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SNOW SPORTS MARKET REBOUNDS IN FEBRUARY

Snow Sports market sales reached $2.59 billion in February with a 3% gain in dollars sold compared with August through February last season. The number of units sold has declined across the market this season as sales of carryover and some specific categories like fleece and sweaters have diminished. Warmer weather in states north of the Mason-Dixon line, less snow in the Rockies and wetter and colder weather in the South have contributed to shifting sales patterns this season.

Significant declines in the West and Northeastern region sales, particularly in snowboard equipment sold resulted in flat dollar sales results overall despite significant gains in the South. Reduction in carryover sales coupled with more purchases of current season model equipment and apparel kept dollar sales in the green even as the number of units sold declined 7% overall. However, the news in January was not all bad, customers were more likely to buy this season's models rather than closeout models as inventories of closeout equipment shrank. Specialty shops increased their margins and saw significant declines in inventory through January resulting in improved cash flow and reduced risk of carrying extensive inventory at the end of the season, which would need to be sold off at or below cost. Weather patterns typical to El Niño drove sales in a colder and wetter Southern region, but hampered sales in the Rockies and in the warmer than average Northwest. Weather will continue to drive sales as late season snow returns to the atypically dry Rockies and the results of record snow in the South and Mid-Atlantic are realized in the market.

Category	Total Sales	Change in Units Sold	Change in Dollars Sold
Equipment	$720,686,812	**-5.15%**	**0.82%**
Apparel	$1,024,934,370	**-3.85%**	**1.77%**
Accessories	$927,764,687	**-2.96%**	**7.09%**
Total	$2,673,385,870	**-3.36%**	**3.29%**

Source: SIA Retail Audit, All Stores August through February. Carryover sales included

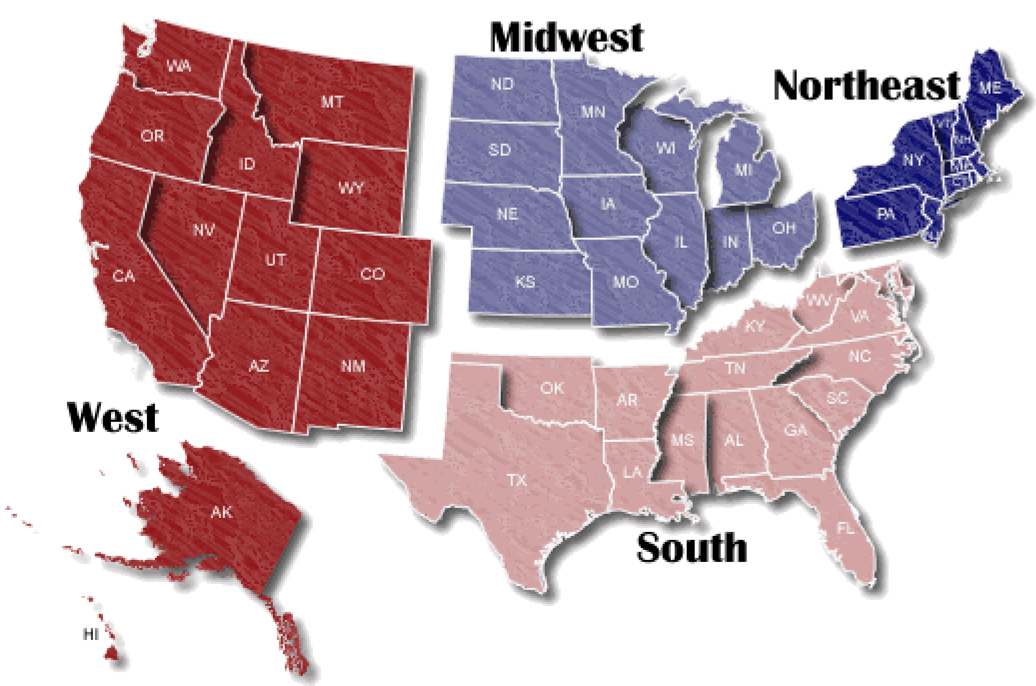
Quick Trends:

- **Rocker** – Not just for snowboards anymore. Rocker, also known as reverse camber skis, sales have increased from 2,697 pairs sold in 2008-09 to 6,967 sold through January 2009-10. Rocker snowboard sales have doubled since last season from 20,070 to 43,772 boards sold.
- **Snowboard Equipment** – Overall sales suffering with declines of 7% in units and 4% in dollars, coupled with increases in carryover sales while most current season snowboard equipment sales have declined – except for rocker boards.
- **Backcountry** – AT/Randonee ski sales up 48% in units and 49% in dollars sold.
- **High Performance Alpine Boots** – up 17% in units and 21% in dollars sold.
- **Helmets –** Record sales! More than 1.1 million helmets sold through February this season.
- **Snowshoes** – Sales up 7% in dollars with 117,887 units sold in snow sports shops.
- **Alpine Tops** – Up 4% in dollars sold compared to an 8% decrease in dollars sold for snowboard apparel tops.
- **Fleece and Sweaters** – Units sales in fleece are down 9% in units, a decline of 221,966 units and retailers have sold 51,960 fewer sweaters this season.
- **Snowboard Apparel** – Sales are down 6% in units and 5% in dollars sold. Snowboard apparel made for kids is down about 19% in units overall.

Regional Results

The Leisure Trends Group is now providing SIA members with in-depth regional data for the Specialty Shop distribution channel throughout the snow sports season. For the first time, SIA will provide members with information throughout the season about sales in the Northeastern, Western, Midwestern, and Southern U.S. regions.

U.S. Census Regions



The results, shown regionally, clearly illustrate the relationship between snow sports sales and weather. Shoppers in the Southern region (that includes Mid-Atlantic states) are buying more equipment and accessories than ever before while the West and the Northeast, where the snow is average to below-average, are experiencing declines in the number of units they're selling so far this season across all categories.

Regional Specialty Shop Sales	**Season to Date Growth Units**	**Season to Date Growth $**	**Total Dollar Sales ($millions)**
Northeast Equipment	-6.9%	-1.9%	$179,046,413
Northeast Apparel	-0.9%	2.5%	$151,557,367
Northeast Accessories	-10.0%	2.5%	$146,870,225
Northeast Total Sales	**-8.0%**	**0.8%**	**$477,474,005**
West Equipment	-6.0%	1.0%	$185,927,421
West Apparel	-8.1%	-1.5%	$162,534,683
West Accessories	-5.0%	5.5%	$204,473,666
West Total Sales	**-5.6%**	**1.8%**	**$552,935,769**
South Equipment	15.4%	17.3%	$61,592,759
South Apparel	11.4%	8.4%	$119,945,371
South Accessories	17.6%	26.4%	$111,525,419
South Total Sales	**16.2%**	**16.6%**	**$293,063,549**
Midwest Equipment	-0.7%	1.6%	$82,324,226
Midwest Apparel	-12.4%	-6.4%	$115,868,500
Midwest Accessories	-10.9%	-1.5%	$83,207,384
Midwest Total Sales	**-10.1%**	**-2.7%**	**$281,400,110**
All U.S. Equipment	-3.3%	1.8%	$508,890,819
All U.S. Apparel	-3.5%	0.4%	$549,905,921
All U.S. Accessories	-3.3%	7.1%	$546,076,693
All U.S. Total Sales – No Carryover	**-3.3%**	**3.1%**	**$1,604,873,434**

Source: Leisure Trends Group Aug 2009-Feb 2010 Specialty Shops Regional Category Data**,** carryover sales not included

Channels

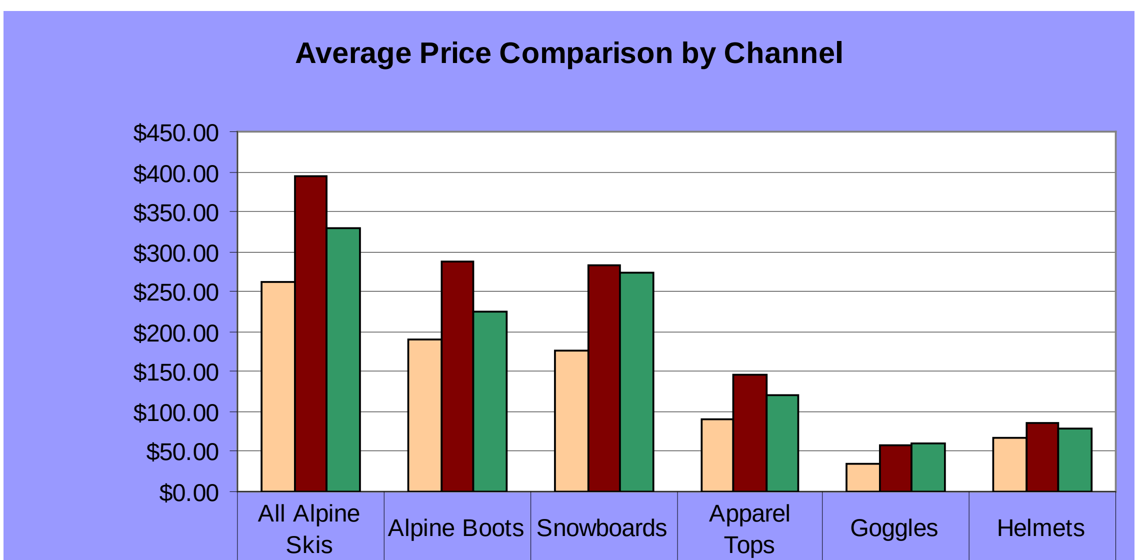
Snow Sports Specialty, $1.6 billion – Down 3% in units and up 3% in dollars

Alpine ski equipment sales increased 5% in dollars on strong sales of fat skis (>80mm waist width), high performance alpine boots and high end bindings (DIN 12+). Carryover unit sales of alpine equipment fell 17% for skis and 11% for boots. Snowboard equipment continued to decline in February with unit sales down 8% and dollars sold down 6%. Many snowboard buyers are still looking for bargains and snowboard carryover sales have increased 23% in units and 25% in dollars. In fact, snowboard and telemark were the only equipment categories that have brought in fewer dollars this season compared to last season. Increases in dollars sold coupled with decreased units sales indicate some scarcity in the marketplace and higher tolerance for bigger price tags. Inventories are down 6% in specialty shops overall and down 13% in the equipment category through February.

Retail prices for snow sports gear have increased about 11% overall in specialty, driving better margins (1.9% growth) and ensuring better cash flow for specialty retailers throughout the season.

Internet, $546 million – Flat unit sales, up 9% in dollars

This season, the Internet channel is not the place to go for low-end snow sports gear at rock bottom prices. Average prices for equipment, apparel and accessories are closer to even with brick and mortar specialty and far higher than chain store average prices.



	All Alpine Skis	Alpine Boots	Snowboards	Apparel Tops	Goggles	Helmets
Chain Stores	$263.00	$189.41	$176.39	$90.42	$35.67	$67.77
Specialty Shops	$395.26	$286.55	$283.61	$146.07	$57.26	$85.06
Online	$330.49	$224.35	$274.08	$120.48	$61.39	$77.96

Overall, online sales are leveling off after three seasons of hyperactive growth as online sales continue to expand in dollars sold but unit sales are flat. Equipment sales increased most with 9% growth in units sold and 13% growth in dollars sold. The snowboard equipment category realized its only sales gain in the Internet channel. Snowboard equipment sales increased 16.5% in unit sales and 18.5% in dollar sales through February. Internet sales include sales through “clicks only” establishments that have no brick and mortar shop for customers to visit as well as online sales in shops with a brick and mortar location through a commerce enabled website for their customers. Many of the sales reported come from brick and mortar establishments that are reaching customers online and in the shop.

Chain Stores, $523 million – Down 5% in units and down 1% in dollars

Many chains are carrying less equipment this season and that is clearly reflected in the 19% decline in units sold and 14% decrease in dollars sold. Alpine sales are off 17% in units, Nordic equipment unit sales are off by a whopping 30%, and snowboard equipment sales are down 20% in units sold in chain stores this season. In fact, 63% of skis and 55% of snowboards sold were carryover sales meaning that they were sold below average retail cost. Chain stores sell far less equipment than specialty or online sales channels. In fact, chain stores sold fewer than 16% of all skis sold so far this season. Even the traditionally strong apparel sales in chain stores have fallen off this season with declines of 6% in units and 1% in dollars. Accessories like hats, helmets, goggles and wax account for about 40% of all snow sports related sales in chain stores. Accessories sales have declined 3% in units but people are spending about 5% more dollars on them through February this season. Helmets are leading the way in the accessories category with increases of 30% in units sold and 31% in dollars sold. Overall, consumers are choosing to shop chain stores for snow sports equipment, technical apparel, and higher end accessories.

The market data presented in this report comes from the SIA Retail Audit conducted by the Leisure Trends Group. The Retail Audit data is gathered directly from the Point of Sale systems of about 1/3 of the snow sports retailers in the U.S. market. Each season, Leisure Trends gathers snow sports sales data from a representative panel of more than 1,200 snow sports retailers who provide sales data directly from their Point of Sale systems. The panel and the method for extrapolating the results out to the entire industry is based on a triennial census of snow sports retailers designed to accurately define the size and structure of the snow sports retail marketplace. SIA maintains these data for members down to the product level. For more information about SIA’s Retail Audit information please contact Kelly Davis, SIA’s Director of Research at KDavis@snowsports.org.

- SIA –

SnowSports Industries America (SIA) is the national not-for-profit, North American member-owned, trade association representing the snow sports industry. Established in 1954, SIA annually produces the SIA Snow Show, the largest snow sports industry trade show, on-snow demo and networking environment globally, while delivering invaluable data/research reports including the Snow Sports Market Intelligence Report, the SIA Retail Audit and Executive Market Summary. SIA also develops marketing products, programs and services such as logistics and Government affairs that help our Members operate more efficiently and increase participation in snow sports. For more information, check out snowsports.org. SnowSports Industries America, 8377-B Greensboro Drive, McLean, VA 22102-3587. Phone: 703.556.9020, Fax: 703.821.8276, Email: SIAmail@snowsports.org.