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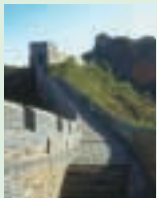


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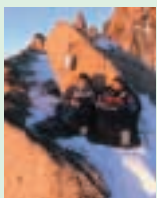


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Another year over Looking Back – Moving Forward

The last decade has been a strange one for the Outdoor Industry. The difficult process of changing from predominantly owner managed enterprises; to a more corporate structure has been a constant background theme, and one that has had far reaching consequences for the sector. As competition between brands and retailers has intensified, the constant need to improve professionalism and drive a competitive advantage has sharpened the focus of the entire industry. Everything is quicker, more focussed and the basic entry level standards are higher than ever for everything from on schedule deliveries, to after sales service. Mediocrity is not an option.

Against this background, the growing realisation of the need for an international trade association was almost inevitable and eventually gave rise to the formation of the European Outdoor Group. Trade associations have many key functions and it's not my intention to detail all of these here, but one of the key tasks is to ensure that the industry has the correct and appropriate opportunities to get together, both to network and present its products and services. To be frank, our sector has struggled with this subject for a number of years and competition between the two major European trade shows has proven to be divisive and not in the greater interests of the industry. The why's and wherefore's of this are academic, but what is important is the fact that the teams managing our major trade shows were not involved in the disputes of the past and are forward looking professionals who are determined to work with the EOG both in the interests of the industry, and of course their own organisations.

The Future

Messe München and the EOG have just signed an important agreement to work together to improve the Winter ispo for the outdoor sector and to co-operate on a wide range of projects in the future. There is a real and tangible willingness to engage in constructive dialogue and to listen to the needs of our industry, the first results of which should be evident to everyone visiting the Winter ispo in February 05! Working together as a sector and with ispo, is a vital part of ensuring we create the right platform for showcasing outdoor and comprehensively persuading Retailers to invest in coming to the Winter ispo.

As an association, the EOG is delighted to welcome this agreement and is determined to drive a relentless strategy of facilitation between all the key elements of our vibrant industry.

As we look towards the future, the EOG is engaged in a series of projects and plans, such as an international conference on the role of the industry in the health and fitness of our individual nations. One thing is sure, that the EOG is rapidly becoming the voice for the industry and is set to live up to its objective of working on your behalf.

We hope you will support this work and look forward to seeing you at the Winter ispo.

Yours truly,

Mark Held

Mark Held
General Secretary
European Outdoor Group



International Conference addresses Obesity

The Great Outdoors, there for everyone, free for everyone and ... largely taken for granted!



We all have the good fortune to work within a sector whose main subject is physical recreation within the natural outdoor environment. But where are the Government programmes to promote participation in outdoor activities, and to protect and enhance the environment?

We believe that a lot more could be done to encourage new people to take up some of the most rewarding pursuits available and feel that the Outdoor Industry can play a much larger role in the health of the European nations by working with Governments to promote the Outdoors. Ispo and the EOG are currently looking at the viability of holding an Industry/Government conference to debate the role of the Outdoors in the

health and wellbeing of community nations. The conference will address many aspects associated with health, obesity and the outdoor environment including the following:

- Outdoor Education is one of the few recreational opportunities that has been under-organised, under funded and under utilised as part of any health care strategy. The recent increase in liability issues has exacerbated this.
- Recreation in the outdoors is a simple way of taking exercise and keeping fit, that has almost unlimited capacity and requires little in the way of specialist equipment.
- The outdoors is a vital part of the EU economy and particularly

rural economies and is a significant contributor to the well being of member countries.

- Together the EOG and the EU are capable of actioning meaningful strategies to draw outdoor activities more closely into the health campaigns of EU member countries.

Of course such things are inevitably complex and no final decision has yet been taken on holding the conference, but we remain committed to raising the profile of the industry and see this as a key means to do so. If you have any views or comments on this subject, we'd welcome hearing from you!

Please email: Vanessa@PebbleInternational.com

Market Research

Anyone who has tried to research the most fundamental of facts about the Outdoor Industry will know only too well that data is more than a little hard to come by! Recognising this the EOG has embarked on a project with Profile Sports Marketing to establish a groundbreaking research programme that should put an end to the 'data black hole' for good.

Two thirds of the EOG membership including the largest Brands have signed up to take part in the programme which is based on each Brand providing its sales data for analysis. In return the Brands will receive detailed reports that show the overall size and structure of the market, along with their own brand shares. In this way participants get to protect the confidentiality of their own data whilst receiving valuable detailed information about the market.

To kick the project off, each participating Brand is going to provide data for 03 and 04, which will be analysed and form the foundations of future reports.

As with all market research projects, the greater the number of participants, the better the data, and with this in mind the EOG is prepared to open up the programme to non EOG members. If you would like further information on this then please contact us.

EN 13537 Sleeping bag norm

As previously reported, the EOG has been working on compiling information sheets to help the industry understand the implications of the new EN13567 norm for sleeping bags. These sheets have been put together by a panel of industry experts and provide practical advice on the subject for Manufacturers, Retailers and Consumers. If you would like to download any of these sheets they are available on our website.

OIA Conference & Awards 05



Launched in 2004, the OIA conference was hailed as a huge success, for 2005 it will take place on the 10th March at the Low Wood Hotel by Lake Windermere, in the UK's Lake District - a major centre in the UK for outdoor activities. The Conference 'Opportunities for Growth - overcoming the obstacles' will address vital areas of interest for the whole outdoor sector. Anyone wishing to attend, or receive further details, should contact the OIA Office in London by calling +44 20 8842 1111 or emailing Pat Edwards on pat@go-outdoors.org.uk

All change in the UK

It was announced recently that Tony Wood, current Secretary of the EOG and former Brand President of Berghaus, has been appointed Brand President of Speedo Worldwide. Tony has been a major influence on the UK outdoor market and this move, which is still within the Pentland Group of companies will see him depart from the Outdoor Industry after twenty years. As Secretary of the EOG Tony has contributed strongly to the growth of the organisation and we offer our thanks to him for his services and best wishes for his new role. The position of Secretary of the EOG will be discussed at the next meeting of the group at Winter ispo.

Counterfeit China

A recent International Herald Tribune conference in Hong Kong brought to light the feelings of many of the world's luxury brands regarding the problems associated with counterfeit product. As an industry we share many of these problems.

The conference, *Luxury 2004: the Lure of Asia*, was opened by Bernard Arnault, chairman of LVMH Moët Hennessy Louis Vuitton. His keynote immediately tackled the counterfeit problem.

"When somebody buys a fake, they are giving money to the mafia, to organised crime." Agence France-Presse reported Arnault as saying. "It is very difficult to fight against because there are very large risks. But it is absolutely vital to do so. It is like drug trafficking. The same

organisations control drug and counterfeiting business." Arnault went on to talk about the need for everyone to work together, stating that counterfeiters are like parasites, living off the creativity of people within our industry.

We all know the problems but how can we combat them in an area of the world where a vast amount of our manufacturing is carried out. Especially when it is estimated that between 60% and 90% of all counterfeit product comes from China. Tung Chee-hwa, chief executive of the Special Administration Region has committed Hong Kong to taking steps to combat counterfeiting.

The Quality Brands Protection Committee (QBPC) was launched in 2000 to work with the Chinese Central and local governments,

local industry and other organisations to combat the problems associated with counterfeiting. The Chinese Government itself has been making substantial moves to combat counterfeiting, the QBPC with its membership aims to support the Chinese government by exchanging ideas and information, it also assists in implementation and has committed resources and expertise.

Through a collaborative approach QBPC is working with Chinese customs, police and other administrative agencies to intensify enforcement and understanding of current law and regulations. They are also working to improve IP-related legislation, to increase public awareness and to ensure that anti-counterfeiting stays a priority with governments.

€ vs. \$ Euro vs. Dollar

Sometimes weakness can be a strength. And in the current weakness of the dollar, there is strength in American exporters to sell their wares abroad - particular to Eurozone countries.

Yet American importers and Europe-to-US exporters face the opposite threat - through no fault of their own, currency movements have dictated that market conditions do not favour their business. Unfortunately for these two groups, the EU is a net exporter and the US a net importer. There is a loss on both sides.

The reason for this is clear, the question is why it did not happen sooner.

The American consumer and government since the late 90s have continued to spend, leading to fiscal and current account deficits. Compare this to the EU consumer's more spendthrift behaviour and it seems unfair that Europe's export-led recovery should suffer as a result of the depreciating dollar.

The long term effects are less clear. European business may look to re-locate operations to cheaper locations, leading to higher unemployment. Economic tensions across the Atlantic may become more strained.

It's unlikely that the dollar's fall will be halted any time soon. The Bush administration seems to be

happy to tolerate a prolonged period of weakness in the dollar. American interest rates never rise as quickly as they are cut. The European Central Bank (ECB) does not have enough foreign currency reserves to buy dollars and hence reverse its depreciation. And the ECB is not likely to cut interest rates to force the Euro down while inflation is above target.

The perceived feeling from the US is that it is the American currency, but a European problem. With the EU seemingly powerless to avert the dollar's fall, it will be political wrangling rather than economics that brings to a halt the dollar's collapse.



Photo: Courtesy of Ferrino

Ispo European Outdoor Summit

Now in its second year, the European Outdoor Summit will continue to provide the industry with a valuable knowledge transfer platform. Each day of the show will bring new learning opportunities for participants, including roundtables, discussions, speeches, practical learning courses and for those arriving early - breakfast.

Daily updates on a trend barometer will look at which brands are up and coming and which brands help to sell product, results will be available at 6pm on each day with a complete collation of information gathered being presented at noon on the last day of the show.

On the middle two days of the show, Monday 7th and Tuesday 8th, there will be a talk at noon, followed by a roundtable discussion on "Classic Retail versus Internet" (Monday) and "Classic Retail versus Mono-Stores" (Tuesday).

Classic Retail vs. Internet

In 1999 sales of goods via the internet were more than €1 billion in Germany alone. For 2004 market researchers expect a volume of about €13 billion! Internet retail shows an impressive growth and its impact on the sports market is increasing. This roundtable will discuss the threats and opportunities internet retail presents for the outdoor market. The panel for this session will include online providers, classic and internet retailers. It will address such questions as: Is internet retail a serious threat for specialty stores? Are there opportunities for both distribution channels to exist next to each other? Or, is there a possibility for both to benefit from each other?

Classic Retail vs. Mono-Stores

In Europe and America as well as in developing markets many sporting goods brands are adding single-brand outlets to their established distribution through classic retail stores. The number of Single-Brand Stores is growing steadily. What does this development mean for outdoor retailers? When are these stores competition; when does the additional branding actually help? The audience will receive answers and suggestions from researchers as well as from a panel of industry leaders. The panel will include representatives from Jack Wolfskin, Patagonia, TNF, Intersport and Sport 2000, the session will be moderated by Mark Held, General Secretary of the EOG.

There is no charge to attend the European Outdoor Summit, just turn up and enjoy!

The Greenhouse Effect

A new initiative from ispo, the "Greenhouse Project" (in the centre of Hall B5) will help to promote new, young outdoor brands with innovative approaches. Outdoor-ispo will support the newcomers with a booth, PR and communication. "Greenhouse" is based on a long-term concept, which provides exhibitors with three consecutive trade fair presences for brand and image cultivation. The Greenhouse Project brands are: alfwear (USA) B5.314, Drytech (Norway) B5.312, FRWD (Finland) B5.315 and 8848 (Sweden) B5.313

Outdoor_ispo Events

High-rope Course in hall B5, Boulder Cup in hall B6, recco avalanche and backcountry forum in hall B4 and fashions shows daily at 11am and 3pm in A6.

UK brands to ISPO Winter 05

The Outdoor Industries Association will have a pavillion of UK brands in Hall B5 at ispo Winter. Come and visit the group where you will find a warm welcome, a hot cup of coffee to fight off the Munich winter and some first class products.

Party the Night Away

Start the night with a friendly get together by joining the SOG in the Scandinavian Village. As usual there will be live music, beer and an atmosphere to prove it's fun to do business with Scandinavians. Then continue on to the main event - exclusively for the Outdoor Community - ispo Outdoor Party will take place on Monday, 7th of Feb, at 6pm in the giant teepee tent in the atrium between halls B4 and A4.

A great opportunity to socialise and relax with your colleagues and customers, come along and enjoy the live music, food and drinks. Tickets (incl. head buff, food, drinks and live music) 10€.



Photo: Courtesy of Odlo International



Photo: Courtesy of Peter Mathis, Archive Mammut

Current Members

- Arc'teryx
- Bergans Fritid
- Berghaus
- Cascade Designs
- Columbia
- Deuter
- Ferrino
- Fjällräven
- Haglöfs
- Helly Hansen
- Invia
- Jack Wolfskin
- Lafuma
- Lowa
- Lowe Alpine
- Macpac
- Mammut
- Marmot
- Meindl
- Odlo
- Ortlieb
- Patagonia
- Petzl
- Salewa
- Salomon
- Schöffel
- Tatonka
- The North Face
- Vaude

Associate members:

- Fachgruppe Outdoor (Germany)
- Outdoor Industries Association (UK)
- Scandinavian Outdoor Group
- Companies that represent more than one brand have their sub brands registered as part of the representative membership. e.g. Mammut – Ajungilak, Raichle and Toko; Lowe Alpine – Asolo; Berghaus – Brasher Boot; Columbia-Mountain Hardware etc.*



Education and Experience Swedish Style

In 2005 the Scandinavian outdoor companies will once again offer forward thinking retailers the opportunity to combine education and a new experience in the Swedish wilderness. The extensive 6-day training includes product workshops, outdoor activities and knowledge about Scandinavian nature and outdoor traditions. The winter Academy will take place in Åre, from April 3-7th and the summer version in Värmland, from June 16-21.

Email for more information to info@scandinavianoutdoors.com or visit the SOG at ispo in hall B6.

Scandinavian Outdoor Innovation Awarded

New for 2005 the Scandinavian Outdoor Group will launch another project intended to improve innovation, quality and design in Scandinavian outdoor products, the Scandinavian Outdoor Award. The trade press within Scandinavia has elected the finalists for the award to be presented at ispo (on display in the Scandinavian Village in Hall B6).

The winning product will then be tested and chosen by retailers and journalists during the Outdoor Academy of Scandinavia.

The winner receives not only the trophy but also PR, hangtags and marketing to support sell-through.

EOG Aims and Objectives

- To provide a voice for the outdoor industry ensuring an effective interface between industry and consumers, the media and government
- To deliver relevant and cost effective services for members
- To work with the organisers of the two major European outdoor trade fairs to ensure that members have the most effective possible platform for their products.
- To facilitate networking amongst its members
- To liaise with European Government on issues of legislation that affect the outdoor industry
- To energetically promote participation in outdoor leisure activities
- To help establish platforms of 'best practice' on issues such as the environment, sourcing and other areas of common interest
- To facilitate relevant market research for the benefit of members



EOG membership. Should you Join?

In simple terms, if your company has a turnover in excess of EUR€4 million and you formally trade in four or more European countries, then yes, membership of the EOG is important and beneficial to you!

If you would like to discuss membership, or any aspect of the EOG's activities, please contact the General Secretary, **Mark Held** on **+44 (0)1539 823442** or **+44 (0)7979 535673** or email: **mark.held@europeanoutdoorgroup.com**

For the sleeping bag information sheets or more information about the EOG, please visit our new website: **www.europeanoutdoorgroup.com**