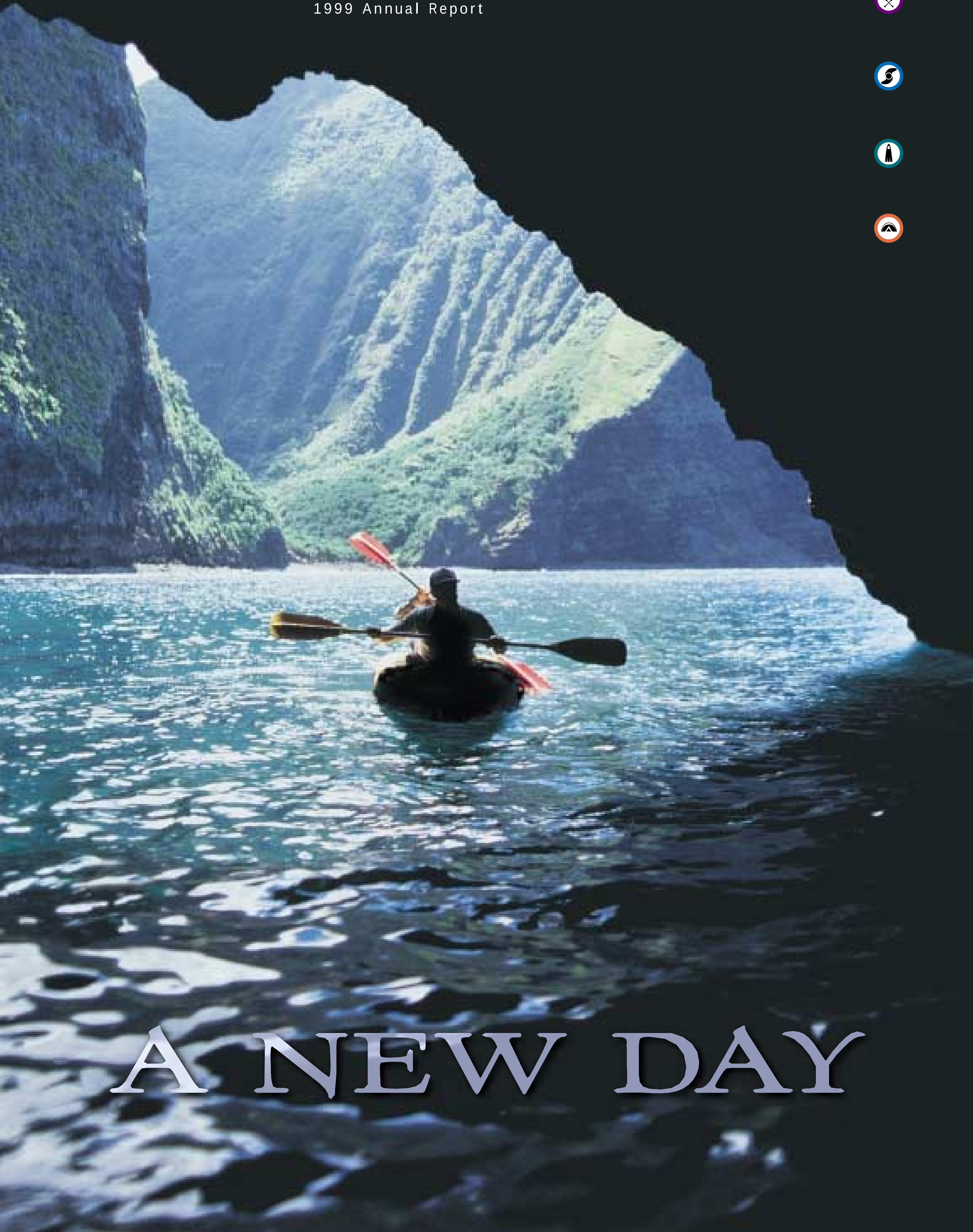
JWA

Johnson Worldwide Associates, Inc.

1999 Annual Report



A NEW DAY

CORPORATE PROFILE

JWA's aggressive new management team is working to capture more of the $30 billion market for recreation products, building on strong brands, market share leadership and extensive distribution networks. Our long-term growth strategy flows from the strengths highlighted throughout this report — our path to an exciting new day.

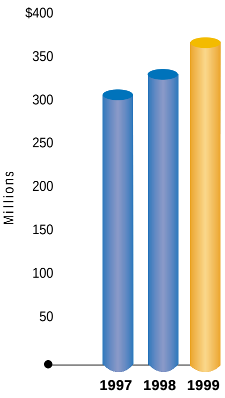
JWA Vision

Globally we will be the best at providing high quality, innovative, branded outdoor recreation products that will increase participation and enjoyment of active families and enthusiasts.

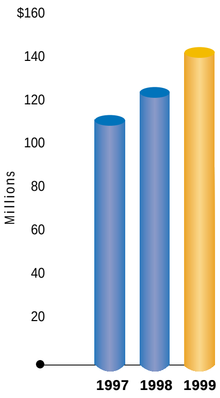
Summary Financial Information

Johnson Worldwide Associates, Inc.

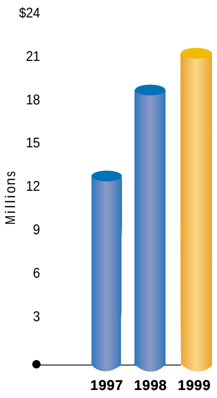
(thousands, except per share data)	1997	1998	1999
Operating Results			
Net sales	$303,121	$328,525	**$364,277**
Gross profit	111,332	125,964	**142,079**
Operating profit	12,011	18,723	**21,623**
Net income	2,056	5,212	**7,022**
Diluted earnings per common share	$0.25	$0.64	**$0.87**
Diluted average common shares outstanding	8,115	8,114	**8,108**
Capitalization			
Total debt	$114,835	$124,680	**$122,586**
Shareholders' equity	117,731	124,386	**127,178**
Total debt to total capital	49%	50%	**49%**



Net Sales



Gross Profit



Operating Profit

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Dear Fellow Shareholders:

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

Samuel C. Johnson
Chairman of the Executive Committee

"Our management team is serious about executing this strategy. This means making the tough calls...We will manage our portfolio according to strict criteria. When a business falls short, we'll act immediately to bring it back in line...Our goal is to achieve double-digit operating profit margin and increased shareholder value in the future."

Since March 1999, when the Board of Directors asked me to take on the role of JWA Chairman and Chief Executive Officer, I have focused on accelerating the Company's momentum. Our team is growing sales, managing costs, enhancing quality, encouraging innovation, making acquisitions — and improving profitability.

Above all, we are positioning Johnson Worldwide for sustainable growth that outpaces the industry. Many of our shareholders, myself included, have stood by this company through good times and bad. We have invested faith as well as dollars and cents. To keep JWA moving toward the performance you deserve and demand, we are requiring each of our businesses to meet strict criteria we consider essential for success.

Our management team is serious about executing this strategy, about making the tough calls — including selling the Fishing business in January 2000, which will result in a loss of $24 million in the first quarter of our 2000 fiscal year. In building on the hard work of those who came before us, we looked at how each business fits JWA's goals. This objective analysis showed Fishing did not meet our success criteria, outlined below. The sale of this business will significantly strengthen JWA's portfolio and our prospects for long-term growth as we redeploy assets.

We also decided to refocus the North American Outdoor Equipment business on tents, traditionally our strength. We returned the marketing function to our Eureka! tent operations in Binghamton, New York, causing some nonrecurring strategic charges for 1999. This business should return to profitability in 2000.

Finally, we are intent on better communicating just what this company is about. At the Shareholders' meeting we will vote on the change of our name to Johnson Outdoors. We believe the new name captures the spirit behind our vision and mission.

STRATEGIES FOR SUCCESS

One of my first actions as CEO was to conduct a strategic review of all our businesses. We thoroughly analyzed our industry and JWA's strengths to define our success criteria, looking specifically for ways to identify long-term growth opportunities in our businesses and through acquisitions.

The success model we developed has three drivers: disciplined portfolio management; a network organizational model; and market expansion. Innovation is key to all three.

Portfolio Management

Portfolio management is at the foundation of our plan for sustainable, profitable growth. JWA will play only where we can win — in businesses

- where we can be #1 or #2 in market share
- where we can achieve desirable, defensible margins
- where we can create demand through innovation

Each of our businesses is expected to meet these criteria. When a business falls short, we will act immediately to bring it back in line.

To make the best use of our resources, we classified our businesses into three groups: key drive, profitable growth, and restructure/divest. Watercraft, Diving and Motors are the businesses we intend to drive, the areas where we will focus expansion and acquisition efforts. These businesses have potential for strong growth in sales and profits, with an extensive new product stream.

We will concentrate on continued profitable growth for Jack Wolfskin, in the markets where we can make the most of its competitive advantages.

Finally, we classified both our North American Outdoor Equipment and our Fishing businesses as "restructure/divest." Competition has escalated in outdoor equipment, where there are few barriers to entry. By returning to our traditional strength, tent design and manufacturing, we expect to bring performance up to our standards.

When we looked at Fishing's potential for creating shareholder value, we found inadequate share in most markets; minimal growth in premium segments; little reward for innovation; and lack of control over manufacturing.

Even so, the decision to sell was difficult. We have a long history in the business, and profitability had recently improved. We are convinced, however, that this sale will make JWA more profitable, less leveraged, and more focused as we channel proceeds from the sale into more productive areas.

Strict portfolio management applies not only to our current businesses but to potential acquisitions. Because acquisitions are an important element of our strategy, we installed a fully dedicated resource to pursue external growth opportunities.

Network Model

Instead of operating as a centralized or decentralized business, JWA is building a hybrid: a network of specialized companies encouraged and strengthened by headquarters.

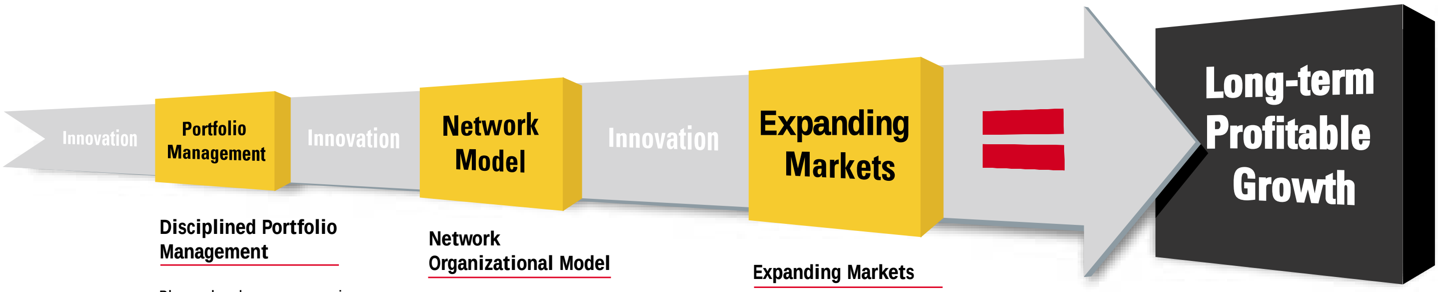
We want to preserve the creativity, independent spirit and sense of ownership behind each company's success. At the same time, we are looking for efficiencies and sharing best practices and expertise. Headquarters serves as an accelerator, a source of shared strategies and resources for innovation and growth. Our goal is not to smother our businesses but to nurture them, cultivating expertise and talent as we grow strong brands.

It is a challenging model, requiring us to balance the value of gaining synergies with the importance of preserving entrepreneurship. But we believe it will give us a competitive advantage in today's recreation industry. We have more focus and flexibility than the large conglomerates, yet greater resources and a broader strategic perspective than niche players.

Expanding Markets

Our goals go beyond being the market leader in our categories. We want to create a higher level of consumer demand, to expand the total market for the products we sell. Our research on the recreational marketplace as well as consumer trends uncovered key opportunities in this area.

The New JWA Success Model



Disciplined Portfolio Management

- Play only where we can win
- Evaluate existing and new businesses against JWA success criteria:
  – growth/demand
  – margins/defensibility
  – size/significance
- Optimize capital deployment

Network Organizational Model

- Support and leverage entrepreneurial leaders
- Accelerate with vision, strategic direction and global resources
- Share expertise, capture cross-business opportunities
- Realize efficiencies

Expanding Markets

- Grow entire categories through focused innovation
- Leverage brand equities
- Increase product trial and recreational participation
- Create new segments
- Forge strategic alliances
- Win at e-commerce

Profitable Growth

- Achieve double-digit operating profit margin
- Increase shareholder value

Helping People "Get Out There!"

We see terrific potential in being the company that helps more people enjoy more activities in the great outdoors. JWA is making recreation more **accessible,** offering boats that are easier to use and transport…motors that don't require an engineering degree to operate...diving equipment that can be tried without breaking the bank. We also see value in products the whole family can use to foster a spirit of adventure and togetherness.

Increasing access also means getting products to new markets — new geographic areas, new distribution channels, new consumers. Each of our businesses is exploring these opportunities, intensifying marketing and forming strategic alliances.

Reaching Out Online

We are attacking e-commerce on all fronts, and we expect to win. That means a business-to-business system that makes it easier for retailers and distributors to work with us, and a business-to-consumer model that makes economic sense and that keeps customers coming back while preserving trade relationships. We think it is possible to have it all, and the coming year should bear out our expectations.

Leading with Innovation

To JWA, "new" means "new to the world." While line extensions play an important role, new products are our lifeblood. Thus we have increased R&D dollars across our businesses. And our headquarters offers resources to encourage innovation: consumer and product research, connections to technology partners, shared ideas and expertise — everything to make it easy to move from concept to prototype to successful product.

Leveraging Brand Equity

JWA is a company of strong brands — brands that give us a significant edge as long as the underlying product is the best it can be. We are devoted to maintaining our premium brand image.

1999 RESULTS

Our fiscal 1999 results capture JWA's strengths as well as our challenges. 1999 results do not reflect the benefit of reduced interest expense from the sale of Fishing, as the transaction had not yet closed at fiscal year-end.

Watercraft, Motors and Outdoor Equipment all contributed strong sales and earnings growth. As a result, 1999 saw sales increase $35.8 million, to $364 million — 11% over 1998. Operating profit, exclusive of strategic charges, increased for the third consecutive year, reaching $23.9 million — 19% over 1998. Net earnings rose from $0.75 to $1.04 per share, excluding strategic charges. This is progress to be sure, but we are looking for more satisfactory results long-term.

In Watercraft, successful acquisitions, a hot kayak market and the strength of our brands led to record sales and profits. The acquisition of three new companies added scale and exciting products: Necky's sea touring and whitewater kayaks, Escape's user-friendly sailboats and Extrasport's personal flotation devices. These additions won't be fully reflected in our results until 2000. Our challenge is to continue this group's strong growth and high returns while retaining each business's entrepreneurial spirit.

The rejuvenated product line of our Motors group generated 20% sales growth and helped us better penetrate the critical southern U.S. market. We made inroads with original equipment boat manufacturers, traditionally our competitors' strength. As a result, we strengthened our leading market share. Factory efficiency improvements further increased profitability. New products like the award-winning Genesis bow mount motor and win-win partnerships throughout the supply chain should make Motors' future even brighter.

Jack Wolfskin continues to build its reputation in Europe for high quality clothing and outdoor products and is expanding steadily and profitably. North American Outdoor Equipment sales benefited from 1998 contracts with the U.S. military, but inefficient manufacturing kept us from reducing operating losses as much as expected. The refocusing of this business should lead to improvements in the year ahead.

Diving experienced a relatively weak year, though it remains one of our more profitable businesses. The integration of 1997 and 1998 acquisitions is now largely complete, and we have added key managers in North America and Europe. With a renewed customer focus and accelerated product development, Diving should return to more historical profitability levels in the next year.

PEOPLE

In April 1999, we were able to recruit Patrick O'Brien from S.C. Johnson & Son, Inc. to join us as President and Chief Operating Officer. Patrick brings valuable experience in sales and general management, with skills that complement my marketing and advertising background. His ideas and decisive management style have been instrumental in moving JWA toward our goals.

Terry London, President and Chief Executive Officer of the Gaylord Entertainment Company, recently joined our Board of Directors. Terry brings keen insights on retailing and recreation to our Board.

While my father, Sam Johnson, relinquished his role as Chairman, he actively participates in the business as Chairman of the Executive Committee of the Board of Directors. Under his stewardship, S.C. Johnson has grown into a leading global consumer products company — a goal to which JWA aspires. His ongoing counsel is a great asset.

OUTLOOK

The strength of our brands and the talents and efforts of our people delivered positive results in 1999. Our business is growing; our profitability will grow faster. Our reputation for innovation in each of our product lines continues to be confirmed by retailers and consumers.

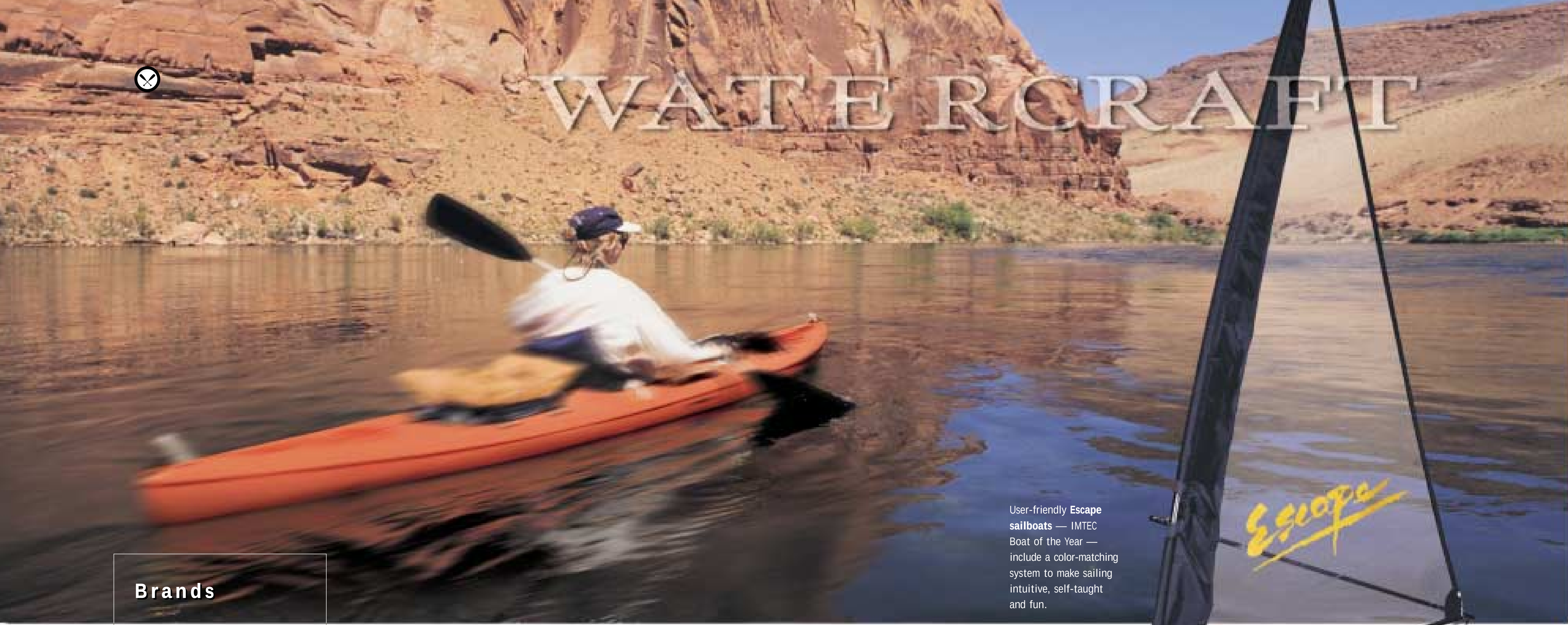
But Wall Street has been indifferent to our stock, based on our track record in the first part of the 1990s plus a difficult market for recreation stocks and smaller capitalization stocks in general. We seek a healthy stock currency not only to create value for you, our shareholders, but to use in effecting acquisitions and reducing our cost of capital.

Our strategy should help us achieve strong, stable growth not just in the next four quarters, but well into the future. Our goal is to achieve sustainable, double-digit operating profit margin and increased shareholder value.

We thank our employees, partners, customers and shareholders for your support. I invite each of you to share in our vision as we begin a new day.

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

WATERCRAFT



User-friendly **Escape sailboats** — IMTEC Boat of the Year — include a color-matching system to make sailing intuitive, self-taught and fun.

Brands

Old Town
Canoes and kayaks

Necky
Kayaks

Leisure Life
Canoes, pedal boats, kayaks, deck boats and tenders

Ocean Kayak
Sit-on-top kayaks

Escape
Sailboats

Carlisle
Paddles and oars

Extrasport and Swiftwater
Personal floatation devices

Dimension
Kayaks

Saturday morning at last! Throw the kayak on top of the car and *go.* JWA is on top of small watercraft innovation, nurturing a network of maverick companies. Building market share across the continent. And leaving competitors behind with barely a ripple.

Watercraft is more than a key growth engine for JWA; it's the model for the success we seek businesswide. We're coordinating the innovative companies we've acquired, sharing strengths and maximizing efficiencies while encouraging entrepreneurial spirit. As a result, we're #1 in kayaks, canoes, pedal boats and small sailboats. And we're out to lead the recreational and family segments, with products that make it easy for people to enjoy the great outdoors.

Innovation

Carlisle RS Xtreme

The Carlisle RS Xtreme kayak paddle delivers maximum power in a fresh design. Its asymmetric blades move smoothly in and out of the water; a slightly textured, spoon-shaped blade face reduces drag, increasing stroke efficiency. The blades snap-lock quickly into a lightweight aluminum shaft — just what kayakers demand for this fast-growing sport.

Innovation

Minn Kota
Genesis foot control

It's a first for trolling motors: power steering at your feet. **Genesis foot pedal** controls combine the responsiveness of traditional cable-steer systems with the ease of electric steer. Heel/toe push-button action makes it easy to lower the motor into the water, change its depth and return it to stow position — keeping hands free for fishing.

MOTORS

Brands

Minn Kota
Electric boat motors, power equipment and accessories

Airguide
Speedometers, marine and automotive compasses and weather instruments

Tangled weeds. Timber-infested waters. But the redfish are waiting, and you're going after them. JWA works the tough waters — penetrating the southern U.S. with our bow mounts. Strengthening original equipment and marine channel sales. Enhancing electronics expertise. Making us a powerful player — in any waters.

The new **Minn Kota Genesis** eliminates lifting and tugging with power stow and deploy.

Motors fits JWA's success criteria at nearly every turn. We have the size: Minn Kota electric trolling motors are #1 and growing. Our products drive demand, with innovation that makes every day on the water easier than ever. And with a renewed commitment to technological expertise, we expect our motor business to power JWA well into 2000 and beyond.

DIVING

Brands

Scubapro
Regulators, buoyancy compensators, masks, fins, wet and dry suits, gloves, dive lights and other accessories

Aladin
Premium dive computers

Uwatec
Dive computers and other electronic instruments

Soniform
Buoyancy compensators

SnorkelPro
Masks, fins and snorkels

Forty feet. Fifty-five. Sixty. You descend into a world of shifting light and color — a world attracting beginners as well as enthusiasts. JWA makes diving accessible with innovative products. From state of the art dive computers to superior regulators and buoyancy compensators, JWA is plunging into new opportunities for growth worldwide.

Our **Classic NT Buoyancy Compensator** incorporates the latest materials and weight integration features for top performance.

Diving continues as one of our drive businesses, despite 1999's difficulties integrating earlier acquisitions. Our high-performance brands improve the experience of beginners and pros alike. We hold a strong share of the global market; our regulators and dive computers are top choices in Europe and the U.S. With organizational capacity strengthened, we can focus our efforts on growing market share — for solid performance in the years ahead.

Innovation

Uwatec Neverlost

The new **Neverlost Locator** makes it simple for divers to return to the point of entry at the end of a dive. The NeverLost provides direction and distance information using two units: a stationary transponder that hangs off the boat, and a receiving instrument carried by the diver. It adds up to confidence that creates a better diving experience, in and out of the water.

Innovation

Silva Ranger Ultra 530 compass

Silva compasses are known for precision, and the Ranger Ultra 530 is no exception. Designed for surveyors, foresters and other professionals, this sighting compass has a unique mirror slit for simultaneous viewing of landmark and compass face. Geared declination lets the user correct for the difference between geographic and magnetic North. With lifetime dependability guaranteed, the Ranger lives up to the promise of the Silva name.

OUTDOOR

EQUIPMENT

Brands

Eureka!
Camping tents, backpacks, accessories and commercial tents

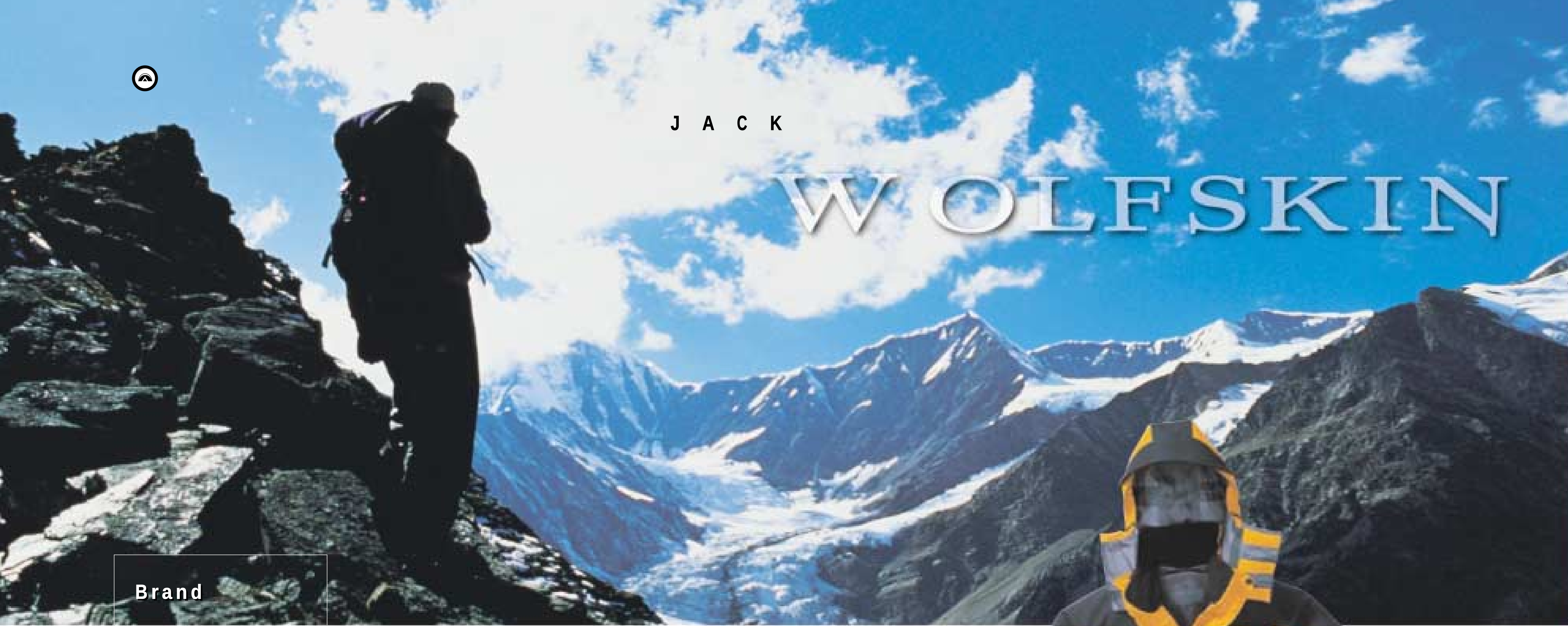
Camp Trails
Camping tents, backpacks and accessories

Silva
Field compasses

Will your tent hold thermal sleeping bags and climbing gear, or buffet tables and a string quartet? JWA covers you either way as we focus on our strength — “outdoor shelters,” from easy-up camping gear to commercial tents for elegant parties.

The **Eureka! Aurora tent** meets campers' demands with extra waterproofing and a patented high/low venting system.

To attain the business performance and competitive edge vital for success, JWA's Outdoor Equipment business will return to its strength: tents. We're also a leader in commercial tents, where we control manufacturing, and would-be competitors face major start-up costs. To build our consumer tent business, we've returned marketing headquarters to Binghamton, New York. And we're improving manufacturing operations, which should also make tent production more profitable.



Brand

Jack Wolfskin
Outdoor clothing, travel gear, footwear, accessories, camping tents, backpacks and sleeping bags

You stand higher than an eagle's aerie. No civilization in sight. A world of experience behind you, and ahead. Jack Wolfskin connects with consumers ready to climb a mountain or bike across town. Powered by ideas, our products lead key segments of the European market.

Innovation

Jack Wolfskin Packmonster II

New-to-the-world fabric, developed with Gore-Tex®, makes our **Protanium jacket** perfect for mountaineering or skiing.

Jack Wolfskin combines scientific knowledge with the experiences of real people in extreme conditions to create unique outdoor gear. The use of cutting-edge materials and superior workmanship set our clothing, tents and backpacks apart, making Wolfskin the #1 brand in Germany, Europe's largest market. To continue our profitable rollout, we're increasing our physical and virtual presence — opening an Internet store as well as franchised Wolfskin stores in key European cities.

PACKMONSTER II. The name says it all: a rucksack that's tough where it needs to be and light where it can be. Our revolutionary system puts heavy gear close in to the back and lighter equipment on the outside for safe, comfortable weight distribution. Generous compartments organize clothing, provisions, stove, sleeping bag and more — making hard trekking easier, the Jack Wolfskin way.

JWA

BRANDS

WATERCRAFT

Old Town
OCEAN KAYAK
EXTRASPORT®
NECKY KAYAKS
Escape®
Dimension®
Leisure Life Limited
Carlisle PADDLES AND OARS

DIVING

SCUBAPRO
UWATEC
SNORKEL PRO by SCUBAPRO
ALADIN
SONIFORM

MOTORS

MINN KOTA
Airguide®

OUTDOOR EQUIPMENT

Jack Wolfskin®
CAMP TRAILS®
Eureka!
Silva

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 1, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number 0-16255

JOHNSON WORLDWIDE ASSOCIATES, INC.

(Exact name of Registrant as specified in its charter)

Wisconsin	**39-1536083**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1326 Willow Road, Sturtevant, Wisconsin 53177
(Address of principal executive offices)

(262) 884-1500
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to section 12(g) of the Act:

Class A common stock, $.05 par value

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes. [X] No. [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K, or any amendment to this Form 10-K. [X]

As of November 2, 1999, 6,905,403 shares of Class A and 1,222,755 shares of Class B common stock of the Registrant were outstanding. The aggregate market value of voting stock of the Registrant held by nonaffiliates of the Registrant was approximately $30,829,000 on November 2, 1999.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Part and Item Number of Form 10-K into which Incorporated
Johnson Worldwide Associates, Inc. Notice of Annual Meeting of Shareholders and Proxy Statement for the Annual Meeting of Shareholders to be held February 17, 2000	Part III, Items 10, 11, 12 and 13

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PART I

ITEM 1. BUSINESS

Johnson Worldwide Associates, Inc. and its subsidiaries (hereinafter the Company) are engaged in the design, manufacture and marketing of outdoor recreation products. The Company's primary focus is product design, product innovation and marketing to maintain its strong brand names and consumer recognition. Research and development activities for each of the Company's five principal businesses emphasize new products and innovation to differentiate the Company's products from those of its competitors. The Company is controlled by Samuel C. Johnson, members of his family and related entities.

The Company was a leading supplier in Europe of marine products and accessories, which the Company sold under the Plastimo name. The Plastimo business was sold in January 1997.

Diving

The Company is one of the world's largest manufacturers and distributors of technical underwater diving products which it sells under the **Scubapro** and **SnorkelPro** names. The Company markets a full line of underwater diving and snorkeling equipment, including regulators, stabilizing jackets, tanks, depth gauges, masks, fins, snorkels, diving electronics and other accessories. In 1997, the Company acquired the stock of Uwatec AG, a leading manufacturer of dive computers and other electronics, which are sold under the **Aladin** and **Uwatec** brands. **Scubapro, Aladin** and **Uwatec** products are marketed globally to the high quality, premium priced segment of the market. The Company maintains a marketing strategy of limited distribution, selling primarily through independent specialty diving shops worldwide. These diving shops generally provide a wide range of services to divers, including instruction and repair service.

The Company focuses on maintaining **Scubapro, Aladin** and **Uwatec** as the market leaders in innovation and new products. The Company maintains research and development functions both in the United States and Europe and holds several patents on products and features. Consumer advertising focuses on building the brand names and position as the high quality and innovative leader in the industry. The Company advertises its equipment in diving magazines and through in-store displays.

In 1998, the Company acquired Soniform, Inc., a manufacturer of diving buoyancy compensators primarily for the original equipment market, which expanded the Company's manufacturing capability for these products.

The Company maintains manufacturing and assembly facilities in Switzerland, Mexico, Italy and Indonesia. The Company procures a majority of its rubber and plastic products and components from third-party manufacturers.

Watercraft

The North American market for kayaks is exhibiting strong growth, while the canoe market is growing modestly. The Company believes, based on industry and other data, that it is the leading manufacturer of canoes and kayaks in the United States in both unit and dollar sales.

The Company's original watercraft company is Old Town Canoe. High quality canoes and kayaks for family recreation, touring and tripping are produced under the **Old Town** brand. The Company uses a patented rotational-molding process for manufacturing polyethylene kayaks and canoes to compete in the high volume, low and mid-priced range of the market. These kayaks and canoes feature stiffer and more durable hulls than higher priced boats. The Company also manufactures canoes from fiberglass, Royalex (ABS) and wood. **Carlisle Paddles,** a manufacturer of canoe and kayak paddles and rafting oars, manufactures products that are sold by the Company's other watercraft businesses as well as products distributed directly through the same channels as the Company's watercraft.

The Company completed three acquisitions in 1999. In December 1998, the Company completed the acquisition of True North Paddle & Necky Kayaks Ltd., a privately held manufacturer and marketer of high quality **Necky** sea touring and whitewater kayaks. In April 1999, the Company completed the acquisition of Escape Sailboat Company LLC, a privately held manufacturer and marketer of **Escape** recreational sailboats. In July 1999, the Company acquired Extrasport, Inc., a privately held manufacturer and marketer of high quality **Extrasport** and **Swiftwater** personal flotation devices.

In 1998, the Company completed the acquisition of Leisure Life Limited, a privately held manufacturer and marketer of small thermoformed recreational boats, including canoes, pedal boats, deck boats and tenders. In 1998, the Company also acquired Plastiques L.P.A. Limitée, a Canadian manufacturer of the **Dimension** brand of kayaks. In 1997, the Company acquired Ocean Kayak, a leading manufacturer of sit-on-top kayaks.

The Company's kayaks, canoes and accessories are sold primarily to specialty stores and marine dealers, sporting goods stores and catalog and mail order houses such as L. L. Bean®, in the United States and Europe. **Leisure Life** products are sold through marine dealers and large retail chains under several brand identities.

The Company manufactures its watercraft products in six locations in the United States and two locations in Canada. **Ocean Kayak** products are also manufactured and sold under license in Europe and New Zealand.

Outdoor Equipment

The Company's outdoor equipment products include **Jack Wolfskin** high quality outdoor clothing, innovative footwear, camping tents, backpacks and a line of travel gear and accessories; **Eureka!** and **Camp Trails** camping tents and backpacks; and **Silva** field compasses.

Jack Wolfskin, based in Germany, distributes its products primarily through specialized outdoor stores, selected sporting goods dealers and a number of franchised **Jack Wolfskin** stores. **Jack Wolfskin** has a strong position in Germany with additional distribution in the key European markets of Great Britain, Benelux, Switzerland and Austria. The product is also sold in Canada and the United States and, under license, in Japan.

Eureka! and **Camp Trails** camping tents and backpacks compete primarily in the mid- to high-price range within their respective markets and are sold in the United States and Canada through independent sales representatives primarily to sporting goods stores, catalog and mail order houses and camping and backpacking specialty stores. Marketing of the Company's tents and backpacks is focused on building the **Eureka!** and **Camp Trails** brand names and establishing the Company as a leader in product design and innovation. The Company's camping tents and backpacks are produced primarily by third-party manufacturing sources.

The Company's **Eureka!** camping tents have outside self-supporting aluminum frames, allowing quicker and easier set-up, a design approach first introduced by the Company. Most **Eureka!** tents are made from breathable nylon. **Eureka!** camping products are sold under license in Japan and Korea.

Camp Trails backpacks consist primarily of internal and external frame backpacks for hiking and mountaineering, but also include soft back bags, day packs and travel packs.

Silva field compasses, which are manufactured by third parties, are marketed exclusively in North America, the area for which trademark rights for the **Silva** brand are owned.

The Company's **Eureka!** commercial tents include party tents, sold primarily to general rental stores, and other commercial tents sold directly to tent erectors. Commercial tents are manufactured by the Company in the United States. The Company also serves as the exclusive distributor of **Losberger** commercial framing structures in the United States. The Company was awarded several multi-year contracts for production of both camping and commercial tents by the U.S. Armed Forces in 1997.

Motors and Fishing

The overall motors and fishing markets in which the Company competes have been stagnant in recent years. The Company believes it has been able to increase or maintain its share of most markets primarily as a result of emphasis on marketing and product innovation.

Motors

The Company manufactures, under its **Minn Kota** name, battery powered motors used on fishing boats and other boats for quiet trolling power or primary propulsion. The Company's **Minn Kota** motors and related accessories are sold in the United States, Canada, Europe and the Pacific Basin through large retail store chains such as Wal Mart and K-Mart, catalogs, such as Bass Pro Shops and Cabelas, sporting goods specialty stores, marine dealers, and original equipment boat manufacturers. Consumer advertising and promotion include advertising on regional television and in outdoor, general interest and sports magazines. Packaging and point-of-purchase materials are used to increase consumer appeal and sales.

In 1998, the Company entered into an arrangement with Ranger® Boats, a premier manufacturer, to supply **Minn Kota** motors on original equipment boats. In 1998, the Company also entered into an arrangement with Outboard Marine Corporation to manufacture all Evinrude® branded electric trolling motors for use on original equipment and to service the aftermarket through their dealer base. In 1999, the Company expanded its base of original equipment partners to include several other manufacturers. The Company's Lake Electric Motors division manufactures components for **Minn Kota** and electric motors for original equipment manufacturers.

The Company has the leading market share of the electric fishing motor market in the United States.

The Company's line of **Airguide** marine, weather and automotive instruments is distributed primarily in the United States through large retail store chains and original equipment manufacturers. **Airguide** products are manufactured by the Company or sourced from third-party manufacturers.

Fishing

The Company's fishing products include **Mitchell** and **Spidercast** reels and rods, **Johnson** reels, **Beetle Spin** soft body lures, **Johnson's** Silver Minnow spoons and **Spiderline,** a leading brand in the "superline" and monofilament segments of the fishing line market.

The Company markets **Mitchell** and **Spidercast** reels, primarily open-faced spinning and bait casting reels, as well as **Johnson** fishing reels, which are primarily closed-face spincast reels. Reels are sold individually and in rod and reel combinations, primarily through large retail store chains, catalogs and specialty fishing shops in the United States, Canada, Europe and the Pacific Basin. The Company's reels compete in a segment of the U.S. and European fishing reel markets which is dominated by larger manufacturers. Marketing support for the Company's reels and fishing line is focused on building brand names and emphasizing product features and innovation through advertising on television, in national outdoor magazines and through trade and consumer support at retail. The Company's reels and rods are produced by third-party manufacturing sources.

The Company purchases, from third-party manufacturers, its **Spiderline** premium braided line and **Spiderline Fusion** products, which have performance characteristics superior to those of monofilament fishing line. **Spiderline** premium braided line competes in the "superline" segment of the fishing line category, while **Spiderline Fusion** is positioned just above the high end of the monofilament market. In 1997, the Company introduced a monofilament product to expand the breadth of its line offerings. These products are sold through large retail store chains, catalogs and specialty stores.

The Company's artificial lure products are manufactured by third parties. These products are sold primarily through large retail store chains.

Sales by Principal Business

See Note 12 to the Consolidated Financial Statements for financial information comparing sales by major product category.

International Operations

See Note 12 to the Consolidated Financial Statements for financial information comparing the Company's domestic and international operations.

Research and Development

The Company commits significant resources to research and new product development. The Company expenses research and development costs as incurred. The amounts expended by the Company in connection with research and development activities for each of the last three fiscal years are set forth in the Consolidated Statements of Operations.

Competition

The markets for the Company's products are very competitive. The Company believes its products compete favorably on the basis of product innovation, product performance and marketing support and, to a lesser extent, price.

Employees

At October 1, 1999, the Company had approximately 1,500 employees working in its businesses. The Company considers its employee relations to be excellent. Temporary employees are utilized to manage peaks in the seasonal manufacturing of products.

Backlog

Unfilled orders for future delivery of products totaled approximately $66.6 million at October 1, 1999 and $42.3 million at October 2, 1998.

Patents, Trademarks and Proprietary Rights

The Company owns no single patent which is material to its business as a whole. However, the Company holds numerous patents, principally for diving products, rotational-molded canoes and electric motors and regularly files applications for patents. The Company has numerous trademarks and trade names which it considers important to its business, many of which are discussed on the preceding pages. The Company vigorously defends its intellectual property rights.

Sources and Availability of Materials

The Company's products use materials that are generally in adequate supply.

Seasonality

The Company's business is seasonal. The following table shows total net sales and operating profit or loss of the Company for each quarter, as a percentage of the total year. Inventory writedowns of $10.3 million in 1996 are included as components of the fourth quarter operating loss. Strategic charges totaling $2.2 million, $1.4 million, $0.3 million and $6.8 million impacted operating results in 1999, 1998, 1997 and 1996, respectively.

	Year Ended									
	October 1, 1999		October 2, 1998		October 3, 1997		September 27, 1996		September 29, 1995	
Quarter Ended	**Net Sales**	**Operating Profit (Loss)**	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit (Loss)	Net Sales	Operating Profit (Loss)[1]	Net Sales	Operating Profit (Loss)
December	**16%**	**(14)%**	16%	(14)%	17%	(32)%	17%	NM	15%	(8)%
March	**29**	**48**	30	57	32	81	32	NM	31	50
June	**33**	**69**	32	60	29	66	32	NM	34	66
September	**22**	**(3)**	22	(3)	22	(15)	19	NM	20	(8)
	100%	**100%**	100%	100%	100%	100%	100%	NM	100%	100%

[1] Results not meaningful due to full year operating loss.

Executive Officers

The following list sets forth certain information, as of December 1, 1999, regarding the executive officers of the Company.

Helen P. Johnson-Leipold, age 42, became Chairman and Chief Executive Officer of the Company in March 1999. From September 1998 until March 1999, Ms. Johnson-Leipold was Vice President, Worldwide Consumer Products-Marketing of S. C. Johnson & Son, Inc. (SCJ). From October 1997 to September 1998, she was Vice President, Personal and Home Care Products of SCJ. From October 1995 until July 1997, Ms. Johnson-Leipold was Executive Vice President - North American Businesses of the Company. From 1992 to September 1995, she was Vice President - Consumer Marketing Services Worldwide of SCJ.

Patrick J. O'Brien, age 41, became President and Chief Operating Officer of the Company in April 1999. From October 1997 until March 1999, Mr. O'Brien was Vice President and General Manager, Home Storage of SCJ. From July 1997 until October 1997, Mr. O'Brien was Vice President - Strategic Business of SCJ; from April 1996 until June 1997, he was Vice President - North American Sales of SCJ; from June 1995 until March 1996, he was Director - North American Sales of SCJ and from January 1993 until May 1995, he was National Sales Manager of SCJ.

Carl G. Schmidt, age 43, has been Senior Vice President and Chief Financial Officer, Secretary and Treasurer since May 1995. From July 1994 to May 1995 he served as Vice President, Chief Financial Officer, Secretary and Treasurer. From 1988 to July 1994, he was a partner in the firm of KPMG LLP.

Mamdouh Ashour, age 61, has been a Group Vice President of the Company since October 1997 and President - Worldwide Diving since August 1996. From 1994 to August 1996, he served as President of Scubapro Europe.

There are no family relationships between the above executive officers.

ITEM 2. PROPERTIES

The Company maintains both leased and owned manufacturing, warehousing, distribution and office facilities throughout the world. The Company believes that its facilities are well maintained and have capacity adequate to meet its current needs.

See Note 5 to the Consolidated Financial Statements for a discussion of lease obligations.

The Company's principal manufacturing (identified with an asterisk) and other locations are:

Antibes, France (Diving)
Bad Säkingen, Germany (Diving)
Batam, Indonesia* (Diving)
Barcelona, Spain (Diving)
Basingstoke, Hampshire, England (Diving)
Binghamton, New York* (Outdoor Equipment)
Burlington, Ontario, Canada
(Fishing, Motors, Outdoor Equipment)
Chi Wan, Hong Kong (Diving)
Ferndale, Washington* (Watercraft)
Gelnhausen, Germany (Fishing)
Genoa, Italy* (Diving)
Grand Rapids, Michigan* (Watercraft)
Grayling, Michigan* (Watercraft)
Hallwil, Switzerland* (Diving)
Hamburg, Germany (Diving)
Henggart, Switzerland (Diving)
Honolulu, Hawaii (Diving)
Idstein, Germany (Outdoor Equipment)
Mankato, Minnesota* (Fishing, Motors)
Mansonville, Quebec, Canada* (Watercraft)
Miami, Florida* (Watercraft)
Marignier, France (Fishing)
Nyköping, Sweden (Diving)
Old Town, Maine* (Watercraft)
Portsmouth, Rhode Island* (Watercraft)
Racine, Wisconsin* (Motors)
El Cajon, California (Diving)
Silverwater, Australia
(Fishing, Motors, Outdoor Equipment)
Tijuana, Mexico* (Motors, Diving)
Tokyo (Kawasaki), Japan (Diving)

The Company's corporate headquarters is located in Mount Pleasant, Wisconsin. The Company's mailing address is Sturtevant, Wisconsin.

ITEM 3. LEGAL PROCEEDINGS

See Note 15 to the Consolidated Financial Statements for a discussion of legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the last quarter of the year ended October 1, 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Certain information with respect to this item is included in Notes 4, 8, 9 and 10 to the Consolidated Financial Statements. The Company's Class A common stock is traded on The Nasdaq Stock Market® under the symbol: JWAIA. There is no public market for the Company's Class B common stock. However, the Class B common stock is convertible at all times at the option of the holder into shares of Class A common stock on a share for share basis. As of November 2, 1999, the Company had 714 holders of record of its Class A common stock and 59 holders of record of its Class B common stock. The Company has never paid a dividend on its common stock.

A summary of the high and low prices for the Company's Class A common stock during each quarter of the years ended October 1, 1999 and October 2, 1998 is as follows:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1999	1998	**1999**	1998	**1999**	1998	**1999**	1998
Stock prices:								
High	**$10.25**	$17.75	**$9.75**	$17.28	**$9.50**	$16.38	**$9.75**	$14.00
Low	**6.25**	14.50	**6.06**	15.50	**7.13**	12.25	**8.38**	8.00
Last	**9.25**	17.63	**7.38**	16.25	**8.88**	12.75	**8.94**	8.50

ITEM 6. SELECTED FINANCIAL DATA

A summary of the Company's operating results and key balance sheet data for each of the years in the five-year period ended October 1, 1999 is as follows:

					Year Ended
(thousands, except per share data)	**October 1, 1999**	October 2, 1998	October 3, 1997	September 27, 1996	September 29, 1995
OPERATING RESULTS(1)					
Net sales	**$364,277**	$328,525	$303,121	$344,373	$347,190
Gross profit	**142,079**	125,964	111,332	119,724	138,155
Operating expenses(2)	**120,456**	107,241	99,321	121,200	114,411
Operating profit (loss)	**21,623**	18,723	12,011	(1,476)	23,744
Interest expense	**9,719**	9,829	8,780	10,181	7,613
Other income, net	**(47)**	(255)	(728)	(496)	(861)
Income (loss) before income taxes	**11,951**	9,149	3,959	(11,161)	16,992
Income tax expense	**4,929**	3,937	1,903	194	6,903
Net income (loss)	**$ 7,022**	$ 5,212	$ 2,056	$(11,355)	$ 10,089
Basic earnings (loss) per common share	**$ 0.87**	$ 0.64	$ 0.25	$ (1.40)	$ 1.25
Diluted earnings (loss) per common share	**$ 0.87**	$ 0.64	$ 0.25	$ (1.40)	$ 1.24
Diluted average common shares outstanding	**8,108**	8,114	8,115	8,130	8,117
BALANCE SHEET DATA(1)					
Current assets	**$152,862**	$154,189	$152,749	$194,344	$185,380
Total assets	**302,562**	296,017	277,019	280,768	278,353
Current liabilities(3)	**48,094**	42,405	40,027	45,288	45,292
Long-term debt, less current maturities	**73,141**	82,066	88,753	61,501	68,948
Total debt	**122,586**	124,680	114,835	104,619	87,511
Shareholders' equity	**127,178**	124,386	117,731	126,424	141,262

(1) The year ended October 3, 1997 includes 53 weeks. All other years include 52 weeks.

(2) Includes strategic charges of $2,247, $1,424, $335 and $6,768 in 1999, 1998, 1997 and 1996, respectively.

(3) Excludes short-term debt and current maturities of long-term debt.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion includes comments and analysis relating to the Company's results of operations and financial condition for the three years ended October 1, 1999. This discussion should be read in conjunction with the Consolidated Financial Statements and related notes thereto.

Forward Looking Statements

Certain matters discussed in this 1999 Form 10-K are "forward-looking statements," intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement includes phrases such as the Company "expects," "believes" or other words of similar meaning. Similarly, statements that describe the Company's future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which could cause actual results or outcomes to differ materially from those currently anticipated. Factors that could affect actual results or outcomes include changes in consumer spending patterns, the success of the Company's EVA® program, actions of companies that compete with the Company, the Company's success in managing inventory, movements in foreign currencies or interest rates, the success of the Company, suppliers, customers and others regarding compliance with year 2000 issues, and adverse weather conditions. Shareholders, potential investors and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included herein are only made as of the date of this 1999 Form 10-K and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Results of Operations

Summary consolidated financial results are as follows:

(millions, except per share data)	**1999**	1998	1997
Net sales	**$364.3**	$328.5	$303.1
Gross profit	**142.1**	126.0	111.3
Operating expenses[1]	**120.5**	107.2	99.3
Operating profit	**21.6**	18.7	12.0
Interest expense	**9.7**	9.8	8.8
Net income	**7.0**	5.2	2.1
Diluted earnings per common share	**0.87**	0.64	0.25

[1] Includes strategic charges of $2.2 million, $1.4 million and $0.3 million in 1999, 1998 and 1997, respectively.

1999 vs 1998

Net Sales

Net sales totaled $364.3 million in 1999 compared to $328.5 million in 1998, an increase of 10.9%. Sales as measured in U.S. dollars were modestly impacted by the effect of foreign currencies relative to the U.S. dollar in comparison to 1998. Excluding the effects of foreign currency movements, sales increased 10.5% from 1998. The increase was due to strong growth in sales of watercraft, including sales of products of businesses the Company acquired in 1999 and 1998, and growth in sales of motors and outdoor equipment products, which more than offset weaker diving equipment sales.

Operating Results

The Company recognized an operating profit of $21.6 million in 1999 compared to an operating profit of $18.7 million in 1998. Gross profit margins increased from 38.3% in 1998 to 39.0% in 1999, as a result of an improved mix of products sold, increases in volume and the effect of businesses acquired in 1999. In spite of the overall increase in gross profit margin in 1999, the Company continues to experience margin pressure in all of its businesses due to competition.

Operating expenses, excluding strategic charges, totaled $118.2 million, or 32.5% of sales, in 1999 compared to $105.8 million, or 32.2% of sales, in 1998. The increase in the operating expense ratio was attributable to increased emphasis on advertising and promotional expenses and research and development expenses in support of the Company's various brands. The allowance for doubtful accounts receivable was also increased due to higher levels of sales and receivables. These factors were partially offset by a decline from the prior year in unusual legal expenses incurred to successfully defend certain of the Company's key outdoor equipment, diving and motors patents and trademarks.

The Company recognized strategic charges totaling $2.2 million in 1999 and $1.4 million in 1998. These charges resulted from severance and other costs related to the integration of acquired businesses, primarily in the diving business, and for severance, relocation and recruitment costs in the North American outdoor equipment business. The Company anticipates no significant additional strategic charges will be incurred in 2000 to further integrate recent acquisitions into its business or to complete other announced actions.

Other Income and Expenses

Interest expense decreased $0.1 million in 1999, reflecting higher debt levels resulting from the acquisition of three businesses, which was more than offset by lower levels of debt from reduction of working capital, primarily inventory, and improved profitability.

Overall Results

The Company recognized net income of $7.0 million in 1999, or $0.87 per diluted share, compared to net income of $5.2 million, or $0.64 per diluted share, in 1998. The Company recorded income tax expense of $4.9 million in 1999, an effective rate of 41%, due to earnings in foreign jurisdictions that are taxed at higher rates than in the United States. The Company's effective tax rate improved from 43% in the prior year to 41% in 1999 due to an improved mix of domestic versus foreign income.

1998 vs 1997

Net Sales

Net sales totaled $328.5 million in 1998 compared to $303.1 million in 1997, an increase of 8%. Sales as measured in U.S. dollars were negatively impacted by the effect of weaker foreign currencies relative to the U.S. dollar in comparison to 1997. Excluding the effects of foreign currency movements and the sale of the Plastimo business in January 1997, sales increased $40.6 million, or 13%, from 1997. The increase was due primarily to sales of products of businesses the Company acquired in 1998 and 1997 and strong growth in sales of watercraft, which more than offset a decline in fishing sales and weaker diving equipment sales in Asia.

Operating Results

The Company recognized an operating profit of $18.7 million in 1998 compared to an operating profit of $12 million in 1997. Gross profit margins increased from 36.7% in 1997 to 38.3% in 1998, primarily as a result of sales of products of businesses acquired by the Company in 1998 and 1997.

Operating expenses, excluding strategic charges, totaled $105.8 million, or 32.2% of sales, in 1998 compared to $99 million, or 32.7% of sales, in 1997. The improvement in the operating expense ratio was attributable to management's efforts to control such expenses and the impact of weaker foreign currencies for much of the year. These factors were partially offset by operating expenses of businesses acquired in 1998 and 1997 and unusual legal expenses incurred to successfully defend certain of the Company's key outdoor equipment, diving and motors patents and trademarks.

The Company recognized strategic charges totaling $1.4 million in 1998 and $0.3 million in 1997. These charges resulted primarily from severance and other costs related to the integration of acquired businesses, primarily in the diving business.

Other Income and Expenses

Interest expense increased $1 million in 1998, reflecting higher debt levels resulting from the acquisition of five businesses since July 1997, which was partially offset by lower levels of working capital, primarily inventory, and a favorable interest rate environment.

Overall Results

The Company recognized net income of $5.2 million in 1998, or $0.64 per diluted share, compared to net income of $2.1 million, or $0.25 per diluted share, in 1997. The Company recorded income tax expense of $3.9 million in 1998, an effective rate of 43%, due to earnings in foreign jurisdictions that are taxed at higher rates than in the United States. The tax benefit of operating losses generated in the United States did not fully offset the taxes in these foreign jurisdictions. The Company's effective tax rate improved from 48.1% in 1997 due to a rate reduction in Italy and an increase in profits in Switzerland, which has lower overall tax rates.

Financial Condition

The following discusses changes in the Company's liquidity and capital resources.

Operations

The Company is focused on reduction of its working capital ratio and has shown improvement over the last several years. The following table sets forth the Company's working capital position at the end of each of the past three years:

(millions)	**1999**	1998	1997
Current assets	**$152.9**	$154.2	$152.7
Current liabilities[1]	**48.1**	42.4	40.0
Working capital	**$104.8**	$111.8	$112.7
Current ratio	**3.2 to 1**	3.6 to 1	3.8 to 1

[1]Excludes short-term debt and current maturities of long-term debt.

Cash flows provided by operations totaled $27.8 million in 1999 and $20.5 million in 1998. Proactive management efforts, which led to reduction of inventories of $4.1 million in 1999 and $6.6 million in 1998, accounted for part of the positive cash flows. The Company's profitability in 1999 and 1998 also contributed to the positive cash flows. Growth in accounts receivable of $6.5 million and $1.7 million in 1999 and 1998, respectively, offsets the positive cash flows.

Depreciation and amortization charges were $15.1 million in 1999, $14.0 million in 1998 and $11.9 million in 1997. Amortization of intangible assets arising from the Company's acquisitions and increased depreciation from capital spending in all years accounted for the increases in these charges.

Investing Activities

Expenditures for property, plant and equipment were $14.3 million in 1999, $13.1 million in 1998, and $8.9 million in 1997. The Company's recurring investments are primarily related to tooling for new products, manufacturing facilities and information systems improvements. In 2000, capital expenditures are anticipated to total approximately $14 million. These expenditures are expected to be funded by cash generated from reduction of working capital or existing credit facilities.

The Company completed the acquisitions of three businesses in 1999, three businesses in 1998 and two businesses in 1997, which increased tangible and intangible assets and debt by $13.6 million, $12.8 million and $37.2 million, respectively. The sale of the Company's Plastimo business in January 1997 provided $13.9 million of cash, which was used to reduce short-term debt.

Financing Activities

The following table sets forth the Company's debt and capital structure at the end of the past three years:

(millions)	**1999**	1998	1997
Current debt	**$ 49.5**	$ 42.6	$ 26.1
Long-term debt	**73.1**	82.1	88.7
Total debt	**122.6**	124.7	114.8
Shareholders' equity	**127.2**	124.4	117.7
Total capitalization	**$249.8**	$249.1	$232.5
Total debt to total capital	**49.1%**	50.1%	49.4%

Cash flows from financing activities totaled $7.8 million in 1998 and $6.9 million in 1997. In 1998, the Company consummated a private placement of long-term debt totaling $25 million. Payments on long-term debt required to be made in 2000 total $6.1 million. At October 1, 1999, the Company had available unused credit facilities in excess of $67.2 million, which is believed to be adequate for its needs.

Market Risk Management

The Company is exposed to market risk stemming from changes in foreign exchange rates, interest rates and, to a lesser extent, commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed by entering into hedging transactions authorized under Company policies that place controls on these activities. Hedging transactions involve the use of a variety of derivative financial instruments. Derivatives are used only where there is an underlying exposure: not for trading or speculative purposes.

Foreign Operations

The Company has significant foreign operations, for which the functional currencies are denominated primarily in Swiss and French francs, German marks, Italian lire, Japanese yen and Canadian dollars. As the values of the currencies of the foreign countries in which the Company has operations increase or decrease relative to the U.S. dollar, the sales, expenses, profits, assets and liabilities of the Company's foreign operations, as reported in the Company's Consolidated Financial Statements, increase or decrease, accordingly. The Company mitigates a portion of the fluctuations in certain foreign currencies through the purchase of foreign currency swaps, forward contracts and options to hedge known commitments, primarily for purchases of inventory and other assets denominated in foreign currencies.

Interest Rates

The Company's debt structure and interest rate risk are managed through the use of fixed and floating rate debt. The Company's primary exposure is to United States interest rates. The Company also periodically enters into interest rate swaps, caps or collars to hedge its exposure and lower financing costs.

Commodities

Certain components used in the Company's products are exposed to commodity price changes. The Company manages this risk through instruments such as purchase orders and non-cancelable supply contracts. Primary commodity price exposures are metals and packaging materials.

Sensitivity to Changes in Value

The estimates that follow are intended to measure the maximum potential fair value or earnings the Company could lose in one year from adverse changes in foreign exchange rates or market interest rates under normal market conditions. The calculations are not intended to represent actual losses in fair value or earnings that the Company expects to incur. The estimates do not consider favorable changes in market rates. Further, since the hedging instrument (the derivative) inversely correlates with the underlying exposure, any loss or gain in the fair value of derivatives would generally be offset by an increase or decrease in the fair value of the underlying exposures. The positions included in the calculations are foreign exchange forwards, currency swaps and fixed rate debt. Certain instruments are included in both categories of risk exposure calculated below. The calculations do not include the underlying foreign exchange positions that are hedged by these market risk sensitive instruments. The table below presents the estimated maximum potential one year loss in fair value and earnings before income taxes from a 10% movement in foreign currencies and a 100 basis point movement in interest rate market risk sensitive instruments outstanding at October 1, 1999:

	Estimated Impact on	
(millions)	Fair Value	Earnings Before Income Taxes
Foreign exchange rate instruments	$3.2	$0.7
Interest rate instruments	3.0	0.7

Other Factors

The Company has not been significantly impacted by inflationary pressures over the last several years. The Company anticipates that changing costs of basic raw materials may impact future operating costs and, accordingly, the prices of its products. The Company is involved in continuing programs to mitigate the impact of cost increases through changes in product design and identification of sourcing and manufacturing efficiencies. Price increases and, in certain situations, price decreases are implemented for individual products, when appropriate.

Year 2000

The year 2000 issue is the result of computer programs using two digits (rather than four) to define years. Computers or other equipment with date sensitive software may recognize "00" as the year 1900 rather than 2000. This could result in system failures or miscalculations. If the Company or its significant customers or suppliers fail to correct year 2000 issues, the Company's ability to operate could be materially affected.

The Company has assessed the impact of year 2000 issues on the processing of date-related information for all of its information systems infrastructure and non-technical assets, such as production equipment. All systems and non-technical assets have been inventoried and classified as to their compliance with year 2000 data processing. Any systems found year 2000 deficient are being modified, upgraded or replaced. Project plans anticipate all existing, critical information systems infrastructure and non-technical assets to be year 2000 compliant before failure to comply would significantly disrupt the Company's operations. Contingency plans have been developed to address any failures resulting from relationships with customers, suppliers or other third parties. The Company has made inquiries of its suppliers, customers and other organizations which impact the Company's business, but cannot guarantee that circumstances beyond its control will not have an adverse impact on its operations.

Since 1993, the Company has invested more than $11 million in information systems improvements and has been migrating its businesses to systems that are year 2000 compliant. Based on assessments and testing to date, the financial impact of addressing any potential remaining internal system issues should not be material to the Company's financial position, results of operations or cash flows.

Accounting Changes

In June 1998, the FASB issued Statement 133, *Accounting for Derivative Instruments and Hedging Activities.* This Statement requires companies to record derivatives on the balance sheet as assets and liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives will be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. Statement 133, as amended by Statement 137, is effective for fiscal years beginning after June 15, 2000. The Company will adopt this accounting standard for the year beginning October 2000. The Company has not yet determined the impact of Statement 133 on the Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information with respect to this item is included in Management's Discussion and Analysis of Financial Condition and Results of Operations under the heading "Market Risk Management."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information with respect to this item is included on pages F-1 to F-20.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to this item, except for certain information on executive officers (which appears at the end of Part I of this report) is included in the Company's February 17, 2000 Proxy Statement, which is incorporated herein by reference, under the headings "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance."

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to this item is included in the Company's February 17, 2000 Proxy Statement, which is incorporated herein by reference, under the headings "Election of Directors - Compensation of Directors" and "Executive Compensation;" provided, however, that the subsection entitled "Executive Compensation - Compensation Committee Report on Executive Compensation" shall not be deemed to be incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information with respect to this item is included in the Company's February 17, 2000 Proxy Statement, which is incorporated herein by reference, under the heading "Stock Ownership of Management and Others."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to this item is included in the Company's February 17, 2000 Proxy Statement, which is incorporated herein by reference, under the heading "Certain Transactions."

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

The following documents are filed as a part of this Form 10-K:

Financial Statements

Included in Item 8 of Part II of this Form 10-K are the following:

Independent Auditors' Report

Consolidated Balance Sheets - October 1, 1999 and October 2, 1998

Consolidated Statements of Operations - Years ended October 1, 1999, October 2, 1998 and October 3, 1997

Consolidated Statements of Shareholders' Equity - Years ended October 1, 1999, October 2, 1998 and October 3, 1997

Consolidated Statements of Cash Flows - Years ended October 1, 1999, October 2, 1998 and October 3, 1997

Notes to Consolidated Financial Statements

Financial Statement Schedules

All schedules are omitted because they are not applicable, are not required or equivalent information has been included in the Consolidated Financial Statements or notes thereto.

Exhibits

See Exhibit Index.

Reports on Form 8-K

No reports on Form 8-K were filed during the three months ended October 1, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Mount Pleasant and State of Wisconsin, on the 30th day of December 1999.

JOHNSON WORLDWIDE ASSOCIATES, INC.

(Registrant)

By /s/ Helen P. Johnson-Leipold

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities indicated on the 30th day of December 1999.

/s/ Helen P. Johnson-Leipold (Helen P. Johnson-Leipold)	Chairman and Chief Executive Officer and Director (Principal Executive Officer)
/s/ Thomas F. Pyle, Jr. (Thomas F. Pyle, Jr.)	Vice Chairman of the Board and Director
/s/ Samuel C. Johnson (Samuel C. Johnson)	Director
/s/ Gregory E. Lawton (Gregory E. Lawton)	Director
/s/ Glenn N. Rupp (Glenn N. Rupp)	Director
(Terry E. London)	Director
/s/ Carl G. Schmidt (Carl G. Schmidt)	Senior Vice President and Chief Financial Officer, Secretary and Treasurer (Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit	Title	Page
3.1	Articles of Incorporation of the Company. (Filed as Exhibit 3.1 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
3.2	Amendments to Bylaws of the Company dated as of March 9, 1999 (Filed as Exhibit 3.1 to the Company's Form 10-Q for the quarter ended April 2, 1999 and incorporated herein by reference.)	*
3.3	Bylaws of the Company as amended through March 9, 1999 (Filed as Exhibit 3.2 to the Company's Form 10-Q for the quarter ended April 2, 1999 and incorporated herein by reference.)	*
4.1	Note Agreement dated October 1, 1995. (Filed as Exhibit 4.1 to the Company's Form 10-Q for the quarter ended December 29, 1995 and incorporated herein by reference.)	*
4.2	First Amendment dated October 31, 1996 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.3 to the Company's Form 10-Q for the quarter ended December 27, 1996 and incorporated herein by reference.)	*
4.3	Second Amendment dated September 30, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.8 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.4	Third Amendment dated October 3, 1997 to Note Agreement dated October 1, 1995. (Filed as Exhibit 4.9 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.5	Note Agreement dated as of September 15, 1997. (Filed as Exhibit 4.15 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
4.6	Amended and Restated Credit Agreement dated as of April 3, 1998. (Filed as Exhibit 4.16 to the Company's Form 10-Q for the quarter ended April 3, 1998 and incorporated herein by reference.)	*
4.7	Amendment No. 1 dated September 11, 1998 to the Amended and Restated Credit Agreement dated as of April 3, 1998. (Filed as Exhibit 4.17 to the Company's Form 10-Q for the quarter ended January 1, 1999 and incorporated herein by reference.)	*
9	Johnson Worldwide Associates, Inc. Class B common stock Voting Trust Agreement, dated December 30, 1993 (Filed as Exhibit 9 to the Company's Form 10-Q for the quarter ended December 31, 1993 and incorporated herein by reference.)	*
10.1	Asset Purchase Agreement between Johnson Worldwide Associates, Inc. and Safari Land Ltd., Inc. dated as of March 31, 1995 (Filed as Exhibit 2 to the Company's Form 10-Q for the quarter ended March 31, 1995 and incorporated herein by reference.)	*
10.2	Share Purchase Agreement by and between Johnson Worldwide Associates, Inc., Société Figeacoise de Participations and Plastimo, S.A., dated as of January 30, 1997. (Filed as Exhibit 2 to the Company's Form 8-K dated January 30, 1997 and incorporated herein by reference.)	*
10.3	Share Purchase Agreement by and between Johnson Beteiligungsgesellschaft mbH, Johnson Worldwide Associates, Inc. and Heinz Ruchti and Karl Leeman (the selling shareholders of Uwatec AG), dated July 11, 1997. (Filed as Exhibit 2 to the Company's Form 8-K dated July 11, 1997 and incorporated herein by reference.)	*
10.4+	Johnson Worldwide Associates, Inc. Amended and Restated 1986 Stock Option Plan. (Filed as Exhibit 10 to the Company's Form 10-Q for the quarter ended July 2, 1993 and incorporated herein by reference.)	*

Exhibit	Title	Page
10.5	Registration Rights Agreement regarding Johnson Worldwide Associates, Inc. common stock issued to the Johnson family prior to the acquisition of Johnson Diversified, Inc. (Filed as Exhibit 10.6 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.6	Registration Rights Agreement regarding Johnson Worldwide Associate, Inc. Class A common stock held by Mr. Samuel C. Johnson. (Filed as Exhibit 28 to the Company's Form 10-Q for the quarter ended March 29, 1991 and incorporated herein by reference.)	*
10.7+	Form of Restricted Stock Agreement. (Filed as Exhibit 10.8 to the Company's Form S-1 Registration Statement No. 33-23299 and incorporated herein by reference.)	*
10.8+	Form of Supplemental Retirement Agreement of Johnson Diversified, Inc. (Filed as Exhibit 10.9 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.9+	Johnson Worldwide Associates Retirement and Savings Plan. (Filed as Exhibit 10.9 to the Company's Form 10-K for the year ended September 29, 1989 and incorporated herein by reference.)	*
10.10+	Form of Agreement of Indemnity and Exoneration with Directors and Officers. (Filed as Exhibit 10.11 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.11	Consulting and administrative agreements with S. C. Johnson & Son, Inc. (Filed as Exhibit 10.12 to the Company's Form S-1 Registration Statement No. 33-16998 and incorporated herein by reference.)	*
10.12+	Johnson Worldwide Associates, Inc. 1994 Long-Term Stock Incentive Plan. (Filed as Exhibit 4 to the Company's S-8 Registration Statement No. 333-88091 and incorporated herein by reference.)	*
10.13+	Johnson Worldwide Associates, Inc. 1994 Non-Employee Director Stock Ownership Plan. (Filed as Exhibit 4 to the Company's Form S-8 Registration Statement No. 333-88089 and incorporated herein by reference.)	*
10.14+	Johnson Worldwide Associates Economic Value Added Bonus Plan (Filed as Exhibit 10.15 to the Company's Form 10-K for the year ended October 3, 1997 and incorporated herein by reference.)	*
10.15+	Separation agreement, dated March 9, 1999, between the Company and R. C. Whitaker. (Filed as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended April 2, 1999 and incorporated herein by reference.)	*
11	Statement regarding computation of per share earnings. (Incorporated by reference to Note 14 to the Consolidated Financial Statements on page F-19 of the Company's 1999 Form 10-K.)	*
21	Subsidiaries of the Company as of October 1, 1999.	-
23	Consent of KPMG LLP.	-
27	Financial Data Schedule (EDGAR version only)	-
99	Definitive Proxy Statement for the 2000 Annual Meeting of Shareholders. Except to the extent specifically incorporated herein by reference, the Proxy Statement for the 2000 Annual Meeting of Shareholders shall not be deemed to be filed with the Securities and Exchange Commission as part of this Form 10-K. The Proxy Statement for the 2000 Annual Meeting of Shareholders will be filed with the Securities and Exchange Commission under Registration 14A within 120 days after the end of the Company's fiscal year.	*

* Incorporated herein by reference.

\+ A management contract or compensatory plan or arrangement.

CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents Page

REPORT OF MANAGEMENT

The management of Johnson Worldwide Associates, Inc. is responsible for the preparation and integrity of all financial statements and other information contained in this Form 10-K. We rely on a system of internal financial controls to meet the responsibility of providing accurate financial statements. The system provides reasonable assurances that assets are safeguarded, that transactions are executed in accordance with management's authorization and that the financial statements are prepared on a worldwide basis in accordance with generally accepted accounting principles.

The financial statements for each of the years covered in this Form 10-K have been audited by independent auditors, who have provided an independent assessment as to the fairness of the financial statements, after obtaining an understanding of the Company's systems and procedures and performing such other tests as deemed necessary.

The Audit Committee of the Board of Directors, which is composed solely of directors who are not officers of the Company, meets with management and the independent auditors to review the results of their work and to satisfy itself that their respective responsibilities are being properly discharged. The independent auditors have full and free access to the Audit Committee and have regular discussions with the Committee regarding appropriate auditing and financial reporting matters.

Helen P. Johnson-Leipold
Chairman and Chief Executive Officer

Carl G. Schmidt
Senior Vice President and Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

Shareholders and Board of Directors
Johnson Worldwide Associates, Inc.:

We have audited the consolidated balance sheets of Johnson Worldwide Associates, Inc. and subsidiaries as of October 1, 1999 and October 2, 1998, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years in the three-year period ended October 1, 1999. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Johnson Worldwide Associates, Inc. and subsidiaries as of October 1, 1999 and October 2, 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended October 1, 1999, in conformity with generally accepted accounting principles.

KPMG LLP

KPMG LLP
Milwaukee, Wisconsin
November 9, 1999

CONSOLIDATED BALANCE SHEETS

(thousands, except share data)	**October 1, 1999**	October 2, 1998
ASSETS		
Current assets:		
Cash and temporary cash investments	**$ 10,594**	$ 11,496
Accounts receivable, less allowance for doubtful accounts of $3,663 and $2,570, respectively	**59,786**	53,421
Inventories	**70,775**	76,603
Deferred income taxes	**5,904**	6,067
Other current assets	**5,803**	6,602
Total current assets	**152,862**	154,189
Property, plant and equipment	**38,816**	35,469
Deferred income taxes	**15,647**	15,435
Intangible assets	**92,763**	90,101
Other assets	**2,474**	823
Total assets	**$302,562**	$296,017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current maturities of long-term debt	**$ 49,445**	$ 42,614
Accounts payable	**16,589**	11,681
Accrued liabilities:		
Salaries and wages	**7,730**	6,213
Income taxes	**424**	3,019
Other	**23,351**	21,492
Total current liabilities	**97,539**	85,019
Long-term debt, less current maturities	**73,141**	82,066
Other liabilities	**4,704**	4,546
Total liabilities	**175,384**	171,631
Shareholders' equity:		
Preferred stock: none issued	**—**	—
Common stock:		
Class A shares issued: October 1, 1999, 6,910,577; October 2, 1998, 6,909,577	**345**	345
Class B shares issued (convertible into Class A shares): October 1, 1999, 1,222,861; October 2, 1998, 1,223,861	**61**	61
Capital in excess of par value	**44,205**	44,205
Retained earnings	**91,832**	85,068
Contingent compensation	**(134)**	(27)
Other comprehensive income - cumulative foreign currency translation adjustment	**(9,049)**	(4,651)
Treasury stock, Class A shares, at cost: October 1, 1999, 5,280; October 2, 1998, 39,532	**(82)**	(615)
Total shareholders' equity	**127,178**	124,386
Total liabilities and shareholders' equity	**$302,562**	$296,017

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

			Year Ended
(thousands, except per share data)	**October 1, 1999**	October 2, 1998	October 3, 1997
Net sales	**$364,277**	$328,525	$303,121
Cost of sales	**222,198**	202,561	191,789
Gross profit	**142,079**	125,964	111,332
Operating expenses:			
Marketing and selling	**73,732**	67,567	66,259
Administrative management, finance and information systems	**29,294**	25,981	23,031
Research and development	**8,329**	7,033	5,453
Amortization of acquisition costs	**4,147**	3,789	2,631
Profit sharing	**2,707**	1,447	1,612
Strategic charges	**2,247**	1,424	335
Total operating expenses	**120,456**	107,241	99,321
Operating profit	**21,623**	18,723	12,011
Interest income	**(316)**	(363)	(471)
Interest expense	**9,719**	9,829	8,780
Other (income) expense, net	**269**	108	(257)
Income before income taxes	**11,951**	9,149	3,959
Income tax expense	**4,929**	3,937	1,903
Net income	**$ 7,022**	$ 5,212	$ 2,056
Basic Earnings Per Common Share	**$ 0.87**	$ 0.64	$ 0.25
Diluted Earnings Per Common Share	**$ 0.87**	$ 0.64	$ 0.25

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(thousands)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Contingent Compensation	Cumulative Foreign Currency Translation Adjustment	Treasury Stock	Comprehensive Income (Loss)
BALANCE AT SEPTEMBER 27, 1996	$406	$44,084	$77,940	$(121)	$ 4,115	$ —	
Net income	—	—	2,056	—	—	—	$ 2,056
Exercise of stock options	—	—	(114)	—	—	284	—
Tax benefit of stock options exercised	—	58	—	—	—	—	—
Issuance of restricted stock	—	44	—	(67)	—	23	—
Amortization of contingent compensation	—	—	—	103	—	—	—
Other treasury stock transactions	—	—	—	—	—	(609)	—
Translation adjustment	—	—	—	—	(10,471)	—	(10,471)
BALANCE AT OCTOBER 3, 1997	406	44,186	79,882	(85)	(6,356)	(302)	$ (8,415)
Net income	—	—	5,212	—	—	—	$ 5,212
Exercise of stock options	—	—	(4)	—	—	146	—
Tax benefit of stock options exercised	—	6	—	—	—	—	—
Issuance of restricted stock	—	13	—	(32)	—	32	—
Issuance of stock under employees' stock purchase plan	—	—	(22)	—	—	177	—
Amortization of contingent compensation	—	—	—	90	—	—	—
Other treasury stock transactions	—	—	—	—	—	(668)	—
Translation adjustment	—	—	—	—	1,705	—	1,705
BALANCE AT OCTOBER 2, 1998	406	44,205	85,068	(27)	(4,651)	(615)	$ 6,917
Net income	**—**	**—**	**7,022**	**—**	**—**	**—**	**$ 7,022**
Issuance of restricted stock	**—**	**—**	**(137)**	**(182)**	**—**	**319**	**—**
Issuance of stock under employee stock purchase plan	**—**	**—**	**(121)**	**—**	**—**	**214**	**—**
Amortization of contingent compensation	**—**	**—**	**—**	**75**	**—**	**—**	**—**
Translation adjustment	**—**	**—**	**—**	**—**	**(4,398)**	**—**	**(4,398)**
BALANCE AT OCTOBER 1, 1999	**$406**	**$44,205**	**$91,832**	**$(134)**	**$(9,049)**	**$ (82)**	**$ 2,624**

The accompanying notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

			Year Ended
(thousands)	**October 1, 1999**	October 2, 1998	October 3, 1997
CASH PROVIDED BY OPERATIONS			
Net income	**$ 7,022**	$ 5,212	$ 2,056
Noncash items:			
Depreciation and amortization	**15,127**	14,038	11,949
Provision for doubtful accounts receivable	**2,322**	918	1,604
Provision for inventory reserves	**828**	343	445
Deferred income taxes	**211**	(3,355)	(4,127)
Change in assets and liabilities, net of effect of businesses acquired or sold:			
Accounts receivable	**(6,507)**	(1,743)	(2,747)
Inventories	**4,104**	6,583	13,071
Accounts payable and accrued liabilities	**5,772**	(2,170)	(3,749)
Other, net	**(1,039)**	685	1,489
	27,840	20,511	19,991
CASH USED FOR INVESTING ACTIVITIES			
Net assets of businesses acquired, net of cash	**(13,584)**	(12,772)	(37,169)
Proceeds from sale of business, net of cash	**—**	—	13,937
Additions to property, plant and equipment	**(14,261)**	(13,108)	(8,860)
Sales of property, plant and equipment	**691**	1,592	640
	(27,154)	(24,288)	(31,452)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES			
Issuance of senior notes	**—**	25,000	—
Issuance of other long-term notes	**—**	—	10,543
Principal payments on senior notes and other long-term notes	**(7,806)**	(8,381)	(7,358)
Net change in short-term debt	**6,764**	(8,424)	4,085
Common stock transactions	**94**	(352)	(382)
	(948)	7,843	6,888
Effect of foreign currency fluctuations on cash	**(640)**	300	(994)
Increase (decrease) in cash and temporary cash investments	**(902)**	4,366	(5,567)
CASH AND TEMPORARY CASH INVESTMENTS			
Beginning of year	**11,496**	7,130	12,697
End of year	**$ 10,594**	$ 11,496	$ 7,130

The accompanying notes are an integral part of the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Johnson Worldwide Associates, Inc. is an integrated, global outdoor recreation products company engaged in the design, manufacture and marketing of brand name outdoor equipment, diving, watercraft, motors and fishing products.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All monetary amounts, other than share and per share amounts, are stated in thousands.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Johnson Worldwide Associates, Inc. and all majority owned subsidiaries (the Company). Significant intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities and operating results and the disclosure of commitments and contingent liabilities. Actual results could differ significantly from those estimates. For the Company, significant estimates include the allowance for doubtful accounts receivable, reserves for inventory valuation and the valuation allowance for deferred tax assets.

The Company's fiscal year ends on the Friday nearest September 30. The fiscal years ended October 1, 1999 (hereinafter 1999) and October 2, 1998 (hereinafter 1998) each comprise 52 weeks. The fiscal year ended October 3, 1997 (hereinafter 1997) comprises 53 weeks.

Cash and Temporary Cash Investments

For purposes of the Consolidated Statements of Cash Flows, the Company considers all short-term investments in interest-bearing bank accounts, securities and other instruments with an original maturity of three months or less, to be equivalent to cash.

The Company maintains cash in bank accounts in excess of insured limits. The Company has not experienced any losses as a result of this practice and does not believe that significant credit risk exists.

Inventories

Inventories are stated at the lower of cost (determined using the first-in, first-out method) or market.

Inventories at the end of the respective years consist of the following:

	1999	1998
Raw materials	**$26,147**	$27,834
Work in process	**3,430**	4,753
Finished goods	**46,341**	49,875
	75,918	82,462
Less reserves	**5,143**	5,859
	$70,775	$76,603

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is determined by straight-line and accelerated methods over estimated useful lives, which range from 3 to 30 years.

Upon retirement or disposition, cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operating results.

The Company annually assesses the recoverability of long-lived tangible assets by comparing the carrying amount of an asset to future net cash flows expected to be generated by that asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying value of the asset exceeds its fair market value.

Property, plant and equipment at the end of the respective years consist of the following:

	1999	1998
Property and improvements	**$ 1,505**	$ 912
Buildings and improvements	**18,875**	16,827
Furniture, fixtures and equipment	**87,937**	78,351
	108,317	96,090
Less accumulated depreciation	**69,501**	60,621
	$ 38,816	$35,469

Intangible Assets

Intangible assets are stated at cost less accumulated amortization. Amortization is computed using the straight-line method with periods ranging from 15 to 40 years for goodwill and 3 to 16 years for patents, trademarks and other intangible assets.

The Company annually assesses the recoverability of intangible assets, primarily by determining whether the amortization of the balance over its remaining life can be recovered through projected undiscounted future operating cash flows of the acquired business. The amount of impairment, if any, is measured primarily based on the deficiency of projected discounted future operating cash flows relative to the carrying value of the asset, using a discount rate reflecting the Company's cost of capital, which is currently approximately 10%.

Intangible assets at the end of the respective years consist of the following:

	1999	1998
Goodwill	**$112,074**	$105,829
Patents, trademarks and other	**4,678**	4,683
	116,752	110,512
Less accumulated amortization	**23,989**	20,411
	$ 92,763	$ 90,101

Income Taxes

The Company provides for income taxes currently payable, and deferred income taxes resulting from temporary differences between financial statement and taxable income, using the asset and liability method.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion, or all of the deferred tax assets, will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Federal and state income taxes are provided on foreign subsidiary income distributed to, or taxable in, the United States during the year. At October 1, 1999, net undistributed earnings of foreign subsidiaries total approximately $57,100. A substantial portion of these unremitted earnings have been permanently invested abroad and no provision for federal or state taxes is made on these amounts. With respect to that portion of foreign earnings which may be returned to the United States, provision is made for taxes if the amounts are significant.

The Company's United States entities file a consolidated federal income tax return.

Employee Benefits

The Company and certain of its subsidiaries have various retirement and profit sharing plans. United States pension obligations, which are generally based on compensation and years of service, are funded by payments to pension fund trustees. Foreign pension plans are funded as expenses are incurred. The Company's policy is generally to fund the minimum amount required under the Employee Retirement Income Security Act of 1974 for plans subject thereto. Profit sharing and other retirement costs are funded at least annually.

Foreign Operations and Derivative Financial Instruments

The Company operates internationally, which gives rise to exposure to market risk from movements in foreign exchange rates. The Company uses foreign currency forward contracts and options in its selective hedging of foreign exchange exposure. Gains and losses on contracts that qualify as hedges are recognized as an adjustment of the carrying amount of the item hedged. The Company primarily hedges assets, inventory purchases and loans denominated in foreign currencies. The Company does not enter into foreign exchange contracts for trading purposes. Gains and losses on unhedged exposures are recorded in operating results.

At October 1, 1999, foreign currency forward contracts and options with a notional value of approximately $9,800 are in place, hedging existing and anticipated transactions. Substantially all of these contracts mature in 2000. Failure of the counterparties to perform their obligations under these contracts would expose the Company to the risk of foreign currency rate movements for those contracts. The Company does not believe the risk of counterparty failure is significant. At October 1, 1999, the fair value of these instruments is not significant.

Foreign currency swaps effectively denominate, in foreign currencies, existing U.S. dollar denominated debt of the Company. This foreign currency debt serves as a hedge of foreign assets. Accordingly, gains and losses on such swaps are recorded in the cumulative foreign currency translation account.

Assets and liabilities of foreign operations are translated into U.S. dollars at the rate of exchange existing at the end of the year. Results of operations are translated at monthly average exchange rates. Gains and losses resulting from the translation of foreign currency financial statements are classified in the cumulative foreign currency translation account.

Revenue Recognition

Revenue from sales is recognized on the accrual basis, primarily upon the shipment of products, net of estimated costs of returns and allowances.

Advertising

The Company expenses substantially all costs related to production of advertising the first time the advertising takes place. Cooperative promotional arrangements are accrued in relation to sales.

Advertising expense in 1999, 1998 and 1997 totals $21,906, $18,475 and $21,512, respectively. Capitalized costs at October 1, 1999 and October 2, 1998 total $1,741 and $1,635, respectively, and primarily include catalogs and costs of advertising which has not yet run for the first time.

Research and Development

Research and development costs are expensed as incurred.

Stock-Based Compensation

The Company accounts for stock options using the intrinsic value based method. Accordingly, compensation cost is generally recognized only for stock options issued with an exercise price lower than the market price on the date of grant. The fair value of restricted shares awarded in excess of the amount paid for such shares is recognized as contingent compensation in the Consolidated Statements of Shareholders' Equity and is amortized into operating results over 1 to 3 years from the date of award, the period after which all restrictions generally lapse.

Accounting Changes

The Company adopted Financial Accounting Standards Board (FASB) Statement 130, *Reporting Comprehensive Income,* in 1999. Comprehensive income includes net income and changes in shareholders' equity from non-owner sources. For the Company, the elements of comprehensive income excluded from net income are represented primarily by the cumulative foreign currency translation adjustment.

In June 1998, the FASB issued Statement 133, *Accounting for Derivative Instruments and Hedging Activities.* This Statement requires companies to record derivatives on the balance sheet as assets and liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives will be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. Statement 133, as amended by Statement 137, is effective for fiscal years beginning after June 15, 2000. The Company will adopt this accounting standard for the year beginning October 2000. The Company has not yet determined the impact of Statement 133 on the Consolidated Financial Statements.

Reclassifications

Certain reclassifications have been made to prior years' amounts to conform with the current year presentation.

2 STRATEGIC CHARGES

In 1999, 1998 and 1997, the Company recorded severance and other exit costs totaling $2,247, $1,424 and $335, respectively, related primarily to the integration of acquired businesses, primarily in the diving business. In 1999, strategic charges also include severance, moving and recruiting costs related to the relocation of certain sales and marketing functions of the Company's North American outdoor equipment business. 1999 severance costs included in strategic charges totaled $1,101 and approximately 30 employees were impacted by these actions. 1998 severance costs totaled $781 and approximately 80 employees were impacted by these actions. The Company anticipates no significant additional strategic charges will be incurred in 2000 to further integrate recent acquisitions into its business or to complete other announced actions. Unexpended funds related to these charges are not significant.

3 ACQUISITIONS

In July 1999, the Company completed the acquisition of the common stock of Extrasport, Inc., a privately held manufacturer and marketer of personal flotation devices. The initial purchase price, including direct expenses, for the acquisition was approximately $3,300, of which approximately $2,500 was recorded as intangible assets and is being amortized over 25 years. Additional payments in 2000 through 2002 are dependent upon achievement of specified levels of sales of the acquired business.

In March 1999, the Company completed the acquisition of substantially all of the assets and the assumption of certain liabilities of Escape Sailboat Company LLC, a privately held manufacturer and marketer of recreational sailboats. The initial purchase price, including direct expenses, for the acquisition was approximately $4,800, of which approximately $3,100 was recorded as intangible assets and is being amortized over 25 years. Additional payments in 2000 and 2001 are dependent upon achievement of specified levels of sales of the acquired business.

In December 1998, the Company completed the acquisition of substantially all of the assets and the assumption of certain liabilities of True North Paddle & Necky Kayaks Ltd., a privately held manufacturer and marketer of Necky kayaks, and an affiliated entity. The initial purchase price, including direct expenses, for the acquisition was approximately $5,700, of which approximately $3,200 was recorded as intangible assets and is being amortized over 25 years. An additional payment of $600 was accrued in 1999. Additional payments in the years 2000 through 2003 are dependent upon the achievement of specified levels of sales and profitability of the acquired business.

The following pro forma operating results are unaudited and reflect purchase accounting adjustments assuming all 1999 acquisitions had been consummated at the beginning of each year presented:

	1999	1998
Net sales	**$370,921**	$342,069
Net income	**7,028**	4,866
Diluted earnings per common share	**0.87**	0.60

In February 1998, the Company completed the acquisition of the common stock of Leisure Life Limited, a privately held manufacturer and marketer of recreational watercraft. The purchase price, including direct expenses, for the acquisition was approximately $10,300, of which approximately $7,300 was recorded as intangible assets and is being amortized over 25 years.

In October 1997, subsequent to the end of the 1997 fiscal year, the Company completed the acquisitions of certain assets of Soniform, Inc., a manufacturer of diving buoyancy compensators, and the common stock of Plastiques L.P.A. Limitée, a privately held Canadian manufacturer of kayaks. The purchase prices for the acquisitions totaled approximately $3,400.

In July 1997, the Company completed the acquisition of the common stock of Uwatec AG (hereinafter Uwatec), a privately held manufacturer and marketer of diving computers and other electronic instruments. The initial purchase price, including direct expenses, for the acquisition was approximately $33,500, of which $32,800 was recorded as intangible assets and is being amortized over 25 years. Additional payments of $529 and $432 were accrued in 1999 and 1998, respectively, based upon utilization of certain acquired inventories. In connection with the acquisition, the Company entered into a long-term product development and intellectual property agreement with an unaffiliated party with which Uwatec conducts business.

In July 1997, the Company completed the acquisition of substantially all of the assets of Ocean Kayak, Inc., a privately held manufacturer and marketer of kayaks. The initial purchase price, including direct expenses, for the acquisition was approximately $5,000, of which $2,700 was recorded as intangible assets and is being amortized over 25 years. Additional payments of $600 were accrued in both 1999 and 1998 due to achievement of specified levels of sales of the acquired business.

Additional payments in the years 2000 and 2001 related to acquisitions consummated in 1995 are dependent upon the achievement of specified levels of sales and/or profitability of certain of the acquired products. No additional payments were required in 1999, 1998 or 1997.

All acquisitions are accounted for using the purchase method and, accordingly, the Consolidated Financial Statements include the results of operations since the respective dates of acquisition. Additional payments, if required, will increase intangible assets.

4 INDEBTEDNESS

Short-term debt at the end of the respective years consists of the following:

	1999	1998
Commercial paper and bank loans	**$43,380**	$34,846
Current maturities of long-term debt	**6,065**	7,768
	$49,445	$42,614

Short-term credit facilities provide for borrowings with interest rates set periodically by reference to market rates. Commercial paper rates are set by competitive bidding. The weighted average interest rate on short-term indebtedness was 6.2% and 6.0% at October 1, 1999 and October 2, 1998, respectively. The Company's primary facility is a $100,000 revolving credit agreement expiring in 2001, which includes a maximum amount of $80,000 in support of commercial paper issuance. The Company has lines of credit, both foreign and domestic, totaling $125,000 of which $67,200 is available at October 1, 1999. The Company also utilizes letters of credit for trade financing purposes.

Long-term debt at the end of the respective years consists of the following:

	1999	1998
1998 senior notes	**$24,981**	$27,369
1996 senior notes	**45,000**	45,000
1993 senior notes	**—**	7,500
Other long-term notes, 1.8% to 10.9%, maturing through December 2005	**9,225**	9,965
	79,206	89,834
Less current maturities	**6,065**	7,768
	$73,141	$82,066

In 1998, the Company issued unsecured senior notes totaling $25,000 with an interest rate of 7.15%. Simultaneous with the commitment of the 1998 senior notes, the Company executed a foreign currency swap, denominating in Swiss francs all principal and interest payments required under the 1998 senior notes. The fixed, effective interest rate to be paid on the 1998 senior notes as a result of the currency swap is 4.32%. The 1998 senior notes have annual principal payments of $2,189 to $7,663 beginning October 2001 with a final payment due October 2007. Proceeds from issuance of the 1998 senior notes were used to reduce outstanding indebtedness under the Company's primary revolving credit facility.

$8,093 of the initial purchase price of Uwatec is deferred with principal payments of $376 and $7,717 due in 2000 and 2002, respectively. Interest on the deferred amounts is payable annually at 6%. This obligation is denominated in Swiss francs. A corresponding amount of the Company's primary revolving credit facility is reserved in support of this obligation through issuance of a letter of credit. The obligation was reduced by $1,482 in 1998 from liabilities to third parties paid or accrued by the Company on behalf of the selling shareholders.

In 1996, the Company issued unsecured senior notes totaling $30,000 with an interest rate of 7.77% and $15,000 with an interest rate of 6.98%. Total annual principal payments ranging from $5,500 to $7,500 are due beginning in October 2000 through 2006.

In 1993, the Company issued unsecured senior notes totaling $15,000 with an interest rate of 6.58%. The final principal payment of $7,500 was made in 1999.

Aggregate scheduled maturities of long-term debt in each of the five years ending September 2004 are as follows:

Year	
2000	$ 6,100
2001	6,600
2002	15,900
2003	8,200
2004	9,500

Interest paid was $9,895, $9,119 and $9,046 for 1999, 1998 and 1997, respectively.

Based on the borrowing rates currently available to the Company for debt with similar terms and average maturities, the fair value of the Company's long-term debt as of October 1, 1999 and October 2, 1998 is approximately $80,300 and $92,300, respectively. The carrying value of all other financial instruments approximates the fair value.

Certain of the Company's loan agreements require that Samuel C. Johnson, members of his family and related entities (hereinafter the Johnson Family) continue to own stock having votes sufficient to elect a 51% majority of the directors. At October 1, 1999, the Johnson Family held approximately 3,280,000 shares or 48% of the Class A common stock, approximately 1,168,000 shares or 95% of the Class B common stock and approximately 78% of the voting power of both classes of common stock, taken as a whole. The agreements also contain restrictive covenants regarding the Company's net worth, indebtedness, fixed charge coverage and distribution of earnings. The Company is in compliance with the restrictive covenants of such agreements, as amended from time to time.

5 LEASES AND OTHER COMMITMENTS

The Company leases certain operating facilities and machinery and equipment under long-term, noncancelable operating leases. Future minimum rental commitments under noncancelable operating leases having an initial term in excess of one year at October 1, 1999 are as follows:

Year	
2000	$5,900
2001	5,200
2002	4,600
2003	2,600
2004	1,500
Thereafter	4,600

Rental expense under all leases was approximately $6,743, $6,101 and $4,338 for 1999, 1998 and 1997, respectively.

In 1998, the Company executed a guarantee of $1,300 of debt of one of its suppliers. The guarantee is supported by a priority lien on equipment owned by the supplier.

The Company makes commitments in a broad variety of areas, including capital expenditures, contracts for services, sponsorship of broadcast media and supply of finished products and components, all of which are in the ordinary course of business.

6 INCOME TAXES

Income tax expense (benefit) for the respective years consists of the following:

	1999	1998	1997
Current:			
Federal	**$ 34**	$ 56	$ 242
State	**683**	514	(11)
Foreign	**4,261**	6,672	5,847
Deferred	**(49)**	(3,305)	(4,175)
	$ 4,929	$ 3,937	$ 1,903

The significant components of deferred tax expense (benefit) are as follows:

	1999	1998	1997
Deferred tax expense (benefit) (exclusive of effects of other components listed below)	**$ 88**	$(3,045)	$(4,121)
Decrease in beginning of the year balance of the valuation allowance for deferred tax assets	**(137)**	(260)	(54)
	$ (49)	$(3,305)	$(4,175)

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at the end of the respective years are presented below:

	1999	1998
Deferred tax assets:		
Inventories	**$ 2,674**	$ 3,299
Compensation	**3,044**	2,205
Foreign income taxes	**1,816**	1,212
Foreign tax credit carryforwards	**4,051**	4,211
Net operating loss carryforwards	**15,883**	15,986
Other	**3,360**	4,152
Total gross deferred tax assets	**30,828**	31,065
Less valuation allowance	**5,751**	5,911
	25,077	25,154
Deferred tax liabilities:		
Foreign statutory reserves	**1,973**	2,334
Acquisition accounting	**1,553**	1,318
Total deferred tax liabilities	**3,526**	3,652
Net deferred tax asset	**$21,551**	$21,502

Following is the income (loss) before income taxes for domestic and foreign operations:

	1999	1998	1997
United States	**$ (1,218)**	$ (6,503)	$ (6,998)
Foreign	**13,169**	15,652	10,957
	$11,951	$ 9,149	$ 3,959

The significant differences between the statutory federal tax rate and the effective income tax rates are as follows:

	1999	1998	1997
Statutory U.S. federal income tax rate	**34.0%**	34.0%	34.0%
State income taxes, net of federal income tax benefit	**0.5**	(3.0)	(6.2)
Foreign rate differential	**5.1**	12.7	23.9
Foreign operating losses (benefit)	**1.6**	(1.4)	(2.0)
Other	**—**	0.7	(1.6)
	41.2%	43.0%	48.1%

At October 1, 1999, the Company has $4,051 of foreign tax credit carryforwards available to be offset against future U.S. tax liability. The credits expire in 2000 through 2003 if not utilized.

During 1999, 1998 and 1997, foreign net operating loss carryforwards were utilized, resulting in a reduction in income tax expense of $137, $260 and $54, respectively. At October 1, 1999, the Company has a U.S. federal operating loss carryforward of $29,062. In addition, certain of the Company's foreign subsidiaries have net operating loss carryforwards totaling $2,188. These amounts are available to offset future taxable income over the next 6 to 19 years and are anticipated to be utilized during this period.

Taxes paid were $7,737, $6,299 and $8,328 for 1999, 1998 and 1997, respectively.

7 EMPLOYEE BENEFITS

The Company adopted FASB Statement 132, *Employers' Disclosure About Pension and Other Post Retirement Benefits,* in 1999. Net periodic pension cost for noncontributory pension plans includes the following components:

	1999	1998	1997
Service cost	**$273**	$301	$ 292
Interest on projected benefit obligation	**713**	697	638
Less expected return on plan assets	**558**	520	1,075
Amortization of unrecognized:			
Net loss	**4**	15	602
Prior service cost	**26**	26	26
Transition asset	**(81)**	(81)	(81)
Net amount recognized	**$377**	$438	$ 402

The following provides a reconciliation of the changes in the plans' benefit obligation and fair value of plan assets for 1999 and 1998 and a statement of the funded status at the end of each year:

	1999	1998
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	**$ 9,456**	$ 8,934
Service cost	**273**	301
Interest cost	**713**	697
Actuarial (gain) loss	**(257)**	34
Benefits paid	**(581)**	(510)
Benefit obligation at end of year	**$ 9,604**	$ 9,456
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of year	**$ 7,515**	$ 7,003
Actual return on plan assets	**860**	515
Company contributions	**276**	507
Benefits paid	**(581)**	(510)
Fair value of plan assets at end of year	**$ 8,070**	$ 7,515
Funded status:		
Funded status of the plan	**$(1,534)**	$(1,941)
Unrecognized net loss	**4**	581
Unrecognized prior service cost	**174**	200
Unrecognized transition asset	**(372)**	(453)
Net pension liability recognized in the Consolidated Balance Sheets	**$(1,728)**	$(1,613)

The following summarizes the components of the liability recognized in the Consolidated Balance Sheets at the end of the respective years:

	1999	1998
Prepaid benefit cost	**$ 55**	$ 193
Accrued benefit liability	**(1,783)**	(1,806)
Net pension liability recognized in the Consolidated Balance Sheets	**$(1,728)**	$(1,613)

Plan assets are invested primarily in stock and bond mutual funds and insurance contracts.

Actuarial assumptions used to determine the projected benefit obligation and the net periodic pension cost are as follows:

	1999	1998	1997
Discount rate for obligations	**8%**	8%	8%
Long-term rate of return on plan assets	**8**	8	8
Average salary increase rate	**5**	5	5

A majority of the Company's full-time employees are covered by profit sharing or defined contribution programs. Participating entities determine profit sharing distributions under various performance and service based formulas.

8 PREFERRED STOCK

The Company is authorized to issue 1,000,000 shares of preferred stock in various classes and series, of which there are none currently issued or outstanding.

9 COMMON STOCK

Common stock at the end of the respective years consists of the following:

	1999	1998
Class A, $.05 par value:		
Authorized	**20,000,000**	20,000,000
Outstanding	**6,905,297**	6,870,045
Class B, $.05 par value:		
Authorized	**3,000,000**	3,000,000
Outstanding	**1,222,861**	1,223,861

Holders of Class A common stock are entitled to elect 25% of the members of the Board of Directors and holders of Class B common stock are entitled to elect the remaining directors. With respect to matters other than the election of directors or any matters for which class voting is required by law, holders of Class A common stock are entitled to one vote per share while holders of Class B common stock are entitled to ten votes per share. If any dividends (other than dividends paid in shares of the Company) are paid by the Company on its common stock, a dividend would be paid on each share of Class A common stock equal to 110% of the amount paid on each share of Class B common stock. Each share of Class B common stock is convertible at any time into one share of Class A common stock. During 1999, 1998 and 1997, respectively, 1,000, 4,054 and 222 shares of Class B common stock were converted into Class A common stock.

10 STOCK OWNERSHIP PLANS

The Company's current stock ownership plans provide for issuance of options to acquire shares of Class A common stock by key executives and non-employee directors. All stock options have been granted at a price not less than fair market value at the date of grant and become exercisable over periods of one to four years from the date of grant. Stock options generally have a term of 10 years. Current plans also allow for issuance of restricted stock or stock appreciation rights in lieu of options. Grants of restricted shares are not significant in any year presented. No stock appreciation rights have been granted.

A summary of stock option activity related to the Company's plans is as follows:

	Shares	Weighted Average Exercise Price
Outstanding at September 27, 1996	566,221	$20.37
Granted	256,000	12.09
Exercised	(24,400)	6.93
Cancelled	(111,300)	16.95
Outstanding at October 3, 1997	686,521	18.32
Granted	247,000	17.01
Exercised	(10,243)	13.96
Cancelled	(321,217)	19.11
Outstanding at October 2, 1998	602,061	17.43
Granted	**353,000**	**8.53**
Cancelled	**(176,224)**	**14.67**
Outstanding at October 1, 1999	**778,837**	**$14.02**

Other information regarding the Company's stock option plans is as follows:

	1999	1998	1997
Options exercisable at end of year	**324,990**	257,055	388,264
Weighted average exercise price of exercisable options	**$18.63**	$19.14	$20.75
Weighted average fair value of options granted during year	**3.31**	6.82	4.87

At October 1, 1999, the weighted average remaining contractual life of stock options outstanding is approximately 7.8 years. Exercise prices of outstanding stock options range from $6.81 to $25.31 at October 1, 1999.

Had compensation cost for the Company's stock options been determined using the fair value method, the Company's pro forma operating results would have been as follows:

	1999	1998	1997
Net income	**$6,504**	$4,542	$1,659
Diluted earnings per common share	**0.80**	0.56	0.20

For purposes of calculating pro forma operating results, the fair value of each option grant was estimated using the Black-Scholes option pricing model with an expected volatility of 35%, a risk free interest rate equivalent to five year U.S. Treasury securities and an expected life of five years. The pro forma operating results reflect only options granted after 1995.

The Company's employees' stock purchase plan provides for the issuance of up to 150,000 shares of Class A common stock at a purchase price of not less than 85% of the fair market value at the date of grant. During 1999 and 1998, 13,722 and 11,325 shares, respectively, were issued under this plan. No shares were issued under this plan in 1997.

11 RELATED PARTY TRANSACTIONS

Various transactions are conducted between the Company and organizations controlled by the Johnson Family. These include consulting services, office rental, royalties and certain administrative activities. Total net costs of these transactions are $415, $248 and $489 for 1999, 1998 and 1997, respectively.

12 SEGMENTS OF BUSINESS

The Company conducts its worldwide recreation operations through separate global business units, each of which represent major product lines. Operations are conducted in the United States and various foreign countries, primarily in Europe, Canada and the Pacific Basin.

Net sales and operating profit include both sales to customers, as reported in the Company's consolidated statements of operations, and interunit transfers, which are priced to recover cost plus an appropriate profit margin. Identifiable assets represent assets that are used in the Company's operations in each business unit at the end of the years presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

A summary of the Company's operations by business unit is presented below:

	1999	1998	1997
Net sales:			
Outdoor equipment:			
Unaffiliated customers	**$ 92,367**	$ 77,566	$ 74,162
Interunit transfers	**14**	28	12
Diving:			
Unaffiliated customers	**80,200**	90,116	77,393
Interunit transfers	**9**	10	421
Watercraft:			
Unaffiliated customers	**66,461**	47,517	22,885
Interunit transfers	**260**	266	364
Motors:			
Unaffiliated customers	**64,260**	53,249	53,700
Interunit transfers	**1,783**	1,678	1,412
Fishing:			
Unaffiliated customers	**59,184**	58,508	63,799
Interunit transfers	**451**	745	1,021
Other	**1,805**	1,569	11,182
Eliminations	**(2,517)**	(2,727)	(3,230)
	$364,277	$328,525	$303,121
Operating profit (loss):			
Outdoor equipment	**$ 3,546**	$ 1,987	$ 2,824
Diving	**4,877**	10,193	9,644
Watercraft	**12,598**	8,658	4,152
Motors	**3,497**	1,156	1,537
Fishing	**2,111**	367	(1,870)
Other	**(5,006)**	(3,638)	(4,276)
	$ 21,623	$ 18,723	$ 12,011
Identifiable assets:			
Outdoor equipment	**$ 47,760**	$ 49,090	
Diving	**89,693**	104,344	
Watercraft	**54,458**	29,340	
Motors	**25,483**	22,905	
Fishing	**59,651**	62,099	
Other	**25,517**	28,239	
	$302,562	$296,017	

Sales and operating profit of the Plastimo business, which was sold in January 1997, totaling $7,910 and $1,184, respectively, and operating expenses of the Company's corporate headquarters, are included above in the caption "Other."

A summary of the Company's operations by geographic area is presented below:

	1999	1998	1997
Net sales:			
United States:			
Unaffiliated customers	**$229,301**	$194,296	$175,675
Interarea transfers	**6,772**	9,175	9,345
Europe:			
Unaffiliated customers	**109,866**	110,863	101,751
Interarea transfers	**6,628**	6,830	3,922
Other:			
Unaffiliated customers	**25,110**	23,366	25,695
Interarea transfers	**5,491**	1,738	6
Eliminations	**(18,891)**	(17,743)	(13,273)
	$364,277	$328,525	$303,121
Identifiable assets:			
United States	**$171,022**	$151,864	
Europe	**109,478**	128,711	
Other	**22,062**	15,442	
	$302,562	$296,017	

The Company's fishing, motors and watercraft businesses recognized sales to Wal-Mart Stores, Inc. and its affiliated entities totaling $42,600, $37,200 and $33,800 in 1999, 1998 and 1997, respectively. Loss of this customer would have an adverse impact on the operating results of the Company.

13 VALUATION AND QUALIFYING ACCOUNTS

The following summarizes changes to valuation and qualifying accounts:

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Reserves of Businesses Acquired or Sold	Less Deductions	Balance at End of Year
Year ended October 1, 1999:					
Allowance for doubtful accounts	**$ 2,570**	**$2,322**	**$ 14**	**$1,243**	**$ 3,663**
Reserves for inventory valuation	**5,859**	**828**	**—**	**1,544**	**5,143**
Year ended October 2, 1998:					
Allowance for doubtful accounts	2,693	918	35	1,076	2,570
Reserves for inventory valuation	10,220	343	120	4,824	5,859
Year ended October 3, 1997:					
Allowance for doubtful accounts	2,235	1,604	217	1,363	2,693
Reserves for inventory valuation	13,665	445	1,100	4,990	10,220

Deductions include the impact of foreign currency fluctuations on the respective accounts.

14 EARNINGS PER SHARE

Basic earnings per share excludes any dilutive effects of instruments such as options, warrants and convertible securities. Diluted earnings per share includes the impact of such instruments.

The following sets forth the computation of basic and diluted earnings per common share:

	1999	1998	1997
Net income for basic and diluted earnings per share	**$7,022**	$5,212	$2,056
Weighted average shares outstanding	**8,108,781**	8,100,415	8,111,322
Less nonvested restricted stock	**12,206**	5,509	9,222
Basic average common shares	**8,096,575**	8,094,906	8,102,100
Dilutive stock options and restricted stock	**11,653**	18,924	13,218
Diluted average common shares	**8,108,228**	8,113,830	8,115,318
Basic earnings per common share	**$0.87**	$0.64	$0.25
Diluted earnings per common share	**$0.87**	$0.64	$0.25

Substantially all of the Company's outstanding stock options are excluded from the calculation of diluted earnings per common share because the exercise prices of such options exceed the average market price of the Company's common stock.

15 LITIGATION

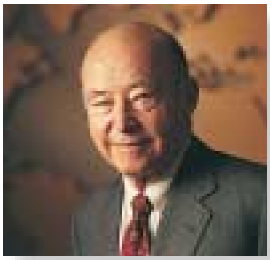
The Company is subject to various legal actions and proceedings in the normal course of business, including those related to environmental matters. The Company is insured against loss for certain of these matters. Although litigation is subject to many uncertainties and the ultimate exposure with respect to these matters cannot be ascertained, management does not believe the final outcome will have a material adverse effect on the financial condition, results of operations, liquidity or cash flows of the Company.

16 QUARTERLY FINANCIAL SUMMARY (UNAUDITED)

The following summarizes quarterly operating results:

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	1999	1998	**1999**	1998	**1999**	1998	**1999**	1998
Net sales	**$60,000**	$51,841	**$104,210**	$97,938	**$119,841**	$106,757	**$80,226**	$71,989
Gross profit	**21,734**	19,194	**42,196**	39,728	**49,105**	42,536	**29,044**	24,506
Operating profit (loss)	**(3,043)**	(2,672)	**10,382**	10,623	**14,990**	11,282	**(706)**	(510)
Net income (loss)	**(3,019)**	(2,784)	**4,377**	4,739	**7,084**	4,904	**(1,420)**	(1,647)
Basic earnings (loss) per common share	**$ (0.37)**	$ (0.34)	**$ 0.54**	$ 0.59	**$ 0.88**	$ 0.61	**$ (0.18)**	$ (0.20)
Diluted earnings (loss) per common share	**$ (0.37)**	$ (0.34)	**$ 0.54**	$ 0.58	**$ 0.87**	$ 0.61	**$ (0.18)**	$ (0.20)

BOARD OF DIRECTORS



SAMUEL C. JOHNSON, 71
Director since 1970.
Chairman of S.C. Johnson & Son, Inc.
Also Director of Mobil Corporation,
H. J. Heinz Company and
Deere & Company.

HELEN P. JOHNSON-LEIPOLD, 42
Chairman and
Chief Executive Officer.
Director since 1994.

THOMAS F. PYLE, JR., 58
Vice Chairman of the Board.
Director since 1987.
Chairman, The Pyle Group.
Also Director of Kewaunee
Scientific Corporation and
Sub Zero Corporation.

GREGORY E. LAWTON, 48
Director since 1997.
President of Johnson Wax
Professional. Also Director of
BICCGeneral and Superior
Metal Products, Inc.

GLENN N. RUPP, 55
Director since 1997.
Chairman and Chief Executive
Officer of Converse Inc.
Also Director of
Consolidated Papers, Inc.

TERRY E. LONDON, 50
Director since 1999.
President and Chief Executive
Officer and a Director of
Gaylord Entertainment Company.

Shareholders' Information

CORPORATE HEADQUARTERS
Johnson Worldwide Associates, Inc.
1326 Willow Road
Sturtevant, Wisconsin 53177 USA
(262) 884-1500

INTERNET ADDRESSES (www.)
jwa.com
dimension.ca (Dimension kayaks)
escapesail.com (Escape sailboats)
eurekatents.com (Eureka! commercial tents)
llboats.com (Leisure Life)
necky.com (Necky)
oceankayak.com (Ocean Kayak)
otccanoe.com (Old Town)
uwatec.com (Uwatec)
wolfskin.de (Jack Wolfskin)

COMMON STOCK
JWA Class A Common Stock is traded on The Nasdaq Stock Market® under the symbol: JWAIA.

ANNUAL MEETING
The Annual Meeting of Shareholders will convene at 10:00 a.m. (CST) on February 17, 2000, at the Company's Headquarters.

TRANSFER AGENT AND REGISTRAR
Firstar Bank Milwaukee, N.A.
Corporate Trust Department
P.O. Box 2077
Milwaukee, Wisconsin 53201
(414) 905-5000

SHAREHOLDER INQUIRIES
Communication concerning the transfer of shares, lost certificates or changes of address should be directed to the Transfer Agent.

Executive Officers

HELEN P. JOHNSON-LEIPOLD, 42
Chairman and Chief Executive Officer.

PATRICK J. O'BRIEN, 41
President and Chief Operating Officer.

CARL G. SCHMIDT, 43
Senior Vice President and
Chief Financial Officer,
Secretary and Treasurer.

MAMDOUH ASHOUR, 61
Group Vice President and
President – Worldwide Diving.

Johnson Worldwide Associates, Inc.

1326 Willow Road

Sturtevant, Wisconsin

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