



Business Model Evolution

March 21, 2007

Scott Olivet, Chief Executive Officer

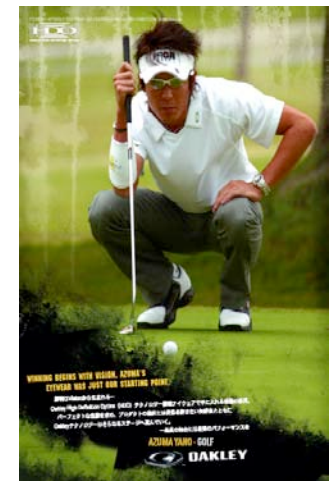


Agenda

§ Company Overview

§ The Changing World

§ Oakley Evolution





Company Overview

§ Founded in 1975

§ 2006 revenue: \$762 million

§ Segment sales

- Optics 73% | AFA 21% | Other 6%
- Wholesale 77% | U.S. Retail 23%
- U.S. 56% | International 44%

§ Distribution

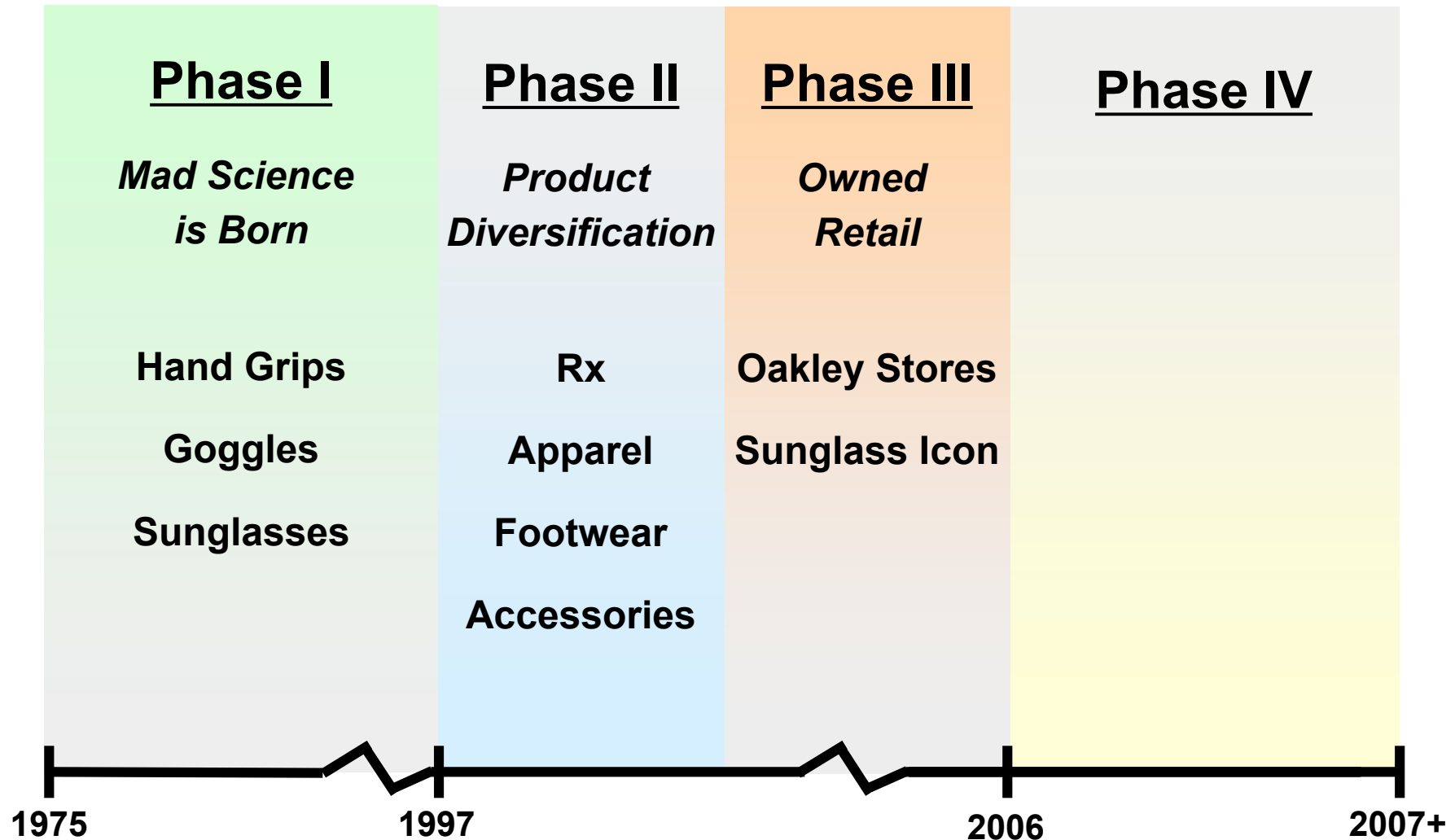
- 110+ countries through 20,000+ accounts
- 225+ company-owned retail locations

§ 3,400+ worldwide employees





Company Growth Phases





Radar



888-318-9964 OAKLEY.COM ©2003 Oakley, Inc.

MAKING HISTORY. AGAIN.™





The Changing World

- 1. Companies usually try to move beyond their core too quickly**
- 2. True brand authenticity is hard to come by... and getting harder to create**
- 3. Consumer's relationship to brands has changed forever**
- 4. The consumer defines you (the brand and the company) by the last touch point**



Oakley Evolution

The Changing World

1. Growing too fast beyond the core

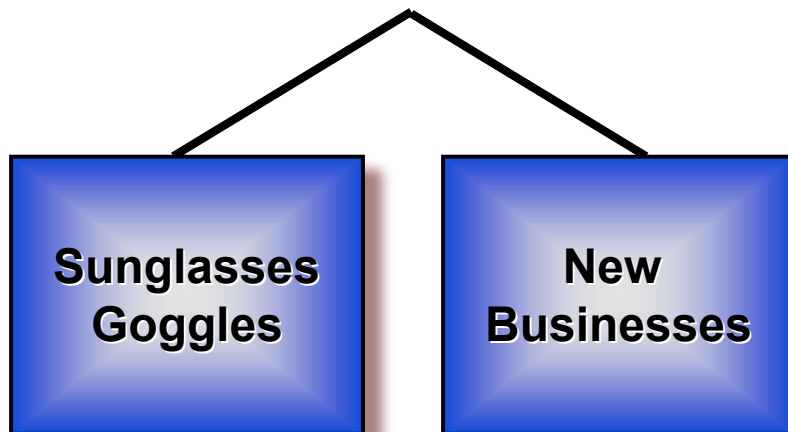
Oakley's Evolution

- § Optics, optics, optics
- § Fully utilize our strengths



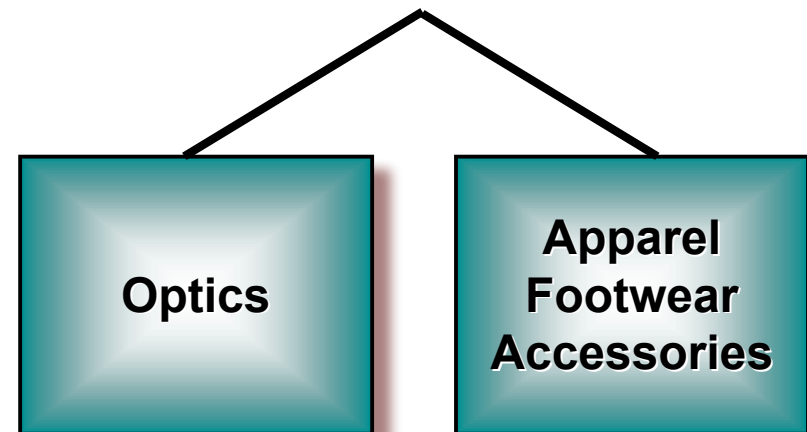
Focus on the Core

Before



- Rx
- Apparel
- Footwear
- Accessories
- Watches
- Electronics

Now



- Sunglasses
- Goggles
- Rx
- Electronically enabled eyewear

Optics Growth Opportunities



Gender



Product Use



Style Influence



Geography



Channel



Multiple Brands

Utilize Our Strengths



575+ patents



Research & Design



Manufacturing



Radar™



Oakley Hydrophobic Lens



**Custom
EYEWEAR**



Limited Editions



Oakley Evolution

The Changing World

1. Growing too fast
beyond the core
2. Brand authenticity
harder to create

Oakley's Evolution

- § Optics, optics, optics
- § Fully utilize our strengths
- § Everything connected to heritage
and authenticity
- § Be unapologetic for who we are
- § Multi-brand



Brand Authenticity and Integrity



VICTORIA'S SECRET



Oakley: Authentic Across Sports Categories



Golf



Skate



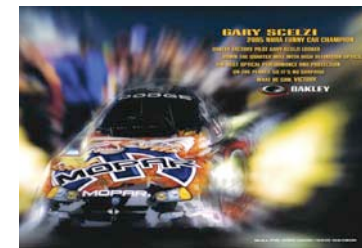
Motocross



Surf



Snow



Motorsports



MTB



Football

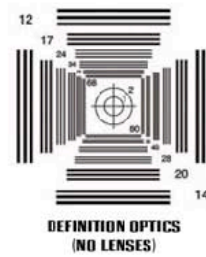
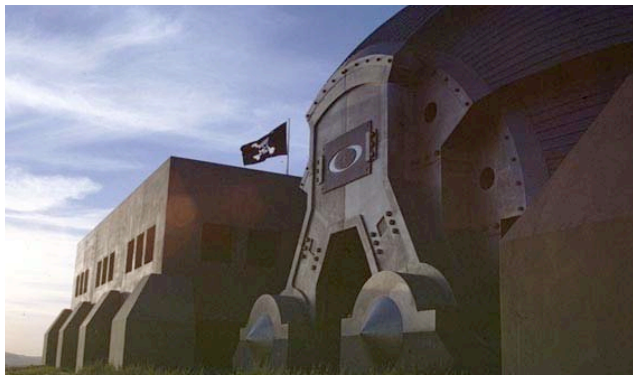


Multi-sport

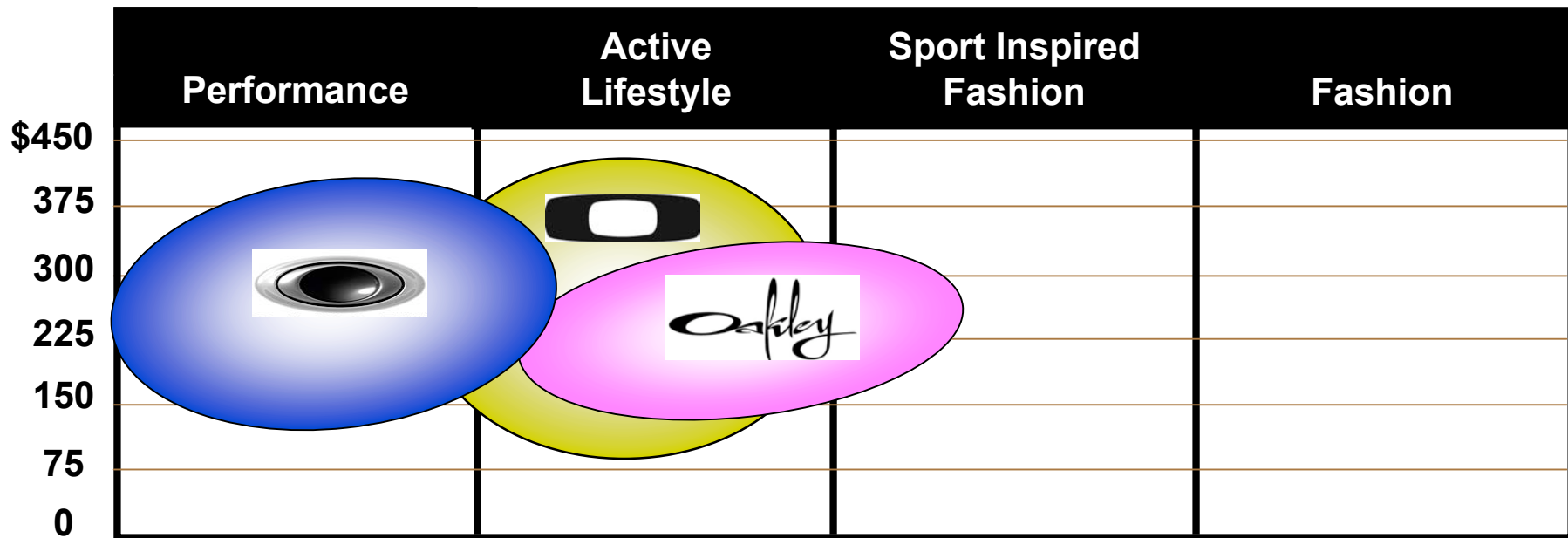




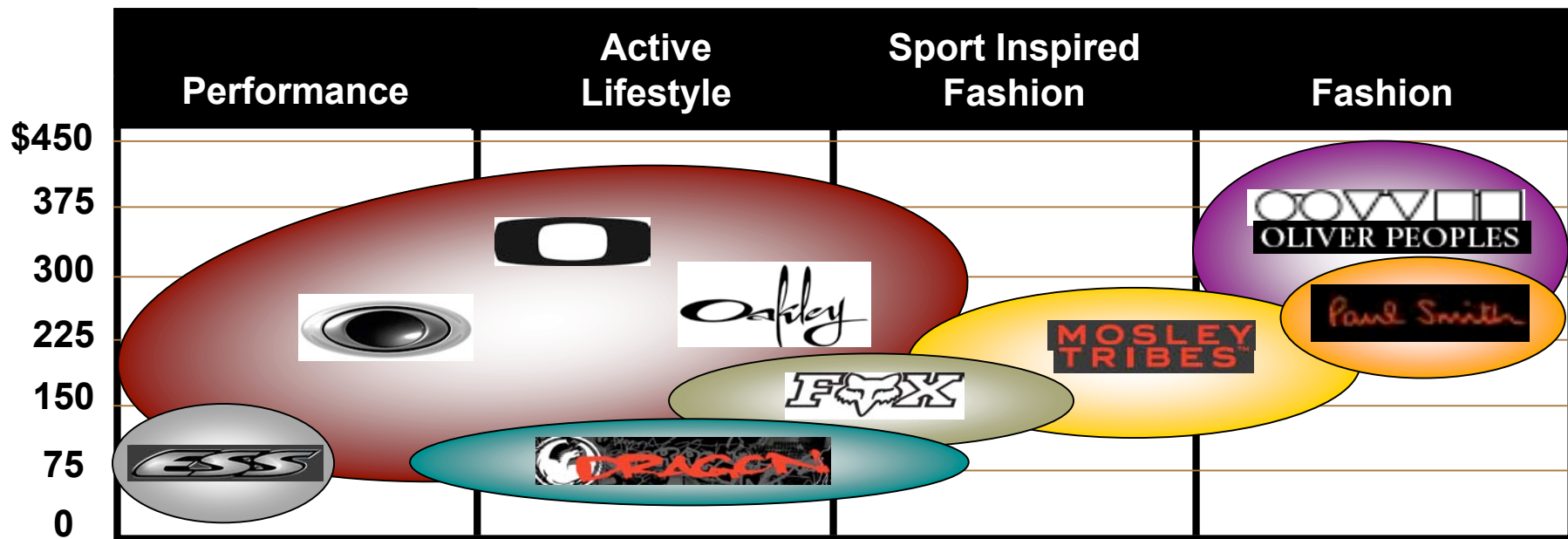
Oakley: Be Who We Are

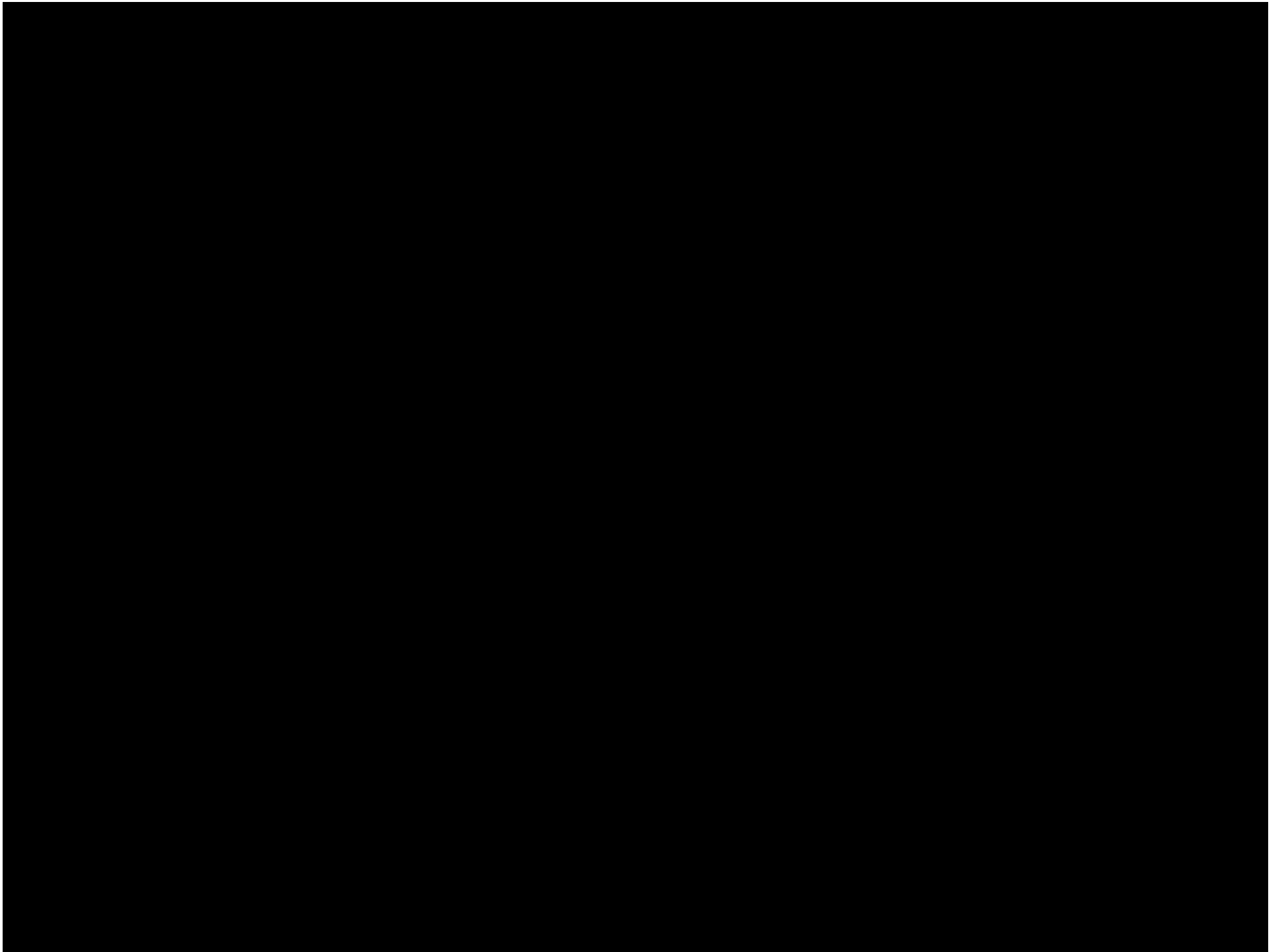


Market Positioning



Market Positioning







Oakley Evolution

The Changing World

1. Growing too fast beyond the core
2. Brand authenticity harder to create
3. Consumer relationship to brands continues to change

Oakley's Evolution

- § Optics, optics, optics
- § Fully utilize our strengths
- § Everything connected to heritage and authenticity
- § Be unapologetic for who we are
- § Multi-brand
- § Bring back emotional connection
- § Allow fast but go deep
- § Connect consumers to the culture, not just the product

Sport Performance



Thump Pro™



Radar™



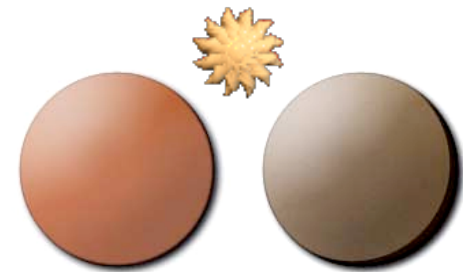
Flak Jacket™



POLARIZED COMPLETE
THE ULTIMATE IN PROTECTION AND PERFORMANCE



Oakley Hydrophobic Lens





Oakley Women's Collection



Script™



Disobey™



Dart™



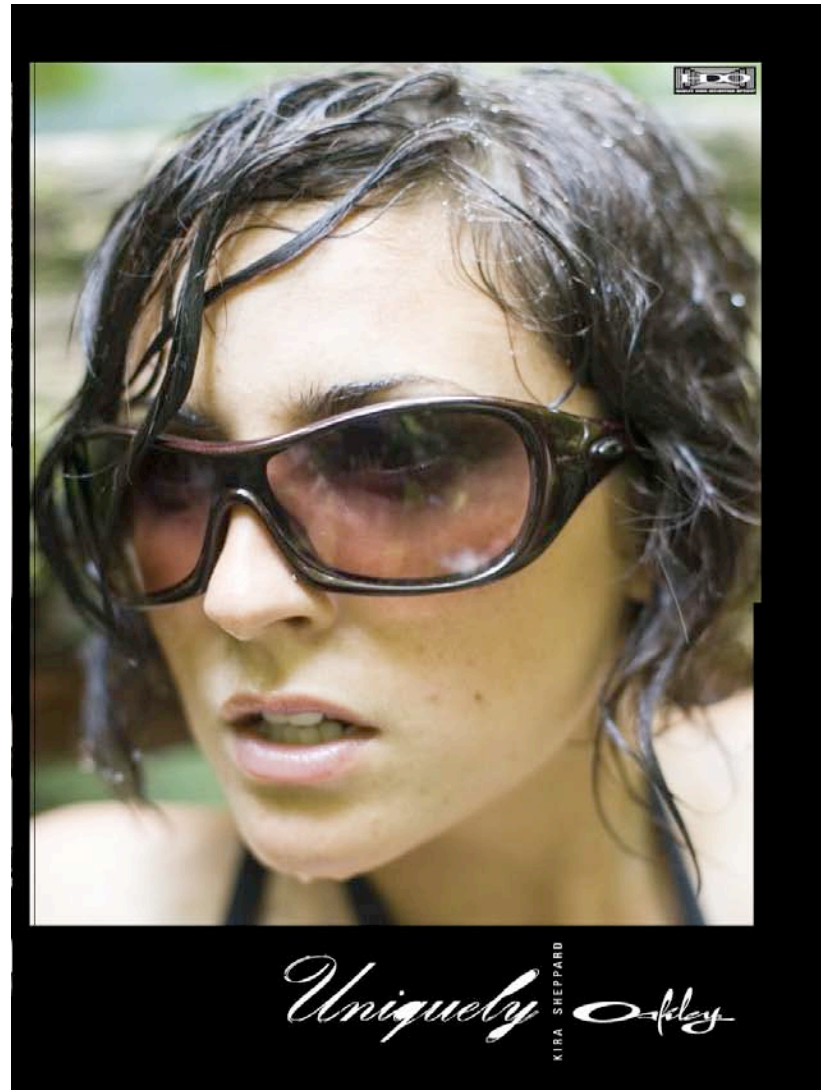
Speechless™

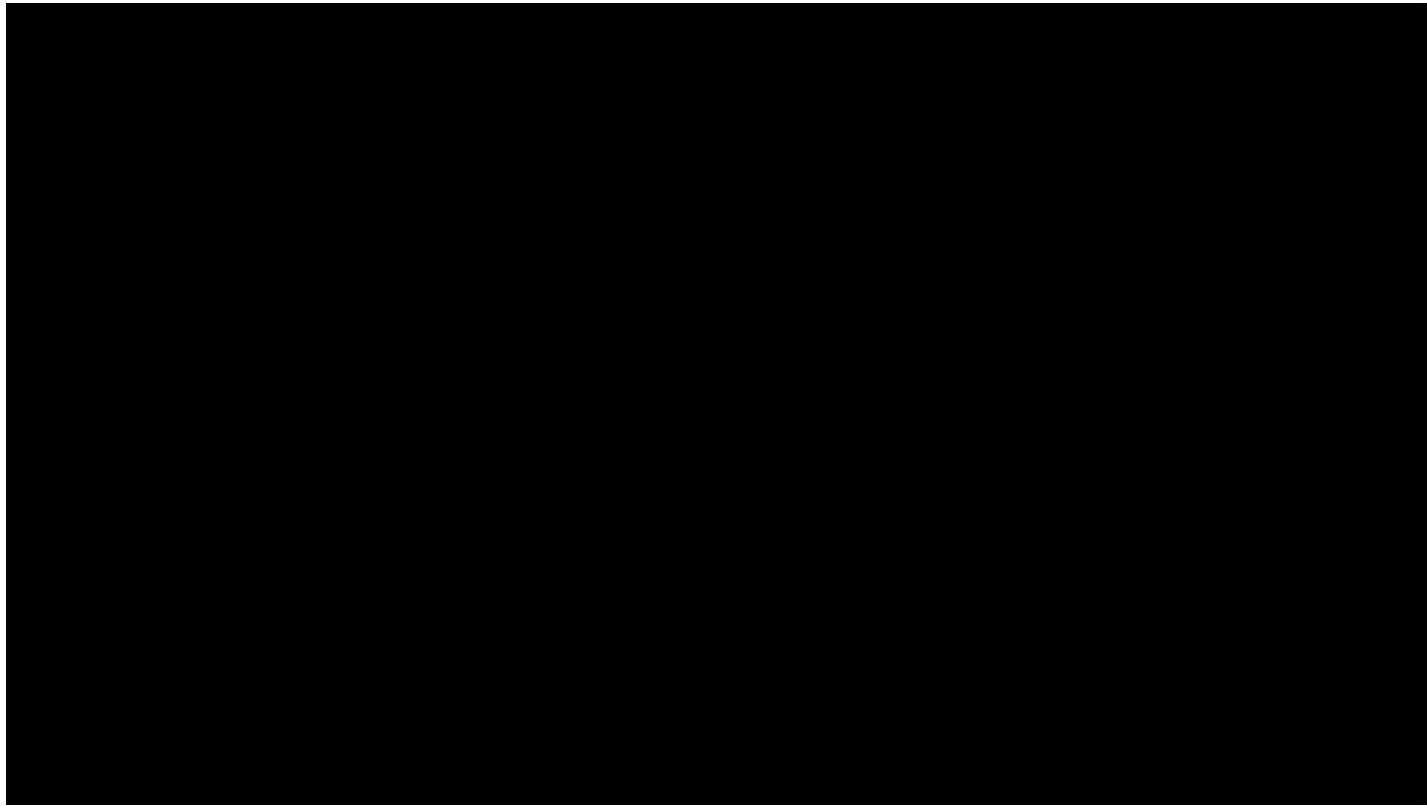


Grapevine™



Behave™





Oakley





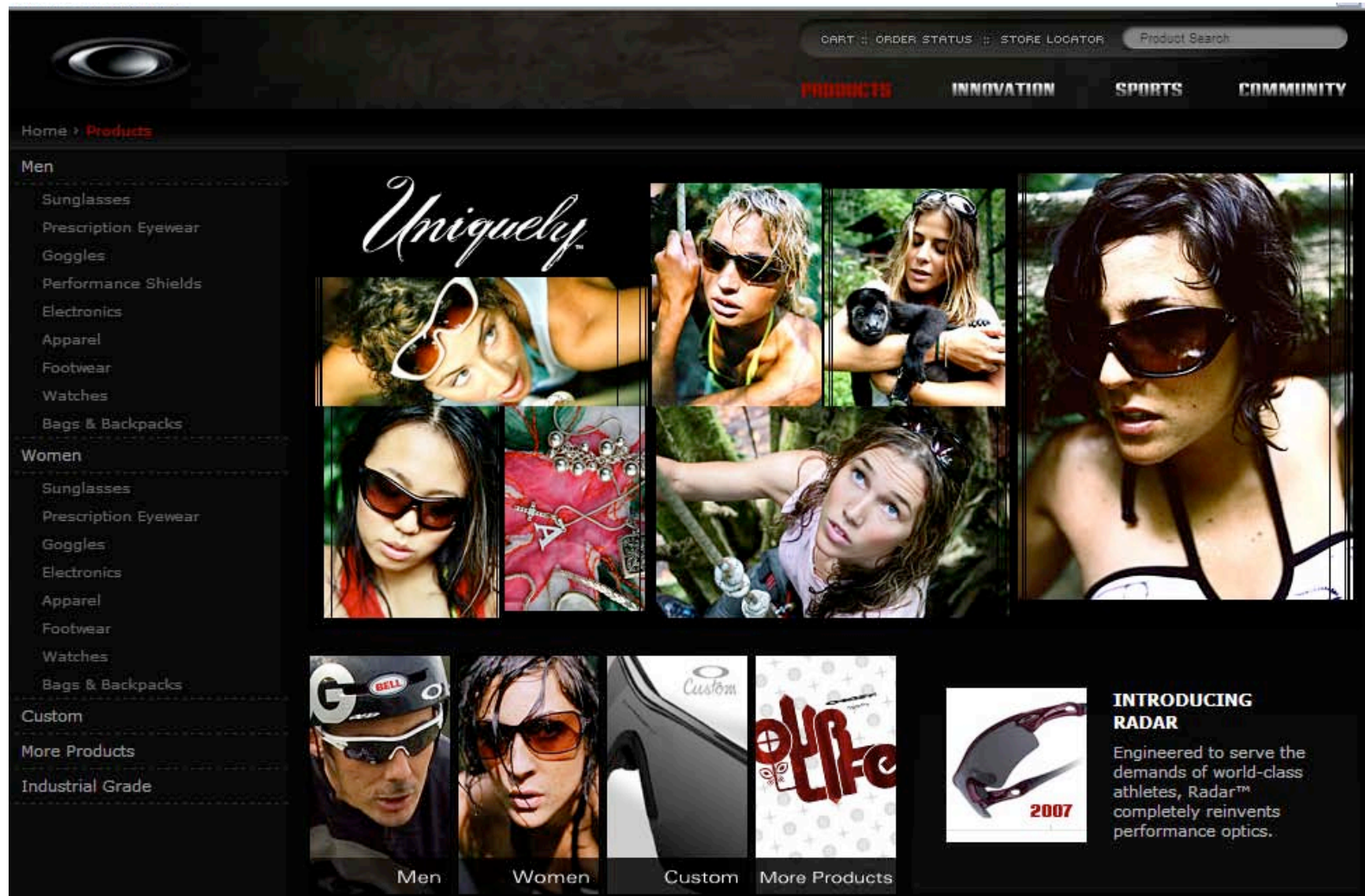


The Oakley Brand – Integrate





The Oakley Brand – Communicate



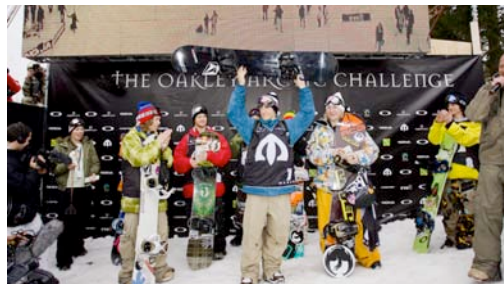


The Oakley Brand – Educate





The Oakley Brand – Participate





Oakley Evolution

The Changing World

1. Growing too fast beyond the core
2. Brand authenticity harder to create
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4. You are defined by the last touch point

Oakley's Evolution

- § Optics, optics, optics
- § Fully utilize our strengths
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- § Be unapologetic for who we are
- § Multi-brand
- § Bring back emotional connection
- § Allow fast but go deep
- § Connect consumers to the culture, not just the product
- § Improve service
- § Tell our product and brand story at retail

Customer Service



TO: Oakley Account Services

FAX# (800) XXX-XXXX

2007 Oakley Account Service Quality Survey

1 Who is completing this survey? 2 Is the following information correct? 3 Are you responding to this survey on behalf of any other Oakley Accounts under the same ownership?

Name: Customer Number: 123456
 All Sports 1234 Main Street
 Anytown, CA 92627

Position: ☐ Owner ☐ Manager ☐ Accounting ☐ Other

If yes, please list name/customer numbers:
 If: _____
 If: _____
 If: _____

4 Please CIRCLE your satisfaction rating with Oakley's customer service in the following areas:
 5 FAX to Oakley - this form is ready to go, no cover sheet needed.

RETURN PROCESS	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Responsiveness (prompt return of calls)												
Warranty/return policies (compared to other vendors)												
Return process (ease of processing warranties and returns)												
ACCOUNTING AND BILLING DEPARTMENT	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Responsiveness (prompt return of calls)												
Clarity of invoices and statements												
Communication of credit issues												
Overall attitude												
GENERAL CALL CENTER SERVICE	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Hold times												
Ability to resolve issues quickly and accurately												
Overall attitude												
OUTSIDE OAKLEY SALES REP SERVICE	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Responsiveness (prompt return of calls)												
Product knowledge/assistance												
Overall attitude												
SHIPPING AND HANDLING SERVICE	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Shipping and handling rates (compared to other vendors)												
Notification of backorders and delays												
Coordination and consolidation of shipments												
OAKLEY R&L LAB SERVICE	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Quality of work												
Turnaround time												
OVERALL OAKLEY CUSTOMER SERVICE	Extremely Dissatisfied	1	2	3	4	5	6	7	8	9	10	Extremely Satisfied
Overall quality of Oakley customer service												
Ease and pleasure of doing business with Oakley												





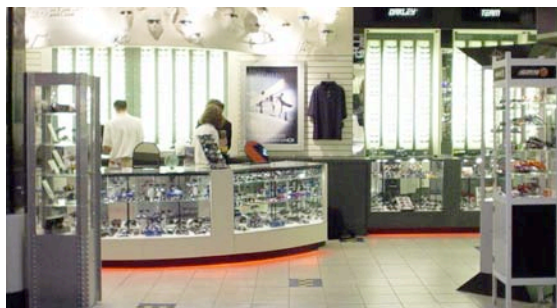
Retail – Oakley Stores





Retail – Multiple Platforms

SUNGLASS
ICON



121 locations

Optical
Shop of
Aspen



20 locations

BE
BRIGHT
E-Y-E-S
SUNGLASS
STORES-AUSTRALIA



130 locations*

*Definitive agreement signed in January 2007



Conclusion

**“For me to be
part of you,
you need to be
part of me.
And don’t find
me, I’ll find
you.”**

Brand



Product

**“I want it custom,
now, free.”**



**Consumer
Experience**



“I want it when I want it, how I want it.”

