

SGB

ISSUE 1311
MARCH 18, 2013

WEEKLY

THE WEEKLY DIGITAL MAGAZINE FOR THE SPORTING GOODS INDUSTRY



FOR 45 YEARS WE'VE BEEN DRIVING INSOLE TECHNOLOGY FORWARD.

There's no question that gel insoles provide great comfort. But even though they feel great, there are trade-offs: flat gel insoles are often bulky and just don't have the deep heel cupping and arch support needed for lasting comfort. That is until now. Using the contours of our best-selling TOTAL SUPPORT™ Insole, we've built a gel insole your customers will love: Spenco® ProForm Gel. Ultra-Thin Gel cushioning with flexible arch support. Maximum margins for you and fantastic value for your customers.

Yes, This is Spenco

NEW



*Look for Spenco at the following shows!
Outdoor Retailer
Booth #60
FN PLATFORM
Booth #62135*

For more info or to request a sample, call 1-800-877-3626 or visit spenco.com



Spenco®




PROFORMGEL

ULTRA - THIN



Spenco®

Love Your Feet™

   Find us online!



ACHIEVE YOUR GOALS

BREADTH OF DATA. DEPTH OF DATA. TIMELINESS OF DATA

As the broadest, deepest and most timely data available for the U.S. Sports and Outdoor Active Lifestyle Market, SportScanInfo is *the* weekly retail point-of-sale data reporting solution. To learn more about how we can help your business, call 704.987.3450 or email sportscan@sportsonesource.com.

SPORTSCANINFO

SportScanInfo.com A Service of the SportsOneSource Group

SGiB

UPCOMING ISSUES



COMING IN MAY

40 UNDER 40
CELEBRATING THE
INDUSTRY'S BEST
YOUNG TALENT

Ad close
4/15



COMING IN JUNE

RETAIL TOP 100
THE MOST POPULAR
ISSUE
OF THE YEAR

Ad close
5/15



COMING IN JULY

WHERE
AMERICA
SHOPS

Ad close
6/19

FOR ADVERTISING OPPORTUNITIES,
PLEASE CALL 704.987.3450

**Group Publisher
Editor In Chief**
James Hartford
james@sportsonesource.com
704.987.3450

Senior Business Editor
Thomas J. Ryan
tryan@sportsonesource.com
917.375.4699

Contributing Editors
Aaron H. Bible, Fernando J. Delgado,
Charlie Lunan, Matt Powell

Creative Director
Teresa Hartford
teresa@sportsonesource.com
704.987.3450 (x105)

Graphic Designer
Camila Amortegui
camila@sportsonesource.com
704.987.3450 (x103)

**Advertising Sales
Account Manager / Northeast**
Buz Keenan
buz@sportsonesource.com
201.887.5112

**Advertising Sales
Account Managers / Midwest**
Barry Kingwill & Jim Kingwill
bkingwill@sportsonesource.com
jkingwill@sportsonesource.com
847.537.9196

**Advertising Sales
Account Manager / Southeast**
Katie O'Donohue
katieo@sportsonesource.com
828.244.3043

Circulation & Subscriptions
subs@sportsonesource.com

SportsOneSource Publications

Print Magazine: SGB, SGB Performance
Digital Magazines: SGB Weekly, TEAM Business Digital
Newsletters: The B.O.S.S. Report
Sports Executive Weekly
News Updates: SGB, Footwear Business, Outdoor
Business, Sportsman's Business, TEAM Business

SportsOneSource Research
SportScanInfo, OIA VantagePoint,
SOS Research

SPORTSONESOURCE

2151 Hawkins Street • Suite 200 • Charlotte • NC • 28203
t. 704-987-3450 • f. 704-987-3455
www.SportsOneSource.com



SGB

ISSUE 1311
MARCH 18, 2013

WEEKLY

THE WEEKLY DIGITAL MAGAZINE FOR THE SPORTING GOODS INDUSTRY



12

NEWS

- 6 **BY THE NUMBERS**
BILLABONG Sets Deadline for Final Bids
OUTDOOR RETAILER SHOW Heads to Selling Block
- 8 **MOVERS & SHAKERS**
REEBOK Makes \$30 Million Commitment to Get Kids Moving
TEAM EXPRESS Acquired by Investor Group

GIVING BACK

- 10 **BIG CITY MOUNTAINEERS'**
Executive Director Lisa Mattis Has a Passion for Getting Youth Outdoors

FEATURES

- 12 **ADIDAS AND FIVE TEN**
Climbing Higher

I AM ... SGB

- 18 **LORI HERRERA**
Executive VP & Chief Operating Officer
Outdoor Industry Association (OIA)

THIS PAGE: Team Five Ten American rock climber Sasha DiGiulian, became the first American woman to climb grade 9a in 2012.

ON THE COVER: Mélissa Le Neve, Team Five Ten Climber, climbing "The Rhino," Rocklands, South Africa.

Copyright 2013 SportsOneSource, LLC. All rights reserved. The opinions expressed by writers and contributors to SGB WEEKLY are not necessarily those of the editors or publishers. SGB WEEKLY is not responsible for unsolicited manuscripts, photographs or artwork. Articles appearing in SGB WEEKLY may not be reproduced in whole or in part without the express permission of the publisher. SGB WEEKLY is published weekly by SportsOneSource, LLC, 2151 Hawkins Street, Suite 200, Charlotte, NC 28203; 704.987.3450. Send address changes to SGB WEEKLY, 2151 Hawkins Street, Suite 200, Charlotte, NC 28203; 704.987.3450

BY THE NUMBERS

12%

Dick's Sporting Goods, Inc.'s net sales for the fourth quarter increased 12.0 percent to \$1.8 billion, driven by the growth of retailer's store network, a 1.2 percent increase in consolidated same-store sales on a 13-week to 13-week basis, and the inclusion of the 14th week of sales. Consolidated net income for the 14 weeks ended February 2, 2013 was \$129.7 million, or \$1.03 per diluted share, compared to the company's expectations provided on November 13, 2012 of \$1.03 to \$1.05 per diluted share.

32.1%

Foot Locker, Inc. reported that excluding non-recurring charges in both periods, earnings rose 32.1 percent in the fourth quarter. With the benefit of an extra week, total fourth quarter sales increased 14.0 percent, to \$1.71 billion this year, compared with sales of \$1.5 billion for the corresponding prior-year period. Comparable-store sales in Q4 increased 7.9 percent.

-6.7%

Genesco, Inc. reported earnings from continuing operations slid 6.7 percent in the fourth quarter, to \$38.7 million, or \$1.63 per diluted share, compared to earnings from continuing operations of \$41.5 million, or \$1.72, in the year-ago quarter. Fiscal 2013 fourth quarter results reflect expenses of \$19.3 million, or 53 cents per share after tax, including \$15.4 million of expenses related to the 2010 network intrusion.

34%

Black Diamond, Inc. said total sales in the fourth quarter of 2012 increased 34 percent to \$48.8 million compared to \$36.3 million in the fourth quarter of 2011. Net income for the fourth quarter ended December 31, 2012 was \$500,000, or 2 cents per diluted share, compared to \$3.5 million, or 16 cents per diluted share, in the year-ago quarter.

BILLABONG SETS DEADLINE FOR FINAL BIDS

Billabong International, Ltd. has set a March 28 deadline for its two suitors to make final bids, a source told *The Wall Street Journal*.

As reported, VF Corp. and Altamont Capital Partners in mid-January submitted a buyout offer for Billabong that values the Australian surf company at about \$1.16 a share, or \$556 million. VF Corp. is seeking to acquire the Billabong brand, while Altamont wants Billabong's other brands and related assets. Its other brands include Element, Von Zipper, Honolua Surf Company, Kustom, Palmers Surf, Xcel, Tigerlily, Sector 9, DaKine and RVCA. It also owns the West 49 retail chain in Canada.

The VF Corp. offer matches a bid by private equity firm Sycamore Partners and former director Paul Naude. Both suitors have been conducting due diligence while preparing final bids.

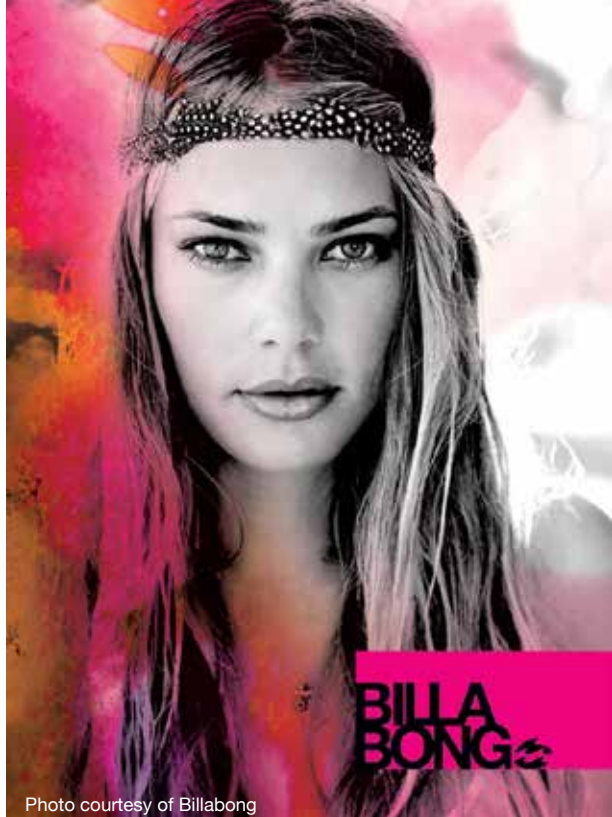


Photo courtesy of Billabong

OUTDOOR RETAILER SHOW HEADS TO SELLING BLOCK

Nielsen Holdings NV has hired an investment banker to seek buyers for its trade show business, which owns Outdoor Retailer, Interbike, the Health + Fitness Business Expo and the Imprinted Sportswear Shows, according to a report first published by Debtwire and picked up by *The Wall Street Journal*, Bloomberg and Reuters.

Credit Suisse Group AG will conduct a search for potential buyers. Nielsen Expositions declined to comment on the rumors.

Recently named among Trade Show News Network's 25 fastest-growing tradeshow by attendance, Outdoor Retailer connects approximately 48,000 attendees on a semi-annual basis for its Summer and Winter Market shows, and thousands more through its year-round online resources and platforms.

Nielsen Expositions owns 28 trade shows, making it the largest trade show operator in the U.S., but the business represented just 3 percent of the company's revenue in 2012. Its primary competitors are Reed Expositions, Advanstart and Hanley Wood.

Nielsen Exposition revenues reached \$182 million in 2012, up 2.2 percent from 2011. Operating income grew 20 percent to \$72 million.

CORRECTION: Photo found on Page 24 of *SGB Weekly*, Issue 1310, March 11, 2013, is from the Keen Maderas collection and not the Kanga collection.



DESIGNED FOR SPEED.



skechersperformance.com
facebook.com/skechersperformance

skechers
GO run 2

MOVERS & SHAKERS

Columbia Sportswear Company appointed **Doug Morse** as interim general manager of the company's Europe/Middle East/Africa (EMEA) region, replacing **Christian Finell**, who resigned to pursue other professional opportunities after serving as the company's EMEA GM since December 2007.

SCARPA North America named **Mystery Mountain Enterprises**, and principal **Michael Down**, as its 2012 Sales Rep of the Year for racking up several consecutive seasons of sales and bookings growth in Western Canada.

Adidas Outdoor added **Jess Roskelley** and **Kyle Vassilopoulos** to its athlete team.

The Warrior Protection and Readiness Coalition has appointed **Les de Asis**, CEO of Benchmade Knife Company, and Tara Glover, vice president of public and government relations at TenCate, USA to its board of directors.

Amer Sports Winter and Outdoor Americas appointed **Mark McCambridge** as its new U.S. outdoor brand manager.

BSN Sports added former collegiate lacrosse star **Joel White** as a sales professional in New York City, NY. White will also serve on the company's national team for its new Lax division.

Schoeller Textil U.S.A. shared that **Cricket Griesman** will be expanding his role as sales manager to include Schoeller Technologies.



Photo courtesy of Reebok

REEBOK MAKES \$30 MILLION COMMITMENT TO GET KIDS MOVING

Reebok has made a commitment of \$30 million to get kids moving and increase physical activity in schools as part of the new Let's Move! Active School's program.

Reebok, which has been rededicating itself back to its roots as a fitness brand, has already invested more than \$5 million over the last three years to provide access to fitness for elementary school children through the BOKS program, a free, before school physical activity program that is currently in hundreds of elementary schools around the country. Over the next three years, Reebok will commit \$30 million to organizations and activities that promote physical activity and fitness.

"At Reebok, we are committed to getting American's moving," said Reebok's CMO Matt O'Toole. "It is the purpose behind everything we do, and our BOKS program is a great example of how we're putting this into action."

The announcement was made at the Partnership for a Healthier America (PHA) Annual Building a Healthier Future Summit in Washington, DC that also featured First Lady Michelle Obama and two-time Super Bowl MVP and BOKS Ambassador Eli Manning. The BOKS program is expected to grow to more than 600 schools next year, and more than 1,000 by 2015.

TEAM EXPRESS ACQUIRED BY INVESTOR GROUP

A group of investors led by Mark Marney, founder and former CEO of The Golf Warehouse and Baseball Savings, has acquired Team Express Distributing, LLC, owner of the BaseballExpress.com, Softball.com, FootballAmerica.com and TeamExpress.com.

Established in 1990, Team Express serves customers in 50 states and 38 countries. Its sport-specific entities serve individual consumers, and TeamExpress.com is the exclusive supplier to thousands of schools as well as professional and amateur teams, leagues and sports organizations. In addition to online stores, it sells via catalogs and a retail operation in San Antonio near the company's headquarters.

New ownership and management are expanding existing soccer and basketball operations, and exploring entry into hockey, lacrosse, rugby and other sports.

skechers
GOgolf™



Featuring the award-winning performance innovations found in our running footwear, Skechers GOgolf is one of the lightest golf shoes available today.

- ZERO DROP keeps you in touch with the ground to promote a more natural feeling.
- SEAMSEAL WATERPROOF LEATHER
- RESAGRIP™ TRACTION
- RESAMAX™ CUSHION INSOLE



skechersperformance.com
facebook.com/skechersperformance



GIVING BACK

Big City Mountaineers

Executive Director
Lisa Mattis Has a Passion for
Getting Youth Outdoors
By Aaron H. Bible



Lisa Mattis Executive Director of Big City Mountaineers



Lisa Mattis joined Denver, CO-based Big City Mountaineers (BCM) in September 2010, formerly serving as the National Director of Individual Giving at Outward Bound USA. Not only was she the perfect candidate for the position, but she had a long history with BCM, having served as a Board member and participating as a volunteer mentor on some of BCM's week-long wilderness expeditions.

The growing non-profit began delivering life-changing outdoor experiences to disadvantaged teens in 1989, now serving approximately 2,000 youth with a vetted curriculum focused on improving self-esteem, motivation, decision-making and communication skills, cultivating relationships and teaching coping skills and personal responsibility in the unique one-to-one ratio of youth and adult mentor.

Partnering with community-based youth organizations such as Big Brothers/Big Sisters and adult volunteers who are passionate about the outdoors and helping kids - as well as with some of the top suppliers and retailers in the outdoor/sporting goods industry - BCM not only enhances but transforms the lives of under-served urban youth on expeditions that instill critical life skills.

Mattis is leading a charge expanding BCM's reach and doubled the number of service days provided in 2012. She joined BCM at an exciting time as the group was launching its 2011 Summit for Someone program, a series of benefit climbs that support the BCM mission. "Our programs deliver measurable positive impact on urban teens' lives," said Mattis." Each year, hundreds of dedicated adults support our mission by volunteering with BCM, either participating in a summer expedition or joining one of our Summit for Someone climbs benefiting our programs." Results are measured with the independently developed "40 developmental assets" nationally standardized tool.

"I've witnessed the total blossoming of an organization I love through sheer grit and determination," said Jonathan Dorn, SVP of content and product development for Active Interest Media and former Board member. "Lisa is a force of nature, a non-stop networker, and a sharp intellect - the very definition of an influential woman. As you know, nonprofit employees don't make a ton of money - this is all about passion for Lisa."



"Our programs deliver measurable positive impact on urban teens' lives." - Lisa Mattis

Sitting on BCM's Board of Directors is a veritable who's who of outdoor/sporting goods leaders, currently headed by Paul Andrews of Specialty Sports Venture. Also on that list: Schuyler Horton of Thule, Inc., Kat Jobanputra with Specialty Sports Venture, Kelly Kraus with REI, Michael Leming of Nike, Carol Sweasy of Red Wing Shoe Company Foundation, Gaby Toledano of Electronic Arts, Ed Viesturs, Skip Yowell of JanSport and others.

A registered 501(c)3 non-profit, BCM runs its mentoring program in urban centers around the U.S., with program areas in Denver, Portland, Seattle, Chicago, Minneapolis and the San Francisco Bay Area.

"It's a couple of things," said Jobanputra, COO for Specialty Sports Venture, which runs specialty retail shops in both Colorado and California. "From a personal perspective, I'm happy to be a part of BCM because this is the industry that has provided me with a lifelong career, for me and my family, and I have an obligation to the world to give back for that opportunity. And to get kids to participate, and become part of the future of the industry, is a personal hot button for me."

Secondly, Jobanputra explained, it is the importance of what BCM does on a local level. "What BCM does is to provide all these opportunities to these kids within the communities where our stores are. As we champion different causes out there, it's important that we do it from a local perspective."

"Outdoor industry consumers we find are also the kind of people who gravitate to BCM as mentors. Retail is the place where people connect. It's where they not only get excited about gear and purchase it, but also connect to the ways they can use that gear, and that's where BCM comes in. Retailers like Mountain Gear, Rutabaga, Any Mountain, Midwest Mountaineering, A16, EMS and REI are all places to engage our kids and customers in BCM's work locally," said Mattis. "Our partnership with the outdoor industry also connects with manufacturers through their branded stores like Columbia Sportswear, Eddie Bauer, Timberland, The North Face and Red Wing; as well as other suppliers including Jansport, Polartec, Smartwool, Osprey and Gregory."

Of the youth served, 71 percent are from single parent or guardian-led

households; 83 percent are from families living below the poverty line and 80 percent have parents with only a high school education, and a similar percentage come from African-American, Latino and Southeast Asian backgrounds from some of the nation's worst neighborhoods.

Kobanputra and Mattis agree that these kids are the future of the industry. "Truthfully, these are kids who would never get outside any other way. With the demographic shift in this country, we are literally trying to create outdoor stewards for the future generation. If we don't reach into these communities now and help kids through significant wilderness experiences who want to be outside, there's no way we can get to the end game, that is, to make sure our wild spaces are protected - and most importantly, to change lives in the process," said Mattis.

"Her first steps were to guide BCM's board and stakeholders through a rigorous strategic planning process to eliminate barriers for growth and then to lead a transformation of the board itself from a tactical, program-focused group to a more high-level, fundraising-oriented team," explained Dorn. "She recruited executives from Fortune 500 companies, networked with CEOs from the biggest companies in the outdoor industry, and formed new alliances with other youth nonprofits, like the Boys and Girls Clubs of America. Through smart planning and 24/7 dedication, Mattis grew BCM's revenue and service days during the recession - a truly remarkable feat given how many nonprofits floundered or failed in the last five years."

"In receiving so much support from such an amazing industry, one of the key ways that we can cultivate those relationships and continue to be embedded in the work of the outdoor industry is through active board leadership that is largely made up of outdoor industry representatives," Mattis said. "BCM receives more than \$2 million in support from the outdoor industry annually, and today is serving roughly 2,000 kids in the wilderness. Our vision over the next several years is to grow that number to 8,000 kids and grow our presence in major markets across the country." ■

Editor's Note: To learn more go to BigCityMountaineers.org and SummitforSomeone.org.

ADIDAS AND FIVE TEN CLIMBING HIGHER

The merger of Adidas Outdoor and Five Ten is helping drive innovation at both brands.

By Thomas J. Ryan

Team Five Ten Climber Kevin Jorgeson. Photo courtesy Five Ten

Adidas Outdoor management spent time at this year's Outdoor Retailer Winter Market trumpeting the launch of Terrex Solo Stealth, its first approach shoe to incorporate Five Ten's Stealth rubber technology for uncanny grip on slick rock. At the same time, Five Ten was honored with Gear Institute's Best in Show award at Outdoor Retailer Winter Market for its Stealth MI6 Rubber. The brand's founder Charles Cole predicts MI6 will set the new standard for rubber and likely "be on everybody's shoes in ten years."

In an interview with SGB at the show, Rolf Reinschmidt, Senior VP of Adidas Outdoor, said Adidas acquired Five Ten in November 2011 for two reasons:

1. Five Ten was highly complementary to Adidas Outdoor's own focus with rock climbing and biking.
2. Adidas was to utilize the brands "amazing technology" in Stealth.

"It was clear from the beginning that as soon as possible we would like to use Stealth also in our Adidas Outdoor shoes," said Reinschmidt. "We know the benefits of Stealth's unbeatable friction and grip."

The Terrex Solo Stealth features Five Ten's



To see Stealth Rubber in action, click to play

C4 Rubber, which is ideal for approaches, but also for athletes who spend hours on vertical rock faces drilling, belaying or taking photos and need good grip, as well as comfort. Also offering light weight and stability, the midsole features EVA foam and is reinforced using a TPU film. In the heel section, Adiprene foam absorbs impact for comfortable yet dynamic movement, even on longer approaches.

"It's perfect for scrambling over talus fields, light trails and boulder fields, with the added



Terrex Solo Stealth

value of having a sole designed for light climbing,” said Greg Thomsen, managing director, Adidas Outdoor USA/Agon, Inc.

A wider range of Stealth product with other rubber compounds is being planned for Spring/Fall 2014.



Greg Thomsen, managing director, Adidas Outdoor USA/Agon, Inc.

Combined with Continental rubber, Stealth gives Adidas Outdoor two of the best outsole technologies, contends Jon Edgar, outdoor business unit director for Adidas.

“What we do is choose according to the application which rubber type is best,” noted Edgar. “Stealth comes from climbing so it’s great on rock while Continental comes from mountain biking and is great on the trail. That’s the starting point and we get to play around with both of them.”

Thomsen feels Adidas Outdoor’s commitment to the outdoor market has been strengthened by its partnership with Five Ten and with Stealth Rubber.

“The immediate response from the climbing community was instant,” said Thomsen. “For many years Stealth Rubber has been the benchmark of all climbing shoe comparisons, and the combination of Stealth Rubber with an extremely comfortable, lightweight approach shoe from Adidas makes perfect sense.”

Cole, who carries the title of ‘rubber wizard’ at Five Ten, admits to hearing that some people are “weirded-out” by Adidas’ move to adopt Stealth Rubber. But he’s still “surprised because I invent this stuff and I want as many people to use it and take advantage of it as possible. I think it’s good for everybody.”

Cole pointed to his ability to get the message out about Stealth as one of the biggest benefits to come from the Adidas merger.

“We thought we had something special at Five Ten, but we couldn’t get enough people

to hear us,” said Cole. “I felt like I was in that movie, ‘Honey I Shrunk the Kids,’ where I’m that little kid yelling but everybody’s so tall they can’t hear me. Adidas has given us a much bigger megaphone and a lot more people are beginning to understand the Stealth story and how it can improve their performance in sports and their life in general.”

Other benefits already accruing from the merger include smoother and timelier deliveries. As a smaller company, Five Ten had been challenged with delivery issues, Cole said. Five Ten had also been continually hard-pressed to compete with “the big guys” on price, but is starting to benefit from the economies of scale around pricing as well as quality by tapping into Adidas’ sourcing network. Five Ten’s internal team has also become more sophisticated in understanding the costs involved in the manufacturing process. Cole stated, “We can now say, ‘Is it worth it to our end consumer?’ Or ‘Is it something that’s going to cost them and nobody really cares?’ Once you can put a price on things, you can make a much more educated decision on what you can go forward with.”

On a personal level, Cole believes he was “pretty good” at financial matters but also “hated it,” and is much happier focusing largely on the more creative aspects of shoe design and advertising. But Cole wanted to talk about the new Stealth MI6 Rubber, which he initially created for Tom Cruise (and his stuntman) to climb a glass building in Mission Impossible 4.

“I think it’s going to cause a ‘soft revolution’ in shoes,” said Cole. “No one has had reasonable soft rubber to work with before.”

While making it to climb glass, he found that it packed incredible cushioning and shock absorption. For instance, dropping a weighted ball on a Vibram sole leads to about a 75 percent rebound; the same drop on MI6 rebounds only 8 percent. At the same time, MI6 has the same durability as Stealth S1 or C4.

“It just has this insane wear residence,” said Cole. “In the lab it measures about 10 times the abrasion resistance of our normal

...”ADIDAS HAS GIVEN US A MUCH BIGGER MEGAPHONE AND A LOT MORE PEOPLE ARE BEGINNING TO UNDERSTAND THE STEALTH STORY AND HOW IT CAN IMPROVE THEIR PERFORMANCE IN SPORTS AND THEIR LIFE IN GENERAL.”

-CHARLES COLE



Charles Cole, CEO and founder Five Ten, predicts MI6 will set the new standard for rubber and likely “be on everybody’s shoes in ten years.” Photo courtesy Five Ten



Tom Cruise wearing his custom-built Five Ten Warhawks with Stealth MI6 Rubber outsoles. Photo courtesy Five Ten

climbing rubber. I was able to soften it so it has a Derumeter rating of 48. And most climbing rubbers are in the high 70s and basketball and skate shoes are in the 60s. It’s like taping a piece of Jell-O to the bottom of your shoe and you get this plush feel when you’re walking. Finally, it has massive friction where if your foot just touches something it will interlock with the surface.”

MI6 rubber debuts for Fall 2013 on Five Ten's new Team VXi, the lightest performance competition climbing shoe available (5.10 ounces/shoe), and the Freerider Pro VXi Elements, a winterized all-mountain flat-pedal bike shoe. But Cole sees applications across virtually every category, especially trail and watersports.

Cole added, "If you've got a friction problem, we are the solution to the friction problem. With the feel, the cushioning and the friction, it becomes habit-forming. People who have put the shoe on don't want to go back to their old shoes. It's a big change."



Team Five Ten Climber
Angela Payne. Photo
courtesy Five Ten



FiveTen Team VXi



FiveTen Freerider Pro VXi Elements



Adidas Outdoor Terrex Swift R GTX



Holtanna
Boot II

Overall, Cole said Five Ten's revenues were up significantly in the first two quarters of 2012, slowed down in the third quarter, but bounced back in the fourth. Cycling is especially strong for the brand and will overtake climbing as its largest category in 2013. Said Cole, "All the demographics are good for cycling from the economy, the gas, the trends - you name it, cycling is an encouraging demographic and set to grow."

Five Ten also continues to gain a stronger foothold in outdoor and action sports activities fitting its "Brand of the Brave" mantra. He continues to believe that although both are sharing Stealth technologies, Adidas and Five Ten are clearly differentiated in the marketplace. Said Cole, "They're always going to be a little more mass market than we are. Our shoes are geared a little more niche and a little more specialty. And the athletes who buy our shoes are the guys that do the things where everybody points and says, "That guy's crazy.""

Reinschmidt agreed that the integration is going well. He said, "You can already see improvement within the Five Ten range because of our support. And our athletes love the MI6. The MI6 is going to be the future of Stealth. You can bet on that."

Outside the Terrex Solo Stealth, notable Fall 2013 launches for Adidas Outdoor include new Swift R styles for men and women. The super-lightweight, breathable, all-terrain running shoe tones down some of the technology of the award-winning sister shoe, the Terrex Fast R, to achieve a friendlier price but still packs plenty of performance. The collection includes the *Swift R GTX*, MSRP \$135, with a waterproof/breathable Gore-Tex bootie built in as well as a non-Gore-Tex model, the *Swift R*, MSRP \$115.

For winter wear, the outsole on the *Holtanna Boot II*, MSRP \$150, incorporates Adidas' proprietary "Thermal Sensitive Rubber" lugs that become hard and stiff in cold weather and act like a built in set of crampons. Insulated with Primaloft and constructed with a high waterproof rubber rand and waterproof materials, the Holtanna is ideal for wet snowy conditions.

MINIMIZE
the **IMPACT**
MAXIMIZE
your **RUN**



 **SOFSOLE**®



ATHLETE INSOLE



- 2.2 OZ
- Thin profile reduces bulk
- Compact foam absorbs shock
- Hydrologix™ moisture wicking topcover





Adidas Outdoor Advanced Jacket with Pro Gore-Tex material

In apparel, Adidas Outdoor will deliver its first Gore-Tex jacket. The *Advanced Jacket* incorporates a built in face guard, the newest generation of Pro Gore-Tex material (28 percent more breathable) and unique merino wool-lined ventilated breath warmer to help take the chill out of frosty high altitude air. Adidas Outdoor will also mark the first use of stretch Primaloft insulation in a performance jacket, the *Endosphere*, that combines lightweight cold weather protection with the comfort and non-restricted freedom of movement by incorporating stretch panels and stretch insulation in this unique cold weather jacket.

BUSINESS GROWTH ON TRACK

The Solo Stealth launch comes as the overall Adidas Outdoor business continues to expand since its re-launch a few years ago. In 2011, Adidas Outdoors' revenues grew 40 percent to €300 million (U.S. \$400 million) to make the brand one of the largest worldwide. Said Reinschmidt, "That shocked the outdoor world but we are truly a global brand. We are in Russia, China, Korea, Germany... outside of The North Face, there's hardly any other brand that has the global exposure that we have."

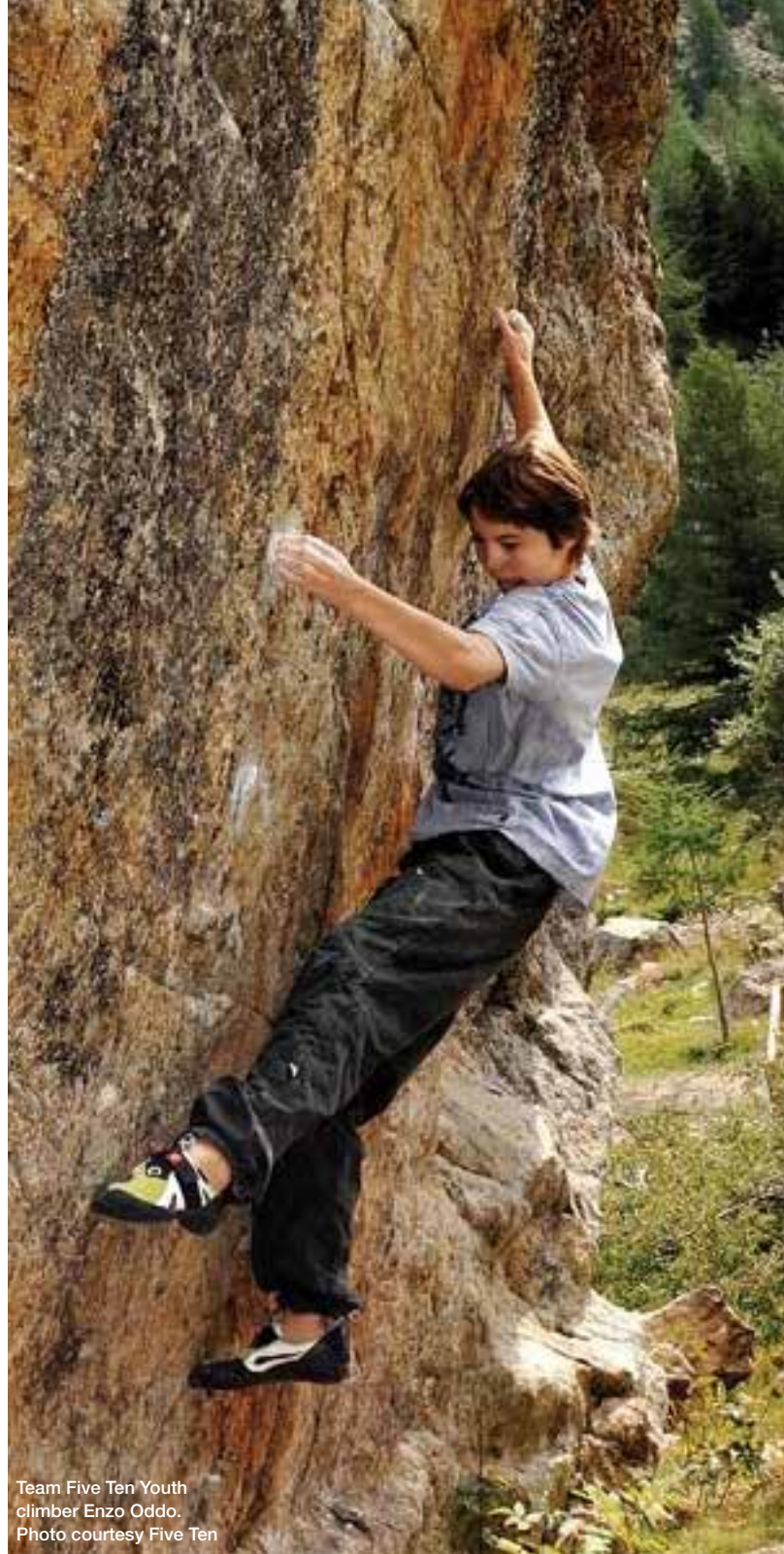
Reinschmidt did note that growth softened in 2012 due to the unseasonal winter in 2011 that led to inventory challenges across the outdoor category, as well as some stagnant economies, particularly in Europe. But he said Adidas Outdoor is "absolutely on track to reach our 500 million euro goal that we plan to do for 2015. Add Five Ten to that, and we are set."

In the U.S., the brand launched in fall 2011 and business ended up ahead of forecast (and budget) for the full year 2012 and looks strong with good growth in 2013.

Reinschmidt admitted that the brand did face challenges in 2012 in the U.S. with high inventories in the channel causing some dealers to be more cautious about taking a risk on a newer brand. But he said Adidas Outdoor still found an "extremely strong footwear offering" in the U.S., with online partners such as Zappos. Outside its core mountaineering and climbing shoes, the brand has also gained a strong foothold in watersports and with kids. Reinschmidt believes Adidas Outdoor's more youthful positioning continues to differentiate it in the marketplace and is bound to connect with the future outdoor generations.

"We are very colorful and very young while the U.S. market is a little older," said Reinschmidt. "We see some challenges but we think they are more market-driven than product-driven. We know that all our athletes and our young kids love our product."

Thomsen noted that Adidas Outdoor footwear has earned numerous design awards and has experienced strong sell-through in both men's and women's styles. He pointed to an "amazing surge" seen this fall in its kids footwear business while its watersports, led



Team Five Ten Youth climber Enzo Oddo. Photo courtesy Five Ten

by its CC Lace Boat Shoe, along with the functional Jawpaw and award-winning Hydroterra Shandal, drove its summer business.

The apparel lineup continues to build momentum, where the athletic fit and bolder color selection strongly resonates with the highly active young climbing market. Added Thomsen, "Our challenge - along with all outdoor specialty retailers - is to bring this new generation of outdoor athletes into the specialty stores."

Looking to 2014, Reinschmidt is enthused about further rollouts of a wider range of Stealth-supported product on the footwear side.

"While the market share is not that big, the mind share and reputation around Five Ten is huge," said Reinschmidt. "We will be maximizing it." ■



SPORTS **JOB** SOURCE.COM

THE FIRST AND ONLY FULLY INTERACTIVE
ONLINE JOB SITE SERVING THE SPORTING
GOODS INDUSTRY

FREE ACCESS TO THE LATEST JOB LISTINGS
TO START OR EXPAND YOUR CAREER

Find out how your company can take advantage of a FREE Job Posting by calling 704.987.3450 or
email sportsjobs@sportsonesource.com.



LORI HERRERA

Executive VP & Chief Operating Officer
Outdoor Industry Association (OIA)

How did you become an outdoor enthusiast? While I car camped with my family growing up, it was joining an inner city ski club in Junior High School that solidified my love of the outdoors. My first ski trip I was cold and miserable and I never wanted to return. My dad wasn't going to let me quit after one trip and I fell in love by the second one. My siblings, many cousins, nieces and nephews have followed my passion.

How did you get started in your career? My career has been accidental and blessed with good luck. I wanted to be a pilot and began studying aviation in school. After a year of classes and a few flying lessons, I ran out of money. With a "temporary" job in the accounting department at an oil company, I pursued a finance degree. Thirteen years and a couple of degrees later I left that company. Oh, and I married a pilot.

I see you worked at Qualistar Early Learning, why such a change in career direction? When I had my first child, I quickly experienced a lack of family-friendly policies in the oil industry. Qualistar was a Charitable Organization focused on early childhood education and it allowed me to balance my work and home life. It also gave me a taste of blending my personal interests with my career.

Why did you join OIA? Even though I'm a Colorado native and outdoor enthusiast, I wasn't familiar with the outdoors as an industry and potential career until 2005 when a friend forwarded me an OIA job posting. I loved that it allowed me to combine my oil industry "for-profit" experience with my "not-for-profit" experience. I didn't know at the time how fortunate I was to join such a fabulous industry and incredible organization, which blended my diverse experience. Some people spend years trying to get into the industry. I fell into a job I love.

WHAT SURPRISED YOU THE MOST WHEN YOU JOINED OIA? The power and voice that a strong industry association can provide for a disparate industry and amazed that such a diverse set of competitors could work so collaboratively towards common goals. We are presently an industry that represents \$646 billion in annual consumer spending, and our industry is made up of thousands of businesses large and small that employ more than 6.1 million Americans. It's impressive. Unlike industries that are effective with just a handful of big powerhouse companies driving and funding their industry agenda, we have the opportunity to show the broad influence and impact of our industry through broad industry participation and involvement. The more companies and individuals engaged in OIA within our industry, the better business environment we can create to help outdoor businesses succeed.

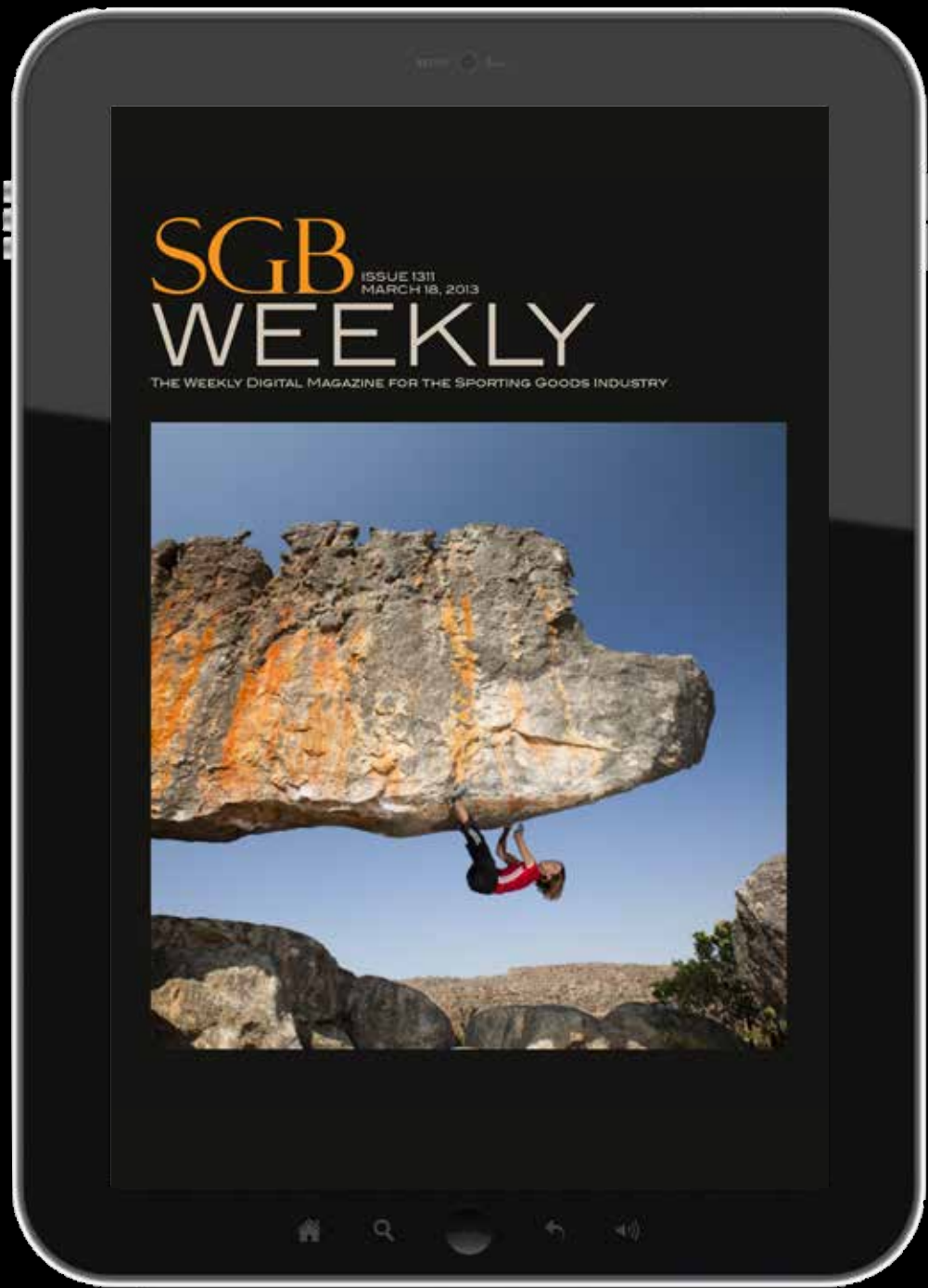
What do you like most about your job? I learn every day in my job. I work with smart, passionate, committed individuals on our staff and have the honor of working closely with the OIA board and other industry leaders. It's like receiving another "MBA" each year and I get paid to do it. What's not to love?

What are the strategic priorities for OIA in the year ahead? OIA strives to secure the best strategic partnerships and benefits to support the growth and success of the outdoor industry. Every year, OIA focuses programs in four key areas:

- Building the business acumen of the industry through our education and research programs;
- Actively working at the state and federal levels to advance favorable recreation and trade policies to benefit the outdoor industry;
- Helping the outdoor industry identify and implement best practices and tools in environmental and social responsibility;
- Working through the Outdoor Foundation to grow the next generation of outdoor enthusiasts.

Every professional in the industry is crucial to this work and can get involved through one of our many councils or events.

What outdoor activities do you participate in now? Snow skiing has remained my primary outdoor passion. Luckily equipment technology has improved at a pace to allow my aging body to continue to pursue the bumps and trees. I took up water skiing a while back. After a few years and a few back injuries, I discovered wake surfing. It is so fun and relatively easy. Boating has become our primary family focused recreation. I can't keep up with the teenagers on the slopes anymore and you have to be able to get along on a small ski boat.



NOW AVAILABLE ON YOUR IPAD
DOWNLOAD THE READER AT SGBWEEKLY.COM



FACEBOOK.COM/SPORTSONESOURCE // TWITTER.COM/SGB_MAG

Summer Market
JULY 31-AUGUST 3, 2013

Open Air Demo
JULY 30, 2013

MARK YOUR
CALENDARS

OUTDOOR
RETAILER

Winter Market
JANUARY 22-25, 2014

All Mountain Demo
JANUARY 21, 2014

WWW.OUTDOORRETAILER.COM