

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

FORM 10-K

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

For the fiscal year ended October 3, 2008

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

(State or other jurisdiction of incorporation or organization)

39-1536083

(I.R.S. Employer Identification No.)

555 Main Street, Racine, Wisconsin 53403

(Address of principal executive offices, including zip code)

(262) 631-6600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Class A Common Stock, \$.05 par value per share

Name of Exchange on Which Registered

NASDAQ Global MarketSM

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No [X]

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer	<input type="checkbox"/> []
Accelerated Filer	<input checked="" type="checkbox"/> [X]
Non-Accelerated Filer	<input type="checkbox"/> []
Smaller Reporting Company	<input type="checkbox"/> []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X]

As of December 5, 2008, 8,007,069 shares of Class A and 1,216,464 shares of Class B common stock of the registrant were outstanding. The aggregate market value of voting and non-voting Class A common stock of the registrant held by nonaffiliates of the registrant was approximately \$73,917,159 on March 28, 2008 (the last business day of the registrant's most recently completed second quarter) based on approximately 4,386,775 shares of Class A common stock held by nonaffiliates. For purposes of this calculation only, shares of all voting stock are deemed to have a market value of \$16.85 per share, the closing price of the Class A common stock as reported on the NASDAQ Global MarketSM on March 28, 2008. Shares of common stock held by any executive officer or director of the registrant (including all shares beneficially owned by the Johnson Family) have been excluded from this computation because such persons may be deemed to be affiliates. This determination of affiliate status is not a conclusive determination for other purposes.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2009 Annual Meeting of the Shareholders of the Registrant are incorporated by reference into Part III of this report.

As used in this report, the terms "we," "us," "our," "Johnson Outdoors" and the "Company" mean Johnson Outdoors Inc. and its subsidiaries, unless the context indicates another meaning.

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Forward Looking Statements

Certain matters discussed in this Form 10-K are “forward-looking statements,” and the Company intends these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and is including this statement for purposes of those safe harbor provisions. 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 the matters described under the caption “Risk Factors” in Item 1A of this report and the following: changes in consumer spending patterns; the Company’s success in implementing its strategic plan, including its focus on innovation; actions of companies that compete with the Company; the Company’s success in managing inventory; movements in foreign currencies or interest rates; unanticipated issues related to the Company’s military tent business; the success of suppliers and customers; the ability of the Company to deploy its capital successfully; unanticipated outcomes related to outsourcing certain manufacturing processes; unanticipated outcomes related to outstanding litigation matters; successful integration of acquisitions; 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 filing. The Company assumes no obligation, and disclaims any obligation, to update such forward-looking statements to reflect subsequent events or circumstances.

Trademarks

We have registered the following trademarks, which are used in this report: Minn Kota®, Cannon®, Humminbird®, Bottom Line®, Fishin' Buddy®, Silva®, Eureka!®, Geonav®, Old Town®, Ocean Kayak™ Necky®, Escape®, Lendal™ Extrasport®, Carlisle®, Scubapro®, UWATEC® and Seemann™.

PART I

ITEM 1. BUSINESS

Johnson Outdoors Inc. (the Company) is a leading global manufacturer and marketer of branded seasonal, outdoor recreation products used primarily for fishing, diving, paddling and camping. The Company’s portfolio of well-known consumer brands have attained leading market positions due to continuous innovation, marketing excellence, product performance and quality and enjoy a premium reputation among outdoor recreation enthusiasts and novices alike. Company values and culture support entrepreneurship in all areas, promoting and leveraging best practices and synergies within and across its subsidiaries to advance the Company’s strategic vision set by executive management and approved by the Board of Directors. The Company is controlled by Helen P. Johnson-Leipold (Chairman and Chief Executive Officer), members of her family and related entities.

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

Marine Electronics

The Company’s marine electronic segment brands are: **Minn Kota** battery-powered fishing motors for quiet trolling or primary propulsion; **Humminbird** sonar and GPS equipment for fishfinding and navigation; **Cannon** downriggers for controlled-depth fishing; and **Geonav** chartplotters for navigation. Marine electronic brands and related accessories are sold in North America, South America, Europe and the Pacific Basin through large outdoor specialty retailers, such as Bass Pro Shops and Cabelas, large retail store chains, marine distributors, international distributors and original equipment manufacturers, such as Ranger Boats, Skeeter Boats and Stratos Champion.

Market share gains have been achieved by emphasizing innovation, quality products and marketing. Consumer marketing and promotion includes: product placements on fishing-related television shows; print advertising and editorial coverage in outdoor, general interest and sport magazines; professional angler and tournament sponsorships; packaging and point-of-purchase materials and offers to increase consumer appeal and sales; branded websites; and, on-line promotions.

On November 16, 2007, the Company acquired Geonav S.r.l. (Geonav), a marine electronics company in Italy for approximately \$5.6 million, including transaction costs. **Geonav** is a major European brand of chart plotters based in Viareggio, Italy. Also sold under the **Geonav** brand are marine autopilots, VHF radios and fish finders.

Outdoor Equipment

The Company's Outdoor Equipment segment brands are: **Eureka!** tents, sleeping bags and backpacks; **Silva** field compasses and digital instruments; and **Tech⁴⁰** performance measurement instruments.

Eureka! consumer tents, sleeping bags and backpacks are mid- to high-price range products sold in the U.S. and Canada through independent sales representatives, primarily to sporting goods stores, catalog and mail order houses and camping and backpacking specialty stores. Marketing of the Company's tents, sleeping bags and backpacks is focused on building the **Eureka!** brand name and establishing the Company as a leader in tent design and innovation. Although the Company's camping tents, sleeping bags and backpacks are produced primarily by third-party manufacturing sources, design and innovation are conducted at the Company's Binghamton, New York location. **Eureka!** camping products are sold under license in Japan, Australia and Europe.

Eureka! commercial tents include party tents, sold primarily to general rental stores, and other commercial tents sold directly to tent erectors. Commercial tents are manufactured by the Company at the Company's Binghamton, New York location and the Company's tent products range from 10'x10' canopies to 120' wide pole tents and other large scale frame structures.

Eureka! also designs and manufactures large, heavy-duty tents and lightweight backpacking tents for the military at its Binghamton, New York location. Tents produced in the last twelve months include modular general purpose tents, TEMPER tents, a rapid deploy tent system, and various lightweight one to four person tents. Military tent accessories like fabric floors and tent liners are also manufactured.

Silva field compasses are manufactured by third parties and marketed exclusively in North America where the Company owns **Silva** trademark rights. **Tech⁴⁰** digital instruments are manufactured by third parties and are primarily sold in the North American market.

Watercraft

The Company's Watercraft brands are: **Old Town** canoes and kayaks; **Ocean Kayak**; **Necky** kayaks; **Carlisle** and **Lendal** paddles; and **Extrasport** personal flotation devices.

The Company manufactures its Watercraft products in two locations in the U.S. and one in New Zealand. The Company also contracts for manufacturing of Watercraft products with third parties in Michigan, Tunisia and the Czech Republic.

In its Old Town, Maine facility, the Company produces high quality **Old Town** kayaks, canoes and accessories for family recreation, touring and tripping. The Company uses a rotational-molding process for manufacturing polyethylene kayaks and canoes to compete in the high volume, low and mid-priced range of the market. These kayaks and canoes feature stiffer and more durable hulls than higher priced boats. The Company also manufactures canoes from fiberglass, Royalex (ABS) and wood.

Sit-on-top **Ocean Kayaks** and high-performance **Necky** sea touring kayaks are manufactured in the Company's Ferndale, Washington facility.

Watercraft accessory brands, including **Extrasport** personal flotation devices and wearable paddle gear, as well as **Carlisle** branded paddles are produced primarily by third-party sources. **Lendal** paddles are produced in-house at the Old Town Canoe facility.

The Company's kayaks, canoes and accessories are sold primarily to specialty stores, marine dealers, sporting goods stores and catalog and mail order houses such as L. L. Bean® in the U.S., Europe and Australasia.

Diving

The Company manufactures and markets underwater diving products for technical and recreational divers, which it sells and distributes under the **SCUBAPRO**, **UWATEC** and **Seemann** brand names.

The Company markets a complete line of underwater diving and snorkeling equipment, including regulators, stabilizing jackets, dive computers and gauges, wetsuits, masks, fins, snorkels and accessories. **SCUBAPRO** and **UWATEC** diving equipment are marketed to the premium segment of the market for both diving enthusiasts and more technical, advanced divers. **Seemann** products are marketed to the recreational diver interested in owning quality equipment at an affordable price. Products are sold via selected distribution to independent specialty dive stores worldwide. These specialty dive stores generally provide a wide range of services to divers, including sales, service and repair, diving education and travel.

The Company focuses on maintaining **SCUBAPRO** and **UWATEC** as the market leaders in innovation. The Company maintains research and development functions in the U.S. and Europe and holds a number of patents on proprietary products. The Company's consumer communication focuses on building the brand and highlighting exclusive product features and consumer benefits of the **SCUBAPRO** and **UWATEC** product lines. The Company's communication and distribution reinforce the **SCUBAPRO** and **UWATEC** brands' position as the industry's quality and innovation leader. The Company markets its equipment in diving magazines, via websites and through dive specialty stores. **Seemann's** full-line of dive equipment and accessories are marketed and sold primarily in Europe. **Seemann** products compete in the mid-market on the basis of quality at an affordable price.

The Company maintains manufacturing and assembly facilities in Italy and Indonesia and is currently in the process of moving the Swiss manufacturing operation to Batam, Indonesia, as described in Note 2 to the Company's Consolidated Financial Statements attached to this report. The Company sources stabilizing jackets from a third-party manufacturer in Mexico. The majority of the Company's rubber, proprietary materials, plastic products and other components are also sourced from third-parties.

Financial Information for Business Segments

As noted above, the Company has four reportable business segments. See Note 12 to the Consolidated Financial Statements included elsewhere in this report for financial information concerning each business segment.

International Operations

See Note 12 to the Consolidated Financial Statements included elsewhere in this report for financial information regarding the Company's domestic and international operations. See Note 1, subheading "Foreign Operations and Related Derivative Financial Instruments," to the Consolidated Financial Statements included elsewhere in this report for information regarding risks related to the Company's foreign operations.

Research and Development

The Company commits significant resources to new product research and development. The Company expenses these costs as incurred except for software development for new fishfinder products which are capitalized once technological feasibility is established and then amortized over the expected life of the software. The amounts expensed by the Company in connection with research and development activities for each of the last three fiscal years are set forth in the Company's Consolidated Statements of Operations included elsewhere in this report.

Competition

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

Marine Electronics: The main competitor in electric trolling motors is Motor Guide, owned by Brunswick Corporation, which manufactures and sells a full range of trolling motors and accessories. Competition in this business is focused on product quality and durability as well as product benefits and features for fishing. The main competitors in the fishfinder market are Lowrance, Garmin, Navman, and Ray Marine. Competition in this business is primarily focused on the quality of sonar imaging and display as well as the integration of mapping and GPS technology. The main competitors in the downrigger market are Big Jon, Walker and Scotty. Competition in this business primarily focuses on ease of operation, speed and durability.

Outdoor Equipment: The Company's brands and products compete in the sporting goods and specialty segments of the outdoor equipment market. Competitive brands with a strong position in the sporting goods channel include Coleman and private label brands. The Company also competes with specialty companies such as The North Face and Kelty on the basis of materials and innovative designs for consumers who want performance products priced at a value. Commercial tent market competitors include Anchor Industries and Aztec for tension and frame tents along with canopies based on structure and styling. The Company also competes for military tent contracts under the U.S. Government bidding process; competitors include Base-X, DHS Systems and Alaska Structures, Camel, Outdoor Ventures, and Diamond Brands.

Watercraft: The Company primarily competes in the paddle boat segment of kayaks and canoes. The Company's main competitors in this segment are Confluence Watersports, Pelican, Wenonah Canoe and Legacy Paddlesports, each of which primarily competes on the basis of their design, performance and quality.

Diving: The main competitors in Diving include Aqualung/U.S. Divers, Oceanic, Mares, Cressi-sub, and Suunto, each of which primarily competes on the basis of product innovation, performance, quality and safety.

Employees

At October 3, 2008, the Company had approximately 1,400 regular, full-time employees. The Company considers its employee relations to be excellent. Temporary employees are utilized primarily to manage peaks in the seasonal manufacturing of products.

Backlog

Unfilled orders for future delivery of products totaled approximately \$38.2 million at October 3, 2008 and \$36.0 million September 28, 2007. For the majority of its products, the Company's businesses do not receive significant orders in advance of expected shipment dates, with the exception of the military tent business which has orders outstanding based on contractual agreements.

Patents, Trademarks and Proprietary Rights

The Company owns no single patent that is material to its business as a whole. However, the Company holds various patents, principally for diving products, electric motors and fishfinders and regularly files applications for patents. The Company has numerous trademarks and trade names which it considers important to its business, many of which are noted on the preceding pages. Historically, the Company has vigorously defended its intellectual property rights and the Company expects to continue to do so.

Sources and Availability of Materials

The Company's products are made using materials that are generally in adequate supply and are available from a variety of third-party suppliers.

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

Seasonality

The Company's products are outdoor recreation related which results in seasonal variations in sales and profitability. This seasonal variability is due to customers increasing their inventories in the quarters ending March and June, the primary selling season for the Company's outdoor recreation products. The following table shows, for the past three fiscal years, the total net sales and operating profit or loss of the Company for each quarter, as a percentage of the total year.

Year Ended	October 3, 2008		September 28, 2007		September 29, 2006	
Quarter Ended	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit (Loss)
December	18%	(12)%	17%	(11)%	19%	(1)%
March	29	10	28	23	27	38
June	34	38	35	74	34	62
September	19	(136)	20	14	20	1
	100%	(100)%	100%	100%	100%	100%

Available Information

The Company maintains a website at www.johnsonoutdoors.com. On its website, the Company makes available, free of charge, its Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, as soon as reasonably practical after the reports have been electronically filed or furnished to the Securities and Exchange Commission. In addition, the Company makes available on its website, free of charge, its (a) Code of Business Conduct; (b) Code of Ethics for its Chief Executive Officer and Senior Financial and Accounting Officers; and (c) the charters for the following committees of the Board of Directors: Audit; Compensation; Executive; and Nominating and Corporate Governance. The Company is not including the information contained on or available through its website as a part of, or incorporating such information by reference into, this Annual Report on Form 10-K. This report includes all material information about the Company that is included on the Company's website and is otherwise required to be included in this report.

ITEM 1A. RISK FACTORS

The risks described below are not the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our future business operations. If any of the events or circumstances described in the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In such cases, the trading price of our common stock could decline.

Our net sales and profitability depend on our ability to continue to conceive, design and market products that appeal to our consumers.

The introduction of new products is critical in our industry and to our growth strategy. Our business depends on our ability to continue to conceive, design, manufacture and market new products and upon continued market acceptance of our product offering. Rapidly changing consumer preferences and trends make it difficult to predict how long consumer demand for our existing products will continue or what new products will be successful. Our current products may not continue to be popular or new products that we may introduce may not achieve adequate consumer acceptance for us to recover development, manufacturing, marketing and other costs. A decline in consumer demand for our products, our failure to develop new products on a timely basis in anticipation of changing consumer preferences or the failure of our new products to achieve and sustain consumer acceptance could reduce our net sales and profitability.

Competition in our markets could reduce our net sales and profitability.

We operate in highly competitive markets. We compete with several large domestic and foreign companies such as Brunswick, Lowrance, Confluence and Aqualung/U.S. Divers, with private label products sold by many of our retail customers and with other producers of outdoor recreation products. Some of our competitors have longer operating histories, stronger brand recognition and greater financial, technical, marketing and other resources than us. In addition, we may face competition from new participants in our markets because the outdoor recreation product industries have limited barriers to entry. We experience price competition for our products, and competition for shelf space at retailers, all of which may increase in the future. If we cannot compete successfully in the future, our net sales and profitability will likely decline.

General economic conditions affect our results.

Our revenues are affected by economic conditions and consumer confidence worldwide, but especially in the United States and Europe. In times of economic uncertainty, consumers tend to defer expenditures for discretionary items, which affects demand for our products. Our businesses are cyclical in nature, and their success is dependent upon favorable economic conditions, the overall level of consumer confidence and discretionary income levels. Any substantial deterioration in general economic conditions that diminishes consumer confidence or discretionary income can reduce our sales and adversely affect our financial results including the potential for future impairments of goodwill and other intangible assets. The impact of weakening consumer credit markets; corporate restructurings; layoffs; declines in the value of investments and residential real estate; higher fuel prices and increases in federal and state taxation all can negatively affect our results.

Trademark infringement or other intellectual property claims relating to our products could increase our costs.

Our industry is susceptible to litigation regarding trademark and patent infringement and other intellectual property rights. We could be either a plaintiff or defendant in trademark and patent infringement claims and claims of breach of license from time to time. The prosecution or defense of intellectual property litigation is both costly and disruptive of the time and resources of our management even if the claim or defense against us is without merit. We could also be required to pay substantial damages or settlement costs to resolve intellectual property litigation.

Impairment charges could reduce our profitability.

In accordance with the provisions of Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, the Company tests goodwill and other intangible assets with indefinite useful lives for impairment on an annual basis or on an interim basis if an event occurs that might reduce the fair value of the reporting unit below its carrying value. We conduct testing for impairment during the fourth quarter of our fiscal year. Various uncertainties, including changes in consumer preferences, deterioration in the political environment, continued adverse conditions in the capital markets or changes in general economic conditions, could impact the expected cash flows to be generated by an intangible asset or group of intangible assets, and may result in an impairment of those assets. Although any such impairment charge would be a non-cash expense, any impairment of our intangible assets could materially increase our expenses and reduce our profitability. If we are required to record an impairment charge, the charge could affect our compliance with the debt covenants in our credit facility. Additionally, should we violate a covenant under our debt agreements, the cost of obtaining an amendment or waiver could be significant, or the lenders could be unwilling to provide a waiver or agree to an amendment. For our fiscal year ending October 3, 2008, we recorded an impairment charge of \$41.0 million.

Sales of our products are seasonal, which causes our operating results to vary from quarter to quarter.

Sales of our products are seasonal. Historically, our net sales and profitability have peaked in the second and third fiscal quarters due to the buying patterns of our customers. Seasonal variations in operating results may cause our results to fluctuate significantly in the first and fourth quarters and may tend to depress our stock price during the first and fourth quarters.

The trading price of shares of our common stock fluctuates and investors in our common stock may experience substantial losses.

The trading price of our common stock has been volatile and may continue to be volatile in the future. The trading price of our common stock could decline or fluctuate in response to a variety of factors, including:

- the timing of our announcements or those of our competitors concerning significant product developments, acquisitions or financial performance;
- fluctuation in our quarterly operating results;
- substantial sales of our common stock;
- general stock market conditions; or
- other economic or external factors.

You may be unable to sell your stock at or above your purchase price.

A limited number of our shareholders can exert significant influence over the Company.

As of December 5, 2008, Helen P. Johnson-Leipold, members of her family and related entities (hereinafter the Johnson Family) held approximately 78% of the voting power of both classes of our common stock taken as a whole. This voting power would permit these shareholders, if they chose to act together, to exert significant influence over the outcome of shareholder votes, including votes concerning the election of directors, by-law amendments, possible mergers, corporate control contests and other significant corporate transactions.

We may experience difficulties in integrating strategic acquisitions.

As part of our growth strategy, we intend to pursue acquisitions that are consistent with our mission and that will enable us to leverage our competitive strengths. Over the past three fiscal years we have acquired:

- certain assets of Computrol, Inc. on October 3, 2005, including, without limitation certain intellectual property used in its business;
- Lendal Products Ltd. on October 3, 2006, including, without limitation certain intellectual property used in its business;
- Seemann Sub GmbH & Co. KG on April 2, 2007, including, without limitation certain intellectual property used in its business; and
- Geonav S.r.l. on November 16, 2007, including without limitation certain intellectual property used in its business.

Risks associated with integrating strategic acquisitions include:

- the acquired business may experience losses which could adversely affect our profitability;
- unanticipated costs relating to the integration of acquired businesses may increase our expenses;
- possible failure to obtain any necessary consents to the transfer of licenses or other agreements of the acquired company;
- possible failure to maintain customer, licensor and other relationships after the closing of the transaction of the acquired company;
- difficulties in achieving planned cost-savings and synergies may increase our expenses;
- diversion of our management's attention could impair their ability to effectively manage our other business operations; and
- unanticipated management or operational problems or liabilities may adversely affect our profitability and financial condition.

We are dependent upon certain key members of management.

Our success will depend to a significant degree on the abilities and efforts of our senior management. Moreover, our success depends on our ability to attract, retain and motivate qualified management, marketing, technical and sales personnel. These people are in high demand and often have competing employment opportunities. The labor market for skilled employees is highly competitive due to limited supply, and we may lose key employees or be forced to increase their compensation to retain these people. Employee turnover could significantly increase our training and other related employee costs. The loss of key personnel, or the failure to attract qualified personnel, could have a material adverse effect on our business, financial condition or results of operations and on the value of our securities.

Sources of and fluctuations in market prices of raw materials can affect our operating results.

The primary raw materials we use are metals, resins and packaging materials. These materials are generally available from a number of suppliers, but we have chosen to concentrate our sourcing with a limited number of vendors for each commodity or purchased component. We believe our sources of raw materials are reliable and adequate for our needs. However, the development of future sourcing issues related to the availability of these materials as well as significant fluctuations in the market prices of these materials may have an adverse affect on our financial results.

Currency exchange rate fluctuations could increase our expenses.

We have 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 we have operations increase or decrease relative to the U.S. dollar, the sales, expenses, profits, losses, assets and liabilities of our foreign operations, as reported in our consolidated financial statements, increase or decrease, accordingly. Approximately 29% of our revenues for the year ended October 3, 2008 were denominated in currencies other than the U.S. dollar. Approximately 17% were denominated in euros, with the remaining 12% denominated in various other foreign currencies. In the past, we have mitigated 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; however, no such transactions were entered into during fiscal years 2008 or 2007.

We are subject to environmental and safety regulations.

We are subject to federal, state, local and foreign laws and other legal requirements related to the generation, storage, transport, treatment and disposal of materials as a result of our manufacturing and assembly operations. These laws include the Resource Conservation and Recovery Act (as amended), the Clean Air Act (as amended) and the Comprehensive Environmental Response, Compensation and Liability Act (as amended). We believe that our existing environmental management system is adequate and we have no current plans for substantial capital expenditures in the environmental area. We do not currently anticipate any material adverse impact on our results of operations, financial condition or competitive position as a result of compliance with federal, state, local and foreign environmental laws or other legal requirements. However, risk of environmental liability and changes associated with maintaining compliance with environmental laws is inherent in the nature of our business and there is no assurance that material liabilities or changes would not arise.

We rely on our credit facility to provide us with sufficient working capital to operate our business.

Historically, we have relied upon our existing credit facilities to provide us with adequate working capital to operate our business. The availability of borrowing amounts under our credit facilities are dependent upon our compliance with the debt covenants set forth in the facilities. Violation of those covenants, whether as a result of recording goodwill impairment charges, incurring operating losses or otherwise, could result in our lenders restricting or terminating our borrowing ability under our credit facilities. If our lenders reduce or terminate our access to amounts under our credit facilities, we may not have sufficient capital to fund our working capital needs and/or we may need to secure additional capital or financing to fund our working capital requirements or to repay outstanding debt under our credit facilities. We can make no assurance that we will be successful in ensuring our availability to amounts under our credit facilities or in connection with raising additional capital and that any amount, if raised, will be sufficient to meet our cash requirements. If we are not able to maintain our borrowing availability under our credit facilities and/or raise additional capital when needed, we may be forced to sharply curtail our efforts to manufacture and promote the sale of our products or to curtail our operations.

Our debt covenants may limit our ability to complete acquisitions, incur debt, make investments, sell assets, merge or complete other significant transactions.

Our credit agreement and certain other of our debt instruments include financial measure requirements that if breached may result in limitations on a number of our activities, including our ability to:

- incur additional debt;
- create liens on our assets or make guarantees;
- make certain investments or loans;
- pay dividends; or
- dispose of or sell assets or enter into a merger or similar transaction.

These debt covenants could restrict our ability to pursue opportunities to expand our business operations, including engaging in strategic acquisitions. In addition, a violation of covenants under our credit facilities could cause a cross-default under our interest rate swap contract or other financial agreements. A cross-default under our interest rate swap could accelerate our obligation to perform under the terms of the interest rate swap contract.

Our shares of common stock are thinly traded and our stock price may be more volatile.

Because our common stock is thinly traded, its market price may fluctuate significantly more than the stock market in general or the stock prices of similar companies, which are exchanged, listed or quoted on NASDAQ. We believe there are 4,375,894 shares of our Class A common stock held by nonaffiliates as of December 5, 2008. Thus, our common stock will be less liquid than the stock of companies with broader public ownership, and as a result, the trading prices for our shares of common stock may be more volatile. Among other things, trading of a relatively small volume of our common stock may have a greater impact on the trading price for our stock than would be the case if our public float were larger.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

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

See Note 5 to the Consolidated Financial Statements included elsewhere in this report for a discussion of the Company's lease obligations.

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

Alpharetta, Georgia (Marine Electronics)
Antibes, France (Diving)
Barcelona, Spain (Diving)
Basingstoke, Hampshire, England (Diving)
Batam, Indonesia* (Diving and Outdoor Equipment)
Binghamton, New York* (Outdoor Equipment)
Brignais, France (Watercraft)
Brussels, Belgium (Diving)
Burlington, Ontario, Canada (Marine Electronics, Outdoor Equipment)
Chai Wan, Hong Kong (Diving)
Chatswood, Australia (Diving)
El Cajon, California (Diving)
Eufaula, Alabama* (Marine Electronics)
Ferndale, Washington* (Watercraft)
Genoa, Italy* (Diving)
Great Yarmouth, Norfolk, United Kingdom (Watercraft)
Hallwil, Switzerland (Diving)
Henggart, Switzerland (Diving)
Mankato, Minnesota* (Marine Electronics)
Napier, New Zealand* (Watercraft)
Old Town, Maine* (Watercraft)
Silverdale, New Zealand* (Watercraft)
Viareggio, Italy (Marine Electronics)
Wendelstein, Germany (Diving)
Yokohama, Japan (Diving)

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

ITEM 3. LEGAL PROCEEDINGS

See Note 14 to the Consolidated Financial Statements included elsewhere in this report for a discussion of legal proceedings.

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

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended October 3, 2008.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Certain information with respect to this item is included in Notes 9 and 10 to the Company's Consolidated Financial Statements included elsewhere in this report. The Company's Class A common stock is traded on the NASDAQ Global MarketSM under the symbol: JOUT. There is no public market for the Company's Class B common stock. However, the Class B common stock is convertible at all times at the option of the holder into shares of Class A common stock on a share for share basis. As of December 16, 2008, the Company had 735 holders of record of its Class A common stock and 35 holders of record of its Class B common stock. We believe the number of beneficial owners of our Class A common stock on that date was substantially greater.

A summary of the high and low prices for the Company's Class A common stock during each quarter of the years ended October 3, 2008 and September 28, 2007 is as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2008	2007	2008	2007	2008	2007	2008	2007
Stock prices:								
High	\$ 23.50	\$ 19.13	\$ 22.50	\$ 18.83	\$ 17.77	\$ 20.25	\$ 16.06	\$ 23.91
Low	21.44	17.06	16.00	17.00	15.40	18.02	12.40	17.00

In fiscal 2008 and 2007, the Company declared the following dividends:

- A cash dividend declared on June 14, 2007, with a record date of July 12, 2007, payable on July 26, 2007 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.
- A cash dividend declared on September 19, 2007, with a record date of October 11, 2007, payable on October 25, 2007 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.
- A cash dividend declared on December 7, 2007, with a record date of January 10, 2008, payable on January 25, 2008 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.
- A cash dividend declared on February 28, 2008, with a record date of April 10, 2008, payable on April 24, 2008 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.
- A cash dividend declared on May 28, 2008, with a record date of July 10, 2008, payable on July 24, 2008 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.
- A cash dividend declared on October 1, 2008, with a record date of October 16, 2008, payable on October 30, 2008 of \$0.055 per share to Class A common stockholders and \$0.05 per share to Class B common stockholders.

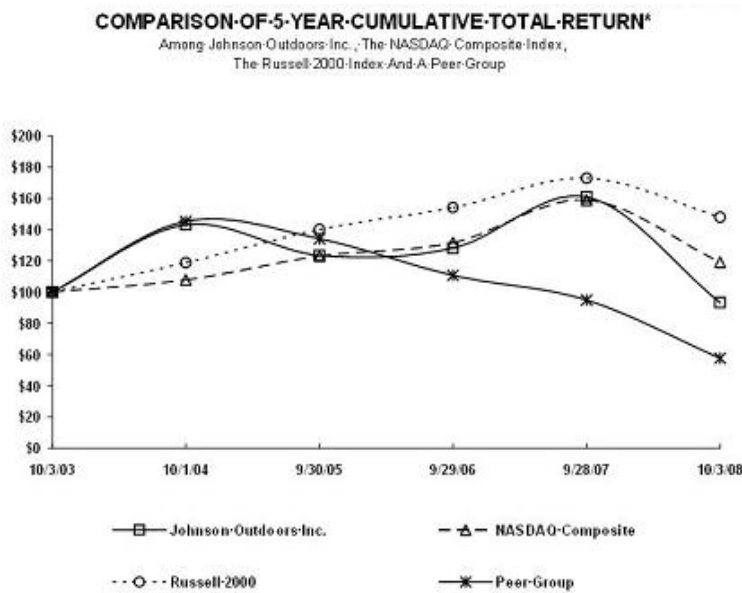
The following limitations apply to the ability of the Company to pay dividends:

- Pursuant to the Company's revolving credit agreement, dated as of October 7, 2005, by and among the Company, the subsidiary borrowers from time to time parties thereto and JPMorgan Chase Bank N.A., the Company is limited in the amount of restricted payments (primarily dividends and purchases of treasury stock) made during each fiscal year. The limitation was approximately \$27 million for the fiscal year ending October 3, 2008.
- The Company's Articles of Incorporation provide that no dividend, other than a dividend payable in shares of the Company's common stock, may be declared or paid upon the Class B common stock unless such dividend is declared or paid upon both classes of common stock. Whenever a dividend (other than a dividend payable in shares of Company common stock) is declared or paid upon any shares of Class B common stock, at the same time there must be declared and paid a dividend on shares of Class A common stock equal in value to 110% of the amount per share of the dividend declared and paid on shares of Class B common stock. Whenever a dividend is payable in shares of Company common stock, such dividend must be declared or paid at the same rate on the Class A common stock and the Class B common stock.

On December 4, 2008, the Company's Board of Directors voted to suspend quarterly dividends to shareholders.

Total Shareholder Return

The graph below compares on a cumulative basis the yearly percentage change since October 3, 2003 in the total return (assuming reinvestment of dividends) to shareholders on the Class A common stock with (a) the total return (assuming reinvestment of dividends) on The NASDAQ Stock Market-U.S. Index; (b) the total return (assuming reinvestment of dividends) on the Russell 2000 Index; and (c) the total return (assuming reinvestment of dividends) on a self-constructed peer group index. The peer group consists of Arctic Cat Inc., Brunswick Corporation, Callaway Golf Company, Escalade Inc., Marine Products Corporation and Nautilus, Inc. The graph assumes \$100 was invested on October 3, 2003 in the Company's Class A common stock, The NASDAQ Stock Market-U.S. Index, the Russell 2000 Index and the peer group indices.



	10/3/03	10/1/04	9/30/05	9/29/06	9/28/07	10/3/08
Johnson Outdoors	100.00	142.96	123.41	128.07	160.85	93.21
NASDAQ Composite	100.00	107.74	123.03	131.60	158.88	119.05
Russell 2000 Index	100.00	118.77	140.09	154.00	173.00	147.94
Peer Group	100.00	145.24	134.04	110.69	94.86	57.47

The information in this section titled "Total Shareholder Return" shall not be deemed to be "soliciting material" or "filed" with the Securities and Exchange Commission or subject to Regulation 14A or 14C promulgated by the Securities and Exchange Commission or subject to the liabilities of section 18 of the Securities Exchange Act of 1934, as amended, and this information shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected consolidated financial data, which should be read along with the Company's consolidated financial statements and the notes to those statements and with "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations" included or referred to elsewhere in this report. The consolidated statements of operations for the years ended October 3, 2008, September 28, 2007 and September 29, 2006, and the consolidated balance sheet data as of October 3, 2008 and September 28, 2007, are derived from the Company's audited consolidated financial statements included elsewhere herein. The consolidated statements of operations for the years ended September 30, 2005 and October 1, 2004, and the consolidated balance sheet data as of September 29, 2006, September 30, 2005 and October 1, 2004, are derived from the Company's audited consolidated financial statements which are not included herein.

(thousands, except per share data)	Year Ended				
	October 3 2008 ⁽⁶⁾	September 28 2007 ⁽⁷⁾	September 29 2006 ⁽⁸⁾	September 30 2005	October 1 2004
OPERATING RESULTS⁽¹⁾					
Net sales	\$ 420,789	\$ 430,604	\$ 393,950	\$ 377,146	\$ 351,813
Gross profit	159,551	175,496	165,277	155,678	146,511
Operating expenses ⁽²⁾	197,604	155,470	141,918	137,216	127,813
Operating (loss) profit	(38,053)	20,026	23,359	18,462	18,698
Interest expense	5,695	5,162	4,989	4,792	5,283
Other expense (income)	549	(931)	(128)	(1,250)	(670)
(Loss) Income before income taxes	(44,297)	15,795	18,498	14,920	14,085
Income tax expense ⁽³⁾	24,178	5,246	8,061	6,044	5,806
(Loss) Income from continuing operations	(68,475)	10,549	10,437	8,876	8,279
(Loss) Income from discontinued operations	(2,559)	(1,315)	(1,722)	(1,775)	410
Net (Loss) Income	\$ (71,034)	\$ 9,234	\$ 8,715	\$ 7,101	\$ 8,689
BALANCE SHEET DATA					
Current assets ⁽⁴⁾	\$ 189,714	\$ 205,221	\$ 185,290	\$ 186,591	\$ 194,847
Total assets	255,069	319,679	284,227	283,326	293,719
Current liabilities ⁽⁵⁾	55,386	66,260	57,651	55,457	59,115
Long-term debt, less current maturities	60,000	10,006	20,807	37,800	50,797
Total debt	60,003	42,806	37,807	50,800	67,019
Shareholders' equity	122,284	200,165	180,881	166,434	160,644
COMMON SHARE SUMMARY					
Earnings per share, continuing operations – Dilutive:					
Class A	\$ (7.53)	\$ 1.14	\$ 1.14	\$ 1.01	\$ 0.94
Class B	\$ (7.53)	\$ 1.14	\$ 1.14	\$ 1.01	\$ 0.94
Net earnings per share – Dilutive:					
Class A	\$ (7.81)	\$ 1.00	\$ 0.95	\$ 0.81	\$ 0.99
Class B	\$ (7.81)	\$ 1.00	\$ 0.95	\$ 0.81	\$ 0.99
Cash dividends per share:					
Class A	\$ 0.22	\$ 0.11	\$ 0.00	\$ 0.00	\$ 0.00
Class B	\$ 0.20	\$ 0.10	\$ 0.00	\$ 0.00	\$ 0.00

(1) The year ended October 3, 2008 included 53 weeks. All other years include 52 weeks.

(2) The year ended October 3, 2008 includes goodwill and other impairment charges of \$41.0 million.

(3) The year ended October 3, 2008 includes a deferred tax asset valuation allowance of \$29.5 million.

(4) Includes cash and cash equivalents of \$41,791, \$39,232, \$51,689, \$72,111 and \$69,572, as of the years ended 2008, 2007, 2006, 2005 and 2004, respectively.

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

(6) The results in 2008 contain approximately ten months of operating results of the acquired Geonav business and a full year of operating results of the acquired Seemann business.

(7) The results in 2007 contain a full year of operating results of the acquired Lendal Products Ltd. business and six months of operating results of the acquired Seemann business.

(8) The results in 2006 contain a full year of operating results of the acquired Cannon/Bottom Line business.

Executive Overview

The Company designs, manufactures and markets top-quality recreational products for the outdoor enthusiast. Through a combination of innovative products, strong marketing, a talented and passionate workforce and efficient distribution, the Company sets itself apart from the competition. Its subsidiaries operate as a network that promotes entrepreneurialism and leverages best practices and synergies, following the strategic vision set by executive management and approved by the Company's Board of Directors.

Recent Developments

The Company's senior debt agreement in place at October 3, 2008 requires that it meet certain operating requirements and financial ratios in order to avoid a default or event of default under the agreement. The Company was in non-compliance with its net worth covenant at October 3, 2008. On December 31, 2008, the Company entered into an amended financing arrangement with its lenders, effective January 2, 2009. Changes to the senior debt agreement include shortening the maturity date of the term loan, adjusting financial covenants and interest rates. Additionally, the Company's revolving credit facility was reduced from \$75.0 million to \$35.0 million, with an additional reduction of \$5.0 million required by January 31, 2009. Due to the fact the Company has entered into this amended agreement, the Company's debt has been classified as long-term at October 3, 2008, in accordance with the terms of the amended debt agreement. See further information regarding the Company's indebtedness at Note 4 to the Consolidated Financial Statements included elsewhere in this report.

On December 29, 2008, the Company and JPMorgan Chase ("the Counterparty") agreed to amend the terms of its \$60.0 million LIBOR interest rate swap ("the Swap") contract to include an automatic termination clause. The Company and the Counterparty are negotiating a modification of the terms of the Swap to accommodate the new debt agreements. If the Company and the Counterparty cannot agree to acceptable modification terms, the Swap will automatically terminate on January 8, 2009. Early termination of the Swap would require the Company and the Counterparty to settle their respective obligations to each other under the Swap contract terms. If such a termination had occurred on December 29, 2008, it would have required the Company to pay the Counterparty approximately \$6.5 million, which was the fair value of the Swap on that date. If the Swap were to terminate on January 8, 2009, the amount required to be paid by the Company to settle this contract could be materially different.

As of October 3, 2008, the Company recorded a non-cash charge for impairment of goodwill and other indefinite lived intangible assets of \$41.0 million related to all four of the Company's business segments based on assessments performed in the fourth quarter of fiscal 2008. In accordance with Statement of Financial Accounting Standards No. 142, *Accounting for Goodwill and Other Intangible Assets* ("SFAS No. 142"), we are required to test goodwill and other indefinite lived intangible assets at least annually for impairment. We determined that as of October 3, 2008, portions of our goodwill and portions of our indefinite lived intangible assets were impaired due to our expectations of lower future profitability and increases in our cost of capital.

During 2008, the Company recorded a valuation allowance of \$29.5 million in respect of the net deferred tax assets recorded in our U.S., Germany, Spain, United Kingdom and New Zealand tax jurisdictions. Given the current market conditions of the outdoor recreation equipment market as well as other factors arising during fiscal 2008 which may impact future operating results, the Company considered both positive and negative evidence in evaluating the need for a valuation allowance relating to the deferred tax assets of these tax jurisdictions. The Company determined that it was more likely than not that the deferred tax assets will not be realized and a valuation allowance of \$29.2 million, \$1.8 million, \$0.2 million, \$0.4 million and \$0.1 million was recorded against the net deferred tax assets in the U.S., Germany, Spain, United Kingdom, and New Zealand tax jurisdictions respectively.

On December 17, 2007, management committed to divest the Company's Escape business. This decision resulted in the reporting of the Escape business as a discontinued operation in the current year and the reclassification of the results of this business as discontinued operations for comparable reporting periods. Individual lines of boats in this business have either been sold or are in the process of being divested. The Company will continue to explore strategic alternatives for the remaining lines of the Escape business through the first quarter of 2009 at which point we expect to have either sold or otherwise disposed of the remaining assets of the Escape business. We believe we have adequately reserved for any losses that could result from the disposal of the remaining lines.

Results of Operations

Summary consolidated financial results from continuing operations for the fiscal years presented were as follows:

<i>(millions, except per share data)</i>	2008 ⁽²⁾	2007 ⁽³⁾	2006
OPERATING RESULTS			
Net sales	\$ 420.8	\$ 430.6	\$ 394.0
Gross profit	159.6	175.5	165.3
Impairment charges	41.0	—	—
Other operating expenses	156.7	155.5	141.9
Operating (loss) profit	(38.1)	20.0	23.4
Interest expense	5.7	5.2	5.0
(Loss) income from continuing operations	(68.5)	10.5	10.4
Net (loss) income ⁽¹⁾	(71.0)	9.2	8.7

⁽¹⁾ The results of 2008 contain a deferred tax asset valuation allowance of \$29.5 million.

⁽²⁾ The results of 2008 contain a full year of operating results of the acquired Seemann business and approximately ten months of operating results of the acquired Geonav business.

⁽³⁾ The results in 2007 contain a full year of operating results of the acquired Lendal Products Ltd. business and six months of operating results of the acquired Seemann business.

The Company's sales and operating earnings by business segment are summarized as follows:

<i>(millions)</i>	2008	2007	2006
Net sales:			
Marine Electronics	\$ 186.7	\$ 198.0	\$ 164.5
Outdoor Equipment	48.3	55.9	65.9
Watercraft	88.1	88.8	85.5
Diving	98.2	88.7	78.5
Other/corporate/eliminations	(0.5)	(0.8)	(0.4)
Total	\$ 420.8	\$ 430.6	\$ 394.0
Operating profit (loss):			
Marine Electronics	\$ 0.4	\$ 22.9	\$ 21.6
Outdoor Equipment	2.0	8.5	8.2
Watercraft	(8.3)	(4.2)	0.2
Diving	(21.5)	6.9	5.6
Other/corporate/eliminations	(10.7)	(14.1)	(12.2)
Total	\$ (38.1)	\$ 20.0	\$ 23.4

See Note 12 in the notes to the Consolidated Financial Statements included elsewhere in this report for the definition of segment net sales and operating profit.

Net Sales

Net sales totaled \$420.8 million in 2008 compared to \$430.6 million in 2007, a decrease of 2.3% or \$9.8 million. Sales declined in all but the Company's Diving business unit. Foreign currency translations favorably impacted 2008 net sales by \$9.6 million in comparison to 2007.

Net sales for the Marine Electronics business decreased \$11.3 million, or 5.7%, despite incremental sales from the Geonav business, acquired in November, 2007, which added \$12.4 million in sales for the year. The decline was primarily the result of general economic conditions and weakness in the domestic boat market which reduced demand for trolling motors and downriggers, and unfavorable volume comparisons due to high levels of new product purchases by customers in the prior year. This weakness was partially offset by higher sales of Humminbird fishfinder/GPS combo units.

Outdoor Equipment net sales declined \$7.6 million, or 13.6%, primarily due to the expected \$6.6 million decline in military tent sales. Commercial tent sales were also down from the prior year by \$1.2 million due to softness in the U.S. economy driving cautious spending by tent rental companies.

Net sales for the Watercraft business decreased \$0.7 million, or 0.8%, as a result of a decline in sales to big-box retailers in light of unfavorable weather conditions and economic uncertainty in the retail marketplace. This decline was partially offset by an increase in sales to outdoor specialty stores driven mainly by the timing of orders in the prior year.

The Diving business saw increased sales of \$9.5 million, or 10.7%, due mainly to \$4 million of incremental sales related to the Seemann business acquired in April, 2007, and \$6.7 million of favorable currency translations.

Gross Profit

Gross profit of \$159.6 million was 37.9% of net sales on a consolidated basis for the year ended October 3, 2008 compared to \$175.5 million or 40.8% of net sales in the prior year.

Gross profit in the Marine Electronics business declined \$11.2 million, from 37.5% of net sales in 2007 to 33.8% of net sales in the current year. The incremental Geonav gross profit of \$2.8 million was more than offset by the effects of unfavorable overhead expense absorption due to lower production volumes for electric motors and downriggers and an unfavorable product mix. In addition, as a result of the weak consumer demand, reserves for excess and obsolete inventory increased by \$1.8 million over the prior year.

Gross profit in the Outdoor Equipment business declined \$3.9 million from 34.0% of net sales in 2007 to 31.3% of net sales in the current year due largely to unfavorable product mix and lower production volumes of government and commercial tents.

Gross profit in the Watercraft segment of 34.4% of net sales in 2008 was \$3.9 million less than 2007 levels at 38.5% of net sales due primarily to lower volume and related operating inefficiencies, closeout pricing, and \$1.2 million of increased material costs. In addition, the Company recorded an additional reserve of \$1.0 million for excess and obsolete inventory in 2008 compared to 2007 as a result of lower sales and the Company's efforts to reduce the number of unique inventory items.

Gross profit for the Diving segment increased by \$3.1 million but decreased as a percent of net sales from 53.6% in 2007 to 51.6% in 2008 due largely to currency impacts on purchased product and close out sales on end-of-life products.

Operating Expenses

During fiscal 2008, the Company recorded an impairment charge of \$41.0 million related to goodwill and other indefinite lived intangible assets. Excluding the impairment charge, operating expenses in 2008 would have been \$156.6 million as compared to \$155.5 million in 2007.

Goodwill impairment charges of \$7.2 million and \$7.4 million of operating expenses generated by the newly acquired Geonav business were recognized in the Marine Electronics segment during 2008. All other operating expenses decreased \$3.2 million from the prior year. This decrease was due mainly to the decrease in bonus, profit sharing and other incentive compensation of \$2.7 million, partially offset by increased warranty expense.

Outdoor Equipment operating expenses increased by \$2.7 million from the prior year due primarily to a goodwill impairment charge of \$0.6 million in the current year and the favorable impact in the prior year of \$2.9 million of insurance recoveries related to the flood at the Company's facility in Binghamton, New York in 2006.

The Company recorded a goodwill impairment charge of \$6.2 million in 2008 related to the Watercraft business. Other operating expenses in the Watercraft business decreased by \$6.0 million due primarily to the impact of a \$4.4 million legal settlement recorded in the prior year and the reduction of bonus, profit sharing and other incentive compensation expense in the current year.

An impairment charge of \$27.0 million was included in the Diving business operating expenses for 2008. Other Diving operating expenses increased \$4.6 million from the prior year due to \$2.5 million of restructuring costs incurred related to the relocation of dive computer manufacturing and \$3.4 million due to currency impacts, offset by decreased bonus, profit sharing and other incentive compensation expenses.

Operating Results

The Company recognized an operating loss of \$38.1 million in 2008 compared to an operating profit of \$20 million in fiscal 2007. Primary factors driving the decrease in operating profit margins were the goodwill impairment loss, the underabsorption of overhead expenses due to significantly lower production volumes as well as higher raw material costs, close out pricing and additional inventory reserves on slow moving inventory. Operating expenses totaled \$197.6 million, or 47.0% of net sales in fiscal 2008 compared to \$155.5 million or 36.1% of net sales in fiscal 2007. Marine Electronics operating profit decreased by \$22.5 million, or 98.2%, in fiscal 2008 from the prior year. Outdoor Equipment operating profit decreased \$6.5 million, or 76.5%. Watercraft operating loss worsened by \$4.1 million from the prior year. Diving operating profit turned into a loss of \$21.5 million, a \$28.4 million decrease from the prior year amount.

Other Income and Expenses

Interest income remained consistent with the prior year at \$0.8 million in fiscal 2008. Interest expense increased \$0.5 million from 2007 to \$5.7 million in 2008, due largely to higher long term borrowings incurred to fund higher working capital needs. The Company realized currency losses of \$1.9 million in fiscal 2008 as compared to \$0.6 million in fiscal 2007. The increase was primarily due to significant weakening of the U.S. dollar against the Swiss franc and the euro.

Pretax Income and Income Taxes

The Company recognized a pretax loss of \$44.3 million in fiscal 2008, compared to pretax income of \$15.8 million in fiscal 2007. The Company recorded income tax expense of \$24.2 million in fiscal 2008, an effective rate of (54.6%), compared to \$5.2 million in fiscal 2007, an effective rate of 33.2%. The 2008 expense includes a valuation allowance of \$29.5 million in respect of deferred tax assets in the U.S. and certain foreign tax jurisdictions. The effective tax rate for 2007 benefited from a German tax law change, an increased tax rate used to record federal deferred tax assets and research and development tax credits.

Loss from Continuing Operations

The loss from continuing operations was \$68.5 million for the year compared to income of \$10.5 million in the prior year as a result of the fluctuations discussed above.

Loss from Discontinued Operations

On December 17, 2007, the Company's management committed to a plan to divest the Company's Escape business and is continuing to explore strategic alternatives for its Escape brand products. In accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144), the results of operations of the Escape business have been reported as discontinued operations in the consolidated statements of operations for the fiscal years ended October 3, 2008, September 28, 2007, and September 29, 2006 and in the consolidated balance sheets as of October 3, 2008 and September 28, 2007. The Company recorded after tax losses related to the discontinued Escape business of \$2.6 million and \$1.3 million for 2008 and 2007, respectively.

Net Loss

The Company recognized a net loss of \$71.0 million in fiscal 2008, or \$7.81 per diluted share, compared to net income of \$9.2 million in fiscal 2007, or \$1.00 per diluted share.

Fiscal 2007 vs Fiscal 2006

Net Sales

Net sales totaled a record \$430.6 million in 2007 compared to \$394.0 million in 2006, an increase of 9.3% or \$36.6 million. Foreign currency translations favorably impacted 2007 net sales by \$3.9 million in comparison to 2006. Sales growth in the Company's Marine Electronics, Watercraft and Diving business units overcame a decline in the Outdoor Equipment business unit.

Net sales for the Marine Electronics business increased \$33.5 million, or 20.4% primarily due to the successful launch of new products across the Marine Electronics brands. Net sales for the Company's Watercraft business increased \$3.3 million, or 3.9%, as a result of new product introductions and product offerings in the U.S. and improved volumes in international markets. Net sales for the Diving business increased \$10.2 million, or 13.0% primarily due to an increase of \$4.6 million from the acquired Seemann Sub business, increased volume in Europe and the far east and a \$2.8 million favorable currency translation. Net sales in the Company's Outdoor Equipment business declined \$10.0 million, or 15.2%, primarily due to the expected decline in total military tent sales and a \$5.3 million decline in specialty market sales. The declines in military tent sales and specialty market sales were partially offset by strong sales in the Consumer and Commercial businesses.

Operating Results

The Company recognized an operating profit of \$20.0 million in fiscal 2007 compared to an operating profit of \$23.4 million in fiscal 2006. Company gross profit margins decreased to 40.8% in fiscal 2007 from 42.0% in fiscal 2006. Primary factors driving the decrease in gross profit margins were production inefficiencies in Marine Electronics and Diving supply chain challenges in Europe. Operating expenses totaled \$155.5 million, or 36.1% of net sales in fiscal 2007 compared to \$141.9 million, or 36.0% of net sales in fiscal 2006.

Marine Electronics operating profit improved by \$1.3 million, or 6.2%, in fiscal 2007 from the prior year. The increase was primarily driven by favorable net sales volume on successful launch of new products across the Marine Electronics brands, slightly offset by increased labor due to production inefficiencies incurred in meeting higher new product demand.

Outdoor Equipment operating profit increased \$0.2 million, or 2.8%, mainly due to the insurance recoveries related to the 2006 Binghamton, New York flood. The Company recognized gains on the recoveries of \$2.9 million compared to losses incurred in the prior year of \$1.5 million. No additional costs or recoveries are expected related to this event. Without the insurance recoveries the Outdoor Equipment business operating profit would have declined as a result of lower military tent sales and \$5.3 million of specialty market sales occurring in 2006 which did not recur in 2007.

Watercraft operating profit of \$0.2 million in 2006 decreased by \$4.4 million to an operating loss of \$4.2 million for fiscal 2007. However fiscal 2007 operating losses for this segment included a one-time legal settlement of \$4.4 million. Nonetheless, Watercraft saw improvements in its core Paddlesports business.

Diving operating profit increased by \$1.3 million, or 23.7%, due primarily to operating profit provided by the acquired Seemann Sub business along with improved profitability on increased sales volume in far east markets. Additionally, the Diving business incurred \$0.6 million in restructuring costs related to the closure of its Wendelstein, Germany facility.

Other Income and Expenses

Interest income in 2007 increased \$0.2 million to \$0.7 million in fiscal 2007. Interest expense increased \$0.2 million to \$5.2 million. Favorability resulting from lower amounts of term debt outstanding for the year was offset by higher short term borrowings incurred to fund working capital needs. The Company realized currency losses of \$0.6 million in fiscal 2007 as compared to \$0.2 million in fiscal 2006.

Pretax Income and Income Taxes

The Company recognized pretax income of \$15.8 million in fiscal 2007, compared to \$18.5 million in fiscal 2006. The Company recorded income tax expense of \$5.2 million in fiscal 2007, an effective rate of 33.2%, compared to \$8.1 million in fiscal 2006, an effective rate of 43.6%. The effective tax rate for 2007 benefited from a German tax law change, an increased tax rate used to record federal deferred tax assets and research and development tax credits.

Loss from Continuing Operations

The income from continuing operations was \$10.5 million for the year compared to income of \$10.4 million in the prior year as a result of the fluctuations discussed above.

Loss from Discontinued Operations

On December 17, 2007, the Company's management committed to a plan to divest the Company's Escape business and is continuing to explore strategic alternatives for its Escape brand products. In accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS No. 144), the results of operations of the Escape business have been reported as discontinued operations in the consolidated statements of operations for the fiscal years ended October 3, 2008, September 28, 2007, and September 29, 2006 and in the consolidated balance sheets as of October 3, 2008 and September 28, 2007. The Company recorded after tax losses related to the discontinued Escape business of \$1.3 million and \$1.7 million for 2007 and 2006, respectively.

Net Income

The Company recognized net income of \$9.2 million in fiscal 2007, or \$1.00 per diluted share, compared to net income of \$8.7 million in fiscal 2006, or \$0.95 per diluted share.

Financial Condition, Liquidity and Capital Resources

The Company's cash flow from operating, investing and financing activities, as reflected in the consolidated statements of cash flows, is summarized in the following table:

<i>(millions)</i>	2008	2007	2006
Cash provided by (used for):			
Operating activities	\$ 4.9	\$ 0.6	\$ 7.5
Investing activities	(18.2)	(22.0)	(18.6)
Financing activities	15.5	5.3	(12.8)
Effect of exchange rate changes	0.4	3.6	3.5
Increase (decrease) in cash and temporary cash investments	\$ 2.6	\$ (12.5)	\$ (20.4)

Operating Activities

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

<i>(millions)</i>	2008		2007		2006	
Current assets ⁽¹⁾	\$	189.7	\$	205.2	\$	185.3
Current liabilities ⁽²⁾		55.4		66.3		57.7
Working capital ⁽²⁾	\$	134.3	\$	138.9	\$	127.6
Current ratio ⁽²⁾		3.4:1		3.1:1		3.2:1

⁽¹⁾ 2008, 2007 and 2006 information includes cash and cash equivalents of \$41.8, \$39.2 and \$51.7 million, respectively.

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

Cash flows provided by operations totaled \$4.9 million, \$0.6 million and \$7.5 million in fiscal 2008, 2007 and 2006, respectively. The major driver in the increase in cash flows from operations in fiscal 2008 was a decline in accounts receivable due to collections of prior year receivables and lower sales in fiscal 2008 partially offset by fiscal 2007 incentive compensation paid out in fiscal 2008 and income tax payments.

The major driver in the decline of cash flows from operations in fiscal 2007 was created by an increase in working capital. Increases in accounts receivable of \$3.1 million and inventory of \$22.6 million were offset by increases in accounts payable and other accrued liabilities of \$5.4 million, all of which reflect the increase in working capital in fiscal 2007.

Depreciation and amortization charges were \$10.1 million in fiscal 2008, \$9.4 million in fiscal 2007 and \$9.2 million in fiscal 2006.

Investing Activities

Cash flows used for investing activities were \$18.2 million, \$22.0 million and \$18.6 million in fiscal 2008, 2007 and 2006, respectively. The acquisition of Geonav used \$5.6 million of cash in fiscal 2008. The acquisition of Lendal used \$1.5 million of cash in fiscal 2007. The acquisition of Seemann used \$0.7 million and \$7.9 million of cash in fiscal 2008 and 2007, respectively. The acquisition of Cannon/Bottom Line used \$9.9 million of cash in fiscal 2006. Expenditures for property, plant and equipment were \$12.4 million, \$13.4 million, \$8.9 million in fiscal 2008, 2007 and 2006, respectively. In general, the Company's ongoing expenditures are primarily related to tooling for new products and facilities and information systems improvements.

Financing Activities

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

<i>(millions)</i>	2008		2007		2006	
Current debt	\$	—	\$	32.8	\$	17.0
Long-term debt		60.0		10.0		20.8
Total debt		60.0		42.8		37.8
Shareholders' equity		122.3		200.2		180.9
Total capitalization	\$	182.3	\$	243.0	\$	218.7
Total debt to total capitalization		32.9%		17.6%		17.3%

Cash flows provided by (used for) financing activities totaled \$15.5 million, \$5.3 million and (\$12.8) million in fiscal 2008, 2007 and 2006, respectively. Payments on long-term debt were \$20.8 million, \$17.0 million and \$13.0 million in fiscal 2008, 2007 and 2006, respectively.

On October 7, 2005, the Company entered into a \$75 million unsecured revolving credit facility agreement expiring October 7, 2010. The Company had no outstanding borrowings on this credit facility as of October 3, 2008.

On February 1, 2007, the Company entered into an additional \$10.0 million unsecured revolving credit facility agreement to satisfy the Company's working capital requirements. The Company repaid and closed this credit facility in May 2007 as it was no longer needed.

On February 12, 2008, the Company entered into a Term Loan Agreement with JPMorgan Chase Bank N.A., as lender and agent and the other lenders named therein (the "lending group"). This Term Loan Agreement consists of a \$60.0 million term loan maturing on February 12, 2013, bearing interest at a three month LIBOR rate plus an applicable margin. The applicable margin is based on the Company's ratio of consolidated debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and varies between 1.25% and 2.00%. At October 3, 2008, the margin in effect was 2.00% for LIBOR loans.

On October 13, 2008, the Company entered into an Omnibus Amendment of its Term Loan Agreement and revolving credit facility effective as of October 3, 2008 with the lending group. On the same date, the Company also entered into a Security Agreement with the lending group. The Omnibus Amendment temporarily modified certain provisions of the Company's Term Loan Agreement and revolving credit facility. The Security Agreement was granted in favor of the lending group and covers certain inventory and accounts receivable.

The Omnibus Amendment reset the applicable margin on the LIBOR based debt at 3.25%. Under the terms of the Omnibus Amendment, certain financial and non-financial covenants were modified, including restrictions on the Company's ability to increase the amount or frequency of dividends, a restriction in the aggregate amount of acquisitions to no more than \$2.0 million, adjustments to the maximum leverage ratio which cannot exceed 5.0 to 1.0 and adjustments to the minimum fixed charge coverage ratio which cannot be less than 1.75 to 1.0 for the quarter ended October 3, 2008. In addition, the definition of consolidated EBITDA was modified to exclude certain non-cash items.

The Omnibus Amendment did not reset the net worth covenant and the Company was in non-compliance with this covenant as of October 3, 2008. On December 31, 2008, the Company entered into an amended term loan and revolving credit facility agreement with the lending group, effective January 2, 2009. Changes to the term loan include shortening the maturity date to October 7, 2010, adjusting financial covenants and interest rates. The revolving credit facility was reduced from \$75.0 million to \$35.0 million, with an additional reduction of \$5.0 million required by January 31, 2009. The maturity of the revolving credit facility remains unchanged at October 7, 2010. The revised term loan bears interest at a LIBOR rate plus 5.00% with a LIBOR floor of 3.50%. The revolving credit facility bears interest at LIBOR plus 4.50%.

On October 29, 2007, the Company entered into a forward starting interest rate swap with a notional amount of \$60.0 million, receiving a floating three month LIBOR interest rate while paying at a fixed rate of 4.685% over the period beginning December 14, 2007 and ending December 14, 2012. Interest is payable quarterly, starting on March 14, 2008. The Swap has been designated as a cash flow hedge and is expected to be an effective hedge against the impact on interest payments of changes in the three-month LIBOR benchmark rate. The effect of the interest rate swap is to lock the interest rate on \$60.0 million of three-month floating rate LIBOR debt at 4.685% before applying the applicable margin.

As a result of the amendment of the Company's debt agreements entered into on December 31, 2008, the Company has prepared an analysis of the Swap in respect of the new terms as of that date and concluded that the Swap is no longer an effective hedge against the impact on interest payments of changes in the three-month LIBOR benchmark rate due to the LIBOR floor in the amended terms. The Company will evaluate the effectiveness of the Swap on a quarterly basis going forward.

On December 29, 2008, the Company and JPMorgan Chase ("the Counterparty") agreed to amend the terms of its \$60.0 million LIBOR interest rate swap ("the Swap") contract to include an automatic termination clause. The Company and the Counterparty are negotiating a modification of the terms of the Swap to accommodate the new debt agreements. If the Company and the Counterparty cannot agree to acceptable modification terms, then the Swap will automatically terminate on January 8, 2009. Early termination of the Swap would require the Company and the Counterparty to settle their respective obligations to each other under the Swap contract terms. If such a termination had occurred on December 29, 2008, it would have required the Company to pay the Counterparty approximately \$6.5 million, which was the fair value of the Swap on that date. If the Swap were to terminate on January 8, 2009, the amount required to be paid by the Company to settle this contract could be materially different.

Contractual Obligations and Off Balance Sheet Arrangements

The Company has contractual obligations and commitments to make future payments under its existing credit facility, including interest, operating leases and open purchase orders. The following schedule details these significant contractual obligations at October 3, 2008.

<i>(millions)</i>	Payment Due by Period				
	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Long-term debt	\$ 60.0	\$ —	\$ 60.0	\$ —	\$ —
Short-term debt	—	—	—	—	—
Operating lease obligations	27.6	6.5	8.6	5.1	7.4
Open purchase orders	47.1	47.1	—	—	—
Contractually obligated interest payments	10.9	3.6	7.3	—	—
Total contractual obligations	\$ 145.6	\$ 57.2	\$ 75.9	\$ 5.1	\$ 7.4

Interest obligations on short-term debt are included in the category "contractually obligated interest payments" noted above only to the extent accrued as of October 3, 2008. Future interest costs on the revolving credit facility cannot be estimated due to the variability of the amount of borrowings and the interest rates on that facility. Estimated future interest payments on the \$60.0 million floating rate LIBOR term debt were calculated under the terms of the debt agreement in place at October 3, 2008 using the market rate applicable in the current period and assumed this rate would not change over the life of the term loan. Actual LIBOR market rates and the Company's applicable margin may differ significantly from this estimate under its new debt agreement.

The Company also utilizes letters of credit for trade financing purposes. Letters of credit outstanding at October 3, 2008 totaled \$2.2 million.

The Company anticipates making contributions to its defined benefit pension plans of \$0.3 million through September 30, 2009.

The Company has no other off-balance sheet arrangements.

Market Risk Management

The Company is exposed to market risk stemming from changes in foreign currency exchange rates, interest rates and, to a lesser extent, commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. The Company may reduce exposure to certain of these market risks 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, losses, assets and liabilities of the Company's foreign operations, as reported in the Company's consolidated financial statements, increase or decrease, accordingly. Approximately 29% of the Company's revenues for the year ended October 3, 2008 were denominated in currencies other than the U.S. dollar. Approximately 17% were denominated in euros, with the remaining 12% denominated in various other foreign currencies.

In the past, the Company has mitigated 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; however, no such transactions were entered into during fiscal years 2008 or 2007.

Interest Rates

The Company uses interest rate swaps, caps or collars in order to maintain a mix of floating rate and fixed rate debt such that permanent working capital needs are largely funded with fixed rate debt and seasonal working capital needs are funded with floating rate debt. The Company's primary exposure is to U.S. interest rates. The Company had no interest rate swaps, caps or collars outstanding as of the fiscal 2007 year end. On October 29, 2007 the Company entered into a forward starting interest rate swap (the "Swap") with a notional amount of \$60.0 million, receiving a floating three month LIBOR interest rate while paying at a fixed rate of 4.685% over an accruing period beginning December 14, 2007 and ending December 14, 2012. Interest will be payable quarterly. The Swap has been designated as a cash flow hedge of a forecasted floating rate debt issuance of approximately \$60.0 million and as of October 3, 2008, was expected to be an effective hedge of the impact on interest payments due to changes in the three-month LIBOR benchmark rate.

As a result of the amendment of the Company's debt agreements entered into on December 31, 2008, effective January 2, 2009, the Company has prepared an analysis of the Swap in respect of the new terms as of that date and concluded that the Swap is no longer an effective hedge against the impact on interest payments of changes in the three-month LIBOR benchmark rate due to the LIBOR floor in the amended terms. The Company will evaluate the effectiveness of the Swap on a quarterly basis going forward.

On December 29, 2008, the Company and JPMorgan Chase ("the Counterparty") agreed to amend the terms of its \$60.0 million LIBOR interest rate swap ("the Swap") contract to include an automatic termination clause. The Company and the Counterparty are negotiating a modification of the terms of the Swap to accommodate the new debt agreements. If the Company and the Counterparty cannot agree to acceptable modification terms, then the Swap will automatically terminate on January 8, 2009. Early termination of the Swap would require the Company and the Counterparty to settle their respective obligations to each other under the Swap contract terms. If such a termination had occurred on December 29, 2008, it would have required the Company to pay the Counterparty approximately \$6.5 million, which was the fair value of the Swap on that date. If the Swap were to terminate on January 8, 2009, the amount required to be paid by the Company to settle this contract could be materially different.

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 include costs associated with metals, resins 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 market interest rates. 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. The table below presents the estimated maximum potential loss in fair value and annual income before income taxes from a 100 basis point movement in interest rates on the Company's term loan outstanding at October 3, 2008:

<i>(millions)</i>	Fair Value	Estimated Impact on
		Income Before Income Taxes
Interest rate instruments	\$ —	\$ 0.6

The Company had \$60.0 million outstanding in a LIBOR based term loan, maturing on February 12, 2013, with interest payable quarterly. The term loan bears interest at three-month LIBOR, which is reset each quarter at the prevailing three month LIBOR. The fair market value of this term loan was \$60.0 million as of October 3, 2008.

Other Factors

The Company experienced inflationary pressures during fiscal 2008 on energy, metals, resins and freight charges. 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 U.S. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of its assets, liabilities, sales and expenses, and related footnote disclosures. On an on-going basis, the Company evaluates its estimates for 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. Management has discussed these policies with the Audit Committee of the Company's Board of Directors.

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 by the individual operating companies based on estimates of losses related to customer accounts 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 and any specific customer collection issues the Company identifies could have a favorable or unfavorable effect on required reserve balances.

Inventories

The Company values inventory at the lower of cost (determined using the first-in first-out method) or market. Management's 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 will be used to meet future needs. Inventory reserves are estimated by 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 required reserve balances.

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 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 assets in the future, an adjustment to the deferred tax assets 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 assets would increase income in the period such determination was made.

Goodwill and Other Intangible Assets Impairment

In assessing the recoverability of the Company's goodwill and other intangible assets, the Company makes 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.

Warranties

The Company accrues a warranty reserve for estimated costs to provide warranty services. Warranty reserves are estimated by the individual operating companies using standard quantitative measures based on criteria established by the Company. Estimates of costs to service its warranty obligations are 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.

New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS No. 157"). This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 clarifies the definition of exchange price as the price between market participants in an orderly transaction to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, which market is the principal or most advantageous market for the asset or liability. The Company will be required to adopt SFAS No. 157 beginning in fiscal 2009. The Company does not believe the adoption of SFAS No. 157 will have a material impact on the Company's consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115* ("SFAS No. 159"). This standard permits an entity to choose to measure many financial instruments and certain other items at fair value. The fair value option permits a company to choose to measure eligible items at fair value at specified election dates. A company will report unrealized gains and losses on items for which the fair value option has been elected in earnings after adoption. SFAS No. 159 will be effective for the Company beginning in fiscal 2009. The Company does not believe the adoption of SFAS No. 159 will have a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), *Business Combinations* (“SFAS No. 141(R)”). The objective of SFAS No. 141(R) is to improve the information provided in financial reports about a business combination and its effects. SFAS No. 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS No. 141(R) also requires the acquirer to recognize and measure the goodwill acquired in a business combination or a gain from a bargain purchase. SFAS No. 141(R) will be applied on a prospective basis for business combinations where the acquisition date is on or after the beginning of the Company’s 2010 fiscal year.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (“SFAS No. 160”). The objective of SFAS No. 160 is to improve the financial information provided in consolidated financial statements. SFAS No. 160 amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 also changes the way the consolidated income statement is presented, establishes a single method of accounting for changes in a parent’s ownership interest in a subsidiary that do not result in deconsolidation, requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated, and expands disclosures in the consolidated financial statements in order to clearly identify and distinguish between the interests of the parent’s owners and the interest of the noncontrolling owners of a subsidiary. SFAS No. 160 is effective for the Company’s 2010 fiscal year. The Company does not anticipate that SFAS No. 160 will have any material impact on the Company’s consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133* (“SFAS No. 161”). SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand the effect these instruments and activities have on an entity’s financial position, financial performance and cash flows. Entities are required to provide enhanced disclosures about: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations; and how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. We will adopt SFAS No. 161 beginning in fiscal 2009. The Company does not believe the adoption of SFAS No. 161 will have a material impact on the Company’s consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this item is included in the Company’s consolidated financial statements attached to this report on pages F-1 to F-39.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in reports that the Company files with or submits to the Securities and Exchange Commission. It should be noted that in designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company has designed its disclosure controls and procedures to reach a level of reasonable assurance of achieving the desired control objectives and based on the evaluation described above, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at reaching that level of reasonable assurance.

(b) Changes in Internal Control over Financial Reporting.

There was no change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the Company's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Management's Annual Report on Internal Control over Financial Reporting

The annual report of management required under this Item 9A is contained in the section titled "Item 8. Financial Statements and Supplementary Data" under the heading "Management's Report on Internal Control over Financial Reporting."

(d) Attestation Report of Independent Registered Public Accounting Firm

Ernst & Young LLP, the independent registered public accounting firm who audited the Company's consolidated financial statements, has issued an attestation report on the Company's internal control over financial reporting, which is contained in the Company's consolidated financial statements under the heading "Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting."

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to this item is incorporated herein by reference to the discussion under the heading “Election of Directors,” “Executive Officers,” “Section 16(a) Beneficial Ownership Reporting Compliance” and “Audit Committee Matters – Audit Committee Financial Expert” in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009. Information regarding the Company's Code of Business Ethics is incorporated herein by reference to the discussion under “Corporate Governance Matters – Employee Code of Conduct and Code of Ethics and Procedures for Reporting of Accounting Concerns” in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders.

The Audit Committee of the Company's Board of Directors is an “audit committee” for purposes of Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the Audit Committee are Terry E. London (Chairman), Thomas F. Pyle, Jr. and John M. Fahey, Jr.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to this item is incorporated herein by reference to the discussion under the headings “Compensation of Directors” and “Executive Compensation” in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009.

The information incorporated by reference from the “Report of the Compensation Committee” in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such filing.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to this item is incorporated herein by reference to the discussion under the heading “Stock Ownership of Management and Others” in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009.

Equity Compensation Plan Information

The following table summarizes share information, as of October 3, 2008, for the Company's equity compensation plans, including the Johnson Outdoors Inc. 2003 Non-Employee Director Stock Ownership Plan, the Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan, and the Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan. All of these plans have been approved by the Company's shareholders.

Plan Category	Number of Common Shares to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Common Shares Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders	271,043	\$8.36	500,458 ⁽¹⁾

⁽¹⁾ All of the available shares under the 2003 Non-Employee Director Stock Ownership Plan (104,817) and under the 2000 Long-Term Stock Incentive Plan (395,641) may be issued upon the exercise of stock options or granted as restricted stock, and, in the case of the 2000 Long-Term Stock Incentive Plan, as share units. There are 55,764 shares available for issuance under the Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan, as amended.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, DIRECTOR INDEPENDENCE

Information with respect to this item is incorporated herein by reference to the discussion under the heading "Certain Relationships and Related Transactions" in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009. Information regarding director independence is incorporated by reference to the discussions under "Corporate Governance Matters-Director Independence" in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information with respect to this item is incorporated herein by reference to the discussion under the heading "Audit Committee Matters – Fees of Independent Registered Public Accounting Firm" in the Company's Proxy Statement for the 2009 Annual Meeting of Shareholders, which will be filed with the Commission on or before January 31, 2009.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this report:

Financial Statements

Included in Item 8 of Part II of this report are the following:

- Management's Report on Internal Control over Financial Reporting
- Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting
- Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements
- Consolidated Balance Sheets - October 3, 2008 and September 28, 2007
- Consolidated Statements of Operations - Years ended October 3, 2008, September 28, 2007 and September 29, 2006
- Consolidated Statements of Shareholders' Equity - Years ended October 3, 2008, September 28, 2007 and September 29, 2006
- Consolidated Statements of Cash Flows - Years ended October 3, 2008, September 28, 2007 and September 29, 2006
- Notes to Consolidated Financial Statements

Financial Statement Schedules

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

Exhibits

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Racine and State of Wisconsin, on the 2nd day of January 2009.

JOHNSON OUTDOORS INC.

(Registrant)

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on the 2nd day of January 2009.

<u>/s/ Helen P. Johnson-Leipold</u> (Helen P. Johnson-Leipold)	Chairman and Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ Thomas F. Pyle, Jr.</u> (Thomas F. Pyle, Jr.)	Vice Chairman of the Board and Director
<u>/s/ Terry E. London</u> (Terry E. London)	Director
<u>/s/ John M. Fahey, Jr.</u> (John M. Fahey, Jr.)	Director
<u>/s/ W. Lee McCollum</u> (W. Lee McCollum)	Director
<u>/s/ Edward F. Lang, III</u> (Edward F. Lang, III)	Director
<u>/s/ David W. Johnson</u> (David W. Johnson)	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit	Title
2	Agreement and Plan of Merger, dated October 28, 2004, by and between JO Acquisition Corp. and Johnson Outdoors Inc (Filed as Exhibit 2 to the Company's Form 8-K dated October 28, 2004 and incorporated herein by reference.)
3.1	Articles of Incorporation of the Company as amended through February 17, 2000. (Filed as Exhibit 3.1(a) to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)
3.2	Bylaws of the Company as amended and restated through September 23, 2008.
4.1	Note Agreement dated October 1, 1995. (Filed as Exhibit 4.1 to the Company's Form 10-Q for the quarter ended December 29, 1995 and incorporated herein by reference.)
4.2	First Amendment dated October 11, 1996 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.3 to the Company's Form 10-Q for the quarter ended December 27, 1996 and incorporated herein by reference.)
4.3	Second Amendment dated September 30, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.8 to the Company's Form 10-K for the year ended October 1, 1997 and incorporated herein by reference.)
4.4	Third Amendment dated October 1, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.9 to the Company's Form 10-K for the year ended October 1, 1997 and incorporated herein by reference.)
4.5	Fourth Amendment dated January 10, 2000 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.9 to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)
4.6	Fifth Amendment dated December 13, 2001 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.6 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.7	Consent and Amendment dated September 6, 2002 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.7 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.8	Note Agreement dated as of September 15, 1997. (Filed as Exhibit 4.15 to the Company's Form 10-K for the year ended October 1, 1997 and incorporated herein by reference.)
4.9	First Amendment dated January 10, 2000 to Note Agreement dated September 15, 1997. (Filed as Exhibit 4.10 to the Company's Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.)
4.10	Second Amendment dated December 13, 2001 to Note Agreement dated September 15, 1997. (Filed as Exhibit 4.9 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.11	Consent and Amendment dated as of September 6, 2002 to Note Agreement dated September 15, 1997. (Filed as Exhibit 4.11 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.12	Note Agreement dated as of December 13, 2001. (Filed as Exhibit 4.12 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.13	Consent and Amendment dated of September 6, 2002 to Note Agreement dated as of December 13, 2001. (Filed as Exhibit 4.15 to the Company's Form 10-K for the year ended October 3, 2003 and incorporated herein by reference.)
4.14	Revolving Credit Agreement, dated as of October 7, 2005, by and among Johnson Outdoors Inc. and, among others, JPMorgan Chase Bank, N.A. (Filed as Exhibit 4.15 to the Company's Form 10-Q for the quarter ended December 30, 2005 and incorporated herein by reference.)
9.1	Johnson Outdoors Inc. Class B common stock Amended and Restated Voting Trust Agreement, dated December 10, 2007 (Filed as Exhibit 99.54 to Amendment No. 11 to the Schedule 13D filed by Helen P. Johnson-Leipold on December 10, 2007 and incorporated herein by reference.)

- 10.1 Stock Purchase Agreement, dated as of January 12, 2000, by and between Johnson Outdoors Inc. and Berkley Inc. (Filed as Exhibit 2.1 to the Company's Form 8-K dated March 31, 2000 and incorporated herein by reference.)
- 10.2 Amendment to Stock Purchase Agreement, dated as of February 28, 2000, by and between Johnson Outdoors Inc. and Berkley Inc. (Filed as Exhibit 2.2 to the Company's Form 8-K dated March 31, 2000 and incorporated herein by reference.)
- 10.3⁺ Johnson Outdoors Inc. Amended and Restated 1986 Stock Option Plan. (Filed as Exhibit 10 to the Company's Form 10-Q for the quarter ended July 2, 1993 and incorporated herein by reference.)
- 10.4 Registration Rights Agreement regarding Johnson Outdoors Inc. common stock issued to the Johnson family prior to the acquisition of Johnson Diversified, Inc. (Filed as Exhibit 10.6 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)
- 10.5 Registration Rights Agreement regarding Johnson Outdoors Inc. Class A common stock held by Mr. Samuel C. Johnson. (Filed as Exhibit 28 to the Company's Form 10-Q for the quarter ended March 29, 1991 and incorporated herein by reference.)
- 10.6⁺ Form of Restricted Stock Agreement. (Filed as Exhibit 10.8 to the Company's Form S-1 Registration Statement No. 33-23299 and incorporated herein by reference.)
- 10.7⁺ Form of Supplemental Retirement Agreement of Johnson Diversified, Inc. (Filed as Exhibit 10.9 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)
- 10.8⁺ Johnson Outdoors Retirement and Savings Plan. (Filed as Exhibit 10.9 to the Company's Form 10-K for the year ended September 29, 1989 and incorporated herein by reference.)
- 10.9⁺ Form of Agreement of Indemnity and Exoneration with Directors and Officers. (Filed as Exhibit 10.11 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)
- 10.10 Consulting and administrative agreements with S. C. Johnson & Son, Inc. (Filed as Exhibit 10.12 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)
- 10.11⁺ Johnson Outdoors Inc. 1994 Long-Term Stock Incentive Plan. (Filed as Exhibit 4 to the Company's Form S-8 Registration Statement No. 333-88091 and incorporated herein by reference.)
- 10.12⁺ Johnson Outdoors Inc. 1994 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 4 to the Company's Form S-8 Registration Statement No. 333-88089 and incorporated herein by reference.)
- 10.13⁺ Johnson Outdoors Economic Value Added Bonus Plan (Filed as Exhibit 10.15 to the Company's Form 10-K for the year ended October 1, 1997 and incorporated herein by reference.)
- 10.14⁺ Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan. (Filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated July 29, 2005 and incorporated herein by reference.)
- 10.15⁺ Share Purchase and Transfer Agreement, dated as of August 28, 2002, by and between, among others, Johnson Outdoors Inc. and an affiliate of Bain Capital Fund VII-E (UK), Limited Partnership. (Filed as Exhibit 2.1 to the Company's Form 8-K dated September 9, 2002 and incorporated herein by reference.)
- 10.16⁺ Johnson Outdoors Inc. Worldwide Key Executive Phantom Share Long-Term Incentive Plan (Filed as Exhibit 10.1 to the Company's Form 10-Q dated March 28, 2003 and incorporated herein by reference.)
- 10.17⁺ Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan. (Filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated July 29, 2005 and incorporated herein by reference.)
- 10.18 Stock Purchase Agreement by and between Johnson Outdoors Inc. and TFX Equities Incorporated. (Filed as Exhibit 2.1 to the Company's Form 10-Q dated April 2, 2004 and incorporated herein by reference.)
- 10.19 Intellectual Property Purchase Agreement by and among Johnson Outdoors Inc., Technology Holding Company II and Teleflex Incorporated. (Filed as Exhibit 2.2 to the Company's Form 10-Q dated April 2, 2004 and incorporated herein by reference.)
- 10.20⁺ Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan as amended. (Filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated July 29, 2005 and incorporated herein by reference.)
- 10.21⁺ Johnson Outdoors Inc. 2003 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 10.2 to the Company's Form 10-Q dated April 2, 2004 and incorporated herein by reference.)

10.22 ⁺	Form of Restricted Stock Agreement under Johnson Outdoors Inc. 2003 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 4.2 to the Company's Form S-8 Registration Statement No. 333-115298 and incorporated herein by reference.)
10.23 ⁺	Form of Stock Option Agreement under Johnson Outdoors Inc. 2003 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 10.2 to the Company's Form S-8 Registration Statement No. 333-115298 and incorporated herein by reference.)
10.24	Amended and Restated Credit Term Loan Agreement (Term), dated as of January 2, 2009, among Johnson Outdoors, Inc., JPMorgan Chase Bank, N.A., as lender and agent, and the other lenders named therein (filed as Exhibit 99.1 to the current report on Form 8-K dated and filed with the Securities and Exchange Commission on January 2, 2009).
10.25	Amended and Restated Credit Agreement (Revolving), dated as of January 2, 2009, among Johnson Outdoors, Inc., JPMorgan Chase Bank, N.A., as lender and agent, and the other lenders named therein (filed as Exhibit 99.2 to the current report on Form 8-K dated and filed with the Securities and Exchange Commission on January 2, 2009).
21	Subsidiaries of the Company as of October 3, 2008.
23	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a).
32.1	⁽¹⁾ Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

⁺ A management contract or compensatory plan or arrangement.

⁽¹⁾ This certification is not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Johnson Outdoors Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and board of directors regarding the preparation and fair presentation of published financial statements. The Company's internal control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 3, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on our assessment, management believes that, as of October 3, 2008, the Company's internal control over financial reporting was effective based on those criteria.

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

/s/ David W. Johnson
David W. Johnson
Vice President and Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Shareholders and Board of Directors

Johnson Outdoors Inc.:

We have audited Johnson Outdoors Inc.'s internal control over financial reporting as of October 3, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Johnson Outdoors Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Johnson Outdoors Inc. maintained, in all material respects, effective internal control over financial reporting as of October 3, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Johnson Outdoors Inc. as of October 3, 2008 and September 28, 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended October 3, 2008 of Johnson Outdoors Inc. and our report dated January 2, 2009, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP

Milwaukee, Wisconsin
January 2, 2009

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON CONSOLIDATED FINANCIAL STATEMENTS

Shareholders and Board of Directors
Johnson Outdoors Inc.:

We have audited the accompanying consolidated balance sheets of Johnson Outdoors Inc. as of October 3, 2008 and September 28, 2007, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended October 3, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Johnson Outdoors Inc. as of October 3, 2008 and September 28, 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 3, 2008, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 of the financial statements, in the year ended October 3, 2008, the Company changed its method of accounting for uncertain tax positions to conform with FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes." As discussed in Note 7 of the financial statements, the Company changed its method of accounting for pensions and other post retirement benefits, in the year ended September 28, 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Johnson Outdoors Inc.'s internal control over financial reporting as of October 3, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated January 2, 2009, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Ernst & Young LLP

Milwaukee, Wisconsin
January 2, 2009

CONSOLIDATED BALANCE SHEETS

<i>(thousands, except share data)</i>	October 3 2008	September 28 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 41,791	\$ 39,232
Accounts receivable less allowance for doubtful accounts of \$2,577 and \$2,267, respectively	52,710	57,275
Inventories	85,999	87,726
Assets held for sale	47	1,706
Deferred income taxes	2,963	11,029
Other current assets	6,204	8,253
Total current assets	189,714	205,221
Property, plant and equipment, net	39,077	36,406
Deferred income taxes	594	13,097
Goodwill	14,085	51,454
Other intangible assets, net	6,442	6,638
Other assets	5,157	6,863
Total assets	\$ 255,069	\$ 319,679
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term notes payable	\$ —	\$ 22,000
Current maturities of long-term debt	3	10,800
Accounts payable	24,674	23,051
Accrued liabilities:		
Salaries, wages and benefits	8,671	17,326
Accrued discounts and returns	5,776	5,524
Accrued interest payable	234	610
Income taxes payable	1,318	2,192
Other	14,637	16,619
Liabilities held for sale	76	938
Total current liabilities	55,389	99,060
Long-term debt, less current maturities	60,000	10,006
Deferred income taxes	1,111	—
Retirement benefits	6,774	2,402
Other liabilities	9,511	8,046
Total liabilities	132,785	119,514
Shareholders' equity:		
Preferred stock: none issued	—	—
Common stock:		
Class A shares issued and outstanding: October 3, 2008, 8,006,569; September 28, 2007, 7,949,617	400	397
Class B shares issued and outstanding: October 3, 2008, 1,216,464; September 28, 2007, 1,217,409	61	61
Capital in excess of par value	57,873	56,835
Retained earnings	53,171	126,253
Accumulated other comprehensive income	10,779	16,619
Total shareholders' equity	122,284	200,165
Total liabilities and shareholders' equity	\$ 255,069	\$ 319,679

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

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended		
	October 3 2008	September 28 2007	September 29 2006
<i>(thousands, except per share data)</i>			
Net sales	\$ 420,789	\$ 430,604	\$ 393,950
Cost of sales	261,238	255,108	228,673
Gross profit	159,551	175,496	165,277
Operating expenses:			
Marketing and selling	101,127	100,818	91,362
Administrative management, finance and information systems	42,796	38,646	35,823
Research and development	12,495	12,254	11,199
Goodwill and other impairment charges	41,007	—	—
Litigation settlement	—	4,400	—
(Gains) losses related to New York flood	—	(2,874)	1,500
Profit sharing	179	2,226	2,034
Total operating expenses	197,604	155,470	141,918
Operating (loss) profit	(38,053)	20,026	23,359
Interest income	(766)	(738)	(504)
Interest expense	5,695	5,162	4,989
Other expense (income), net	1,315	(193)	376
(Loss) income before income taxes	(44,297)	15,795	18,498
Income tax expense	24,178	5,246	8,061
(Loss) income from continuing operations	(68,475)	10,549	10,437
Loss from discontinued operations, net of income tax benefit of \$0, \$772 and \$1,012 respectively	(2,559)	(1,315)	(1,722)
Net (loss) income	\$ (71,034)	\$ 9,234	\$ 8,715
Weighted average common shares – Basic:			
Class A	7,876	7,848	7,771
Class B	1,217	1,218	1,219
Dilutive stock options and restricted stock	169	188	171
Weighted average common shares – Dilutive	9,262	9,254	9,161
(Loss) Income from continuing operations per common share – Basic:			
Class A	\$ (7.53)	\$ 1.18	\$ 1.18
Class B	\$ (7.53)	\$ 1.06	\$ 1.06
Loss from discontinued operations per common share – Basic:			
Class A	\$ (0.28)	\$ (0.15)	\$ (0.20)
Class B	\$ (0.28)	\$ (0.13)	\$ (0.18)
Net (loss) income per common share – Basic:			
Class A	\$ (7.81)	\$ 1.03	\$ 0.98
Class B	\$ (7.81)	\$ 0.93	\$ 0.88
(Loss) income from continuing operations per common Class A and B share – Dilutive			
Dilutive	\$ (7.53)	\$ 1.14	\$ 1.14
Loss from discontinued operations per common Class A and B share – Dilutive			
Dilutive	\$ (0.28)	\$ (0.14)	\$ (0.19)
Net (loss) income per common Class A and B share – Dilutive	\$ (7.81)	\$ 1.00	\$ 0.95
Dividends per share:			
Class A Common Stock	\$ 0.22	\$ 0.11	\$ 0.00
Class B Common Stock	\$ 0.20	\$ 0.10	\$ 0.00

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

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Deferred Compensation	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income (Loss)
BALANCE AT SEPTEMBER 30, 2005	\$ 451	\$ 55,279	\$ 109,300	\$ (598)	\$ —	\$ 2,002	\$ 3,719
Net income	—	—	8,715	—	—	—	8,715
Exercise of stock options ⁽¹⁾	—	65	—	—	—	—	—
Issuance of stock under employee stock purchase plan	1	109	—	—	—	—	—
Stock-based compensation and award of restricted shares	2	604	—	—	—	—	—
Adoption of SFAS 123 (R)	—	(598)	—	598	—	—	—
Translation adjustment	—	—	—	—	—	3,454	3,454
Additional minimum pension liability ⁽²⁾	—	—	—	—	—	1,497	1,497
BALANCE AT SEPTEMBER 29, 2006	454	55,459	118,015	—	—	6,953	13,666
Net income	—	—	9,234	—	—	—	9,234
Dividends declared	—	—	(996)	—	—	—	—
Exercise of stock options ⁽¹⁾	1	591	—	—	—	—	—
Issuance of stock under employee stock purchase plan	1	160	—	—	—	—	—
Stock-based compensation and award of restricted shares	2	625	—	—	—	—	—
Translation adjustment	—	—	—	—	—	10,379	10,379
Additional minimum pension liability ⁽²⁾	—	—	—	—	—	45	45
Comprehensive income	—	—	—	—	—	—	19,658
Adoption of SFAS 158 ⁽³⁾	—	—	—	—	—	(758)	—
BALANCE AT SEPTEMBER 28, 2007	458	56,835	126,253	—	—	16,619	—
Net loss	—	—	(71,034)	—	—	—	(71,034)
Dividends declared	—	—	(2,003)	—	—	—	—
Exercise of stock options ⁽¹⁾	1	154	(45)	—	80	—	—
Issuance of stock under employee stock purchase plan	1	135	—	—	—	—	—
Stock-based compensation and award of restricted shares	1	749	—	—	—	—	—
Translation adjustment	—	—	—	—	—	(1,295)	(1,295)
Change in pension plans ⁽²⁾	—	—	—	—	—	(1,786)	(1,786)
Purchase of treasury stock at cost	—	—	—	—	(80)	—	—
Cash Flow Hedge	—	—	—	—	—	(2,759)	(2,759)
Comprehensive income	—	—	—	—	—	—	(76,874)
BALANCE AT OCTOBER 3, 2008	\$ 461	\$ 57,873	\$ 53,171	\$ —	\$ —	\$ 10,779	\$ —

(1) Includes tax benefit related to exercise of stock options of \$29, \$111 and \$25 for 2008, 2007 and 2006, respectively.

(2) Net of tax provision of \$(705), \$33 and \$771 for 2008, 2007 and 2006, respectively.

(3) Net of tax provision of \$560 for 2007.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
(thousands)	October 3 2008	September 28 2007	September 29 2006
CASH PROVIDED BY OPERATING ACTIVITIES			
Net (loss) income	\$ (71,034)	\$ 9,234	\$ 8,715
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	9,423	9,079	8,813
Amortization of intangible assets and deferred financing costs	633	323	351
Goodwill and other impairment charges	41,007	—	—
Loss on sale of property, plant and equipment	565	12	107
Provision for doubtful accounts receivable	735	990	629
Provision for inventory reserves	5,552	1,687	2,163
Stock-based compensation	711	651	686
Deferred income taxes	20,647	(88)	3,755
Change in operating assets and liabilities, net of effect of businesses acquired or sold:			
Accounts receivable	7,079	(3,063)	(3,591)
Inventories	(577)	(22,550)	(10,617)
Accounts payable and accrued liabilities	(15,809)	5,366	1,166
Other current assets	2,153	(831)	(2,074)
Other non-current assets	1,800	(1,855)	(575)
Other long-term liabilities	1,898	2,371	(1,479)
Other, net	117	(668)	(558)
	4,900	658	7,491
CASH USED FOR INVESTING ACTIVITIES			
Payments for purchase of business	(6,329)	(9,409)	(9,863)
Additions to property, plant and equipment	(12,424)	(13,418)	(8,865)
Proceeds from sale of property, plant and equipment	534	814	178
	(18,219)	(22,013)	(18,550)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES			
Net (repayments) borrowings on short-term debt	(22,000)	22,000	—
Borrowings on long-term debt	60,000	—	7
Principal payments on senior notes and other long-term debt	(20,803)	(17,001)	(13,000)
Excess tax benefits from stock-based compensation	30	111	25
Dividends paid	(2,000)	(498)	—
Common stock transactions	301	642	150
	15,528	5,254	(12,818)
Effect of foreign currency fluctuations on cash	350	3,644	3,455
Increase (decrease) in cash and cash equivalents	2,559	(12,457)	(20,422)
CASH AND CASH EQUIVALENTS			
Beginning of year	39,232	51,689	72,111
End of year	\$ 41,791	\$ 39,232	\$ 51,689

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

(in thousands except share and per share amounts)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Johnson Outdoors Inc. ("the Company") is an integrated, global outdoor recreation products company engaged in the design, manufacture and marketing of brand name outdoor equipment, diving, watercraft and marine electronics products.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Johnson Outdoors Inc. and all majority owned subsidiaries and are stated in conformity with U.S. generally accepted accounting principles. Intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Fiscal Year

The Company's fiscal year ends on the Friday nearest September 30. The fiscal year ended October 3, 2008 (hereinafter 2008), comprised 53 weeks. The fiscal years ended September 28, 2007 (hereinafter 2007) and September 29, 2006 (hereinafter 2006) each comprised 52 weeks.

Cash and Cash Equivalents

The Company considers all short-term investments in interest-bearing bank accounts, securities and other instruments with an original maturity of three months or less, when purchased, to be equivalent to cash. Cash equivalents are stated at cost which approximates market value.

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

Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on a combination of factors. In circumstances where specific collection concerns exist, a reserve is established to reduce the amount recorded to an amount the Company believes will be collected. For all other customers, the Company recognizes allowances for doubtful accounts based on historical experience of bad debts as a percent of accounts receivable for each business unit. Uncollectible accounts are written off against the allowance for doubtful accounts after collection efforts have been exhausted. The Company typically does not require collateral on its accounts receivable.

Inventories

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

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

	2008	2007
Raw materials	\$ 30,581	\$ 34,585
Work in process	2,834	3,850
Finished goods	59,897	53,315
	93,312	91,750
Less reserves	7,313	4,024
	\$ 85,999	\$ 87,726

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is determined by straight-line methods over the following estimated useful lives:

Property improvements	5-20 years
Buildings and improvements	20-40 years
Furniture, fixtures and equipment	3-10 years

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

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

	2008	2007
Property and improvements	\$ 1,240	\$ 1,307
Buildings and improvements	25,481	22,731
Furniture, fixtures and equipment	106,252	100,790
	132,973	124,828
Less accumulated depreciation	93,896	88,422
	\$ 39,077	\$ 36,406

Goodwill

In accordance with Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* ("SFAS 142"), the Company applies a fair value-based impairment test to the net book value of goodwill on an annual basis and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. The analysis of potential impairment of goodwill requires a two-step process. The first step is the estimation of fair value of the applicable reporting units. Reporting units are defined as operating segments or one level below an operating segment when that component constitutes a business for which discrete financial information is available and segment management regularly reviews the operating results of that component. The Company has identified its Outdoor Equipment segment and Diving segment as reporting units as well as the component businesses of its Marine Electronic segment and Watercraft segment. Estimated fair value is based on management judgments and assumptions and those fair values are compared with the aggregate carrying values of the reporting units. If the fair value of the reporting unit is greater than its carrying amount, there is no impairment. If the reporting unit carrying amount is greater than the fair value, then the second step must be completed to measure the amount of impairment, if any.

The second step calculates the implied fair value of the goodwill which is compared to its carrying value. If the implied fair value is less than the carrying value, an impairment loss is recognized equal to the difference.

During the fourth quarter of fiscal 2008, the Company performed its annual goodwill impairment test. The fair value of the reporting units was estimated based on a discounted projection of future cash flows. The rate used in determining discounted cash flows is a rate corresponding to the Company's cost of capital, adjusted for risk where appropriate. In determining the estimated future cash flows, current and future levels of income are considered as well as business trends and market conditions. Due to reduced growth expectations resulting from weakening economic conditions and increases in the Company's weighted average cost of capital, the analysis indicated the potential for impairment.

With the assistance of a third-party valuation firm, the Company performed the second step and determined that an impairment of goodwill existed. Accordingly, a non-cash charge of \$39.6 million was recognized in the fourth quarter of fiscal 2008 for goodwill impairment. Due to the current economic uncertainty and other factors, the Company cannot assure that remaining goodwill will not be further impaired in future periods. There was no impairment recorded for the years ended September 28, 2007 and September 29, 2006.

The changes in the carrying amount of segment goodwill for fiscal 2008 and 2007 are as follows:

	Marine Electronics	Outdoor Equipment	Watercraft	Diving	Consolidated
Balance at September 29, 2006	\$ 14,596	\$ 563	\$ 5,518	\$ 22,270	\$ 42,947
Currency translation	-	-	359	1,918	2,277
Acquisitions	-	-	710	5,520	6,230
Balance at September 28, 2007	14,596	563	6,587	29,708	51,454
Currency translations	(92)	-	(345)	933	496
Acquisitions	1,738	-	-	-	1,738
Impairment charges	(6,229)	(563)	(5,904)	(26,907)	(39,603)
Balance at October 3, 2008	\$ 10,013	\$ -	\$ 338	\$ 3,734	\$ 14,085

Other Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization is computed using the straight-line method over periods ranging from 3 to 25 years for patents and other intangible assets with definite lives. During 2008, the final allocation of the purchase price related to the Geonav acquisition was completed resulting in definite lived intangible assets of \$1,833. The weighted average amortization period for these assets is 17 years.

In accordance with the requirements of SFAS No. 142, the Company carried out its annual fair value-based impairment test on indefinite lived intangibles as of October 3, 2008. As a result of the test, the Company recorded an impairment charge of \$1.4 million in the fourth quarter of 2008.

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

	2008		2007
Patents	\$ 3,457	\$	3,443
Trademarks	5,218		5,997
Other	1,620		744
	10,295		10,184
Less accumulated amortization	3,853		3,546
Net patents, trademarks and other	\$ 6,442	\$	6,638

Trademarks at October 3, 2008 contain \$4,158 of trademarks (\$5,382 at September 28, 2007) which have indefinite lives and are not amortized. Amortization of patents and other intangible assets with definite lives was \$453, \$150 and \$172 for 2008, 2007 and 2006, respectively. Amortization of these intangible assets is expected to be approximately \$581 per year until they are fully amortized (the unamortized value of these assets was \$2,284 and \$1,256 as of October 3, 2008 and September 28, 2007, respectively).

Accumulated Other Comprehensive Income

The components of "Accumulated other comprehensive income" on the accompanying consolidated balance sheets as of fiscal year-end 2008 and 2007 are as follows:

	2008		2007
Foreign currency translation adjustment	\$ 16,380	\$	17,674
Unamortized loss on pension plans, net of tax of \$33 and \$771, respectively	(2,842)		(1,055)
Cash flow hedge	(2,759)		-
Accumulated other comprehensive income	\$ 10,779	\$	16,619

Warranties

The Company provides for warranties of certain products as they are sold. The following table summarizes the warranty activity for the three years in the period ended October 3, 2008.

Balance at September 30, 2005	\$	3,287
Expense accruals for warranties issued during the year		3,915
Reserve for businesses acquired		100
Less current year warranty claims paid		3,458
Balance at September 29, 2006		3,844
Expense accruals for warranties issued during the year		4,006
Less current year warranty claims paid		3,560
Balance at September 28, 2007		4,290
Expense accruals for warranties issued during the year		3,742
Less current year warranty claims paid		3,671
Balance at October 3, 2008	\$	4,361

Earnings per Share

Net income or loss per share of Class A Common Stock and Class B Common Stock is computed in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, Earnings per Share ("SFAS No. 128") using the two-class method.

Holders of Class A Common Stock are entitled to cash dividends equal to 110% of all dividends declared and paid on each share of Class B Common Stock. As such, and in accordance with Emerging Issues Task Force 03-06, Participating Securities and the Two-Class Method under FASB Statement No. 128 ("EITF 03-06"), the undistributed earnings for each period are allocated to each class of common stock based on the proportionate share of the amount of cash dividends that each such class is entitled to receive.

Basic EPS

Under the provisions of SFAS No. 128 and EITF 03-06, basic net income or loss per share is computed by dividing net income or loss by the weighted-average number of common shares outstanding less any non-vested stock. In periods with cumulative year to date net income and undistributed income, the undistributed income for each period is allocated to each class of common stock based on the proportionate share of the amount of cash dividends that each such class is entitled to receive. In periods where there is a cumulative year to date net loss or no undistributed income because distributions through dividends exceeds net income, Class B shares are treated as anti-dilutive and losses are allocated equally on a per share basis among Class A and Class B shareholders.

For 2007 and 2006, basic income per share for Class A and Class B shares has been presented using the two class method in accordance with EITF 03-06. For 2008, basic loss per share for Class A and Class B shares is the same due to the cumulative net loss incurred.

Diluted EPS

Diluted net income per share is computed by dividing net income by the weighted-average number of common shares outstanding, adjusted for the effect of dilutive stock options and non-vested stock using the treasury method. The computation of diluted net income per share of Common Stock assumes that Class B Common Stock is converted into Class A Common Stock. Therefore, diluted net income per share is the same for both Class A and Class B shares. In periods where the Company reports a net loss, the effect of anti-dilutive stock options and non-vested stock is excluded and diluted loss per share is equal to basic loss per share.

For 2007 and 2006, diluted net income per share reflects the effect of dilutive stock options and non-vested stock using the treasury method and assumes the conversion of Class B Common Stock into Class A Common Stock. For 2008, the effect of stock options and non-vested stock is excluded from the diluted loss per share calculation as they would be anti-dilutive.

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

	2008		2007		2006
(Loss) income from continuing operations	\$ (68,475)	\$	10,549	\$	10,437
Loss from discontinued operations	(2,559)		(1,315)		(1,722)
Net (loss) income	\$ (71,034)	\$	9,234	\$	8,715
(Loss) Income from continuing operations per common share – Basic:					
Class A	\$ (7.53)	\$	1.18	\$	1.18
Class B	\$ (7.53)	\$	1.06	\$	1.06
Loss from discontinued operations per common share – Basic:					
Class A	\$ (0.28)	\$	(0.15)	\$	(0.20)
Class B	\$ (0.28)	\$	(0.13)	\$	(0.18)
(Loss) Income per common share – Basic:					
Class A	\$ (7.81)	\$	1.03	\$	0.98
Class B	\$ (7.81)	\$	0.93	\$	0.88
(Loss) Income from continuing operations per common Class A and B share – Dilutive					
	\$ (7.53)	\$	1.14	\$	1.14
Loss from discontinued operations per common Class A and B share – Dilutive					
	\$ (0.28)	\$	(0.14)	\$	(0.19)
(Loss) Income per common Class A and B share – Dilutive					
	\$ (7.81)	\$	1.00	\$	0.95

Stock options that could potentially dilute earnings per share in the future which were not included in the fully diluted computation for 2008 and 2006 because they would have been anti-dilutive totaled 271,043 and 19,750 respectively. There were no anti-dilutive stock options for 2007.

Stock-Based Compensation

Effective October 1, 2005, the Company adopted the fair value recognition and measurements provisions of SFAS No. 123(R), using the modified-prospective-transition method. Under that transition method, compensation cost for stock options recognized in fiscal 2006 includes compensation cost for all options granted prior to, but not vested as of October 1, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123. Compensation cost will be recorded for all options granted, if any, subsequent to October 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R).

No stock options were granted in 2008, 2007 or 2006. See Note 10 of the Notes to Consolidated Financial Statements for information regarding the Company's stock-based incentive plans, including stock options, restricted stock, phantom stock and employee stock purchase plans.

In accordance with SFAS No. 123(R) *Share-Based Payment*, cash flows from income tax benefits resulting from tax deductions in excess of the compensation cost recognized for stock-based awards have been classified as financing cash flows.

Income Taxes

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

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

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

On October 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* ("FIN 48"). FIN 48 clarifies the accounting for uncertain tax positions. See Note 6 for additional discussion.

Employee Benefits

The Company and certain of its subsidiaries have various retirement and profit sharing plans. The Company does not have any significant foreign retirement plans. Pension obligations, which are generally based on compensation and years of service, are funded by payments to pension fund trustees. The Company's policy is to annually fund the minimum amount required under the Employee Retirement Income Security Act of 1974 for plans subject thereto. Other retirement costs are funded at least annually.

Foreign Operations and Related Derivative Financial Instruments

The functional currencies of the Company's foreign operations are the local currencies. Accordingly, assets and liabilities of foreign operations are translated into U.S. dollars at the rate of exchange existing at the end of the year. Results of operations are translated at monthly average exchange rates. Adjustments resulting from the translation of foreign currency financial statements are classified as accumulated other comprehensive income (loss), a separate component of shareholders' equity.

Currency gains and losses are realized when assets and liabilities of foreign operations, denominated in other than their local currency, are converted into the local currency of the entity. Additionally, currency gains and losses are realized through the settlement of transactions denominated in other than the local currency. The Company realized currency losses from transactions of \$1,945, \$584 and \$221 for 2008, 2007 and 2006, respectively.

The Company operates internationally, which gives rise to exposure to market risk from movements in foreign currency exchange rates. The Company does not enter into foreign exchange contracts for trading or speculative purposes. Gains and losses on unhedged exposures are recorded in operating results.

Approximately 29% of the Company's revenues for the year ended October 3, 2008 were denominated in currencies other than the U.S. dollar. Approximately 17% were denominated in euros, with the remaining 12% denominated in various other foreign currencies. In the past, the Company has mitigated 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; however, no such transactions were entered into during fiscal years 2008, 2007 or 2006.

Revenue Recognition

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

Advertising

The Company expenses substantially all costs related to the production of advertising the first time the advertising takes place. Cooperative promotional arrangements are accrued as related revenue is earned.

Advertising expense in 2008, 2007 and 2006 totaled \$24,355, \$22,743 and \$21,137, respectively. Capitalized costs at October 3, 2008 and September 28, 2007 totaled \$1,390 and \$1,194, respectively, and primarily include catalogs and costs of advertising which have not yet run for the first time.

Shipping and Handling Costs

Shipping and handling fees billed to customers are included in net sales. Shipping and handling costs are included in marketing and selling expense and totaled \$14,156, \$15,001 and \$14,615 for 2008, 2007 and 2006, respectively.

Research and Development

The Company expenses research and development costs as incurred except for costs of software development for new fishfinder products which are capitalized once technological feasibility is established. The amount capitalized related to software development for new fishfinders was \$2,854, less accumulated amortization of \$1,752 at October 3, 2008 and \$2,227, less accumulated amortization of \$712 at September 28, 2007. These costs are amortized over the expected life of the software. The amounts expensed by the Company in connection with research and development activities for each of the last three fiscal years are set forth in the Company's Consolidated Statements of Operations.

Fair Values

The carrying amounts of cash, cash equivalents, accounts receivable, and accounts payable approximated fair value at October 3, 2008 and September 28, 2007 due to the short maturities of these instruments. See Note 4 for the fair value of long-term debt.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2008 presentation. These reclassifications were primarily associated with the classification of our Escape business as discontinued. See Note 15 for additional information.

New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (“SFAS No. 157”). This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 clarifies the definition of exchange price as the price between market participants in an orderly transaction to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, which market is the principal or most advantageous market for the asset or liability. The Company will be required to adopt SFAS No. 157 beginning in fiscal 2009. The Company does not believe the adoption of SFAS No. 157 will have a material impact on the Company’s consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115* (“SFAS No. 159”). This standard permits an entity to choose to measure many financial instruments and certain other items at fair value. The fair value option permits a company to choose to measure eligible items at fair value at specified election dates. A company will report unrealized gains and losses on items for which the fair value option has been elected in earnings after adoption. SFAS No. 159 will be effective for the Company beginning in fiscal 2009. The Company does not believe the adoption of SFAS No. 159 will have a material impact on the Company’s consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), *Business Combinations* (“SFAS No. 141(R)”). The objective of SFAS No. 141(R) is to improve the information provided in financial reports about a business combination and its effects. SFAS No. 141(R) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS No. 141(R) also requires the acquirer to recognize and measure the goodwill acquired in a business combination or a gain from a bargain purchase. SFAS No. 141(R) will be applied on a prospective basis for business combinations where the acquisition date is on or after the beginning of the Company’s 2010 fiscal year.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51* (“SFAS No. 160”). The objective of SFAS No. 160 is to improve the financial information provided in consolidated financial statements. SFAS No. 160 amends ARB No. 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 also changes the way the consolidated income statement is presented, establishes a single method of accounting for changes in a parent’s ownership interest in a subsidiary that do not result in deconsolidation, requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated, and expands disclosures in the consolidated financial statements in order to clearly identify and distinguish between the interests of the parent’s owners and the interest of the noncontrolling owners of a subsidiary. SFAS No. 160 is effective for the Company’s 2010 fiscal year. The Company does not anticipate that SFAS No. 160 will have a material impact on the Company’s consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133* (“SFAS No. 161”). SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand the effect these instruments and activities have on an entity’s financial position, financial performance and cash flows. Entities are required to provide enhanced disclosures about: how and why an entity uses derivative instruments; how derivative instruments and related hedged items are accounted for under SFAS No. 133 and its related interpretations; and how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. We will adopt SFAS No. 161 beginning in fiscal 2009.

Diving- Hallwil

In March 2008, the Company announced plans to consolidate UWATEC dive computer manufacturing and distribution at its existing facility in Batam, Indonesia which, for the past nine years, was a sub-assembly site for UWATEC's main production in Hallwil, Switzerland. Batam operations were expanded and upgraded to accommodate needed additional capacity. Consolidation is focused on improving operating efficiencies and reducing inventory lead times and operating costs. The total costs incurred during the twelve month period ended October 3, 2008 were \$2,451, consisting of \$825 of employee termination costs, and \$1,626 of other costs. The Company expects the total cost of this restructuring to be approximately \$2,783 consisting of employee termination benefits and related costs of \$1,157 and other costs of \$1,626. The other costs consist principally of project management, legal, moving and contract termination costs. These charges were included in the "Administrative management, finance and information systems" line in the Company's Consolidated Statements of Operations. This action impacted 35 employees, resulting in the elimination of 33 positions and the reassignment of 2 employees to other roles in the Company.

The following represents a reconciliation of the changes in restructuring reserves related to this project through October 3, 2008.

	Employee Termination Costs	Contract Exit Costs	Other Exit Costs	Total
Accrued liabilities as of September 28, 2007	\$ —	\$ —	\$ —	\$ —
Activity during the period ended October 3, 2008:				
Charges to earnings	825	—	1,626	2,451
Settlement payments	—	—	(1,626)	(1,626)
Accrued liabilities as of October 3, 2008	825	—	—	825
Estimated completion costs	332	—	—	332
Total estimated restructuring cost	\$ 1,157	\$ —	\$ 1,626	\$ 2,783

Outdoor Equipment - Binghamton

In June 2008, the Company announced plans to restructure and downsize its Binghamton, New York operations due to continued significant declines in sales of Military tents. The total costs incurred for this restructuring during the twelve month period ended October 3, 2008 were \$320, consisting entirely of employee termination costs. The Company expects the total cost of this restructuring to be \$320. Approximately \$47 and \$45 of payments will be made in the first and second quarter of fiscal 2009, respectively. These charges are included in the "Administrative management, finance and information systems" line in the Company's Consolidated Statements of Operations. This action resulted in the elimination of 27 positions.

The following represents a reconciliation of the changes in restructuring reserves related to this project through October 3, 2008:

	Employee Termination Costs	Contract Exit Costs	Other Exit Costs	Total
Accrued liabilities as of September 28, 2007	\$ —	\$ —	\$ —	\$ —
Activity during the year ended October 3, 2008:				
Charges to earnings	320	—	—	320
Settlement payments	(228)	—	—	(228)
Accrued liabilities as of October 3, 2008	92	—	—	92
Estimated completion costs	—	—	—	—
Total estimated restructuring cost	\$ 320	\$ —	\$ —	\$ 320

Diving – Bad Säkingen

In May 2007, the Company announced plans to relocate the operations of the Scubapro facility in Bad Säkingen, Germany into the Seemann operations in Wendelstein, Germany. As a result of the relocation of the positions at the Bad Säkingen facility in fiscal 2007, the Company recognized an expense of \$578, consisting of employee termination benefits and related costs of \$428 and non-employee exit costs of \$150, principally consisting of moving and contract termination costs. These charges were included in the "Administrative management, finance and information systems" line in the Company's Consolidated Statements of Operations. This relocation resulted in the movement or elimination of 21 positions. The Company incurred charges of \$74 in 2008 to exit its lease of the Bad Säkingen facility. No further restructuring charges or payments are anticipated in the future. Total restructuring costs for the Bad Säkingen closure were \$652, consisting of approximately \$130 of exit costs, \$428 of employee termination costs, and \$94 of other exit costs.

The following represents a reconciliation of the changes in restructuring reserves related to this project through October 3 2008:

	Employee Termination Costs	Contract Exit Costs	Other Exit Costs	Total
Accrued liabilities as of September 29, 2006	\$ —	\$ —	\$ —	\$ —
Activity during the year ended September 28, 2007:				
Charges to earnings	428	130	20	578
Settlement payments	(281)	(14)	(20)	(315)
Accrued liabilities as of September 29, 2007	147	116	—	263
Activity during the year ended October 3, 2008:				
Charges to earnings	—	—	74	74
Settlement payments	(147)	(116)	(74)	(337)
Accrued liabilities as of October 3, 2008	\$ —	\$ —	\$ —	\$ —

Diving – European Distribution

In September 2005, the Company approved a plan to consolidate distribution in Europe. These actions resulted in the closure of warehouses in Germany, Italy and Switzerland and office space in France during fiscal 2006. Additionally, actions were taken during fiscal 2005 to reorganize the European management structure to unify the marketing and sales efforts across Europe. This decision resulted in the reduction of 14 positions. These charges are included in the "Administrative management, finance and information systems" line in the Company's Consolidated Statement of Operations.

A summary of charges, payments and accruals for 2006 and 2005 are as follows:

	Employee Termination Costs	Contract Exit Costs	Other Exit Costs	Total
Accrued liabilities as of September 30, 2005	\$ 675	\$ 43	\$ —	\$ 718
Activity during the year ended September 29, 2006:				
Charges to earnings	51	9	292	352
Settlement payments	(726)	(52)	(292)	(1,070)
Accrued liabilities as of September 29, 2006	\$ —	\$ —	\$ —	\$ —

3 ACQUISITIONS

Geonav S.r.l.

On November 16, 2007, the Company acquired 100% of outstanding common stock of Geonav S.r.l. (Geonav), a marine electronics company for approximately \$5,646 (cash of \$5,242 and transaction costs of \$404). The acquisition was funded with existing cash and borrowings under our credit facilities. Geonav is a major European brand of chart plotters based in Viareggio, Italy. The Company believes that the purchase of Geonav will allow the Company to expand its product line and add to its marine electronics distribution channels in Europe. Also sold under the Geonav brand are marine autopilots, VHF radios and fishfinders. Geonav is included in the Company's Marine Electronics segment.

The following table summarizes the final allocation of the purchase price, fair values of the assets acquired and liabilities assumed, and the resulting goodwill acquired at the date of the Geonav acquisition.

Accounts receivable	\$	3,991
Inventories		3,291
Other current assets		111
Property, plant and equipment		429
Trademark		855
Customer list		978
Goodwill		1,738
Total assets acquired		11,393
Total liabilities assumed		5,747
Net purchase price	\$	5,646

The goodwill acquired is not deductible for tax purposes.

The acquisition was accounted for using the purchase method and, accordingly, the Company's Consolidated Financial Statements include the results of operations since the date of acquisition.

The Company is not required to present pro forma financial information with respect to the Geonav acquisition due to the immateriality of the transaction.

Seemann Sub GmbH & Co.

On April 2, 2007, the Company purchased the assets and assumed related liabilities of Seemann Sub GmbH & Co. KG (Seemann) for an initial payment of \$7,757, plus \$178 in transaction costs and \$683 in additional purchase price consideration. All of the additional purchase price consideration was paid in fiscal 2008. The transaction was funded using cash and was made to add to the breadth of the Diving product lines. Seemann, located in Wendelstein, Germany, is one of that country's largest dive equipment providers. The purchase of the Seemann Sub brand was made to expand the Company's product line with dive gear for the price-driven consumer. The Seemann product line is sold through the same channels as the Company's other diving products and is included in the Company's Diving segment.

The following table summarizes the final allocation of the purchase price, fair values of the assets acquired and liabilities assumed, and the resulting goodwill acquired at the date of the Seemann acquisition.

Total current assets	\$	1,831
Property, plant and equipment		122
Trademark		936
Customer list		267
Goodwill		5,915
Total assets acquired		9,071
Total liabilities assumed		453
Net purchase price	\$	8,618

The goodwill acquired is deductible for tax purposes.

The acquisition was accounted for using the purchase method and, accordingly, the Company's Consolidated Financial Statements include the results of operations since the date of acquisition.

The Company is not required to present pro forma financial information with respect to the Seemann acquisition due to the immateriality of the transaction.

Lendal Products Ltd.

On October 3, 2006, the Company acquired all of the outstanding common stock of Lendal Products Ltd. (Lendal) from Lendal's founders for \$1,404, plus \$106 in transaction costs. The transaction was funded using cash and was made to add to the breadth of the Watercraft product lines. Lendal manufactures and markets premium performance sea touring, whitewater and surf paddles and blades. The Lendal products are sold through the same channels as the Company's other Watercraft products and are included in the Company's Watercraft segment.

The following table summarizes the final allocation of the purchase price, fair values of the assets acquired and liabilities assumed, and the resulting goodwill acquired at the date of the Lendal acquisition.

Total current assets	\$	623
Property, plant and equipment		122
Trademark		175
Patents		75
Customer list		49
Goodwill		710
Total assets acquired		1,754
Total liabilities assumed		244
Net purchase price	\$	1,510

The goodwill acquired is not deductible for tax purposes.

The acquisition was accounted for using the purchase method and, accordingly, the Company's Consolidated Financial Statements include the results of operations since the date of acquisition.

The Company is not required to present pro forma financial information with respect to the Lendal acquisition due to the immateriality of the transaction.

Cannon/Bottom Line

On October 3, 2005, the Company acquired the assets of Cannon downriggers and Bottom Line fishfinders (Cannon/Bottom Line) from Computrol, Inc., a wholly owned subsidiary of Armstrong International. The purchase price was \$9,863 and the transaction was funded using cash on hand. Cannon/Bottom Line is included in the Company's Marine Electronics segment and was acquired to add to the breadth of the Marine Electronic product lines.

The following table summarizes the final allocation of the purchase price, fair values of the assets acquired and liabilities assumed, and the resulting goodwill acquired at the date of the Cannon/Bottom Line acquisition.

Total current assets	\$	4,348
Property, plant and equipment		260
Trademark		940
Patents		195
Goodwill		4,582
Total assets acquired		10,325
Total liabilities assumed		462
Net purchase price	\$	9,863

The goodwill acquired is deductible for tax purposes.

The acquisition was accounted for using the purchase method and, accordingly, the Company's Consolidated Financial Statements include the results of operations since the date of acquisition.

The Company is not required to present pro forma financial information with respect to the Cannon/Bottom Line acquisition due to the immateriality of the transaction.

4 INDEBTEDNESS

At October 3, 2008, the Company had a \$75,000 unsecured revolving credit facility agreement dated October 7, 2005 which expires October 7, 2010. The Company had no borrowings outstanding under the revolving credit facility at October 3, 2008.

On February 12, 2008, the Company entered into a Term Loan Agreement, with JPMorgan Chase Bank N.A., as lender and agent, and the other lenders named therein. On the same date, the Company entered into an Amended and Restated Credit Agreement, with JPMorgan Chase Bank, N.A., as lender and agent, and the other lenders named therein (“the lending group”). This amendment updated the Company’s October 7, 2005 revolving credit facility to allow for the term loan and to amend the financial covenants in the revolving credit facility.

The Term Loan Agreement consists of a \$60,000 term loan maturing on February 12, 2013. At October 3, 2008, the Company had Term Loan Agreement borrowings outstanding of \$60,000 which bear interest at LIBOR plus an applicable margin. The applicable margin is based on the Company’s ratio of consolidated debt to earnings before interest, taxes, depreciation and amortization (EBITDA) and varies between 1.25% and 2.00%. At October 3, 2008, the margin in effect was 2.00%.

The Term Loan Agreement requires the Company to comply with certain financial and non-financial covenants. Among other restrictions, the Company is restricted in its ability to pay dividends, incur additional debt and make acquisitions above certain amounts. The key financial covenants include minimum fixed charge coverage and maximum leverage ratios. The most significant changes to the previous covenants include the minimum fixed charge coverage ratio increasing from 2.00 to 2.25 and the pledge of 65% of the shares of material foreign subsidiaries.

On October 3, 2008, the Company violated certain of its covenants and on October 13, 2008, the Company entered into an Omnibus Amendment of its Term Loan Agreement and revolving credit facility effective as of October 3, 2008 with the lending group. On the same date, the Company also entered into a Security Agreement with the lending group which resulted in certain inventories and receivables being used as collateral. The Omnibus Amendment temporarily modified certain provisions of the Company’s Term Loan Agreement and revolving credit facility.

The Omnibus Amendment reset the applicable margin on the LIBOR based debt at 3.25%. Under the terms of the Omnibus Amendment, certain financial and non-financial covenants were modified, including restrictions on the Company’s ability to increase the amount or frequency of dividends, a restriction in the aggregate amount of acquisitions to no more than \$2 million, adjustments to the maximum leverage ratio which cannot exceed 5.0 to 1.0 and adjustments to the minimum fixed charge coverage ratio which cannot be less than 1.75 to 1.0 for the quarter ended October 3, 2008. In addition, the definition of consolidated EBITDA was modified to exclude certain non-cash items.

The Omnibus Amendment did not reset the net worth covenant and the Company violated this covenant as of October 3, 2008. On December 31, 2008, the Company entered into an amended Term Loan Agreement and revolving credit facility agreement with the lending group, effective January 2, 2009. Changes to the term loan include shortening the maturity date to October 7, 2010, adjusting financial covenants and adjusting interest rates. The revised term loan bears interest at a LIBOR rate plus 5.00% with a LIBOR floor of 3.50%. The revolving credit facility was reduced from \$75,000 to \$35,000, with an additional reduction of \$5,000 required by January 31, 2009. The maturity of the revolving credit facility remains unchanged at October 7, 2010 and bears interest at LIBOR plus 4.50%. The Amended Term Loan and Credit Facility agreements provide for collateral of fixed assets and intellectual properties in the United States, in addition to certain inventory and accounts receivable already pledged under the Omnibus Amendment. The Credit Facility is limited to a borrowing base calculated at 70% of accounts receivable and 55% of inventory for the months of October through January, and 50% of accounts receivable and 50% of inventory for the other months of the year, then reduced by other outstanding borrowings.

Due to the fact the Company has entered into this amendment, the Company’s term loan has been classified as long-term as of October 3, 2008, in accordance with the terms of the Amended Term Loan Agreement.

The Company uses interest rate swaps in order to maintain a mix of floating rate and fixed rate debt such that permanent working capital needs are largely funded with fixed rate debt and seasonal working capital needs are funded with floating rate debt. To manage this risk in a cost efficient manner, the Company enters into interest rate swaps in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon notional principal amount. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategies for understanding hedge transactions. Interest rate swaps that meet specific conditions under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* (“SFAS No. 133”), are accounted for as cash flow hedges. The mark-to-market values of both the cash flow hedging instruments and the underlying debt obligations are recorded as equal and offsetting gains and losses in the interest expense component of the Company’s Consolidated Statement of Operations.

On October 29, 2007 the Company entered into a forward starting interest rate swap (the “Swap”) with a notional amount of \$60,000 receiving a floating three month LIBOR interest rate while paying at a fixed interest rate of 4.685% over the period beginning on December 14, 2007 and ending on December 14, 2012. Interest is payable quarterly, starting on March 14, 2008. The Swap has been designated as a cash flow hedge and as of October 3, 2008, is expected to be an effective hedge against the impact on interest payments of changes in the three-month LIBOR benchmark rate. As of October 3, 2008, ineffectiveness of the Swap is immaterial. The effect of the Swap is to lock the interest rate on \$60,000 of three-month floating rate LIBOR debt at 4.685%, before applying the applicable margin. The market value of the Swap will rise and fall as market expectations of future floating rate LIBOR interest rates over the five year life of the Swap change in relation to the fixed rate of 4.685%. The Swap has been recorded as a liability at its fair value of \$2,759 at October 3, 2008, and as a component of accumulated other comprehensive income in equity net of tax, in accordance with SFAS No. 133.

As a result of the amendment of the Company’s debt agreements entered into on December 31, 2008, the Company has prepared an analysis of the Swap in respect of the new terms as of that date and concluded that the Swap is no longer an effective hedge against the impact on interest payments of changes in the three-month LIBOR benchmark rate due to the LIBOR floor in the amended terms. The Company will evaluate the effectiveness of the Swap on a quarterly basis going forward.

On December 29, 2008, the Company and JPMorgan Chase (“the Counterparty”) agreed to amend the terms of its \$60,000 LIBOR interest rate swap (“the Swap”) contract to include an automatic termination clause. The Company and the Counterparty are negotiating a modification of the terms of the Swap to accommodate the new debt agreements. If the Company and the Counterparty cannot agree to acceptable modification terms, then the Swap will automatically terminate on January 8, 2009. Early termination of the Swap would require the Company and the Counterparty to settle their respective obligations to each other under the Swap contract terms. If such a termination had occurred on December 29, 2008, it would have required the Company to pay the Counterparty approximately \$6,500 which was the fair value of the Swap on that date. If the Swap were to terminate on January 8, 2009, the amount required to be paid by the Company to settle this contract could be materially different.

Long-term debt at the end of the respective years shown below consisted of the following:

	2008	2007
Term loan	\$ 60,000	\$ —
2001 senior notes	—	20,000
1998 senior notes	—	800
Other	3	6
	60,003	20,806
Less current maturities	3	10,800
	\$ 60,000	\$ 10,006

The 2001 senior notes were unsecured and accrued interest at 7.82%. The 1998 senior notes were unsecured and accrued interest at 7.15%. The Company has in place \$6,989 in unsecured revolving credit facilities at its foreign subsidiaries. There was no borrowing outstanding on any of these facilities during the year ended October 3, 2008 and September 28, 2007.

The Company utilizes letters of credit for trade financing purposes which totaled \$2,245 at October 3, 2008.

The Company has total unsecured lines of credit, both foreign and domestic, with availability totaling \$88,398 as of October 3, 2008. This availability is reduced to \$48,398 effective January 2, 2009 under the amended debt agreements, and then to \$43,398 by January 31, 2009.

Aggregate scheduled maturities of long-term debt as of October 3, 2008 are as follows:

Year		
2009	\$	3
2010		60,000

Interest paid was \$5,932, \$5,498 and \$5,496 for 2008, 2007 and 2006, respectively.

Based on the borrowing rates currently available to the Company for debt with similar terms and maturities, the fair value of the Company's long-term debt as of October 3, 2008 and September 28, 2007 was approximately \$60,003 and \$21,522, respectively.

Certain of the Company's loan agreements require that the Company's Chief Executive Officer, Helen P. Johnson-Leipold, members of her family and related entities (hereinafter the Johnson Family) continue to own stock having votes sufficient to elect a majority of the directors. At December 5, 2008, the Johnson Family held 3,739,454 shares or approximately 46% of the Class A common stock, 1,211,196 shares or approximately 100% of the Class B common stock and approximately 78% of the voting power of both classes of common stock taken as a whole.

5 LEASES AND OTHER COMMITMENTS

The Company leases certain facilities and machinery and equipment under long-term, noncancelable operating leases. Future minimum rental commitments under noncancelable operating leases with an initial lease term in excess of one year at October 3, 2008 were as follows:

Year	Related parties included in total		Total
2009	\$	798	\$ 6,457
2010		689	4,858
2011		542	3,715
2012		—	2,836
2013		—	2,302
Thereafter		—	7,354

Rental expense under all leases was approximately \$9,126, \$8,257 and \$7,162 for 2008, 2007 and 2006, respectively.

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

6 INCOME TAXES

Income tax expense for the respective years consisted of the following:

	2008		2007		2006
Current:					
Federal	\$	—	\$	—	\$ —
State		251		109	159
Foreign		2,678		3,410	3,919
Deferred		21,249		1,727	3,983
	\$	24,178	\$	5,246	\$ 8,061

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

	2008	2007
Deferred tax assets:		
Inventories	\$ 5,146	\$ 3,303
Compensation	6,980	7,387
Tax credit carryforwards	2,528	2,333
Goodwill and other intangibles	4,171	—
Net operating loss carryforwards	7,820	5,965
Depreciation and amortization	6,631	4,838
Accrued liabilities	3,754	3,762
Other	1,594	1,583
Total gross deferred tax assets	38,624	29,171
Less valuation allowance	35,067	3,437
Deferred tax assets	3,557	25,734
Deferred tax liabilities:		
Goodwill and other intangibles	—	652
Foreign statutory reserves	1,111	956
Net deferred tax assets	\$ 2,446	\$ 24,126

The net deferred tax assets of \$2,446 in 2008 are recorded as \$2,963 in current assets, \$594 in non-current assets and \$1,111 in non-current liabilities. Net deferred tax assets of \$24,126 in 2007 are recorded as \$11,029 in current assets and \$13,097 in non-current assets.

Income before income taxes for the respective years consists of the following:

	2008	2007	2006
United States	\$ (20,813)	\$ 5,719	\$ 10,645
Foreign	(23,484)	10,076	7,853
	\$ (44,297)	\$ 15,795	\$ 18,498

The significant differences between the statutory federal tax rate and the effective income tax rates for the Company for the respective years shown below are as follows:

	2008	2007	2006
Statutory U.S. federal income tax rate	34.0%	34.0%	34.0%
Foreign rate differential	(4.1)	3.9	8.4
Tax law change	$\frac{3}{4}$	(4.0)	—
Impairment of intangibles	(15.4)	—	—
Reduction in valuation reserve for deferred assets	$\frac{3}{4}$	—	(5.2)
Increase in valuation reserve for deferred assets	(66.8)	—	—
Reduction (increase) in rate utilized to record deferred taxes	$\frac{3}{4}$	(2.9)	4.9
Other	(2.3)	2.2	1.5
	(54.6)%	33.2%	43.6%

The foreign rate differential of (4.1)%, 3.9% and 8.4% for 2008, 2007 and 2006, respectively, is comprised of several foreign tax related items including the statutory rate differential in each year, settlement of tax audits and additional contingency reserves in 2008, 2007 and 2006, respectively. During 2007, the Company increased the U.S. federal tax rate used in valuing deferred tax assets from 34% to 35%, positively impacting the 2007 effective tax rate by 2.9% and the Company reduced the state income tax rate used in valuing deferred tax assets during December of 2006, negatively impacting the 2006 effective tax rate by 4.9%. Deferred tax assets have been recorded at the maximum federal income tax rate in effect in the future year(s), when they are anticipated to be utilized. A German tax law change (Revised Reorganization Tax Code) during 2007 resulted in a tax receivable recorded by the Company that reduced the effective tax rate by 4.0%.

At October 3, 2008, the Company has federal net operating loss carryforwards of \$10,746 which begin to expire in 2016, as well as various state net operating loss carryforwards. In addition, certain of the Company's foreign subsidiaries have operating loss carryforwards totaling \$2,379. These operating loss carryforwards are available to offset future taxable income over the next 3 to approximately 20 years. The Company has established a valuation allowance for the portion of deferred tax assets in the U.S., Germany, Spain, United Kingdom, and New Zealand tax jurisdictions that are anticipated to expire unused.

SFAS No. 109 requires an assessment of whether a valuation allowance should be established against deferred tax assets based on the consideration of all available evidence and considering whether it is more likely than not that the deferred tax assets will not be realized. Given the current market conditions of the outdoor recreation equipment market as well as other factors arising during fiscal 2008 which may impact future operating results, the Company considered both positive and negative evidence in evaluating the need for a valuation allowance relating to the deferred tax assets of the U.S., Germany, Spain, United Kingdom, and New Zealand tax jurisdictions. Based on projections for these tax jurisdictions the Company determined that it was more likely than not that certain deferred tax assets will not be realized and a valuation allowance of \$29,175, \$1,837, \$153, \$374, and \$91 was recorded against the net deferred tax assets for the U.S., Germany, Spain, United Kingdom, and New Zealand tax jurisdictions respectively, during fiscal 2008.

Taxes paid were \$3,739, \$2,823 and \$2,074 for 2008, 2007 and 2006, respectively.

The Company adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"), on September 29, 2007. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2008
Balance at September 29, 2007	\$ 1,074
Gross decreases - tax positions in prior period	(109)
Gross increases - tax positions in current period	175
Balance at October 3, 2008	\$ 1,140

After adoption of FIN 48 on September 29, 2007, the Company's total gross liability for unrecognized tax benefits was \$1,074, including \$100 of accrued interest. The Company is currently under examination in the U.S., and is not currently undergoing examinations in any major foreign tax jurisdiction. There have been no material changes in unrecognized tax benefits as a result of tax positions in the current year ended October 3, 2008. The Company estimates that the unrecognized tax benefits will not change significantly within the next year.

In accordance with its accounting policy, the Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of income tax expense. During fiscal 2008, \$3 of interest was recorded as a component of income tax expense in the consolidated statement of operations. At October 3, 2008, \$103 of accrued interest and penalties are included in the consolidated balance sheet.

The Company files income tax returns, including returns for its subsidiaries, with federal, state, local and foreign taxing jurisdictions. The following tax years remain subject to examination by the respective major tax jurisdictions:

Jurisdiction	Fiscal Year(s)
United States	1993-2007
Canada	2004-2007
France	2006-2007
Germany	2005-2007
Italy	2004-2007
Japan	2007
Switzerland	1998-2007

Federal and state income taxes are provided on foreign subsidiary income distributed to, or taxable in, the U.S. during the year. At October 3, 2008, net undistributed earnings of foreign subsidiaries totaled approximately \$117,512. The Company considers these unremitted earnings to be permanently invested abroad and no provision for federal or state income taxes has been made on these amounts. In the future, if foreign earnings are returned to the U.S., provision for U.S. income taxes will be made.

7 EMPLOYEE BENEFITS

The Company has non-contributory defined benefit pension plans covering certain U.S. employees. Retirement benefits are generally provided based on employees' years of service and average earnings. Normal retirement age is 65, with provisions for earlier retirement. The Company recognizes retirement plan expenses in accordance with SFAS No. 87, *Employers' Accounting for Pensions*. Effective September 28, 2007, the Company adopted SFAS No. 158 *Employers' Accounting for Defined Pension and Other Postretirement Plans*. SFAS No. 158 requires the recognition of the funded status of defined benefit and other postretirement benefit plans in the accompanying Consolidated Balance Sheets, with changes in the funded status recognized through "Accumulated other comprehensive income (loss)," net of tax. SFAS No. 158 also requires the measurement of the funded status to be the same as the balance sheet date by 2008. The Company currently uses its fiscal year-end as its measurement date. The adoption of SFAS No. 158 did not change the amount of net periodic benefit cost included in the Company's Consolidated Statements of Income.

The impact of adopting SFAS No. 158 on the Consolidated Balance Sheets at September 28, 2007 is summarized in the following table:

	Before Application of SFAS No. 158	Incremental Effect of Application of SFAS No. 158	After Application of SFAS No. 158
Deferred income taxes	\$ 12,592	\$ 505	\$ 13,097
Other intangible assets, net	6,641	(3)	6,638
Total assets	319,177	502	319,679
Other liabilities	9,193	1,260	10,453
Accumulated other comprehensive income	17,377	(758)	16,619
Total shareholders' equity	200,923	(758)	200,165
Total liabilities and shareholders' equity	319,177	502	319,679

The status of the Company's non-contributory defined benefit plans as of fiscal year end 2008 and 2007 is as follows:

	2008	2007
Projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 16,676	\$ 16,040
Service cost	682	630
Interest cost	1,074	1,005
Actuarial gain	(1,336)	(266)
Benefits paid	(748)	(733)
Projected benefit obligation at end of year	\$ 16,348	\$ 16,676
Fair value of plan assets:		
Fair value of plan assets at beginning of year	\$ 12,629	\$ 11,594
Actual (loss) return on plan assets	(1,505)	1,230
Company contributions	440	538
Benefits paid	(748)	(733)
Fair value of plan assets at end of year	\$ 10,816	\$ 12,629
Funded status of the plan	\$ (5,532)	\$ (4,047)
Amounts recognized in the consolidated balance sheets consist of:		
Net deferred tax assets	\$ —	\$ 705
Current pension liabilities	194	193
Noncurrent pension liabilities	5,338	3,854
Accumulated other comprehensive income (loss)	(2,842)	(1,760)
Components of accumulated other comprehensive income (loss):		
Net actuarial loss	\$ (2,842)	\$ (1,756)
Prior service cost	—	(4)
Accumulated other comprehensive income	\$ (2,842)	\$ (1,760)

Net periodic benefit cost, for our non-contributory defined benefit pension plans, for the respective years includes the following components:

	2008	2007	2006
Service cost	\$ 682	\$ 630	\$ 703
Interest cost	1,074	1,005	925
Expected return on plan assets	(975)	(923)	(871)
Amortization of unrecognized:			
Net loss	59	92	268
Prior service cost	4	9	9
Transition asset	(1)	(2)	(2)
Net periodic pension cost	\$ 843	\$ 811	\$ 1,032
Other changes in benefit obligations recognized in other comprehensive income (OCI):			
Prior service cost	\$ (4)	\$ (9)	
Net loss	1,085	(922)	
Transition asset	1	2	
Total recognized in OCI	1,082	(929)	
Total recognized in net periodic benefit costs and OCI	\$ 1,925	\$ (118)	

The Company expects to recognize \$25 of unrecognized loss amortization as a component of net periodic benefit cost in 2009. This amount is included in accumulated other comprehensive income as of October 3, 2008.

The accumulated benefit obligation for all plans was \$13,933 and \$13,916 at October 3, 2008 and September 28, 2007, respectively.

At October 3, 2008, the aggregate accumulated benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets was \$13,933 and \$10,816, respectively, and there were no plans with plan assets in excess of benefit obligations. At September 28, 2007, the aggregate accumulated benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets was \$1,678 and \$0, respectively, and the aggregate accumulated benefit obligation and aggregate fair value of plan assets for plans with plan assets in excess of benefit obligations was \$12,238 and \$12,629, respectively.

The Company anticipates making contributions to the defined benefit pension plans of \$324 through September 30, 2009.

Estimated benefit payments from the defined benefit plans to participants for the next five years ending September 2013 and five years thereafter are as follows:

Year	
2009	\$ 741
2010	753
2011	749
2012	787
2013	826
Five years thereafter	4,946

Actuarial assumptions used to determine the projected benefit obligation as of fiscal year end are as follows:

	2008	2007	2006
Discount rate	7.00 %	6.50 %	6.25 %
Long-term rate of return	8.00	8.00	8.00
Average salary increase rate	3.70	4.00	4.00

The impact of the change in discount rates resulted in an actuarial gain of \$1,225 and \$668 in 2008 and 2007, respectively. The remainder of the change in actuarial gains for each year results from adjustments to mortality tables, other modifications to actuarial assumptions and investment returns in excess of or less than estimates.

To determine the discount rate assumption used in the Company's pension valuation, the Company identified a benefit payout stream based on the demographics of the pension plans and constructed a hypothetical bond portfolio using high-quality corporate bonds with cash flows that matched that benefit payout stream. A yield curve was calculated based on this hypothetical portfolio which was used for the discount rate determination.

To determine the long-term rate of return assumption for plan assets, the Company studies historical markets and preserves the long-term historical relationships between equities and fixed-income securities consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. The Company evaluates current market factors such as inflation and interest rates before it determines long-term capital market assumptions and reviews peer data and historical returns to check for reasonableness and appropriateness. The Company uses measurement dates of October 1 to determine pension expenses for each year and the last day of the fiscal year to determine the fair value of the pension assets.

The Company's pension plans' weighted average asset allocations at October 3, 2008 and September 28, 2007, by asset category were as follows:

	2008	2007
Equity securities	73%	71%
Fixed income securities	26	27
Other securities	1	2
Total	100%	100%

The Company's primary investment objective for the plans' assets is to maximize the probability of meeting the plans' actuarial target rate of return of 8%, with a secondary goal of returning 4% above the rate of inflation. These return objectives are targeted while simultaneously striving to minimize risk to the plans' assets. The investment horizon over which the investment objectives are expected to be met is a full market cycle or five years, whichever is greater.

The Company's investment strategy for the plans is to invest in a diversified portfolio that will generate average long-term returns commensurate with the aforementioned objectives while minimizing risk.

A majority of the Company's full-time employees are covered by defined contribution programs. Expense attributable under the defined contribution programs was approximately \$1,025 \$2,800 and \$2,600 for 2008, 2007 and 2006, respectively.

8 PREFERRED STOCK

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

9 COMMON STOCK

The number of authorized and outstanding shares of each class of the Company's common stock at the end of the respective years was as follows:

	2008	2007
Class A, \$.05 par value:		
Authorized	20,000,000	20,000,000
Outstanding	8,006,569	7,949,617
Class B, \$.05 par value:		
Authorized	3,000,000	3,000,000
Outstanding	1,216,464	1,217,409

Holders of Class A common stock are entitled to elect 25% of the members of the Board of Directors and holders of Class B common stock are entitled to elect the remaining directors. With respect to matters other than the election of directors or any matters for which class voting is required by law, holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to ten votes per share. If any dividends (other than dividends paid in shares of the Company's stock) are paid by the Company on its common stock, a dividend would be paid on each share of Class A common stock equal to 110% of the amount paid on each share of Class B common stock. Each share of Class B common stock is convertible at any time into one share of Class A common stock. During 2008, 2007 and 2006, respectively, 945, 568 and 1,690 shares of Class B common stock were converted into Class A common stock.

10 STOCK OWNERSHIP PLANS

The Company's current stock ownership plans provide for issuance of options to acquire shares of Class A common stock by key executives and non-employee directors. Current plans also allow for issuance of restricted stock or stock appreciation rights in lieu of options. Shares available for grant to key executives and non-employee directors are 500,458 at October 3, 2008.

Stock Options

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 three years from the date of grant. Stock options generally have a term of 10 years.

All of the Company's stock options outstanding are fully vested, with no further compensation expense to be recorded. There were no grants of stock options in 2008, 2007 or 2006.

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

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at September 29, 2005	343,034	\$ 9.13		
Exercised	(6,501)	6.28		\$ 75
Cancelled	(4,000)	22.06		
Outstanding at September 29, 2006	332,533	\$ 9.03		
Exercised	(44,190)	10.94		\$ 326
Cancelled	(1,950)	19.88		
Outstanding at September 28, 2007	286,393	\$ 8.66		
Exercised	(15,350)	13.94		\$ 86
Cancelled	—	—		
Outstanding and exercisable at October 3, 2008	271,043	\$ 8.36	2.1	\$ 1,217

The range of options outstanding at October 3, 2008 is as follows:

Price Range per Share	Number of Options Outstanding and Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)
\$5.31 – 8.00	145,033	\$6.87	2.4
\$8.01 – 10.00	95,390	8.24	0.7
\$10.01 – 20.00	30,620	15.77	4.7
	271,043	\$8.36	2.1

Restricted Stock

All restricted stock has been granted at fair market value on the date of grant and vests either immediately or in three to five years. The Company granted 35,972, 43,328 and 69,754 shares of restricted stock with a total value of \$782, \$798 and \$1,165 during 2008, 2007 and 2006, respectively. Restricted stock forfeitures totaled 0, 7,496 and 22,770 shares during 2008, 2007 and 2006, respectively. These forfeited restricted shares had an original fair market value at date of grant of \$0, \$130 and \$385, respectively. Stock compensation expense related to the restricted stock was \$711, \$596, \$530 during 2008, 2007 and 2006, respectively. Unvested restricted stock issued and outstanding as of October 3, 2008 and September 28, 2007 totaled 109,277 and 105,102 shares, respectively, having a gross unamortized value of \$992 and \$921, respectively, which will be amortized to expense through November 2012 or adjusted for changes in future estimated or actual forfeitures. Restricted stock grantees may elect to reimburse the Company for withholding taxes due as a result of the vesting of restricted shares by tendering a portion of the vested shares back to the Company. Shares tendered back to the Company totaled 4,881 for the year ended October 3, 2008.

A summary of unvested restricted stock activity for 2008 and 2007 related to the Company's plans is as follows:

	Shares	Weighted Average Grant Price
Unvested restricted stock at September 29, 2006	76,120	\$ 16.88
Restricted stock grants	43,328	18.42
Restricted stock cancelled	(7,496)	17.35
Restricted stock vested	(6,850)	18.25
Unvested restricted stock at September 28, 2007	105,102	17.39
Restricted stock grants	35,972	21.75
Restricted stock vested	(31,797)	(17.77)
Unvested restricted stock at October 3, 2008	109,277	\$ 18.72

Phantom Stock Plan

The Company adopted a phantom stock plan during fiscal 2003. Under this plan, certain employees were entitled to earn cash bonus awards based upon the performance of the Company's Class A common stock. The Company recognized expense under the phantom stock plan of \$0, \$24 and \$80 during 2008, 2007 and 2006, respectively. The Company made payments of \$319 and \$411 to participants in the plan during 2007 and 2006, respectively. No payments were made to participants in this plan in 2008. There were no grants of phantom shares by the Company in fiscal 2008, 2007 and 2006 and the Company does not anticipate grants of phantom shares in the future. No further payments are expected to be made under this Plan.

Employee Stock Purchase Plan

The Company's employees' stock purchase plan provides for the issuance of shares of Class A common stock at a purchase price of not less than 85% of the fair market value of such shares on the date of grant or at the end of the offering period, whichever is lower. Shares available for purchase by employees under this plan were 55,764 at October 3, 2008. The Company issued 9,566 and 10,227 shares under the plan on March 31, 2008 and April 30, 2007, respectively. The Company recognized expense under the employees' stock purchase plan of \$29, \$31 and \$22, respectively, during 2008, 2007 and 2006.

11 RELATED PARTY TRANSACTIONS

The Company conducts transactions with certain related parties including organizations controlled by the Johnson family and other related parties. These include consulting services, aviation services, office rental, royalties and certain administrative activities. Total costs of these transactions were \$1,889, \$1,833 and \$1,838 for 2008, 2007 and 2006, respectively. Amounts due to/from related parties were immaterial at October 3, 2008 and September 28, 2007.

12 SEGMENTS OF BUSINESS

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

Net sales and operating profit include both sales to customers, as reported in the Company's Consolidated Statements of Operations, and interunit transfers, which are priced to recover costs plus an appropriate profit margin. Total assets represent assets that are used in the Company's operations in each business segment at the end of the years presented.

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

	2008		2007		2006
Net sales:					
Marine Electronics: Unaffiliated customers	\$	186,534	\$	197,728	\$ 164,362
Interunit transfers		189		321	110
Outdoor Equipment Unaffiliated customers		48,247		55,786	65,903
Interunit transfers		68		76	45
Watercraft: Unaffiliated customers		87,862		88,632	85,287
Interunit transfers		225		216	175
Diving: Unaffiliated customers		97,485		87,881	77,880
Interunit transfers		761		797	590
Other/Corporate		660		577	518
Eliminations		(1,242)		(1,410)	(920)
	\$	420,789	\$	430,604	\$ 393,950
Operating profit (loss):					
Marine Electronics	\$	414	\$	22,933	\$ 21,583
Outdoor Equipment		1,982		8,463	8,236
Watercraft		(8,282)		(4,219)	161
Diving		(21,520)		6,933	5,604
Other/Corporate		(10,647)		(14,084)	(12,225)
	\$	(38,053)	\$	20,026	\$ 23,359
Depreciation and amortization expense:					
Marine Electronics	\$	4,389	\$	3,647	\$ 3,195
Outdoor Equipment		560		442	358
Watercraft		2,042		2,182	2,525
Diving		1,664		1,663	1,646
Other/Corporate		1,401		1,468	1,440
	\$	10,056	\$	9,402	\$ 9,164
Additions to property, plant and equipment:					
Marine Electronics	\$	6,969	\$	6,149	\$ 4,583
Outdoor Equipment		310		2,615	321
Watercraft		2,597		1,832	1,336
Diving		1,519		1,199	1,547
Other/Corporate		1,029		1,623	1,078
	\$	12,424	\$	13,418	\$ 8,865
Total assets:					
Marine Electronics	\$	89,487	\$	95,725	
Outdoor Equipment		25,400		23,739	
Watercraft		45,586		59,019	
Diving		79,138		114,091	
Other/Corporate		15,458		27,105	
	\$	255,069	\$	319,679	
Goodwill, net:					
Marine Electronics	\$	10,013	\$	14,596	
Outdoor Equipment		—		563	
Watercraft		338		6,587	
Diving		3,734		29,708	
	\$	14,085	\$	51,454	

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

	2008	2007	2006
Net sales:			
United States:			
Unaffiliated customers	\$ 293,354	\$ 332,830	\$ 313,496
Interarea transfers	19,089	12,840	11,712
Europe:			
Unaffiliated customers	82,315	59,976	46,684
Interarea transfers	15,123	13,187	12,527
Other:			
Unaffiliated customers	45,119	37,798	33,769
Interarea transfers	1,259	2,037	1,561
Eliminations	(35,470)	(28,064)	(25,799)
	\$ 420,789	\$ 430,604	\$ 393,950
Total assets:			
United States	\$ 139,024	\$ 180,761	
Europe	83,642	109,580	
Other	32,403	29,338	
	\$ 255,069	\$ 319,679	
Long-term assets ⁽¹⁾			
United States	\$ 50,113	\$ 60,057	
Europe	12,303	38,556	
Other	2,345	2,748	
	\$ 64,761	\$ 101,361	

(1) Long-term assets consist of net property, plant and equipment, net intangible assets, goodwill and other assets excluding deferred income taxes.

The Company had no single customer that accounted for more than 10% of its net sales in 2008, 2007, or 2006.

13 VALUATION AND QUALIFYING ACCOUNTS

The following summarizes changes to valuation and qualifying accounts for 2008, 2007 and 2006:

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Reserves of Businesses Acquired	Less Deductions	Balance at End of Year
Year ended October 3, 2008:					
Allowance for doubtful accounts	\$ 2,267	\$ 735	\$ 95	\$ 520	\$ 2,577
Reserves for inventory valuation	4,024	4,010	—	1,688	6,346
Valuation of deferred tax assets	3,437	31,630	—	—	35,067
Reserves for sales returns	1,314	2,979	119	2,855	1,557
Year ended September 28, 2007:					
Allowance for doubtful accounts	\$ 2,250	\$ 977	\$ 39	\$ 999	\$ 2,267
Reserves for inventory valuation	3,405	1,086	—	467	4,024
Valuation of deferred tax assets	3,260	663	—	486	3,437
Reserves for sales returns	1,023	2,648	—	2,357	1,314
Year ended September 29, 2006:					
Allowance for doubtful accounts	\$ 2,481	\$ 554	\$ —	\$ 785	\$ 2,250
Reserves for inventory valuation	2,540	2,734	—	1,869	3,405
Valuation of deferred tax assets	4,568	224	—	1,532	3,260
Reserves for sales returns	1,323	583	78	961	1,023

Deductions include the net impact of foreign currency fluctuations on the respective accounts. Previously reported amounts have changed due to the Company's accounting for its Escape business as a discontinued operation.

14 LITIGATION

The Company is subject to various legal actions and proceedings in the normal course of business, including those related to product liability, intellectual property and 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 July 10, 2007, after considering the costs, risks and business distractions associated with continued litigation, the Company reached a settlement agreement with Confluence Holdings Corp. that ended a long-standing intellectual property dispute between the two companies. The Company has made a claim with its insurance carriers to recover the \$4,400 settlement, plus defense costs (approximately \$800). This matter is presently the subject of litigation in the U.S. District Court for the Eastern District of Wisconsin. The Company is unable to estimate at this time the amount of insurance recovery and, accordingly, has not recorded a receivable for this matter.

15 DISCONTINUED OPERATIONS

On December 17, 2007, the Company committed to a plan to divest the Company's Escape business. In accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144), the operations of the Escape business have been reported as discontinued operations in the consolidated financial statements for the fiscal years ended October 3, 2008, September 28, 2007, and September 29, 2006. Accordingly, certain amounts in the 2007 and 2006 consolidated financial statements have been reclassified from the prior year presentation. The Company recorded after tax losses related to the discontinued Escape business of \$2,559, \$1,315 and \$1,722 for 2008, 2007, and 2006, respectively. Revenues of the Escape business were \$206, \$1,457 and \$1,840 for 2008, 2007, and 2006 respectively.

The assets and liabilities of the Escape business have been reported as "held for sale" in the consolidated balance sheets as of October 3, 2008 and September 28, 2007. As of October 3, 2008, assets of \$47 consist entirely of inventory and liabilities of \$76 consist primarily of reserves for customer claims. As of September 28, 2007, assets consist primarily of \$335 of net accounts receivable, \$1,107 of net inventory and \$264 of property, plant and equipment and liabilities of \$938 consist entirely of trade accounts payable.

16 QUARTERLY FINANCIAL SUMMARY (unaudited)

The following summarizes quarterly operating results:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2008	2007	2008	2007	2008	2007	2008	2007
Net sales	\$ 75,967	\$ 71,427	\$ 121,813	\$ 121,972	\$ 141,243	\$ 149,868	\$ 81,766	\$ 87,337
Gross profit	29,289	28,520	46,806	47,157	55,751	63,738	27,705	36,081
Operating (loss) profit	(4,581)	(2,233)	3,647	4,608	14,569	14,783	(51,688)	2,868
(Loss) income from continuing operations	(3,624)	(1,312)	782	1,931	7,887	8,335	(73,520)	1,595
Loss from discontinued operations, net of income tax benefit	(1,066)	(257)	(320)	(338)	(104)	(67)	(1,069)	(653)
Net (loss) income	\$ (4,690)	\$ (1,569)	\$ 462	\$ 1,593	\$ 7,783	\$ 8,268	\$ (74,589)	\$ 942
(Loss) Income from continuing operations per common share – Basic:								
Class A	\$ (0.40)	\$ (0.14)	\$ 0.09	\$ 0.22	\$ 0.88	\$ 0.93	\$ (8.07)	\$ 0.18
Class B	\$ (0.40)	\$ (0.14)	\$ 0.09	\$ 0.19	\$ 0.79	\$ 0.84	\$ (8.07)	\$ 0.16
Loss from discontinued operations per common share – Basic:								
Class A	\$ (0.12)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.01)	\$ ---	\$ (0.11)	\$ (0.07)
Class B	\$ (0.12)	\$ (0.03)	\$ (0.04)	\$ (0.03)	\$ (0.01)	\$ (0.01)	\$ (0.11)	\$ (0.07)
Net (loss) income per common share – Basic:								
Class A	\$ (0.52)	\$ (0.17)	\$ 0.05	\$ 0.18	\$ 0.87	\$ 0.93	\$ (8.18)	\$ 0.11
Class B	\$ (0.52)	\$ (0.17)	\$ 0.05	\$ 0.16	\$ 0.78	\$ 0.83	\$ (8.18)	\$ 0.09
(Loss) Income from continuing operations per common Class A and B share – Dilutive	\$ (0.40)	\$ (0.14)	\$ 0.09	\$ 0.21	\$ 0.85	\$ 0.90	\$ (8.07)	\$ 0.17
Loss from discontinued operations per common Class A and B share – Dilutive	\$ (0.12)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.11)	\$ (0.07)
Net (loss) income per common Class A and B share – Dilutive	\$ (0.52)	\$ (0.17)	\$ 0.05	\$ 0.17	\$ 0.84	\$ 0.89	\$ (8.18)	\$ 0.10

Operating loss, loss from continuing operations, and net loss for the fourth quarter of 2008 reflect a goodwill and other intangible impairment charge of \$41.0 million recognized in that quarter. Loss from continuing operations and net loss for the fourth quarter of 2008 also reflect a deferred tax asset valuation allowance of \$29.5 million recorded in that quarter.

Due to changes in stock prices during the year and timing of issuance of shares, the cumulative total of quarterly net income (loss) per share amounts may not equal the net income per share for the year. The first three fiscal quarters in 2008 were 13 weeks long with the last fiscal quarter being 14 weeks long. Each of the fiscal quarters in 2007 was thirteen weeks long. Fiscal quarters end on the Friday nearest to the calendar quarter end.

17 SUBSEQUENT EVENT

The Company entered into a revised debt agreement on December 31, 2008, effective January 2, 2009. See further discussion at Note 4, Indebtedness. The Company also modified the terms of its interest rate swap contract on December 29, 2008. See further discussion at Note 4, Indebtedness.

BYLAWS
OF

JOHNSON OUTDOORS INC.
(A Wisconsin Corporation)

(As amended and restated through September 23, 2008)

ARTICLE ONE

Offices

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

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

ARTICLE TWO

Meetings of the Shareholders

2.01 Annual Meetings. An annual meeting of the shareholders shall be held at such time and date as may be fixed by or under the authority of the Board of Directors and as designated in the notice thereof, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting, subject to the provisions of Section 2.12 of these bylaws.

2.02 Special Meetings.

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

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

(c) In order for a shareholder or shareholders to demand a special meeting, a written demand or demands for a special meeting by the holders of record as of the Demand Record Date of shares representing at least 10% of all the votes entitled to be cast on any issue proposed to be considered at the special meeting must be delivered to the corporation. To be valid, each written demand by a shareholder for a special meeting shall set forth the specific purpose or purposes for which the special meeting is to be held (which purpose or purposes shall be limited to the purpose or purposes set forth in the written request to set a Demand Record Date received by the corporation pursuant to paragraph (b) of this Section 2.02), shall be signed by one or more persons who as of the Demand Record Date are shareholders of record (or their duly authorized proxies or other representatives), shall bear the date of signature of each such shareholder (or proxy or other representative), and shall set forth the name and address, as they appear in the corporation's books, of each shareholder signing such demand and the class and number of shares of the corporation which are owned of record and beneficially by each such shareholder, shall be sent to the Secretary by hand or by certified or registered mail, return receipt requested, and shall be received by the Secretary within 70 days after the Demand Record Date.

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

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

(ii) "Participant" shall have the meaning assigned to such term in Rule 14a-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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

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

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

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

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

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

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

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

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

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

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

2.04 Notice. Written or printed notice of every annual or special meeting of the shareholders, stating the place, date and time of such meeting shall be delivered not less than ten nor more than sixty days before the date of the meeting (unless a different period is required by the Wisconsin Business Corporation Law or the Articles of Incorporation), either personally, by mail or by any other method authorized by applicable law, by or at the direction of the Board of Directors, the Chairman of the Board, if any, the President or Secretary, to each shareholder of record entitled to vote at such meeting and to other shareholders as may be required by the Wisconsin Business Corporation Law. In the event of any Demand Special Meeting, such notice of meeting shall be sent not more than 30 days after the Delivery Date. Notices which are mailed shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his, her or its address as it appears on the stock record books of the corporation, with postage thereon prepaid. Unless otherwise required by the Wisconsin Business Corporation Law or the Articles of Incorporation, a notice of an annual meeting need not include a description of the purpose for which the meeting is called. In the case of any special meeting, (a) the notice of meeting shall describe any business that the Board of Directors shall have theretofore determined to bring before the meeting and (b) in the case of a Demand Special Meeting, the notice of meeting (i) shall describe any business set forth in the statement of purpose of the demands received by the corporation in accordance with Section 2.02 of these bylaws and (ii) shall contain all of the information required in the notice received by the corporation in accordance with Section 2.12(b) of these bylaws. If an annual or special meeting of the shareholders is adjourned to a different place, date or time, the corporation shall not be required to give notice of the new place, date or time if the new place, date or time is announced at the meeting before adjournment; provided, however, that if the adjournment is for more than 30 days or if a new record date for an adjourned meeting is or must be fixed, the corporation shall give notice of the adjourned meeting to persons who are shareholders as of the new record date.

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

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

2.07 Quorum and Voting Requirements; Postponements; Adjournments.

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

(b) The Board of Directors acting by resolution may postpone and reschedule any previously scheduled annual meeting or special meeting; provided, however, that a Demand Special Meeting shall not be postponed beyond the 100th day following the Delivery Date. Any annual meeting or special meeting may be adjourned from time to time, whether or not there is a quorum, (i) at any time, upon a resolution of shareholders if the votes cast in favor of such resolution by the holders of shares of each voting group entitled to vote on any matter theretofore properly brought before the meeting exceed the number of votes cast against such resolution by the holders of shares of each such voting group or (ii) at any time, including after the transaction of any business at such meeting, by the person presiding at such meeting pursuant to Section 2.09 of these bylaws or pursuant to a resolution of the Board of Directors. No notice of the time and place of adjourned meetings need be given except as required by the Wisconsin Business Corporation Law. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified, provided that no business shall be transacted at such adjourned meeting on which any class of stock is entitled to be voted which class shall not have been permitted to participate in the vote to adjourn the meeting if a vote of shareholders was taken pursuant to clause (i) above.

2.08 Proxies. Each shareholder entitled to vote at a meeting of the shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such shareholder as proxy, but no such proxy shall be voted upon after eleven months from its date, unless such proxy provides for a longer period. Without limiting the manner in which a shareholder may authorize another person or persons to act for such shareholder as proxy, the following shall constitute a valid means by which a shareholder may grant such authority:

(a) A shareholder may execute a writing authorizing another person or persons to act for such shareholder as proxy. Execution may be accomplished by the shareholder or such shareholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(b) A shareholder may authorize another person or persons to act for such shareholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder. If it is determined that such electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information on which they relied.

(c) Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a shareholder may be submitted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

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

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

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

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

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

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

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

The corporation may reject a vote, consent, waiver or proxy appointment if the Secretary or other officer or agent of the corporation who is authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder. The corporation may also allow a shareholder to submit a vote, consent, waiver or proxy appointment by transmitting or authorizing an electronic transmission to the corporation or other person authorized to receive such vote, consent, waiver or proxy, provided such electronic transmission either sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the shareholder. If it is determined that such electronic transmissions are valid, the Secretary or other officer or agent of the corporation who is authorized to tabulate votes shall specify the information upon which he or she relied.

2.11 Waiver of Notice by Shareholders. Whenever any notice is required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws, to be given to any shareholder, a waiver thereof in writing, signed by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of shareholders need to be specified in any written waiver of notice unless so required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws.

2.12 Notice of Shareholder Business and Nomination of Directors.

(a) Annual Meetings.

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

(ii) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (C) of paragraph (a)(i) of this Section 2.12, the shareholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a shareholder's notice shall be received by the Secretary of the corporation at the principal offices of the corporation not earlier than the 90th day prior to the date of such annual meeting and not later than the close of business on the later of (x) the 60th day prior to such annual meeting and (y) the 10th day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall be signed by the shareholder of record who intends to make the nomination or introduce the other business (or his duly authorized proxy or other representative), shall bear the date of signature of such shareholder (or proxy or other representative) and shall set forth: (A) the name and address, as they appear on this corporation's books, of such shareholder and the beneficial owner or owners, if any, on whose behalf the nomination or proposal is made; (B) the class and number of shares of the corporation which are beneficially owned by such shareholder or beneficial owner or owners; (C) a representation that such shareholder is a holder of record of shares of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to make the nomination or introduce the other business specified in the notice;

(D) in the case of any proposed nomination for election or re-election as a director, (I) the name and residence address of the person or persons to be nominated, (II) a description of all arrangements or understandings between such shareholder or beneficial owner or owners and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination is to be made by such shareholder, (III) such other information regarding each nominee proposed by such shareholder as would be required to be disclosed in solicitations of proxies for elections of directors, or would be otherwise required to be disclosed, in each case pursuant to Regulation 14A under the Exchange Act, including any information that would be required to be included in a proxy statement filed pursuant to Regulation 14A had the nominee been nominated by the Board of Directors and (IV) the written consent of each nominee to be named in a proxy statement and to serve as a director of the corporation if so elected; and (E) in the case of any other business that such shareholder proposes to bring before the meeting, (i) a brief description of the business desired to be brought before the meeting and, if such business includes a proposal to amend these bylaws, the language of the proposed amendment, (ii) such shareholder's and beneficial owner's or owners' reasons for conducting such business at the meeting and (iii) any material interest in such business of such shareholder and beneficial owner or owners.

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

(b) Special Meetings. Only such business shall be conducted at a special meeting as shall have been described in the notice of meeting sent to shareholders pursuant to Section 2.04 of these bylaws. Nominations of persons for election to the Board of Directors may be made at a special meeting at which directors are to be elected pursuant to such notice of meeting (i) by or at the direction of the Board of Directors or (ii) by any shareholder of the corporation who (A) is a shareholder of record at the time of giving of such notice of meeting,

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

(c) General.

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

(ii) For purposes of this Section 2.12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

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

(iv) A shareholder of the corporation must comply with all of the procedures of this Section 2.12 to nominate any persons for election to the Board of Directors or propose any other business at any annual or special meeting of shareholders of the corporation whether or not such nomination or proposal is made pursuant to Rule 14a 8 promulgated under the Exchange Act ("Rule 14a 8"). If a shareholder of the corporation makes a proposal pursuant to Rule 14a-8, the shareholder must comply with the requirements of Rule 14a-8, which shall supersede the requirements of this Section 2.12 to the extent inconsistent with Rule 14a-8. If a shareholder of the corporation wishes to nominate any person for election to the Board of Directors or propose any other business at any annual or special meeting of shareholders outside of Rule 14a-8, such shareholder must comply with all of the procedures of this Section 2.12.

(v) A shareholder of the corporation must comply with all of the procedures of this Section 2.12 to nominate any persons for election to the Board of Directors at any annual or special meeting of shareholders whether or not the election of directors generally is one of the matters of business otherwise to be considered at such meeting.

ARTICLE THREE

Directors

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

3.02 Number of Directorship Positions; Chairman of the Board.

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

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

(c) Default. In the event that the corporation is in Default (as defined in the Articles of Incorporation) in payment of dividends on the 13% Senior Preferred Stock, \$1.00 par value per share, of the corporation (the "Senior Preferred Stock") or any stock on a parity with the Senior Preferred Stock as to dividends and the holders of such stock become entitled to elect two directors pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation, the number of total directorship positions on the Board of Directors shall increase by two effective as of the time that the holders of such stock elect two directors pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation. When the Default is "cured" (as defined in the Articles of Incorporation) or there is no longer any Senior Preferred Stock or any stock on a parity with the Senior Preferred Stock outstanding, whichever occurs earlier, the two directors elected pursuant to Article Five, paragraph A(2)(a)(iii) of the Articles of Incorporation shall resign and the total number of directorship positions shall be decreased by two effective as of the date of the last such resignation.

(d) Chairman of the Board. The Board of Directors may elect a director as the Chairman of the Board. The Chairman of the Board shall, when present, preside at all meetings of the shareholders and of the Board of Directors, may call meetings of the shareholders and the Board of Directors, shall advise and counsel with the management of the Company, and shall perform such other duties as set forth in these bylaws and as determined by the Board of Directors.

Except as provided in this paragraph (d), the Chairman shall be neither an officer nor an employee of the corporation by virtue of his or her election and service as Chairman of the Board, provided, however, the Chairman may be an officer of the corporation. The Chairman may use the title Chairman or Chairman of the Board interchangeably. During the absence or disability of the Chief Executive Officer, or while that office is vacant, the Chairman shall exercise all of the powers and discharge all of the duties of the Chief Executive Officer.

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

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

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

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

3.06 Notice; Waiver. Notice of each special meeting of the Board of Directors shall be given (a) by oral notice delivered or communicated to the director by telephone or in person not less than twenty-four hours prior to the meeting or (b) by written notice delivered to the director in person, by e-mail, facsimile or other form of wire or wireless communication, or by mail or private carrier, to each director at his business address or at such other address as the person sending such notice shall reasonably believe appropriate, in each case not less than forty-eight hours prior to the meeting. The notice need not prescribe the purpose of the special meeting of the Board of Directors or the business to be transacted at such meeting. If given by email, facsimile or other wire or wireless communication, such notice shall be deemed to be effective when transmitted. If mailed, such notice shall be deemed to be effective when deposited in the United States mail so addressed, with postage thereon prepaid. If given by private carrier, such notice shall be deemed to be effective when delivered to the private carrier. Whenever any notice is required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws to be given to any director or member of a committee, a waiver thereof in writing, signed by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice, whether before or after the date and time of the meeting, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors or member of a committee of directors need be specified in any written waiver of notice unless so required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these bylaws.

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

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

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

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

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

3.12 Telephonic Meetings. Except as herein provided and notwithstanding any place set forth in the notice of the meeting or these bylaws, members of the Board of Directors (and any committees thereof created pursuant to Article IV hereof) may participate in regular or special meetings by, or through the use of, any means of communication by which (a) all participants may simultaneously hear each other, such as by conference telephone, or (b) all communication is immediately transmitted to each participant, and each participant can immediately send messages to all other participants. If a meeting is conducted by such means, then at the commencement of such meeting the presiding person shall inform the participating directors that a meeting is taking place at which official business may be transacted. Any participant in a meeting by such means shall be deemed present in person at such meeting. Notwithstanding the foregoing, no action may be taken at any meeting held by such means on any particular matter which the presiding person determines, in his or her sole discretion, to be inappropriate under the circumstances for action at a meeting held by such means. Such determination shall be made and announced in advance of such meeting.

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

ARTICLE FOUR

Committees of the Board of Directors

4.01 General.

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

(b) Membership. The Board of Directors by resolution adopted by the affirmative vote of a majority of all directors then in office shall have the power to: (i) establish the number of membership positions on each Board Committee from time to time and change the number of membership positions on such Committee from time to time, subject to any applicable law, regulation or listing standard; (ii) appoint any director to membership on any Board Committee who shall be willing to serve on such Committee, subject to any applicable law, regulation or listing standard; (iii) remove any person from membership on any Board Committee with or without cause; and (iv) appoint any director to membership on any Board Committee as an alternate member. A person's membership on any Board Committee shall automatically terminate when such person ceases to be a director of the corporation.

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

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

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

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

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

4.02 Board Committee Charters. The Board of Directors may adopt, and may amend from time to time, a charter for each Board Committee setting out the Committee's purpose, organization, responsibilities and authority. Each such charter shall comply with any applicable law, regulation or listing standard. The Board of Directors shall adopt a charter for the Executive Committee, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

ARTICLE FIVE

Officers

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

5.02 Appointment and Term of Office. The officers of the corporation to be appointed by the Board of Directors shall be appointed annually by the Board of Directors at its first meeting following the annual meeting of shareholders. If the appointment of officers shall not occur at such meeting, such appointment shall occur as soon thereafter as conveniently may be. Each officer shall hold office until the earlier of: (a) the time at which a successor is duly appointed and, if necessary, qualified, or (b) his or her death, resignation or removal as hereinafter provided.

5.03 Removal. The Board of Directors may remove any officer and, unless restricted by the Board of Directors or these bylaws, an officer may remove any officer appointed by that officer, at any time, with or without cause and notwithstanding the contract rights, if any, of the officer removed. Election or appointment of an individual as an officer shall not of itself create contract or other employment rights, and any employment relationship of any officer with the corporation or any of its affiliates may be terminated by the corporation regardless of whether the Board of Directors acts or has acted to remove such officer.

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

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

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

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

5.08 President. The President shall have responsibility for the general and active management of the business of the corporation. He or she shall have such duties as may, from time to time, be prescribed by the Board of Directors or be delegated by the Chief Executive Officer. During the absence or disability of the Chief Executive Officer, or while that office is vacant, the President shall exercise all the powers and discharge all of the duties of the Chief Executive Officer. During the absence or disability of the Chief Executive Officer and the President, or while those offices are vacant, the Chairman of the Board shall exercise all of the powers and discharge all of the duties of the Chief Executive Officer and the President. The Board of Directors may authorize the Chairman of the Board to appoint one or more officers or assistant officers to perform the duties of the Chief Executive Officer and the President during the absence or disability of the Chief Executive Officer and the President, or while those offices are vacant.

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

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

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

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

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

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

ARTICLE SIX

Contracts, Loans, Checks and Deposits

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

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

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

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

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

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

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

ARTICLE SEVEN

Corporate Stock

7.01 Certificates for Shares and Uncertificated Shares. The shares of the corporation's stock, or any class or series thereof, may be certificated or uncertificated, as provided under the Wisconsin Business Corporation Law, and shall be entered in the books of the corporation and registered as they are issued. Each certificate representing shares of any class of stock issued by the corporation shall be in such form, consistent with the Wisconsin Business Corporation Law, as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer, President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal, or a facsimile of the seal, of the corporation. If a certificate is countersigned by a transfer agent or registrar, other than the corporation itself or its employees, any other signature or countersignature on the certificate may be a facsimile. In case any officer of the corporation, or any officer or employee of the transfer agent or registrar who has signed or whose facsimile signature has been placed upon such certificate ceases to be an officer of the corporation, or an officer or employee of the transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if the officer of the corporation, or the officer or employee of the transfer agent or registrar had not ceased to be such at the date of its issue. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation.

Within a reasonable time after the issuance or transfer of any shares of uncertificated stock, the corporation shall send to the holder thereof a written notice that shall set forth (a) the name of the corporation, (b) that the corporation is organized under the laws of the State of Wisconsin, (c) the name of the shareholder, (d) the number of class (and the designation of the series, if any) of the shares represented, (e) any restrictions on the transfer or registration of such shares of stock imposed by the corporation's Articles of Incorporation, these bylaws, any agreement among shareholders, any agreement between shareholders and the corporation or any applicable law, including, without limitation, the Securities Act of 1933, and (f) any other information required by the Wisconsin Business Corporation Law.

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

7.03 Transfers of Shares. Transfers of shares shall be made only on the books maintained by the corporation or a transfer agent appointed as contemplated by Section 7.02 of these bylaws at the request of the holder of record thereof or of his, her or its attorney, lawfully constituted in writing, and on surrender for cancellation of the certificate for such shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, the corporation or its transfer agent shall issue a new certificate or evidence of the issuance of uncertificated shares to the shareholder entitled thereto, cancel the old certificate and record the transaction upon the corporation's books. Upon the receipt of proper transfer instructions from the holder of uncertificated shares, such uncertificated shares shall be cancelled, issuance of new equivalent uncertificated shares or certificated shares shall be made to the shareholder entitled thereto and the transactions shall be recorded upon the books of the corporation. Prior to due presentment of a certificate (or transfer instructions for uncertificated shares) for shares for registration of transfer, the corporation may (but shall not be required to) treat the person in whose name corporate shares stand on the books of the corporation as the only person having any interest in such shares and as the only person having the right to receive dividends on and to vote such shares, and the corporation shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of the other person, whether or not it shall have express or other notice thereof. Where a certificate (or transfer instructions for uncertificated shares) for shares is presented to the corporation or a transfer agent with a request to register for transfer, the corporation or the transfer agent, as the case may be, shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate, or on or accompanying the transfer instructions for uncertificated shares, the necessary endorsements, and (b) the corporation or the transfer agent had no duty to inquire into adverse claims or has discharged any such duty. The corporation or transfer agent may require reasonable assurance that such endorsements are genuine and effective and compliance with such other regulations as may be prescribed by or under the authority of the Board of Directors

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

7.05 Restrictions on Transfer. The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction imposed by the corporation upon the transfer of such shares. Any restriction imposed by the corporation upon the transfer of uncertificated shares shall be conspicuously noted on the written notice of issuance of the shares.

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

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

7.08 Record Owners. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

ARTICLE EIGHT

General Provisions

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

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

ARTICLE NINE

Amendments

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

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

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

ARTICLE TEN

Indemnification

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

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

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

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

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

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

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

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

(h) "Liability" means the obligation to pay a judgment, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, the agreement to pay any amount in settlement of a proceeding (whether or not approved by a court order), and reasonable expenses and interest related to the foregoing .

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

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

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

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

10.03 Procedural Requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

10.05 Mandatory Allowance of Expenses.

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

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

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

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

10.06 Indemnification and Allowance of Expenses of Certain Others.

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

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

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

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

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

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

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

10.11 Contractual Nature of Article X; Repeal or Limitation of Rights. This Article X shall be deemed to be a contract between the Corporation and each Director, Officer and employee of the Corporation and any repeal or other limitation of this Article X or any repeal or limitation of the Statute or any other applicable law shall not limit any rights of indemnification against Liabilities or allowance of Expenses then existing or arising out of events, acts or omissions occurring prior to such repeal or limitation, including, without limitation, the right of indemnification against Liabilities or allowance or Expenses for Proceedings commenced after such repeal or limitation to enforce this Article X with regard to acts, omissions or events arising prior to such repeal or limitation.

JOHNSON OUTDOORS INC. AND SUBSIDIARIES

The following lists the principal direct and indirect subsidiaries of Johnson Outdoors Inc. as of October 3, 2008. Inactive subsidiaries are not presented:

Name of Subsidiary ⁽¹⁾⁽²⁾	Jurisdiction in which Incorporated
Johnson Outdoors Canada Inc.	Canada
Old Town Canoe Company	Delaware
Techsonic Industries, Inc. (d/b/a Humminbird)	Alabama
Under Sea Industries, Inc.	Delaware
JWA Holding B.V.	Netherlands
Johnson Beteiligungsgesellschaft GmbH	Germany
Uwatec AG	Switzerland
Scubapro Asia Pacific Ltd.	Hong Kong
P.T. Uwatec Batam	Indonesia
Scubapro Asia, Ltd.	Japan
Scubapro Espana, S.A. ⁽³⁾	Spain
Scubapro AG	Switzerland
Scubapro Europe Benelux, S.A.	Belgium
Johnson Outdoors France	France
Scubapro/Uwatec France S.A.	France
Scubapro Europe S.r.l	Italy
Scubapro Italy S.r.l.	Italy
Scubapro (UK) Ltd. ⁽⁴⁾	United Kingdom
Scubapro-Uwatec Australia Pty. Ltd.	Australia
Johnson Outdoors Watercraft UK	United Kingdom
Johnson Outdoors Watercraft Ltd.	New Zealand
Lendal Products Ltd.	Scotland
Geonav S.r.l.	Italy
Johnson Outdoors Vertriebsgesellschaft GmbH	Germany

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

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

(3) Percentage of stock owned is 98%.

(4) Percentage of stock owned is 99%.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-19804, 33-19805, 33-35309, 33-50680, 33-52073, 33-54899, 33-59325, 33-61285, 333-88089, 333-88091, 333-84480, 333-84414, 333-107354 and 333-115298) pertaining to the various employee benefit plans of Johnson Outdoors Inc. of our reports dated January 2, 2009, with respect to the consolidated financial statements of Johnson Outdoors Inc. and the effectiveness of internal control over financial reporting of Johnson Outdoors Inc., included in the Annual Report on Form 10-K for the year ended October 3, 2008.

/s/ Ernst & Young LLP
Ernst & Young LLP

Milwaukee, Wisconsin
January 2, 2009

Certification of Chief Executive Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

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

- 1) I have reviewed this Annual Report on Form 10-K of Johnson Outdoors Inc.;
- 2) Based on my knowledge, this 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 report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 2, 2009

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

Certification of Chief Financial Officer**Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934**

I, David W. Johnson, certify that:

- 1) I have reviewed this Annual Report on Form 10-K of Johnson Outdoors Inc.;
- 2) Based on my knowledge, this 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 report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this 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 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-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 2, 2009

/s/ David W. Johnson
David W. Johnson
Vice President and Chief Financial Officer
Treasurer

Written Statement of the Chairman and Chief Executive Officer**Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chairman and Chief Executive Officer of Johnson Outdoors Inc. (the "Company"), hereby certify that the Annual Report on Form 10-K of the Company for the year ended October 3, 2008 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer
January 2, 2009

Written Statement of the Vice President and Chief Financial Officer**Pursuant to 18 U.S.C. Section 1350**

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Vice President and Chief Financial Officer of Johnson Outdoors Inc. (the "Company"), hereby certify that the Annual Report on Form 10-K of the Company for the year ended October 3, 2008 (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/ David W. Johnson

David W. Johnson
Vice President and Chief Financial Officer
Treasurer
January 2, 2009

The above certifications are made solely for the purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.
