

THE B.O.S.S. REPORT

THE BICYCLE, OUTDOOR, AND SNOW-SPORTS TRADE NEWSLETTER

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Cascade Designs Moves on with New Leadership...

Last year, Cascade Design's founder, John Burroughs, made the decision to consolidate all of Cascade Design's ownership into his own hands. This set off a chain of events that included Lee Fromson, the president of the company, deciding to leave his position, but remain as a board member. In July of 2006, the company promoted Joe Mc Swiney to serve as president. Mr. Mc Swiney was previously Vice President of European Operations for Cascade Designs Ltd., the European subsidiary of Cascade Designs Inc. located in Middleton, Ireland.

More recently, Mc Swiney sat down for a conversation with *The B.O.S.S. Report* to discuss his goals for the company. Cascade Designs is facing some challenges that several maturing companies in the outdoor industry are looking to address. Many of the classic outdoor brands were founded during the backpacking boom of the mid to late 1970's and today, are faced with sustaining the energy of the brand in the absence of the founders.

"It's my intention that the organization last a very long time, and I consider that to be one-hundred years plus," said Mc Swiney. "So it is essential that we transition beyond the original founders. Organizations tend to get their core purpose from their founders, the reason for existence, and sometimes organizations take that for granted. So, it's important to manage that transition. This is not a today or tomorrow thing, John Burroughs is going to be around for quite a while, but it's something to set up so the transition happens smoothly."

Other companies have gone through similar transitions, but the shift away has usually been driven by a change in ownership – either through a private equity or strategic acquisition. Some founders still sit on the board of their company, like Mr. Burroughs, others have disappeared from the industry, while still others have re-launched with new companies of their own. Mc Swiney and Burroughs are working together to make this transition as easy as possible for CDI. Mc Swiney was also quick to emphasize that Burroughs currently has no intention of selling the company.

The company is also re-thinking long term strategies. "With the departure of Lee Fromson and Jeff Bowman, some of the strategic intent departed. That, in a sense, has been a good thing for the organization, because it has allowed us to re-think our way forward," Mc Swiney said. **Continued >>>**

Market Report

Index	11/17	11/10	+/-
BOSS	1,640.95	1,618.05	1.4%
Vendors	1,612.38	1,599.33	0.8%
App/FW	1,666.45	1,653.57	0.8%
Hardlines	1,573.74	1,569.92	0.2%
Retail	1,863.04	1,787.91	4.2%
SEW	1,470.09	1,447.08	1.6%
S&P 500	1,401.20	1,380.90	1.5%
Dow Ind.	12,342.5	12,108.4	1.9%

Market Movers

Company	11/17	11/10	+/-
Dick's SG	55.56	48.76	13.9%
Gandr Mtn	9.13	8.09	12.9%
Big 5 SG	24.87	23.59	5.4%
Columbia	58.95	55.94	5.4%
Head NV	3.33	3.42	-2.6%
Forzani	16.63	17.24	-3.5%
Zumiez	28.10	30.67	-8.4%
Phx FW	3.95	4.55	-13.2%

As Mc Swiney Plans for the Next Phase...

Mc Swiney is working to build on the work of the last five years, when the organization has upgraded and modernized its brand management. Now with much of this groundwork completed, he is looking to drive the company forward to the next level. "One of the things that has distinguished Cascade Designs from the beginning is that it has been particularly well-managed for a practitioner-founded organization," Mc Swiney said. "In the early days it was more so in the areas of innovation and distribution, but recently I think that has extended into branding and marketing."

Essentially, Mc Swiney has been working on clarifying Cascade Designs' strategic intent and creating a long term (five to 10 years) set of goals and targets that fit in with this strategic intent. "It's literally a work in progress," he said. "It started shortly after I took this position, and should be complete sometime in the first half of next year. The timing is very good because I have inherited the results of a targeted effort to improve the marketing performance of the organization. I want to build on that and in order to do that I need to select our next set off major achievement over the next five to 10 years."

One of the things Mc Swiney wants to build on and take advantage of is the fact that Cascade Designs is a multi-brand organization. "We can use our multiple brands to more precisely target the needs and culture and ideology of different market segments," he said. "Cascade Designs is certainly unique in this respect in the outdoor business for our scale of company. It is something I think we are good at and we can build on."

The company is building the multi-brand strategy in a very different pattern than many other companies in the industry. While the traditional thinking is to use three different brands, one each for specialty retailers, chains, and mass, Cascade is using their brands to target different consumers within the specialty channel. "The prevalent thinking in the industry is that if you are targeting one distribution channel, then you are better off using one brand." Mc Swiney said. "However, if you are a small organization, like Cascade Designs and you try to play the same game as everyone else then it's hard to differentiate yourself. So, we're playing it differently."

This strategy also keeps the doors open for Cascade Designs to pursue further acquisitions, should the opportunity arise. While Mc Swiney said that there are currently no deals in the works, he maintains that there is always a possibility for Cascade to absorb a new brand. "The two things that Cascade brings to an acquisition are our distribution infrastructure and our engineering prowess," he said. "We obviously won't add brands willy-nilly. That wouldn't make sense because brands have a resource hurdle that they will consume in order to remain relevant and not just a product name. There is no aggressive schedule in terms of timing for an acquisition, right now."

Cascade's growth strategy is currently to maintain year-on-year internal sales increases through product innovation with additional growth "steps" added as the company makes acquisitions on a multi-year basis.

While Cascade is already relatively well-established internationally, with roughly one-third of the company's sales coming from international markets, Mc Swiney still sees some up-side in growing these markets. He said that, like any U.S. outdoor brand, their product penetration in global markets is smaller relative to the user-base, but overall he feels that the company has a solid distribution network and a good foundation for expansion. However, he also feels that in order to break the 30% barrier on international sales the company will need to further localize its products and marketing messages.

While the re-planning process for Cascade Designs is going to take time, the company has a solid base of distribution, engineering, marketing and even healthy sales increases to build from. As the strategic vision takes shape the company will likely become more active in acquisitions, but it will maintain its focus on premium products designed for specialty retailers.

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Johnson Outdoors Cuts Fiscal Q4 Loss Dramatically...

Johnson Outdoors' operational improvements worked their way down to the bottom line for the company's fiscal fourth quarter and the 2006 fiscal year with a mid-single digit sales increase translating to an income increase in excess of 20% for the full year. New products represented one-third of overall sales for the year.

The **Watercraft** division saw double-digit growth in international paddle sport revenues drive sales 4% ahead of last year's strong fourth quarter results. The division's operating loss improved from \$2.3 million in the fourth quarter of last year to \$1.99 million this year. The primary reason for the operating loss was the company's investment in electronic boats, which masked the success in this division.

Marine Electronics realized a 13% increase in quarterly net sales due to growth in mass and sporting good channels for Minn Kota. The acquisition of Cannon and Bottom Line brands added \$2.1 million in net sales to the division during the quarter. Excluding acquisitions, the Marine Electronics segment saw sales increased 3.8%. The division's operating margins were essentially flat at 3.4% of sales.

Diving revenues were 11% ahead of last year driven by solid growth in North America and improved performance in key international markets. The division reported healthy operating margins for the quarter, at 10.4% of sales, compared to an operating loss in the fourth quarter of last year.

Outdoor Equipment revenues decreased 16% due entirely to a 57% decline in military tent sales. The company expects military sales to decline even further next year, but going forward it does not consider the military business to be a "core business." The company is expecting \$25 to \$35 million in military sales for 2007.

Commercial tent sales dipped slightly below last year due to low inventories resulting from the temporary halt of production in the 2006 fiscal third quarter caused by flooding in the company's tent manufacturing facility in Binghamton, New York. Consumer camping continued to "benefit significantly" from specialty market sales this quarter.

The reduction in military sales and the flood of the Binghamton, New York facility also impacted the operating margin in the outdoor division, which was 9.1% of sales compared to 11.7% during Q4 last year.

During a conference call with analysts and the media, Helen Johnson-Leipold, Chairman and CEO of Johnson Outdoors said that acquisitions remain an important part of the company's strategy.

The first acquisition of JOUT's fiscal 2007 year was Lendal Paddles, a small specialty sea kayak paddle manufacturer based in England. Many specialty paddlesports shops are watching the development and integration of this acquisition closely.

"The purchase was small in terms of dollars, but the opportunity for growth is big," said Johnson-Leipold. "With Lendal in the mix, we will go to market with a total premium paddle sports package, from boat to accessories."

While some analysts questioned the efficiency of acquiring new brands when it appears to be much more profitable for JOUT to buy its own stock, which is trading for a relatively inexpensive price at the moment, Johnson Leipold said that investments in the business will go towards growing the company.

Going forward, the company expects approximately one third of their growth to come from acquisitions, one third from product extensions and one third from organic growth.

Commodity costs continue to be a concern, but management is "cautiously optimistic."

The improvement to JOUT's bottom line was due primarily to a growth in gross margins driven, coupled with new cost-saving programs and pricing strategies. These programs more than offset higher commodity costs and freight charges.

Going forward, management expects to see more cost savings come from these programs, particularly in the Marine Electronics segment. The Watercraft division is expected to continue its growth curve and a re-positioning of the electronic boat line to better focus on resort and rental fleets is expected to improve profitability. Overall, the company is placing a focus on improving the operating margins of all of their core consumer brands.

Johnson Outdoors Fiscal Fourth Quarter & Full-Year Results						
(in \$ millions)	Fourth Quarter			Full-Year		
	2006	2005	Change	2006	2005	Change
Net Sales	\$80.3	\$77.1	+4.2%	\$395.8	\$380.7	+4.0%
Outdoor	\$12.5	\$14.9	-16.3%	\$65.9	\$75.3	-12.5%
Watercraft	\$19.2	\$18.5	+4.1%	\$87.3	\$80.8	+8.0%
Diving	\$23.3	\$21.1	+10.5%	\$78.5	\$79.4	-1.2%
Marine Elec.	\$25.3	\$22.5	+12.7%	\$164.5	\$145.2	+13.2%
Gross Margin	42.4%	37.1%	+530 bps	41.7%	41.1%	+70 bps
Net Income	(\$0.9)	(\$3.4)	+72.8%	\$8.7	\$7.1	+22.7%
Diluted EPS	(1¢)	(39¢)	+74.4%	95¢	81¢	+17.3%
Inventories*	\$63.8	\$51.9	+23.0%	\$63.8	\$51.9	+23.0%

* at year-end

Gander Mountain Third Quarter Results			
(in \$ millions)	2006	2005	Change
Total Sales	\$246.5	\$214.6	+14.9%
Gross Margin	25.5%	23.5%	+200 bps
Net Income	\$2.0	(\$7.5)	vs. loss
Diluted EPS	14¢	(53¢)	vs. loss
Comp Sales	+7.4%	-8.5%	
Inventories*	\$399.6	\$392.2	+1.9%

*at quarter-end

Eddie Bauer Q3 Loss Grows; Inks Deal to go Private...

Eddie Bauer Holdings' third quarter revenues were \$211.3 million, a decline of 2.8% compared to \$217.3 million reported for the same period last year. net merchandise sales were down 2.6% to \$199.3 million compared to \$204.7 million last year. Comparable store sales for the third quarter declined 1.5%, however, the company is seeing a slight turnaround in the fourth quarter with comp-sales to date increasing 1.6% for the period.

Gross margin for the third quarter declined 190 basis points to 30.5% compared to 32.4% last year. SG&A expenses increased 120 basis points to 42.3% of sales compared to 41.1% of sales last year.

Licensing royalty revenues were \$3.2 million compared to 3.6 million last year.

The Company's net loss for the third quarter of 2006 was \$197.6 million, or a loss of \$6.58 per diluted share, compared to a net loss of \$10.0 million, or 33 cents per diluted share, in the third quarter of 2005.

In other news, Eddie Bauer Holdings, Inc. signed a deal with Eddie B Holding Corp., a company owned by affiliates of two private equity firms, Sun Capital Partners, Inc. and Golden Gate Capital. The deal calls for Eddie B Holding Corp. to acquire all outstanding shares of Eddie Bauer Holdings, Inc. at \$9.25 per share in cash.

The per share consideration represents a 12% premium to the prior four weeks' average closing price of Eddie Bauer's common stock. The total transaction value is approximately \$614 million, including debt to be repaid of approximately \$328 million.

The interesting aspect to the deal is that one of Golden Gate Capital's current investments is Catalog Holdings, and one of Catalog Holdings brands is Spiegel, Eddie Bauer's parent company before it was spun off as an independent public company.

Gander Mountain Swings to Profitability in Q3...

Gander Mountain managed to turn its declining comp sales and consistently red bottom line around in the third quarter with a very solid upper single digit comp-store sales increase and a bottom line that was actually in the black. Management said that much of the comp-store increase was driven by setting their fall assortment early in their stores. This move was designed to create more demand as customers created "wish-lists" in anticipation of the colder weather. This strategy drove strong sales gains in larger-ticket purchases.

The company was quick to point out that it did not buy its comp-sales gain with deeper discounts and special sales. In fact, margins increased during the quarter by 200 basis points. On \$32 million of incremental sales, Gander earned \$11.8 million of operating profit.

Margins were also supplemented by an increase in the penetration of Gander Mountain's private label merchandise in both softgoods and hardgoods. Overall penetration increased from 8% during the third quarter of last year to 11% this year. In particular, GMTN's outdoor performance GSX line saw strong results with sales increasing 250% over last year. Long-term, management sees private label penetration reaching the upper teens to the low twenties. Other positive impacts on margins included lower distribution costs in the quarter, the results of investments in distribution and supply chain processes last year.

Advertising and marketing expenditures in dollar terms were similar to the third quarter a year ago. However, these expenses declined as a percent of sales compared to the third quarter of 2005. Going forward, the company does not see any significant positive or negative change in its expense structure, with profitability attached directly to sales performance. Sales per square foot was \$170 for the latest 12 months, compared to \$183 for the prior 12-month period, as a result of the decline in comparable store sales in the preceding three quarters and lower sales per square foot in less mature stores.

Average customer ticket increased 4.7% from \$58.55 to \$61.32 for the quarter, while the average ticket at comp stores was \$60.28, up from \$58.49 for the third quarter of fiscal 2005. Management stated that some of this improvement is due to the increasing proportion of large-box stores in the total mix. The average ticket at larger stores was over \$12 higher than at smaller stores.

The company opened five new stores in the third quarter, one each in Florida, West Virginia, Tennessee, Alabama, and Virginia -- bringing the total to 105 stores in 22 states. Florida in particular is a major endeavor for Gander Mountain, as this store is not only their first location in this market but also a prototype store that is designed to be regionally relevant, as the company expands in southern markets.

Total square footage at the end of the third quarter increased 9% from last year to 5.5 million square feet. The average square footage per store was 52,000 square feet at the end the quarter, compared with 50,000 in last year's quarter. GMTN management anticipates that most new stores will be in the 60,000 to 65,000 square-foot range with additional outdoor selling space. The company is only looking at opening three locations in the first half of the year.

For the third quarter of fiscal 2006, the company reported net income of \$2.0 million, compared to a net loss of \$7.5 million in the third quarter of 2005. Excluding a \$1.4 million insurance settlement related to the flooding of Ganders' Binghamton, NY, store, income would have been \$600,000. The company provided no guidance, except that management expects to return to profitability sometime in the future.

Dick's Sporting Goods Beats Q3 Expectations and Raises Guidance on Solid Gains...

Dick's Sporting Goods last week announced that they had beat earnings expectations for the third quarter by a factor of four, posted a comp sales gain of nearly nine percent, raised guidance for the year, and acquired the largest golf specialty retailer in the U.S. Other than that, it was a pretty average quarter for the sporting goods retailer.

On a pro forma accounting for the expensing of stock options for both years, net income for the fiscal third quarter ended October 28 jumped 760% to \$7.8 million, or 14 cents per diluted share, compared to about \$906,000, or 2 cents per share, for the year-ago period. DKS had guided to diluted EPS range of three cents to four cents per share. Comps were initially estimated to increase 3% to 4% for the period. Store traffic was up 6.4% for the period and average unit retail was up 2.4% for the quarter.

Company Chairman and CEO Ed Stack said that the retailer saw "favorable results" in team sports, football, soccer, athletic apparel, golf apparel, outerwear, and the lodge categories, which didn't leave a whole lot else that didn't perform. He said they saw strength in the cleated footwear category driven by Nike and Under Armour in football, and by Nike and adidas in Soccer. The golf business was said to be "a little softer" but still met expectations. Stack said the apparel side of the golf business has "exploded."

Athletic footwear was "on target" for the quarter, with performance product from Nike and Asics leading the charge. Stack said the women's business remains soft and men's was described as "okay." Sandals and slides were also seen as strong for the period. Under Armour and The North Face were called out as key performers on the apparel side, but DKS also said they did "much better than expected" with cold gear compression product from Nike. Columbia apparently exceeded expectations for the period as well. Private label was 14.1% of total sales in Q3, compared to 11% in Q3 last year.

Mr. Stack said the cold weather-related product performed extremely well, with outerwear comps coming in above the overall comp gain, but he also cautioned that the increase may have pulled some energy out of the fourth quarter and may limit comp sales growth for Q4.

The 70 basis point improvement in gross margin was said to be due to expanded merchandise margins and the leveraging of store occupancy and distribution costs, partially offset by the effects of an in-store clearance event that also produced just shy of one point of the comp sales gain for the period. Part of the merchandise margin gain came from the increase in apparel as a percent of the total business.

Looking ahead, management is excited about the new square drivers from Callaway and Nike that feature higher MOI's. Stack said he thinks the new product will "breathe some life into the golf business this spring." He also point to the new Titleist Pro V-1x ball as a key driver for golf going forward. DKS is also optimistic about the fitness business going into Q4, with ellipticals creating additional demand, but the infomercial business is "not as robust" as last year. Mr. Stack said the Nike football cleated product for next year is "by far and away the best line that Nike has come out with in a number of years."

The company opened 26 new single-story stores in the third quarter for a total of 39 new stores for the year. DKS finished the quarter with 294 stores and won't open any more for the balance of the year.

Inventory per square foot at the end of the quarter was up 2.2% versus the end of Q3 last year, but the increase was down incrementally from the previous two quarters

Dick's Sporting Goods, Inc. Third Quarter Results			
(in \$ millions)	2006	2005	Change
Total Sales	\$708.3	\$582.7	+21.6%
GP %	27.0%	26.3%	+70 bps
SG&A	23.6%	23.4%	+20 bps
Net Income	\$7.8	\$4.2	+86.3%
Diluted EPS	14¢	8¢	+75.0%
Inventory*	\$787.1	\$674.9	+16.6%
Comps	+8.9%	+2.9%	

*at quarter-end

Based on the solid third quarter performance, DKS increased its earnings guidance for the full year to a range of approximately \$1.95 to \$1.98 per share on a comp sales gain of 6% for the year. The EPS guidance is up from previous estimates of approximately \$1.84 to \$1.88 per share and would represent a 30% increase over fiscal 2005 pro forma earnings. Fourth quarter EPS are estimated to be in the \$1.13 to \$1.16 per share range on a 2% to 3% comp store sales gain.

After experimenting with the golf specialty business this year with two test stores, Dick's has decided to enter the business in a much bigger way. DKS has entered into a definitive agreement and plan of merger with Golf Galaxy, Inc. valued at roughly \$225 million, or less than 8% of the Dick's Sporting Goods' market cap.

Golf Galaxy, which currently operates 61 stores in 24 states, e-commerce sites, and catalog operations, generated \$250 million in sales in the trailing 12 months through August 26.

Under the terms of the agreement, each outstanding share of Golf Galaxy common stock will be converted into the right to receive \$18.82 per share in cash, without interest, which would represent a 19% premium over GGXY's closing stock price as of November 10.

Certain holders of Golf Galaxy's common stock have agreed to vote 19.9% of the outstanding common stock in favor of the merger at the special shareholders meeting.

Royal Robbins Drives Phoenix Footwear Third Quarter Results...

Phoenix Footwear Group, Inc. saw net sales for the third quarter increase 6.4% to \$36.5 million from \$34.3 million last year. Organic growth for the quarter was 8.8%. Top line sales growth was led by strong results at Royal Robbins and Chambers Belt, partially offset by weaker than expected sales at Tommy Bahama and the Group's military footwear division, Altama.

Gross margin in the third quarter of fiscal 2006 was 36.0%, compared to 36.7% in the third quarter of 2005. Operating costs increased to \$11.1 million, compared to \$9.8 million in the third quarter of fiscal 2005. Operating income for the third quarter was \$2.1 million, compared to operating income of \$2.8 million in the third quarter of fiscal 2005. The decline in operating income was primarily due to new re-design efforts at the Tommy Bahama footwear division.

Altama's net sales for the third quarter of fiscal 2006 decreased 39.0% to \$3.8 million, compared to net sales of \$6.2 million for the third quarter of fiscal 2005. The decrease in net sales during the third quarter resulted primarily from a reduction in the Department of Defense product deliveries. Altama's DoD contract expired on September 30, 2006 and the company submitted a bid for a new five-year contract in August.

The company currently has a strong backlog of approximately 200,000 pairs, or \$10 million, of firm military boot delivery orders from the DoD and others to be delivered during the fourth quarter of fiscal 2006 and the first quarter of fiscal 2007. In spite of the declining sales to the military, the company has seen some success by diversifying its offering into work boots, with the initial inventory order completely selling out.

Royal Robbins Q3 sales were \$9.5 million, an increase of 28.6% over the prior year's third quarter sales of \$7.4 million. The move to direct sales in Canada considerably improved the brand's sales and margins. Management said that Royal Robbins continues to see healthy sell-through at all of its major accounts, particularly REI. Management expects Royal Robbins' growth to moderate through the first half of 2007 due to the closing of the brand's Dick's Sporting Goods and Academy Sports accounts as well as the anniversary of the move to direct sales in Canada in the beginning of the year. The company still feels it will see growth out of the brand in 2007.

PXG's net income for the third quarter was \$343,000, or 4 cents per share compared to net income of \$981,000, or 12 cents per share for the previous fiscal year.

Easton Bell Integration Rolls; Posts Strong Third Quarter...

Easton Bell Sports third quarter sales increased 81.1% to \$186.5 million compared to \$102.9 million in the year-ago quarter. The large increase was primarily due to \$62.8 million in net sales from to Easton Sports. Excluding this acquisition from the equation and sales would have increased 20.2% during the quarter. For the third quarter, gross profit was 36.7% of sales, an increase of 30 basis points from 36.4% of sales last year.

Team Sports net sales increased 154.1% to \$106.8 million as compared to \$42.0 million last year. \$56.7 million of the increase was attributable to the acquisition of Easton. Excluding the acquisition, sales would have increased 19.3%. In addition to the acquisition of Easton Sports, other factors contributing to the increase in Team Sports net sales included increased football helmet and apparel sales. Team Sports gross profit decreased 420 basis points to 39.2% primarily due to lower overall margins at Easton Sports. The division's operating profit was \$18.2 million, or 17.0% of sales compared to \$8.1 million, or 19.3% of sales last year.

Action Sports net sales increased 30.8% to \$79.6 million compared to \$60.9 million in the prior year. \$6.2 million of this was attributable to the Easton acquisition. Without this, sales would have increased 20.5%. Other contributing factors to the sales increase included increased sales of helmets and accessories. Action Sports gross profit of 33.3% of net sales increased 170 basis points compared to the third fiscal quarter of the prior year primarily due to increased sales in helmets and accessories, partially offset by higher material costs. The division's operating profit was \$12.0 million, or 15.1% of sales, compared to \$7.4 million, or 12.2% of sales last year.

Overall Easton Bell net income increased 136% in the quarter to \$5.7 million from \$2.4 million last year.

Zumiez' Q3 Margins Hit by New Stores...

Zumiez Inc. saw the cost of new stores, including the acquired Fast Forward business, cut into the bottom line a bit in the third quarter, but nothing to prevent the action sports retailer from posting a double-digit gain there. ZUMZ reported a 43% jump in net sales to \$82.3 million from \$57.4 million in the year-ago quarter. Comparable store sales were 10.7% for the quarter, on top of a 9.8% gain one year ago. On a conference call with analysts, Rick Brooks, president and CEO, said that "men's was the leader in terms of comp performance in the third quarter, but all the other departments, including juniors, comped positive."

Gross margin for the third quarter decreased 50 basis points to 36.8% of net sales from 37.3% last year. Management attributed the decrease in gross margin to increased occupancy costs. Merchandising margins were said to be ahead of the same period last year with a "solid improvement." The gains on the topline more than offset the decreased margins and increased expenses, with a 2.3% increase in net income to \$6.8 million or 24 cents per diluted share from \$5.3 million or 18 cents per share last year.

Timberland Sale Rumors Swirl in the Press...

Wall Street and the business media were all abuzz last week after the Wall Street Journal published a story suggesting that The Timberland Company was exploring strategic options for the company, including a potential sale. Timberland is reportedly valued at nearly \$2 billion. The Journal, Reuters and others cited "people familiar with the matter" as their source for the information. WSJ said that Goldman Sachs had been called in to assist the company with the sale and Timberland has been reaching out to potential buyers. The Times of London also fueled the speculation writing that, "The company is believed to have held 'preliminary and informal' talks with at least three potential buyers, all of which were private equity firms." Timberland officials contacted by *The B.O.S.S. Report* declined to comment on what were described as "rumors."

The Swartz family, founders of the company, controls 70% of the voting power and 100% of the class B shares.

Any action to sell the company would appear to run counter to recent moves the company has made to get itself back on track. TBL acquired the GoLite brand name in June of this year and is releasing a new line of outdoor footwear under that name this coming spring. And they closed on the acquisition of SmartWool last year. Both moves, along with the creation of the Mion brand, represented a direction TBL was taking to establish itself more firmly in the outdoor specialty market. *BOSS* has also learned that the company is making a number of internal moves to right size the company and position talent to fix the misses that have plagued it over the last two years. TBL has apparently not employed any slash and burn moves usually associated with the radical cost-cutting often required in a lead-up to a sale.

Most of the sale speculation centered around initial conversations the Swartz family reportedly had with a few private equity firms to explore their options. With that market flush with cash there are certainly more than a few firms that could handle a deal this size. The opportunity could also be of strategic interest to Nike, Inc. or VF Corporation to help establish a solid position in the outdoor and work/duty category. Wolverine World Wide was also mentioned by some industry watchers as a potential suitor, but WWW already has solid brands and products in most of the categories where Timberland plays, except the urban business where TBL is suffering most of its pain today.

Timberland President and CEO Jeffrey Swartz has been taking a lot of heat from analysts of late for the company's high profile commitment to giving back and doing good. Timberland prides itself as a leader in giving back to the community and is often on the front line on issues regarding sustainability and the environment. The company is also a perennial recipient in best places to work awards by magazines.

>>> Perhaps the idea of going private would enable the company to continue this work without Wall Street watching over its shoulder. Perhaps a sale would enable the Swartz family to spend its time and money investing in its own interests. Or perhaps its all what the company says it is -- rumors...

Mammut to Acquire German Headlamp Brand...

The Mammut Sports Group AG has inked a deal to acquire the Lucido brand from Invia Sportartikel Vertriebs GmbH of Eurasburg, Germany. Lucido develops and sells LED head and hand lighting systems, and is expected to fit in with the current Mammut Sports Group portfolio of companies. Mammut will focus on the head lamp segment to complement its existing business in the outdoor sector. Lucido product management and development will transfer to the head office of the Mammut Sports Group. Lucido cool light was established by Thomas Strobl in 1999.

The name "Lucido" has a Latin origin that means "I give light".

Aisle Talk

The Lucid Notion Snowboard Company hired **Scott Anderson** as CEO...

Liquid Boardwear added **Keith Ryan** to its sales team...

The Walking Company's store in Chandler, Ariz., opened its doors...

ECCO USA appointed **Linda Clohosey** as retail director and **Tim Sweeney** as dealership manager...

lucy opened a store in San Francisco...

Timberland named **Dennis Jenson** as VP business development and licensing...

Johnson Outdoors named **John Moon** as VP and chief information officer...

Under Armour filed an application to list its securities on the New York Stock Exchange under the symbol UA...

Confluence Watersports promoted **Patrick FitzGerald** to VP of sales...

CenterStone added **Vans** to the list of clients using its iVendix software application...

Cabela's will open in Lacey, Wash...

Sport Chalet will open a new location in San Marcos, Calif...

Coalision hired **Julie Skirving** to the Lolé team as Lolé U.S. sales manager...

USA Triathlon added **Deuter USA** as a corporate partner and an Official Triathlon/Multisport Bag and Pack Supplier...



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Footwear Designer - GoLite - Timberland

The Timberland Company is a \$1.6 billion global company which designs, engineers and markets premium quality footwear, apparel and accessories. We are currently seeking a Footwear Designer who will apply a broad range of design capabilities to create seasonal product designs that meet focused product briefs as well as functional, aesthetic, cost target and timeline expectations, to support GoLite...

Senior Account Executive - Timberland

The Senior AE is responsible for representing Timberland's Outdoor Group's offerings with key account retailers and other prospective customers while developing long term business relationships. Visit the Timberland Career Opportunities website to learn more about working at Timberland...

Merchandise Financial Planning Manager - lululemon athletica

Reporting to the General Merchandise Manager, this position leads the planning team and plays a vital role in the creation and management of lululemon's merchandise buy plan as well as in managing inventory turns and delivery schedules. Other responsibilities include reporting & analysis, and making recommendations regarding mark downs and sale opportunities. The Merchandise Financial Planning Man...

Regional Business Manager - SportsOneSource

The SportsOneSource Group is actively searching for the right Regional Business Manager to act as the key liaison between our clients and SportScanINFO, the only POS data reporting service dedicated exclusively to the sporting goods industry. The successful candidate will have strong relationship and communication skills and understand fully the importance of data access...

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SOS Annual Retail Landscape Report
The Team Sports Report
The Footwear Report
The Skate Report

EXECUTIVE WEEKLY NEWSLETTERS

Sports Executive Weekly
The B.O.S.S. Report
The POS Report

E-MAIL UPDATE NEWSLETTERS

SGB UPDATE
Job Market UPDATE
Outdoor Business UPDATE
Footwear Business UPDATE (new)

PRINT PUBLICATIONS

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Sporting Goods Business
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