



Johnson Outdoors Announces Fiscal 2009 Third Quarter Results

RACINE, Wis., Jul 31, 2009 (GlobeNewswire via COMTEX News Network) -- Johnson Outdoors Inc. (Nasdaq:JOUT), a leading global outdoor recreation company, today announced higher earnings on lower net sales for its third fiscal quarter ended July 3, 2009. Total net sales for the quarter were \$114.9 million compared to \$141.2 million in the prior year period. Income from continuing operations of \$9.0 million, or \$0.98 per diluted share, compared favorably to income from continuing operations of \$7.9 million, or \$0.85 per diluted share, in the same quarter last year due to cost savings and tax benefits which offset the negative impact of declining sales on profitability.

"We have made significant progress in reducing costs and improving efficiency, while protecting our leadership positions in a very challenging marketplace. Importantly, long-term restructuring initiatives are transforming the way we do business to ensure more resilient operations and stronger, more competitive businesses which we believe will be better positioned to deliver sustained profitable growth and enhanced shareholder value in the future," said Helen Johnson-Leipold, Chairman and Chief Executive Officer.

COST REDUCTION UPDATE

On December 4, 2008, the Company announced comprehensive cost-reduction plans which included an aggressive \$20 million cost savings target, lower capital spending and significant reduction in peak working capital. At the end of the third quarter:

- * Cost savings efforts were progressing on track and in line with expectations. For the quarter, operating expense decreased 14 percent from the prior year third quarter.
- * Working capital was \$124.6 million at quarter-end, reflecting a \$47 million (27 percent) decline compared to the prior year quarter as net inventory levels dropped 36 percent from the previous year quarter.
- * Capital spending was down 38 percent year-over-year.

THIRD QUARTER RESULTS

Third quarter sales historically reflect customer inventory replenishment due to consumer demand during the primary retail selling period for the Company's warm-weather seasonal outdoor products. Total net sales declined 18.6 percent compared to the prior year quarter, due largely to economic conditions in key markets. Key factors behind the results were:

- * Marine Electronics revenues were 15.8 percent below last year due primarily to continued weakness in domestic and international boat markets.
- * Watercraft sales were 26.4 percent below the prior year due to lower customer reorders, unfavorable currency translation of 3.4 percent and continued scaling back of distribution in non-core channels.
- * Diving revenues were down 11.3 percent due to weak economies in key markets and unfavorable currency translation of 6.7 percent.
- * Outdoor Equipment sales compared unfavorably by 24.9 percent to last year due primarily to a decrease in military tent orders and commercial tent market weakness.

Total Company operating profit of \$10.6 million for the third fiscal quarter compared unfavorably to operating profit of \$14.6 million in the prior year quarter. Key factors contributing to the comparison were:

- * Lower sales in all businesses, partially offset by benefits realized from cost savings efforts.
- * Charges of \$1.4 million in the current year quarter associated with the restructuring of Watercraft operations.
- * Reversal of bonus and profit sharing accruals of \$3.2 million in the prior year quarter.

The Company reported income from continuing operations of \$9.0 million, or \$0.98 per diluted share, during the third fiscal quarter, compared to income from continuing operations of \$7.9 million, or \$0.85 per diluted share, in the same quarter last year. State income tax credits related to recent expansion of Humminbird(r) operations in Alabama added \$1.4 million to net income for the current year quarter. A deferred tax valuation allowance benefit of \$2.2 million also favorably impacted net income this quarter. Interest expense for the third quarter increased \$1.0 million over the prior year quarter due to non-cash accounting charges related to an interest rate swap.

In June 2009, the Company announced it was consolidating all domestic Watercraft production and business and customer support services in Old Town, Maine and closing its Ferndale, Washington facility as part of an initiative to significantly reduce cost and complexity, optimize synergies and assets, strengthen competitiveness and improve profitability for the future. Consolidation is anticipated to result in annual cost-savings of more than \$4 million going forward. Costs and charges associated with the action are estimated to have a negative impact on earnings per diluted share of between \$0.16 and \$0.20 in the fourth fiscal quarter of 2009.

YEAR-TO-DATE RESULTS

Net sales in the first nine months of fiscal 2009 were \$291.2 million versus \$339.0 million in the same nine-month period last year, a decrease of 14 percent. Key drivers in the year-to-date period were:

- * Lower sales in all key markets due to weak economic conditions.
- * Unfavorable currency translation of 3.4 percent.

Total Company operating profit was \$11.2 million during the first nine months of fiscal 2009 compared to operating profit of \$13.6 million during the prior year-to-date period. Income from continuing operations for the first nine months of the year was \$4.5 million, or \$0.49 per diluted share, versus income of \$5.0 million, or \$0.55 per diluted share, in the first nine months of the prior year. Primary drivers behind the year-to-date comparison were:

- * Lower sales in all key markets.
- * Improved operating efficiency and aggressive cost savings efforts, which helped offset the impact of lower sales and unfavorable product mix on margins during the period.
- * Increased interest expense of \$3.2 million pre-tax due to \$2.1 million in non-cash accounting charges related to an interest rate swap and the increase in the Company's bank term debt interest rate.
- * Favorable impact from state tax credits and deferred tax valuation allowance.

OTHER FINANCIAL INFORMATION

The Company's debt level was \$60.8 million at the end of the third quarter versus \$70.0 million at the end of the prior year quarter, and debt, net of cash, was \$26.9 million at the end of the current quarter versus \$47.7 million at the end of the previous year quarter. Depreciation and amortization was \$8.0 million year-to-date, compared to \$7.4 million during the first nine months of the prior year. Capital spending totaled \$5.2 million during the first nine months of fiscal 2009 compared with \$8.4 million in same period in 2008.

"Strict inventory management and production planning processes, along with disciplined cash management and spending controls throughout the year have helped drive cost and inefficiency out of the operations, improve our profitability profile overall and strengthen the balance sheet," said David W. Johnson, Vice President and Chief Financial Officer.

WEBCAST

The Company will host a conference call and audio web cast at 11:00 a.m. Eastern Time on Friday July 31, 2009. A live listen-only web cast of the conference call may be accessed at Johnson Outdoors' home page. A replay of the call will be available for 30 days on the Internet.

ABOUT JOHNSON OUTDOORS INC.

JOHNSON OUTDOORS is a leading global outdoor recreation company that turns ideas into adventure with innovative, top-quality products. The company designs, manufactures and markets a portfolio of winning, consumer-preferred brands across four categories: Watercraft, Marine Electronics, Diving and Outdoor Equipment. Johnson Outdoors' familiar brands include, among others: Old Town(r) canoes and kayaks; Ocean Kayak(tm) and Necky(r) kayaks; Carlisle and Lendal(r) paddles; Extrasport(r) personal flotation devices; Minn Kota(r) motors; Cannon(r) downriggers; Humminbird(r) fishfinders; Geonav(r) chartplotters; SCUBAPRO(r) UWATEC(r) and Seemann(r) dive equipment; Silva(r) compasses; Tech4O(r) digital instruments; and Eureka!(r) tents.

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SAFE HARBOR STATEMENT

Certain matters discussed in this press release are "forward-looking statements," intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical fact are considered forward-looking statements. These statements may be identified by the use of forward-looking words or phrases such as "anticipate," "believe," "could," "expect," "intend," "may," "planned," "potential," "should," "will," "would" or the negative of those terms or other words of similar meaning. 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; the Company's success in implementing its strategic plan, including its focus on innovation; actions of and disputes with companies that compete with the Company; the Company's success in managing inventory; the risk that the Company's lenders may be unwilling to provide a waiver or amendment if the Company is in violation of its financial covenants and the cost to the Company of obtaining any waiver or amendment that the lenders would be willing to provide; risk of future write-downs of goodwill or other intangible assets; ability of the Company's customers to meet payment obligations; movements in foreign currencies or interest rates; the Company's success in restructuring of its Watercraft and Diving operations; the success of suppliers and customers; the ability of the Company to deploy its capital successfully; adverse weather conditions; and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. 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 press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

JOHNSON OUTDOORS INC.

(thousands, except per share amounts)

Operating Results	THREE MONTHS ENDED		NINE MONTHS ENDED	
	July 3 2009	June 27 2008	July 3 2009	June 27 2008
Net sales	\$ 114,850	\$ 141,243	\$ 291,236	\$ 339,023
Cost of sales	68,755	85,492	180,067	207,177
Gross profit	46,095	55,751	111,169	131,846
Operating expenses	35,509	41,182	100,014	118,211
Operating profit	10,586	14,569	11,155	13,635

Interest expense, net	2,629	1,533	7,203	3,603
Other (income) expense, net	(421)	(304)	243	1,056

Income before income taxes	8,378	13,340	3,709	8,976
Income tax expense (benefit)	(612)	5,453	(805)	3,931

Income from continuing operations	8,990	7,887	4,514	5,045
Income (loss) from discontinued operations, net of income tax benefit of \$0, \$61, \$0, and \$875 respectively	--	(104)	41	(1,490)

Net income	\$ 8,990	\$ 7,783	\$ 4,555	\$ 3,555

Net income (loss) per common share - Diluted:				
Continuing operations	\$ 0.98	\$ 0.85	\$ 0.49	\$ 0.55
Discontinued operations	\$ --	\$ (0.01)	\$ --	\$ (0.17)

Net income per common share - Diluted:	\$ 0.98	\$ 0.84	\$ 0.49	\$ 0.38
Diluted average common shares outstanding	9,185	9,243	9,168	9,255

Segment Results				
Net sales:				
Marine electronics	\$ 52,542	\$ 62,379	\$ 143,252	\$ 157,186
Outdoor equipment	12,845	17,115	32,557	38,343
Watercraft	25,502	34,649	58,221	71,833
Diving	24,173	27,246	57,558	72,268
Other/eliminations	(212)	(146)	(352)	(607)

Total	\$ 114,850	\$ 141,243	\$ 291,236	\$ 339,023

Operating profit (loss):				
Marine electronics	\$ 6,757	\$ 7,696	\$ 12,935	\$ 13,442
Outdoor equipment	1,929	2,412	3,259	2,784
Watercraft	1,559	3,583	(285)	1,240
Diving	2,427	2,443	1,524	3,579
Other/eliminations	(2,086)	(1,565)	(6,278)	(7,410)

Total	\$ 10,586	\$ 14,569	\$ 11,155	\$ 13,635

Balance Sheet Information				
(End of Period)				

Cash and cash equivalents			\$ 33,945	\$ 22,292
Accounts receivable, net			82,449	103,780
Inventories, net			62,157	96,964
Net assets of discontinued operations			--	131
Total current assets			186,981	243,758
Total assets			254,039	367,499
Short-term debt			--	10,001
Total current liabilities			51,708	79,766
Long-term debt			60,801	60,003
Shareholders' equity			128,048	214,026

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