMINDED OF ALL THAT OIA HAS ACCOMPLISHED ON BEHALF OF THE INDUSTRY, AND THE BRIGHT FUTURE AHEAD OF US.”

While our industry is outperforming most other industry sectors, we have faced unique challenges that have demanded laser sharp focus. When I started my term in 2009, our country was in the midst of the recession, forcing numerous companies out of business. Federal and state budget deficits were putting our public parks, lands and waters – the very infrastructure that supports our industry – at risk. Unfavorable trade policies continue to needlessly raise the price of outdoor products, and shifting economics in China are going to affect our business operations in still unforeseen ways. And the rise of new technology and online discounters has fundamentally changed the way consumers shop, challenging the standard brick and mortar retail model.

Despite these challenges, the outdoor industry continued to grow thanks to two emerging social trends. Americans are focusing on the things that matter – friends, family and community – and are seeking ways to simplify their lives and enjoy their down time. More people are disconnecting from today’s busy lifestyles and are taking advantage of close-to-home and done-in-a-day opportunities to hike, climb, camp, paddle, and bike. The 2011 Participation Topline Report (free to OIA members) supports this and underscores the important role our industry must play to support investments in the recreation infrastructure needed to support this trend.

Under the guidance of the Board of Directors, OIA is the engine pushing the industry forward and finding solutions and opportunities that address our most pressing challenges. For instance, Outdoor University® offers educational programs on retail operations, consumer trends, technology, trade issues and a host of other topics that are relevant to our

industry. The OIA Eco Index is setting the standard for the broader apparel and footwear industry, and is leading the way in product sustainability. The economics behind outdoor recreation – \$289 billion in retail sales and services and 6.5 million jobs in America – gives us a voice with decision-makers about public lands and waters and trade policies. And now, members can compare their performance against industry trends through OIA VantagePoint™, a resource for research and market trend information that provides the most comprehensive look at outdoor and sporting goods sales.

OIA is preserving the industry’s core values and helping our members grow rock solid businesses through strategic programs and resources. As I look to the future of the industry, one thing is certain – our challenges are dwarfed by the opportunities ahead of us. It has been my privilege to serve as your Chair. Our industry has a great and noble purpose – and on behalf of the staff and board of directors, I thank you for your support.

Dan Templin

Chair, OIA Board of Directors (Aug. 2009 – Aug. 2011)
VF Outdoor Inc., CFO



ECONOMICS ARE DRIVING LOCAL AND NATIONAL DECISIONS ACROSS THE COUNTRY. IT IS CRITICAL THAT DECISION-MAKERS UNDERSTAND THAT ACTIVE OUTDOOR RECREATION IS A MAJOR ECONOMIC ENGINE, CONTRIBUTING \$730 BILLION ANNUALLY TO THE U.S. ECONOMY, GENERATING \$289 BILLION IN ANNUAL RETAIL SALES AND SERVICES, AND SUPPORTING 6.5 MILLION JOBS IN AMERICA.

Each year, OIA recognizes members of Congress and administration officials who actively demonstrate leadership and support for the outdoor industry. In 2010, OIA presented the following individuals with this distinction:

SEN. JEFF BINGAMAN (D-NM)
 REP. EARL BLUMENAUER (D-OR)
 REP. MIKE CASTLE (R-DE)

friend of the
outdoor industry award

“In an increasingly sedentary society, our parks give parents a place to connect their children with nature and learn to appreciate the good feelings that come from healthy, green exercise.”

SEC. OF THE INTERIOR KEN SALAZAR

From securing a balanced and predictable international trade agenda to protecting the future of our public lands and waters, OIA and our members are on the frontlines everyday working with elected officials and decision-makers at all levels to advance policy decisions that will ensure the growth and success of the outdoor industry.

The OIA Trade Advisory Council continued its work to promote equitable and predictable trade policies for the outdoor industry. In a rapidly evolving global economy, fair and predictable trade is essential for our industry's continued innovation and growth. A level playing field and access to overseas markets for outdoor products is critical to our businesses and our economy. The OIA trade policy seeks to lower costs for outdoor businesses and consumers, supports American jobs and ensures continued product innovations that are critical to the outdoor industry's viability.

Throughout 2010, OIA engaged in policy issues aimed to secure funding for and ensure balanced management policies on public lands that support active outdoor recreation. The vast majority of this powerful economic activity takes place on public lands and waters managed by the federal and state governments, making the voice for recreation in the public policy process essential for our customers and our industry.

2010 Accomplishments

- » OIA advances and promotes the positive economic impacts of outdoor recreation among policymakers. A study by the Department of the Interior reveals that 285 million Americans and tourists visited America's national parks, up nearly 4 percent from 2008. In addition, the National Park System supports more than 223,000 jobs and nearly \$14 billion in economic activity across the country.
- » OIA advocacy efforts kick into overdrive when the 2006 Miscellaneous Tariff Bill (MTB) on U.S. footwear expired, reinstating a 37.5 percent duty rate and causing many footwear brands to bring fewer products to market. OIA ensured the MTB tariff reductions were renewed, which saves the outdoor industry upwards of \$7 million each year in tariffs.
- » Alongside Outdoor Alliance, National Parks Conservation Association and more than 65 outdoor recreation businesses, OIA urges Congress to prioritize protecting public lands and waterways with climate protection legislation.
- » In 2010, counterfeiting was on the rise, costing the outdoor industry upwards of tens of millions of dollars annually. OIA ramps up policy work to curtail these losses for the industry.
- » OIA members show their support for protecting our nation's lands and waters. More than a dozen OIA representatives and members attend and celebrate President Obama's kick-off event of the America's Great Outdoors (AGO) Initiative.
- » OIA continues to advocate for funding for the Land and Water Conservation Fund (LWCF). In 2010, legislation dedicating funding for LWCF passes the House and moves to the Senate. Fully funded only once in 45 years, shortfalls in LWCF funding have resulted in a backlog of land protection and outdoor recreation needs across public lands and waters.
- » OIA and Outdoor Alliance submit the "America's Great Outdoors Listening Session" report to the Obama administration, based on feedback from eight sessions held around the country in partnership with outdoor-based companies.
- » OIA Political Action Committee (OIAPAC) grows its political influence and celebrates a 92 percent success rate in the November elections.

IN A RAPIDLY EVOLVING GLOBAL ECONOMY, **FAIR AND PREDICTABLE TRADE** IS ESSENTIAL FOR OUR INDUSTRY'S CONTINUED INNOVATION AND GROWTH. BALANCED AND PREDICTABLE TRADE POLICY RESULTS IN LOWER COSTS AND ENSURES CONTINUED PRODUCT INNOVATIONS THAT ARE CRITICAL TO THE OUTDOOR INDUSTRY'S VIABILITY.



THE OUTDOOR INDUSTRY MUST HAVE A VOICE ON **CONSERVATION AND RECREATION ISSUES** TO ENSURE THAT OUR NATION'S PUBLIC LANDS AND WATERWAYS – THE INFRASTRUCTURE SUPPORTING OUR INDUSTRY – ARE FUNDED AND PROTECTED.





“Outdoor University courses are insightful, accessible tools that help our staff contribute more to our operation.”

SHELLEY O'NEILL, TRADING POST MANAGER,
PHILMONT SCOUT RANCH, BOY SCOUTS
OF AMERICA

SMART LEADERS UNDERSTAND TRENDS AND HOW TO QUICKLY ADAPT TO CHANGES IN THE MARKETPLACE.

OIA connects its members with competitive business analytics, professional development, and industry networking and leadership opportunities to help them become stronger, more effective leaders. In 2010, OIA offered learning and networking opportunities for more than 4,200 industry professionals through Outdoor University and special industry events. *OIA WebNews* and *CEO Brief* connected members to the latest member resources, industry insights and research reports to help members understand important trends and build rock solid businesses.

Most notably in 2010, OIA established the Business Intelligence department to develop resources that deepen members' understanding of critical business issues and trends, expand industry events, and enhance the live and online educational resources for the industry.

THE LATEST SALES TRENDS, INDUSTRY INSIGHTS AND NEWS, AND OPERATIONAL AND FINANCIAL BENCHMARKING RESOURCES ARE AVAILABLE WITH THE CLICK OF A MOUSE.
OUTDOORINDUSTRY.ORG/RESEARCH





2010 Accomplishments

- » OIA makes a splash at Outdoor Retailer Winter Market, drawing more than 1,000 industry professionals to Outdoor University workshops and the OIA Industry Breakfast.
- » Record snowfalls boost retail sales in winter apparel, footwear and gear, particularly in the South.
- » Data collection for benchmarking surveys for retailers and manufacturers is in full swing.
- » The Outdoor Foundation, the not-for-profit arm of OIA, publishes a report that shines a spotlight on popular outdoor activities, as well as youth and minority participation. Published annually, the Outdoor Recreation Participation Topline Report provides a baseline of data used by policy makers, media and members.
- » Outdoor industry retail sales enter double-digits, pushing retail year-to-date sales over the \$4 billion mark.
- » OIA VantagePoint launches at Outdoor Retailer Winter Market, providing members with full online access to channel and category specific sales data for outdoor products. OIA VantagePoint is available at no cost to OIA members and includes data from more than 10,000 retail stores.
- » Sec. of the Interior Ken Salazar makes an appearance at Outdoor Retailer Winter Market and speaks to a packed room about the value of outdoor recreation at the OIA Industry Breakfast. Participation at Outdoor University workshops doubles from previous show.
- » Despite a still lethargic economy and unusual weather patterns, outdoor product sales across all channels were up 4 percent to \$10.85 billion for fiscal year 2010. Outdoor specialty sales grew 7.3 percent to \$2.95 billion for the year.
- » A record 355 outdoor industry leaders attend Rendezvous®, the premier education conference for outdoor industry executives, in Asheville, NC. The conference closes with the industry cleaning up the French Broad River through the Rendezvous Timberland Service Project.
- » Outdoor University hosts its final session of 2010, concluding more than 70 live or online programs designed for outdoor industry professionals.

“At The North Face, we look to inspire outdoor explorers and conservationists, and our support of the OIA industry breakfast is one way we stay on the leading edge of critical issues affecting these audiences as well as the businesses that serve them, industry-wide.”

TODD SPALETTO, PRESIDENT OF THE NORTH FACE AMERICAS

FROM THE GROUND-BREAKING OIA ECO INDEX TO THE INDUSTRY'S STRONG ENVIRONMENTAL ETHIC, OIA MEMBERS ARE LEADING INITIATIVES THAT ARE EVOLVING OUTDOOR RETAIL INTO A WORLD-CLASS INDUSTRY AND CHALLENGING THE STATUS QUO IN CORPORATE AMERICA THROUGH SUSTAINABILITY AND FAIR BUSINESS PRACTICES.



Leading on this front is the OIA Eco Working Group (EWG), which was formed in 2007 to explore the issues of environmental sustainability as related to the outdoor industry.

The EWG has an open membership and encourages participation from all companies throughout the supply chain.

outdoorindustry.org/eco

“Our industry is being recognized for its thought leadership in the area of product sustainability, and the collaborative process used to build the Eco Index can be held up as a model for future initiatives.”

JILL DUMAIN, DIRECTOR OF ENVIRONMENTAL STRATEGY, PATAGONIA AND CHAIR OF THE OIA SUSTAINABILITY ADVISORY COUNCIL



2010 Accomplishments

- » Portland Development Commission awards OIA Eco Working Group a \$10,000 grant to continue development of the Eco Index.
- » OIA Social Responsibility Working Group re-forms to develop a Fair Labor Toolkit to accompany the Eco Index.
- » OIA shows support for passage of comprehensive climate and energy legislation by becoming the 18th member of Business for Innovative Climate and Energy Policy (BICEP).
- » The OIA Eco Index goes global when a partnership is forged between OIA and the European Outdoor Group (EOG). First phase of the Eco Index launches at Outdoor Retailer Summer Market.
- » The year ended on a high note when the Eco Index was named one of the "Ten Most Hopeful Green Business Stories of 2010" by Greenbiz.com.
- » In 2010, OIA worked with more than 100 outdoor businesses and partners to expand and pilot the OIA Eco Index, the industry's first environmental assessment tool.



AS THE LEADING TRADE ASSOCIATION FOR THE OUTDOOR INDUSTRY, OIA CONTINUALLY INVESTS IN OPPORTUNITIES TO BRING THE INDUSTRY TOGETHER TO NETWORK, GIVE BACK AND DISCUSS INDUSTRY-WIDE CHALLENGES AND OPPORTUNITIES.



The Industry's Voice at Outdoor Retailer

As the title sponsor of Outdoor Retailer, OIA brought in notable speakers for the Industry Breakfast and the Thought Leader Dinner for both the Winter and Summer Markets. Both events offered the industry an opportunity to gather around relevant, industry-specific topics that will move the industry forward and help members build rock solid businesses.

“Rendezvous provides an opportunity for us to live up to the leadership attributes that we are committed to.”

MARK BRYDEN, VICE PRESIDENT AND GENERAL MANAGER, NORTH AMERICA FOR THE TIMBERLAND COMPANY, THE 15 YEAR CORPORATE SPONSOR OF THE RENDEZVOUS TIMBERLAND SERVICE PROJECT

Rallying the Industry to Give Back


In 2010, disaster prompted the industry to step up and give back. Through its partnership with AmeriCares, OIA rallied the industry to support earthquake disaster victims in Haiti and reached out to Colorado companies to support victims of Boulder's Four Mile Canyon fire.

Host of the Industry's Longest Running Conference

As the must-attend gathering for the outdoor industry, OIA Rendezvous travels to the four corners of the country and hosts the leading and longest running educational conference for outdoor industry executives. In 2010, OIA Rendezvous headed to Asheville, NC, bringing with it more than 350 outdoor industry executives, to explore emerging trends and issues that will impact the industry.

Making a Difference in Washington, DC

Changes in Washington, DC that will support the growth and success of the outdoor industry begin one member at a time. Each spring, OIA members and staff gather at the Capitol to meet with policy makers about issues relevant to our industry. In 2010, more than 60 outdoor industry executives participated in the Capitol Summit to lobby for the OIA policy agenda.



TODAY, YOUTH ARE LESS ACTIVE AND MORE INCLINED TO SPEND TIME INDOORS. RECOGNIZING THAT ENCOURAGING GREATER PARTICIPATION IN OUTDOOR ACTIVITIES IS VITAL TO THE FUTURE OF THE INDUSTRY, OIA TARGETED YOUTH ENGAGEMENT AND INDUSTRY LEADERSHIP INITIATIVES IN 2010.

For Youth, By Youth

The Outdoor Foundation, the supporting not-for-profit charitable arm of OIA, is stepping up to the challenge to inspire and grow future generations of outdoor enthusiasts. In 2010, the Foundation launched the first Outdoor Nation Youth Summit making history in New York City's Central Park as the first ever youth-led movement championing the outdoors. Building on that momentum, Outdoor Nation began planning the next National Outdoor Nation Congress for 2011 to empower the Millennial generation to encourage their peers to get active outside. Outdoor Nation was founded with initial support from The North Face, Recreational Boating and Fishing Foundation, The REI Foundation, The Conservation Fund and the National Park Service.

Recognizing Leadership

The outdoor community plays an important role in inspiring people to adopt an active outdoor lifestyle. OIA recognizes that this leadership will be the foundation of the industry, and in 2010, begins the call for the first round of nominations for the OIA Outdoor Inspiration Awards presented by adidas Outdoor which recognizes individuals, groups and companies who inspire people to appreciate and recreate in the outdoors.

Tracking Outdoor Participation

Every year, The Outdoor Foundation publishes the only detailed study that tracks American participation trends in outdoor recreation. The 2010 Outdoor Recreation Participation Topline Report was based on an online survey capturing responses from over 40,000 Americans ages six and older and covers 114 different activities. According to the report, more than 137.8 million Americans participated in outdoor recreation.

OIA HAD A STRONG FINANCIAL YEAR IN 2010. AFTER SEEING MEMBERSHIP DECLINE IN 2009, OIA EXPERIENCED A 12 PERCENT INCREASE IN THE TOTAL NUMBER OF MEMBERS IN 2010.



Revenues grow by 22.5 percent, driven largely by the increase in membership, growth at Outdoor Retailer and an increase in charitable support to The Outdoor Foundation.

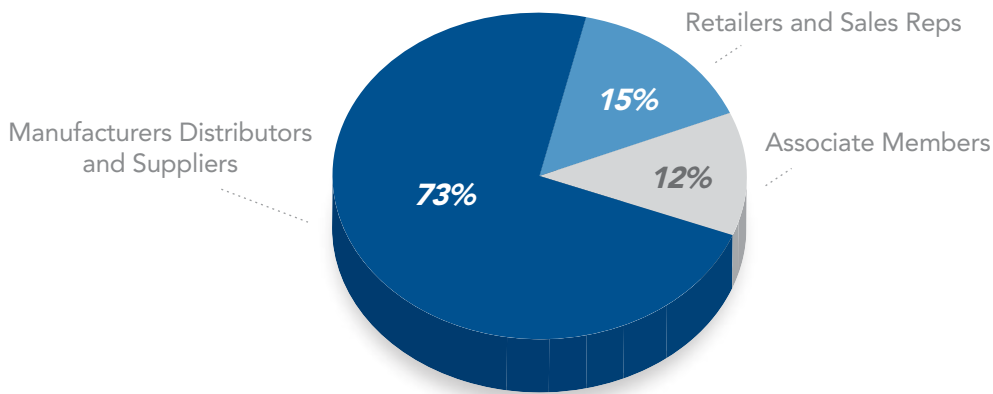
The Outdoor Foundation's revenues increased by 64 percent over 2009, with 21 percent of 2010 support coming from non-endemic grants from government agencies, other 501(c)(3) and granting foundations. With this increase in revenues, OIA focuses on increasing member benefits and programs while managing the bottom line, maintaining a strong balance sheet, and meeting the OIA Board of Director's fiscal directives.

“We get the most from simply being connected to common causes of OIA through events hosted at Rendezvous, at the show or online. OIA's focus on the health/diversity of specialty retail, increasing participation in outdoor recreation and their leadership in environmental stewardship benefits our industry tremendously.”

BLAIR CLARK, SVP MARKETING AND SALES,
SMITH OPTICS

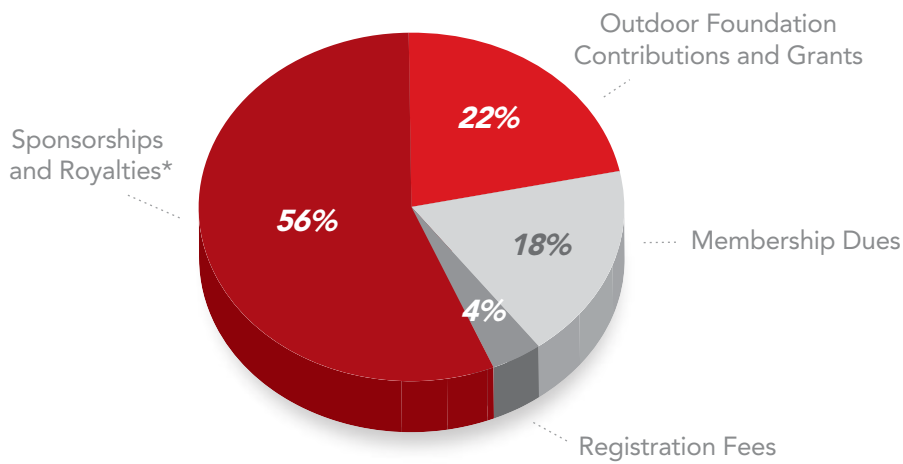
** Includes sponsorships and royalties for utilization of OIA names and marks and endorsements of other corporate products, services and events, including member cost saving benefit alliances programs.*

2010 Membership by Dues Revenue



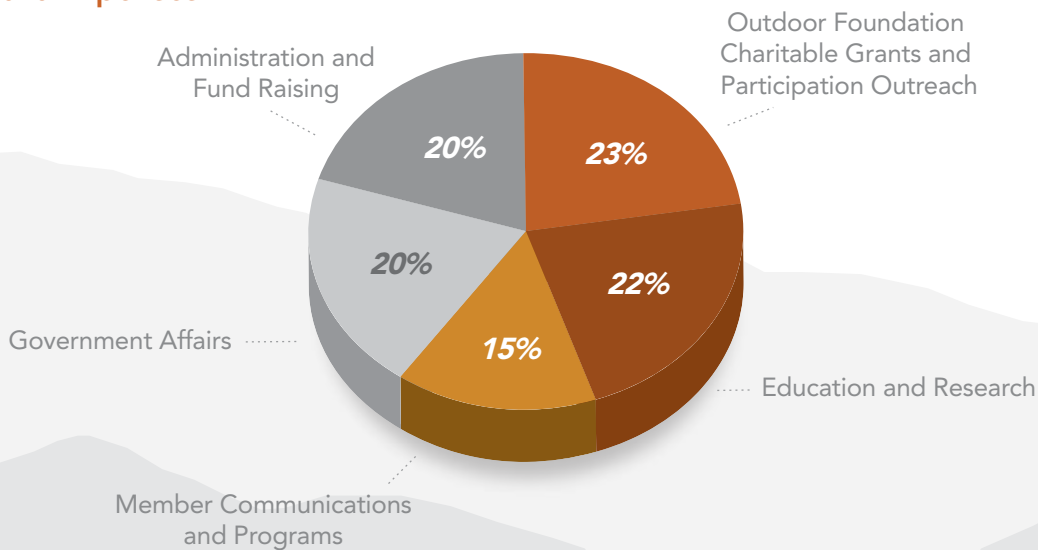
Total Membership Dues Revenue \$866,429

2010 Total Revenues



Total Revenues \$4,735,463*

2010 Expenses



Total Expenses \$4,152,354

IN ADDITION TO BUSINESS RESEARCH, SALES TREND REPORTS, PROFESSIONAL DEVELOPMENT, AND INDUSTRY NETWORKING AND LEADERSHIP OPPORTUNITIES, OIA MEMBERS HAVE ACCESS TO SUBSTANTIAL DISCOUNTS THAT OFFER DIRECT AND IMMEDIATE BOTTOM LINE ADVANTAGES.

As a result, OIA has saved our members more than \$50 million over the past five years and, on average, members can save an average of \$8,000 per member per year. Take advantage of your membership today.

OutdoorRetailer

10% discount on Winter and Summer Market booth space.



Complimentary and discounted job postings.

Outdoor University

Unlimited access to hundreds of live and online educational sessions.

Rendezvous

Member rates to Rendezvous, the industry's premier and longest running education conference for outdoor industry executives.



Up to 15% off daily, weekend, weekly and monthly rates.



Merchant Services

Credit card rates as low as 1.95%, debit and check card rates as low as 1.70%.



Up to 46% off FedEx Express® shipments and up to 24% off FedEx Ground® packages.



70% discount on all qualifying less-than-truckload (LTL) shipments.



Up to 88% discounts on office products, paper, printing, furniture and technology.



Preferred pricing on business insurance tailored for the outdoor industry.

2010 OIA Board of Directors

EXECUTIVE TEAM

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VF Outdoor Inc., CFO

Vice Chair

Will Manzer
Eastern Mountain Sports, CEO

Vice Chair

Peter Metcalf
Black Diamond Equipment
Co-Founder, CEO/President and
Chairman

Treasurer

Sam Solomon
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Secretary

Gordon Seabury
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Zohar Ziv, Deckers Outdoor Corp., COO
Jim Zwiers, Wolverine World Wide Inc., President, Outdoor Group



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