

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 27, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-16255

JOHNSON OUTDOORS INC.
(Exact name of Registrant as specified in its charter)

Wisconsin 39-1536083
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

555 Main Street, Racine, Wisconsin 53403
(Address of principal executive offices)

(262) 631-6600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section
12(g) of the Act:

Class A common stock, \$.05 par value

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K.

As of November 1, 2002, 7,112,488 shares of Class A and 1,222,729 shares of Class B common stock of the Registrant were outstanding. The aggregate market value of voting stock of the Registrant held by nonaffiliates of the Registrant was approximately \$35,653,472 on November 1, 2002.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of voting stock of the Registrant held by nonaffiliates of the Registrant was approximately \$45,075,294 on March 29, 2002.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part and Item Number of Form 10-K into which Incorporated
Johnson Outdoors Inc. Notice of Annual Meeting of Shareholders and Proxy Statement for the Annual Meeting of Shareholders to be held February 19, 2003.	Part III, Items 10, 11, 12 and 13

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Forward Looking Statements

Certain matters discussed in this 2002 Form 10-K and in the accompanying 2002 Annual Report are "forward-looking statements," intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement includes phrases such as the Company "expects," "believes" or other words of similar meaning. Similarly, statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which could cause actual results or outcomes to differ materially from those currently anticipated. Factors that could affect actual results or outcomes include changes in consumer spending patterns, actions of companies that compete with the Company, the Company's success in managing inventory, movements in foreign currencies or interest rates, the success of suppliers and customers, the ability of the Company to deploy its capital successfully and adverse weather conditions. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this 2002 Form 10-K and in the accompanying 2002 Annual Report and the Company undertakes no obligations to publicly update such forward-looking statements to reflect subsequent events or circumstances.

PART I

ITEM 1. BUSINESS

Johnson Outdoors Inc. and its subsidiaries (the "Company") design, manufacture and market outdoor recreation products in four businesses: Diving, Watercraft, Outdoor Equipment and Motors. The Company's primary focus is innovation - meeting consumer needs with breakthrough products that stand apart from the competition and advance the Company's strong brand names. Its subsidiaries are organized in a network that promotes entrepreneurialism and leverages best practices and synergies, following the strategic vision set by headquarters. The Company is controlled by Samuel C. Johnson, members of his family and related entities.

The Company was incorporated in Wisconsin in 1987 as successor to various businesses.

Diving

The Company is one of the world's largest manufacturers and distributors of technical underwater diving products, which it sells under the Scubapro and SnorkelPro names. The Company markets a full line of underwater diving and snorkeling equipment, including regulators, stabilizing jackets, tanks, depth gauges, masks, fins, snorkels, diving electronics and other accessories. The Company is also a leading manufacturer of dive computers and other electronics sold under the Aladin and Uwatec brands. Scubapro, Aladin and Uwatec products are marketed to the high quality, premium priced segment of the market via limited distribution to independent specialty dive stores worldwide. These specialty dive stores generally provide a wide range of services to divers, including sales, instruction, travel and repair service.

The Company focuses on maintaining Scubapro, Aladin and Uwatec as the market leaders in innovation and new products. The Company maintains research and development functions both in the United States and Europe and holds hundreds of patents on proprietary products. Consumer advertising focuses on building the brand and communicating exclusive features and benefits of the Scubapro/Uwatec product lines. The companies advertising and dealer network reinforce the Scubapro/Uwatec brands position as the industry's high quality and innovation leader. The Company advertises its equipment in diving magazines, via website and through dive specialty stores.

The Company also manufactures and markets diving buoyancy compensators under the Scubapro brand.

The Company maintains manufacturing and assembly facilities in Switzerland, Mexico, Italy and Indonesia and procures a majority of its proprietary rubber and plastic products and components from third-party manufacturers.

Watercraft

The Company manufactures and markets canoes, kayaks, paddles, oars, recreational sailboats, personal flotation devices and small thermoformed recreational boats under the brand names Old Town, Carlisle Paddles, Ocean Kayak, Pacific Kayak, Canoe Sports, Necky, Escape, Extrasport, Swiftwater, Leisure Life and Dimension.

The Company's Old Town Canoe subsidiary produces high quality canoes, kayaks and accessories for family recreation, touring and tripping. The Company uses a patented rotational-molding process for manufacturing polyethylene kayaks and canoes to compete in the high volume, low and mid-priced range of the market. These kayaks and canoes feature stiffer and more durable hulls than higher priced boats. The Company also manufactures canoes from fiberglass, Royalex (ABS) and wood. Carlisle Paddles, a manufacturer of canoe and kayak paddles and rafting oars, supplies paddles and oars to the Company's other watercraft businesses and also distributes directly through the accessories channels mentioned below under the Carlisle brand.

The Company is a leading manufacturer of sit-on-top kayaks under the Ocean Kayak and Pacific Kayak brands. In addition, the Company manufactures and markets high quality Necky sea touring and whitewater kayaks; Escape recreational sailboats; Extrasport and Swiftwater personal flotation devices; small thermoformed recreational boats, including canoes, pedal boats, deck boats and tenders, under the Leisure Life brand; the Dimension brand of kayaks; and other paddle and watercraft accessory brands.

The Company's kayaks, canoes and accessories are sold primarily to specialty stores and marine dealers, sporting goods stores and catalog and mail order houses such as L. L. Bean(R), in the United States and Europe. Leisure Life products are sold through marine dealers and large retail chains under several brand identities.

The Company manufactures its Watercraft products in five locations in the United States, one location in Canada and in New Zealand. The Company is also active in Europe with most of the brands noted above.

The North American market for both canoes and kayaks has slowed over the past year along with the economy. The Company believes, based on industry and other data, that it has grown market share and continues to be a leading manufacturer of canoes and kayaks in the United States in both unit and dollar sales.

Outdoor Equipment

The Company's Outdoor Equipment products include Eureka! military, commercial and consumer tents and backpacks; Camp Trails backpacks; and Silva field compasses.

Eureka! consumer tents and packs and Camp Trails backpacks compete primarily in the mid- to high-price range and are sold in the United States and Canada through independent sales representatives, primarily to sporting goods stores, catalog and mail order houses and camping and backpacking specialty stores. Marketing of the Company's tents and backpacks is focused on building the Eureka! and Camp Trails brand names and establishing the Company as a leader in tent design and innovation. The Company's camping tents and backpacks are produced primarily by third-party manufacturing sources.

Eureka! camping tents have outside self-supporting aluminum and fiberglass frames, allowing quicker and easier set-up, a design approach the Company originated. Most Eureka! tents are made from breathable nylon. Eureka! camping products are sold under license in Japan and Australia as well as by distribution agreement in Europe. Eureka! commercial tents include party tents, sold primarily to general rental stores, and other commercial tents sold directly to tent erectors. Commercial tents are manufactured by the Company in the United States.

Eureka! designs and manufactures large, heavy-duty tents and lightweight backpacking tents for the military. The Company has three contracts for production of both camping and commercial tents with the U.S. Armed Forces. In 1997, the Company was awarded contracts to produce a lightweight, two-man combat tent for the Marine Corps and a modular, general purpose tent for the Army. The Marine Corps contract was for 60 months and expired in August 2002. The Company has open deliveries on orders placed before the contract expired. The Army contract was for five years (base year and an option for four additional ordering periods). The first three optional ordering periods were exercised and the Army is currently in the final ordering period, which expires in December 2002. All material terms and obligations of these contracts have been and continue to be satisfied. In September 2001, the Company was awarded a five-year contract (base year and four optional years) to produce a four-person, extreme cold weather tent for the Marine Corps. The U.S. Armed Forces are a significant customer to the Outdoor Equipment business. Interruption or loss of the military business could have a significant impact on sales and operating results of this business. The Company has submitted a bid on a replacement contract for the largest portion of its current military business and, based on its excellent relationship and past performance, is optimistic regarding the potential for additional contracts. The Company expects a decision on the open bid to be made in 2003.

Camp Trails backpacks consist primarily of internal and external frame backpacks for hiking and mountaineering, but also include soft back bags, day packs and travel packs.

Silva field compasses, which are manufactured by third parties, are marketed exclusively in North America, the area for which the Company owns Silva trademark rights.

In September 2002, the Company sold its Jack Wolfskin business (consisting of the marketing of high quality technical outdoor clothing, footwear, camping tents, backpacks, travel gear and accessories). The Company's North American Jack Wolfskin operations were not included in the sale. The Company plans to exit these operations over the next year. See Note 4 to the Consolidated Financial Statements for additional information.

Motors

The Company manufactures, under its Minn Kota name, battery powered motors used on fishing boats and other boats for quiet trolling power or primary propulsion. The Company's Minn Kota motors and related accessories are sold in the United States, Canada, Europe and the Pacific Basin through large retail store chains such as Wal-Mart, catalogs such as Bass Pro Shops and Cabelas, sporting goods specialty stores, marine distributors, and original equipment manufacturers (OEM) including Ranger(R) Boats, Lowe, Stratos/Javilin. Consumer advertising and promotion include advertising on regional television and in outdoor, general interest and sports magazines. Packaging and point-of-purchase materials are used to increase consumer appeal and sales.

The Company has the leading market share of the U.S. electric fishing motor market. While the overall motors market has generally been flat over a number of years, the Company has been able to gain share by emphasizing marketing, product innovation and original equipment manufacturer sales.

In 2002, the Company rebranded its compass line of products to Minn Kota and discontinued use of the Airguide product line. The Minn Kota compasses are sold through the same channels as the Company's Motors business. In 2001, the Company exited the weather and automotive instrument categories.

Fishing

In March 2000, the Company sold its Fishing business (consisting of the marketing of rods, reels, lures, spoons and fishing line). As a result, the operations of the Fishing business have been restated as discontinued for financial reporting purposes. A significant loss on the sale of the business was recognized, but the tangible net worth of the Company was not adversely impacted. See Note 5 to the Consolidated Financial Statements for financial information.

Financial Information for Business Segments

See Note 14 to the Consolidated Financial Statements for financial information comparing each business segment.

International Operations

See Note 14 to the Consolidated Financial Statements for financial information comparing the Company's domestic and international operations.

Research and Development

The Company commits significant resources to research and new product development. The Company expenses research and development costs as incurred. The amounts expended by the Company in connection with research and development activities for each of the last three fiscal years are set forth in the Consolidated Statements of Operations.

Competition

The Company believes its products compete favorably on the basis of product innovation, product performance and marketing support and, to a lesser extent, price.

Diving: The main competitors in Diving include Oceanic, Aqualung and Suunto, each of which competes on the basis of product innovation, performance, quality and safety.

Watercraft: The Company primarily competes in the paddle sport segment of canoes and kayaks. Main competitors are Watermark and Confluence, who also make a full range of boats. These companies compete on the basis of their design, performance and quality.

Outdoor Equipment: The Company's brands and products compete in the sporting goods and specialty segments of the outdoor equipment market. Competitive brands with a strong position in the sporting goods channel include Coleman, Jansport and private label brands. The Company also competes with the specialty companies such as North Face and Kelty on the basis of materials and innovative designs for consumers who want performance products priced at a value.

Motors: The main competitor in electric trolling motors is Motor Guide from Brunswick, who manufactures and sells a full range of trolling motors and accessories. Competition in this segment is focused on product benefits and features for fishing.

Employees

At September 27, 2002, the Company had approximately 1,300 employees. The Company considers its employee relations to be excellent. Temporary employees are utilized to manage peaks in the seasonal manufacturing of products.

Backlog

Unfilled orders for future delivery of products of continuing operations totaled approximately \$34.8 million at September 27, 2002 and \$51.6 million at September 28, 2001. The Company's businesses do not receive significant orders in advance of expected shipment dates for the majority of their products.

Patents, Trademarks and Proprietary Rights

The Company owns no single patent that is material to its business as a whole. However, the Company holds several patents, principally for diving products, rotational-molded canoes and electric motors, and regularly files applications for patents. The Company has numerous trademarks and trade names which it considers important to its business, many of which are discussed on the preceding pages. The Company vigorously defends its intellectual property rights.

Sources and Availability of Materials

The Company's products use materials that are generally in adequate supply.

The Company has an exclusive supply contract with a single vendor for materials used in its military business. Interruption or loss in the availability of this material could have an impact on sales and operating results of the Outdoor Equipment business.

Seasonality

The Company's business is seasonal. The following table shows, for the past three fiscal years, total net sales and operating profit or loss related to continuing operations of the Company for each quarter, as a percentage of the total year. Strategic charges, generally associated with consolidation and closure of facilities, totaling \$1.7 million, \$1.4 million and \$2.4 million impacted operating results in 2002, 2001 and 2000, respectively.

Quarter Ended	Year Ended					
	September 27, 2002		September 28, 2001		September 29, 2000	
	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit	Net Sales	Operating Profit (Loss)
December	17%	5%	17%	(23)%	16%	1%
March	29	42	29	42	28	39
June	34	66	33	83	33	56
September	20	(13)	21	(2)	23	4
	100%	100%	100%	100%	100%	100%

Executive Officers

The following list sets forth certain information, as of December 1, 2002, regarding the executive officers of the Company.

Helen P. Johnson-Leipold, age 45, became Chairman and Chief Executive Officer of the Company in March 1999. Prior to joining the Company, Ms. Johnson-Leipold was employed by S.C. Johnson & Son, Inc. (SCJ) for twelve

years. From September 1998 until March 1999, Ms. Johnson-Leipold was Vice President, Worldwide Consumer Products-Marketing of SCJ. From October 1997 to September 1998, she was Vice President, Personal and Home Care Products of SCJ.

Patrick J. O'Brien, age 44, became President and Chief Operating Officer of the Company in April 1999. Prior to joining the Company, Mr. O'Brien was employed by SCJ for eighteen years. From October 1997 until March 1999, Mr. O'Brien was Vice President and General Manager, Home Storage of SCJ.

Paul A. Lehmann, age 49, became Vice President and Chief Financial Officer of the Company in May 2001. Prior to joining the Company, Mr. Lehmann was employed by Steelcase North America, Inc. (SCNA) for seven years. From October 1999 to May 2001, Mr. Lehmann was Vice President, Finance and Strategic Planning of SCNA. From June 1997 to October 1999, Mr. Lehmann was Vice President, Operations Finance of SCNA.

Mamdouh Ashour, age 64, has been a Group Vice President of the Company since October 1997 and President - Worldwide Diving since August 1996. He has been employed by the Company since 1973.

In December 2002, the Company announced the appointment of Jerry Perkins as the new Chief Operating Officer effective January 6, 2003. Mr. Perkins succeeds Patrick J. O'Brien, who accepted a position with S.C. Johnson & Son, Inc. as Executive Vice President - Europe & Africa Near East effective January 27, 2003. Mr. O'Brien will remain with the Company through January 24, 2003 to facilitate the transition.

There are no family relationships between the above executive officers.

ITEM 2. PROPERTIES

The Company maintains both leased and owned manufacturing, warehousing, distribution and office facilities throughout the world. The Company believes that its facilities are well maintained and have capacity adequate to meet its current needs.

See Note 7 to the Consolidated Financial Statements for a discussion of lease obligations.

The Company's principal manufacturing (identified with an asterisk) and other locations are:

Albany, New Zealand (Watercraft)	Genoa, Italy* (Diving)
Antibes, France (Diving)	Grand Rapids, Michigan* (Watercraft)
Bad Sackingen, Germany (Diving)	Grayling, Michigan* (Watercraft)
Barcelona, Spain (Diving)	Greenville, South Carolina (Watercraft)
Basingstoke, Hampshire, England (Diving)	Hallwil, Switzerland* (Diving)
Batang, Indonesia* (Diving)	Henggart, Switzerland (Diving)
Binghamton, New York* (Outdoor Equipment)	Mankato, Minnesota* (Motors)
Burlington, Ontario, Canada (Motors, Outdoor Equipment)	Mansonville, Quebec, Canada* (Watercraft)
Chatswood, Australia (Diving)	Miami, Florida* (Watercraft)
Chi Wan, Hong Kong (Diving)	Napier, New Zealand (Watercraft)
El Cajon, California (Diving)	Old Town, Maine* (Watercraft)
Ferndale, Washington* (Watercraft)	Tijuana, Mexico* (Motors, Diving)
	Tokyo (Kawasaki), Japan (Diving)

The Company's corporate headquarters is located in Racine, Wisconsin.

ITEM 3. LEGAL PROCEEDINGS

See Note 17 to the Consolidated Financial Statements for a discussion of legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the last quarter of the year ended September 27, 2002.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Certain information with respect to this item is included in Notes 6, 10, 11 and 12 to the Consolidated Financial Statements. The Company's Class A common stock is traded on The Nasdaq Stock Market(R) under the symbol: JOUT. There is no public market for the Company's Class B common stock. However, the Class B common stock is convertible at all times at the option of the holder into shares of Class A common stock on a share for share basis. As of November 1, 2002, the Company had 707 holders of record of its Class A common stock and 60 holders of record of its Class B common stock. The Company has never paid, and has no current intention to pay, a dividend on its common stock.

A summary of the high and low prices for the Company's Class A common stock during each quarter of the years ended September 27, 2002 and September 28, 2001 is as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2002	2001	2002	2001	2002	2001	2002	2001
Stock prices:								
High	\$9.04	\$7.00	\$10.49	\$7.56	\$20.20	\$8.49	\$17.32	\$7.39
Low	6.21	4.75	7.47	5.50	9.90	5.90	9.83	5.98
Last	7.95	5.88	9.85	6.13	16.83	6.74	10.90	6.47

ITEM 6. SELECTED FINANCIAL DATA

A summary of the Company's operating results and key balance sheet data for each of the years in the five-year period ended September 27, 2002 is presented below. All periods have been restated to reflect the discontinuation of the Company's Fishing business.

(thousands, except per share data)	Year Ended				
	September 27 2002	September 28 2001	September 29 2000	October 1 1999	October 2 1998
OPERATING RESULTS (1)					
Net sales	\$ 342,532	\$ 345,637	\$ 354,889	\$ 310,198	\$ 274,005
Gross profit	141,054	138,781	144,574	125,774	110,789
Operating expenses (2)	121,303	123,063	119,855	106,261	92,433
Operating profit	19,751	15,718	24,719	19,513	18,356
Interest expense	6,630	9,085	9,799	9,565	9,631
Other expense (income), net (3)	(27,372)	543	(160)	(71)	(539)
Income from continuing operations before income taxes and before cumulative effect of change in accounting principle	40,493	6,090	15,080	10,019	9,264
Income tax expense	10,185	2,480	6,705	4,158	3,885
Income from continuing operations before cumulative effect of change in accounting principle	30,308	3,610	8,375	5,861	5,379
Income (loss) from discontinued operations	--	--	(940)	1,161	(167)
Income (loss) on disposal of discontinued operations	495	--	(24,418)	--	--
Income (loss) from change in accounting principle	(22,876)	1,755	--	--	--
Net income (loss)	\$ 7,927	\$ 5,365	\$ (16,983)	\$ 7,022	\$ 5,212
Basic earnings (loss) per common share:					
Continuing operations	\$ 3.69	\$ 0.44	\$ 1.03	\$ 0.72	\$ 0.66
Discontinued operations	0.06	--	(3.12)	0.15	(0.02)
Effect of change in accounting principle	(2.79)	0.22	--	--	--
Net income (loss)	\$ 0.96	\$ 0.66	\$ (2.09)	\$ 0.87	\$ 0.64
Diluted earnings (loss) per common share:					
Continuing operations	\$ 3.59	\$ 0.44	\$ 1.03	\$ 0.72	\$ 0.66
Discontinued operations	0.06	--	(3.12)	0.15	(0.02)
Effect of change in accounting principle	(2.71)	0.22	--	--	--
Net income (loss)	\$ 0.94	\$ 0.66	\$ (2.09)	\$ 0.87	\$ 0.64
Diluted average common shares outstanding	8,430	8,170	8,130	8,108	8,114
BALANCE SHEET DATA					
	As of				
Current assets (4)	\$ 192,137	\$ 133,180	\$ 144,194	\$ 185,733	\$ 188,224
Total assets	271,285	244,913	257,971	299,025	292,380
Current liabilities (5)	53,589	36,568	46,941	45,072	39,448
Long-term debt, less current maturities	80,195	84,550	45,857	72,744	81,508
Total debt	88,253	97,535	105,319	122,071	124,001
Shareholders' equity	124,145	105,779	100,832	127,178	124,386

(1) All years include 52 weeks. 2002 includes ten months of the European Jack Wolfskin business.

(2) Includes strategic charges of \$1,707, \$1,448, \$2,369, \$2,773 and \$1,388 in 2002, 2001, 2000, 1999 and 1998, respectively.

(3) Includes gain on sale of subsidiary of \$27,251 in 2002.

(4) Includes cash of \$100,830 in 2002 and net assets of discontinued operations of \$56,114 and \$58,462 in 1999 and 1998, respectively.

(5) Excluding short-term debt and current maturities of long-term debt.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion includes comments and analysis relating to the Company's results of operations and financial condition for the three years ended September 27, 2002. Unless otherwise noted, the discussion refers to continuing operations. This discussion should be read in conjunction with the Consolidated Financial Statements and related notes thereto.

Results of Operations

Summary consolidated financial results from continuing operations are as follows:

(millions, except per share data)	2002	2001	2000
Net sales	\$342.5	\$345.6	\$354.9
Gross profit	141.1	138.8	144.6
Operating expenses (1)	121.3	123.1	119.9
Operating profit	19.8	15.7	24.7
Interest expense	6.6	9.1	9.8
Gain on sale of subsidiary	27.3	-	-
Income from continuing operations before cumulative effect of change in accounting principle	30.3	3.6	8.4
Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle (2)	3.59	0.44	1.03

(1) Includes strategic charges of \$1.7 million, \$1.4 million and \$2.4 million in 2002, 2001 and 2000, respectively.

(2) In 2002, the after tax gain on sale of subsidiary was \$2.65 per diluted share.

2002 vs 2001

Net Sales

Net sales totaled \$342.5 million in 2002 compared to \$345.6 million in 2001, a decrease of 0.9%. Sales as measured in United States (U.S.) dollars were positively impacted by the effects of foreign currencies relative to the U.S. dollar in comparison to 2001. Excluding the effects of foreign currency movements, sales decreased 1.5% when compared with 2001. Sales were also impacted by the sale of the Jack Wolfskin business. In 2002, Jack Wolfskin sales, which contain ten months of the European Jack Wolfskin business, were \$44.9 million compared to a full year in 2001 of \$47.2 million. With the continued soft economy both in the U.S. and abroad, the Company saw marginal growth or even contraction in most of its markets. The Company, however, was able to maintain or increase its share in those markets. Sales were positively impacted in the Motors business from growth in this category, strong sales from new products and a recovery in the OEM market, while in the Diving business the market continued to be negatively impacted by a sluggish travel industry.

Outdoor Equipment business sales decreased 7.4% from 2001 levels. Excluding the results of the Jack Wolfskin business, sales decreased 9.2% from 2001. The Outdoor Equipment business benefited from sales in its military tent business, which increased 2.1% over 2001, while the commercial and consumer businesses had double digit declines. The consumer tent business is experiencing competition from the low-price mass market and private label segment of the category. Diving sales were down 9.8% from 2001, primarily related to declines in the travel industry. Declines were broad-based as all Diving operating companies in the U.S. and Europe were down versus prior year. The Motors business was very strong, with a sales increase of \$16.4 million (25.0%) versus the prior year primarily due to market share gains related to strong new product sales and recovery in the OEM markets. The Watercraft business experienced continued soft markets with sales down 3% from a year ago. Sales were also impacted by transition issues related to the integration of the Necky/Ocean Kayak operations.

Operating Results

The Company recognized an operating profit of \$19.8 million in 2002 compared to an operating profit of \$15.7 million in 2001. Gross profit margins increased to 41.2% in 2002 from 40.2% in 2001, as improvements in the Motors and Outdoor Equipment businesses were partially offset by declines in the Watercraft and Diving businesses. Lower sales volume for 2002 negatively impacted gross margins in Diving and Watercraft due to unfavorable manufacturing labor and overhead variances.

Operating expenses, excluding strategic charges, totaled \$119.6 million, or 34.9% of sales, in 2002 compared to \$121.6 million, or 35.2% of sales, in 2001. Amortization of acquisition costs were \$0.4 million in 2002, compared to \$5.3 million in 2001. This decline is the result of the adoption of Financial Accounting Standard Board No. 142, Goodwill and Other Intangibles (SFAS 142), during 2002 and a writedown of goodwill of \$2.5 million related to the Company's Airguide brand during 2001. The adoption of SFAS 142 ceased the amortization of goodwill, which resulted in a decrease in operating expenses of approximately \$2.4 million in 2002.

The Outdoor Equipment business operating profit decreased by \$0.1 million, or 1.1%, to \$11.9 million in 2002 compared to \$12.0 million in 2001. Excluding the results of the Jack Wolfskin business, operating profit was flat versus 2001. The Outdoor Equipment business benefited from strength in military tents, offset by softness in the consumer and commercial tent businesses. The Diving business saw operating profit decline by \$1.1 million in 2002, in line with the sales decline. Declines in gross profit due to lower sales volume were partially offset by reductions in operating expenses resulting in an operating profit margin equal to 2001 at 14.5% of sales. The Motors business had operating profits of \$8.2 million in 2002 compared to \$0.2 million in 2001. The increase was driven by improved gross profit related to production efficiencies from higher volume, cost savings and improved pricing yield resulting from favorable changes in product mix and the impact of new products. In addition, 2001 contained a \$2.5 million write-down of goodwill related to the Company's Airguide brand.

The Watercraft business had a decline in operating profit in 2002 to \$1.2 million from operating profits of \$1.3 million in 2001. Declines in gross profit related to lower volume and operating company integration issues were nearly offset by reductions in operating expenses. The decline reveals some successes in recent restructuring and cost savings measures implemented in the business over the past year. However, operating profit levels remain significantly lower than 2000 as the Company continues to work on the trailing affects of significant growth, over-capacity and the impacts of too much complexity in this segment of our business. The Company believes the issues related to Watercraft can and are being fixed, as evidenced by the progress made by Leisure Life, which had operating profit improvement of \$2.0 million over 2001, turning an operating loss into a modest profit. Improving the Watercraft business is a top priority. While there remains work to do, the list of challenges is shorter and less complex than is has been in the past. The Company will continue to investigate synergistic opportunities in this business over the next year.

The Company recognized strategic charges totaling \$1.7 million in 2002, versus \$1.4 million in 2001. In 2002, the Company incurred strategic charges of \$0.5 million primarily to increase reserves for doubtful accounts receivable and excess inventory related to the North American Jack Wolfskin business. The balance of the 2002 strategic charges were related to the closure and relocation of two manufacturing facilities in the Watercraft business announced at the end of 2001. The Company does not anticipate incurring additional strategic charges related to these actions. In 2001, the Company incurred strategic charges of \$1.4 million from severance, moving and other costs related to the closure and relocation of a Watercraft manufacturing facility.

Other Income and Expenses

Interest expense decreased \$2.5 million in 2002, reflecting a decline in interest rates from prior year levels and a reduction in working capital needs versus 2001 levels. Interest income increased \$0.4 million to \$1.0 million in 2002 from \$0.5 million in 2001 due to improved cash flow and proceeds from the sale of the Jack Wolfskin business. In 2002, the Company recorded a pretax gain from the sale of the Jack Wolfskin business of \$27.3 million.

Results from Continuing Operations

The Company recognized income from continuing operations before cumulative effect of change in accounting principle of \$30.3 million in 2002 or \$3.59 per diluted share, compared to \$3.6 million in 2001 or \$0.44 per diluted

share. Included in 2002 income from continuing operations before cumulative effect of change in accounting principle was a gain on the sale of the Jack Wolfskin business of \$22.4 million, after tax, or \$2.65 per diluted share. The Company recorded income tax expense of \$10.2 million in 2002, an effective tax rate of 25.2%. The decline in the effective tax rate (from 40.7% in 2001) is mainly due to favorable tax treatment on the sale of the Jack Wolfskin business. Excluding the impact on the effective tax rate from the sale transaction, the Company's effective tax rate declined approximately 1.4% due to changes in the mix of earnings from jurisdictions with higher tax rates to those with lower tax rates.

Discontinued Operations

In March 2002, the Company recognized a gain from the disposal of discontinued operations of \$0.5 million, net of tax, related to the final accounting on the sale of the Fishing business, which was sold in March of 2000.

Change in Accounting Principles

Effective September 29, 2001, the Company adopted SFAS 142. In accordance with the adoption of this new standard, the Company ceased the amortization of goodwill. If SFAS 142 had been in effect for the prior periods presented, the Company's income from continuing operations before cumulative effect of change in accounting principle would have been \$6.0 million or \$0.73 per diluted share for the year ended September 28, 2001 and \$10.6 million or \$1.31 per diluted share for the year ended September 29, 2000.

As required under SFAS 142, the Company performed an assessment of the carrying value of goodwill using a number of criteria, including the value of the overall enterprise as of September 29, 2001. This assessment resulted in a write off of goodwill totaling \$22.9 million, net of tax (\$2.71 per diluted share) and has been reflected as a change in accounting principle. The write off is associated with the Watercraft (\$12.9 million) and Diving (\$10.0 million) business units. Future impairment charges from existing operations or other acquisitions, if any, will be reflected as an operating expense in the statement of operations.

Effective September 30, 2000, the Company adopted SFAS 133, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in fair value of the derivative and the hedged item are recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the hedged item affects earnings.

The adoption of SFAS 133 resulted in a cumulative effect of change in accounting principle after tax gain of \$1.8 million in 2001.

Net Income

The Company recognized net income of \$7.9 million in 2002, or \$0.94 per diluted share, compared to net income of \$5.4 million in 2001, or \$0.66 per diluted share.

2001 vs 2000

Net Sales

Net sales totaled \$345.6 million in 2001 compared to \$354.9 million in 2000, a decrease of 3%. Sales as measured in U.S. dollars were impacted by the effects of foreign currencies relative to the U.S. dollar in comparison to 2000. Excluding the effects of foreign currency movements, sales were nearly flat when compared with 2000. The flat trend in sales was a result of a soft economy both in the U.S. and abroad. Sales were impacted by customer bankruptcies in both the Motors and Diving businesses. The Company believes these bankruptcies impacted sales in 2001 by approximately \$4.8 million. As a result of the soft economy, we saw marginal growth or even contraction in the markets of our businesses. However, market data indicated that the Company gained market share in nearly all of our businesses.

The Outdoor Equipment business was strong, increasing sales 10% over 2000, primarily related to strong performances by Jack Wolfskin and military tents. Diving sales were down 3% from 2000, primarily related to the negative impact of foreign currency movements from 2000. Excluding the effects of foreign currency movements, Diving sales increased 3% from 2000. The Watercraft and Motors businesses were impacted the most by the soft economy, with sales declines of 5% and 16%, respectively. The Motors business gained market share in a contracting market and lost approximately \$4.0 million in sales related to the bankruptcy of a large OEM customer. However, the Company feels a majority of these sales will return in 2002, as the OEM customer was sold out of bankruptcy and has begun placing orders. The Watercraft business saw a significant decline in market growth after three plus years of double digit growth in that category.

Operating Results

The Company recognized an operating profit of \$15.7 million in 2001 compared to an operating profit of \$24.7 million in 2000. Gross profit margins decreased from 40.7% in 2000 to 40.2% in 2001, as improvements in the Diving and Outdoor Equipment businesses were more than offset by declines in the Watercraft and Motors businesses. Shortfalls in sales volume for 2001 negatively impacted gross profits by \$3.4 million due to unfavorable manufacturing labor and overhead variances, primarily in the Watercraft business, and to a lesser extent, the Motors business.

Operating expenses, excluding strategic charges, totaled \$121.6 million, or 35.2% of sales, in 2001 compared to \$117.5, or 33.1% of sales in 2000. Amortization of acquisition costs were \$5.3 million in 2001, which included a \$2.5 million write-down for impaired goodwill related to the Airguide brand in the Motors business, compared to \$3.0 million in 2000. Bad debt expense related to the previously mentioned customer bankruptcies added approximately \$0.9 million to operating expenses in 2001.

The Outdoor Equipment business increased operating profit by \$3.8 million, or 47%, to \$12.0 million in 2001 compared to \$8.2 million in 2000. Strong results by Jack Wolfskin and military tents more than offset softness in the consumer and commercial tent businesses. The Diving business was also strong, increasing operating profits by 7% to \$11.6 million in 2001, despite a sales decline, by improving product mix towards higher margin products along with a decline in operating expenses. Excluding the \$2.5 million write-down for impaired goodwill, the Motors business had operating profits of \$2.8 million in 2001 compared to \$3.9 million in 2000. A decline in operating expense, excluding strategic charges, of \$1.0 million versus the prior year, helped mitigate the decline in operating profit.

The Watercraft business was impacted by several issues, resulting in a decline in operating profits in 2001 to \$1.3 million from operating profits of \$10.3 million in 2000. The business experienced the trailing affects of significant growth, over-capacity and the impacts of too much complexity in this segment of our business. In addition to the gross profit issues described above, operating expenses grew by \$3.1 million, or 11% from 2000 levels due to investment in infrastructure to support the previous significant growth of the business and additional costs supporting the complex structure of the business. The Company believes the issues related to Watercraft can and are being fixed, as evidenced by the closure and relocation of two manufacturing facilities in 2001. The Company streamlined U.S. East coast distribution from five warehouses down to one and hired both a new general manager and operations manager at our Old Town Canoe business, to drive improved results from this important operation in the Watercraft business. The Company will continue to investigate synergistic opportunities in this business over the next year.

The Company recognized strategic charges totaling \$1.4 million in 2001 for severance, moving and other costs related to the closure and relocation of two manufacturing facilities in the Watercraft business. In 2000, the Company incurred strategic charges of \$2.4 million from severance, moving and other costs related to the closure and relocation of a manufacturing facility in the Motors business and for severance, relocation and recruitment costs in the North American Outdoor Equipment business.

Other Income and Expenses

Interest expense decreased \$0.7 million in 2001, reflecting a decline in interest rates from prior year levels and a reduction in working capital needs versus 2000 levels. Foreign currency translation losses related to the mark to market of foreign currency denominated debt and foreign currency forward contracts resulted in an increase of \$0.7 million in translation losses over the prior year levels.

Results from Continuing Operations

The Company recognized income from continuing operations before cumulative effect of change in accounting principle of \$3.6 million in 2001 or \$0.44 per diluted share, compared to \$8.4 million in 2000 or \$1.03 per diluted share. The Company recorded income tax expense of \$2.5 million in 2001, an effective tax rate of 40.7%. This decreased rate (from 44.5% in 2000) is mainly the result of changes in mix of earnings from jurisdictions with higher tax rates to those with lower tax rates.

Discontinued Operations

In March 2000, the Company sold its Fishing business. The Company recorded a loss on disposal of a discontinued business, net of tax, of \$24.4 million in 2000, taking into account operating results of the business from the measurement date to the date of disposal. In addition, the Company recorded an after tax loss from operations up to the measurement date of \$0.9 million in 2000.

Change in Accounting Principle

Effective September 30, 2000, the Company adopted SFAS 133, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in fair value of the derivative and the hedged item are recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the hedged item affects earnings.

The adoption of SFAS 133 resulted in a cumulative effect of change in accounting principle after tax gain of \$1.8 million in 2001.

Net Income (Loss)

The Company recognized net income of \$5.4 million in 2001, or \$0.66 per diluted share, compared to a net loss of \$17.0 million in 2000, or \$2.09 per diluted share.

Results Adjusted for Sale of Subsidiary

The following tables show the adjusted results of the Company's continuing businesses excluding the gain on the sale, the North America exit costs and the operating results of the Jack Wolfskin subsidiaries.

Adjusted Results of Continuing Businesses:

	2002	2001	2000
Net sales	\$295,718	\$295,987	\$309,724
Gross profit	122,687	119,736	124,988
Operating profit	14,822	10,621	19,607
Income from continuing businesses before cumulative effect of change in accounting principle	5,563	798	5,245
Diluted EPS - Continuing businesses	\$ 0.66	\$ 0.10	\$ 0.65

Reconciliation of Adjusted Earnings per Diluted Share:

	2002	2001	2000
Income from continuing operations (according to GAAP)	\$ 3.59	\$ 0.44	\$ 1.03
Add back (subtract):			
Gain on sale of Jack Wolfskin	(2.65)	-	-
Closing cost for North American Jack Wolfskin operations	0.05	-	-
Jack Wolfskin operating results	(0.33)	(0.34)	(0.38)
Adjusted income from continuing businesses	\$ 0.66	\$ 0.10	\$ 0.65

Financial Condition

The following discusses changes in the Company's liquidity and capital resources.

Operations

The following table sets forth the Company's working capital position related to continuing operations at the end of each of the past three years:

(millions)	2002	2001	2000
Current assets (1)	\$ 192.1	\$ 133.2	\$ 144.2
Current liabilities (2)	53.6	36.6	46.9
Working capital (2)	\$ 138.5	\$ 96.6	\$ 97.3
Current ratio (2)	3.6:1	3.6:1	3.1:1

(1) 2002 includes cash of \$100.8 million; 2000 excludes net assets of discontinued operations.

(2) Excludes short-term debt and current maturities of long-term debt.

Cash flows provided by operations totaled \$33.8 million in 2002, \$15.5 million in 2001 and \$9.8 million in 2000. The Company's improved profitability and working capital management, contributed to the positive cash flows in 2002. Increases in accounts payable and other accrued liabilities of \$15.2 million and declines in inventory of \$4.8 million contributed to the overall positive cash flows provided by operations in 2002. The changes in 2002 are exclusive of changes resulting from the disposal of the Jack Wolfskin business. Profitability and decreases in accounts receivable of \$6.8 million, contributed to the positive cash flows in 2001. Decreases in accounts payable and other accrued liabilities of \$11.4 million reduced the overall positive cash flows provided by operations in 2001. Growth in accounts receivable and inventories of \$10.7 million and \$8.4 million, respectively, reduced the overall positive cash flows provided by operations in 2000 from profitability and increases in accounts payable and other accrued liabilities.

Depreciation and amortization charges were \$9.1 million in 2002, \$13.5 million in 2001 and \$12.5 million in 2000. The adoption of SFAS 142, which ceased the amortization of goodwill, as well as reduced capital spending accounted for the decrease in 2002 from 2001. Amortization of intangible assets from the Company's acquisitions and increased depreciation from capital spending accounted for the increase from 2000 to 2001. The Company recorded a charge for impairment of goodwill of \$2.5 million in 2001.

Investing Activities

Cash flows provided by (used for) investing activities were \$56.8 million, (\$9.6) million and \$20.0 million in 2002, 2001 and 2000, respectively. Proceeds from the sale of the Jack Wolfskin business contributed \$59.3 million to the Company's investing activities, while proceeds from the sale of the Company's former headquarters facility contributed \$5.0 million. Expenditures for property, plant and equipment were (\$7.7) million in 2002, (\$9.8) million

in 2001 and (\$14.1) million in 2000. The Company's recurring investments are primarily related to tooling for new products, facilities and information systems improvements. In 2003, capital expenditures are anticipated to be consistent with 2001 levels. These expenditures are expected to be funded by working capital or existing credit facilities.

The Company received \$33.1 million in proceeds from the sale of its Fishing business in 2000, which contributed to the cash flows provided by investing activities for that year. These proceeds were used to reduce both short-term and long-term debt. The Company paid, net of cash acquired, \$0.6 million for two small businesses acquired in 2001 and \$0.9 million for one business acquired in 2000.

Financing Activities

The following table sets forth the Company's debt and capital structure at the end of the past three years:

(millions)	2002	2001	2000
Current debt	\$ 8.0	\$ 13.0	\$ 59.5
Long-term debt	80.2	84.5	45.8
Total debt	88.2	97.5	105.3
Shareholders' equity	124.1	105.8	100.8
Total capitalization	\$ 212.3	\$ 203.3	\$ 206.1
Total debt to total capitalization	41.5%	48.0%	51.1%

Cash flows used for financing activities totaled \$8.4 million in 2002, \$7.9 million in 2001 and \$12.5 million in 2000. In December 2001 the Company consummated a private placement of long-term debt totaling \$50.0 million. Cash provided by the private placement debt was used to pay down short-term debt of \$48.4 million in 2002. Payments on long-term debt were \$11.6 million, \$6.8 million and \$22.0 million, in 2002, 2001 and 2000, respectively. Included in 2000 was \$15.1 million in payments from the proceeds of the sales of the Fishing business.

At September 27, 2002, the Company had available unused credit facilities in excess of \$77.0 million, which is believed to be adequate for its needs for the foreseeable future.

Market Risk Management

The Company is exposed to market risk stemming from changes in foreign exchange rates, interest rates and, to a lesser extent, commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed by entering into hedging transactions authorized under Company policies that place controls on these activities. Hedging transactions involve the use of a variety of derivative financial instruments. Derivatives are used only where there is an underlying exposure, not for trading or speculative purposes.

Foreign Operations

The Company has significant foreign operations, for which the functional currencies are denominated primarily in Euro dollars, Swiss francs, Japanese yen and Canadian dollars. As the values of the currencies of the foreign countries in which the Company has operations increase or decrease relative to the U.S. dollar, the sales, expenses, profits, assets and liabilities of the Company's foreign operations, as reported in the Company's Consolidated Financial Statements, increase or decrease, accordingly. The Company mitigates a portion of the fluctuations in certain foreign currencies through the purchase of foreign currency swaps, forward contracts and options to hedge known commitments, primarily for purchases of inventory and other assets denominated in foreign currencies.

Interest Rates

The Company's debt structure and interest rate risk are managed through the use of fixed and floating rate debt. The Company's primary exposure is to U.S. interest rates. The Company also periodically enters into interest rate swaps, caps or collars to hedge its exposure and lower financing costs.

Commodities

Certain components used in the Company's products are exposed to commodity price changes. The Company manages this risk through instruments such as purchase orders and non-cancelable supply contracts. Primary commodity price exposures are metals and packaging materials.

Sensitivity to Changes in Value

The estimates that follow are intended to measure the maximum potential fair value or earnings the Company could lose in one year from adverse changes in foreign exchange rates or market interest rates under normal market conditions. The calculations are not intended to represent actual losses in fair value or earnings that the Company expects to incur. The estimates do not consider favorable changes in market rates. Further, since the hedging instrument (the derivative) inversely correlates with the underlying exposure, any loss or gain in the fair value of derivatives would be generally offset by an increase or decrease in the fair value of the underlying exposures. The positions included in the calculations are foreign exchange forwards, currency swaps and fixed rate debt. Certain instruments are included in both categories of risk exposure calculated below. The calculations do not include the underlying foreign exchange positions that are hedged by these market risk sensitive instruments. The table below presents the estimated maximum potential one year loss in fair value and earnings before income taxes from a 10% movement in foreign currencies and a 100 basis point movement in interest rate market risk sensitive instruments outstanding at September 27, 2002:

(millions)	Estimated Impact on	
	Fair Value	Earnings Before Income Taxes
Foreign exchange rate instruments	-	-
Interest rate instruments	\$2.3	\$0.9

Other Factors

The Company has not been significantly impacted by inflationary pressures over the last several years. The Company anticipates that changing costs of basic raw materials may impact future operating costs and, accordingly, the prices of its products. The Company is involved in continuing programs to mitigate the impact of cost increases through changes in product design and identification of sourcing and manufacturing efficiencies. Price increases and, in certain situations, price decreases are implemented for individual products, when appropriate.

Critical Accounting Policies and Estimates

The Company's management discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related footnote disclosures. On an on-going basis, the Company evaluates its estimates, including those related to customer programs and incentives, product returns, bad debts, inventories, intangible assets, income taxes, warranty obligations, pensions and other post-retirement benefits, and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Allowance for Doubtful Accounts

The Company recognizes revenue when title and risk of ownership have passed to the buyer. Allowances for doubtful accounts are estimated at the individual operating companies based on estimates of losses related to customer receivable balances. Estimates are developed by using standard quantitative measures based on historical losses, adjusting for current economic conditions and, in some cases, evaluating specific customer accounts for risk of loss. The establishment of reserves requires the use of judgment and assumptions regarding the potential for losses on receivable balances. Though the Company considers these balances adequate and proper, changes in economic conditions in specific markets in which the Company operates could have a favorable or unfavorable effect on reserve balances required.

Inventories

The Company values inventory at the lower of cost (determined using the first-in first-out method) or market. Management judgment is required to determine the reserve for obsolete or excess inventory. Inventory on hand may exceed future demand either because the product is outdated or because the amount on hand is more than can be used to meet future needs. Inventory reserves are estimated at the individual operating companies using standard quantitative measures based on criteria established by the Company. The Company also considers current forecast plans, as well as, market and industry conditions in establishing reserve levels. Though the Company considers these balances to be adequate, changes in economic conditions, customer inventory levels or competitive conditions could have a favorable or unfavorable effect on reserve balances required.

Deferred Taxes

The Company records a valuation allowance to reduce its deferred tax assets to the amount that is more likely than not to be realized. While the Company has considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event the Company were to determine that it would not be able to realize all or part of its net deferred tax asset in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made. Likewise, should the Company determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made.

Goodwill and Intangible Impairment

In assessing the recoverability of the Company's goodwill and other intangibles the Company must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Company may be required to record impairment charges for these assets not previously recorded. On September 28, 2001 the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," and was required to analyze its goodwill for impairment issues during the first six months of fiscal 2002, and then on a periodic basis thereafter. As a result of this analysis, the Company recorded a goodwill impairment charge of \$22.9 million, net of tax, in the second quarter of fiscal 2002.

Warranties

The Company accrues a warranty reserve for estimated costs to provide warranty services. The Company's estimate of costs to service its warranty obligations is based on historical experience, expectation of future conditions and known product issues. To the extent the Company experiences increased warranty claim activity or increased costs associated with servicing those claims, revisions to the estimated warranty reserve would be required. The Company engages in product quality programs and processes, including monitoring and evaluating the quality of its suppliers, to help minimize warranty obligations.

Pending Accounting Changes

In August 2001, the FASB issued SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets (SFAS 144). SFAS 144 establishes a single accounting model for long-lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. There are not expected to be any financial implications related to the adoption of SFAS 144, and the guidance

will be applied on a prospective basis. The Company is required to adopt SFAS 144 in the first quarter of fiscal 2003.

In April 2002, the FASB issued SFAS No. 145, Rescission of FASB No. 4, 44 and 64, Amendment of FASB No. 13, and Technical Corrections (SFAS 145). SFAS 145 clarifies updates and simplifies existing accounting pronouncements related to gains and losses on extinguishments of debt and lease modifications, among other items. There are not expected to be any financial implications related to the adoption of SFAS 145, and the guidance will be applied on a prospective basis. The Company is required to adopt SFAS 145 in the first quarter of fiscal 2003.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities (SFAS 146). SFAS 146 requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. The Company does not anticipate a significant impact on its results of operations from adopting SFAS 146. The Company is required to adopt SFAS 146 for exit or disposal activities that are initiated after December 31, 2002.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information with respect to this item is included in Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Market Risk Management."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this item is included on pages F-1 to F-24.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to this item, except for certain information on executive officers (which appears at the end of Part I of this report) is included in the Company's Proxy Statement for its February 19, 2003 Annual Meeting of Shareholders, which is incorporated herein by reference, under the headings "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance," provided, however, that the subsection entitled "Election of Directors - Audit Committee Report" shall not be deemed to be incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to this item is included in the Company's Proxy Statement for its February 19, 2003 Annual Meeting of Shareholders, which is incorporated herein by reference, under the headings "Election of Directors - Compensation of Directors" and "Executive Compensation;" provided, however, that the subsection entitled "Executive Compensation - Compensation Committee Report on Executive Compensation" shall not be deemed to be incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information with respect to Item 403 of Regulation S-K is included in the Company's Proxy Statement for its February 19, 2003 Annual Meeting of Shareholders, which is incorporated herein by reference, under the heading "Stock Ownership of Management and Others."

Information with respect to Item 201(d) of Regulation S-K as of September 27, 2002 is as follows.

Equity Compensation Plan Information

	Number of shares to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in Column A)
	A	B	C
Equity Compensation Plans approved by shareholders	1,064,019	\$9.06	136,602(1)
Equity Compensation Plans not approved by shareholders	-	-	-

- (1) All of the available shares under the 1994 Non-Employee Director Stock Ownership Plan (44,432) and under the 2000 Long-Term Stock Incentive Plan (92,170) may be issued upon the exercise of stock options or granted as restricted stock, and, in the case of the 2000 Long-Term Stock Incentive Plan, as share units.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to this item is included in the Company's Proxy Statement for its February 19, 2003 Annual Meeting of Shareholders, which is incorporated herein by reference, under the heading "Certain Transactions."

PART IV

ITEM 14. CONTROLS AND PROCEDURES

- (a) Within the 90 days prior to the date of this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, the Company's principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in alerting them in a timely manner to material information relating to our Company (including our consolidated subsidiaries) required to be included in our periodic SEC filings.
- (b) There have been no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to the date we carried out this evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

The following documents are filed as a part of this Form 10-K:

Financial Statements

Included in Item 8 of Part II of this Form 10-K are the following
 Reports of Independent Auditors
 Consolidated Balance Sheets - September 27, 2002 and September 28, 2001
 Consolidated Statements of Operations - Years ended September 27, 2002,
 September 28, 2001 and September 29, 2000
 Consolidated Statements of Shareholders' Equity - Years ended September 27,
 2002, September 28, 2001 and September 29, 2000

Consolidated Statements of Cash Flows - Years ended September 27, 2002,
September 28, 2001 and September 29, 2000
Notes to Consolidated Financial Statements

Financial Statement Schedules

All schedules are omitted because they are not applicable, are not required or equivalent information has been included in the Consolidated Financial Statements or notes thereto.

Exhibits

See Exhibit Index.

Reports on Form 8-K

On September 13, 2002, the Company filed a Current Report on Form 8-K dated September 9, 2002 to reflect (under Item 2 of Form 8-K) the Company's disposition of its Jack Wolfskin business to an affiliate of Bain Capital Fund VII-E (UK), Limited Partnership pursuant to a Share Purchase and Transfer Agreement, dated as of August 28, 2002. The report included (under Item 7 of Form 8-K) the following financial statements: Unaudited Pro Forma Condensed Consolidated Balance Sheet at June 28, 2002 and Pro Forma Condensed Consolidated Statements of Operations for the year ended September 28, 2001 and the nine months ended June 28, 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Racine and State of Wisconsin, on the 16th day of December 2002.

JOHNSON OUTDOORS INC.

(Registrant)

By /s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities indicated on the 16th day of December 2002.

/s/ Helen P. Johnson-Leipold ----- (Helen P. Johnson-Leipold)	Chairman and Chief Executive Officer and Director (Principal Executive Officer)
/s/ Thomas F. Pyle, Jr. ----- (Thomas F. Pyle, Jr.)	Vice Chairman of the Board and Director
/s/ Samuel C. Johnson ----- (Samuel C. Johnson)	Director
/s/ Gregory E. Lawton ----- (Gregory E. Lawton)	Director
/s/ Terry E. London ----- (Terry E. London)	Director
/s/ John M. Fahey, Jr. ----- (John M. Fahey, Jr.)	Director
/s/ Paul A. Lehmann ----- (Paul A. Lehmann)	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

CERTIFICATIONS

I, Helen P. Johnson-Leipold, certify that:

- 1) I have reviewed this Annual Report on Form 10-K of Johnson Outdoors Inc.;
- 2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
- 4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report are our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6) The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 26, 2002

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

I, Paul A. Lehmann, certify that:

- 1) I have reviewed this Annual Report on Form 10-K of Johnson Outdoors Inc.;
- 2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
- 4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report are our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6) The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 26, 2002

/s/ Paul A. Lehmann

Paul A. Lehmann
Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Title	
3.1	Articles of Incorporation of the Company as amended through February 17, 2000. (Filed as Exhibit 3.1(a) to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)	*
3.2(a)	Bylaws of the Company as amended through December 16, 2002	
	3.2(b) Amendment to Bylaws of the Company dated as of December 16, 2002	
3.2(b)	Amendment to Bylaws of the Company dated as of December 16, 2002	
4.1	Note Agreement dated October 1, 1995. (Filed as Exhibit 4.1 to the Company's Form 10-Q for the quarter ended December 29, 1995 and incorporated herein by reference.)	*
4.2	First Amendment dated October 31, 1996 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.3 to the Company's Form 10-Q for the quarter ended December 27, 1996 and incorporated herein by reference.)	*
4.3	Second Amendment dated September 30, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.8 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.4	Third Amendment dated October 3, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.9 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.5	Fourth Amendment dated January 10, 2000 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.9 to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)	*
4.6	Fifth Amendment dated December 13, 2001 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.6 to the Company's Form 10-K for the year ended September 28, 2001 and incorporated herein by reference.)	*
4.7	Consent and Amendment dated of September 6, 2002 to Note Agreement dated October 1, 1995.	
4.8	Note Agreement dated as of September 15, 1997. (Filed as Exhibit 4.15 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.9	First Amendment dated January 10, 2000 to Note Agreement dated September 15, 1997. (Filed as Exhibit 4.10 to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)	*
4.10	Second Amendment dated December 13, 2001 to Note Agreement dated September 15, 1997. (Filed as Exhibit 4.9 to the Company's Form 10-K for the year ended September 28, 2001 and incorporated herein by reference.)	*
4.11	Consent and Amendment dated as of September 6, 2002 to Note Agreement dated September 15, 1997.	
4.12	3-Year Revolving Credit Agreement dated as of August 31, 2001. (Filed as Exhibit 4.10 to the Company's Form 10-K for the year ended September 28, 2001 and incorporated herein by reference.)	*
4.13	Amendment No. 1 to 3-Year Revolving Credit Agreement dated as of December 18, 2001. (Filed as Exhibit 4.11 to the Company's Form 10-K for the year ended September 28, 2001 and incorporated herein by reference.)	*
4.14	Note Agreement dated as of December 13, 2001. (Filed as Exhibit 4.12 to the Company's Form 10-K for the year ended September 28, 2001 and incorporated herein by reference.)	*
4.15	Consent and Amendment dated as of September 6, 2002 to Note Agreement dated as of December 13, 2001.	
9	Johnson Outdoors Inc. Class B common stock Voting Trust Agreement, dated December 30, 1993 (Filed as Exhibit 9 to the Company's Form 10-Q for the quarter ended December 31, 1993 and incorporated herein by reference.)	*

Exhibit	Title	
10.1	Stock Purchase Agreement, dated as of January 12, 2000, by and between Johnson Outdoors Inc. and Berkley Inc. (Filed as Exhibit 2.1 to the Company's Form 8-K dated March 31, 2000 and incorporated herein by reference.)	*
10.2	Amendment to Stock Purchase Agreement, dated as of February 28, 2000, by and between Johnson Outdoors Inc. and Berkley Inc. (Filed as Exhibit 2.2 to the Company's Form 8-K dated March 31, 2000 and incorporated herein by reference.)	*
10.3+	Johnson Outdoors Inc. Amended and Restated 1986 Stock Option Plan. (Filed as Exhibit 10 to the Company's Form 10-Q for the quarter ended July 2, 1993 and incorporated herein by reference.)	*
10.4	Registration Rights Agreement regarding Johnson Outdoors Inc. common stock issued to the Johnson family prior to the acquisition of Johnson Diversified, Inc. (Filed as Exhibit 10.6 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.5	Registration Rights Agreement regarding Johnson Outdoors Inc. Class A common stock held by Mr. Samuel C. Johnson. (Filed as Exhibit 28 to the Company's Form 10-Q for the quarter ended March 29, 1991 and incorporated herein by reference.)	*
10.6+	Form of Restricted Stock Agreement. (Filed as Exhibit 10.8 to the Company's Form S-1 Registration Statement No. 33-23299 and incorporated herein by reference.)	*
10.7+	Form of Supplemental Retirement Agreement of Johnson Diversified, Inc. (Filed as Exhibit 10.9 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.8+	Johnson Outdoors Retirement and Savings Plan. (Filed as Exhibit 10.9 to the Company's Form 10-K for the year ended September 29, 1989 and incorporated herein by reference.)	*
10.9+	Form of Agreement of Indemnity and Exoneration with Directors and Officers. (Filed as Exhibit 10.11 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.10	Consulting and administrative agreements with S. C. Johnson & Son, Inc. (Filed as Exhibit 10.12 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.11+	Johnson Outdoors Inc. 1994 Long-Term Stock Incentive Plan. (Filed as Exhibit 4 to the Company's Form S-8 Registration Statement No. 333-88091 and incorporated herein by reference.)	*
10.12+	Johnson Outdoors Inc. 1994 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 4 to the Company's Form S-8 Registration Statement No. 333-88089 and incorporated herein by reference.)	*
10.13+	Johnson Outdoors Economic Value Added Bonus Plan (Filed as Exhibit 10.15 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
10.14+	Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan. (Filed as Exhibit 10.16 to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)	*
10.15+	Share Purchase and Transfer Agreement, dated as of August 28, 2002, by and between, among others, Johnson Outdoors Inc. and an affiliate of Bain Capital Fund VII-E (UK), Limited Partnership. (Filed as Exhibit 2.1 to the Company's Form 8-K dated September 9, 2002 and incorporated herein by reference.)	
11	Statement regarding computation of per share earnings. (Note 15 to the Consolidated Financial Statements of the Company's 2001 Form 10-K is incorporated herein by reference.)	*
21	Subsidiaries of the Company as of September 27, 2002. 23.1 Consent of Ernst & Young LLP.	
23.1	Consent of Ernst & Young LLP	
23.2	Consent of KPMG LLP.	

Exhibit	Title	
99.1	Definitive Proxy Statement for the 2003 Annual Meeting of Shareholders. Except to the extent specifically incorporated herein by reference, the Proxy Statement for the 2003 Annual Meeting of Shareholders shall not be deemed to be filed with the Securities and Exchange Commission as part of this Form 10-K. The Proxy Statement for the 2003 Annual Meeting of Shareholders will be filed with the Securities and Exchange Commission under regulation 14A within 120 days after the end of the Company's fiscal year.	*
99.2	Certification of Chairman and CEO pursuant to 18 U.S.C.ss.1350	
99.3	Certification of Vice President and CFO pursuant to 18 U.S.C.ss.1350	

* Incorporated herein by reference.
+ A management contract or compensatory plan or arrangement.

Consolidated Financial Statements

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REPORT OF MANAGEMENT

The management of Johnson Outdoors Inc. is responsible for the preparation and integrity of all financial statements and other information contained in this Form 10-K. We rely on a system of internal financial controls to meet the responsibility of providing accurate financial statements. The system provides reasonable assurances that assets are safeguarded, that transactions are executed in accordance with management's authorization and that the financial statements are prepared on a worldwide basis in accordance with accounting principles generally accepted in the United States of America.

The financial statements for each of the years covered in this Form 10-K have been audited by independent auditors, who have provided an independent assessment as to the fairness of the financial statements, after obtaining an understanding of the Company's systems and procedures and performing such other tests as deemed necessary.

The Audit Committee of the Board of Directors, which is composed solely of directors who are not officers of the Company, meets with management and the independent auditors to review the results of their work and to satisfy itself that their respective responsibilities are being properly discharged. The independent auditors have full and free access to the Audit Committee and have regular discussions with the Committee regarding appropriate auditing and financial reporting matters.

Helen P. Johnson-Leipold
Chairman and Chief Executive
Officer

Paul A. Lehmann
Vice President and Chief Financial
Officer

REPORT OF INDEPENDENT AUDITORS

Shareholders and Board of Directors
Johnson Outdoors Inc.:

We have audited the accompanying consolidated balance sheet of Johnson Outdoors Inc. and subsidiaries as of September 27, 2002 and the related consolidated statements of operations, shareholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The financial statements of Johnson Outdoors Inc. as of September 28, 2001, and for the year then ended were audited by other auditors who have ceased operations. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 8, 2001, except for Notes 5 and 17 as to which the date is December 21, 2001.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Johnson Outdoors Inc. and subsidiaries as of September 27, 2002 and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As discussed above, the financial statements of Johnson Outdoors Inc. as of September 28, 2001, and for the year then ended were audited by other auditors who have ceased operations. As described in Note 1, these financial statements have been revised to include the transitional disclosures required by Statement of Financial Accounting Standards (Statement) No. 142, Goodwill and Other Intangible Assets, which was adopted by the Company as of September 29, 2001. Our audit procedures with respect to the disclosures in Note 1 with respect to 2001 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments to reported net income representing amortization expense (including any related tax effects) recognized in those periods

related to goodwill, as a result of initially applying Statement No. 142 to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the reconciliation of adjusted net income to reported net income, and the related earnings-per-share amounts. In our opinion, the disclosures for 2001 in Note 1 are appropriate. However, we were not engaged to audit, review, or apply any procedures to the 2001 financial statements of the Company other than with respect to such disclosures and, accordingly, we do not express an opinion or any other form of assurance on the 2001 financial statements taken as a whole.

As explained in Note 1 to the consolidated financial statements, effective September 29, 2001, the Company changed its method of accounting for goodwill and other intangible assets.

Ernst & Young LLP
Milwaukee, Wisconsin
November 8, 2002

The following report is a copy of a report previously issued by Arthur Andersen LLP in connection with the Company's Annual Report on Form 10-K for the year ended September 28, 2001. This opinion has not been reissued by Arthur Andersen LLP.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Shareholders and Board of Directors
Johnson Outdoors Inc.:

We have audited the consolidated balance sheet of Johnson Outdoors Inc. and subsidiaries as of September 28, 2001 and the related consolidated statements of operations, shareholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Johnson Outdoors Inc. and subsidiaries as of September 28, 2001 and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1 to the consolidated financial statements, effective September 30, 2000, the Company changed its method of accounting for derivative instruments.

Arthur Andersen LLP
Milwaukee, Wisconsin
November 8, 2001, except for Notes 5 and 17, as to which the date is December 21, 2001.

INDEPENDENT AUDITORS' REPORT

Shareholders and Board of Directors
Johnson Outdoors Inc.:

We have audited the consolidated statements of operations, shareholders' equity, and cash flows for the year ended September 29, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations of Johnson Outdoors Inc. and subsidiaries and their cash flows for the year ended September 29, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP
Milwaukee, Wisconsin
November 6, 2000

CONSOLIDATED BALANCE SHEETS

(thousands, except share data)	September 27 2002	September 28 2001
ASSETS		
Current assets:		
Cash and temporary cash investments	\$ 100,830	\$ 16,069
Accounts receivable less allowance for doubtful accounts of \$4,028 and \$3,739, respectively	39,972	45,585
Inventories	42,231	61,700
Deferred income taxes	5,083	5,269
Other current assets	4,021	4,557
Total current assets	192,137	133,180
Property, plant and equipment, net	29,611	35,879
Deferred income taxes	19,588	19,577
Intangible assets, net	27,139	55,288
Other assets	2,810	989
Total assets	\$ 271,285	\$ 244,913
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	\$ 8,058	\$ 12,985
Accounts payable	13,589	12,157
Accrued liabilities:		
Salaries and wages	9,428	5,968
Income taxes	6,567	1,206
Other	24,005	17,237
Total current liabilities	61,647	49,553
Long-term debt, less current maturities	80,195	84,550
Other liabilities	5,298	5,031
Total liabilities	147,140	139,134
Shareholders' equity:		
Preferred stock: none issued	--	--
Common stock:		
Class A shares issued:		
September 27, 2002, 7,112,155;		
September 28, 2001, 6,946,012	355	347
Class B shares issued (convertible into Class A shares):		
September 27, 2002, 1,222,729;		
September 28, 2001, 1,222,729	61	61
Capital in excess of par value	47,583	44,411
Retained earnings	88,089	80,162
Deferred compensation	(22)	(44)
Accumulated other comprehensive loss	(11,921)	(19,158)
Total shareholders' equity	124,145	105,779
Total liabilities and shareholders' equity	\$ 271,285	\$ 244,913

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

(thousands, except per share data)	Year Ended		
	September 27 2002	September 28 2001	September 29 2000
Net sales	\$ 342,532	\$ 345,637	\$ 354,889
Cost of sales	201,478	206,856	210,315
Gross profit	141,054	138,781	144,574
Operating expenses:			
Marketing and selling	78,224	78,192	75,446
Administrative management, finance and information systems	31,929	29,138	28,442
Research and development	6,729	7,565	7,854
Amortization of acquisition costs	374	5,288	2,951
Profit sharing	2,340	1,432	2,793
Strategic charges	1,707	1,448	2,369
Total operating expenses	121,303	123,063	119,855
Operating profit	19,751	15,718	24,719
Interest income	(968)	(548)	(421)
Interest expense	6,630	9,085	9,799
Gain on sale of subsidiary	(27,251)	-	-
Other expense, net	847	1,091	261
Income from continuing operations before income taxes and cumulative effect of change in accounting principle	40,493	6,090	15,080
Income tax expense	10,185	2,480	6,705
Income from continuing operations before cumulative effect of change in accounting principle	30,308	3,610	8,375
Loss from discontinued operations, net of income tax benefit of \$563	--	--	(940)
Income (loss) from disposal of discontinued operations, net of income tax expense (benefit) of \$255 and \$(1,840) for 2002 and 2000, respectively	495	--	(24,418)
Income (loss) from effect of change in accounting principle, net of income tax expense (benefit) of \$(2,200) and \$845 for 2002 and 2001, respectively	(22,876)	1,755	--
Net income (loss)	\$ 7,927	\$ 5,365	\$ (16,983)
Basic earnings (loss) per common share:			
Continuing operations	\$ 3.69	\$ 0.44	\$ 1.03
Discontinued operations	0.06	--	(3.12)
Net effect of change in accounting principle	(2.79)	0.22	--
Net income (loss)	\$ 0.96	\$ 0.66	\$ (2.09)
Diluted earnings (loss) per common share:			
Continuing operations	\$ 3.59	\$ 0.44	\$ 1.03
Discontinued operations	0.06	--	(3.12)
Net effect of change in accounting principle	(2.71)	0.22	--
Net income (loss)	\$ 0.94	\$ 0.66	\$ (2.09)

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Accumulated Other Comprehensive Loss	Treasury Stock	Comprehensive Income (Loss)
BALANCE AT OCTOBER 1, 1999	\$406	\$44,205	\$ 91,832	\$ (134)	\$(9,049)	\$(82)	
Net loss	--	--	(16,983)	--	--	--	\$ (16,983)
Issuance of restricted stock	--	19	--	(19)	--	--	--
Issuance of stock under employee stock purchase plan	1	67	(52)	--	--	82	--
Amortization of deferred compensation	--	--	--	76	--	--	--
Translation adjustment	--	--	--	--	(10,346)	--	(10,346)
Translation adjustment recognized in net loss on sale of Fishing business	--	--	--	--	809	--	--
BALANCE AT SEPTEMBER 29, 2000	407	44,291	74,797	(77)	(18,586)	--	\$ (27,329)
Net income	--	--	5,365	--	--	--	\$ 5,365
Issuance of restricted stock	--	50	--	(50)	--	--	--
Issuance of stock under employee stock purchase plan	1	70	--	--	--	--	--
Amortization of deferred compensation	--	--	--	83	--	--	--
Translation adjustment	--	--	--	--	2,402	--	2,402
Translation adjustment recognized in the cumulative effect of change in accounting principle	--	--	--	--	(2,974)	--	--
BALANCE AT SEPTEMBER 28, 2001	408	44,411	80,162	(44)	(19,158)	--	\$ 7,767
Net income	--	--	7,927	--	--	--	\$ 7,927
Issuance of restricted stock	--	60	--	(60)	--	--	--
Exercise of stock options	7	1,735	--	--	--	--	--
Issuance of stock under employee stock purchase plan	1	75	--	--	--	--	--
Amortization of deferred compensation	--	--	--	82	--	--	--
Translation adjustment	--	--	--	--	4,378	--	4,378
Translation adjustment recognized in the gain on sale of Jack Wolfskin subsidiary	--	--	--	--	3,057	--	--
Additional minimum pension liability	--	--	--	--	(198)	--	(198)
Building gain	--	1,302	--	--	--	--	--
BALANCE AT SEPTEMBER 27, 2002	\$416	\$47,583	\$88,089	\$(22)	\$(11,921)	\$--	\$ 12,107

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands)	Year Ended		
	September 27 2002	September 28 2001	September 29 2000
CASH PROVIDED BY OPERATIONS			
Net income (loss)	\$ 7,927	\$ 5,365	\$ (16,983)
Less income (loss) from discontinued operations	495	--	(25,358)
Less income (loss) from cumulative effect of change in accounting principle	(22,876)	1,755	--
Income from continuing operations before cumulative effect of change in accounting principle	30,308	3,610	8,375
Adjustments to reconcile income from continuing operations before cumulative effect of change in accounting principle to net cash provided by operating activities of continuing operations:			
Depreciation and amortization	9,096	13,516	12,523
Provision for doubtful accounts receivable	1,937	2,460	1,812
Provision for inventory reserves	1,798	1,529	853
Deferred income taxes	4,026	(2,922)	(374)
Gain on sale of subsidiary	(27,251)	--	--
Impairment of goodwill	--	2,526	--
Change in assets and liabilities, net of effect of businesses acquired or sold:			
Accounts receivable	(4,488)	6,780	(10,728)
Inventories	4,821	124	(8,358)
Accounts payable and accrued liabilities	15,218	(11,391)	3,910
Other, net	(1,661)	(760)	1,738
	33,804	15,472	9,751
CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES			
Proceeds from sale of business, net of cash	59,295	--	33,126
Payments for purchase of businesses, net of cash acquired	--	(573)	(864)
Net additions to property, plant and equipment	(7,697)	(9,765)	(14,075)
Proceeds from sale of property, plant and equipment	5,182	730	1,838
	56,780	(9,608)	20,025
CASH USED FOR FINANCING ACTIVITIES			
Proceeds from issuance of senior notes	50,000	--	--
Principal payments on senior notes and other long-term debt	(11,604)	(6,784)	(21,969)
Net change in short-term debt	(48,364)	(1,143)	9,351
Common stock transactions	1,536	71	97
	(8,432)	(7,856)	(12,521)
Effect of foreign currency fluctuations on cash	2,609	698	(1,790)
Net cash used for discontinued operations	--	--	(8,076)
Increase (decrease) in cash and temporary cash investments	84,761	(1,294)	7,389
CASH AND TEMPORARY CASH INVESTMENTS			
Beginning of year	16,069	17,363	9,974
End of year	\$ 100,830	\$ 16,069	\$ 17,363

The accompanying notes are an integral part of the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Johnson Outdoors Inc. is an integrated, global outdoor recreation products company engaged in the design, manufacture and marketing of brand name outdoor equipment, diving, watercraft and motors products.

All monetary amounts, other than share and per share amounts, are stated in thousands and are from continuing operations.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Johnson Outdoors Inc. and all majority owned subsidiaries (the Company) and are stated in conformity with accounting principles generally accepted in the United States. Significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities and operating results and the disclosure of commitments and contingent liabilities. Actual results could differ significantly from those estimates. For the Company, significant estimates include the allowance for doubtful accounts receivable, reserves for inventory valuation, recoverability of goodwill, reserves for sales returns, reserves for warranty service and the valuation allowance for deferred tax assets.

The Company's fiscal year ends on the Friday nearest September 30. The fiscal years ended September 27, 2002 (hereinafter 2002), September 28, 2001 (hereinafter 2001) and September 27, 2000 (hereinafter 2000) each comprise 52 weeks.

Cash and Temporary Cash Investments

The Company considers all short-term investments in interest-bearing bank accounts, securities and other instruments with an original maturity of three months or less to be equivalent to cash.

The Company maintains cash in bank accounts in excess of insured limits. The Company has not experienced any losses as a result of this practice and does not believe that significant credit risk exists.

Inventories

Inventories are stated at the lower of cost (determined using the first-in, first-out method) or market.

Inventories attributable to continuing operations at the end of the respective years consist of the following:

	2002	2001
Raw materials	\$ 17,709	\$ 19,892
Work in process	1,072	2,592
Finished goods	25,633	42,620
	44,414	65,104
Less reserves	2,183	3,404
	\$ 42,231	\$ 61,700

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is determined by straight-line and accelerated methods over estimated useful lives, which range from 3 to 30 years.

Upon retirement or disposition, cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operating results.

Property, plant and equipment at the end of the respective years consist of the following:

	2002	2001
Property and improvements	\$ 1,103	\$ 1,423
Buildings and improvements	18,920	21,861
Furniture, fixtures and equipment	80,315	86,221
	100,338	109,505
Less accumulated depreciation	70,727	73,626
	\$ 29,611	\$ 35,879

Impairment of Property, Plant and Equipment

The Company annually assesses the recoverability of property, plant and equipment, primarily by determining whether the depreciation of the balance over its remaining life can be recovered through projected undiscounted future operating cash flows of the related businesses. The amount of impairment, if any, is measured primarily based on the deficiency of projected discounted future operating cash flows relative to the value of the assets, using a discount rate reflecting the Company's cost of capital, which currently approximates 10%. There was no impairment of property, plant and equipment during 2002.

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization is computed using the straight-line method with periods ranging from 3 to 16 years for patents, trademarks and other intangible assets. Subsequent to September 28, 2001, goodwill is not subject to amortization.

Intangible assets at the end of the respective years consist of the following:

	2002	2001
Goodwill	\$ 38,541	\$ 68,830
Patents, trademarks and other	4,840	4,275
	43,381	73,105
Less accumulated amortization	16,242	17,817
	\$ 27,139	\$ 55,288

Impairment of Goodwill and Other Intangibles

Effective September 29, 2001, the Company adopted SFAS 142. In accordance with the adoption of this new standard, the Company ceased the amortization of goodwill. If SFAS 142 had been in effect for the prior periods presented, the Company's income from continuing operations before cumulative effect of change in accounting principle would have been \$5,950 or \$0.73 per diluted share for the year ended September 28, 2001 and \$10,631 or \$1.31 per diluted share for the year ended September 29, 2000.

As required under SFAS 142, the Company has performed an assessment of the carrying value of goodwill using a number of criteria, including the value of the overall enterprise as of September 29, 2001. This assessment resulted in a write off of goodwill totaling \$22,876, net of tax (\$2.71 per diluted share) and has been reflected as a change in accounting principle. The write off is associated with the Watercraft (\$12,900) and Diving (\$10,000) business units. Future impairment charges from existing operations or other acquisitions, if any, will be reflected as an operating expense in the statement of operations.

In 2001, under the guidance prior to the adoption of SFAS 142, the Company recognized in operating expenses a \$2,526 write-down for impaired goodwill related to the Airguide brand in the Motors business.

Income Taxes

The Company provides for income taxes currently payable, and deferred income taxes resulting from temporary differences between financial statement and taxable income.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion, or all of the deferred tax assets, will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Federal and state income taxes are provided on foreign subsidiary income distributed to, or taxable in, the U.S. during the year. At September 27, 2002, net undistributed earnings of foreign subsidiaries total approximately \$91,692. The Company considers these unremitted earnings to be permanently invested abroad and no provision for federal or state taxes have been made on these amounts. In the future, if foreign earnings are returned to the U.S., provision for income taxes will be made.

The Company's U.S. entities file a consolidated federal income tax return.

Employee Benefits

The Company and certain of its subsidiaries have various retirement and profit sharing plans. Pension obligations, which are generally based on compensation and years of service, are funded by payments to pension fund trustees. The Company's policy is generally to fund the minimum amount required under the Employee Retirement Income Security Act of 1974 for plans subject thereto. Profit sharing and other retirement costs are funded at least annually.

Foreign Operations and Related Derivative Financial Instruments

Assets and liabilities of foreign operations are translated into U.S. dollars at the rate of exchange existing at the end of the year. Results of operations are translated at monthly average exchange rates. Gains and losses resulting from the translation of foreign currency financial statements are classified as accumulated other comprehensive income (loss), a separate component of shareholders' equity.

The Company operates internationally, which gives rise to exposure to market risk from movements in foreign currency exchange rates. To minimize the effect of fluctuating foreign currencies on its income, the Company periodically enters into foreign currency forward contracts. The Company primarily hedges assets, inventory purchases and loans denominated in foreign currencies. The Company does not enter into foreign exchange contracts for trading purposes. Gains and losses on unhedged exposures are recorded in operating results.

The contracts are used to hedge known foreign currency transactions on a continuing basis for periods consistent with the Company's exposures. Beginning September 30, 2000 upon the adoption of SFAS 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS 137, Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS Statement No. 133 and SFAS 138, Accounting for Certain Derivative Instruments and Certain Hedging Activities, the effective portion of the gain or loss on the foreign currency forward contract is reported as a component of other comprehensive income and reclassified into earnings in the same period during which the hedged transaction affects earnings. The remaining gain or loss on the futures contract, if any, is recognized in current earnings during the period of changes. Adoption of these new accounting standards resulted in a cumulative after-tax gain of approximately \$1.8 million and an accumulated other comprehensive loss of approximately \$3.0 million in the first quarter of fiscal 2001.

At September 27, 2002, the Company had no foreign currency contracts.

At September 28, 2001, foreign currency contracts with contractual amounts totaling approximately \$6,500 were in place, hedging existing and anticipated transactions. The contracts, which were executed with major financial institutions, generally mature within one year with no credit loss anticipated for failure of the counterparties to perform. At September 28, 2001, the fair value of these instruments was approximately \$200 greater than the contractual amount.

Revenue Recognition

Revenue from sales is recognized when all substantial risk of ownership transfers to the customer, which is generally upon shipment of products. Estimated costs of returns and allowances are accrued when revenue is recognized.

Advertising

The Company expenses substantially all costs related to production of advertising the first time the advertising takes place. Cooperative promotional arrangements are accrued in relation to sales.

Advertising expense attributable to continuing operations in 2002, 2001 and 2000 totaled \$16,340, \$18,282 and \$18,435, respectively. Capitalized costs at September 27, 2002 and September 28, 2001 totaled \$726 and \$1,653, respectively, and primarily include catalogs and costs of advertising which has not yet run for the first time.

Shipping and Handling Costs

Shipping and handling expense attributable to continuing operations included in marketing and selling expense was \$12,208, \$12,821 and \$13,007 for 2002, 2001 and 2000, respectively.

Research and Development

Research and development costs are expensed as incurred.

Stock-Based Compensation

The Company accounts for stock options using the intrinsic value based method. Accordingly, compensation cost is generally recognized only for stock options granted with an exercise price lower than the market price on the date of grant. The Company's practice is to grant options with an exercise price equal to the fair market value on the date of the grant. The fair value of restricted shares awarded in excess of the amount paid for such shares is recognized as compensation and is amortized over 1 to 3 years from the date of award, the period after which all restrictions generally lapse.

Pending Accounting Changes

In August 2001, the FASB issued SFAS No. 144, Accounting for Impairment or Disposal of Long-Lived Assets (SFAS 144). SFAS 144 establishes a single accounting model for long-lived assets to be disposed of by sale and provides additional implementation guidance for assets to be held and used and assets to be disposed of other than by sale. There are not expected to be any financial implications related to the adoption of SFAS 144, and the guidance will be applied on a prospective basis. The Company is required to adopt SFAS 144 in the first quarter of fiscal 2003.

In April 2002, the FASB issued SFAS No. 145, Rescission of FASB No. 4, 44 and 64, Amendment of FASB No. 13, and Technical Corrections (SFAS 145). SFAS 145 clarifies, updates and simplifies existing accounting pronouncements related to gains and losses on extinguishments of debt and lease modifications, among other items. There are not expected to be any financial implications related to the adoption of SFAS 145, and the guidance will be applied on a prospective basis. The Company is required to adopt SFAS 145 in the first quarter of fiscal 2003.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities (SFAS 146). SFAS 146 requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. The Company does not anticipate a significant impact on its results of operations from adopting this Statement. The Company is required to adopt SFAS 146 for exit or disposal activities that are initiated after December 31, 2002.

Reclassifications

Certain reclassifications have been made to prior years' amounts to conform with the current year presentation.

2 STRATEGIC CHARGES

In 2002, 2001 and 2000, the Company recorded strategic charges totaling \$1,707, \$1,448 and \$2,369, respectively.

In 2002 strategic charges included moving and other exit costs related to the relocation of manufacturing facilities in the Watercraft business and increased reserves for doubtful accounts receivable and excess inventory related to the North American Jack Wolfskin closure. Unexpended funds at year end related to these actions were approximately \$450.

In 2001 strategic charges included severance, moving and other exit costs related primarily to the closure and relocation of manufacturing facilities in the Watercraft business. Severance costs included in the strategic charges totaled \$660 and approximately 88 employees were impacted by these actions. There are no unexpended funds related to this action as of the end of 2002.

In 2000 strategic charges included severance, moving and other exit costs related primarily to the closure and relocation of a manufacturing facility in the Motors business. Severance costs included in the strategic charges totaled \$1,469 and approximately 95 employees were impacted by these actions. There are no unexpended funds related to this action as of the end of 2002.

3 ACQUISITIONS

During 2001, the Company completed the acquisition of two small businesses which manufacture paddles and marine accessories. The initial purchase price, including direct expenses, for the acquisitions was approximately \$600, of which approximately \$420 was recorded as intangible assets.

During 2000, the Company completed the acquisition of the common stock of Pacific Kayak Ltd., a manufacturer of sit-on-top and sea touring kayaks located in Auckland, New Zealand. The initial purchase price, including direct expenses, for the acquisition was approximately \$962, of which approximately \$584 was recorded as intangible assets. An additional payment of approximately \$70 was earned in 2001 based upon achievement of specified levels of sales of the acquired business. There are no additional payments available after 2002.

During 1999, the Company completed the acquisition of the common stock of Extrasport, Inc., a privately held manufacturer and marketer of personal flotation devices. The initial purchase price, including direct expenses, for the acquisition was approximately \$3,300, of which approximately \$2,500 was recorded as intangible assets. Additional payments of approximately \$150 for 2000, 2001 and 2002 were earned based on minimum payment amounts in the purchase agreement. There are no additional payments available after 2002.

In December 1998, the Company completed the acquisition of substantially all of the assets and the assumption of certain liabilities of True North Paddle & Necky Kayaks Ltd., a privately held manufacturer and marketer of Necky kayaks, and an affiliated entity. The initial purchase price, including direct expenses, for the acquisition was approximately \$5,700, of which approximately \$3,200 was recorded as intangible assets. Additional payments of approximately \$170 and \$600 were earned in 2000 and 1999, respectively. An additional payment in 2003 is dependent upon the achievement of specified levels of sales and profitability of the acquired business.

All acquisitions were accounted for using the purchase method and, accordingly, the Consolidated Financial Statements include the results of operations since the respective dates of acquisition. Additional payments, if required, will increase intangible assets.

4 Sale of Jack Wolfskin Business

In September 2002, the Company sold its Jack Wolfskin business. The sale price totaled 60,320 Euros (\$59,295 U.S. dollars) after an adjustment based on net working capital of the business as finally determined. The Company recorded a gain on the sale of \$22,351, after tax. In connection with the sale, the Company will exit its North American Jack Wolfskin operations. The Company recorded strategic charges amounting to \$450 related to exiting these operations.

5 Sale of Fishing Business

In March 2000, the Company sold its Fishing business. As a result, operations and related assets and liabilities of the Fishing group have been classified as discontinued for all periods presented herein. The sale price totaled \$47,279, including \$14,056 of accounts receivable retained by the Company and \$2,367 of debt assumed by the buyer. The Company recorded a loss of \$24,418, net of tax, related to the sale of the business, taking into account operating results from the measurement date to the date of disposal. In addition, the Company recorded an after tax loss from operations up to the measurement date of \$940 in 2000.

In March 2002, the Company recognized a gain from discontinued operations of \$495, net of tax, related to the final accounting for the sale of the Fishing business.

Net sales of the Fishing group were \$32,667 for 2000. Interest expense of \$90 for 2000 that is directly attributable to the Fishing group is allocated to discontinued operations.

6 INDEBTEDNESS

Short-term debt at the end of the respective years consists of the following:

	2002	2001
Commercial paper and bank loans	\$ -	\$ 49,643
Current maturities of long-term debt	8,058	13,342
Less short-term debt refinanced, 2001 Senior Notes	-	50,000
	\$ 8,058	\$ 12,985

Short-term credit facilities provide for borrowings with interest rates set periodically by reference to market rates. Commercial paper rates are set by competitive bidding. The weighted average interest rate on short-term indebtedness was 5.8% at September 28, 2001. The Company's primary facility is a \$70,000 unsecured revolving credit agreement expiring in 2004, which includes a maximum amount of \$30,000 in support of commercial paper issuance. At September 27, 2002, the Company's market rate was LIBOR plus 150 basis points. The Company has lines of credit, both foreign and domestic, totaling \$80,700, of which \$77,000 is available at September 27, 2002. The Company also utilizes letters of credit for trade financing purposes. Letters of credit outstanding at September 27, 2002 are \$1,909.

Long-term debt at the end of the respective years consists of the following:

	2002	2001
2001 senior notes	\$ 50,000	\$ 50,000
1998 senior notes	16,800	18,800
1996 senior notes	17,700	23,700
Other long-term notes	1,988	5,392
	86,488	97,892
Fair value adjustment of hedged debt	1,765	-
	88,253	97,892
Less current maturities	8,058	13,342
	\$ 80,195	\$ 84,550

In December 2001, the Company issued unsecured senior notes totaling \$50,000 with an interest rate of 7.82%. The senior notes have annual principal payments of \$10,000 beginning December 2004 with a final payment due December 2008. Proceeds from the issuance of the senior notes were used to reduce outstanding indebtedness under the Company's primary revolving credit facility.

In 1998, the Company issued unsecured senior notes totaling \$25,000 with an interest rate of 7.15%. The 1998 senior notes have remaining annual principal payments of \$800 to \$7,000 with a final payment due October 2007.

In 1996, the Company issued unsecured senior notes totaling \$30,000 with an interest rate of 7.77% and \$15,000 with an interest rate of 6.98%. The 1996 senior notes have remaining annual principal payments of \$500 to \$7,500 with a final payment due October 2004.

The Company financed a portion of the initial purchase price for the common stock of Uwatec AG in 1997 with a note from the sellers. Interest on the deferred amount is payable annually at 6%. The obligation is denominated in Swiss francs. The current outstanding balance of \$1,811 is unsecured, and will be settled upon expiration of the warranty provisions limitation period negotiated pursuant to the original purchase contract.

The Company's policy is to manage interest cost using a mix of fixed and variable-rate debt. To manage this risk in a cost efficient manner, the Company enters into interest rate swaps in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon notional principal amount. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategies for understanding hedge transactions.

Interest rate swaps that met specific conditions under SFAS No. 133 are accounted for as fair value hedges. Accordingly, the changes in the fair value of these instruments are immediately recorded in earnings. The mark-to-market values of both the fair value hedging instruments and the underlying debt obligations are recorded as equal and offsetting gains and losses in the interest expense component of the statement of operations. The fair value of the Company's interest rate swap agreements was approximately \$1,765 at September 27, 2002 and included in other assets on the consolidated balance sheet. All existing fair value hedges are 100% effective. As a result, there is no impact to earnings due to hedge ineffectiveness.

In January 2002, the Company entered into the interest rate swap agreements described below, which effectively convert some of the fixed rate senior notes to variable rate debt.

Hedged Debt	Notional Amount of Swap	Effective Interest Rate (1)	Fiscal Year Expiration	Swap Fair Value
2001 senior notes - 7.82%	\$20,000	4.89%	2006	\$1,066
1998 senior notes - 7.15%	9,000	4.95%	2006	331
1996 senior notes - 7.77%	12,300	5.99%	2005	269
1996 senior notes - 6.98%	5,400	5.24%	2005	99
				\$1,765

(1) Effective rate for the year ended September 27, 2002 of notional amount of senior notes based on interest rate swaps entered into in January 2002

Aggregate scheduled maturities of long-term debt in each of the next five years ending September 2007 are as follows:

Year	
2003	\$ 8,058
2004	9,611
2005	15,700
2006	13,500
2007	17,000
Thereafter	22,619

Interest paid was \$6,214, \$9,178, and \$10,471 for 2002, 2001 and 2000, respectively.

Based on the borrowing rates currently available to the Company for debt with similar terms and average maturities, the fair value of the Company's long-term debt as of September 27, 2002 and September 28, 2001 is approximately \$89,900 and \$98,300, respectively. The carrying value of all other financial instruments approximates the fair value.

Certain of the Company's loan agreements require that Samuel C. Johnson, members of his family and related entities (hereinafter the Johnson Family) continue to own stock having votes sufficient to elect a 51% majority of the directors. At September 27, 2002, the Johnson Family held approximately 3,286,000 shares or 46% of the Class A common stock, approximately 1,168,000 shares or 96% of the Class B common stock and approximately 77% of the voting power of both classes of common stock taken as a whole. The agreements also contain restrictive covenants regarding the Company's net worth, indebtedness, fixed charge coverage and distribution of earnings. The Company is in compliance with the restrictive covenants of such agreements, as amended from time to time.

7 Leases and Other Commitments

The Company leases certain operating facilities and machinery and equipment under long-term, noncancelable operating leases. Future minimum rental commitments under noncancelable operating leases attributable to having an initial term in excess of one year at September 27, 2002 are as follows:

Year	
2003	\$5,390
2004	3,992
2005	3,027
2006	2,587
2007	2,054
Thereafter	6,232

Future minimum rental commitments to related parties are \$623, \$623, \$456 and \$132 for 2003, 2004, 2005 and 2006, respectively. Rental expense attributable to continuing operations under all leases was approximately \$6,830, \$6,739 and \$6,727 for 2002, 2001 and 2000, respectively.

The Company makes commitments in a broad variety of areas, including capital expenditures, contracts for services, sponsorship of broadcast media and supply of finished products and components, all of which are in the ordinary course of business.

8 INCOME TAXES

Income tax expense (benefit) attributable to continuing operations for the respective years consists of the following:

	2002	2001	2000
Current:			

Federal	\$ 204	\$ --	\$ 17
State	74	101	490
Foreign	9,732	5,301	6,572
Deferred	175	(2,922)	(374)
	\$ 10,185	\$ 2,480	\$ 6,705

The significant components of deferred tax expense (benefit) attributable to continuing operations are as follows:

	2002	2001	2000
Deferred tax benefit (exclusive of effects of other components listed below)	\$ (177)	\$ (3,185)	\$ (822)
Increase in beginning of the year balance of the valuation allowance for deferred tax assets	352	263	448
	\$ 175	\$ (2,922)	\$ (374)

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities attributable to continuing operations at the end of the respective years are presented below:

	2002	2001
Deferred tax assets:		
Inventories	\$ 1,838	\$ 2,089
Compensation	4,800	2,978
Foreign tax credit carryforwards	2,240	3,761
Goodwill and other intangibles	1,579	-
Net operating loss carryforwards	19,758	21,562
Other	2,869	5,138
Total gross deferred tax assets	33,084	35,528
Less valuation allowance	8,398	8,046
	24,686	27,482
Deferred tax liabilities:		
Foreign statutory reserves	15	1,867
Goodwill and other intangibles	-	769
Total deferred tax liabilities	15	2,636
Net deferred tax asset	\$ 24,671	\$ 24,846

The net deferred tax asset is recorded as \$5,083 in current and \$19,588 in non-current assets for 2002 and \$5,269 in current and \$19,577 in non-current assets for 2001.

Following is the income (loss) from continuing operations before income taxes and before cumulative effect of change in accounting principle for domestic and foreign operations:

	2002	2001	2000
United States	\$ (1,477)	\$ (5,719)	\$ (1,436)
Foreign	41,970	11,809	16,516
	\$ 40,493	\$ 6,090	\$ 15,080

The significant differences between the statutory federal tax rate and the effective income tax rates for income from continuing operations are as follows:

	2002	2001	2000
Statutory U.S. federal income tax rate	34.0%	34.0%	34.0%
State income taxes, net of federal income tax benefit	-	0.9	3.8
Foreign rate differential	(8.8)	1.3	1.4
Change in beginning of year valuation allowance	0.1	4.3	3.0
Foreign operating losses	0.1	--	0.6
Other	(0.2)	0.2	1.7
	25.2%	40.7%	44.5%

At September 27, 2002, the Company has \$2,240 of foreign tax credit carryforwards available to be offset against future U.S. tax liability. The credits expire in 2003 through 2008 if not utilized. These carryforwards have been fully reserved for in the valuation allowance. The balance of the valuation allowance related to state and foreign net operating loss carryforwards and other tax credits.

At September 27, 2002, the Company has a U.S. federal operating loss carryforward of \$36,676 which begin to expire in 2012, and various state net operating loss carryforwards. During 2002, 2001 and 2000, foreign net operating loss carryforwards were utilized, resulting in a reduction in income tax expense of \$27, \$32 and \$152, respectively. In addition, certain of the Company's foreign subsidiaries have net operating loss carryforwards totaling \$1,453. These amounts are available to offset future taxable income over the next 14 to 20 years and are anticipated to be utilized during this period.

Taxes paid attributable to continuing operations were \$4,663, \$4,337, \$9,935 for 2002, 2001 and 2000, respectively.

9 EMPLOYEE BENEFITS

Net periodic pension cost for noncontributory defined benefit pension plans includes the following components.

	2002	2001	2000
Service cost	\$ 471	\$ 343	\$ 315
Interest on projected benefit obligation	841	792	763
Less estimated return on plan assets	652	631	592
Amortization of unrecognized:			
Net loss	28	1	4
Prior service cost	26	26	26
Transition asset	(80)	(80)	(81)
Net amount recognized	\$ 634	\$ 451	\$ 435

The following provides a reconciliation of the changes in the plans benefit obligation and fair value of assets for 2002 and 2001 and a statement of the funded status at the end of each year:

	2002	2001
Benefit obligation:		
Benefit obligation at beginning of year	\$ 11,929	\$ 10,332
Service cost	471	343
Interest cost	841	792
Actuarial loss	21	1,094
Benefits paid	(681)	(632)
Benefit obligation at end of year	\$ 12,581	\$ 11,929
Fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ 7,684	\$ 8,620
Actual return on plan assets	(298)	(582)
Company contributions	332	278
Benefits paid	(681)	(632)
Fair value of plan assets at end of year	\$ 7,037	\$ 7,684
Funded status:		
Funded status of the plan	\$ (5,544)	\$ (4,245)
Unrecognized net loss	2,702	2,084
Unrecognized prior service cost	97	123
Unrecognized transition asset	(130)	(211)
Net liability recognized	\$ (2,875)	\$ (2,249)

The following summarizes the components of the net liability recognized in the consolidated balance sheets at the end of the respective years:

	2002	2001
Prepaid benefit cost	\$ --	\$ --
Accrued benefit liability	(3,269)	(2,249)
Intangible asset	90	--
Accumulation of other comprehensive income	304	--
Net liability recognized	\$ (2,875)	\$ (2,249)

Plan assets are invested primarily in stock and bond mutual funds and insurance contracts.

Actuarial assumptions used to determine the projected benefit obligation are as follows:

	2002	2001	2000
Discount rate	7.25%	7.25%	8%
Long-term rate of return	8	8	8
Average salary increase rate	5	5	5

A majority of the Company's full-time employees are covered by profit sharing and defined contribution programs. Participating entities determine profit sharing distributions under various performance and service based formulas.

Expense attributable to continuing operations under the defined contribution programs was approximately \$2,300, \$2,200 and \$1,900 for 2002, 2001 and 2000, respectively.

10 PREFERRED STOCK

The Company is authorized to issue 1,000,000 shares of preferred stock in various classes and series, of which there are none currently issued or outstanding.

11 COMMON STOCK

Common stock at the end of the respective years was as follows:

	2002	2001
Class A, \$.05 par value:		
Authorized	20,000,000	20,000,000
Outstanding	7,112,155	6,946,012
Class B, \$.05 par value:		
Authorized	3,000,000	3,000,000
Outstanding	1,222,729	1,222,729

Holders of Class A common stock are entitled to elect 25% of the members of the Board of Directors and holders of Class B common stock are entitled to elect the remaining directors. With respect to matters other than the election of directors or any matters for which class voting is required by law, holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to ten votes per share. If any dividends (other than dividends paid in shares of the Company) are paid by the Company on its common stock, a dividend would be paid on each share of Class A common stock equal to 110% of the amount paid on each share of Class B common stock. Each share of Class B common stock is convertible at any time into one share of Class A common stock. During 2002 and 2001, no shares of Class B common stock were converted into Class A common stock. During 2000, 132 shares of Class B common stock were converted into Class A common stock.

12 STOCK OWNERSHIP PLANS

The Company's current stock ownership plans provide for issuance of options to acquire shares of Class A common stock by key executives and non-employee directors. All stock options have been granted at a price not less than fair market value at the date of grant and become exercisable over periods of one to four years from the date of grant. Stock options generally have a term of 10 years. Current plans also allow for issuance of restricted stock or stock appreciation rights in lieu of options. Grants of restricted shares are not significant in any year presented. No stock appreciation rights have been granted.

A summary of stock option activity related to the Company's plans is as follows:

	Shares	Weighted Average Exercise Price
Outstanding at October 1, 1999	778,837	\$ 14.02
Granted	268,500	7.58
Cancelled	(95,107)	15.23
Outstanding at September 29, 2000	952,230	12.08
Granted	235,000	5.50
Cancelled	(100,435)	17.00
Outstanding at September 28, 2001	1,086,795	10.20
Granted	277,755	7.64
Exercised	(148,952)	10.15
Cancelled	(151,579)	13.54
Outstanding at September 27, 2002	1,064,019	\$ 9.06

Shares available for grant to key executives and non-employee directors are 136,602 at September 27, 2002.

The range of options outstanding at September 27, 2002 is as follows:

Price Range per Share	Number of Options Outstanding/Exercisable	Weighted Average Exercise Price Outstanding/Exercisable	Weighted Average Remaining Contractual Life (in years)
\$ 5.31 - 11.50	896,797/451,676	\$ 7.28/7.59	7.94
12.94 - 17.50	107,222/104,222	16.59/16.64	4.79
18.63 - 24.38	60,000/60,000	22.15/22.15	2.04
	1,064,019/615,898	\$ 9.06/10.54	7.29

The weighted average fair market value of options granted during the year was \$2.90 in 2002, \$2.18 in 2001, \$3.20 in 2000.

Had compensation cost for the Company's stock options been determined using the fair value method, the Company's pro forma operating results would have been as follows:

	2002	2001	2000
Income from continuing operations before cumulative effect of change in accounting principle	\$ 29,858	\$3,112	\$ 7,744
Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle	\$ 3.54	\$ 0.38	\$ 0.95

For purposes of calculating pro forma operating results, the fair value of each option grant was estimated using the Black-Scholes option pricing model with an expected volatility of 35%, a risk free rate equivalent to five year U.S. Treasury securities and an expected life of five years. The pro forma operating results reflect only options granted after 1995.

The Company's employee stock purchase plan provides for the issuance of Class A common stock at a purchase price of not less than 85% of the fair market value at the date of grant. During 2002, 2001 and 2000, 10,378, 13,382 and 16,701 shares, respectively, were issued under this plan. Shares available for purchase by employees under this plan are 66,414 at September 27, 2002.

13 RELATED PARTY Transactions

Various transactions are conducted between the Company and other organizations controlled by the Johnson Family. These include consulting services, aviation services, office rental, royalties and certain administrative activities. Total net costs of these transactions are \$1,219, \$546 and \$542 for 2002, 2001 and 2000, respectively. The majority of the increase in 2002 resulted from a new three year lease agreement with a Johnson Family controlled entity for the Company's new headquarters facility.

On November 30, 2001, the Company entered into a sale/leaseback transaction for its prior headquarters facility with a related party. The Company sold the facility for \$4,982 in cash and related furniture and fixtures for \$200 in cash and entered into a month-to-month lease agreement with the related party, which terminated May 31, 2002. The Company and the related party engaged an independent appraiser to determine the sale price of the facility. The gain of \$1,302, net of income tax of \$675, was recorded as an additional contribution to equity. The gain on the sale could not be recognized in the statement of operations due to the related party nature of the transaction.

14 SEGMENTS OF BUSINESS

The Company conducts its worldwide operations through separate global business units, each of which represent major product lines. Operations are conducted in the U.S. and various foreign countries, primarily in Europe, Canada and the Pacific Basin.

Net sales and operating profit include both sales to customers, as reported in the Company's consolidated statements of operations, and interunit transfers, which are priced to recover cost plus an appropriate profit margin. Identifiable assets represent assets that are used in the Company's operations in each business unit at the end of the years presented. There were no concentrations in revenue from a particular customer, product or geographic area in each of the years presented.

A summary of the Company's continuing operations by business segment is presented below:

	2002	2001	2000
Net sales:			
Outdoor equipment:			
Unaffiliated customers	\$ 106,318	\$ 114,875	\$ 104,052
Interunit transfers	141	89	67
Watercraft:			
Unaffiliated customers	82,865	85,841	90,178
Interunit transfers	534	343	397
Diving:			
Unaffiliated customers	72,565	80,426	82,840
Interunit transfers	25	62	5
Motors:			
Unaffiliated customers	80,577	64,446	76,680
Interunit transfers	761	539	1,363
Other	207	49	1,139
Eliminations	(1,461)	(1,033)	(1,832)
	\$ 342,532	\$ 345,637	\$ 354,889
Operating profit (loss):			
Outdoor equipment	\$ 11,882	\$ 12,015	\$ 8,182
Watercraft	1,162	1,293	10,327
Diving	10,502	11,638	10,832
Motors	8,248	231	3,936
Other	(12,043)	(9,459)	(8,558)
	\$ 19,751	\$ 15,718	\$ 24,719
Identifiable assets:			
Outdoor equipment	\$ 23,114	\$ 49,027	
Watercraft	54,480	65,147	
Diving	78,403	85,393	
Motors	21,423	22,819	
Other	93,865	22,527	
	\$ 271,285	\$ 244,913	

A summary of the Company's continuing operations by geographic area is presented below:

	2002	2001	2000
Net sales:			
United States:			
Unaffiliated customers	\$ 232,383	\$ 228,491	\$ 239,079
Interarea transfers	5,947	5,828	6,540
Europe:			
Unaffiliated customers	83,696	89,995	88,567
Interarea transfers	7,993	7,267	7,800
Other	26,453	27,151	27,243
Interarea transfers	4,032	7,170	7,863
Eliminations	(17,972)	(20,265)	(22,203)
	\$ 342,532	\$ 345,637	\$ 354,889
Identifiable assets:			
United States	\$ 114,198	\$ 133,659	
Europe	136,007	94,490	
Other	21,080	16,764	
	\$ 271,285	\$ 244,913	

15 VALUATION AND QUALIFYING ACCOUNTS

The following summarizes changes to valuation and qualifying accounts:

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Reserves of Businesses Acquired or Sold	Less Deductions	Balance at End of Year
Year ended September 27, 2002:					
Allowance for doubtful accounts	\$ 3,739	\$ 1,937	\$ (438)	\$ 1,210	\$ 4,028
Reserves for inventory valuation	3,404	1,798	(848)	2,171	2,183
Year ended September 28, 2001					
Allowance for doubtful accounts	3,895	2,460	--	2,616	3,739
Reserves for inventory valuation	2,949	1,529	--	1,074	3,404
Year ended September 27, 2000:					
Allowance for doubtful accounts	3,236	1,812	--	1,153	3,895
Reserves for inventory valuation	4,911	853	--	2,815	2,949

Deductions include the net impact of foreign currency fluctuations on the respective accounts.

16 EARNINGS PER SHARE

Basic earnings per share exclude any dilutive effects of options, warrants and convertible securities. Diluted earnings per share are similar to the previously reported fully diluted earnings per share.

The following sets forth the computation of basic and diluted earnings per common share:

	2002	2001	2000
Income from continuing operations before cumulative effect of change in accounting principle for basic and diluted earnings per share	\$30,308	\$3,610	\$8,375
Weighted average shares outstanding	8,224,655	8,161,624	8,139,340
Less nonvested restricted stock	10,194	15,162	17,265
Basic average common shares	8,214,461	8,146,462	8,122,075
Dilutive stock options and restricted stock	215,308	23,277	8,208
Diluted average common shares	8,429,769	8,169,739	8,130,283
Basic earnings per common share from continuing operations before cumulative effect of change in accounting principle	\$3.69	\$0.44	\$1.03
Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle	\$3.59	\$0.44	\$1.03

Stock options that could potentially dilute basic earnings per share in the future that were not included in the fully diluted computation for 2002 because they would have been antidilutive were 186,222.

17 LITIGATION

The Company is subject to various legal actions and proceedings in the normal course of business, including those related to environmental matters. The Company is insured against loss for certain of these matters. Although litigation is subject to many uncertainties and the ultimate exposure with respect to these matters cannot be ascertained, management does not believe the final outcome of any pending litigation will have a material adverse effect on the financial condition, results of operations, liquidity or cash flows of the Company.

18 QUARTERLY FINANCIAL SUMMARY (unaudited)

The following summarizes quarterly operating results:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2002	2001	2002	2001	2002	2001	2002	2001
Net sales	\$59,738	\$58,750	\$97,718	\$98,719	\$116,699	\$113,927	\$68,377	\$74,241
Gross profit	25,290	23,806	40,741	39,829	49,382	47,064	25,641	28,082
Operating profit (loss)	991	(3,569)	8,258	6,595	12,974	13,000	(2,472)	(308)
Income (loss) from continuing operations before cumulative effect of change in accounting principle	(396)	(3,229)	3,889	2,203	6,433	6,283	20,382	(1,647)
Gain on disposal of discontinued operations, net of tax	--	--	495	--	--	--	--	--
Income (loss) from cumulative effect of change in accounting principle, net of tax	(22,876)	1,755	--	--	--	--	--	--
Net income (loss)	\$(23,272)	\$(1,474)	\$4,384	\$2,203	\$6,433	\$6,283	\$20,382	\$(1,647)
Basic earnings (loss) per common share:								
Continuing operations	\$(0.05)	\$(0.40)	\$0.48	\$0.27	\$0.78	\$0.77	\$2.45	\$(0.20)
Discontinued operations	--	--	0.06	--	--	--	--	--
Cumulative effect of change in accounting principle, net of tax	(2.80)	0.22	--	--	--	--	--	--
Net income (loss)	\$(2.85)	\$(0.18)	\$0.54	\$0.27	\$0.78	\$0.77	\$2.45	\$(0.20)
Diluted earnings (loss) per common share:								
Continuing operations	\$(0.05)	\$(0.40)	\$0.46	\$0.27	\$0.75	\$0.77	\$2.38	\$(0.20)
Discontinued operations	--	--	0.06	--	--	--	--	--
Cumulative effect of change in accounting principle, net of tax	(2.80)	0.22	--	--	--	--	--	--
Net income (loss)	\$(2.85)	\$(0.18)	\$0.52	\$0.27	\$0.75	\$0.77	\$2.38	\$(0.20)

BYLAWS

OF

Johnson Outdoors Inc.
(A Wisconsin Corporation)

(As amended through December 16, 2002)

ARTICLE ONE

Offices

1.01 Principal and Business Office. The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the Board of Directors may from time to time determine or as the business of the corporation may require from time to time.

1.02 Registered Office. The registered office of the corporation required by the Wisconsin Business Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors or by the registered agent. The business office of the registered agent of the corporation shall be identical to such registered office.

ARTICLE TWO

Meetings of the Shareholders

2.01 Annual Meetings. An annual meeting of the shareholders shall be held at such time and date as may be fixed by or under the authority of the Board of Directors and as designated in the notice thereof, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

2.02 Special Meetings.

(a) Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board, if any, or the Board of Directors of the corporation. The Chairman of the Board, if any, Chief Executive Officer or the President shall call a special meeting of the shareholders upon demand, in accordance with this Section 2.02, of the holders of at least ten percent (10%) of all of the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting.

(b) In order that the corporation may determine the shareholders entitled to demand a special meeting, the Board of Directors may fix a record date to determine the

shareholders entitled to make such a demand (the "Demand Record Date"). The Demand Record Date shall not precede the date upon which the resolution fixing the Demand Record Date is adopted by the Board of Directors and shall not be more than 10 days after the date upon which the resolution fixing the Demand Record Date is adopted by the Board of Directors. Any shareholder of record seeking to have shareholders demand a special meeting shall, by sending written notice to the Secretary of the corporation by hand or by certified or registered mail, return receipt requested, request the Board of Directors to fix a Demand Record Date. The Board of Directors shall promptly, but in all events within 10 days after the date on which a valid request to fix a Demand Record Date is received, adopt a resolution fixing the Demand Record Date and shall make a public announcement of such Demand Record Date. If no Demand Record Date has been fixed by the Board of Directors within 10 days after the date on which such request is received by the Secretary, the Demand Record Date shall be the 10th day after the first date on which a valid written request to set a Demand Record Date is received by the Secretary. To be valid, such written request shall set forth the purpose or purposes for which the special meeting is to be held, shall be signed by one or more shareholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such shareholder (or proxy or other representative) and shall set forth all information about each such shareholder and about the beneficial owner or owners, if any, on whose behalf the request is made that would be required to be set forth in a shareholder's notice described in paragraph (a) (ii) of Section 2.12 of these bylaws.

(c) In order for a shareholder or shareholders to demand a special meeting, a written demand or demands for a special meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the special meeting must be delivered to the corporation. To be valid, each written demand by a shareholder for a special meeting shall set forth the specific purpose or purposes for which the special meeting is to be held (which purpose or purposes shall be limited to the purpose or purposes set forth in the written request to set a Demand Record Date received by the corporation pursuant to paragraph (b) of this Section 2.02), shall be signed by one or more persons who as of the Demand Record Date are shareholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such shareholder

(or proxy or other representative), and shall set forth the name and address, as they appear in the corporation's books, of each shareholder signing such demand and the class and number of shares of the corporation which are owned of record and beneficially by each such shareholder, shall be sent to the Secretary by hand or by certified or registered mail, return receipt requested, and shall be received by the Secretary within 70 days after the Demand Record Date.

(d) The corporation shall not be required to call a special meeting upon shareholder demand unless, in addition to the documents required by paragraph (c) of this Section 2.02, the Secretary receives a written agreement signed by each Soliciting Shareholder (as defined below), pursuant to which each Soliciting Shareholder, jointly and severally, agrees to pay the corporation's costs of holding the special meeting, including the costs of preparing and mailing proxy materials for the corporation's own solicitation, provided that if each of the resolutions introduced by any Soliciting Shareholder at such meeting is adopted, and each of the individuals nominated by or on behalf of any Soliciting Shareholder for election as a director at such meeting is elected, then the Soliciting Shareholders shall not be required to pay such costs. For purposes of this paragraph (d), the following terms shall have the meanings set forth below:

(i) "Affiliate" of any Person (as defined herein) shall mean any Person controlling, controlled by or under common control with such first Person.

(ii) "Participant" shall have the meaning assigned to such term in Rule 14a-11 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(iii) "Person" shall mean any individual, firm, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

(iv) "Proxy" shall have the meaning assigned to such term in Rule 14a-1 promulgated under the Exchange Act.

(v) "Solicitation" shall have the meaning assigned to such term in Rule 14a-11 promulgated under the Exchange Act.

(vi) "Soliciting Shareholder" shall mean, with respect to any Special Meeting demanded by a shareholder or shareholders, any of the following Persons:

(A) if the number of shareholders signing the demand or demands of meeting delivered to the corporation pursuant to paragraph (c) of this Section 2.02 is 10 or fewer, each shareholder signing any such demand;

(B) if the number of shareholders signing the demand or demands of meeting delivered to the corporation pursuant to paragraph (c) of this Section 2.02 is more than 10, each Person who either (I) was a Participant in any Solicitation of such demand or demands or (II) at the time of the delivery to the corporation of the documents described in paragraph (c) of this Section 2.02 had engaged or intended to engage in any Solicitation of Proxies for use at such Special Meeting (other than a Solicitation of Proxies on behalf of the corporation); or

(C) any Affiliate of a Soliciting Shareholder, if a majority of the directors then in office determine, reasonably and in good faith, that such Affiliate should be required to sign the written notice described in paragraph (c) of this Section 2.02 and/or the written agreement described in this paragraph (d) in order to prevent the purposes of this Section 2.02 from being evaded.

(e) Except as provided in the following sentence, any special meeting shall be held at such hour and day as may be designated by whichever of the Chairman of the Board, if any, the President or the Board of Directors shall have called such meeting. In the case of any special meeting called by the Chairman of the Board, if any, or the President upon the demand of shareholders (a "Demand Special Meeting"), such meeting shall be held at such hour and day as may be designated by the Board of Directors; provided, however, that the date of any Demand

Special Meeting shall be not more than 70 days after the record date for the meeting (as established in Section 2.05 hereof); and provided further that in the event that the directors then in office fail to designate an hour and date for a Demand Special Meeting within 10 days after the date that valid written demands for such meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on each issue proposed to be considered at the special meeting are delivered to the corporation (the "Delivery Date"), then such meeting shall be held at 2:00 P.M. local time on the 100th day after the Delivery Date or, if such 100th day is not a Business Day (as defined below), on the first preceding Business Day. In fixing a meeting date for any special meeting, the Chairman of the Board, if any, or the Board of Directors may consider such factors as he or it deems relevant within the good faith exercise of his or its business judgment, including, without limitation, the nature of the action proposed to be taken, the facts and circumstances surrounding any demand for such meeting, and any plan of the Board of Directors to call an annual meeting or a special meeting for the conduct of related business.

(f) The corporation may engage regionally or nationally recognized independent inspectors of elections to act as an agent of the corporation for the purpose of promptly performing a ministerial review of the validity of any purported written demand or demands for a special meeting received by the Secretary. For the purpose of permitting the inspectors to perform such review, no purported demand shall be deemed to have been delivered to the corporation until the earlier of (i) 5 Business Days following receipt by the Secretary of such purported demand and (ii) such date as the independent inspectors certify to the corporation that the valid demands received by the Secretary represent at least 10% of all the votes entitled to be cast on each issue proposed to be considered at the special meeting. Nothing contained in this paragraph (f) shall in any way be construed to suggest or imply that the Board of Directors or any shareholder shall not be entitled to contest the validity of any demand, whether during or after such 5 Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto).

(g) For purposes of these bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Wisconsin are authorized or obligated by law or executive order to close.

2.03 Place of Meeting. The Board of Directors or the Chairman of the Board, if any, may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual or special meeting of the shareholders. If no designation is made, the place of meeting shall be the principal business office of the corporation in the State of Wisconsin. Any meeting may be adjourned to reconvene at any place designated by the Board of Directors or the Chairman of the Board, if any.

2.04 Notice. Written or printed notice of every annual or special meeting of the shareholders, stating the place, date and time of such meeting shall be delivered not less than ten nor more than sixty days before the date of the meeting (unless a different period is required by the Wisconsin Business Corporation Law or the Articles of Incorporation), either personally or by mail, by or at the direction of the Board of Directors, the Chairman of the Board, if any, the President or Secretary, to each shareholder of record entitled to vote at such meeting and to other shareholders as may be required by the Wisconsin Business Corporation Law. In the event of any Demand Special Meeting, such notice of meeting shall be sent not more than 30 days after the

Delivery Date. Notices which are mailed shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his or her address as it appears on the stock record books of the corporation, with postage thereon prepaid. Unless otherwise required by the Wisconsin Business Corporation Law or the articles of incorporation of the corporation, a notice of an annual meeting need not include a description of the purpose for which the meeting is called. In the case of any special meeting, (a) the notice of meeting shall describe any business that the Board of Directors shall have theretofore determined to bring before the meeting and (b) in the case of a Demand Special Meeting, the notice of meeting (i) shall describe any business set forth in the statement of purpose of the demands received by the corporation in accordance with Section 2.02 of these bylaws and (ii) shall contain all of the information required in the notice received by the corporation in accordance with Section 2.12(b) of these bylaws. If an annual or special meeting of the shareholders is adjourned to a different place, date or time, the corporation shall not be required to give notice of the new place, date or time if the new place, date or time is announced at the meeting before adjournment; provided, however, that if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

2.05 Fixing of Record Date. The Board of Directors may fix in advance a date not less than ten days and not more than seventy days prior to the date of any annual or special meeting of the shareholders as the record date for the purpose of determining shareholders entitled to notice of and to vote at such meeting. In the case of any Demand Special Meeting, (i) the meeting record date shall be not later than the 30th day after the Delivery Date and (ii) if the Board of Directors fails to fix the meeting record date within 30 days after the Delivery Date, then the close of business on such 30th day shall be the meeting record date. If no record date is fixed by the Board of Directors or by the Wisconsin Business Corporation Law for the determination of the shareholders entitled to notice of and to vote at a meeting of shareholders, the record date shall be the close of business on the day before the first notice is given to shareholders. The Board of Directors may also fix in advance a date as the record date for the purpose of determining shareholders entitled to demand a special meeting as contemplated by Section 2.02 of these bylaws, shareholders to take any other action or shareholders for any other purposes. Such record date shall not be more than seventy days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed by the Board of Directors or by the Wisconsin Business Corporation Law for the determination of shareholders entitled to demand a special meeting as contemplated in Section 2.02 of these bylaws, the record date shall be the date that the first shareholder signs the demand. The record date for determining shareholders entitled to a distribution (other than a distribution involving a purchase, redemption or other acquisition of the corporation's shares) or a share dividend is the date on which the Board of Directors authorized the distribution or share dividend, as the case may be, unless the Board of Directors fixes a different record date. Except as provided by the Wisconsin Business Corporation Law for a court-ordered adjournment, a determination of shareholders entitled to notice of and to vote at a meeting of the shareholders is effective for any adjournment of such meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

2.06 Shareholder Lists. After a record date for a special or annual meeting of the shareholders has been fixed, the corporation shall prepare a list of the names of all of the shareholders entitled to notice of the meeting. The list shall be arranged by class or series of

shares, if any, and show the address of and number of shares held by each shareholder. Such list shall be available for inspection by any shareholder, beginning two business days after notice of the meeting is given for which the list was prepared and continuing to the date of the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A shareholder or his agent may, on written demand, inspect and, subject to the limitations imposed by the Wisconsin Business Corporation Law, copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection pursuant to this Section 2.06. The corporation shall make the shareholders' list available at the meeting and any shareholder or his or her agent or attorney may inspect the list at any time during the meeting or any adjournment thereof. Refusal or failure to prepare or make available the shareholders' list shall not affect the validity of any action taken at a meeting of the shareholders.

2.07 Quorum and Voting Requirements; Postponements; Adjournments.

(a) Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. If at any time the corporation has only one class of common stock outstanding, such class shall constitute a separate voting group for purposes of this Section 2.07. Except as otherwise provided in the Articles of Incorporation, any bylaw adopted under authority granted in the Articles of Incorporation or by the Wisconsin Business Corporation Law, a majority of the votes entitled to be cast on the matter shall constitute a quorum of the voting group for action on that matter. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. If a quorum exists, except in the case of the election of directors, action on a matter shall be approved if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless the Articles of Incorporation, any bylaw adopted under authority granted in the Articles of Incorporation or the Wisconsin Business Corporation Law requires a greater number of affirmative votes. Unless otherwise provided in the Articles of Incorporation, directors shall be elected by a plurality of the votes cast within the voting group entitled to vote in the election of such directors at a meeting at which a quorum is present. For purposes of this Section 2.08, "plurality" means that the individuals, who receive the largest number of votes cast, within the voting group entitled to vote in the election of such directors, are elected as directors up to the maximum number of directors to be chosen at the meeting by such voting group.

(b) The Board of Directors acting by resolution may postpone and reschedule any previously scheduled annual meeting or special meeting; provided, however, that a Demand Special Meeting shall not be postponed beyond the 100th day following the Delivery Date. Any annual meeting or special meeting may be adjourned from time to time, whether or not there is a quorum, (i) at any time, upon a resolution of shareholders if the votes cast in favor of such resolution by the holders of shares of each voting group entitled to vote on any matter theretofore properly brought before the meeting exceed the number of votes cast against such resolution by the holders of shares of each such voting group or (ii) at any time prior to the transaction of any business at such meeting, by the Chairman of the Board or pursuant to a resolution of the Board of Directors. No notice of the time and place of adjourned meetings need be given except as required by the Wisconsin Business Corporation Law. At such adjourned

meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified, provided that no business shall be transacted at such adjourned meeting on which any class of stock is entitled to be voted which class shall not have been permitted to participate in the vote to adjourn the meeting.

2.08 Proxies. At all meetings of the shareholders, a shareholder entitled to vote may vote either in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by his or her attorney-in-fact. An appointment of a proxy is effective when received by the Secretary or other officer or agent of the corporation authorized to tabulate votes. An appointment is valid for eleven months from the date of its signing unless a different period is expressly provided in the appointment form. Unless otherwise conspicuously stated on the appointment form, a proxy may be revoked at any time before it is voted, either by written notice delivered to the Secretary or other officer or agent of the corporation authorized to tabulate votes or by oral notice given by the shareholder to the presiding person during the meeting. The Board of Directors shall have the power and authority to make rules establishing presumptions as to the validity and sufficiency of proxies.

2.09 Conduct of Meetings. The Chairman of the Board shall call the meeting of the shareholders to order, shall act as chairman of the meeting and shall otherwise preside at the meeting. In the absence of the Chairman of the Board, a person designated by the Board of Directors shall preside. The person presiding at any meeting of the shareholders shall have the power to determine (i) whether and to what extent proxies presented at the meeting shall be recognized as valid, (ii) the procedure for tabulating votes at such meeting, (iii) procedures for the conduct of such meeting, and (iv) any questions which may be raised at such meeting. The person presiding at any meeting of the shareholders shall have the right to delegate any of the powers contemplated by this Section 2.09 to such other person or persons as the person presiding deems desirable. The Secretary of the corporation shall act as secretary of all meetings of shareholders, but, in the absence of the Secretary, the presiding person may appoint any other person to act as secretary of the meeting.

2.10 Acceptance of Instruments Showing Shareholder Action. If the name signed on a vote, consent, waiver or proxy appointment corresponds to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of a shareholder. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder, the corporation, if acting in good faith, may accept the vote, consent, waiver or proxy appointment and give it effect as the act of the shareholder if any of the following apply:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity.

(b) The name purports to be that of a personal representative, administrator, executor, guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation is presented with respect to the vote, consent, waiver or proxy appointment.

(d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder is presented with respect to the vote, consent, waiver or proxy appointment.

(e) Two or more persons are the shareholders as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

The corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder.

2.11 Waiver of Notice by Shareholders. A shareholder may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, contain the same information that would have been required in the notice under applicable provisions of the Wisconsin Business Corporation Law (except that the time and place of the meeting need not be stated) and be delivered to the corporation for inclusion in the corporate records. A shareholder's attendance at a meeting, in person or by proxy, waives objection to all of the following: (a) lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly on arrival objects to holding the meeting or transaction business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

2.12 Notice of Shareholder Business and Nomination of Directors.

(a) Annual Meetings.

(i) Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the shareholders may be made at an annual meeting (A) pursuant to the corporation's notice of meeting, (B) by or at the direction of the Board of Directors or (C) by any shareholder of the corporation who is a shareholder of record at the time of giving of notice provided for in this by-law and who is entitled to vote at the meeting and complies with the notice procedures set forth in this Section 2.12.

(ii) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.12, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a shareholder's notice shall be received by the Secretary of the corporation at the principal offices of the

corporation not earlier than the 90th day prior to the date of such annual meeting and not later than the close of business on the later of (x) the 60th day prior to such annual meeting and (y) the 10th day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall be signed by the shareholder of record who intends to make the nomination or introduce the other business (or his duly authorized proxy or other representative), shall bear the date of signature of such shareholder (or proxy or other representative) and shall set forth: (A) the name and address, as they appear on this corporation's books, of such shareholder and the beneficial owner or owners, if any, on whose behalf the nomination or proposal is made; (B) the class and number of shares of the corporation which are beneficially owned by such shareholder or beneficial owner or owners; (C) a representation that such shareholder is a holder of record of shares of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination or introduce the other business specified in the notice; (D) in the case of any proposed nomination for election or re-election as a director, (I) the name and residence address of the person or persons to be nominated, (II) a description of all arrangements or understandings between such shareholder or beneficial owner or owners and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder, (III) such other information regarding each nominee proposed by such shareholder as would be required to be disclosed in solicitations of proxies for elections of directors, or would be otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors and (IV) the written consent of each nominee to be named in a proxy statement and to serve as a director of the corporation if so elected; and (E) in the case of any other business that such shareholder proposes to bring before the meeting, (I) a brief description of the business desired to be brought before the meeting and, if such business includes a proposal to amend these bylaws, the language of the proposed amendment, (II) such shareholder's and beneficial owner's or owners' reasons for conducting such business at the meeting and (III) any material interest in such business of such shareholder and beneficial owner or owners.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 2.12 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 60 days prior to the annual meeting, a shareholder's notice required by this Section 2.12 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary at the principal offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings. Only such business shall be conducted at a special meeting as shall have been described in the notice of meeting sent to shareholders pursuant to Section 2.04 of these bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting at which directors are to be elected pursuant to such notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the corporation who (A) is a shareholder of record at the time of giving of such notice of meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures set forth in this Section 2.12. Any shareholder desiring to nominate persons for election to the Board of Directors at such a special meeting shall cause a written notice to be received by the Secretary of the corporation at the principal offices of the corporation not earlier than 90 days prior to such special meeting and not later than the close of business on the later of (x) the 60th day prior to such special meeting and (y) the 10th day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. Such written notice shall be signed by the shareholder of record who intends to make the nomination (or his duly authorized proxy or other representative), shall bear the date of signature of such shareholder (or proxy or other representative) and shall set forth: (A) the name and address, as they appear on the corporation's books, of such shareholder and the beneficial owner or owners, if any, on whose behalf the nomination is made; (B) the class and number of shares of the corporation which are beneficially owned by such shareholder or beneficial owner or owners; (C) a representation that such shareholder is a holder of record of shares of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination specified in the notice; (D) the name and residence address of the person or persons to be nominated; (E) a description of all arrangements or understandings between such shareholder or beneficial owner or owners and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder; (F) such other information regarding each nominee proposed by such shareholder as would be required to be disclosed in solicitations of proxies for elections of directors, or would be otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors; and (G) the written consent of each nominee to be named in a proxy statement and to serve as a director of the corporation if so elected.

(c) General.

(i) Only persons who are nominated in accordance with the procedures set forth in this Section 2.12 shall be eligible to serve as directors. Only such business shall be conducted at an annual meeting or special meeting as shall have been brought before such meeting in accordance with the procedures set forth in this Section 2.12. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 2.12 and, if any proposed nomination or business is not in compliance with this Section 2.12, to declare that such defective proposal shall be disregarded.

(ii) For purposes of this Section 2.12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service,

Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 2.12, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.12. Nothing in this Section 2.12 shall be deemed to limit the corporation's obligation to include shareholder proposals in its proxy statement if such inclusion is required by Rule 14a-8 under the Exchange Act.

ARTICLE THREE

Directors -----

3.01 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the corporation's Board of Directors. In addition to the powers and authorities expressly conferred upon it by these bylaws, the Board of Directors may do all such lawful acts and things as are not by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws directed or required to be exercised or done by the shareholders.

3.02 Number of Directorship Positions; Chairman of the Board.

(a) Number of Directors. Except as otherwise provided in paragraph (c) of this Section 3.02, the number of directors of the corporation shall be six (6), or such other specific number as from time to time by resolution of the Board of Directors.

(b) Board of Directors' Power to Alter the Number of Directors. The Board of Directors shall have the power (subject to any limitations prescribed by the Articles of Incorporation) by a resolution adopted by not less than a majority of all directors serving on the Board of Directors at the time of such adoption to alter at any time and from time to time the number of total directorship positions on the Board of Directors. Upon the adoption of any resolution in the manner provided in the preceding sentence, the total number of directorship positions on the Board of Directors shall be equal to the number specified in such resolution. If the Board of Directors shall determine to reduce the number of directorship positions, then the term of each incumbent member shall end upon the election of directors at the next annual meeting of shareholders of the corporation and the persons elected to fill such reduced number of directorship positions shall be deemed to be the successors to all persons who shall have previously held such directorship positions.

(c) Default. In the event that the corporation is in Default (as defined in the Articles of Incorporation) in payment of dividends on the 13% Senior Preferred Stock, \$1.00 par value per share, of the corporation (the "Senior Preferred Stock") or any stock on a parity with the Senior Preferred Stock as to dividends and the holders of such stock become entitled to elect two directors pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation, the number of total directorship positions on the Board of Directors shall increase by two effective as

of the time that the holders of such stock elect two directors pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation. When the Default is "cured" (as defined in the Articles of Incorporation) or there is no longer any Senior Preferred Stock or any stock on a parity with the Senior Preferred Stock outstanding, whichever occurs earlier, the two directors elected pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation shall resign and the total number of directorship positions shall be decreased by two effective as of the date of the last such resignation.

(d) Chairman of the Board. The Board of Directors may elect a director as the Chairman of the Board. The Chairman of the Board shall, when present, preside at all meetings of the shareholders and of the Board of Directors, may call meetings of the shareholders and the Board of Directors, shall advise and counsel with the management of the Company, and shall perform such other duties as set forth in these bylaws and as determined by the Board of Directors. Except as provided in this paragraph (d), the Chairman shall be neither an officer nor an employee of the corporation by virtue of his or her election and service as Chairman of the Board, provided, however, the Chairman may be an officer of the corporation. The Chairman may use the title Chairman or Chairman of the Board interchangeably. During the absence or disability of the Chief Executive Officer, or while that office is vacant, the Chairman shall exercise all of the powers and discharge all of the duties of the Chief Executive Officer.

(e) Vice Chairman of the Board. The Board of Directors may elect a director as Vice Chairman of the Board. Whenever the Chairman is unable to perform his duties for whatever reason, or whenever the Chairman requests that the Vice Chairman perform such duties on behalf of the Chairman, the Vice Chairman shall have full authority to preside at all meetings of the shareholders and of the Board of Directors, call meetings of the shareholders and the Board of Directors, advise and counsel the management of the Company, and assume such other duties as the Chairman is responsible to perform or as may be assigned to the Vice Chairman by the Chairman or the Board of Directors. The Vice Chairman shall be neither an officer nor an employee of the corporation (by virtue of his election and service as Vice Chairman of the Board) and may use the title Vice Chairman or Vice Chairman of the Board interchangeably.

3.03 Tenure and Qualifications. Each director shall hold office until the next annual meeting of the shareholders and until his successor shall have been elected and, if necessary, qualified, or until his prior death, resignation or removal. A director may be removed by the shareholders only at a meeting of the shareholders called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is the removal of the director. A director may be removed from office with or without cause only by the voting group entitled to vote in the election of such director. A director shall be removed if the number of votes cast to remove the director exceeds the number of votes cast not to remove such director. Except for a direct lineal descendant of H.F. Johnson Jr., no person shall be eligible for election as a director after such person has attained the age of 70. Any director who is an officer, who ceases as an officer shall cease as a director, unless the board shall determine otherwise. A director may resign at any time by delivering written notice which complies with the Wisconsin Business Corporation Law to the Board of Directors, to the Chairman of the Board, if any, or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

3.04 Regular Meetings. The Board of Directors shall provide, by resolution, the date, time and place, either within or without the State of Wisconsin, for the holding of regular meetings of the Board of Directors without other notice than such resolution.

3.05 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, if any, or any three directors. The Chairman of the Board, if any, or the Chief Executive Officer at the direction of the Directors may fix the time, date and place, either within or without the State of Wisconsin, for holding any special meeting of the Board of Directors, and if no other place is fixed, the place of the meeting shall be the principal business office of the corporation in the State of Wisconsin.

3.06 Notice; Waiver. Notice of each special meeting of the Board of Directors shall be given (a) by oral notice delivered or communicated to the director by telephone or in person not less than twenty-four hours prior to the meeting or (b) by written notice delivered to the director in person, by telegram, teletype, facsimile or other form of wire or wireless communication, or by mail or private carrier, to each director at his business address or at such other address as the person sending such notice shall reasonably believe appropriate, in each case not less than forty-eight hours prior to the meeting. The notice need not prescribe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If given by telegram, such notice shall be deemed to be effective when the telegram is delivered to the telegraph company. If given by teletype, facsimile or other wire or wireless communication, such notice shall be deemed to be effective when transmitted. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. Whenever any notice whatever is required to be given to any director of the corporation under the Articles of Incorporation or these bylaws or any provision of the Wisconsin Business Corporation Law, a waiver thereof in writing, signed at any time, whether before or after the date and time of meeting, by the director entitled to such notice shall be deemed equivalent to the timely giving of such notice. The corporation shall retain any such waiver as part of the permanent corporate records. A director's attendance at or participation in a meeting waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.07 Quorum. Except as otherwise provided in the Articles of Incorporation or these bylaws or by the Wisconsin Business Corporation Law, directors holding a majority of the positions on the Board of Directors established pursuant to Section 3.02 of these bylaws shall constitute a quorum for transaction of business at any meeting of the Board of Directors. A majority of the directors present (though less than a quorum) may adjourn any meeting of the Board of Directors from time to time without further notice.

3.08 Manner of Acting. The affirmative vote of a majority of the directors present at a meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors unless the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws require the vote of a greater number of directors.

3.09 Presumption of Assent. A director who is present and is announced as present at a meeting of the Board of Directors or any committee thereof created in accordance with

Article IV of these bylaws, when corporate action is taken on a particular matter, assents to the action taken unless any of the following occurs: (a) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting; (b) the director dissents or abstains from an action taken and minutes of the meeting are prepared that show the director's dissent or abstention from the action taken; (c) the director delivers written notice that complies with the Wisconsin Business Corporation Law of his or her dissent or abstention from the action taken on the particular matter to the presiding person of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting; or (d) the director dissents or abstains from an action taken, minutes of the meeting are prepared that fail to show the director's dissent or abstention from the action taken, and the director delivers to the corporation a written notice of that failure that complies with the Wisconsin Business Corporation Law promptly after receiving the minutes. Such right of dissent or abstention shall not apply to a director who votes in favor of the action taken on the particular matter.

3.10 Action by Directors Without a Meeting. Any action required or permitted by the Articles of Incorporation, these bylaws or the Wisconsin Business Corporation Law to be taken at any meeting of the Board of Directors or any committee thereof created pursuant to Article IV of these bylaws may be taken without a meeting if the action is taken by all members of the Board of Directors or such committee, as the case may be. The action shall be evidenced by one or more written consents describing the action taken, signed by each director or committee member, as the case may be, and retained by the corporation. In the event one or more positions on the Board of Directors or any committee thereof shall be vacant at the time of the execution of any such consent, such consent shall nevertheless be effective if it shall be signed by all persons serving as members of the Board of Directors or of such committee, as the case may be, at such time and if the persons signing the consent would be able to take the action called for by the consent at a properly constituted meeting of the Board of Directors or such committee, as the case may be.

3.11 Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors or may delegate such authority to an appropriate committee of the Board of Directors. The Board of Directors also shall have authority to provide for or delegate authority to an appropriate committee of the Board of Directors to provide for reasonable pensions, disability or death benefits, and other benefits or payments, to directors, officers and employees and to their estates, families, dependents or beneficiaries on account of prior services rendered by such directors, officers and employees to the corporation.

3.12 Telephonic Meetings. Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these bylaws, members of the Board of Directors (and any committees thereof created pursuant to Article IV hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which (a) all participants may simultaneously hear each other, such as by conference telephone, or (b) all communication is immediately transmitted to each participant, and each participant can immediately send messages to all other participants. If a meeting is conducted by such means, then at the commencement of such meeting the presiding person shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any

participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the presiding person determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

3.13 Conduct of Meetings. The Chairman of the Board, if any, and in his or her absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order, shall act as chairman of the meeting and shall otherwise preside at the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors but in the absence of the Secretary, the presiding person may appoint any other person present to act as secretary of the meeting. Minutes of any regular or special meeting of the Board of Directors shall be prepared and distributed to each director.

ARTICLE FOUR

Committees of the Board of Directors

4.01 General.

(a) Establishment. The Board of Directors by resolution adopted by the affirmative vote of a majority of all of the directors then in office pursuant to Section 3.02 of these bylaws may establish one or more committees, each committee to consist of two or more directors of this corporation elected by the Board of Directors. The term "Board Committee" as used in these bylaws means any committee comprised exclusively of directors of the corporation which is identified as a "Board Committee" either in these bylaws or in any resolutions adopted by the Board of Directors.

(b) Membership. The Board of Directors by resolution adopted by the affirmative vote of a majority of all directors then in office shall have the power to: (i) establish the number of membership positions on each Board Committee from time to time and change the number of membership positions on such Committee from time to time; provided each Board Committee shall consist of at least two members; (ii) appoint any director to membership on any Board Committee who shall be willing to serve on such Committee, with the exception of the Audit, Compensation, and Nomination Committees, which will only be comprised of independent directors; (iii) remove any person from membership on any Board Committee with or without cause; and (iv) appoint any director to membership on any Board Committee as an alternate member. A person's membership on any Board Committee shall automatically terminate when such person ceases to be a director of the corporation.

(c) Powers. Except as otherwise provided in Section 4.01(d) of these bylaws, each Board Committee shall have and may exercise all the powers and authority of the Board of Directors, when the Board of Directors is not in session, in the management of the business and affairs of the corporation to the extent (but only to the extent) such powers shall be expressly delegated to it by the Board of Directors or by these bylaws. Unless otherwise provided by the Board of Directors in creating the committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of its authority.

(d) Reserved Powers. No Board Committee shall have the right or power to do any of the following: (i) authorize distributions; (ii) approve or propose to shareholders action that the Wisconsin Business Corporation Law requires to be approved by shareholders; (iii) fill vacancies on the Board of Directors, or, unless the Board of Directors provides by resolution that vacancies on a committee shall be filled by the affirmative vote of a majority of the remaining committee members, on any Board Committee; (iv) amend the Articles of Incorporation; (v) adopt, amend or repeal these bylaws; (vi) approve a plan of merger not requiring shareholder approval; (vii) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors; and (viii) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the Board of Directors may authorize a committee to do so within limits prescribed by the Board of Directors.

(e) Vote Required. Except as provided by the Wisconsin Business Corporation Law or in the Articles of Incorporation or these bylaws, the members holding at least a majority of the membership positions on any Board Committee shall constitute a quorum for purposes of any meeting of such committee. The affirmative vote of the majority of the members of a Board Committee present at any meeting of the Board Committee at which a quorum is present shall be necessary and sufficient to approve any action within the Board Committee's power, and any action so approved by such a majority shall be deemed to have been taken by the Board Committee and to be the act of such Board Committee.

(f) Governance. The Board of Directors may designate the person who is to serve as chairman of and preside over any Board Committee, and in the absence of any such designation by the Board of Directors, the members of the Board Committee may either designate one member of the Board Committee as its chairman to preside at any meeting or elect to operate without a chairman, except as otherwise required by these bylaws. Each Board Committee may appoint a secretary who need not be a member of the Committee or a member of the Board of Directors. Each Board Committee shall have the right to establish such rules and procedures governing its meetings and operations as such committee shall deem desirable provided such rules and procedures shall not be inconsistent with the Articles of Incorporation, these bylaws, or any direction to such committee issued by the Board of Directors.

(g) Alternate Committee Members. The Board of Directors may designate one or more directors as alternate members of any Board Committee, and any such director may replace any regular member of such Board Committee who for any reason is absent from a meeting of such Board Committee or is otherwise disqualified from serving on such Board Committee.

(h) Definition of Independent Director. A director will be considered independent if he or she has not been employed by the Company as an executive officer within the past three years; is not a paid advisor or consultant to the Company and derives no financial benefit from any entity as a result of advice or consulting services provided to the Company by such entity; is not an executive officer, director, or significant customer or supplier of the Company; has no personal services contract with the Company; is not an executive officer or director of a tax exempt entity receiving more than 5% of its annual contributions from the Company; is not a spouse, parent, child, or sibling of an executive officer of the Company; and is

not an employee nor is deriving significant income from any other entity deemed to be a "Johnson Family Enterprise."

4.02 Executive Committee. The corporation shall have an Executive Committee. The Executive Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 (with the exception of 4.01(h)) of these bylaws. The Executive Committee shall assist the Board of Directors in developing and evaluating general corporate policies and objectives. The Executive Committee shall perform such specific assignments as shall be expressly delegated to it from time to time by the Board of Directors and shall (subject to the limitations specified in Section 4.01(d) of these bylaws or imposed by the Wisconsin Business Corporation Law) have the power to exercise, when the Board of Directors is not in session, the powers of the Board of Directors except to the extent expressly limited or precluded from exercising such powers in resolutions from time to time adopted by the Board of Directors. Meetings of the Executive Committee may be called at any time by any two members of the Committee. The time and place for each meeting shall be established by the members calling the meeting. The Board of Directors shall elect a director as the Chairman of the Executive Committee. The Chairman of the Executive Committee, when present, shall preside at all meetings of the Executive Committee.

4.03 Audit Committee. The corporation shall have an Audit Committee comprised solely of independent directors. The Audit Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 of these bylaws. The Audit Committee shall: (a) annually select and appoint a firm of independent public accountants to act as auditors of the corporation; (b) review with the auditors in advance the scope of their annual audit; (c) review with the auditors and the management, from time to time, the corporation's accounting principles, policies and practices and its reporting policies and practices; (d) review with the auditors annually the results of their audit; (e) review from time to time with the auditors and the corporation's financial personnel the adequacy of the corporation's accounting, financial and operating controls; (f) review and approve transactions between the corporation or any subsidiary of the corporation and any shareholder who holds at least fifty percent of the total number of shares outstanding of the corporation's Class A Common Stock or Class B Common Stock (a "Controlling Shareholder") or any subsidiary of a Controlling Shareholder in accordance with policies adopted by the Board of Directors; and (g) perform such other duties as shall from time to time be delegated to the Committee by the Board of Directors. The membership of the Audit Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

4.04 Compensation Committee. The corporation shall have a Compensation Committee comprised solely of independent directors. The Compensation Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 of these bylaws. The Compensation Committee shall have the authority to establish the compensation and benefits for directors, officers and, at the option of the Compensation Committee, other managerial personnel of the corporation and its subsidiaries, including, without limitation, fixing the cash compensation of such persons, establishing and administering compensation and benefit plans for such persons and determining awards thereunder, and entering into (or amending existing) employment and compensation agreements with any such persons. The Compensation Committee may also recommend persons to be elected as officers of the corporation or any of its subsidiaries to the Board of Directors. The Compensation Committee shall perform such other duties as shall from

time to time be delegated to the Compensation Committee by the Board of Directors. The authority of the Compensation Committee shall be subject to such limitations and restrictions as may be imposed by the Board of Directors, which may delegate the authority to establish or administer specific employee compensation or benefit plans to one or more other Board Committees or one or more persons designated by the Board of Directors. The Compensation Committee shall consist solely of members of the Board of Directors who are not officers of the corporation. The membership of the Compensation Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

4.05 Nomination Committee. The Board of Directors shall appoint a Nomination Committee comprised solely of independent directors. The Nomination Committee shall be subject to the provisions of Section 4.01 of these bylaws. The primary functions of the Committee shall be to (a) propose to the Board a slate of nominees for election by the shareholders at the annual meeting of shareholders and prospective director candidates in the event of the resignation, death or retirement of directors or a change in Board composition requirements; (b) review candidates recommended by shareholders for election to the Board; (c) propose to the Board, nominees to serve on each of the Board's committees and prospective committee candidates in the event of the resignation, death, or retirement of committee members or a change in committee composition requirements; and (d) develop plans regarding the size and composition of both the Board and its committees. The membership of the Nomination Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

ARTICLE FIVE

Officers -----

5.01 Number. The principal officers of the corporation shall be appointed by the Board of Directors and shall consist of a Chief Executive Officer, President, Chief Operating Officer, one or more Vice Presidents, a Secretary and a Treasurer. Such other officers and assistant officers as may be deemed necessary or desirable may be appointed by the Board of Directors. The Chief Executive Officer must be a member of the Board of Directors, but no other officer need be a member of the Board of Directors. Any two or more offices may be held by the same person. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable, except the principal offices of Chief Executive Officer, President, Vice President, Treasurer and Secretary. The Board of Directors may authorize any officer to appoint one or more officers or assistant officers.

5.02 Appointment and Term of Office. The officers of the corporation to be appointed by the Board of Directors shall be appointed annually by the Board of Directors at its first meeting following the annual meeting of shareholders. If the appointment of officers shall not occur at such meeting, such appointment shall occur as soon thereafter as conveniently may be. Each officer shall hold office until the earlier of: (a) the time at which a successor is duly appointed and, if necessary, qualified, or (b) his or her death, resignation or removal as hereinafter provided. The Board of Directors shall have the right to enter into employment contracts providing for the employment of any officer for a term longer than one year, but no such contract shall preclude the Board of Directors from removing any person from any position with the

corporation whenever in the judgment of the Board of Directors the best interests of the corporation would be served thereby.

5.03 Removal. The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these bylaws, an officer may remove any officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. The appointment of an officer does not of itself create contract rights.

5.04 Resignation. An officer may resign at any time by delivering notice to the corporation that complies with the Wisconsin Business Corporation Law. The resignation shall be effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date.

5.05 Vacancies. A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term. If a resignation of an officer is effective at a later date as contemplated by Section 5.04 of these bylaws, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor may not take office until the effective date.

5.06 General Powers of Officers. For purposes of these bylaws, the corporation's Chief Executive Officer, President and each Vice President shall be deemed to be a "senior officer". Whenever any resolution adopted by the corporation's shareholders, Board of Directors or Board Committee shall authorize the "proper" or "appropriate" officers of the corporation to execute any note, contract or other document or to take any other action or shall generally authorize any action without specifying the officer or officers authorized to take such action, any senior officer acting alone and without countersignatures may take such action on behalf of the corporation. Any officer of the corporation may on behalf of the corporation sign contracts, reports to governmental agencies, or other instruments which are in the regular course of business, except where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the corporation, or shall be required by the Wisconsin Business Corporation Law or other applicable law to be otherwise signed or executed.

5.07 Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the control of the Board of the Directors, shall in general supervise and control all of the business and affairs of the corporation. In general, he or she shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Directors from time to time.

5.08 The President. The President shall be the Chief Operating Officer of the corporation. He or she shall have such duties as may, from time to time, be prescribed by the Board of Directors or be delegated by the Chief Executive Officer. In the absence of the Chairman of the Board, the Vice Chairman of the Board or the Chief Executive Officer, the President shall preside at all meetings of the shareholders. During the absence or disability of the Chief Executive Officer, or while that office is vacant, the President shall exercise all the powers and discharge all of the duties of the Chief Executive Officer. During the absence or disability of the Chief Executive Officer and the President, or while those offices are vacant, the Chairman of the Board shall exercise all of the powers and discharge all of the duties of the Chief Executive

Officer and the President. The Board of Directors may authorize the Chairman of the Board to appoint one or more officers or assistant officers to perform the duties of the Chief Executive Officer and the President during the absence or disability of the Chief Executive Officer and the President, or while those offices are vacant.

5.09 Chief Operating Officer. The Chief Operating Officer shall be the President. He or she shall be responsible for the daily operations of the corporation's business and shall have such other authority and duties as the Board of Directors or the Chief Executive Officer may prescribe. He or she shall report to the Chief Executive Officer if the Chief Executive Officer is not also serving as the Chief Operating Officer.

5.10 Vice Presidents. Each Vice President shall perform such duties and have such powers as the Board of Directors may from time to time prescribe. The Board of Directors may designate any Vice President as being senior in rank or degree of responsibility and may accord such a Vice President an appropriate title designating his senior rank such as "Executive Vice President" or "Senior Vice President" or "Group Vice President". The Board of Directors may assign a certain Vice President responsibility for a designated group, division or function of the corporation's business and add an appropriate descriptive designation to his title.

5.11 Secretary. The Secretary shall (subject to the control of the Board of Directors): (a) keep the minutes of the shareholders' and the Board of Directors' meetings in one or more books provided for that purpose (including records of actions taken without a meeting); (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by the Wisconsin Business Corporation Law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized; (d) maintain a record of the shareholders of the corporation in a form that permits preparation of a list of the names and address of all shareholders by class or series of shares and showing the number and class or series of shares held by each shareholder; (e) have general charge of the stock transfer books of the corporation; (f) supply in such circumstances as the Secretary deems appropriate to any governmental agency or other person a copy of any resolution adopted by the corporation's shareholders, Board of Directors or Board Committee, any corporate record or document, or other information concerning the corporation and its officers and certify on behalf of the corporation as to the accuracy and completeness of the resolution, record, document or information supplied; and (g) in general, perform all duties incident to the office of Secretary and perform such other duties and have such other powers as the Board of Directors or the President may from time to time prescribe.

5.12 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) maintain appropriate accounting records; (c) receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by or under authority of the Board of Directors; and (d) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President. The Treasurer shall give a bond if required by the Board of Directors for the faithful discharge of his duties in a sum and with one or more sureties satisfactory to the Board of Directors.

5.13 Assistant Secretaries and Assistant Treasurers. There shall be such number of Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time authorize. The Assistant Secretaries may sign with the President or a Vice-President certificates for shares of the corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

5.14 Other Assistants and Acting Officers. The Board of Directors shall have the power to appoint, or to authorize any duly appointed officer of the corporation to appoint, any person to act as assistant to any officer, or as agent for the corporation in his or her stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or an authorized officer shall have the power to perform all the duties of the office to which he or she is so appointed to be an assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the appointing officer.

ARTICLE SIX

Contracts, Loans, Checks and Deposits

6.01 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute or deliver any instrument in the name of and on behalf of the corporation, and such authorization may be general or confined to specific instances. In the absence of other designation, all deeds, mortgages and instruments of assignment or pledge made by the corporation shall be executed in the name of the corporation by the Chief Executive Officer, President or one of the Vice Presidents and by the Secretary, an Assistant Secretary, the Treasurer or an Assistant Treasurer; the Secretary or an Assistant Secretary, when necessary or required, shall affix the corporate seal thereto; and when so executed no other party to such instrument or any third party shall be required to make any inquiry into the authority of the signing officer or officers.

6.02 Loans. No indebtedness for borrowed money shall be contracted on behalf of the corporation and no evidences of such indebtedness shall be issued in its name unless authorized by or under the authority of a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

6.03 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by or under the authority of a resolution of the Board of Directors.

6.04 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be selected by or under the authority of a resolution of the Board of directors.

6.05 Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Board of Directors, (a) any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the Chief Executive Officer of this corporation, if he or she be present, or in his or her absence by the President or any Vice President of this corporation who may be present, and (b) whenever, in the judgment of the Chief Executive Officer, or in his or her absence, of the President or Vice President, it is desirable for this corporation to execute a proxy or written consent in respect to any share or other securities issued by any other corporation and owned by this corporation, such proxy or consent shall be executed in the name of this corporation by the Chief Executive Officer or the President or one of the Vice Presidents of this corporation, without necessity of any authorization by the Board of Directors, affixation of corporate seal, if any, or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

6.06 No Nominee Procedures. The corporation has not established, and nothing in these bylaws shall be deemed to establish, any procedure by which a beneficial owner of the corporation's shares that are registered in the name of a nominee is recognized by the corporation as the shareholder under Section 180.0723 of the Wisconsin Business Corporation Law.

6.07 Performance Bonds. The Chief Executive Officer and the Treasurer of the corporation, and any one of them, shall have the continuing authority to take all actions and to execute and deliver any and all documents or instruments (including, without limitation, reimbursement agreements and agreements of indemnity) in favor of such parties, in such amounts and on such terms and conditions as may be necessary or useful for the corporation or any of its direct or indirect subsidiaries to obtain performance bonds, surety bonds, completion bonds, guarantees, indemnities or similar assurances (collectively referred to as "Performance Bonds") from third parties as such officer shall, in his sole discretion, deem necessary or useful to facilitate and promote the business of the corporation or any of its subsidiaries; provided, however, that the contingent liability of the corporation with respect to Performance Bonds for the corporation's subsidiaries shall not exceed \$200,000 in any single transaction or \$1 million in the aggregate without the specific authorization of the Board of Directors. Any action taken or document or instrument executed and delivered by any such officer after December 31, 1993, that is within the scope of the authority granted in this Section 6.07 is hereby ratified, approved and confirmed. If any party shall require resolutions of the Board of Directors with respect to the approval of any actions of any officer of the corporation or documents or instruments related to the Performance Bonds and within the scope of and generally consistent with this Section 6.07, such resolutions shall be deemed to have been duly approved and adopted by the Board of Directors, and may be certified by the Secretary whenever approved by the Chief Executive Officer, President or the Treasurer, in his sole discretion, and a copy thereof has been inserted in the minute book of the corporation.

ARTICLE SEVEN

Corporate Stock

7.01 Certificates for Shares. Certificates representing shares of any class of stock issued by the corporation shall be in such form, consistent with the Wisconsin Business Corporation Law, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer, President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal, or a facsimile of the seal, of the corporation. If a certificate is countersigned by a transfer agent or registrar, other than the corporation itself or its employees, any other signature or countersignature on the certificate may be a facsimile. In case any officer of the corporation, or any officer or employee of the transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer of the corporation, or an officer or employee of the transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if the officer of the corporation, or the officer or employee of the transfer agent or registrar had not ceased to be such at the date of its issue. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled, and no new certificate shall be issued in replacement until the former certificate for a like number of shares shall have been surrendered and canceled, except as otherwise provided in Section 7.04 of these bylaws with respect to lost, stolen or destroyed certificates.

7.02 Transfer Agent and Registrar. The Board of Directors may from time to time with respect to each class of stock issuable by the corporation appoint such transfer agents and registrars in such locations as it shall determine, and may, in its discretion, appoint a single entity to act in the capacity of both transfer agent and a registrar in any one location.

7.03 Transfers of Shares. Transfers of shares shall be made only on the books maintained by the corporation or a transfer agent appointed as contemplated by Section 7.02 of these bylaws at the request of the holder of record thereof or of his attorney, lawfully constituted in writing, and on surrender for cancellation of the certificate for such shares. Prior to due presentment of a certificate for shares for registration of transfer, the corporation may (but shall not be required to) treat the person in whose name corporate shares stand on the books of the corporation as the only person having any interest in such shares and as the only person having the right to receive dividends on and to vote such shares, and the corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of the other person, whether or not it shall have express or other notice thereof. Where a certificate for shares is presented to the corporation or a transfer agent with a request to register for transfer, the corporation or the transfer agent, as the case may be, shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation or the transfer agent had no duty to inquire into adverse claims or has discharged any such duty. The corporation or transfer agent may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors.

7.04 Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the person requesting such new certificate or certificates, or his or her legal representative, to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

7.05 Restrictions on Transfer. The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed by the corporation upon the transfer of such shares.

7.06 Consideration for Shares. The Board of Directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. Before the corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for the shares to be issued is adequate. The determination of the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. The corporation may place in escrow shares issued in whole or in part for a contract for future services or benefits, a promissory note, or otherwise for property to be received in the future, or make other arrangements to restrict the transfer of the shares, and may credit distributions in respect of the shares against their purchase price, until the services are performed, the benefits or property are received or the promissory note is paid. If the services are not performed, the benefits or property are not received or the promissory note is not paid, the corporation may cancel, in whole or in part, the shares escrowed or restricted and the distributions credited.

7.07 Stock Regulations. The Board of Directors shall have the power and authority to make all such further rules and regulations not inconsistent with the Wisconsin Business Corporation Law as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the corporation.

ARTICLE EIGHT

General Provisions

8.01 Fiscal Year. The fiscal year of the corporation shall begin and end on such dates as the Board of Directors shall determine by resolution.

8.02 Seal. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Wisconsin." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE NINE

Amendments

9.01 By Directors. Except as otherwise provided by the Wisconsin Business Corporation Law or the Articles of Incorporation, these bylaws may be amended or repealed and new bylaws may be adopted by the Board of Directors at any meeting at which a quorum is in attendance; provided, however, that the shareholders in adopting, amending or repealing a particular bylaw may provide therein that the Board of Directors may not amend, repeal or readopt that bylaw.

9.02 By Shareholders. Except as otherwise provided in the Articles of Incorporation, these bylaws may also be amended or repealed and new bylaws may be adopted by the shareholders at any annual or special meeting of the shareholders at which a quorum is in attendance.

9.03 Implied Amendments. Any action taken or authorized by the shareholders or by the Board of Directors, which would be inconsistent with the bylaws then in effect but is taken or authorized by affirmative vote of not less than the number of votes or the number of directors required to amend the bylaws so that the bylaws would be consistent with such action, shall be given the same effect as though the bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

ARTICLE TEN

Indemnification

10.01 Certain Definitions. All capitalized terms used in this Article X and not otherwise hereinafter defined in this Section 10.01 shall have the meaning set forth in Section 180.0850 of the Statute. The following capitalized terms (including any plural forms thereof) used in this Article X shall be defined as follows:

(a) "Affiliate" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that, directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Corporation.

(b) "Authority" shall mean the entity selected by the Director or Officer to determine his or her right to indemnification pursuant to Section 10.04.

(c) "Board" shall mean the entire then elected and serving Board of Directors of the Corporation, including all members thereof who are Parties to the subject Proceeding or any related Proceeding.

(d) "Breach of Duty" shall mean the Director or Officer breached or failed to perform his or her duties to the Corporation and his or her breach of or failure to perform those duties is determined, in accordance with Section 10.04, to constitute misconduct under Section 180.0851(2)(a) 1, 2, 3 or 4 of the Statute.

(e) "Corporation," as used herein and as defined in the Statute and incorporated by reference into the definitions of certain capitalized terms used herein, shall mean this Corporation, including, without limitation, any successor corporation or entity to the Corporation by way of merger, consolidation or acquisition of all or substantially all of the capital stock or assets of this Corporation.

(f) "Director or Officer" shall have the meaning set forth in the Statute; provided, that, for purposes of this Article X, it shall be conclusively presumed that any Director or Officer serving as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of an Affiliate shall be so serving at the request of the Corporation.

(g) "Disinterested Quorum" shall mean a quorum of the Board who are not Parties to the subject Proceeding or any related Proceeding.

(h) "Party" shall have the meaning set forth in the Statute; provided, that, for purposes of this Article X, the term "Party" shall also include any Director, Officer or employee who is or was a witness in a Proceeding at a time when he or she has not otherwise been formally named a Party thereto.

(i) "Proceeding" shall have the meaning set forth in the Statute; provided, that, for purposes of this Article X, "Proceeding" shall include all Proceedings (i) brought under (in whole or in part) the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, their respective state counterparts, and/or any rule or regulation promulgated under any of the foregoing; (ii) brought before an Authority or otherwise to enforce rights hereunder; (iii) any appeal from a Proceeding; and (iv) any Proceeding in which the Director or Officer is a plaintiff or petitioner because he or she is a Director or Officer; provided, however, that such Proceeding is authorized by a majority vote of a Disinterested Quorum.

(j) "Statute" shall mean Sections 180.0850 through 180.0859, inclusive, of the Wisconsin Business Corporation Law, Chapter 180 of the Wisconsin Statutes, including any amendments thereto, but, in the case of any such amendment, only to the extent such amendment permits or requires the Corporation to provide broader indemnification rights than the Statute permitted or required the Corporation to provide prior to such amendment.

10.02 Mandatory Indemnification. To the fullest extent permitted or required by the Statute, the Corporation shall indemnify a Director or Officer against all Liabilities incurred by or on behalf of such Director or Officer in connection with a Proceeding in which the Director or Officer is a Party because he or she is a Director or Officer.

10.03 Procedural Requirements.

(a) A Director or Officer who seeks indemnification under Section 10.02 shall make a written request therefor to the Corporation. Subject to Section 10.03(b), within sixty days of the Corporation's receipt of such request, the Corporation shall pay or reimburse the Director or Officer for the entire amount of Liabilities incurred by the Director or Officer in connection with the subject Proceeding (net of any Expenses previously advanced pursuant to Section 10.05).

(b) No indemnification shall be required to be paid by the Corporation pursuant to Section 10.02 if, within such sixty-day period: (i) a Disinterested Quorum, by a majority vote thereof, determines that the Director or Officer requesting indemnification engaged in misconduct constituting a Breach of Duty; or (ii) a Disinterested Quorum cannot be obtained.

(c) In either case of nonpayment pursuant to Section 10.03(b), the Board shall immediately authorize by resolution that an Authority, as provided in Section 10.04, determine whether the Director's or Officer's conduct constituted a Breach of Duty and, therefore, whether indemnification should be denied hereunder.

(d) (i) If the Board does not authorize an Authority to determine the Director's or Officer's right to indemnification hereunder within such sixty-day period and/or (ii) if indemnification of the requested amount of Liabilities is paid by the Corporation, then it shall be conclusively presumed for all purposes that a Disinterested Quorum has determined that the Director or Officer did not engage in misconduct constituting a Breach of Duty and, in the case of subsection (i) above (but not subsection (ii)), indemnification by the Corporation of the requested amount of Liabilities shall be paid to the Officer or Director immediately.

10.04 Determination of Indemnification.

(a) If the Board authorizes an Authority to determine a Director's or Officer's right to indemnification pursuant to Section 10.03, then the Director or Officer requesting indemnification shall have the absolute discretionary authority to select one of the following as such Authority:

(i) An independent legal counsel; provided, that such counsel shall be mutually selected by such Director or Officer and by a majority vote of a Disinterested Quorum or, if a Disinterested Quorum cannot be obtained, then by a majority vote of the Board;

(ii) A panel of three arbitrators selected from the panels of arbitrators of the American Arbitration Association in Milwaukee, Wisconsin; provided, that (A) one arbitrator shall be selected by such Director or Officer, the second arbitrator shall be selected by a majority vote of a Disinterested Quorum or, if a Disinterested Quorum cannot be obtained, then by a majority vote of the Board, and the third arbitrator shall be selected by the two previously selected arbitrators; and (B) in all other respects, such panel shall be governed by the American Arbitration Association's then existing Commercial Arbitration Rules; or

(iii) A court pursuant to and in accordance with Section 180.0854 of the Statute.

(b) In any such determination by the selected Authority there shall exist a rebuttable presumption that the Director's or Officer's conduct did not constitute a Breach of Duty and that indemnification against the requested amount of Liabilities is required. The burden of rebutting such a presumption by clear and convincing evidence shall be on the Corporation or such other party asserting that such indemnification should not be allowed.

(c) The Authority shall make its determination within sixty days of being selected and shall submit a written opinion of its conclusion simultaneously to both the Corporation and the Director or Officer.

(d) If the Authority determines that indemnification is required hereunder, the Corporation shall pay the entire requested amount of Liabilities (net of any Expenses previously advanced pursuant to Section 10.05), including interest thereon at a reasonable rate, as determined by the Authority, within ten days of receipt of the Authority's opinion; provided, that, if it is determined by the Authority that a Director or Officer is entitled to indemnification as to some claims, issues or matters, but not as to other claims, issues or matters, involved in the subject Proceeding, the Corporation shall be required to pay (as set forth above) only the amount of such requested Liabilities as the Authority shall deem appropriate in light of all of the circumstances of such Proceeding.

(e) The determination by the Authority that indemnification is required hereunder shall be binding upon the Corporation regardless of any prior determination that the Director or Officer engaged in a Breach of Duty.

(f) All Expenses incurred in the determination process under this Section 10.04 by either the Corporation or the Director or Officer, including, without limitation, all Expenses of the selected Authority, shall be paid by the Corporation.

10.05 Mandatory Allowance of Expenses.

(a) The Corporation shall pay or reimburse, within ten days after the receipt of the Director's or Officer's written request therefor, the reasonable Expenses of the Director or Officer as such Expenses are incurred, provided the following conditions are satisfied:

(i) The Director or Officer furnishes to the Corporation an executed written certificate affirming his or her good faith belief that he or she has not engaged in misconduct which constitutes a Breach of Duty; and

(ii) The Director or Officer furnishes to the Corporation an unsecured executed written agreement to repay any advances made under this Section 10.05 if it is ultimately determined by an Authority that he or she is not entitled to be indemnified by the Corporation for such Expenses pursuant to Section 10.04.

(b) If the Director or Officer must repay any previously advanced Expenses pursuant to this Section 10.05, such Director or Officer shall not be required to pay interest on such amounts.

10.06 Indemnification and Allowance of Expenses of Certain Others.

(a) The Corporation shall indemnify a director or officer of an Affiliate (who is not otherwise serving as a Director or Officer) against all Liabilities, and shall advance the reasonable Expenses, incurred by such director or officer in a Proceeding to the same extent hereunder as if such director or officer incurred such Liabilities because he or she was a Director

or Officer, if such director or officer is a Party thereto because he or she is or was a director or officer of the Affiliate.

(b) The Corporation shall indemnify an employee who is not a Director or Officer, to the extent that he or she has been successful on the merits or otherwise in defense of a Proceeding, for all reasonable Expenses incurred in the Proceeding if the employee was a Party because he or she was an employee of the Corporation.

(c) The Board may, in its sole and absolute discretion as it deems appropriate, pursuant to a majority vote thereof, indemnify (to the extent not otherwise provided in Section 10.06(b)) against Liabilities incurred by, and/or provide for the allowance of reasonable Expenses of, an authorized employee or agent of the Corporation acting within the scope of his or her duties as such and who is not otherwise a Director or Officer.

10.07 Insurance. The Corporation may purchase and maintain insurance on behalf of a Director or Officer or any individual who is or was an authorized employee or agent of the Corporation against any Liability asserted against or incurred by such individual in his or her capacity as such or arising from his or her status as such, regardless of whether the Corporation is required or permitted to indemnify against any such Liability under this Article X.

10.08 Notice to the Corporation. A Director, Officer or employee shall promptly notify the Corporation in writing when he or she has actual knowledge of a Proceeding which may result in a claim of indemnification against Liabilities or allowance of Expenses hereunder, but the failure to do so shall not relieve the Corporation of any liability to the Director, Officer or employee hereunder unless the Corporation shall have been irreparably prejudiced by such failure (as determined, in the case of Directors and Officers only, by an Authority).

10.09 Severability. If any provision of this Article X shall be deemed invalid or inoperative, or if a court of competent jurisdiction determines that any of the provisions of this Article X contravene public policy, this Article X shall be construed so that the remaining provisions shall not be affected, but shall remain in full force and effect, and any such provisions which are invalid or inoperative or which contravene public policy shall be deemed, without further action or deed by or on behalf of the Corporation, to be modified, amended and/or limited, but only to the extent necessary to render the same valid and enforceable.

10.10 Nonexclusivity of Article X. The rights of a Director, Officer or employee (or any other person) granted under this Article X shall not be deemed exclusive of any other rights to indemnification against Liabilities or advancement of Expenses which the Director, Officer or employee (or such other person) may be entitled to under any written agreement, Board resolution, vote of shareholders of the Corporation or otherwise, including, without limitation, under the Statute. Nothing contained in this Article X shall be deemed to limit the Corporation's obligations to indemnify a Director, Officer or employee under the Statute.

10.11 Contractual Nature of Article X; Repeal or Limitation of Rights. This Article X shall be deemed to be a contract between the Corporation and each Director, Officer and employee of the Corporation and any repeal or other limitation of this Article X or any repeal or limitation of the Statute or any other applicable law shall not limit any rights of indemnification against Liabilities or allowance of Expenses then existing or arising out of events, acts or

omissions occurring prior to such repeal or limitation, including, without limitation, the right of indemnification against Liabilities or allowance or Expenses for Proceedings commenced after such repeal or limitation to enforce this Article X with regard to acts, omissions or events arising prior to such repeal or limitation.

The following sections were amended to read in their entirety as set forth below:

3.03 Tenure and Qualifications. Each director shall hold office until the next annual meeting of the shareholders and until his successor shall have been elected and, if necessary, qualified, or until his prior death, resignation or removal. A director may be removed by the shareholders only at a meeting of the shareholders called for the purpose of removing the director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is the removal of the director. A director may be removed from office with or without cause only by the voting group entitled to vote in the election of such director. A director shall be removed if the number of votes cast to remove the director exceeds the number of votes cast not to remove such director. Except for a direct lineal descendant of H.F. Johnson Jr., no person shall be eligible for election as a director after such person has attained the age of 70. Any director who is an officer, who ceases as an officer shall cease as a director, unless the board shall determine otherwise. A director may resign at any time by delivering written notice which complies with the Wisconsin Business Corporation Law to the Board of Directors, to the Chairman of the Board, if any, or to the corporation. A director's resignation is effective when the notice is delivered unless the notice specifies a later effective date. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

4.01(b) Membership. The Board of Directors by resolution adopted by the affirmative vote of a majority of all directors then in office shall have the power to: (i) establish the number of membership positions on each Board Committee from time to time and change the number of membership positions on such Committee from time to time; provided each Board Committee shall consist of at least two members; (ii) appoint any director to membership on any Board Committee who shall be willing to serve on such Committee, with the exception of the Audit, Compensation, and Nomination Committees, which will only be comprised of independent directors; (iii) remove any person from membership on any Board Committee with or without cause; and (iv) appoint any director to membership on any Board Committee as an alternate member. A person's membership on any Board Committee shall automatically terminate when such person ceases to be a director of the corporation.

4.01(h) Definition of Independent Director. A director will be considered independent if he or she has not been employed by the Company as an executive officer within the past three years; is not a paid advisor or consultant to the Company

and derives no financial benefit from any entity as a result of advice or consulting services provided to the Company by such entity; is not an executive officer, director, or significant customer or supplier of the Company; has no personal services contract with the Company; is not an executive officer or director of a tax exempt entity receiving more than 5% of its annual contributions from the Company; is not a spouse, parent, child, or sibling of an executive officer of the Company; and is not an employee nor is deriving significant income from any other entity deemed to be a "Johnson Family Enterprise."

4.02 Executive Committee. The corporation shall have an Executive Committee. The Executive Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 (with the exception of 4.01(h)) of these bylaws. The Executive Committee shall assist the Board of Directors in developing and evaluating general corporate policies and objectives. The Executive Committee shall perform such specific assignments as shall be expressly delegated to it from time to time by the Board of Directors and shall (subject to the limitations specified in Section 4.01(d) of these bylaws or imposed by the Wisconsin Business Corporation Law) have the power to exercise, when the Board of Directors is not in session, the powers of the Board of Directors except to the extent expressly limited or precluded from exercising such powers in resolutions from time to time adopted by the Board of Directors. Meetings of the Executive Committee may be called at any time by any two members of the Committee. The time and place for each meeting shall be established by the members calling the meeting. The Board of Directors shall elect a director as the Chairman of the Executive Committee. The Chairman of the Executive Committee, when present, shall preside at all meetings of the Executive Committee.

4.03 Audit Committee. The corporation shall have an Audit Committee comprised solely of independent directors. The Audit Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 of these bylaws. The Audit Committee shall: (a) annually select and appoint a firm of independent public accountants to act as auditors of the corporation; (b) review with the auditors in advance the scope of their annual audit; (c) review with the auditors and the management, from time to time, the corporation's accounting principles, policies and practices and its reporting policies and practices; (d) review with the auditors annually the results of their

audit; (e) review from time to time with the auditors and the corporation's financial personnel the adequacy of the corporation's accounting, financial and operating controls; (f) review and approve transactions between the corporation or any subsidiary of the corporation and any shareholder who holds at least fifty percent of the total number of shares outstanding of the corporation's Class A Common Stock or Class B Common Stock (a "Controlling Shareholder") or any subsidiary of a Controlling Shareholder in

accordance with policies adopted by the Board of Directors; and (g) perform such other duties as shall from time to time be delegated to the Committee by the Board of Directors. The membership of the Audit Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

4.04 Compensation Committee. The corporation shall have a Compensation Committee comprised solely of independent directors. The Compensation Committee shall be a Board Committee and shall be subject to the provisions of Section 4.01 of these bylaws. The Compensation Committee shall have the authority to establish the compensation and benefits for directors, officers and, at the option of the Compensation Committee, other managerial personnel of the corporation and its subsidiaries, including, without limitation, fixing the cash compensation of such persons, establishing and administering compensation and benefit plans for such persons and determining awards thereunder, and entering into (or amending existing) employment and compensation agreements with any such persons. The Compensation Committee may also recommend persons to be elected as officers of the corporation or any of its subsidiaries to the Board of Directors. The Compensation Committee shall perform such other duties as shall from time to time be delegated to the Compensation Committee by the Board of Directors. The authority of the Compensation Committee shall be subject to such limitations and restrictions as may be imposed by the Board of Directors, which may delegate the authority to establish or administer specific employee compensation or benefit plans to one or more other Board Committees or one or more persons designated by the Board of Directors. The Compensation Committee shall consist solely of members of the Board of Directors who are not officers of the corporation. The membership of the Compensation Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

4.05 Nomination Committee. The Board of Directors shall appoint a Nomination Committee comprised solely of independent directors. The Nomination Committee shall be subject to the provisions of Section 4.01 of these bylaws. The primary functions of the Committee shall be to (a) propose to the Board a slate of nominees for election by the shareholders at the annual meeting of shareholders and prospective director candidates in the event of the resignation, death or retirement of directors or a change in Board composition requirements; (b) review candidates recommended by shareholders for election to the Board; (c) propose to the Board, nominees to serve on each of the Board's committees and prospective committee candidates in the event of the resignation, death, or retirement of committee members or a change in committee composition requirements; and (d) develop plans regarding the size and composition of both the Board and its committees. The membership of the

Nomination Committee shall be determined by the Board of Directors as provided in Section 4.01 of these bylaws.

CONSENT AND AMENDMENT

Dated as of September 6, 2002

Re: Note Agreements dated as of October 1, 1995
and
\$30,000,000 7.77% Senior Notes, Series A,
Due October 15, 2005
and
\$15,000,000 6.98% Senior Notes, Series B,
Due October 15, 2005

To the Purchasers Named
on Schedule I hereto

Ladies and Gentlemen:

Reference is made to the separate Note Agreements dated as of October 1, 1995, as amended by that certain First Amendment to Note Agreements dated as of October 31, 1996, and that Second Amendment to Note Agreements dated as of September 30, 1997, and that Third Amendment to Note Agreements dated as of October 3, 1997, and that Fourth Amendment to Note Agreements dated as of January 10, 2000, and that Fifth Amendment and Waiver to Note Agreements dated as of December 13, 2001 (the Note Agreements as amended the "Note Agreements") between Johnson Outdoors Inc., a Wisconsin corporation (the "Company"), and each of you, under and pursuant to which \$30,000,000 7.77% Senior Notes, Series A, due October 15, 2005 and \$15,000,000 6.98% Senior Notes, Series B, due October 15, 2005, of the Company were originally issued. Terms used but not otherwise defined herein shall have the meanings set forth in the Note Agreements.

The Company hereby requests that each of you consent to the Sale Transaction (defined below) and agree to the amendment of the Note Agreement relating thereto set forth below in the manner herein provided:

ARTICLE 1
CONSENT AND AMENDMENT

Section 1.1. Consent to Sale Transaction. The Company has advised each of you of its plans to sell all of the stock of its Jack Wolfskin subsidiary for net cash proceeds of approximately \$61,000,000, which sale is expected to be consummated on or prior to

September 30, 2002 (the "Sale Transaction"). Consummation of the Sale Transaction would exceed the limitations on sales of assets set forth in Section 5.8 of the Note Agreements. Subject to all of the terms and conditions hereof, the Noteholders hereby consent to the Sale Transaction provided, that (a) the Sale Transaction shall occur on or before September 30, 2002, (b) the Sale Transaction is for consideration consisting of at least eighty-five percent (85%) cash, (c) the sale price is for not less than fair market value (as determined in good faith by the Company's board of directors), and (d) after giving effect to such sale, no Default or Event of Default shall exist.

Section 1.2. Amendment of Note Agreement. You hereby consent to the amendments of the Note Agreement hereinafter set forth for the purpose of permitting the Sale Transaction:

(a) Section 5.8(b)(1) of the Note Agreement shall be amended to read as follows:

(1) either (i) the net book value of such assets, when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries pursuant to this ss.5.8(b)(1) during the immediately preceding twelve-month period do not constitute (x) 10% of Consolidated Total Assets prior to the consummation of the sale of all of the stock of its Jack Wolfskin Subsidiary (the "Sale Transaction"), (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter) or (ii) the sum of the portions of Consolidated Net Income contributed for the immediately preceding twelve-month period (each as determined in good faith by the chief financial officer of the Company) by (A) such assets, (B) each Restricted Subsidiary (or portion thereof) disposed of during such period and (C) other assets of the Company and its Restricted Subsidiaries disposed of during such period pursuant to this ss.5.8(b)(1) do not constitute (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter; and

(b) the proviso to Section 5.8 shall be amended to read as follows:

provided, however, that notwithstanding the foregoing, any sale, transfer, issuance or other disposition of shares pursuant to ss.ss.5.8(c)(3) or 5.8(c)(4) may not be consummated if either (i) the net book value of the assets of such Restricted Subsidiary attributable to such sale, transfer, issuance or other disposition of shares when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during the immediately preceding twelve-month period would constitute (x) 10% of Consolidated Total Assets prior to the consummation of the Sale Transaction, (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter), or (ii) the portions of Consolidated Net Income for the immediately preceding twelve-month period contributed (each as determined in good faith by the chief financial officer of the Company) by (1) such assets, (2) each Restricted Subsidiary (or portion thereof) disposed of during such period and (3) other assets of the Company and its Restricted Subsidiaries sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during such period would exceed (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income

attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter.

ARTICLE 2
WARRANTIES AND REPRESENTATIONS

The Company represents and warrants that as of the date hereof:

Section 2.1. Consent and Amendment is Legal and Authorized. (a) The execution and delivery of this Consent and Amendment by the Company and compliance by the Company with all of the provisions of the Note Agreements --

(i) is within the corporate powers of the Company; and

(ii) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Articles of Incorporation or By-laws of the Company or any indenture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any Liens or encumbrances on any property of the Company.

(b) The execution and delivery of this Consent and Amendment has been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Articles of Incorporation or By-laws of the Company or otherwise); and this Consent and Amendment has been executed and delivered by the Company and the Note Agreements constitute the legal, valid and binding obligation, contract and agreement of the Company enforceable in accordance with their terms.

Section 2.2. No Defaults. Upon effectiveness of this Consent and Amendment no Default or Event of Default will exist or be continuing.

Section 2.3. Compensation. The Company has paid no fee or other remuneration to any Person (other than legal fees) in connection with the solicitation of (i) this Consent and Amendment, or (ii) any other waiver, consent or amendment which relates to the Sale Transaction under any agreement pursuant to which indebtedness of the Company is outstanding.

ARTICLE 3
CONDITIONS PRECEDENT

This Consent and Amendment shall be effective as of September 6, 2002 upon the fulfillment by the Company of the conditions precedent set forth below. The closing date for this Consent and Amendment (the "Closing Date") shall be subject to the fulfillment by the Company of the following conditions precedent:

Section 3.1. Execution and Delivery. This Consent and Amendment shall have been executed and delivered by the Company and the holders of at least 70% in aggregate principal amount of the Notes.

Section 3.2. Consent of Subsidiary Guarantors. The Subsidiary Guarantors shall have executed and delivered the Consent attached hereto as Exhibit A.

Section 3.3. Other Consents. The Company shall have obtained consents and waivers under each of the other agreements pursuant to which indebtedness of the Company is outstanding and such other consents and waivers shall be in substantially the same form as this Consent and Amendment or shall have such changes as shall be reasonably acceptable to you.

Section 3.4. Payment of Special Counsel Fees. The Company shall have paid the reasonable fees and disbursements of your special counsel for which the Company shall have received an invoice at least one business day prior to the Closing Date.

ARTICLE 4
MISCELLANEOUS

Section 4.1. Ratification of Note Agreements. Except as herein expressly provided, each of the Note Agreements is in all respects ratified and confirmed. If and to the extent that any of the terms or provisions of the Note Agreements is in conflict or inconsistent with any of the terms or provisions of this Consent and Amendment, this Consent and Amendment shall govern.

Section 4.2. Counterparts. This Consent and Amendment may be simultaneously executed in any number of counterparts, and all such counterparts together, each as an original, shall constitute but one and the same instrument.

Section 4.3. Reference to the Note Agreements. Any and all notices, requests, certificates and any other instruments, including the Notes, may refer to the Note Agreements or the Note Agreements dated as of October 15, 1995, without making specific reference to this Consent and Amendment, but all such references shall be deemed to include this Consent and Amendment.

Section 4.4. Governing Law. The Note Agreements and the Notes shall be governed by and construed in accordance with Wisconsin law, including all matters of construction, validity and performance.

Section 4.5. Successors and Assigns. This Consent and Amendment shall be binding upon the Company and its successors and assigns and shall inure to the benefit of each of you and to the benefit of your successors and assigns, including each successive holder or holders of any Notes.

IN WITNESS WHEREOF, the Company has executed this Consent and Amendment as of the day and year first above written.

JOHNSON OUTDOORS INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Title: Treasurer

NATIONWIDE LIFE INSURANCE COMPANY

By: /s/ Mark W. Poeppelman
Name: Mark W. Poeppelman
Title: Associate Vice President

GREAT-WEST LIFE & ANNUITY
INSURANCE COMPANY

By: /s/ James G. Lowery
Name: James G. Lowery
Title: Assistant Vice President
Investments

By: /s/ Wayne T. Hoffman
Name: Wayne T. Hoffman
Title: Senior Vice President
Investments

CONSENT OF SUBSIDIARY GUARANTORS

The undersigned Subsidiary Guarantors, as party to the Guaranty Agreement dated as of December 13, 2001 (the "Guaranty Agreement"), hereby (i) consent to the Consent and Amendment dated as of even date herewith to which this consent is attached, (ii) confirm that the Guaranty Agreement remains in full force and effect after giving effect to the Consent and Amendment, and (iii) represent and warrant that no defense, counterclaim or offset of any type or nature exists under the Guaranty Agreement.

Dated as of September 6, 2002

SUBSIDIARY GUARANTORS:

LEISURE LIFE LIMITED
EXTRASPORT, INC.
OLD TOWN CANOE COMPANY
UNDER SEA INDUSTRIES, INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Its: Secretary

CONSENT AND AMENDMENT

Dated as of September 6, 2002

Re: Note Agreement dated as of September 15, 1997

and

\$25,000,000 7.15% Senior Notes
Due October 15, 2007

The Northwestern Mutual Life
Insurance Company

Ladies and Gentlemen:

Reference is made to the Note Agreement dated as of September 15, 1997, as amended by the First Amendment to Note Agreement dated as of February 1, 2000 and the Second Amendment and Waiver to Note Agreement dated as of December 13, 2001 (the Note Agreement as amended the "Note Agreement") between Johnson Outdoors Inc., a Wisconsin corporation (the "Company"), and you, under and pursuant to which \$25,000,000 7.15% Senior Notes, due October 15, 2007, of the Company were originally issued. Terms used but not otherwise defined herein shall have the meanings set forth in the Note Agreement.

The Company hereby requests that you consent to the Sale Transaction (defined below) and agree to the amendment of the Note Agreement relating thereto set forth below in the manner herein provided:

ARTICLE 1
CONSENT AND AMENDMENT

Section 1.1. Consent to Sale Transaction. The Company has advised you of its plans to sell all of the stock of its Jack Wolfskin subsidiary for net cash proceeds of approximately \$61,000,000, which sale is expected to be consummated on or prior to September 30, 2002 (the "Sale Transaction"). Consummation of the Sale Transaction would exceed the limitations on sales of assets set forth in Section 5.8 of the Note Agreement. Subject to all of the terms and conditions hereof, you hereby consent to the Sale Transaction provided, that (a) the Sale Transaction shall occur on or before September 30, 2002, (b) the Sale Transaction is for consideration consisting of at least eighty-five percent (85%) cash, (c) the sale price is for not

less than fair market value (as determined in good faith by the Company's board of directors), and (d) after giving effect to such sale, no Default or Event of Default shall exist.

Section 1.2. Amendment of Note Agreement. You hereby consent to the amendments of the Note Agreement hereinafter set forth for the purpose of permitting the Sale Transaction:

(a) Section 5.8(b)(1) of the Note Agreement shall be amended to read as follows:

(1) either (i) the net book value of such assets, when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries pursuant to this ss.5.8(b)(1) during the immediately preceding twelve-month period do not constitute (x) 10% of Consolidated Total Assets prior to the consummation of the sale of all of the stock of its Jack Wolfskin Subsidiary (the "Sale Transaction"), (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter) or (ii) the sum of the portions of Consolidated Net Income contributed for the immediately preceding twelve-month period (each as determined in good faith by the chief financial officer of the Company) by (A) such assets, (B) each Restricted Subsidiary (or portion thereof) disposed of during such period and (C) other assets of the Company and its Restricted Subsidiaries disposed of during such period pursuant to this ss.5.8(b)(1) do not constitute (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter; and

(b) the proviso to Section 5.8 shall be amended to read as follows:

provided, however, that notwithstanding the foregoing, any sale, transfer, issuance or other disposition of shares pursuant to ss.ss.5.8(c)(3) or 5.8(c)(4) may not be consummated if either (i) the net book value of the assets of such Restricted Subsidiary attributable

to such sale, transfer, issuance or other disposition of shares when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during the immediately preceding twelve-month period would constitute (x) 10% of Consolidated Total Assets prior to the consummation of the Sale Transaction, (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter), or (ii) the portions of Consolidated Net Income for the immediately preceding twelve-month period contributed (each as determined in good faith by the chief financial officer of the Company) by (1) such assets, (2) each Restricted Subsidiary (or portion thereof) disposed of during such period and (3) other assets of the Company and its Restricted Subsidiaries

sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during such period would exceed (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter.

ARTICLE 2
WARRANTIES AND REPRESENTATIONS

The Company represents and warrants that as of the date hereof:

Section 2.1. Consent and Amendment is Legal and Authorized. (a) The execution and delivery of this Consent and Amendment by the Company and compliance by the Company with all of the provisions of the Note Agreement --

(i) is within the corporate powers of the Company; and

(ii) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Articles of Incorporation or By-laws of the Company or any indenture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any Liens or encumbrances on any property of the Company.

(b) The execution and delivery of this Consent and Amendment has been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Articles of Incorporation or By-laws of the Company or otherwise); and this Consent and Amendment has been executed and delivered by the Company and the Note Agreement constitutes the legal, valid and binding obligation, contract and agreement of the Company enforceable in accordance with its terms.

Section 2.2. No Defaults. Upon effectiveness of this Consent and Amendment no Default or Event of Default will exist or be continuing.

Section 2.3. Compensation. The Company has paid no fee or other remuneration to any Person (other than legal fees) in connection with the solicitation of (i) this Consent and Amendment, or (ii) any other waiver, consent or amendment which relates to the Sale Transaction under any agreement pursuant to which indebtedness of the Company is outstanding.

ARTICLE 3
CONDITIONS PRECEDENT

This Consent and Amendment shall be effective as of September 6, 2002 upon the fulfillment by the Company of the conditions precedent set forth below. The closing date for this

Consent and Amendment (the "Closing Date") shall be subject to the fulfillment by the Company of the following conditions precedent:

Section 3.1. Payment of Special Counsel Fees. The Company shall have paid the reasonable fees and disbursements of your special counsel for which the Company shall have received an invoice at least one business day prior to the Closing Date.

Section 3.2. Consent of Subsidiary Guarantors. The Subsidiary Guarantors shall have executed and delivered the Consent attached hereto as Exhibit A.

Section 3.3. Other Consents. The Company shall have obtained consents and waivers under each of the other agreements pursuant to which indebtedness of the Company is outstanding and such other consents and waivers shall be in substantially the same form as this Consent and Amendment or shall have such changes as shall be reasonably acceptable to you.

ARTICLE 4 MISCELLANEOUS

Section 4.1. Ratification of Note Agreement. Except as herein expressly provided, the Note Agreement is in all respects ratified and confirmed. If and to the extent that any of the terms or provisions of the Note Agreement is in conflict or inconsistent with any of the terms or provisions of this Consent and Amendment, this Consent and Amendment shall govern.

Section 4.2. Counterparts. This Consent and Amendment may be simultaneously executed in any number of counterparts, and all such counterparts together, each as an original, shall constitute but one and the same instrument.

Section 4.3. Reference to the Note Agreement. Any and all notices, requests, certificates and any other instruments, including the Notes, may refer to the Note Agreement or the Note Agreement dated as of September 15, 1997, without making specific reference to this Consent and Amendment, but all such references shall be deemed to include this Consent and Amendment.

Section 4.4. Governing Law. The Note Agreement and the Notes shall be governed by and construed in accordance with Wisconsin law, including all matters of construction, validity and performance.

Section 4.5. Successors and Assigns. This Consent and Amendment shall be binding upon the Company and its successors and assigns and shall inure to the benefit of your successors and assigns, including each successive holder or holders of any Notes.

IN WITNESS WHEREOF, the Company has executed this Consent and Amendment as of the day and year first above written.

JOHNSON OUTDOORS INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Title: Treasurer

THE NORTHWESTERN MUTUAL
LIFE INSURANCE COMPANY

By: /s/ Jerome R. Baier
Name: Jerome R. Baier
Title: Its Authorized
Representative

CONSENT OF SUBSIDIARY GUARANTORS

The undersigned Subsidiary Guarantors, as party to the Guaranty Agreement dated as of December 13, 2001 (the "Guaranty Agreement"), hereby (i) consent to the Consent and Amendment dated as of even date herewith to which this consent is attached, (ii) confirm that the Guaranty Agreement remains in full force and effect after giving effect to the Consent and Amendment, and (iii) represent and warrant that no defense, counterclaim or offset of any type or nature exists under the Guaranty Agreement.

Dated as of September 6, 2002

SUBSIDIARY GUARANTORS:

LEISURE LIFE LIMITED
EXTRASPORT, INC.
OLD TOWN CANOE COMPANY
UNDER SEA INDUSTRIES, INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Its: Secretary

Exhibit A

CONSENT AND AMENDMENT

Dated as of September 6, 2002

Re: Note Agreements dated as of December 13, 2001
and
\$50,000,000 7.82% Senior Notes
Due December 13, 2008

To the Purchasers Named
on Schedule I hereto

Ladies and Gentlemen:

Reference is made to the separate Note Agreements dated as of December 13, 2001 (the "Note Agreements") between Johnson Outdoors Inc., a Wisconsin corporation (the "Company"), and each of you, under and pursuant to which \$50,000,000 7.82% Senior Notes, due December 13, 2008, of the Company were originally issued. Terms used but not otherwise defined herein shall have the meanings set forth in the Note Agreements.

The Company hereby requests that each of you consent to the Sale Transaction (defined below) and agree to the amendment of the Note Agreement relating thereto set forth below in the manner herein provided:

ARTICLE 1
CONSENT AND AMENDMENT

Section 1.1. Consent to Sale Transaction. The Company has advised each of you of its plans to sell all of the stock of its Jack Wolfskin subsidiary for net cash proceeds of approximately \$61,000,000, which sale is expected to be consummated on or prior to September 30, 2002 (the "Sale Transaction"). Consummation of the Sale Transaction would exceed the limitations on sales of assets set forth in Section 5.8 of the Note Agreements. Subject to all of the terms and conditions hereof, the Noteholders hereby consent to the Sale Transaction provided, that (a) the Sale Transaction shall occur on or before September 30, 2002, (b) the Sale Transaction is for consideration consisting of at least eighty-five percent (85%) cash, (c) the sale price is for not less than fair market value (as determined in good faith by the Company's board of directors), and (d) after giving effect to such sale, no Default or Event of Default shall exist.

Section 1.2. Amendment of Note Agreement. You hereby consent to the amendments of the Note Agreement hereinafter set forth for the purpose of permitting the Sale Transaction:

(a) Section 5.8(b)(1) of the Note Agreement shall be amended to read as follows:

(1) either (i) the net book value of such assets, when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries pursuant to this ss.5.8(b)(1) during the immediately preceding twelve-month period do not constitute (x) 10% of Consolidated Total Assets prior to the consummation of the sale of all of the stock of its Jack Wolfskin Subsidiary (the "Sale Transaction"), (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter) or (ii) the sum of the portions of Consolidated Net Income contributed for the immediately preceding twelve-month period (each as determined in good faith by the chief financial officer of the Company) by (A) such assets, (B) each Restricted Subsidiary (or portion thereof) disposed of during such period and (C) other assets of the Company and its Restricted Subsidiaries disposed of during such period pursuant to this ss.5.8(b)(1) do not constitute (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter; and

(b) the proviso to Section 5.8 shall be amended to read as follows:

provided, however, that notwithstanding the foregoing, any sale, transfer, issuance or other disposition of shares pursuant to ss.ss.5.8(c)(3) or 5.8(c)(4) may not be consummated if either (i) the net book value of the assets of such Restricted Subsidiary attributable to such sale, transfer, issuance or other disposition of shares when added to the net book value of all other assets sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during the immediately preceding twelve-month period would constitute (x) 10% of Consolidated Total Assets prior to the

consummation of the Sale Transaction, (y) 15% of Consolidated Total Assets during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Total Assets at all times thereafter (in each case determined as of the end of the immediately preceding fiscal quarter), or (ii) the portions of Consolidated Net Income for the immediately preceding twelve-month period contributed (each as determined in good faith by the chief financial officer of the Company) by (1) such assets, (2) each Restricted Subsidiary (or portion thereof) disposed of during such period and (3) other assets of the Company and its Restricted Subsidiaries sold, leased, transferred or otherwise disposed of by the Company and its Restricted Subsidiaries during such period would exceed (x) 10% of Consolidated Net Income prior to the consummation of the Sale Transaction, (y) the portion of Consolidated Net Income attributable to the assets which were sold in the Sale Transaction, plus 3% of Consolidated Net Income during the 12 month period beginning with the date upon which the Sale Transaction is consummated, and (z) 10% of Consolidated Net Income for such period at all times thereafter.

ARTICLE 2
WARRANTIES AND REPRESENTATIONS

The Company represents and warrants that as of the date hereof:

Section 2.1. Consent and Amendment is Legal and Authorized. (a) The execution and delivery of this Consent and Amendment by the Company and compliance by the Company with all of the provisions of the Note Agreements --

(i) is within the corporate powers of the Company; and

(ii) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Articles of Incorporation or By-laws of the Company or any indenture or other agreement or instrument to which the Company is a party or by which it may be bound or result in the imposition of any Liens or encumbrances on any property of the Company.

(b) The execution and delivery of this Consent and Amendment has been duly authorized by proper corporate action on the part of the Company (no action by the stockholders of the Company being required by law, by the Articles of Incorporation or By-laws of the Company or otherwise); and this Consent and Amendment has been executed and delivered by the Company and the Note Agreements constitute the legal, valid and binding obligation, contract and agreement of the Company enforceable in accordance with their terms.

Section 2.2. No Defaults. Upon effectiveness of this Consent and Amendment no Default or Event of Default will exist or be continuing.

Section 2.3. Compensation. The Company has paid no fee or other remuneration to any Person (other than legal fees) in connection with the solicitation of (i) this Consent and Amendment, or (ii) any other waiver, consent, or amendment which relate to the Sale Transaction under any agreement pursuant to which indebtedness of the Company is outstanding.

ARTICLE 3
CONDITIONS PRECEDENT

This Consent and Amendment shall be effective as of September 6, 2002 upon the fulfillment by the Company of the conditions precedent set forth below. The closing date for this Consent and Amendment (the "Closing Date") shall be subject to the fulfillment by the Company of the following conditions precedent:

Section 3.1. Execution and Delivery. This Consent and Amendment shall have been executed and delivered by the Company and the holders of at least 70% in aggregate principal amount of the Notes.

Section 3.2. Consent of Subsidiary Guarantors. The Subsidiary Guarantors shall have executed and delivered the Consent attached hereto as Exhibit A.

Section 3.3. Other Consents. The Company shall have obtained consents and waivers under each of the other agreements pursuant to which indebtedness of the Company is outstanding and such other consents and waivers shall be in substantially the same form as this Consent and Amendment or shall have such changes as shall be reasonably acceptable to you.

Section 3.4. Payment of Special Counsel Fees. The Company shall have paid the reasonable fees and disbursements of your special counsel for which the Company shall have received an invoice at least one business day prior to the Closing Date.

ARTICLE 4
MISCELLANEOUS

Section 4.1. Ratification of Note Agreements. Except as herein expressly provided, each of the Note Agreements is in all respects ratified and confirmed. If and to the extent that any of the terms or provisions of the Note Agreements is in conflict or inconsistent with any of the terms or provisions of this Consent and Amendment, this Consent and Amendment shall govern.

Section 4.2. Counterparts. This Consent and Amendment may be simultaneously executed in any number of counterparts, and all such counterparts together, each as an original, shall constitute but one and the same instrument.

Section 4.3. Reference to the Note Agreements. Any and all notices, requests, certificates and any other instruments, including the Notes, may refer to the Note Agreements or the Note Agreements dated as of December 13, 2001, without making specific reference to this Consent and Amendment, but all such references shall be deemed to include this Consent and Amendment.

Section 4.4. Governing Law. The Note Agreements and the Notes shall be governed by and construed in accordance with Wisconsin law, including all matters of construction, validity and performance.

Section 4.5. Successors and Assigns. This Consent and Amendment shall be binding upon the Company and its successors and assigns and shall inure to the benefit of each of you and to the benefit of your successors and assigns, including each successive holder or holders of any Notes.

IN WITNESS WHEREOF, the Company has executed this Consent and Amendment as of the day and year first above written.

JOHNSON OUTDOORS INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Title: Treasurer

Accepted as of the first date written above.

JOHN HANCOCK LIFE INSURANCE COMPANY

By: /s/ Kathleen E. McDonough
Name: Kathleen E. McDonough
Title: Director

JOHN HANCOCK VARIABLE LIFE
INSURANCE COMPANY

By: /s/ Kathleen E. McDonough
Name: Kathleen E. McDonough
Title: Authorized Signatory

MELLON BANK, N.A., solely in its
capacity as Trustee for the Bell
Atlantic Master Trust (as directed
by John Hancock Life Insurance
Company), and not in its
individual capacity

By: /s/ Bernadette Rist
Name: Bernadette Rist
Title: Authorized Signatory

STATE OF WISCONSIN INVESTMENT BOARD

By: /s/ Monica A. Jaehnig
Name: Monica A. Jaehnig
Title: Portfolio Manager

AMERICAN FAMILY LIFE INSURANCE
COMPANY

By: /s/ Phillip Hannifan
Name: Phillip Hannifan
Title: Investment Director

CONSENT OF SUBSIDIARY GUARANTORS

The undersigned Subsidiary Guarantors, as party to the Guaranty Agreement dated as of December 13, 2001 (the "Guaranty Agreement"), hereby (i) consent to the Consent and Amendment dated as of even date herewith to which this consent is attached, (ii) confirm that the Guaranty Agreement remains in full force and effect after giving effect to the Consent and Amendment, and (iii) represent and warrant that no defense, counterclaim or offset of any type or nature exists under the Guaranty Agreement.

Dated as of September 6, 2002

SUBSIDIARY GUARANTORS:

LEISURE LIFE LIMITED
EXTRASPORT, INC.
OLD TOWN CANOE COMPANY
UNDER SEA INDUSTRIES, INC.

By: /s/ Wade T. Neuharth
Name: Wade T. Neuharth
Its: Secretary

Exhibit A

JOHNSON OUTDOORS INC. AND SUBSIDIARIES

The following lists the principal direct and indirect subsidiaries of Johnson Outdoors Inc. as of September 27, 2002. Inactive subsidiaries are not presented.

Name of Subsidiary (1)(2)	Jurisdiction in which Incorporated
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Johnson Outdoors Canada Inc.	Canada
Plastiques L.P.A. Limitee	Canada
Old Town Canoe Company	Delaware
Leisure Life Limited	Michigan
Extrasport, Inc.	Florida
Scubapro Scandinavia AB	Sweden
Under Sea Industries, Inc.	Delaware
JWA Holding B.V.	Netherlands
Johnson Beteiligungsgesellschaft GmbH	Germany
Johnson Outdoors V GmbH	Germany
Scubapro Taucherauser GmbH	Germany
Uwatec AG	Switzerland
Uwatec USA, Inc.	Maine
Scubapro Asia Pacific Ltd. (3)	Hong Kong
Uwatec Batam	Indonesia
Uwaplast AG	Switzerland
Scubapro Asia, Ltd.	Japan
Scubapro Espana, S.A.(4)	Spain
Scubapro Eu AG	Switzerland
Scubapro Europe Benelux, S.A.	Belgium
Johnson Outdoors France	France
Scuba/Uwatec S.A.	France
Scubapro Europe S.r.l.	Italy
Scubapro Italy S.r.l.	Italy
Scubapro (UK) Ltd.(5)	United Kingdom
Scubapro-Uwatec Australia Pty. Ltd.	Australia
Johnson Outdoors Watercraft UK	United Kingdom
Johnson Outdoors Watercraft Ltd.	New Zealand

(1) Unless otherwise indicated in brackets, each company does business only under its legal name.

(2) Unless otherwise indicated by footnote, each company is a wholly-owned subsidiary of Johnson Outdoors Inc. (through direct or indirect ownership).

(3) Percentage of stock owned is 60%.

(4) Percentage of stock owned is 98%.

(5) Percentage of stock owned is 99%.

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-19804, 33-19805, 33-35309, 33-50680, 33-52073, 33-54899, 33-59325, 33-61285, 333-88089, 333-88091, 333-84480 and 333-84414) pertaining to various employee benefit programs of Johnson Outdoors Inc. of our report dated November 8, 2002, with respect to the consolidated financial statements of Johnson Outdoors Inc. included in the Annual Report on Form 10-K for the year ended September 27, 2002.

/s/ Ernst & Young LLP

Milwaukee, Wisconsin
December 23, 2002

Consent of KPMG LLP

Shareholders and Board of Directors
Johnson Outdoors Inc.:

We consent to incorporation by reference in the Registration Statements (Nos. 33-19804, 33-19805, 33-35309, 33-50680, 33-52073, 33-54899, 33-59325, 33-61285, 333-84414, 333-84480, 333-88089, and 333-88091) on Form S-8 of Johnson Outdoors Inc. of our report dated November 6, 2000, relating to the consolidated statements of operations, shareholders' equity, and cash flows for the year ended September 29, 2000 of Johnson Outdoors Inc. and subsidiaries, which report appears in the 2002 Annual Report on Form 10-K of Johnson Outdoors Inc.

/s/ KPMG LLP

Milwaukee, Wisconsin
December 23, 2002

Written Statement of the Chairman and Chief Executive Officer

Pursuant to 18 U.S.C. ss.1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Chairman and Chief Executive Officer of Johnson Outdoors Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended September 27, 2002 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
December 26, 2002

Written Statement of the Vice President and Chief Financial Officer

Pursuant to 18 U.S.C. ss.1350

Solely for the purposes of complying with 18 U.S.C. ss.1350, I, the undersigned Vice President and Chief Financial Officer of Johnson Outdoors Inc. (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the year ended September 27, 2002 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul A. Lehmann

Paul A. Lehmann
Vice President and Chief Financial Officer
December 26, 2002