

SGI WEEKLY INTELLIGENCE

VOLUME 3, NUMBER 16
APRIL 25, 2011



INSIDE:

Safety concerns mark meeting as Congress nears hearings on children's sports.

John Horan's Deep Intelligence on the turnaround at K-Swiss.

Sports Participation improves by some measures but inactivity also grows.

Wolverine Worldwide net jumps 22% on Barefoot launch.

Hanesbrands has strong Q1 results with help from Gear for Sports acquisition.

Brooks sees strong growth in 2011 after 21% increase in 2010 to \$190 million.

Crosman Airguns sold to Wellspring Capital Management.

Louisville Slugger names Clark president; Deckers names Murray EMEA Czar.

Outdoor sales rise 4.5% in March despite later Easter.

EPA oversight of industry would be exempted by Congressional amendment.

Judy Spies: Skirt Sports, Diadora.

Edwin Watts Golf ● JC Run Enterprises
● Adidas ● Clarks ● Cybex ● Escalade ●
Franklin Sports ● Derby Cycle ● Lacrosse
● Camp USA ● Icon Health & Fitness.

Skirt Sports athlete Hillary Biscay wears the Wonder Girl Dress made of moisture-wicking, fast-drying fabric with semi-compression mesh. The company is rapidly expanding into new categories and has just launched a national women's running mentorship program. For complete details, visit the new product department. *Photo courtesy of Skirt Sports.*

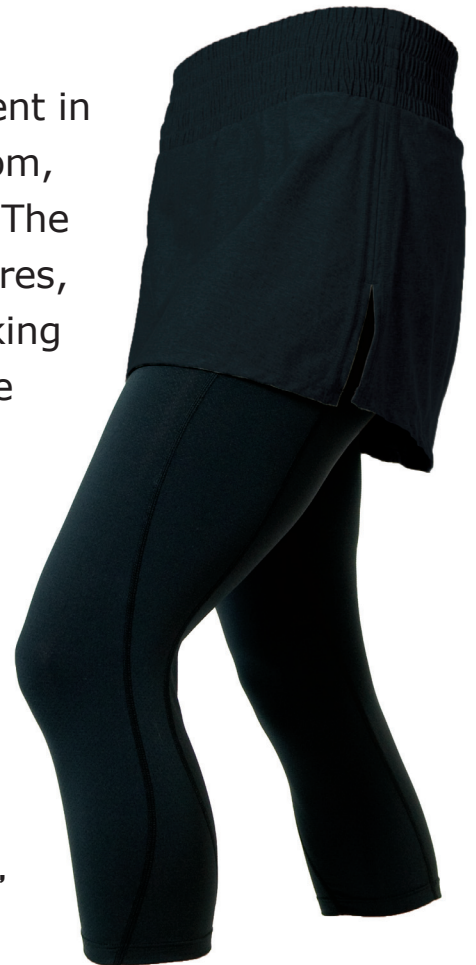


SKIRT SPORTS FLIRTS WITH FAST GROWTH

Boulder, CO-based Skirt Sports, which burst onto the scene six years ago with the first-ever women's running skirt, has made a name for itself in the performance apparel market. The company was founded in 2004 by professional triathlete Nicole DeBoom, who became an Ironman champion while wearing a home-sewn prototype of the skirt she designed from a napkin sketch. Today, the company offers a full line of women's fitness apparel, is about to introduce a kids' collection, orchestrates two running series, and is rolling out a national women's running mentorship program. There is even a new corporate tagline: "Skirt Sports-What You Wear Matters."

"We're growing fast-more than 50 percent in 2011-and surpassing our goals," said DeBoom, who currently serves as Skirt Sports' CEO. "The wholesale channel, particularly specialty stores, is growing dramatically and we're now stocking enough inventory to meet demand. We have figured out what sells well, plus we hired a vice president of sales a year ago and put together an independent sales rep team."

New for Spring '12, the Infinity Capri Skirt (SRP \$85) is made of BoundlessCafe fabric and includes an ultra-wide smocked waistband, Sonic Music Port under the waistband for a headset cord, and small vents on each side for freedom of movement. The Under Skirt features mesh Capri leggings with a tennis ball pocket on each leg, and two top-entry pockets to carry small items.



Skirt Sports' distribution focuses on specialty run and bike stores as well as women's-only athletic retailers, and the brand is sold in about 500 stores throughout 48 states. Outside the U.S., Skirt Sports products are available in Australia, Canada, China, Ecuador, Germany, Netherlands, New Zealand, Puerto Rico and Singapore.



The Free Me Tee (SRP \$50) is made of moisture-wicking fabric and offers a relaxed fit, modest v-neck, princess seams, and 3-inch back vents for freedom of movement.



According to DeBoom, the company's target consumers are ages 25 to 45, with the sweet spot being women in their late-30s. "Fifty percent of our demographic has kids, and customers are looking for products that can transition with their lifestyles. We're learning how to appeal to a more diverse age range," she said. For example, in response to demand from women who want garments that provide a bit more coverage, Skirt Sports is now offering the 17-inch Happy Girl Skirt as well as the Free Me collection of relaxed fit tops.

Skirt Sports has also started expanding into growth categories such as cycling, golf, tennis and kids. "We're taking cycling apparel much more seriously, especially the women's recreational market. But because cycling is mostly seasonal,

we also see opportunity in gym workout apparel,” explained DeBoom. She added, “Female athletes are multi-dimensional in terms of activities and our products can transcend categories.” The new kids’ line of active performance apparel, designed for girls ages 4 to 8, will launch in mid- to late-May. It boasts three styles: a skirt with a built-in short, a T-shirt and a fitness dress. Retail prices range from \$25 to \$45.

In terms of community involvement, Skirt Sports launched its Skirt Chaser 5k race series nationally in 2007, and also sponsors the Skirt Chaser Dash program of wholesale store events. The Skirt Chaser 5k series combines running events with post-race socializing and of course, the women get to start first. The latest endeavor is a nationwide women’s running mentorship program called Kick It Forward, which provides a platform for beginning and experienced runners to access online community support and training tools.



The new Skirt Sports kids line, designed for girls ages 4 to 8, includes the Wonder Kid Dress (SRP \$45) and Happy Kids Skirt (SRP \$45). Both are available in sizes Small (4), Medium (5-6) and Large (7-8).

