

# Columbia Sportswear to Acquire OutDry Technologies

Columbia Sportswear has agreed to acquire OutDry Technologies S.r.l, which owns the intellectual property comprising the OutDry brand and related business. The companies made the announcement at a news conference yesterday at Summer Market.

Terms of the cash purchase were not disclosed. The transaction is expected to close during the third quarter. According to a release, the purchase "is not expected to have a material effect on the company's 2010 operating results."

"Columbia's acquisition of OutDry is the latest example of our strategy to build a portfolio of innovative technologies that deliver performance and protection benefits of greatest importance to outdoor customers," said Tim Boyle, president and CEO of Columbia.

He added that OutDry technology will be deployed across the portfolio of outdoor brands, including the Columbia and Mountain Hardwear apparel brands, and the Sorel and Montrail footwear brands.

"This is a disruptive technology that is going to change the landscape," said Luca Morlacchi, CEO of OutDry. He and his brother, Matteo, will serve as chief executive officer and general manager, respectively, of OutDry. The company will remain headquartered near



Columbia Sportswear CEO Tim Boyle (left) and OutDry CEO Luca Morlacchi.

Milan, Italy, and will operate as a wholly-owned subsidiary of Columbia Sportswear.

OutDry's patented and patent-pending construction methods bond a waterproof, breathable membrane directly to the inside of the outermost layer of a shoe or glove.

The direct bond prevents water and dirt from penetrating the internal air space and fabric layers typically associated with waterproofing designs that rely on booties or bladders.

"This is groundbreaking waterproof breathable footwear innovation for the mountaineer, the hiker, the multisport athlete, the trail-running enthusiast, the road runner—any consumer that wants waterproof footwear without having to sacrifice performance, fit, light weight and comfort," said Mark Nenow, Columbia's vice president of global footwear.

Columbia is already well-versed in OutDry technology. In Fall 2009, Mountain Hardwear introduced a collection of high-performance gloves manufactured using OutDry.

OutDry won an Ecodesign award at the Volvo Sports

Design competition at ISPO 2008. Retailers and media members who want to get a look at exactly how OutDry works can stop by the OutDry booth (#155-#219) for a live demonstration during the show.

Boyle said the purchase is part of a renewed focus on innovation throughout the Columbia brands, with several initiatives focused on keeping customers warm, cool, dry and protected. The company is concentrating on creating new waves of "must buy" innovation to

bring consumers into the store.

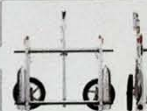
He also said Columbia will continue to invest in in-house innovations as well as acquisitions of proven, existing technology.

"Columbia doesn't have an exclusive on innovation," Boyle said. "Where we see opportunities in the industry that provide differentiation, we will look at those opportunities while we continue to develop our own innovations as well."

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