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

# FORM 10-Q

[ X ] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 28, 2003

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 incorporation or organization) | (I.R.S. Employer Identification No.) |

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

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

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 [X] No [ ]

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

As of April 24, 2003, 7,194,649 shares of Class A and 1,222,647 shares of Class B common stock of the Registrant were outstanding.

JOHNSON OUTDOORS INC.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

JOHNSON OUTDOORS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

| (thousands, except per share data) | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 28 2003 | March 29 2002 | March 28 2003 | March 29 2002 |
| Net sales | $ 83,265 | $ 97,718 | $ 138,160 | $ 157,456 |
| Cost of sales | 47,072 | 56,977 | 78,284 | 91,425 |
| Gross profit | 36,193 | 40,741 | 59,876 | 66,031 |
| Operating expenses: | | | | |
| Marketing and selling | 19,034 | 20,983 | 33,485 | 35,998 |
| Administrative management, finance and information systems | 8,372 | 8,001 | 15,806 | 14,933 |
| Research and development | 1,638 | 1,643 | 3,163 | 3,258 |
| Amortization and write-down of intangibles | 87 | 93 | 164 | 176 |
| Profit sharing | 938 | 1,073 | 968 | 1,266 |
| Strategic charges | -- | 690 | -- | 1,151 |
| Total operating expenses | 30,069 | 32,483 | 53,586 | 56,782 |
| Operating profit | 6,124 | 8,258 | 6,290 | 9,249 |
| Interest income | (225) | (230) | (578) | (376) |
| Interest expense | 1,339 | 1,909 | 2,710 | 3,461 |
| Other (income) expense, net | (2,115) | 92 | (2,471) | 337 |
| Income from continuing operations before income taxes and cumulative effect of change in accounting principle | 7,125 | 6,487 | 6,629 | 5,827 |
| Income tax expense | 2,828 | 2,598 | 2,612 | 2,334 |
| Income from continuing operations before cumulative effect of change in accounting principle | 4,297 | 3,889 | 4,017 | 3,493 |
| Gain on disposal of discontinued operations, net of tax of $255 | -- | 495 | -- | 495 |
| Cumulative effect of change in accounting principle, net of tax of $(2,200) | -- | -- | -- | (22,876) |
| Net income (loss) | $ 4,297 | $ 4,384 | $ 4,017 | $ (18,888) |
| BASIC EARNINGS (LOSS) PER COMMON SHARE: | | | | |
| Continuing operations | $ 0.51 | $ 0.48 | $ 0.48 | $ 0.43 |
| Discontinued operations | -- | 0.06 | -- | 0.06 |
| Cumulative effect of change in accounting principle | -- | -- | -- | (2.80) |
| Net income (loss) | $ 0.51 | $ 0.54 | $ 0.48 | $ (2.31) |
| DILUTED EARNINGS (LOSS) PER COMMON SHARE: | | | | |
| Continuing operations | $ 0.50 | $ 0.46 | $ 0.47 | $ 0.42 |
| Discontinued operations | -- | 0.06 | -- | 0.06 |
| Cumulative effect of change in accounting principle | -- | -- | -- | (2.76) |
| Net income (loss) | $ 0.50 | $ 0.52 | $ 0.47 | $ (2.28) |

The accompanying notes are an integral part of the consolidated financial statements.

JOHNSON OUTDOORS INC.

CONSOLIDATED BALANCE SHEETS
(unaudited)

| (thousands, except share data) | March 28 2003 | September 27 2002 | March 29 2002 |
|---|---|---|---|
| ASSETS | | | |
| Current assets: | | | |
| Cash and temporary cash investments | $ 44,821 | $ 100,830 | $ 13,794 |
| Accounts receivable, less allowance for doubtful accounts of $4,110, $4,028 and $3,662, respectively | 71,520 | 39,972 | 76,944 |
| Inventories | 62,655 | 42,231 | 68,378 |
| Deferred income taxes | 4,985 | 5,083 | 5,014 |
| Other current assets | 6,245 | 4,021 | 5,726 |
| Total current assets | 190,226 | 192,137 | 169,856 |
| Property, plant and equipment | 29,795 | 29,611 | 30,358 |
| Deferred income taxes | 19,520 | 19,588 | 21,835 |
| Intangible assets | 28,930 | 27,139 | 29,434 |
| Other assets | 2,822 | 2,810 | 1,012 |
| Total assets | $ 271,293 | $ 271,285 | $ 252,495 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities: | | | |
| Short-term debt and current maturities of long-term debt | $ 9,538 | $ 8,058 | $ 44,765 |
| Accounts payable | 20,715 | 13,589 | 19,210 |
| Accrued liabilities: | | | |
| Salaries and wages | 7,119 | 9,428 | 6,188 |
| Income taxes | 5,009 | 6,567 | 1,523 |
| Other | 18,629 | 24,005 | 13,140 |
| Total current liabilities | 61,010 | 61,647 | 84,826 |
| Long-term debt, less current maturities | 68,488 | 80,195 | 78,256 |
| Other liabilities | 5,599 | 5,298 | 4,558 |
| Total liabilities | 135,097 | 147,140 | 167,640 |
| Shareholders' equity: | | | |
| Preferred stock: none issued | -- | -- | -- |
| Common stock: | | | |
| Class A shares issued: March 28, 2003, 7,194,649; September 27, 2002, 7,112,155; March 29, 2002, 6,963,203 | 360 | 355 | 347 |
| Class B shares issued (convertible into Class A): March 28, 2003, 1,222,647; September 27, 2002, 1,222,729; March 29, 2002, 1,222,729 | 61 | 61 | 61 |
| Capital in excess of par value | 48,277 | 47,583 | 46,188 |
| Retained earnings | 92,105 | 88,089 | 61,274 |
| Contingent compensation | 5 | (22) | 7 |
| Accumulated other comprehensive loss: | (4,612) | (11,921) | (23,022) |
| Total shareholders' equity | 136,196 | 124,145 | 84,855 |
| Total liabilities and shareholders' equity | $ 271,293 | $ 271,285 | $ 252,495 |

The accompanying notes are an integral part of the consolidated financial statements.

JOHNSON OUTDOORS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

| (thousands) | Six Months Ended | |
|---|---|---|
| | March 28 2003 | March 29 2002 |
| CASH USED FOR OPERATIONS | | |
| Net income (loss) | $ 4,017 | $ (18,888) |
| Less gain from discontinued operations | -- | 495 |
| Less loss from cumulative effect of change in accounting principle | -- | (22,876) |
| Income from continuing operations before cumulative effect of change in accounting principle | 4,017 | 3,493 |
| Adjustments to reconcile income from continuing operations before cumulative effect of change in accounting principle to net cash used for operating activities of continuing operations: | | |
| Depreciation and amortization | 3,981 | 4,472 |
| Deferred income taxes | 139 | 262 |
| Change in assets and liabilities, net of effect of businesses acquired or sold: | | |
| Accounts receivable | (30,186) | (32,529) |
| Inventories | (18,933) | (7,915) |
| Accounts payable and accrued liabilities | (5,413) | 4,491 |
| Other, net | (5,159) | (2,156) |
| | (51,554) | (29,387) |
| CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant and equipment | -- | 4,982 |
| Net additions to property, plant and equipment | (3,351) | (4,150) |
| | (3,351) | 832 |
| CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES | | |
| Issuance of senior notes | -- | 50,000 |
| Principal payments on senior notes and other long-term debt | (8,000) | (11,604) |
| Net change in short-term debt | (38) | (12,793) |
| Common stock transactions | 620 | 1,172 |
| | (7,418) | 26,775 |
| Effect of foreign currency fluctuations on cash | 6,314 | (495) |
| Decrease in cash and temporary cash investments | (56,009) | (2,275) |
| CASH AND TEMPORARY CASH INVESTMENTS | | |
| Beginning of period | 100,830 | 16,069 |
| End of period | $ 44,821 | $ 13,794 |

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1 Basis of Presentation

The consolidated financial statements included herein are unaudited. In the opinion of management, these statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Johnson Outdoors Inc. and subsidiaries (the Company) as of March 28, 2003 and the results of operations and cash flows for the three months and six months ended March 28, 2003. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2002 Annual Report on Form 10-K.

Because of seasonal and other factors, the results of operations for the three months and six months ended March 28, 2003 are not necessarily indicative of the results to be expected for the full year.

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

Certain amounts as previously reported have been reclassified to conform to the current period presentation.

2 Change in Accounting Principle

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.

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 during the quarter ended December 28, 2001 totaling $22,876, net of tax ($2.76 per diluted share) and was reflected as a change in accounting principle. The write off was 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.

3 Income Taxes

The provision for income taxes includes deferred taxes and is based upon estimated annual effective tax rates in the tax jurisdictions in which the Company operates.

4 Inventories

Inventories at the end of the respective periods consist of the following:

| | March 28 2003 | September 27 2002 | March 29 2002 |
|---|---|---|---|
| Raw materials | $ 24,719 | $ 17,709 | $ 22,514 |
| Work in process | 1,339 | 1,072 | 2,418 |
| Finished goods | 39,452 | 25,633 | 46,537 |
| | 65,510 | 44,414 | 71,469 |
| Less reserves | 2,855 | 2,183 | 3,091 |
| | $ 62,655 | $ 42,231 | $ 68,378 |

5 Warranties

The Company has recorded product warranty accruals of $1,947 as of March 28, 2003. The Company provides for warranties of certain products as they are sold in accordance with SFAS No. 5, Accounting for Contingencies. The following table summarizes the warranty activity for the six months ended March 28, 2003.

| | |
|---|---|
| Balance at September 27, 2002 | $ 1,571 |
| Expense accruals for warranties issued during the year | 1,144 |
| Less current year warranty claims paid | 767 |
| Balance at March 28, 2003 | $ 1,947 |

6 Earnings per Share

The following table sets forth the computation of basic and diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 28 2003 | March 29 2002 | March 28 2003 | March 29 2002 |
| Income from continuing operations before cumulative effect of change in accounting principle for basic and diluted earnings per share | $ 4,297 | $ 3,889 | $ 4,017 | $ 3,493 |
| Weighted average common shares outstanding | 8,402,851 | 8,173,716 | 8,379,135 | 8,171,325 |
| Less nonvested restricted stock | 6,895 | 12,803 | 7,813 | 13,498 |
| Basic average common shares | 8,395,956 | 8,160,913 | 8,371,322 | 8,157,827 |
| Dilutive stock options and restricted stock | 164,925 | 220,505 | 153,679 | 131,612 |
| Diluted average common shares | 8,560,881 | 8,381,418 | 8,525,001 | 8,289,439 |
| Basic earnings per common share from continuing operations before cumulative effect of change in accounting principle | $ 0.51 | $ 0.48 | $ 0.48 | $ 0.43 |
| Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle | $ 0.50 | $ 0.46 | $ 0.47 | $ 0.42 |

7 Stock Ownership Plans/Accounting for Stock-Based Compensation

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.

The Company adopted a phantom stock plan during fiscal 2003. Under this plan, certain employees earn cash bonus awards based upon the performance of the Company's Class A common stock.

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

| | Shares | Weighted Average Exercise Price |
|---|---|---|
| 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 |
| Granted | 20,750 | 10.36 |
| Exercised | (67,997) | 7.25 |
| Cancelled | (22,721) | 12.39 |
| Outstanding at March 28, 2003 | 994,051 | $ 9.12 |

Options to purchase 1,243,977 shares of common stock with a weighted average exercise price of $9.14 per share were outstanding at March 29, 2002.

The Company accounts for its stock-based compensation plans under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees. The pro forma information below was determined using the fair value method based on provisions of Statement of Financial Accounting Standard (SFAS) No. 123, Accounting for Stock-Based Compensation, as amended by SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, issued in December 2002.

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 28 2003 | March 29 2002 | March 28 2003 | March 29 2002 |
| Income from continuing operations before cumulative effect of change in accounting principle | $ 4,297 | $ 3,889 | $ 4,017 | $ 3,493 |
| Total stock-based employee compensation expense determined under fair value method for all awards, net of tax | (79) | (137) | (144) | (259) |
| Pro forma income from continuing operations before cumulative effect of change in accounting principle | $ 4,218 | $ 3,752 | $ 3,873 | $ 3,234 |
| Basicearnings per common share from continuing operations before cumulative effect of change in accounting principle | | | | |
| As reported | $ 0.51 | $ 0.48 | $ 0.48 | $ 0.43 |
| Pro forma | $ 0.50 | $ 0.46 | $ 0.46 | $ 0.40 |
| Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle | | | | |
| As reported | $ 0.50 | $ 0.46 | $ 0.47 | $ 0.42 |
| Pro forma | $ 0.50 | $ 0.46 | $ 0.46 | $ 0.40 |

8 Comprehensive Income

Comprehensive income includes net income and changes in shareholders' equity from non-owner sources. For the Company, the elements of comprehensive income excluded from net income are represented primarily by the cumulative foreign currency translation adjustment.

Comprehensive income (loss) for the respective periods consists of the following:

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 28 2003 | March 29 2002 | March 28 2003 | March 29 2002 |
| Net income (loss) | $ 4,297 | $ 4,384 | $ 4,017 | $ (18,888) |
| Translation adjustment | 1,320 | (452) | 7,309 | (3,684) |
| Comprehensive income (loss) | $ 5,617 | $ 3,932 | $ 11,326 | $ (22,572) |

9 Discontinued Operations

The Company recognized a gain from discontinued operations of $495, net of tax, for the three months ended March 29, 2002 related to the final accounting for the sale of the Fishing business.

10 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 United States and various foreign countries, primarily in Europe, Canada and the Pacific Basin. The Company does not believe it has unusual risk related to concentrations in volume of business with a particular customer or supplier, or concentrations in revenue from a particular product.

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 periods presented.

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

| | Three Months Ended | | Six Months Ended | |
|---|---|---|---|---|
| | March 28 2003 | March 29 2002 | March 28 2003 | March 29 2002 |
| Net sales: | | | | |
| Outdoor equipment: | | | | |
| Unaffiliated customers | $ 18,809 | $ 32,815 | $ 30,666 | $ 55,530 |
| Interunit transfers | 11 | 13 | 44 | 23 |
| Motors: | | | | |
| Unaffiliated customers | 27,088 | 25,545 | 41,817 | 38,037 |
| Interunit transfers | 243 | 204 | 520 | 265 |
| Watercraft: | | | | |
| Unaffiliated customers | 19,599 | 21,945 | 31,333 | 32,648 |
| Interunit transfers | 350 | 154 | 525 | 187 |
| Diving: | | | | |
| Unaffiliated customers | 17,673 | 17,469 | 34,132 | 31,292 |
| Interunit transfers | 13 | -- | 29 | -- |
| Other | 96 | (56) | 212 | (51) |
| Eliminations | (617) | (371) | (1,118) | (475) |
| | $ 83,265 | $ 97,718 | $ 138,160 | $ 157,456 |
| Operating profit (loss): | | | | |
| Outdoor equipment | $ 3,039 | $ 4,867 | $ 4,440 | $ 7,453 |
| Motors | 4,296 | 3,190 | 5,873 | 3,740 |
| Watercraft | (1,111) | 842 | (3,040) | (506) |
| Diving | 3,157 | 2,508 | 5,183 | 3,992 |
| Other | (3,257) | (3,149) | (6,166) | (5,430) |
| | $ 6,124 | $ 8,258 | $ 6,290 | $ 9,249 |
| Identifiable assets (end of period): | | | | |
| Outdoor equipment | | | $ 28,855 | $ 55,075 |
| Motors | | | 41,738 | 36,411 |
| Watercraft | | | 74,379 | 66,765 |
| Diving | | | 87,409 | 71,596 |
| Other | | | 38,912 | 22,648 |
| | | | $ 271,293 | $ 252,495 |

## 11 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.

On February 21, 2003, the competition department of the European Commission initiated formal proceedings in a case concerning certain provisions in the former distribution arrangements of the Company's European Scubapro/Uwatec subsidiaries. The Company is currently reviewing the Commission's initial views. The Company has been and will respond accordingly, aggressively pursuing its position. At this preliminary stage in the procedure, the Commission has indicated that it is considering imposing an unspecified fine on the Company and its European Scubapro/Uwatec subsidiaries. The Company cannot currently predict the outcome of the investigation.

Item 2 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 months and six months ended March 28, 2003 and March 29, 2002. This discussion should be read in conjunction with the consolidated financial statements and related notes that immediately precede this section, as well as the Company's 2002 Annual Report on Form 10-K.

Forward Looking Statements

Certain matters discussed in this Form 10-Q 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, unanticipated outcomes related to outstanding litigation matters and the European Commission investigation, 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 Form 10-Q and the Company undertakes no obligations to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Non-GAAP Financial Measures

Included in this Form 10-Q are certain non-GAAP financial measures related to the Company's results excluding the Jack Wolfskin business, which was sold in the fourth quarter of fiscal 2002. The Company believes that excluding the Jack Wolfskin business is useful to the readers of this Form 10-Q because it provides comparable year over year financial information to evaluate performance of the Company's underlying and continuing business. The presentation of the non-GAAP financial information should not be considered in isolation or in lieu of the results prepared in accordance with GAAP, but should be considered in conjunction with these results.

Results of Operations

Net sales for the three months ended March 28, 2003 totaled $83.3 million, a decrease of 14.8% or $14.4 million, compared to $97.7 million in the three months ended March 29, 2002. Excluding the results of the Company's Jack Wolfskin subsidiary, which was sold in the fourth quarter of the prior year, sales of the Company's continuing business increased $1.6 million, or 1.8%, for the quarter over the prior year. A reconciliation of the Company's sales excluding Jack Wolfskin to sales as reported in the statement of operations is set forth below. Foreign currency translations favorably impacted quarterly sales by $2.7 million. Three of the Company's continuing business units had sales growth over the prior year. The Outdoor Equipment business as a whole saw sales decline $14.0 million, or 42.7%. This year over year decline for the quarter is directly attributable to the disposition of the Company's Jack Wolfskin subsidiary. Sales for the continuing portion of the Company's Outdoor Equipment business increased $2.0 million, or 11.6%, to $18.8 million. Military sales in the current fiscal year contributed to these results; however, the Company does not necessarily expect the same level of growth in this channel in future years. The Motors business sales increased $1.6 million, or 6.1%, to $27.3 million as a result of strength in new products as well as continued market share gains. The Diving business sales increased $0.2 million, or 1.2%, to $17.7 million helped by the strengthening of the Euro against the U.S. Dollar. The Watercraft business sales declined $2.1 million, or 9.7%, to $19.9 million. The Watercraft business has experienced continued market softness. For the quarter, these soft market conditions were compounded by an operating issue associated with system integration at one of the Watercraft business locations.

Net sales for the six months ended March 28, 2003 totaled $138.2 million, a decrease of 12.3% or $19.3 million, compared to $157.5 million in the six months ended March 29, 2002. Excluding the results of the Company's Jack Wolfskin subsidiary, which was sold in the fourth quarter of the prior year, sales of the Company's continuing business increased $8.6 million, or 6.7%, year-to-date over the prior year. Foreign currency translations favorably impacted year-to-date sales by $3.8 million. Three of the Company's continuing business units had sales growth over the prior year. The Outdoor Equipment business as a whole saw sales decline $24.8 million, or 44.7%. This decline is directly attributable to the disposition of the Company's Jack Wolfskin subsidiary. Sales for the continuing portion of the Company's Outdoor Equipment business increased $3.1 million, or 11.4%, to $30.4 million mainly as a result of strength in military sales. The Motors business sales increased $4.0 million, or 10.5%, to $42.3 million as a result of strength in new products as well as continued market share gains. The Diving business sales increased $2.9 million, or 9.2%, to $34.2 million as a result of new product sales as well as currency impacts helped by the strengthening of the Euro against the U.S. Dollar. The Watercraft business sales declined $1.0 million, or 3.0%, to $31.9 million, primarily related to the current quarter shortfall.

Relative to the U.S. dollar, the average values of most currencies of the countries in which the Company has operations were higher for the three months and six months ended March 28, 2003 as compared to the corresponding period of the prior year. The Diving business was favorably impacted by foreign currency movements. Excluding the impact of fluctuations in foreign currencies, net sales for the Company's continuing businesses decreased 1.4% for the three months ended March 28, 2003 and increased 3.8% for the six months ended March 28, 2003.

Gross profit as a percentage of sales was 43.5% for the three months ended March 28, 2003 compared to 41.7% in the corresponding period in the prior year. Margins in the Diving, Outdoor Equipment and Motors businesses were improved over the prior year, while the Watercraft business saw margins decline by 4.4 percentage points due to continued market softness. The Motors business improved margins by 3.0 percentage points over the year ago quarter primarily from new products and product mix. The Diving business improved margins by 7.5 percentage points over the year ago quarter, primarily through manufacturing efficiencies and currency gains. Forecasting for the Diving business remains difficult in light of the impact of the war in Iraq and uncertainty relating to the timing of the economic recovery.

Gross profit as a percentage of sales was 43.3% for the six months ended March 28, 2003 compared to 41.9% in the corresponding period in the prior year. Margin improvements in the Motors and Diving businesses helped to offset declines in margins in the Outdoor Equipment and Watercraft businesses.

The Company recognized operating profit of $6.1 million for the three months ended March 28, 2003 compared to an operating profit of $8.3 million for the corresponding period of the prior year. On a continuing business basis operating profit rose 8.0% from the corresponding period a year ago.

For the six months ended March 28, 2003 operating profit declined when compared to the prior year period at $6.3 million versus $9.2 million. On a continuing business basis operating profit rose 19.6% from the corresponding period a year ago. Strong gross profits in the Motors and Diving businesses drove the increase in operating profits. Watercraft operating profit was substantially below prior year, due to soft market conditions and operating issues associated with the implementation of a new operating system.

Interest expense totaled $1.3 million for the three months ended March 28, 2003 compared to $1.9 million for the corresponding period of the prior year. In the current year, the Company benefited from reductions in overall debt due to reductions in working capital. In addition, the Company benefited from declining interest rates on the floating rate facilities. Interest expense totaled $2.7 million for the six months ended March 28, 2003 compared to $3.5 million for the corresponding period of the prior year.

The Company's other income of $2.1 million for the three months ended March 28, 2003 resulted primarily from the currency gains on the settlement of an intercompany loan related to the sale of Jack Wolfskin.

The Company's effective tax rate for the six months ended March 28, 2003 was 39.7%, down from 40.1% for the corresponding period of the prior year, primarily due to the geographic mix of earnings.

The Company recognized income from continuing operations before cumulative effect of change in accounting principle of $4.3 million in the three months ended March 28, 2003, compared to income of $3.9 million in the corresponding period of the prior year. Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle totaled $0.50 for the three months ended March 28, 2003 compared to $0.46 in the prior year. The Company recognized income from continuing operations before cumulative effect of change in accounting principle of $4.0 million in the six months ended March 28, 2003, compared to income of $3.5 million in the corresponding period of the prior year. Diluted earnings per common share from continuing operations before cumulative effect of change in accounting principle totaled $0.47 for the six months ended March 28, 2003 compared to $0.42 in the prior year.

Discontinued Operations

The Company recognized a gain from discontinued operations of $0.5 million, net of tax ($0.06 per diluted share), for the three months ended March 29, 2002 related to the final accounting for the sale of the Company's Fishing business.

Change in Accounting Principle

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.

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 during the quarter ended December 28, 2001 totaling $22.9 million, net of tax ($2.76 per diluted share) and was reflected as a change in accounting principle. The write off was 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.

Net Income (Loss)

Net income for the three months ended March 28, 2003 was $4.3 million, or $0.50 per diluted share, compared to $4.4 million, or $0.52 per diluted share, for the corresponding period of the prior year.

Net income for the six months ended March 28, 2003 was $4.0 million, or $0.47 per diluted share, compared to a loss of $18.9 million, or $2.28 per diluted share, for the corresponding period of the prior year.

Results on a Continuing Business Basis

The following tables show second quarter and year-to-date comparisons of as reported results and results from continuing business basis for the Company.

Second Quarter Comparisons - As Reported and on Continuing Business Basis
(Amounts in millions, except per share data)

| | Three Months Ended March 28, 2003 | | | Three Months Ended March 29, 2002 | | |
|---|---|---|---|---|---|---|
| | As Reported | Jack Wolfskin | Continuing Business(1) | As Reported | Jack Wolfskin | Continuing Business(1) |
| Net sales | $ 83.3 | $ - | $ 83.3 | $ 97.7 | $ 16.0 | $ 81.7 |
| Gross profit | 36.2 | - | 36.2 | 40.7 | 6.7 | 34.0 |
| Operating profit | 6.1 | - | 6.1 | 8.3 | 2.6 | 5.7 |
| Income (2) | 4.3 | - | 4.3 | 3.9 | 1.7 | 2.2 |
| Earnings per share (2) | $ 0.50 | $ - | $ 0.50 | $ 0.46 | $ 0.20 | $ 0.26 |

(1) Continuing Business for the second quarter of both years excludes results from the Jack Wolfskin operation, which was sold in the fourth quarter of fiscal 2002, but was not treated as a discontinued operation according to GAAP.
(2) Income and earnings per share are from continuing operations.

Six Month Comparisons - As Reported and on Continuing Business Basis (Amounts in millions, except per share data)

| | Six Months Ended March 28, 2003 | | | Six Months Ended March 29, 2002 | | |
|---|---|---|---|---|---|---|
| | As Reported | Jack Wolfskin | Continuing Business(1) | As Reported | Jack Wolfskin | Continuing Business(1) |
| Net sales | $ 138.2 | $ 0.4 | $ 137.8 | $ 157.5 | $ 28.3 | $ 129.2 |
| Gross profit | 59.9 | - | 59.9 | 66.0 | 11.4 | 54.6 |
| Operating profit (loss) | 6.3 | (0.1) | 6.4 | 9.2 | 3.9 | 5.3 |
| Income (loss) (2) | 4.0 | (0.1) | 4.1 | 3.5 | 2.4 | 1.1 |
| Earnings (loss) per share (2) | $ 0.47 | $ (0.01) | $ 0.48 | $ 0.42 | $ 0.29 | $ 0.13 |

(1)Continuing Business for the six months of both years excludes results from the Jack Wolfskin operation, which was sold in the fourth quarter of fiscal 2002, but was not treated as a discontinued operation according to GAAP.
(2) Income and earnings per share are from continuing operations before cumulative effect of change in accounting principle.

The following tables show second quarter and year to date comparisons of as reported results and results from a continuing business basis for the Outdoor Equipment business unit.

Outdoor Equipment Segment
Second Quarter Comparisons - As Reported and on Continuing Business Basis
(Amounts in millions)

| | Three Months Ended March 28, 2003 | | | Three Months Ended March 29, 2002 | | |
|---|---|---|---|---|---|---|
| | As Reported | Jack Wolfskin | Continuing Business(1) | As Reported | Jack Wolfskin | Continuing Business(1) |
| Net sales | $ 18.8 | $ - | $ 18.8 | $ 32.8 | $ 16.0 | $ 16.8 |
| Operating profit (loss) | 3.0 | - | 3.0 | 4.9 | 2.6 | 2.3 |

(1) Continuing Business for the second quarter of both years excludes results from the Jack Wolfskin operation, which was sold in the fourth quarter of fiscal 2002, but was not treated as a discontinued operation according to GAAP.

Outdoor Equipment Segment
Six Month Comparisons - As Reported and on Continuing Business Basis
(Amounts in millions)

| | Six Months Ended March 28, 2003 | | | Six Months Ended March 29, 2002 | | |
|---|---|---|---|---|---|---|
| | As Reported | Jack Wolfskin | Continuing Business(1) | As Reported | Jack Wolfskin | Continuing Business(1) |
| Net sales | $ 30.7 | $ 0.4 | $ 30.3 | $ 55.6 | $ 28.3 | $ 27.3 |
| Operating profit (loss) | 4.4 | (0.1) | 4.5 | 7.5 | 3.9 | 3.6 |

(1)Continuing Business for the six months of both years excludes results from the Jack Wolfskin operation, which was sold in the fourth quarter of fiscal 2002, but was not treated as a discontinued operation according to GAAP.

## Financial Condition

The following discusses changes in the Company's liquidity and capital resources related to continuing operations.

### Operations

Cash flows used for operations totaled $51.6 million for the six months ended March 28, 2003 and $30.0 million for the corresponding period of the prior year.

Accounts receivable seasonally increased $30.2 million for the six months ended March 28, 2003, compared to an increase of $32.5 million in the year ago period. Inventories seasonally increased by $18.9 million for the six months ended March 28, 2003 compared to an increase of $7.9 million in the prior year period. The additional build in the current year is primarily related to operational issues in the Watercraft segment and timing of orders in the Outdoor Equipment business. The Company believes it is producing products at levels adequate to meet expected consumer demand for the upcoming outdoor season.

Accounts payable and accrued liabilities decreased $5.4 million for the six months ended March 28, 2003 versus an increase of $4.5 million for the corresponding period of the prior year.

Depreciation and amortization charges were $4.0 million for the six months ended March 28, 2003 and $4.5 million for the corresponding period of the prior year.

### Investing Activities

Cash used for investing activities totaled $3.4 million for the six months ended March 28, 2003 versus cash provided by investing activities of $0.8 million for the corresponding period of the prior year.

Expenditures for property, plant and equipment were $3.4 million for the six months ended March 28, 2003 and $2.4 million for the corresponding period of the prior year. The Company's recurring investments are made primarily for tooling for new products and enhancements. In 2003, capitalized expenditures are anticipated to approach $10.0 million. These expenditures are expected to be funded by working capital or existing credit facilities. The Company sold its former headquarters facility to a related party in the first quarter of the prior year. Proceeds from the sale were $5.0 million.

### Financing Activities

Cash flows used for financing activities totaled $7.4 million for the six months ended March 28, 2003 versus cash provided by financing activities of $26.8 million for the corresponding period of the prior year. The Company made principal payments on senior notes of $8.0 million in the current year and $11.6 million in the prior year. The Company consummated a private placement of long-term debt totaling $50.0 million during the first quarter of the prior year. Proceeds from the debt were used to reduce outstanding indebtedness under the Company's primary revolving credit facility.

## 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.

On February 21, 2003, the competition department of the European Commission initiated formal proceedings in a case concerning certain provisions in the former distribution arrangements of the Company's European Scubapro/Uwatec subsidiaries. The Company is currently reviewing the Commission's initial views. The Company has been and will respond accordingly, aggressively pursuing its position. At this preliminary stage in the procedure, the Commission has indicated that it is considering imposing an unspecified fine on the Company and its European Scubapro/Uwatec subsidiaries. The Company cannot currently predict the outcome of the investigation.

## 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 Euros, 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 may mitigate 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 United States 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, plastics 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 currency swaps and fixed rate debt. 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 rates on market risk sensitive instruments outstanding at March 28, 2003:

| (millions) | Estimated Impact on | |
|---|---|---|
| | Fair Value | Earnings Before Income Taxes |
| Interest rate instruments | $1.9 | $0.8 |

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 29, 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 first 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.

## Item 3. 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 4. 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.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

On February 21, 2003, the competition department of the European Commission initiated formal proceedings in a case concerning certain provisions in the former distribution arrangements of the Company's European Scubapro/Uwatec subsidiaries. The Company is currently reviewing the Commission's initial views. The Company has been and will respond accordingly, aggressively pursuing its position. At this preliminary stage in the procedure, the Commission has indicated that it is considering imposing an unspecified fine on the Company and its European Scubapro/Uwatec subsidiaries. The Company cannot currently predict the outcome of the investigation.

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's Annual Meeting on February 19, 2003, the shareholders voted to elect the following individuals as directors for terms that expire at the next annual meeting:

| | Votes Cast For | Votes Withheld | Broker Non-Votes |
|---|---|---|---|
| Class A Directors: | | | |
| Terry E. London | 6,674,777 | 124,956 | 0 |
| John M. Fahey, Jr. | 6,674,762 | 124,971 | 0 |
| Class B Directors: | | | |
| Samuel C. Johnson | 1,203,969 | 0 | 0 |
| Helen P. Johnson-Leipold | 1,203,969 | 0 | 0 |
| Thomas F. Pyle, Jr. | 1,203,969 | 0 | 0 |
| Gregory E. Lawton | 1,203,969 | 0 | 0 |

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are filed as part of this Form 10-Q

10.1 Johnson Outdoors Inc. Worldwide Key Executive Phantom Share Long-Term Incentive Plan
10.2 Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan
99.1 Certification of Chairman and CEO pursuant to 18 U.S.C.ss.1350
99.2 Certification of Vice President and CFO pursuant to 18 U.S.C.ss.1350

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the second quarter.

SIGNATURES

Pursuant to the requirements 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.

JOHNSON OUTDOORS INC.

Date: May 12, 2003

/s/ Helen P. Johnson-Leipold
---------------------------------------------
Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

/s/ Paul A. Lehmann
---------------------------------------------
Paul A. Lehmann
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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

1. I have reviewed this quarterly report on Form 10-Q of Johnson Outdoors Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officer 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 quarterly 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 quarterly report (the "Evaluation Date"); and

   (c) presented in this quarterly report 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 officer 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 officer and I have indicated in this quarterly 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.

/s/ Helen P. Johnson-Leipold
- -----------------------------------------------------
Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
May 12, 2003

I, Paul A. Lehmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Johnson Outdoors Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officer 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 quarterly 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 quarterly report (the "Evaluation Date"); and

   (c) presented in this quarterly report 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 officer 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 officer and I have indicated in this quarterly 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.

/s/ Paul A. Lehmann

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Paul A. Lehmann
Vice President and Chief Financial Officer
May 12, 2003

Exhibit Index to Quarterly Report on Form 10-Q

| Exhibit Number | Description |
|---|---|
| 10.1 | Johnson Outdoors Inc. Worldwide Key Executive Phantom Share Long-Term Incentive Plan |
| 10.2 | Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan |
| 99.1 | Certification of Chairman and CEO pursuant to 18 U.S.C.ss.1350 |
| 99.2 | Certification of Vice President and CFO pursuant to 18 U.S.C.ss.1350 |

Exhibit 10.1

PLAN DOCUMENT

Johnson Outdoors Inc.

# WORLDWIDE KEY EXECUTIVE PHANTOM SHARE LONG-TERM INCENTIVE PLAN

## 1. PURPOSE

The purpose of the Johnson Outdoors Inc. Worldwide Key Executive Phantom Share Long-Term Incentive Plan (the "Plan") is to promote the best interests of Johnson Outdoors Inc. (the "Company") by enhancing the ability to attract and retain key employees of the Company and its subsidiaries who are expected to make substantial contributions to the Company's long-term growth plans by giving such key employees an opportunity to receive additional compensation based on the performance of the Company's Class A common stock ("Common Stock").

## 2. EFFECTIVE DATE AND TERM OF PLAN

The Plan shall be effective as of December 16, 2002 and shall remain in effect until terminated by the Compensation Committee of the Board of Directors (the "Committee") in accordance with Section 7(a).

## 3. ADMINISTRATION

The Plan shall be administered by the Committee. Subject to the terms of the Plan, the Committee shall have the sole discretion and full power and authority to: (i) select the key employees to whom awards will be granted under the Plan (the "Participants"); (ii) establish dollar denominated cash target awards ("cash target award") to serve as the basis for conversion into phantom shares as contemplated by Section 5; (iii) determine the basis on which awards may be earned or vest and whether an award is earned or vested; and (iv) adopt such rules and regulations and make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. Subject to the express terms of the Plan, all designations, determinations, interpretations and other decisions with respect to the Plan or any award shall be made by the Committee in its sole discretion and shall be final, conclusive and binding on all parties.

## 4. PARTICIPANTS

The list of eligible Participants shall initially be limited to the Company's Chairman and Chief Executive Officer, those Vice Presidents or Presidents who report to the Chairman and Chief Executive Officer, the Group Vice Presidents for Motors, Watercraft, OEG,

and Diving, the President of NA Diving, and the Vice President of Operations. Other key employees may be selected as Participants at the sole discretion of the Committee.

## 5. AWARDS & VESTING

(a) On an annual basis, a cash target award will be fixed by the Committee for each Participant. A Participant will earn such cash target award (assuming such Participant remains employed by the Company or one of its subsidiaries) subject to the achievement of such performance goals as are selected by the Committee in its sole discretion. The earned cash target award for a Participant in any year may be equal to, or less or greater than, the cash target award established by the Committee for such Participant for that year under the Plan, but under no circumstance shall such earned cash target award for a Participant be less than 75% or greater than 125% of the cash target award established by the Committee for such Participant for that year. That portion, if any, of a cash target award unearned by a Participant in the year the award was granted will be forfeited by such Participant. In no event shall a Participant be entitled to earn a cash target award if such Participant does not remain employed by the Company or one of its subsidiaries through the date on which such award is scheduled to be earned.

(b) On the date that a cash target award is earned, such earned award shall be immediately converted into that number of phantom shares (rounded up to the nearest whole number) equal to (i) the aggregate dollar value of the earned cash target award divided by (ii) the "fair market value" of one share of Common Stock on that date. For purposes of the Plan, the term "fair market value" of one share of Common Stock on any given date shall be the weighted average of the closing sales prices of the Common Stock during the 90-day trailing trading period immediately preceding the date of determination, as reported on the Nasdaq National Market or on such other exchange or market on which shares of Common Stock are then traded.

(c) The phantom shares held by a Participant will become 100% vested on the third anniversary of the date on which such phantom shares are issued; provided that, except as otherwise contemplated by Section 6(f) of the Plan, the Participant remains continuously employed by the Company or one of its subsidiaries during that period; and provided further that if the fair market value of the Common Stock on the date of vesting has declined by more than 25% as compared with the fair market value on the date the cash target award was earned, then vesting will be suspended for one year, and if the fair market value on the fourth anniversary of the date the phantom shares were issued is at least 75% of the fair market value on the date the cash target award was earned, then vesting will occur; otherwise the phantom shares will not vest and will be forfeited. In the event that phantom shares granted under the Plan vest, the Participant holding such phantom shares shall be entitled to receive, within 30 days of the vesting date and in full satisfaction of the vested phantom shares, a cash payment equal the product of (i) the number of vested phantom shares multiplied by (ii) the fair market value of one share of

Common Stock on the date of vesting; provided, however, that, in determining the cash payment to be made, the amount, if any, by which the fair market value of one share of Common Stock on the date of vesting exceeds three times the fair market value of such share on the date the cash target award was earned shall not be considered.

6. GENERAL PROVISIONS

(a) Transferability. Except as otherwise provided by the Committee, no award subject to the Plan shall be assignable, alienable, saleable or otherwise transferable by the Participant other than by will or the applicable laws of descent and distribution.

(b) Phantom Share Agreements. All awards of phantom shares under the Plan shall be evidenced by written agreements in such form as the Committee shall determine.

(c) Tax Withholding. The Company shall have the right to deduct and withhold from any cash otherwise payable to a Participant such amounts as may be required to satisfy any federal, state, or local withholding taxes, and to take such other actions as may be required to satisfy such withholding obligations.

(d) Settlement. Subject to the terms of the Plan, the Committee may permit a Participant to defer all or any portion of a payment under the Plan, including the crediting of interest on deferred amounts.

(e) Change in Control. Notwithstanding any other provisions of the Plan, in order to preserve a Participant's rights in the event of a Change in Control (as defined below) of the Company, the Committee in its discretion may take any action that it deems to be in the best interest of the Company and the Participant which could include but is not limited to the following actions: (i) provide for accelerated vesting of outstanding phantom shares; (ii) adjust the terms under which an established cash target award shall be earned; (iii) or any other action that is equitable and in the best interest of the Company. For the purposes of this Plan, a Change in Control shall be deemed to have occurred if the Johnson Family (as defined below) shall at any time fail to own stock of the Company having, in the aggregate, votes sufficient to elect at least fifty-one percent (51%) majority of the directors of the Company. Johnson Family shall mean at any time, collectively, Samuel C. Johnson, his wife and their children and grandchildren, the executor or administrators of the estate or other legal representative of any such person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations, or other entities directly or indirectly controlled by the foregoing or any one or more or them.

(f) Termination of Employment.

(i) In the event a Participant's employment with the Company or any of its subsidiaries is terminated for any reason, except death, retirement (in accordance with the Company's retirement policies) or total and permanent disability, all rights relating to unvested phantom shares under the Plan shall be immediately forfeited.

(ii) In the event a Participant's employment terminates by reason of death, retirement or total and permanent disability, any unvested phantom shares shall vest under normal timing in accordance with the Plan as though the Participant had remained employed by the Company or one of its subsidiaries, and then be paid in accordance with the Plan to the Participant or, in the event of a Participant's death, to the person to whom the phantom shares have been transferred by will or by the applicable laws of descent and distribution or otherwise as permitted by the Committee.

7. MISCELLANEOUS

(a) Plan Amendment. The Committee may at any time amend, alter, suspend, discontinue or terminate the Plan as it deems necessary or appropriate; provided, however, that any cash target award established or earned or phantom share issued under the Plan may not be adversely affected without the consent of the Participant.

(b) No Right to Employment. No person shall have any claim or right to be granted a cash target award or phantom shares, and the grant of a cash target award or phantom shares shall not be construed as giving the Participant the right to continued employment. The Company expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan.

(c) Other Company Benefit and Compensation Programs. Except as expressly determined by the Committee, cash target awards earned or phantom shares issued under this Plan shall not be deemed as part of the Participant's regular, recurring compensation for the purposes of calculating payments or benefits from any Company benefit or severance program (or severance pay law of any country). The above notwithstanding, the Company may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary.

(d) Successors and Assignees. The Plan shall be binding on all successors and assigns of a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

(e) Adjustment Provisions. In the event of a stock split, stock dividend (other than a stock dividend declared in lieu of an ordinary cash dividend), spin-off, merger, consolidation, recapitalization, split-up, combination or exchange of shares, or similar transaction, the Committee shall have the discretion to make appropriate adjustments relating to the Plan and awards hereunder that the Committee deems fair and equitable to both the Company and the Participants.

(f) No Rights of a Shareholder. Phantom shares shall be utilized solely as a device for ultimately converting an earned and vested award into a cash payment as provided in the Plan. Neither the establishment of a cash target award, the earning of a cash target award or the vesting of phantom shares shall be construed in any way as giving a Participant any interest other than as provided in the Plan. As such, a Participant shall have no rights as a shareholder with respect to the number of phantom shares covered by any award, whether vested or unvested.

(g) Unfunded Plan. This Plan shall be unfunded, and phantom shares shall not constitute or be treated as outstanding stock nor as a trust fund of any kind. All amounts at any time credited to a Participant shall be and remain the sole property of the Company and its subsidiaries, and the Participant shall have no ownership rights with respect thereto. Participants shall have the status of general unsecured creditors of the Company and its subsidiaries and the Plan constitutes a mere promise by the Company and its subsidiaries to make payments in the future if such payments become due under the Plan guidelines.

(h) Governing Law. The validity, construction and effect of the Plan and any actions taken under or relating to the Plan shall be determined in accordance with laws of the State of Wisconsin and applicable federal law.

Exhibit 10.2

# PLAN DOCUMENT

## Johnson Outdoors Inc.

## WORLDWIDE KEY EXECUTIVES' DISCRETIONARY BONUS PLAN

I. ADOPTION OF PLAN
Johnson Outdoors Inc. (the "Company") hereby adopts this Plan effective October 1, 2000 for key executives (the "Participants") of its worldwide operations. The Plan shall be ongoing until terminated by the Chief Executive Officer, the Board of Directors of the Company or the Compensation Committee (the "CC") of the Board of Directors. Awards shall be made under this Plan, if, and only if, authorized by the Chief Executive Officer and approved by the CC where applicable, and shall be made in accordance with the Plan.

II. PURPOSES OF THE DISCRETIONARY BONUS PLAN
To provide incentive compensation to Participants which indirectly relates the financial reward to an increase in the value of the Company to our shareholders. The key philosophy behind the Plan is that value must continue to be created over time in order for bonuses to be paid. Additionally, the Plan is intended to:

A. Motivate Participants to achieve individual/team results.

B. Motivate Participants to develop maximum resourcefulness and resiliency in planning and directing their organizations in the face of changing competitive, economic, political and other conditions.

C. Provide an incentive for Participants to constructively assist other organizations in the Company to meet current and future challenges.

D. Encourage Participants to develop realistic yet challenging annual key objectives that will stretch their organization's capabilities.



III. DISCRETIONARY BONUS PLAN

A. Eligibility

Each year, or more frequently as may be required, the Chief Executive Officer shall select those Participants who shall be eligible for this Plan.

Eligibility of a position in the Plan in a given year is not a guarantee that a payout will be made to an incumbent for that year. Incumbents in approved eligible key executive positions will be notified of their selection as a Participant prior to the beginning of the fiscal year. Additional Participants may be added during the fiscal year by the Chief Executive Officer and/or the CC.

B. Administration of the Plan

1. Basis for Awards

Individual bonus awards shall be based on the total base salary received by the Participant during the fiscal year. For this purpose, the term "base salary" shall not include profit sharing, expense allowances or any other payments or benefits, whether legally required or not.

Target bonus amounts will be established by the CEO before the start of each fiscal year for all eligible Participants. These target bonus amounts are not intended to limit the Chief Executive Officer's complete flexibility in exercising his/her discretion in any way. The target bonus amount can range from 10% to 100% of base salary, depending upon the Participant's position. The bonus range for purposes of payout is 0% to 200% of the target bonus amount (as example, a Participant with a bonus target of 25% will have a payout range of 0% to 50% of base salary).

Each Participant will have his/her target bonus split, with a portion allocated to achievement of revenue growth and income in excess of the cost-of-capital (the "Return and Growth Matrix") AND a portion allocated to achievement of individual objectives (the "MBOs"). In all cases, the minimum percentage of the target bonus allocated to the Return and Growth Matrix will be 60% for all Participants.

2. Cost

When target bonuses are established in each year, the cost of the Plan for that year shall be estimated for the Chief Executive Officer's approval. However, regardless of the performance level of individual Participants, overall Company financial performance shall be considered in determining the degree to which the sum total of all bonuses is deemed affordable and justified and bonus awards may be adjusted to reflect that determination.

3. Determination of Return and Growth Matrix Award

For each fiscal year, a Return and Growth Matrix will be developed for the following levels: Johnson Outdoors, each Group (i.e. - Watercraft or Global Diving), and each subsidiary (i.e. Ocean Kayak or Old Town Canoe).

Depending on the Participant's position, the Return and Growth Matrix performance goals will be determined at one or more levels as described above. As an example, corporate staff will be based on Johnson Outdoors, whereas a Participant at the subsidiary level will have their award based on a combination of their subsidiary, Group, and Johnson Outdoors performance.

For all Participants, of the portion of the target bonus allocated to the Return and Growth Matrix, at least 10% will be based on Total Johnson Outdoors performance.

4. Determination of Individual Awards

Each Participant will develop individual objectives (MBOs) that are aligned with one or more of the following areas:

a) Business or position specific financial

b) Cross-business partnerships (networking)

c) New product innovation

d) People development/organization capacity

Depending on the Participant's position, he/she may have objectives in one or more of the aforementioned areas. In all cases, so as to not diminish the importance of these objectives, no Participant may establish more than 4 MBOs in aggregate.

In determining MBO awards, the following factors will be assessed:

- o results against all annual objectives
- o retrospective assessment of the degree of stretch required to accomplish the objectives
- o overall performance

## IV. ADMINISTRATIVE

### A. Termination Prior to Payout

Should the employment of a Participant terminate for any reason before payout under this Plan is made, the Chief Executive Officer or other designated final approval authorities will consider the circumstances of his/her termination and may, in his/her or their sole discretion, adjust or eliminate such bonus award as deemed appropriate.

### B. Awards Fully Discretionary

It is expected that individual awards will vary and that overall performance differences will be reflected in differing awards. There is neither a fixed formula nor a guarantee that awards will be made to Participants under this Plan; nor is there any commitment whatsoever by the Company that it shall make any payments in a given year.

### C. Detailed Plan Administration

Two levels of approvals are normally required for performance objectives and awards, including a signature of an Executive Officer. Awards require the final approval of the Executive Officer to whom the Participant directly or indirectly reports, subject to review by the CEO.

### D. Process for Preparing & Securing Approval of Individual Objectives (MBOs)

Participants and their superiors establish annual objectives for the next fiscal year in conjunction with the adoption of the annual budget for that year.

The format for objective setting is distributed to Participants by their superiors prior to the start of the fiscal year. Each Participant drafts his/her objectives; the Participant then discusses them with the superior and together they reach a mutual agreement on objectives. The objectives receive final approval from the Executive Officer to whom the Participant reports. Following their approval, the finally approved objectives are then returned to each Participant.

E. Reviewing Year End Results

At the close of the fiscal year, the superior evaluates the Participant's performance against the annual objectives established for such year. This information is discussed with the Participant, who is given an opportunity to provide additional information or evidence of completion. The superior submits his/her evaluation of performance against objectives and assessment of overall performance to the next level of management.

F. Recommended Bonus Awards

Based on the year end results reported in E. above, bonus award recommendations are made to the CEO by the Executive Officer to whom the eligible participant reports. In the absence of the appropriate officer to recommend a bonus award, the Chief Executive Officer can act.

G. Reserved Authority of the Chief Executive Officer

The Chief Executive Officer shall have final authority to approve or change any recommended individual bonuses. He/she may, at his/her sole discretion, reduce, eliminate or increase such recommended bonuses, regardless of anything contained in this Plan.

H. New Hires/Promotion

An individual who is hired/promoted into a position that is eligible to participate in the Plan may be granted a bonus award in the year of entry in such an amount as may be deemed appropriate by the Chief Executive Officer

I. Transfers

A Participant who transfers from one operation to another during the Plan year will have his/her performance goals modified to reflect the time spent working in each operation.

J. No Guarantee

Participation in the Plan provides no guarantee that a bonus under the Plan will be paid.

K. Withholding of Taxes

The Company shall have the right to withhold the amount of taxes which, in the sole determination of the Company, are required to be withheld under law with respect to any amount due or paid under the Plan.

L. No Prior Right or Offer

Except and until expressly granted pursuant to the Plan, nothing in the Plan shall be deemed to give any employee any contractual or other right to participate in the benefits of the Plan. No award to any such Participant in any Plan Period shall be deemed to create a right to receive any award or to participate in the benefits of the Plan in any subsequent fiscal year

M. No Continued Employment

Neither the establishment of the Plan or the grant of an award thereunder shall be deemed to constitute an express or implied contract of employment on any Participant for any period of time or in any way abridge the rights of the Company to determine the terms and conditions of employment or to terminate the employment of any employee with or without cause at any time.

N. Not Part of Other Benefits

The benefits provided in this Plan shall not be deemed a part of any other benefit provided by the Company to its employees. The Company assumes and shall have no obligation to Participants except as expressly provided in the Plan.

V. METHOD OF PAYMENT OF DISCRETIONARY BONUS AWARDS

A. Bonus Not Counted As Compensation

Bonus payments shall be excluded from the computation of other parts of the Participant's personal benefit and compensation packages, such as, for example, that Participant's retirement contributions and life insurance.

B. Normal Payout

Unless a Participant has elected to defer payment under C. below, all bonus payouts shall be paid in cash no later than January 31 following the fiscal year close.

C. Deferral of Bonus Payments

1. Election to Defer - Prior to the beginning of a fiscal year, or for a newly eligible Participant, within the first thirty (30) days of the Plan participation, Participants may elect to defer all or part of any bonus that may be awarded to that executive for such year by action of the Chief Executive Officer, provided the amount deferred is a minimum of $15,000.00 (fifteen thousand dollars). Such election shall be irrevocable during the full period of deferral unless the Chief Executive Officer, at his/her sole discretion, decides to modify it upon a clear showing of financial hardship suffered or likely to be suffered by that Participant. Amounts deferred will be allocated to a "Deferred Bonus Account" which will be a bookkeeping account established in the Participant's name. The Company makes no representation about the tax consequences to Participants as a result of making a deferral election hereunder. Each Participant is advised to seek their own personal tax advice.

2. Period of Deferral - Normally, all deferrals shall be for the full term of employment; e.g. until termination or death. However, each Participant may elect to defer his/her bonus award for a set period of years subject to the approval of the Chief Executive Officer. If the Participant who chose deferral for a specific period terminates employment before the end of such period, the Deferred Bonus Account of that Participant shall, upon termination, be distributed in accordance with the distribution provisions in Paragraph C.4. below.

3. Interest Rate - Deferred bonus awards shall increase in value during the years prior to distribution at a rate to be established at the discretion of the Chief Executive Officer. Such increase in value shall be credited to the Participant's Deferred Bonus Account as of the end of each quarter and shall thereafter become part of that Participant's Deferred Bonus Account.

4. Distribution from Deferred Bonus Accounts - Upon termination of the Participant's employment or the end of the set period of deferral, the Deferred Bonus Account of that Participant shall be paid to that Participant in full in a single cash payment or in installments over a period of up to ten (10) years (as elected by the Participant), as detailed below:

If the Participant's employment with the Company terminates for any reason other than death or retirement, the entire unpaid balance of the Deferred Bonus Account, plus any added value or accrued interest, shall be paid within ninety (90) days following the effective date of termination of employment.

If the Participant's employment with the Company terminates due to his/her retirement, payment of the Deferred Bonus Account shall be made as elected by the Participant on his/her "Request for Payment" form and as previously approved by the Chief Executive Officer. Bonuses paid in installments shall bear interest on the unpaid amount during the installment payment period at a rate to be established at the discretion of the Chief Executive Officer.

If the Participant dies before he/she receives the entire bonus, the entire unpaid balance of the bonus, plus any accrued interest, shall be paid either within one hundred twenty (120) days following receipt of notice of his/her death by the Director - Human Resources of the Company, or in such installments over a period of not more than ten (10) years following his/her death, as determined by the Chief Executive Officer. Bonuses paid in installments shall bear interest on the unpaid amount during the installment payment period at a rate to be established at the discretion of the Chief Executive Officer.

Bonuses awarded to a Participant may not be assigned, transferred, or pledged by the Participant either voluntarily or involuntarily.

The Participant may, however, submit a written designation of beneficiary of the Deferred Bonus Account to the Director - Human Resources of the Company at any time. In the absence of a properly designated beneficiary, payment shall be made to the Participant's estate.

## VI. CLAIMS PROCEDURES

If for any reason a claim for benefits under this Plan is denied by the Chief Executive Officer, the Chief Executive Officer shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the section of the Plan on which the denial is based, such other data as may be pertinent, and information on the procedures to be followed by the claimant in obtaining a review of this claim, all written in a manner calculated to be understood by the claimant. For this purpose, the claimant's claim shall be deemed filed when presented in writing to the Chief Executive Officer, and the Chief Executive Officer's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed. The claimant shall have 60 days following his receipt of the denial of the claim to file with the Chief Executive Officer a written request for review of the denial. For such review, the claimant or his representative may submit pertinent documents and written issues and comments. The Chief Executive Officer shall decide the issue on review and furnish the claimant with a copy of such decision within 60 days of receipt of the claimant's request for review of his claim. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent provisions of the Plan on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claim shall be deemed denied on review.

VII. GOVERNING LAW

Except to the extent preempted by the Employee Retirement Income Security Act of 1974 (ERISA), this Plan shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to conflict of law principles thereof.

VIII. NO TRUST CREATED

Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or the Chief Executive Officer and any Participant, his designated beneficiary(ies), or any other person. Participant and the beneficiaries thereof have the status of general unsecured creditors of the Company. The Plan constitutes a mere promise by the Company to make benefit payments in the future. To the extent that any person acquires a right a receive payments from the Company under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. It is the intention of the parties that the arrangements hereunder be unfunded for tax purposes and for purposes of Title I of ERISA.

IX. OFFSET PERMITTED

Notwithstanding any provision of the Plan to the contrary, the Company shall have the right to reduce and offset any payment to which Participant or beneficiary is entitled hereunder by the amount of any debt or other amount owed to the Company by Participant at the time of such payment.

X. TERMINATION AND AMENDMENT

This plan may be amended, modified, terminated or otherwise altered at any time and from time to time by the Chief Executive Officer, the Compensation Committee, or the Board of Directors without written consent of any Participant or beneficiary.

JOHNSON OUTDOORS INC.

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 Quarterly Report on Form 10-Q of the Company for the quarter ended March 28, 2003 (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
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Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
May 12, 2003

A signed original of this written statement required by 18 U.S.C. ss.1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

JOHNSON OUTDOORS INC.

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 Quarterly Report on Form 10-Q of the Company for the quarter ended March 28, 2003 (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

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Paul A. Lehmann
Vice President and Chief Financial Officer
May 12, 2003

A signed original of this written statement required by 18 U.S.C. ss.1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.