Humans are at a pivotal point in history. Across the planet, people are questioning priorities and distilling what is really important to their quality of life. Health, peace of mind, living within one’s means and taking better care of the planet are among the values rising to the top.

At Outdoor Industry Association, we are convinced that these changes bode well for our industry. The changes unfolding around us have only strengthened our convictions about the unbeatable value proposition offered by our industry. Still, at OIA, we take nothing for granted. We remain focused more than ever on helping all businesses capitalize on these opportunities.

In the end, however, OIA is only as effective as its members are involved. We hope you will spend time reviewing this annual report and provide us with feedback. We hope you will write that county commissioner or Congressman, sponsor an outreach event or utilize our many resources. Because only together can we take full advantage of the amazing opportunities the future holds.
For Outdoor Industry Association®, 2008 was a pivotal year of preparation for seismic changes. They came in Washington, D.C., via an historic election and to our industry as an historic recession that is testing the basic assumptions underlying how we do business.

In 2008, your trade organization made great strides positioning the industry for the emerging political and economic climate. We did this through traditional means, like lobbying Congress, training at Outdoor University® and networking at Rendezvous®. But the recession also forced us to collaborate and innovate to bring you not only more and new types of information, but also to deliver it in a more cost-effective manner.

We partnered with a select group of leading consulting, market research, law and investment banking firms to expand our library of industry research, including two new benchmarking studies for manufacturers. In late September, we released with Piper Jaffray a survey of industry executives documenting how their companies were being affected by - and responding to – canceled orders, falling retail sales and tightening credit. The new surveys, which will be updated regularly going forward, represent a heightened commitment by OIA to providing actionable and timely business intelligence that manufacturers, retailers and reps need to improve their performance and emerge on the other side of the recession stronger than ever.

Just as important was how we delivered much of this new information through our recently redesigned Website. In 2008, we expanded our use of Webinars to provide members with greater access to experts on a wide range of topics from trade and the election to trends in retail sales and participation in outdoor recreation. Because Webinars can be produced on short notice, archived for play back at members’
convenience and provide live access to experts that many individual members could not otherwise afford, they are quickly emerging as one of our most popular member benefits. A Webinar on the Consumer Product Safety Improvement Act of 2008, for instance, drew more than 180 participants.

Looking ahead, OIA is committed to building our community – both online and off - and stimulating a dialogue about how we can not only survive, but thrive, in these rapidly changing times. We remind our members that change also presents tremendous opportunity. We look forward to working with manufacturers, reps and retailers to make sure our industry has what it needs to take advantage of those opportunities in 2009 and beyond.

Frank Hugelmeyer, President and CEO
fhugelmeyer@outdoorindustry.org
303.327.3501
THE OIA GOVERNMENT AFFAIRS TEAM made important progress in 2008 despite the challenges inherent in trying to advance legislation in a presidential election year. We emerged extremely well positioned to work with the Obama Administration and the 111th Congress on both our public lands and trade agendas.

Particularly notable were the successful launch of OIA Political Action Committee and the opening of our Washington, D.C., office. The office gave us daily access to lawmakers and enabled us to strengthen and leverage relationships with like minded advocacy groups on a variety of issues. In its first year, OIAPAC, raised $27,000 and for the first time allowed the outdoor industry to collectively support members of Congress who share our goals of preserving public lands and increasing the competiveness of outdoor industry businesses. Nine of the 10 candidates backed by OIAPAC in its first year were elected to Congress.

Trade

In collaboration with OIA, Rep. Earl Blumenauer (D-OR) and Senator Ken Salazar (D-CO) introduced the Recreational Performance Outerwear Apparel Act (RPOAA) in the Congress. The bill creates new classifications for specific types of high performance recreational outerwear, makes those products duty-free and creates a new fund to advance research into U.S. technologies that focus on sustainable, environmentally conscious supply chains.

The bill marked an important milestone as the first legislation introduced in Congress specifically on behalf of the outdoor industry. Rep. Blumenauer continues to support the bill in the House and Senator Ron Wyden (D-OR) and Senator Mike Crapo (R-ID) have joined the effort by becoming the lead sponsors of the bill in the Senate. Similarly, OIA successfully worked with allies in Congress to introduce the Affordable Footwear Act (AFA). It attracted 14 co-sponsors in the Senate and 160 in the House and remains a top priority in the 111th Congress.

Lastly, OIA was invited to submit trade policy recommendations to the Obama Presidential Transition Team and did so in mid-December. OIA asked President-elect Obama to help make outdoor products more affordable by supporting passage of the Performance Outerwear bill and AFA.
Public Lands

OIA continued to play defense on the public lands side of its agenda with great success. By working with our growing number of allies on Capitol Hill, we were able to secure $20 million in stateside funding for the Land & Water Conservation Fund. While that’s far short of the $125 million that we think is needed annually, we preserved the program, which provides federal matching funds for close-to-home parks and recreation critical to the industry’s future. We also played an important role in securing $10.5 million in federal matching funds for the National Park Service Centennial Fund. That will be matched with $17.5 million in private money to refurbish or build amenities at several parks throughout the country.

OIA worked closely with allies like the National Parks Conservation Association and the National Recreation Parks Association in the closing months of the year to help the Obama Administration identify billions of dollars in shovel-ready conservation and recreation projects on Forest Service, Bureau of Land Management and National Park Service lands. The economic stimulus package directed more than $4 billion in badly needed funds to these public lands managed by these agencies and enjoyed by Americans.

OIA briefed the Obama Administration on our public lands agenda emphasizing the importance of preserving Roadless Areas in our national forests and protecting our desert landscapes. This emphasis contributed to permanent congressional recognition in early 2009 of the National Landscape Conservation System (NLCS). The NLCS was created by the Clinton Administration in 2000 to protect and restore the most scenic, ecologically and historically significant lands under the jurisdiction of the Bureau of Land Management. The NLCS, the first of its kind in 50 years, consists of National Monuments, National Conservation Areas, Wilderness Areas, Wild and Scenic Rivers, National Scenic and Historic Trails and other protective designations totaling over 850 sites and 26 million acres. OIA will now turn its attention to securing permanent funding for the system.
INTELLIGENCE

OIA ratcheted up its business intelligence operations in 2008 in an effort to help members stay abreast of – and hopefully ahead of – the rapid decline in business conditions.

Financial Benchmarks

In the spring we began surveying the industry for two new benchmarking studies: the Manufacturer Financial Performance Report and the Manufacturer Employee Compensation Report. Created with input from an advisory panel of over 30 outdoor businesses, both were released in September just a week after the collapse of Lehman Brothers and ensuing dive in consumer spending.

The Manufacturer Financial Performance Report presents an in-depth analysis of participants’ return of investment, their income statement, balance sheet and financial and productivity ratios. The Manufacturer Employee Compensation Report provides results for both executive and employee compensation including salaries, bonuses, commissions and perks. Also presented were details about fringe benefits such as health insurance, retirement programs and employee time off.

The new reports round out the OIA library of benchmarking reports for retailers and manufacturers, which includes the 2007 edition of The Specialty Retailer Operational Report, which provided retailers with critical data to enable them to compare their performance with the national average and with similar stores. The specialty retail report will be fielded again in 2009.

In the fall, OIA partnered with the investment bank Piper Jaffray to survey industry executives on their views of economic prospects, recovery timeline, cost inflation, and the effect of tightened credit markets on near-term business operations. The Survey of Consumer Industry Executives, which was released in November and will be done on a quarterly basis going forward, provided insight into what were viewed to be the strongest and weakest revenue categories, how businesses were planning on responding to economic conditions and the near- and mid-term business outlook.
Sales Intelligence

We continued to produce the OIA Outdoor Topline Report which provides a monthly summary and analysis of outdoor industry sales. An accompanying online tool allows OIA members to benchmark their sales against the competition, national averages on a monthly and yearly basis.

Participation Trends

Finally, The Outdoor Foundation produced the 2008 Outdoor Recreation Participation Report, which showed that while more than half of Americans participated in outdoor recreation in 2007, participation among kids 6 to 17 years old declined 11%, with the sharpest drop among those in the 6 to 12 group. The annual participation report has greatly bolstered the association’s status as a key resource and partner in national efforts to counteract an alarming rise in childhood obesity, ADHD and other ailments.
Throughout 2008, OIA continued to work to expand its website, conferences and other events to strengthen the outdoor recreation community. We made significant strides in harnessing the Web to facilitate a cost-effective virtual community at a time when many of our members are focused on reducing travel expenses.

Our online Webinar series addressed topics ranging from new federal laws and regulations and their impact on outdoor businesses to research on consumer and retail trends. For instance, OIA partnered with the law firm of Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt to present a Webinar that addressed confusion over implementation of the Consumer Product Safety Improvement Act of 2008. That webinar drew more than 180 participants.

Outdoor University®, which was acquired by OIA in 2006, continued its focus on teaching retail managers financial, human resources and other skills they need to improve store profitability. We expanded the program in 2008 with the addition of a fourth workshop before the Outdoor Retailer Summer Market and educated approximately 200 retailers through this program.

The Rendezvous®, held in Boston in October, provided a timely venue for discussing the upcoming Presidential election, the financial crisis and their impact on consumers and outdoor businesses. Renowned economist and former trade negotiator Clyde Prestowitz spoke on the overvalued dollar and predicted resurgence in U.S. manufacturing, Robert F. Kennedy, Jr. spoke of his work as an environmental activist, NPR Political Editor Ken Rudin ruminated on the election and trend spotter Marian Salzman addressed a shift in consumer sentiment away from extravagance and toward frugality. As usual, the highlight of the event was the group volunteer project, which drew hundreds of attendees to a downtown park to blaze trails, install sign posts, clear brush, plant trees and repair a fishing dock. This annual industry service project allows OIA members to demonstrate their commitment to close-to-home recreation.
Working Groups

OIA Working Groups bring competitors together to solve problems shared across the industry. Labor practices, manufacturing standards and the streamlining of data exchanged along the supply chain are a few examples.

In only its second year, the OIA-Eco Working Group moved from a tentative concept to a structured, voluntary and industry-wide process that is helping companies big and small share best practices to develop an Eco Index for the outdoor industry.

The index will provide companies with tools to manage their supply chains toward their own environmental goals. The group also released guidelines for measuring and reducing the environmental impact of packaging. Appropriately, much of the group’s work was accomplished virtually via e-mail and a website or in on-site meetings scheduled around existing OIA events, such as Outdoor Retailer shows and Rendezvous.
**DIRECT BENEFITS**

Much of our work intends to expand markets and guide business decisions. While both of these objectives build long term value, OIA also offers benefits with direct and immediate advantages to the bottom line, saving each member, on average, $8,000 annually.

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<thead>
<tr>
<th>Company</th>
<th>Benefits</th>
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<tbody>
<tr>
<td>FedEx</td>
<td>Receive up to 46% off their FedEx Express® shipments and up to 24% off their FedEx Ground® packages.</td>
</tr>
<tr>
<td>First Data</td>
<td>Credit card rates as low as 1.95%. Debit and check card rates as low as 1.70%</td>
</tr>
<tr>
<td>GES</td>
<td>10% off advance prices on standard &amp; custom furnishings, all carpet grades &amp; padding, and graphics.</td>
</tr>
<tr>
<td>OfficeMax</td>
<td>Discounts up to 79%</td>
</tr>
<tr>
<td>Outdoor Retailer</td>
<td>Receive 8% credit on your 2010 Outdoor Retailer booth space invoice.</td>
</tr>
<tr>
<td>YRC</td>
<td>70% discount on all qualifying less-than-truckload (LTL) shipments.</td>
</tr>
<tr>
<td>Career Center</td>
<td>Complimentary job postings for internships to help you prepare for the busy summer season</td>
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In August, Chris Fanning was hired as the first executive director of The Outdoor Foundation. Chris comes with valuable fund-raising experience with other major foundations and has been focusing on bolstering the foundation’s research, grant and youth outreach efforts.

In a bid to introduce more youth to the outdoors, The Outdoor Foundation launched its “I Will” campaign at Outdoor Retailer Summer Market to challenge the industry to take at least two kids outside in the ensuing 12 month to help reverse the downward participation trends documented in its annual participation study.

The Outdoor Foundation continued to support pioneering youth outreach programs. In 2008, it awarded the National Recreation and Park Association a $100,000 grant to expand its Teens Outside program to 29 more communities. It also renewed its call for outdoor companies to donate gear needed to run the programs. This work allowed Teens Outside to provide nearly 8,000 young people in 2008 with multi-week experiences such as kayaking, climbing, camping and hiking. The program aims to reach 50,000 kids by 2011 by leveraging existing community-based programs. It was endorsed in 2008 by the prestigious National Forum on Children and Nature as one of the top 30 projects nationwide that demonstrate new and creative ways to reconnect kids with the outdoors.

Finally, The Outdoor Foundation partnered with USA Weekend Magazine to sponsor the “Make a Difference Day” grant program. The program encourages volunteers in youth outreach programs that encourage kids to get active outside to nominate their favorite charity for a $1,500 grant.
2008 Summary

2008 was a successful year for OIA. OIA invested more than $3.7 million in programs to benefit the industry. In early 2008, we saw some indicators of the economic challenges on the horizon and made adjustment to our business model to assure continued financial strength and increased value and benefits to our members.

At the end of 2008, OIA Total Assets exceeded $2.4 million and Net Assets (our members’ equity) reached $1.7 million. The organization has no long-term debt and its cash position remains strong. A board of directors made up of dedicated industry leaders continues to drive a robust long-term strategy and ensures short-term guidance through the storm that our industry and the broader economy now is weathering.

### Membership by Number of Members

**total: 1082**

- **Associate Members**
  - 22%
- **Retailers and Sales Reps**
  - 24%
- **Manufacturers, Distributors and Suppliers**
  - 54%

### Membership by Dues Revenue

**total: $851,051**

- **Associate Members**
  - 13%
- **Retailers and Sales Reps**
  - 16%
- **Manufacturers, Distributors and Suppliers**
  - 70%

### 2008 Revenues

**total: $3,758,846**

- **Outdoor Foundation Contributions and Grants**
  - 6%
- **Investment Income**
  - 1%
- **Membership Dues**
  - 22%
- **Registration Fees**
  - 5%
- **Sponsorships and Royalties**
  - 66%
- **Other Income**
  - 17%

*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.

### 2008 Expenses

**total: $3,591,772**

- **Membership Benefits**
  - 64%
- **Government Affairs**
  - 19%
- **Education and Research**
  - 21%
- **Outdoor Foundation Charitable Grants and Participation Outreach**
  - 17%
- **Member Communications and Programs**
  - 24%
- **Administration and Fundraising**
  - 19%