JOHNSON OUTDOORS INC
Form PREM14A
November 24, 2004

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [_]

Check the appropriate box:

[x] Preliminary Proxy Statement
[ ] **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(c)(2))**
[ ] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14a-12

Johnson Outdoors Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[ ] No fee required.

[x] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

Johnson Outdoors Inc. Class A common stock, par value $0.05 per share (Class A common stock); Johnson Outdoors Inc. Class B common stock, par value $0.05 per share (Class B common stock and, together with Class A common stock, Common Stock); options to purchase shares of Common Stock

2) Aggregate number of securities to which transaction applies:*

* Pursuant to the Agreement and Plan of Merger, dated as of October 28, 2004, by and between JO Acquisition Corp. (the Purchaser) and Johnson Outdoors Inc. (the Company) providing for the merger of the Purchaser with and into the Company (the Merger), shares of Common Stock held by the Purchaser at the effective time of the Merger (Purchaser-Held Shares) are to be cancelled without any consideration payable therefor. In addition, options to purchase shares of Common Stock held by Helen P. Johnson-Leipold and the estate of Samuel C. Johnson (the Rollover Stock Options) are to be converted at the effective time of the Merger into options to acquire shares of common stock of the surviving corporation in the Merger. The aggregate number of securities to which the transaction applies excludes both the anticipated number of Purchaser-Held Shares and the Rollover Stock Options.

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The proposed maximum aggregate value of the transaction, for purposes only of calculating the filing fee, is $87,730,866, which is the sum of (a) the product of (i) the 4,210,134 shares of Common Stock that are proposed to be converted into the right to receive the merger consideration, multiplied by (ii) the merger consideration of $20.10 per share of Common Stock, plus (b) the product of (i) 274,971, the number of shares of Common Stock underlying options to purchase such shares at a per-share exercise price of less than $20.10, multiplied by (ii) the amount by which the per-share merger consideration of $20.10 exceeds the $8.80 per share weighted average exercise price of such options. The filing fee equals the proposed maximum aggregate value of the transaction multiplied by .0001267.

4) Proposed maximum aggregate value of transaction: $87,730,866

5) Total fee paid: $11,116

[ ] Fee paid previously with preliminary materials:

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

PRELIMINARY COPIES

JOHNSON OUTDOORS INC.
555 MAIN STREET
RACINE, WISCONSIN 53403

_____, 200___

To the shareholders of Johnson Outdoors Inc.:

You are cordially invited to attend a special meeting of the shareholders of Johnson Outdoors Inc. to be held on _____, 200__ at _____ a.m., Central time, at the _____ located at _____.

At the special meeting, you will be asked to consider and vote upon a proposal to approve a merger agreement between Johnson Outdoors and JO Acquisition Corp. You will also be asked at the special meeting to consider and vote upon a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the

merger agreement.

The merger agreement provides for the merger of JO Acquisition Corp. with and into Johnson Outdoors, with Johnson Outdoors continuing as the surviving corporation in the merger. JO Acquisition Corp. was formed by our Chairman and Chief Executive Officer, Helen P. Johnson-Leipold, solely for the purpose of acquiring all of the outstanding shares of our common stock not already owned or controlled by members of the family of the late Samuel C. Johnson. Prior to the merger, members of the Johnson family, including Ms. Johnson-Leipold, and several entities through which Johnson family members hold shares of our common stock will contribute to JO Acquisition Corp. the shares of our common stock that they beneficially own. These individuals and entities are referred to in this letter and in the accompanying proxy statement as the participating shareholders. JO Acquisition Corp. has also informed Johnson Outdoors that it may provide an opportunity to certain other descendants of Herbert F. Johnson and members of the extended Johnson family to exchange all or some portion of their respective shares of Johnson Outdoors common stock for equity securities of JO Acquisition Corp.

If the merger is completed, each share of Johnson Outdoors common stock outstanding at the effective time of the merger, other than the shares contributed to JO Acquisition Corp. by the participating shareholders, any other shares held by JO Acquisition Corp. or the participating shareholders and shares as to which a dissenting shareholder has perfected dissenters rights under Wisconsin law, will be canceled and converted into the right to receive $20.10 in cash. As a result of the merger, Johnson Outdoors will be wholly owned by members of the Johnson family and entities controlled by them.

To evaluate the proposed acquisition by members of the Johnson family of all of the outstanding shares of our common stock not already owned or controlled by them, our board of directors formed a special committee consisting of three independent directors, John M. Fahey, Jr., Terry E. London and Thomas F. Pyle, Jr. In its evaluation of the merger and the merger agreement, the special committee considered the opinion of its financial advisor, William Blair & Company, L.L.C., to the effect that, as of the date of the opinion and based on and subject to the assumptions, limitations and qualifications set forth in the opinion, the cash consideration of $20.10 per share to be paid in the merger to shareholders of Johnson Outdoors other than the participating shareholders and JO Acquisition Corp. was fair, from a financial point of view, to such shareholders. The William Blair fairness opinion is attached as Annex D to the enclosed proxy statement. Our board of directors, acting on the unanimous recommendation of the special committee, has approved and adopted the merger agreement.

Both the special committee and our board of directors have determined that the merger and the merger agreement are fair to and in the best interests of our unaffiliated shareholders. Therefore, acting on the recommendation of the special committee, our board of directors recommends that you vote FOR the approval of the merger agreement. Our board of directors also recommends that you vote FOR the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement. The term unaffiliated shareholders, as used in this letter and in the accompanying proxy statement, refers to shareholders that are not affiliated with Johnson Outdoors and, therefore, excludes the participating shareholders, JO Acquisition Corp., our directors and executive officers and any other person who controls, is controlled by or is under common control with Johnson Outdoors.

The merger cannot occur unless the merger agreement is approved by the affirmative vote of

- at least 80% of the votes entitled to be cast by the outstanding shares of our Class A common stock and Class B common stock, voting together as a single voting group;
- at least a majority of the votes entitled to be cast by the outstanding shares of our Class A common stock, voting as a separate voting group;
- at least a majority of the votes entitled to be cast by the outstanding shares of our Class B common stock, voting as a separate voting group; and
- at least 66 2/3% of the votes entitled to be cast by the holders of the outstanding shares of our Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders, voting together as a single voting group.

When the Class A common stock and Class B common stock are voted together as a single voting group, each Class B share entitles its holder to ten votes, and each Class A share entitles its holder to one vote. The participating shareholders own approximately 45.4% of our outstanding Class A common stock and 95.9% of our outstanding Class B common stock, representing approximately 76.5% of the votes entitled to be cast when our Class A and Class B shares vote together as a single voting group. The participating shareholders have agreed to vote in favor of approval of the merger agreement. Our directors and executive officers other than Ms. Johnson-Leipold own approximately 0.4% of our outstanding Class A common stock, representing approximately 0.3% of the votes entitled to be cast when our Class A and Class B shares vote together as a single voting group, and have indicated to us their intention to vote in favor of approval of the merger agreement.

Regardless of the number of shares you own, your vote is very important. Whether or not you plan to attend the meeting, please complete, sign, date and return the enclosed proxy card or complete your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet (or, if your shares are held in street name by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares). You retain the right to revoke the proxy at any time before it is actually voted by giving notice in writing to the Secretary of Johnson Outdoors Inc., by giving notice in open meeting at the special meeting or by submitting a duly executed proxy bearing a later date. If you have instructed a broker, nominee, fiduciary or other custodian to vote your shares, you must follow directions received from the broker, nominee, fiduciary or other custodian to change or revoke your voting instructions.

The enclosed proxy statement provides you with detailed information about the proposed merger, the merger agreement and the special meeting. We urge you to read the entire document carefully, including information incorporated by reference and included in annexes. If you have any questions or require assistance in voting your shares, please call Innisfree M&A Incorporated, our proxy solicitor for the special meeting, toll-free at [ ].

Alisa Swire
Secretary

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of this transaction or the adequacy or accuracy of the disclosure in the enclosed proxy statement. Any representation to the contrary is a criminal offense.

_____

The enclosed proxy statement is dated _____, 200__ and is first being mailed to shareholders on or about _____, 200__.

JOHNSON OUTDOORS INC.
555 MAIN STREET
RACINE, WISCONSIN 53403

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD _____, 200__

To the shareholders of Johnson Outdoors Inc.:

We will hold a special meeting of shareholders of Johnson Outdoors Inc. on _____, 200__ at a.m., Central time, at the _____ located at _____, Wisconsin. The purpose of the meeting is:

1. to consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of October 28, 2004, by and between JO Acquisition Corp. and Johnson Outdoors Inc.;

2. to consider and vote upon a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the Agreement and Plan of Merger referred to in Item 1; and

3. to transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

We have described the merger agreement and the related merger in the accompanying proxy statement, which you should read in its entirety before voting. A copy of the merger agreement is attached as Annex A to the proxy statement. The record date to determine who is entitled to vote at the special meeting is , 200 . Only holders of Johnson Outdoors Inc. common stock at the close of business on the record date are entitled to notice of, and to vote at, the special meeting.

Your vote is important. To make sure your shares are represented at the special meeting, you should, as soon as possible, complete, sign, date and return the enclosed proxy card or complete your proxy by following the instructions supplied on the proxy card for voting by telephone

or via the Internet (or, if your shares are held in street name by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares). You retain the right to revoke the proxy at any time before it is actually voted by giving notice in writing to the Secretary of Johnson Outdoors Inc., by giving notice in open meeting at the special meeting or by submitting a duly executed proxy bearing a later date. If you have instructed a broker, nominee, fiduciary or other custodian to vote your shares, you must follow directions received from the broker, nominee, fiduciary or other custodian to change or revoke your voting instructions.

By Order of the Board of Directors,

Alisa Swire
Secretary

Racine, Wisconsin
_____, 200__

Whether or not you plan to attend the special meeting in person, please complete, sign, date and return the enclosed proxy in the accompanying self-addressed postage pre-paid envelope (or, if your shares are held in "street name" by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares) as soon as possible.

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SUMMARY TERM SHEET

You are being asked to consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of October 28, 2004, by and between JO Acquisition Corp. and Johnson Outdoors, which is referred to in this proxy statement as the merger agreement. The merger agreement provides for the merger of JO Acquisition Corp. with and into Johnson Outdoors. Johnson Outdoors would be the surviving corporation in the merger, and, immediately following the merger, members of the family of the late Samuel C. Johnson and affiliated entities would have direct or indirect ownership of all of the outstanding capital stock of Johnson Outdoors. This summary term sheet briefly describes the most material terms of the proposed merger and may not contain all of the information that is important to you. Johnson Outdoors urges you to read carefully the entire proxy statement, including the information incorporated by reference and the annexes. You may obtain without charge copies of documents incorporated by reference into this proxy statement by following the instructions under WHERE YOU CAN FIND MORE INFORMATION, beginning on page [ ].

Parties Involved in the Proposed Transaction (page [ ])

Johnson Outdoors Inc. Johnson Outdoors is a Wisconsin corporation engaged in the business of designing, manufacturing and marketing outdoor recreation products. Since its initial public offering in 1987, members of the Samuel C. Johnson family and related entities have owned a controlling equity interest in Johnson Outdoors.

Participating Shareholders The participating shareholders consist of members of the family of the late Samuel C. Johnson, together with Johnson Bank and entities through which such family members hold shares of Johnson Outdoors common stock. The participating shareholders include Helen P. Johnson-Leipold, Johnson Outdoors Chairman and Chief Executive Officer, Imogene P. Johnson, S. Curtis Johnson, Dr. H. Fisk Johnson, Winifred J. Marquart, JWA Consolidated, Inc., Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 and Johnson Bank.

JO Acquisition Corp. JO Acquisition Corp. is a recently-formed Wisconsin corporation established by Ms. Johnson-Leipold for the sole purpose of effecting the merger. Prior to the merger, the participating shareholders will contribute to JO Acquisition Corp. shares of Johnson Outdoors common stock beneficially owned by them pursuant to the terms of a contribution agreement among JO Acquisition Corp. and the participating shareholders. The contribution agreement is attached to this proxy statement as Annex B. JO Acquisition Corp. has also informed Johnson Outdoors that it may provide an opportunity to certain other descendants of Herbert F. Johnson and members of the extended Johnson family to exchange all or some portion of their respective shares of Johnson Outdoors common stock for equity securities of JO Acquisition Corp. pursuant to the contribution agreement. No merger consideration will be paid for shares that are exchanged for equity securities of JO Acquisition Corp. As a result of the merger, the participating shareholders and any other persons who exchange Johnson Outdoors shares for equity of JO Acquisition Corp. will collectively acquire 100% ownership of Johnson Outdoors.

The Special Meeting (page [ ])

Matters to be Considered (page [ ]) At the special meeting, shareholders will, among other things, consider and vote upon a proposal to approve the merger agreement.

Date, Time, Place (page [ ]) - The special meeting will be held on _____, 200__ at _____ a.m., Central time, at the _____ located at _____, Wisconsin.

Record Date (page [ ]) Johnson Outdoors has fixed _____, 200__ as the record date for the special meeting. Only holders of record of Johnson Outdoors common stock as of the close of business on the record date are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof.

Required Vote and Voting Rights (pages [ ] and [ ]) Shareholder approval of the merger agreement requires the affirmative vote of

- at least 80% of the votes entitled to be cast at the special meeting by shares of Johnson Outdoors Class A common stock and Class B common stock, voting together as a single voting group;
- at least a majority of the votes entitled to be cast at the special meeting by shares of the Class A common stock, voting as a separate voting group;
- at least a majority of the votes entitled to be cast at the special meeting by shares of the Class B common stock, voting as a separate voting group; and
- at least 66 2/3% of the votes entitled to be cast at the special meeting by the holders of the outstanding shares of Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders, voting together as a single voting group.

When the Class A common stock and Class B common stock vote together as a single voting group, each share of Class A common stock entitles the holder thereof to one vote and each share of Class B common stock entitles the holder thereof to 10 votes. When the Class A common stock or Class B common stock votes as a separate voting group, each share of Class A common stock or Class B common stock, as the case may be, entitles the holder thereof to one vote.

How Shares are Voted (page [ ]) You may vote by attending the special meeting and voting in person by ballot, by completing the enclosed proxy card and then signing, dating and returning it in the postage pre-paid envelope provided or by completing your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet. Submitting a proxy now will not limit your right to vote at the special meeting if you decide to attend in person. If your shares are held of record in street name by a broker, nominee, fiduciary or other custodian and you wish to vote in person at the special meeting, you must obtain from the record holder a proxy issued in your name. LaSalle Bank will provide Johnson Outdoors 401(k) plan participants who hold shares of Johnson Outdoors common stock through the plan with forms on which participants may communicate their voting instructions with respect to those shares.

Revocation of Proxies (page [ ]) You may revoke your proxy at any time before it is actually voted by giving notice in writing to the Secretary of Johnson Outdoors, by giving notice in open meeting at the special meeting or by submitting a duly executed proxy bearing a later date. Attendance at the special meeting will not, by itself, revoke a proxy. If you have given voting instructions to a broker, nominee, fiduciary or other custodian that holds your shares in street name, you may revoke those instructions by following the directions given by the broker, nominee, fiduciary or other custodian.

Structure of the Transaction (page [ ])

The proposed transaction is a merger of JO Acquisition Corp. with and into Johnson Outdoors, which will be the surviving corporation in the merger.

The principal steps that will accomplish the transaction are as follows:

Debt Financing. General Electric Capital Corporation, or GE Capital, has committed, subject to specified terms and conditions, to provide JO Acquisition Corp. with secured debt financing for the merger and related fees and expenses, the refinancing of existing Johnson Outdoors indebtedness, and other corporate purposes.

Contribution of Shares. Immediately prior to the merger, the participating shareholders will contribute or cause to be contributed to JO Acquisition Corp. shares of Johnson Outdoors common stock beneficially owned by them, in exchange for shares of common stock of JO Acquisition Corp., in accordance with a contribution agreement among the participating shareholders and JO Acquisition Corp.

The Merger. Following the finalization of the financing described above and the satisfaction or waiver of other conditions to the merger, the following will occur in connection with the merger:

all shares of Johnson Outdoors common stock that are held (1) in the treasury of Johnson Outdoors, (2) by any wholly-owned subsidiary of Johnson Outdoors, (3) by JO Acquisition Corp. or (4) by any of the participating shareholders will be canceled and retired without any consideration payable therefor;

each other share of Johnson Outdoors common stock issued and outstanding immediately before the merger becomes effective (other than any share as to which a dissenting shareholder has perfected dissenters rights under Wisconsin law) will be converted into the right to receive $20.10 in cash without interest;

each share of JO Acquisition Corp. common stock will be converted into a specified number of shares of common stock of Johnson Outdoors, as the surviving corporation in the merger; and

each holder of a vested or unvested stock option at the effective time of the merger issued under a Johnson Outdoors stock option plan, other than stock options held by Ms. Johnson-Leipold and the estate of Samuel C. Johnson (which will be converted into options to acquire an equivalent amount of shares of the surviving corporation in the merger), will have the right to receive cash in respect of such stock option in an amount equal to the product of (1) the excess, if any, of the per-share merger consideration of $20.10 over the per-share exercise price of such stock option, multiplied by (2) the number of shares subject to such stock option (which amount will be payable without interest, net of any withholding tax and subject to the option holder s having executed a written consent on a form provided by Johnson Outdoors to the effect that the cash payment is in full consideration for the cancellation of such stock option).

Purpose of the Merger (page [ ])

Johnson Outdoors purpose in undertaking the merger is to allow its unaffiliated public shareholders to realize the value of their investment in Johnson Outdoors in cash at a price that represents a premium to the market price of Johnson Outdoors common stock before the public announcement of the initial proposal by members of the Johnson family to acquire 100% ownership of Johnson Outdoors.

For the participating shareholders and JO Acquisition Corp., the purposes of the merger are:

to return Johnson Outdoors' business to private ownership and operate it as a private company, consistent with the other Johnson family enterprises;

to afford Johnson Outdoors greater operating flexibility as a privately-held company, allowing management to concentrate on long-term growth and to reduce its focus on the quarter-to-quarter performance often emphasized by the public markets;

to enable Johnson Outdoors to use in its operations those resources that would otherwise be expended in complying with requirements applicable to public companies; and

to allow the participating shareholders to benefit from any future earnings and growth of Johnson Outdoors after its common stock ceases to be publicly traded.

Certain Effects of the Merger (page [ ])

Among other results of the merger, the shareholders of Johnson Outdoors (other than the participating shareholders) will no longer have any interest in, and will no longer be shareholders of, Johnson Outdoors and will not participate in any future earnings or growth of Johnson Outdoors, and the participating shareholders will own, directly or indirectly, all of the outstanding shares of Johnson Outdoors. Following the merger, Johnson Outdoors common stock will no longer be publicly traded, and Johnson Outdoors will no longer file periodic reports with the Securities and Exchange Commission, or SEC.

Johnson Outdoors Position as to the Fairness of the Merger; Recommendations of the Special Committee and the Board of Directors (pages [ ] and [ ])

Because certain members of Johnson Outdoors board of directors have actual or potential conflicts of interest in evaluating the merger, the board of directors appointed a special committee of independent directors, consisting of Thomas F. Pyle, Jr., Terry E. London and John M.

Fahey, Jr., to evaluate the merger and make recommendations to the board of directors with respect to the merger agreement. In view of their potential conflicts of interest with respect to the merger, Ms. Johnson-Leipold and Gregory E. Lawton, the other current directors of Johnson Outdoors, recused themselves from the board of directors deliberations with respect to the merger and the merger agreement and abstained from voting on the related resolutions, including the recommendations to Johnson Outdoors shareholders described in this proxy statement.

Both the special committee and the board of directors of Johnson Outdoors, after careful consideration of numerous factors, have determined that the merger agreement and the merger are fair to and in the best interests of the unaffiliated shareholders of Johnson Outdoors. The term unaffiliated shareholders, as used in this proxy statement, refers to shareholders that are not affiliated with Johnson Outdoors and, therefore, excludes the participating shareholders, JO Acquisition Corp., directors and executive officers of Johnson Outdoors and any other person who controls, is controlled by or is under common control with Johnson Outdoors.

Acting on the recommendation of the special committee, the board of directors has approved and adopted the merger agreement and approved the merger. **The board of directors, based in part on the unanimous recommendation of the special committee, recommends that the Johnson Outdoors shareholders vote FOR the approval of the merger agreement.**

Opinion of Financial Advisor to the Special Committee (page [ ])

William Blair & Company, L.L.C. has delivered an opinion to the special committee to the effect that, as of October 28, 2004 and based on and subject to the assumptions, limitations and qualifications set forth in the opinion, the cash consideration of $20.10 per share to be paid in the merger to the shareholders of Johnson Outdoors other than the participating shareholders and JO Acquisition Corp. was fair, from a financial point of view, to such shareholders. The full text of William Blair s written opinion is included in this proxy statement as Annex D. You should read the opinion carefully in its entirety.

In connection with the special committee s engagement of William Blair as its financial advisor, Johnson Outdoors agreed to pay William Blair fees of $800,000, none of which is contingent on completion of the merger. Johnson Outdoors also agreed to reimburse William Blair for its out-of-pocket expenses incurred with its engagement as the special committee s financial advisor.

Position of the Participating Shareholders and JO Acquisition Corp. as to the Fairness of the Merger (page [ ])

JO Acquisition Corp. and the participating shareholders believe that the merger is substantively and procedurally fair to the unaffiliated shareholders of Johnson Outdoors. In arriving at their position as to the fairness of the merger, JO Acquisition Corp. and the participating shareholders considered the factors considered by the special committee of the board of directors discussed in the section entitled SPECIAL FACTORS Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending the Approval of the Merger Agreement, as well as the other factors discussed in the section entitled SPECIAL FACTORS Position of the Participating Shareholders and JO Acquisition Corp. as to the Fairness of the Merger.

Interests of Certain Persons in the Merger (page [ ])

In considering the recommendations of the board of directors, you should be aware that certain of Johnson Outdoors executive officers and directors have interests in the transaction that are different from, or are in addition to, the interests of Johnson Outdoors shareholders generally. The special committee and the board of directors were aware of these potential or actual conflicts of interest and considered them along with other matters when they determined to recommend the merger. These interests, which are discussed in detail in the section entitled SPECIAL FACTORS Interests of Certain Persons in the Merger, include the following:

- Ms. Johnson-Leipold is Johnson Outdoors Chairman and Chief Executive Officer and is the President and Chief Executive Officer of JO Acquisition Corp. Upon consummation of the merger, it is anticipated that Ms. Johnson-Leipold will continue in the position of Chairman and Chief Executive Officer of Johnson Outdoors, as the surviving corporation in the merger;

- the participating shareholders will contribute 3,448,113 shares of our Class A common stock and 1,171,294 shares of our Class B common stock to JO Acquisition Corp. immediately prior to the merger pursuant to the terms of the contribution agreement in consideration for an equal number of shares of common stock of JO Acquisition Corp., except that an aggregate of 450,000 of these Class A shares may instead be transferred to third parties by the Samuel C. Johnson Trust Number One u/a September 14, 1988 in satisfaction of pecuniary bequests existing on October 28, 2004, subject to the requirement that, contemporaneously with any such transfer, an amount in cash equal to the product of the number of Class A shares so transferred multiplied by the merger consideration of $20.10 is contributed to JO Acquisition Corp.;

upon consummation of the merger, the Johnson Outdoors stock options held by Ms. Johnson-Leipold and the estate of Samuel C. Johnson will be converted at the effective time of the merger into options to acquire an equivalent amount of shares of common stock of Johnson Outdoors, as the surviving corporation in the merger;

like other holders of Johnson Outdoors stock options other than Ms. Johnson-Leipold and the estate of Samuel C. Johnson (the stock options of which will be converted into options to acquire an equivalent amount of shares of the surviving corporation in the merger), each member of management and the board of directors (other than Ms. Johnson-Leipold) who holds a vested or unvested stock option at the effective time of the merger issued under a Johnson Outdoors stock option plan will have the right to receive cash in respect of such stock option in an amount equal to the product of (1) the excess, if any, of the per-share merger consideration of $20.10 over the per-share exercise price of such stock option, multiplied by (2) the number of shares subject to such stock option;

it is expected that the executive officers of Johnson Outdoors immediately prior to the effective time of the merger will remain executive officers of the surviving corporation and will continue their employment on the terms in effect immediately prior to the effective time;

the merger agreement provides that indemnification and insurance arrangements will be maintained for Johnson Outdoors directors and officers; and

the chairman of the special committee will receive $45,000 and each other member of the special committee will receive $35,000 in consideration of each member s service on the special committee, in each case without regard to whether the special committee recommends approval of the merger agreement or whether the merger is consummated.

Merger Financing (page [ ])

JO Acquisition Corp. has received a commitment letter from GE Capital, pursuant to which GE Capital has committed, subject to certain specified conditions discussed elsewhere in this proxy statement, to enter into definitive agreements to provide financing of up to $142.0 million and 27.0 million . The financing arrangement is expected to consist of a five-year senior secured North American revolving credit facility of up to $85.0 million (including a foreign subfacility of up to $5.0 million, which is to be supported by a guarantee of the Export-Import Bank of the United States), a five-year senior secured North American term loan of up to $7.0 million, a five-year senior secured European term loan of up to 27.0 million and a 66-month senior secured second lien term loan of up to $50 million. Subject to certain limitations, including the absence of adverse tax consequences, the debt financing will be secured by substantially all of the assets of the surviving corporation in the merger and its North American subsidiaries, by a pledge of all of the capital stock of its North American and first-tier foreign subsidiaries and by certain specified assets of its European subsidiaries. The proceeds of the debt financing will be used, together with the available cash of Johnson Outdoors, to pay the merger consideration, to pay related fees and expenses, to refinance certain existing indebtedness of Johnson Outdoors and to provide for a portion of the ongoing working capital needs of the surviving corporation and its subsidiaries.

No Solicitation of Transactions (page [ ])

The merger agreement contains restrictions on Johnson Outdoors ability to solicit or initiate any inquiries, proposals or offers with respect to any competing transaction. Johnson Outdoors, the board of directors and/or the special committee may, however, if specified conditions are satisfied and the board of directors or special committee, as the case may be, determines in good faith that the failure to take such action would be inconsistent with its fiduciary obligations to Johnson Outdoors shareholders (other than participating shareholders), engage in negotiations or discussions with, and provide information about Johnson Outdoors to, any third party that makes a bona fide unsolicited acquisition proposal that the special committee in good faith determines constitutes a superior proposal. The board of directors or special committee may also withdraw or modify its approval or recommendation of the merger agreement and may approve or recommend a superior proposal if it determines in good faith that failure to take such action would be inconsistent with its fiduciary obligations to Johnson Outdoor shareholders (other than participating shareholders).

Conditions to Completion of the Merger (page [ ])

The obligations of Johnson Outdoors and/or JO Acquisition Corp. to complete the merger are subject to the satisfaction or waiver of various conditions specified in the merger agreement, including conditions relating to, among other things:

the absence of any order or law which prevents the consummation of the merger, and the absence of any governmental suit, action or proceeding seeking to prohibit the merger;

the obtaining of any necessary governmental consents and approvals for the transactions contemplated under the merger agreement;

approval of the merger agreement by Johnson Outdoors shareholders;

performance by the parties of their obligations under the merger agreement;

the accuracy of the parties' representations and warranties under the merger agreement;

the receipt by the special committee of the opinion contemplated by the commitment letter of an independent advisor as to solvency of the surviving corporation;

the submission of letters of resignation by the members of the special committee, effective as of the effective time of the merger; and

receipt by JO Acquisition Corp. and/or the surviving corporation (and/or subsidiaries thereof) of the funding contemplated by the commitment letter, which is subject to a number of conditions, including the absence of certain material adverse changes in the business or financial condition or assets of Johnson Outdoors and its North American subsidiaries.

The parties do not have any present intention to waive any of the conditions to the merger and do not anticipate any circumstances under which any of the conditions would be waived.

Termination of the Merger Agreement (page [ ])

The merger agreement may be terminated at any time prior to the effective time of the merger by the mutual written consent of Johnson Outdoors, acting under the direction of the special committee, and JO Acquisition Corp. Either Johnson Outdoors, acting under the direction of the special committee, or JO Acquisition Corp. may also generally terminate the merger agreement at any time prior to the effective time of the merger in the event of:

failure to consummate the merger by March 31, 2005;

court or other governmental action prohibiting the merger; or

failure to obtain shareholder approval of the merger agreement at the special meeting.

In addition, JO Acquisition Corp. may terminate the merger agreement at any time prior to the effective time of the merger under specified circumstances relating to:

failure of the representations and warranties of Johnson Outdoors in the merger agreement to be true and correct;

failure of Johnson Outdoors to comply with its obligations under the merger agreement;

the special committee's withdrawing, modifying or changing its approval or recommendation of the merger agreement in a manner adverse to JO Acquisition Corp. or failing to reconfirm its recommendation of the merger agreement to Johnson Outdoors shareholders;

the special committee recommending to the board of directors or Johnson Outdoors shareholders an acquisition proposal other than the merger; or

the special meeting failing to occur on or prior to the 10th day prior to March 31, 2005.

In addition, Johnson Outdoors, acting under the direction of the special committee, may terminate the merger agreement at any time prior to the effective time of the merger under circumstances relating to:

failure of the representations and warranties of JO Acquisition Corp. in the merger agreement to be true and correct;

failure of JO Acquisition Corp. to comply with its obligations under the merger agreement; or

approval by the board of directors, acting upon the recommendation of the special committee, of a superior proposal.

Expenses (page [ ])

In specified circumstances, if the merger agreement is terminated prior to the effective time of the merger, Johnson Outdoors must reimburse up to $3 million of JO Acquisition Corp. s expenses in connection with the merger agreement and the transactions contemplated by the merger agreement.

Regulatory Approvals and Requirements (page [ ])

In connection with the merger, Johnson Outdoors will be required to make certain filings with, and comply with certain laws of, various federal and state governmental agencies. It is currently expected that no regulatory approvals will be required in order to complete the merger.

Voting Agreement (page [ ])

Helen P. Johnson-Leipold, Imogene P. Johnson, S. Curtis Johnson, Dr. H. Fisk Johnson, Winifred J. Marquart, JWA Consolidated, Inc., Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 and Johnson Bank have entered into a voting agreement with JO Acquisition Corp. covering certain shares of Johnson Outdoors common stock beneficially owned by them, providing, among other things, for such shares to be voted at the special meeting in favor of approval of the merger agreement. The voting agreement is attached to this proxy statement as Annex C.

Litigation Related to the Merger (page [ ])

Johnson Outdoors is aware of two purported class action shareholder complaints that have been filed in the Circuit Court of Racine County in the State of Wisconsin on behalf of Johnson Outdoors shareholders who alleged they were injured or threatened with injury arising from the proposed acquisition by members of the Johnson family of 100% ownership of Johnson Outdoors. The actions name Johnson Outdoors and six individual defendants, Samuel C. Johnson, Helen P. Johnson-Leipold, Thomas F. Pyle, Jr., John M. Fahey, Jr., Terry E. London, and Gregory E. Lawton, who constituted the board of directors of Johnson Outdoors at the time the complaints were filed in February 2004. The complaints, which have been consolidated into a single action, challenge the adequacy of the consideration and disclosures relating to the proposed transaction. Johnson Outdoors believes that Johnson Outdoors and the individual defendants have strong defenses to the consolidated action and does not expect the consolidated action to have a material adverse effect on Johnson Outdoors or the consummation of the merger.

Federal Income Tax Consequences (page [ ])

The receipt of cash by a United States holder in exchange for Johnson Outdoors common stock will be a taxable transaction for U.S. federal income tax purposes. In general, United States holders of Johnson Outdoors common stock who receive cash in exchange for their shares pursuant to the merger (including any cash received in connection with the exercise of dissenters rights) should be deemed to have received cash from Johnson Outdoors pursuant to a redemption of the shares held by such shareholder. If the deemed redemption of the shares held by a particular United States holder qualifies as an exchange under section 302(b) of the Internal Revenue Code of 1986, as amended, which is referred to as the Code in this proxy statement, the United States holder will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the holder s adjusted tax basis in the shares and the amount of cash received. If the United States holder holds Johnson Outdoors common stock as a capital asset, any gain or loss should generally be a capital gain or loss. If the United States holder has held the shares for more than 1 year, any gain or loss should generally be a long-term gain or loss. The deductibility of capital losses is subject to limitations. Tax matters are very complex, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the federal, state, local and

foreign tax consequences of the merger. See SPECIAL FACTORS Federal Income Tax Consequences.

Certain Risks in the Event of Bankruptcy (page [ ])

If Johnson Outdoors is insolvent at the time of the merger or becomes insolvent because of the merger, the funds paid to shareholders upon completion of the merger may be deemed to be a fraudulent conveyance under applicable law and therefore may be subject to the claims of Johnson Outdoors creditors. If such claims are asserted by Johnson Outdoors creditors, there is a risk that persons who were shareholders at the effective time of the merger would be ordered by a court to return to Johnson Outdoors trustee in bankruptcy all or a portion of the funds received upon the completion of the merger. The board of directors of Johnson Outdoors has no reason to believe that Johnson Outdoors and its subsidiaries, on a consolidated basis, will be insolvent immediately after giving effect to the merger.

Dissenters Rights (page [ ])

If you do not vote in favor of approval of the merger agreement and you fulfill other procedural requirements, Wisconsin law entitles you to a judicial appraisal of the fair value of your shares.

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers, presented for your convenience only, briefly address some commonly asked questions about the merger. You should still carefully read the entire proxy statement, including the information incorporated by reference and the annexes.

Q: Why am I receiving these materials?

A: The board of directors is providing these proxy materials to give you information for use in determining how to vote in connection with the special meeting.

Q: When and where is the special meeting?

A: The special meeting will be held on _____, 200__ at _____ a.m., Central time, at the _____ located at _____, Wisconsin.

Q: What am I being asked to vote upon?

A: You are being asked to consider and vote upon a proposal to approve the merger agreement, pursuant to which JO Acquisition Corp. will merge with and into Johnson Outdoors, with Johnson Outdoors as the surviving corporation in the merger.

Q: Who can vote on the proposal to approve the merger agreement?

A: All holders of Johnson Outdoors common stock at the close of business on _____, 200__, the record date for the special meeting, may vote in person or by proxy on the proposal to approve the merger agreement at the special meeting.

Q: What vote is required to approve the merger agreement?

A: Shareholder approval of the merger agreement requires the affirmative vote of

at least 80% of the votes entitled to be cast at the special meeting by shares of Johnson Outdoors Class A common stock and Class B common stock, voting together as a single voting group;

at least a majority of the votes entitled to be cast at the special meeting by shares of the Class A common stock, voting as a separate voting group;

at least a majority of the votes entitled to be cast at the special meeting by shares of the Class B common stock, voting as a separate voting group; and

at least 66 2/3% of the votes entitled to be cast at the special meeting by the holders of the outstanding shares of Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders, voting together as a single voting group.

The participating shareholders consist of members of the family of the late Samuel C. Johnson, together with Johnson Bank and entities through which such family members hold shares of Johnson Outdoors common stock, who will collectively acquire 100% ownership of Johnson Outdoors as a result of the merger. The participating shareholders include Helen P. Johnson-Leipold, Johnson Outdoors Chairman and Chief Executive Officer, Imogene P. Johnson, S. Curtis Johnson, Dr. H. Fisk Johnson, Winifred J. Marquart, JWA Consolidated, Inc., Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 and Johnson Bank.

Q: What will happen in the merger?

A: JO Acquisition Corp. will be merged with and into Johnson Outdoors, with Johnson Outdoors continuing as the surviving corporation in the merger. JO Acquisition Corp. was formed by Johnson Outdoors' Chairman and Chief Executive Officer, Helen P. Johnson-Leipold, solely for the purpose of acquiring all of the outstanding shares of Johnson Outdoors common stock not already owned or controlled by members of the family of the late Samuel C. Johnson. Prior to the merger, the participating shareholders will contribute to JO Acquisition Corp. the shares of Johnson Outdoors common stock that they beneficially own. After the merger, Johnson Outdoors will become a privately-held company owned by the participating shareholders.

Q: What will I receive in the merger?

A: You will receive $20.10 in cash in exchange for each share of common stock owned by you at the effective time of the merger, unless either (1) you are a participating shareholder or (2) you vote against approval of the merger agreement and perfect your dissenters rights under Wisconsin law.

Q: What are the reasons for the merger?

A: Johnson Outdoors purpose in undertaking the merger is to allow its unaffiliated public shareholders to realize the value of their investment in Johnson Outdoors in cash at a price that represents a premium to the market price of Johnson Outdoors common stock before the public announcement of the initial proposal by members of the Johnson family to acquire 100% ownership of Johnson Outdoors. For the participating shareholders and JO Acquisition Corp., the purposes of the merger are to return Johnson Outdoors business to private ownership and operate it as a private entity, consistent with the other Johnson family enterprises; to afford Johnson Outdoors greater operating flexibility as a privately-held company, allowing management to concentrate on long-term growth and to reduce its focus on the quarter-to-quarter performance often emphasized by the public markets; to enable Johnson Outdoors to use in its operations those resources that would otherwise be expended in complying with requirements applicable to public companies; and to allow the participating shareholders to benefit from any future earnings and growth of Johnson Outdoors after its common stock ceases to be publicly traded.

Q: What was the role of the special committee?

A: Because certain directors of Johnson Outdoors have actual or potential conflicts of interest in evaluating the merger, the board of directors appointed a special committee of independent directors to review and evaluate the proposed merger.

Q: What is the recommendation of the special committee?

A: The special committee has unanimously recommended to Johnson Outdoors board of directors that the merger and the merger agreement be approved and adopted. In arriving at its conclusion, the special committee considered the opinion of William Blair, its independent financial advisor, that, as of the date of such opinion and based upon and subject to the limitations, qualifications and assumptions set forth in the opinion, the cash consideration of $20.10 per share to be paid in the merger to the shareholders of Johnson Outdoors other than the participating shareholders and JO Acquisition Corp. was fair, from a financial point of view, to such shareholders.

Q: What are the recommendations of the special committee and the board of directors?

A: **The board of directors, based in part on the unanimous recommendation of the special committee, recommends that the Johnson Outdoors shareholders vote FOR the approval of the merger agreement.** Both the special committee and the board of directors of Johnson Outdoors, after careful consideration of numerous factors, have determined that the merger agreement and the merger are fair to and in the best interests of the unaffiliated shareholders of Johnson Outdoors. See SPECIAL FACTORS Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending the Approval of the Merger Agreement on page [_____]. The term unaffiliated shareholders, as used in this proxy statement, refers to shareholders that are not affiliated with Johnson Outdoors and, therefore, excludes the participating shareholders, JO Acquisition Corp., the directors and executive officers of Johnson Outdoors and any other person who controls, is controlled by or is under common control with Johnson Outdoors.

In view of their potential conflicts of interest with respect to the merger, Ms. Johnson-Leipold and Mr. Lawton recused themselves from the board of directors deliberations with respect to the merger and the merger agreement and abstained from voting on the related resolutions, including the recommendation that Johnson Outdoors shareholders vote for the approval of the merger agreement.

Q: What are the consequences of the merger to present members of management and the board of directors?

A: Following the merger, it is expected that the members of the current management will continue as management of the surviving corporation. Like other shareholders, members of management and the board of directors other than Helen P. Johnson-Leipold will be entitled to receive $20.10 per share in cash for each of their shares of Johnson Outdoors common stock. The directors who are members of the special committee are required to tender their resignations effective upon the consummation of the merger. The directors of JO Acquisition Corp. immediately prior to the effective time of the merger will be the initial directors of Johnson Outdoors, as the surviving corporation, until their successors are duly elected and qualified or until their earlier resignation or removal.

Like other holders of Johnson Outdoors stock options other than Ms. Johnson-Leipold and the estate of Samuel C. Johnson (the stock options of which will be converted into options to acquire an equivalent amount of shares of the surviving corporation in the merger), each member of management and the board of directors (other than Ms. Johnson-Leipold) who holds a vested or unvested stock option at the effective time of the merger issued under a Johnson Outdoors stock option plan will have the right to receive cash in respect of such stock option in an amount equal to the product of (1) the excess, if any, of the per-share merger consideration of $20.10 over the per-share exercise price of such stock option, multiplied by (2) the number of shares subject to such stock option (which amount will be payable without interest, net of any withholding tax and subject to the option holder s having executed a written consent on a form provided by Johnson Outdoors to the effect that the cash payment is in full consideration for the cancellation of such stock option).

For more information, see SPECIAL FACTORS Interests of Certain Persons in the Merger on page [ ].

Q: Is the merger subject to the satisfaction of any conditions?

A: Yes. Before completion of the transactions contemplated by the merger agreement, a number of closing conditions must be satisfied or waived. These conditions are described in this proxy statement in the section entitled The Merger Agreement Conditions to the Completion of the Merger. These conditions include, among others, no preliminary or permanent injunction or other order being entered or remaining in effect which prevents the consummation of the merger; no suit, action or proceeding by any governmental entity seeking to prohibit the consummation of the merger being pending; the obtaining of (1) all consents and approvals, if any, from governmental entities required for consummation of the transactions contemplated under the merger agreement and (2) all third party consents listed as part of the merger agreement; and the approval and adoption of the merger agreement and the merger by the required shareholders of Johnson Outdoors. If these conditions are not satisfied or waived, the merger will not be completed even if shareholders vote to adopt the merger agreement.

Q: When do you expect the merger to be completed?

A: We are working toward completing the merger as quickly as possible after the special meeting. We hope to complete the merger during the first calendar quarter of 2005, although there can be no assurance that we will be able to do so.

Q: What are the U.S. federal income tax consequences of the merger to holders of Johnson Outdoors stock other than the participating shareholders?

A: The receipt of cash by a United States holder in exchange for Johnson Outdoors common stock will be a taxable transaction for U.S. federal income tax purposes. In general, United States holders of Johnson Outdoors common stock who receive cash in exchange for their shares pursuant to the merger (including any cash received in connection with the exercise of dissenters rights) should be deemed to have received cash from Johnson Outdoors pursuant to a redemption of the shares held by such shareholder. If the deemed redemption of the shares held by a particular United States holder qualifies as an exchange under section 302(b) of the Code, the United States holder will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the holder s adjusted tax basis in the shares and the amount of cash received. If the United States holder holds Johnson Outdoors common stock as a capital asset, any gain or loss should generally be a capital gain or loss. If the United States holder has held the shares for more than 1 year, any gain or loss should generally be a long-term gain or loss. The deductibility of capital losses is subject to limitations. **Tax matters are very complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You are urged to consult your own tax advisor with respect to your own individual tax consequences as a result of the merger.**

Q: How do I vote my Johnson Outdoors stock?

A: After carefully reading and considering the information contained in this proxy statement, whether or not you plan to attend the special meeting in person, please complete, sign, date and return the enclosed proxy in the accompanying self-addressed postage pre-paid envelope or complete your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet (or, if your shares are held in street name by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares) as soon as possible. For more information on how to vote your shares, see the section entitled THE SPECIAL MEETING How Shares are Voted; Proxies; Revocation of Proxies on page [ ].

Q: What happens if I do not return a proxy card?

A: If you neither vote at the meeting nor grant your proxy as described in this proxy statement, your shares will not be voted, which will have the effect of voting against the approval of the merger agreement.

Q: May I vote in person?

A: Yes. You may attend the special meeting and vote your shares in person whether or not you sign and return your proxy card. If your shares are held of record in street name by a broker, nominee, fiduciary or other custodian and you wish to vote in person at the special meeting, you must obtain from the record holder a proxy issued in your name.

Q: May I change my vote after I have mailed my signed proxy card?

A: Yes. You may revoke your proxy at any time before it is actually voted by giving notice in writing to the Secretary of Johnson Outdoors, by giving notice in open meeting at the special meeting or by submitting a duly executed proxy bearing a later date. Attendance at the special meeting will not, by itself, revoke a proxy. If you have given voting instructions to a broker, nominee, fiduciary or other custodian that holds your shares in street name, you may revoke those instructions by following the directions given by the broker, nominee, fiduciary or other custodian.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Failure to instruct your broker to vote your shares will have the same effect as voting against adoption of the merger agreement.

Q: What does it mean if I receive more than one set of materials?

A. This means you own shares of Johnson Outdoors stock that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker; or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must complete, sign, date and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards that you receive in order to vote all of the shares you own. Each proxy card you receive comes with its own prepaid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope that accompanies that proxy card.

Q: If the merger is completed, how will I receive the cash for my shares?

A. If the merger is completed, you will be contacted by the bank or trust company designated by JO Acquisition Corp. to act as paying agent in connection with the merger. The paying agent will provide instructions that will explain how to surrender stock certificates. You will receive cash for your shares from the paying agent after you comply with these instructions. If your shares are held for you in street name by a broker, nominee, custodian or other fiduciary, you will receive instructions from the broker, nominee, custodian or other fiduciary as to how to effect the surrender of your shares and receive cash for those shares.

Q: Should I send in my stock certificates now?

A: No. If the merger is completed, you will receive written instructions for exchanging your Johnson Outdoors stock certificates for cash.

Q: What rights do I have to seek appraisal of my shares?

A: If you do not vote in favor of approval of the merger agreement, you may seek a judicial appraisal of the fair value of your shares by following the procedures governing dissenters rights specified in Subchapter XIII of the Wisconsin business corporation law, referred to in this proxy statement as the WBCL. A copy of Subchapter XIII of the WBCL is included as Annex E to this proxy statement.

Q: Who can help answer my questions?

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger agreement or the merger, including the procedures for voting your shares, you should call Innisfree M&A Incorporated, our proxy solicitor for the special meeting, toll-free at [ ].

FORWARD-LOOKING STATEMENTS

Any statements in this proxy statement about future expectations, plans and prospects, including statements regarding consummation of the proposed merger, constitute forward-looking statements. In some cases, forward-looking statements may be identified by their incorporation of forward-looking terminology such as anticipate, believe, continue, estimate, expect, intend, may, should or will and other compa expressions. Forward-looking statements are subject to risks and uncertainties, which could cause actual results or outcomes to differ materially from those currently anticipated. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the matters discussed under Management s Discussion and Analysis of Financial Condition and Results of Operations Forward-Looking Statements in Johnson Outdoors most recent quarterly or annual report filed with the SEC, as well as factors relating to the proposed merger, including (i) diversion of management attention from the operations of the business as a result of preparations for the proposed merger and the defense of litigation in connection the proposed merger and (ii) the cost of litigation and other transaction related expenses that are expected to be incurred regardless of whether the proposed merger is consummated. 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 made only as of the date of this proxy statement, and Johnson Outdoors undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. Notwithstanding the foregoing, in the event of any material change in any of the information previously disclosed, Johnson Outdoors will, where relevant and if required by applicable law, (i) update such information through a supplement to this proxy statement and (ii) amend the Transaction Statement on Schedule 13E-3 filed in connection with the merger, in each case, to the extent necessary.

THE SPECIAL MEETING

Date, Time and Place

The special meeting will be held on _____, 200__ at _____a.m., Central time, at the _____ located at _____, Wisconsin.

Matters to be Considered

At the special meeting, shareholders will be asked to:

consider and vote upon a proposal to approve the merger agreement;

consider and vote upon a proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement; and

transact such other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

Record Date; Voting Rights

Johnson Outdoors has fixed _____, 200 as the record date for the special meeting. Only holders of record of Johnson Outdoors common stock as of the close of business on the record date are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. As of the close of business on the record date, there were _____ shares of Johnson Outdoors Class A common stock issued and outstanding held by approximately _____ holders of record and _____ shares of Johnson Outdoors Class B common stock issued and outstanding held by approximately _____ holders of record.

At the special meeting, the Class A common stock and Class B common stock will vote together as a single voting group, except that, in the case of the proposal to approve the merger agreement, the Class A common stock and Class B common stock are also entitled to vote as separate voting groups. When the Class A common stock and Class B common stock vote together as a single voting group, each share of Class A

common stock entitles the holder thereof to one vote and each share of Class B common stock entitles the holder thereof to 10 votes. When the Class A common stock or Class B common stock votes as a separate voting group, each share of Class A common stock or Class B common stock, as the case may be, entitles the holder thereof to one vote.

Quorum

Shares entitled to vote at the special meeting as a separate voting group may take action on a matter at the special meeting only if a quorum of those shares exists with respect to that matter. Accordingly, the presence in person or by proxy of a majority of the votes entitled to be cast by the Class A common stock and Class B common stock voting together as a single voting group will constitute a quorum at the special meeting, except that action on the proposal to approve the merger agreement will also require the presence, in person or by proxy, of

a majority of the votes entitled to be cast by the Class A common stock when voting as a separate voting group; and

a majority of the votes entitled to be cast by the Class B common stock when voting as a separate voting group.

Any shares of Johnson Outdoors common stock held in treasury by Johnson Outdoors or by any of its subsidiaries are not considered to be outstanding on the record date or otherwise entitled to vote at the special meeting for purposes of determining a quorum.

Shares represented by proxies reflecting abstentions and properly executed broker non-votes will be counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote arises when a bank, broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received voting instructions from the beneficial owner.

Required Vote

Shareholder approval of the merger agreement requires the affirmative vote of

at least 80% of the votes entitled to be cast at the special meeting by shares of the Class A common stock and Class B common stock, voting together as a single voting group;

at least a majority of the votes entitled to be cast at the special meeting by shares of the Class A common stock, voting as a separate voting group;

at least a majority of the votes entitled to be cast at the special meeting by shares of the Class B common stock, voting as a separate voting group; and

at least 66 2/3% of the votes entitled to be cast at the special meeting by the holders of the outstanding shares of Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders, voting together as a single voting group.

The participating shareholders have committed to vote in favor of the merger agreement shares beneficially owned by them representing approximately 45.4% of the outstanding Class A common stock and 95.9% of the outstanding Class B common stock, representing approximately 76.5% of the votes entitled to be cast when the Class A and Class B shares vote together as a single voting group. See SPECIAL FACTORS Voting Agreement for a description of the voting agreement. Johnson Outdoors directors and executive officers other than Ms. Johnson-Leipold own approximately 0.4% of our outstanding Class A common stock, representing approximately 0.3% of the votes entitled to be cast when the Class A and Class B shares vote together as a single voting group, and have indicated to Johnson Outdoors their intention to vote in favor of approval of the merger agreement.

In order for shareholders to approve the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement, the votes cast in favor of the proposal must exceed the votes cast against the proposal, with the Class A common stock and Class B common stock voting together as a single voting group.

In the case of the proposal to approve the merger agreement, a failure to vote, a vote to abstain or a broker non-vote will have the same effect as a vote AGAINST the proposal. In the case of the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement, a failure to vote, a vote to abstain or a broker non-vote will have no effect on the outcome of the voting.

If the special meeting is adjourned or postponed for any reason, at any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the meeting (except for any proxies that have been revoked or withdrawn).

How Shares are Voted; Proxies; Revocation of Proxies

You may vote by attending the special meeting and voting in person by ballot, by completing the enclosed proxy card and then signing, dating and returning it in the postage pre-paid envelope provided or by completing your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet. Submitting a proxy now will not limit your right to vote at the special meeting if you decide to attend in person. If your shares are held of record in street name by a broker, nominee, fiduciary or other custodian and you wish to vote in person at the special meeting, you must obtain from the record holder a proxy issued in your name.

Shares represented by a properly executed proxy on the accompanying proxy card will be voted at the special meeting and, when instructions have been given by the shareholder, will be voted in accordance with those instructions. If you submit a proxy by signing and returning a proxy card without giving voting instructions, the persons named as proxies on the proxy card will vote your shares FOR the approval of the merger agreement and FOR the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement.

As of the date of this proxy statement, Johnson Outdoors does not expect a vote to be taken on any matters at the special meeting other than the proposal to approve the merger agreement and the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement. The accompanying proxy card gives the persons named as proxies on the proxy card authority to vote in their discretion with respect to any other matters that properly come before the special meeting.

If you hold shares of Johnson Outdoors common stock as a participant in the Johnson Outdoors Retirement and Savings Plan, the trustee for the Retirement and Savings Plan will vote the shares you hold through the plan as you direct. LaSalle Bank will provide plan participants who hold Johnson Outdoors common stock through the plan with forms on which participants may communicate their voting instructions. If voting directions are not received for shares held in the Retirement and Savings Plan, LaSalle Bank will vote those shares in the same proportion that all shares of Johnson Outdoors common stock in the plan for which voting instructions have been received are voted.

You may revoke your proxy at any time before it is actually voted by giving notice in writing to the Secretary of Johnson Outdoors, by giving notice in open meeting at the special meeting or by submitting a duly executed proxy bearing a later date. Attendance at the special meeting will not, by itself, revoke a proxy. If you have given voting instructions to a broker, nominee, fiduciary or other custodian that holds your shares in street name, you may revoke those instructions by following the directions given by the broker, nominee, fiduciary or other custodian.

Solicitation Of Proxies

This proxy statement is being furnished in connection with the solicitation of proxies by Johnson Outdoors board of directors. Johnson Outdoors will bear the costs of soliciting proxies. These costs include the preparation, assembly and mailing of the proxy statement, the notice of the special meeting of shareholders and the enclosed proxy, as well as the cost of forwarding these materials to the beneficial owners of Johnson Outdoors common stock. Johnson Outdoors directors, officers and regular employees may, without compensation other than their regular compensation, solicit proxies by mail, e-mail or telephone, in person or via the Internet. Johnson Outdoors has retained Innisfree M&A Incorporated, a proxy solicitation firm, for assistance in connection with the solicitation of proxies for the special meeting at a cost of approximately $_____ and reimbursement of reasonable out-of-pocket expenses. Johnson Outdoors will also reimburse brokerage firms, custodians, nominees, fiduciaries and others for expenses incurred in forwarding proxy material to the beneficial owners of Johnson Outdoors common stock.

Dissenters Rights

Shareholders who do not vote in favor of approval of the merger agreement and who otherwise comply with the procedures for perfecting dissenters rights under the applicable statutory provisions of Wisconsin law summarized elsewhere in this proxy statement may demand payment of the fair value of their shares in cash in connection with the consummation of the merger. See SPECIAL FACTORS Dissenters Rights.

Adjournment

If the special meeting is adjourned to a different place, date or time, Johnson Outdoors need not give notice of the new place, date or time if the new place, date or time is announced at the meeting before adjournment, unless a new record date is or must be set for the adjourned meeting. The board of directors must fix a new record date if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

Attending the Special Meeting

In order to attend the special meeting in person, you must be a shareholder of record on the record date, hold a valid proxy from a record holder or be an invited guest of Johnson Outdoors. You will be asked to provide proper identification at the registration desk on the day of the meeting or any adjournment of the meeting.

PARTIES INVOLVED IN THE PROPOSED TRANSACTION

Johnson Outdoors Inc.

555 Main Street
Racine, WI 53403
Telephone: 262-631-6600

Johnson Outdoors is a Wisconsin corporation engaged in the business of designing, manufacturing and marketing outdoor recreation products. Since its initial public offering in 1987, members of the Samuel C. Johnson family and related entities have owned a controlling equity interest in Johnson Outdoors.

Additional information about Johnson Outdoors is contained in its Annual Report on Form 10-K for the fiscal year ended October 3, 2003 and its Quarterly Reports on Form 10-Q for the quarterly periods ended January 2, April 2 and July 2, 2004, each of which is incorporated in this proxy statement by reference. See WHERE YOU CAN FIND MORE INFORMATION on page [<M046>].

JO Acquisition Corp.

555 Main Street
Racine, WI 53403
Telephone: 262-260-4041

JO Acquisition Corp. was formed by Johnson Outdoors Chairman and Chief Executive Officer, Helen P. Johnson-Leipold, solely for the purpose of acquiring all of the outstanding shares of Johnson Outdoors common stock not already owned or controlled by members of the family of the late Samuel C. Johnson. Ms. Johnson-Leipold is the President and Chief Executive Officer and sole director of JO Acquisition Corp.

The Participating Shareholders

c/o J Venture Management, Inc.
555 Main Street
Racine, WI 53403
Telephone: 262-260-4041

Johnson Bank
555 Main Street
Racine, WI 53403
Telephone: 262-619-2912

The participating shareholders consist of members of the family of the late Samuel C. Johnson, together with Johnson Bank and entities through which such family members hold shares of Johnson Outdoors common stock. The participating shareholders include Helen P. Johnson-Leipold, Johnson Outdoors Chairman and Chief Executive Officer, Imogene P. Johnson, S. Curtis Johnson, Dr. H. Fisk Johnson, Winifred J. Marquart, JWA Consolidated, Inc., Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 and Johnson Bank.

Helen P. Johnson-Leipold: Ms. Johnson-Leipold has a principal business address at 555 Main Street, Racine, Wisconsin 53403, and her business telephone number is 262-631-6600. Ms. Johnson-Leipold has served as Chairman and Chief Executive Officer of Johnson Outdoors, Inc. since March 1999. Ms. Johnson-Leipold joined Johnson Outdoors in 1995 and served as Executive Vice President of North American businesses, other than during 1997 when she served as Vice President, Personal & Home Care Products for S.C. Johnson & Son, Inc., located at 1525 Howe Street, Racine, Wisconsin 5340. Since July 2004, Ms. Johnson-Leipold has served as Chairman of the Board of Johnson Financial Group, located at 555 Main Street, Racine, Wisconsin 53403. Ms. Johnson-Leipold has also served as a director of S.C. Johnson & Son, Inc., since 1994 and JohnsonDiversey, Inc., located at 8310 16th Street, PO Box 902, Sturtevant, Wisconsin 53177 since 2002, has been Chairman of The Johnson Foundation, located at 33 East Four Mile Road, Racine, Wisconsin 53042 since 2004 and a Trustee of The S.C. Johnson Fund, Inc. since 1997.

Imogene P. Johnson: Mrs. Johnson has a principal business address at 555 Main Street, Racine, Wisconsin 53403, and her business telephone number is 262-260-4041. Mrs. Johnson is the widow of the late Samuel C. Johnson, and is not actively involved in the business of Johnson Outdoors. Mrs. Johnson has served as Chairman of the Board of The Prairie School, located at 4050 Lighthouse Drive, Racine, Wisconsin 53042, since 1983. Mrs. Johnson is not engaged in any other business activity.

Dr. H. Fisk Johnson: Dr. H. Fisk Johnson has a principal business address at 1525 Howe Street, Racine, Wisconsin 53403, and his business telephone number is 800-494-4855. Dr. Johnson joined S.C. Johnson & Son, Inc., a family company that specializes in the development of consumer products, in 1987 as a Marketing Associate and held a series of positions of increasing responsibility until becoming Chairman in October 2000. Dr. Johnson also serves as Chairman of the Board of S.C. Johnson & Son, Inc. Since 2002, he has served as a member of President Bush s Advisory Committee for Trade Policy and Negotiation. Dr. Johnson has been a member of the World Business Council for Sustainable Development since 2004; a Director on the Board of Conservation International, located at 1919 M Street, NW, Washington, DC 20036, since 2001; has served on the Executive Board of CI s Center for Environmental Leadership in Business since 2001; and is Trustee Emeritus of Cornell University.

S. Curtis Johnson: Mr. Johnson has a principal business address at 8310 16th Street, PO Box 902, Sturtevant, Wisconsin 53177, and his business telephone number is 262-631-4001. Mr. Johnson is the Chairman of JohnsonDiversey, Inc. , the second largest company serving the Institutional & Industrial marketplace. Mr. Johnson joined S.C. Johnson & Son, Inc. in 1983 and served in a series of positions of increasing responsibility until 1996 when he was named Chairman of Commercial Markets, Inc., a company comprised of two former divisions of S.C. Johnson & Son, Inc., and led the initiative that resulted in acquisition of DiverseyLever in 2002. Mr. Johnson has served as a director of Cargill, Inc., located at PO Box 9300, Minneapolis, Minnesota 55440 since 1999 and of Johnson Financial Group, Inc. since 1994.

Winifred J. Marquart: Ms. Marquart has a principal business address at 555 Main Street, Racine, Wisconsin 53403, and her business telephone number is 262-260-4041. Ms. Marquart has served as the Project Coordinator in Corporate Public Affairs of S.C. Johnson & Son, Inc. since 1986. Ms. Marquart has also been an investor and participant in Windmark Studios, located at 4924 Shell Road, Virginia Beach, Virginia 23455 since 1982. Ms. Marquart has been a Trustee and President of the Johnson Family Foundation since 2004, a member of the board of directors of Johnson Financial Group since 1999 and a member of the Board of Trustees at Norfolk Academy since1999.

Johnson Bank: Johnson Bank is a Wisconsin banking corporation that provides personal banking facilities, online banking, mortgages services, credit services and personalized financial planning to customers at locations in Wisconsin and Arizona. Attached as Annex F hereto is a list of the directors and executive officers of Johnson Bank, as well as the business address of each such director and executive officer. Ms. Johnson-Leipold is indirectly the controlling shareholder of Johnson Bank.

JWA Consolidated, Inc.: JWA Consolidated, Inc. is a Wisconsin corporation owned by trusts organized for the benefit of members of the Johnson family. Its principal business address is at 555 Main Street, Racine, Wisconsin 53403, and its business telephone number is 262-260-4041. JWA Consolidated, Inc. invests in Johnson family enterprises and does not engage in any other business activity. Mrs. Johnson is the President and Mrs. Johnson, Dr. Johnson and Linda L. Sturino are the directors of JWA Consolidated, Inc. Ms. Sturino has a principal business address at 555 Main Street, Racine, Wisconsin 53403 and has served as the Executive Vice President of Johnson Keland Management, Inc., a provider of corporate governance, financial and advisory services to members of the families of Samuel C. Johnson and Karen Johnson Boyd, since 1983.

Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988: The Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 is a trust for which Mrs. Johnson and the Johnson Bank act as co-trustees. The Samuel C. Johnson 1988 Trust Number One u/a September 14, 1988 does not engage in a business.

The participating shareholders that are natural persons are citizens of the United States. During the last five years, none of the participating shareholders and none of the directors and executive officers of any participating shareholder have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or were party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

SPECIAL FACTORS

Structure of the Transaction

The proposed transaction is a merger of JO Acquisition Corp. with and into Johnson Outdoors, which will be the surviving corporation in the merger.

The principal steps that will accomplish the merger are as follows:

Debt Financing. JO Acquisition Corp. has received a commitment letter from GE Capital, pursuant to which GE Capital has committed, subject to certain conditions, to enter into definitive agreements to provide financing of up to $142.0 million and 27.0 million, which will be used, together with the available cash of Johnson Outdoors, to pay the merger consideration, to pay related fees and expenses, to refinance certain existing indebtedness of Johnson Outdoors and to provide for a portion of the ongoing working capital needs of the surviving corporation and its subsidiaries. Subject to certain limitations, the debt financing will be secured by substantially all of the assets of the Johnson Outdoors, as the surviving corporation in the merger, its North American subsidiaries, by a pledge of all of the capital stock of its domestic subsidiaries and first-tier foreign subsidiaries, and by certain specified assets of its European subsidiaries.

Contribution of Shares. Immediately prior to the merger, the participating shareholders will contribute or cause to be contributed to JO Acquisition Corp. shares of Johnson Outdoors common stock beneficially owned by them, in exchange for shares of common stock of JO Acquisition Corp. See CONTRIBUTION AND VOTING AGREEMENTS Contribution Agreement.

The Merger. Following the receipt of the financing described above and the satisfaction or waiver of other conditions to the merger, the following will occur in connection with the merger:

all shares of Johnson Outdoors common stock that are held (1) in the treasury of Johnson Outdoors, (2) by any wholly-owned subsidiary of Johnson Outdoors, (3) by JO Acquisition Corp. or (4) by any of the participating shareholders will be canceled and retired without any consideration payable therefor;

each other share of Johnson Outdoors common stock issued and outstanding immediately before the merger becomes effective (other than any share as to which a dissenting shareholder has perfected dissenters rights under Wisconsin law) will be converted into the right to receive $20.10 in cash without interest;

each share of JO Acquisition Corp. common stock will be converted into a specified number of shares of common stock of Johnson Outdoors, as the surviving corporation in the merger;

each holder of a vested or unvested stock option at the effective time of the merger issued under a Johnson Outdoors stock option plan, other than stock options held by Ms. Johnson-Leipold and the estate of Samuel C. Johnson, will have the right to receive cash in respect of such stock option in an amount equal to the product of (1) the excess, if any, of the per-share merger consideration of $20.10 over the per-share exercise price of such stock option, multiplied by (2) the number of shares subject to such stock option (which amount will be payable without interest, net of any withholding tax and subject to the option holder s having executed a written consent on a form provided by Johnson Outdoors to the effect that the cash payment is in full consideration for the cancellation of such stock option); and

at the effective time of the merger, Johnson Outdoors stock options held by Ms. Johnson-Leipold and the estate of Samuel C. Johnson will be converted into options to acquire an equivalent amount of shares of the surviving corporation in the merger pursuant to the terms of a conversion agreement to be entered into by Johnson Outdoors, JO Acquisition Corp., Ms. Johnson-Leipold and the estate of Samuel C. Johnson.

See "THE MERGER AGREEMENT." As a result of the merger:

the shareholders of Johnson Outdoors (other than the participating shareholders) will no longer have any interest in, and will no longer be shareholders of, Johnson Outdoors and will not participate in any future earnings or growth of Johnson Outdoors;

the participating shareholders will own, directly or indirectly, all of the outstanding shares of Johnson Outdoors;

shares of Johnson Outdoors Class A common stock will no longer be listed on the Nasdaq Stock Market, and price quotations with respect to sales of shares of Johnson Outdoors common stock in the public market will no longer be available; and

the registration of Johnson Outdoors Class A common stock under the Securities Exchange Act of 1934, or Exchange Act, will be terminated, and Johnson Outdoors will cease filing reports with the SEC.

Board of Directors of Johnson Outdoors. The board of directors of Johnson Outdoors after the completion of the merger will initially consist of Ms. Johnson-Leipold.

For additional details regarding the terms and structure of the debt financing, the merger and interests of the participating shareholders in the transaction, see SPECIAL FACTORS Merger Financing, SPECIAL FACTORS Interests of Certain Persons in the Merger and THE MERGER AGREEMENT.

Purpose and Reasons for the Merger

Johnson Outdoors purpose in undertaking the merger is to allow its unaffiliated public shareholders to realize the value of their investment in Johnson Outdoors in cash at a price that represents a premium to the market price of Johnson Outdoors common stock before the public announcement of the initial proposal by members of the Johnson family to acquire 100% ownership of Johnson Outdoors. The special committee and the board of directors of Johnson Outdoors believe, based upon the reasons discussed under SPECIAL FACTORS Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending the Approval of the Merger Agreement, that the merger is fair to and in the best interests of unaffiliated shareholders of Johnson Outdoors.

The participating shareholders and JO Acquisition Corp. intend to effect the merger to acquire all of the outstanding shares of common stock of Johnson Outdoors not already owned by the participating shareholders and JO Acquisition Corp. The merger will allow the participating shareholders and JO Acquisition Corp. to return Johnson Outdoors business to private ownership and operate it as a private company, consistent with the other Johnson family enterprises. The participating shareholders and JO Acquisition Corp. have determined to conduct the merger at this time rather than at a future time because new requirements under the Sarbanes-Oxley Act of 2002 and related rules and regulations of the SEC and The Nasdaq Stock Market, Inc., such as expanded disclosure obligations in reports filed under the Exchange Act and new requirements for the attestation by Johnson Outdoors accounting firm regarding management s report on the effectiveness of the company s internal control over financial reporting, are increasing significantly Johnson Outdoors cost of continuing as a public company, and Johnson Outdoors becoming a private company will eliminate those costs.

The participating shareholders and JO Acquisition Corp. believe that it is best for Johnson Outdoors to operate as a privately-held entity for several reasons. In light of Johnson Outdoors small public float and the low trading volume for the shares of Johnson Outdoors common stock, the participating shareholders and JO Acquisition Corp. believe that the benefits to Johnson Outdoors of having publicly-traded securities have not outweighed the expenses and other requirements imposed on Johnson Outdoors as a public company. Without the constraint of the public market s emphasis on quarterly earnings, especially quarterly earnings growth, and its reaction to public events, the participating shareholders and JO Acquisition Corp. believe that Johnson Outdoors will have greater operating flexibility to focus on enhancing long-term value. The participating shareholders and JO Acquisition Corp. also believe that an emphasis on long-term growth rather than short-term earnings could eventually result in greater business opportunities than would be available to Johnson Outdoors if it remained publicly held. In addition, the participating shareholders and JO Acquisition Corp. believe that, as a privately-held entity, Johnson Outdoors will be able to make decisions that may negatively affect quarterly earnings but that may increase the value of Johnson Outdoors assets or earnings over the long term. In a public-company setting, decisions that negatively affect earnings could significantly reduce per share price if analysts short-term earnings expectations are not met or exceeded. Further, the general level of confidence (or lack thereof) in the stock markets will no longer affect Johnson Outdoors stock price.

For Johnson Outdoors, becoming a private company is expected to reduce certain costs which relate to its being a public company, including legal costs, insurance costs, the costs of certain accounting and auditing activities and internal controls, the cost of annual meetings, the cost of preparing, printing and mailing corporate reports and proxy statements, the expense of a transfer agent and the cost of investor relations activities. Additionally, following the merger, at such time as Johnson Outdoors is no longer subject to the reporting requirements of the Exchange Act, Johnson Outdoors will be able to eliminate a good portion of the time devoted by its management and some of its other employees to matters that relate exclusively to Johnson Outdoors being a public company. As a result, the participating shareholders and JO Acquisition Corp. believe that Johnson Outdoors will be better able as a private company to focus its resources on its business and operations than it is as a public company. The participating shareholders and JO Acquisition Corp. believe that the merger advances these objectives.

In addition to the foregoing factors, the participating shareholders and JO Acquisition Corp. considered the following positive factors:

- the participating shareholders will benefit from any future earnings and growth of Johnson Outdoors after it ceases to be publicly traded; and
- information concerning Johnson Outdoors and its operations, financial results and directors and officers will no longer be available to competitors.

The participating shareholders and JO Acquisition Corp. also considered the following negative factors:

- as a result of the merger and related transactions, the participating shareholders investment in Johnson Outdoors will represent an illiquid investment in the stock of a private company;
- following the merger the participating shareholders will bear the sole burden for any future losses or decrease in enterprise value; and
- Johnson Outdoors debt level and interest expense will increase substantially due to the additional financing necessary to complete the merger. See SPECIAL FACTORS Merger Financing.

The participating shareholders and JO Acquisition Corp. ultimately concluded that the potential detriments of the merger to them were outweighed by the potential benefits of the merger to them.

Background of the Merger

Johnson Outdoors became a public company in October 1987, when it completed an initial public offering of shares of its Class A common stock. Since the initial public offering, members of the Samuel C. Johnson family and related entities, through their ownership of Class A and Class B common stock, have continued to own a majority equity interest in Johnson Outdoors.

In late 2002, Samuel C. Johnson and his daughter, Ms. Johnson-Leipold, began to consider the impact on the growth potential of Johnson Outdoors business of the then-recently enacted securities legislation, in particular the Sarbanes-Oxley Act of 2002, and other recently implemented regulations, corporate governance standards and procedural controls. Mr. Johnson and Ms. Johnson-Leipold considered whether the continuing costs associated with Johnson Outdoors operating as a public company, including the time devoted by its management and some of its other employees to public-company matters, outweighed the benefits to Johnson Outdoors of being a public company. Mr. Johnson and Ms. Johnson-Leipold also discussed the historically small public float of Johnson Outdoors common stock and the desirability of Johnson Outdoors operating as a private company, consistent with the other Johnson family enterprises. See SPECIAL FACTORS Purpose and Reasons for the Merger.

As a result of this assessment, Mr. Johnson and Ms. Johnson-Leipold began to discuss the possibility of pursuing a transaction in which the Johnsons would acquire ownership of 100% of the outstanding common stock of Johnson Outdoors. On several occasions in the spring and early summer of 2003, the Johnsons discussed the possibility of pursuing such a transaction with McDermott Will & Emery LLP, counsel to Mr. Johnson and Ms. Johnson-Leipold. Mr. Johnson and Ms. Johnson-Leipold considered how such a transaction might be financed, and concluded that bank financing was the most feasible strategy consistent with their desire to acquire ownership of 100% of Johnson Outdoors capital stock.

Between May and early July, 2003, Mr. Johnson, Ms. Johnson-Leipold and Roy T. George, Vice President of J Venture Management, Inc., the Johnsons management company, conducted interviews with four investment banks to act as their financial advisor in connection with a possible transaction. On July 17, 2003, J Venture Management, Inc. engaged Valuemetrics Capital, L.L.C. to act as its exclusive financial advisor to assist in exploring a possible transaction with Johnson Outdoors.

Over the next several weeks and months, Mr. Johnson, Ms. Johnson-Leipold and their advisors discussed the structure and financing of a possible transaction to acquire ownership of 100% of the outstanding common stock of Johnson Outdoors. Mr. Johnson and Ms. Johnson-Leipold initially considered the possibility of engaging in a tender offer, but determined that a merger was the most viable structure for the transaction.

In September and October of 2003, at Mr. Johnson and Ms. Johnson-Leipold s request, Mr. George and Valuemetrics began to engage in preliminary discussions with potential financing sources regarding the terms and structure of financing of a possible transaction with Johnson Outdoors, which preliminary discussions continued over the next weeks and months.

Ms. Johnson-Leipold advised the other members of the board of directors of Johnson Outdoors in December 2003 that she and Mr. Johnson were exploring the possibility of making an offer to return Johnson Outdoors to private ownership.

In January 2004, at the request of Mr. Johnson and Ms. Johnson-Leipold, the board of directors adopted a resolution approving any future acquisition or deemed acquisition of beneficial ownership of Johnson Outdoors voting stock by members of the Johnson family or related persons and any other future action or event that would result in such persons becoming an interested stockholder for purposes of Section 180.1141 of the WBCL. The resolution was adopted to preserve the ability of the board of directors to seek to maximize shareholder value by avoiding the application to any potential business combination involving Johnson Outdoors and members of the Johnson family or related persons of the WBCL s three-year prohibition on business combinations with interested stockholders. The approval of this resolution was subject to the condition that any business combination between Johnson Outdoors, on the one hand, and any Johnson family members or related persons that become interested stockholders, on the other hand, would have to be approved either by a majority of the disinterested members of the board of directors or by the affirmative vote of Johnson Outdoors shareholders representing a majority of the votes entitled to be cast by holders of voting stock not beneficially owned by the interested stockholders.

On February 20, 2004, Mr. Johnson and Ms. Johnson-Leipold sent the board of directors a letter proposing that an entity to be formed by them acquire, through a merger with Johnson Outdoors, all of the outstanding shares of Johnson Outdoors common stock not already owned by them or related persons for $18 per share in cash. The letter stated that Mr. Johnson and Ms. Johnson-Leipold had engaged an investment banker and had received indications of interest from nationally recognized lending institutions with respect to financing that, together with amounts available from Johnson Outdoors existing funds, Mr. Johnson and Ms. Johnson-Leipold believed would be sufficient to meet the needs of the proposed transaction and to operate the business going forward, subject to the completion of satisfactory due diligence. The letter stated that it

did not constitute a firm or binding offer, that Mr. Johnson and Ms. Johnson-Leipold were prepared to leave their proposal open until March 22, 2004 and that they reserved the right to amend or withdraw their proposal at any time prior to execution of a definitive merger agreement. The letter also stated that Mr. Johnson and Ms. Johnson-Leipold did not have any interest in selling their Johnson Outdoors shares and therefore would not support an alternative transaction.

In response, the board of directors on February 20, 2004 appointed a special committee of independent directors, consisting of Thomas F. Pyle, Jr., Terry E. London and John M. Fahey, Jr., to evaluate the proposal, to conduct negotiations with respect to the proposal and, in its discretion, to recommend approval or disapproval of the proposal and ultimate terms thereof to the board of directors. In consideration of the expected time and other commitments that would be required of special committee members generally and the chairman of the special committee in particular, the board of directors determined that the chairman of the special committee would receive $45,000 and each other member of the special committee would receive $35,000, plus, in each case, reimbursement of expenses incurred in connection with service on the special committee. The compensation to be paid to the members of the special committee was not made contingent upon the completion of any transaction or on any favorable recommendation by the special committee. The members of the special committee elected Mr. Pyle to serve as chairman of the committee.

On February 20, 2004, Johnson Outdoors issued a press release announcing receipt of the proposal from Mr. Johnson and Ms. Johnson-Leipold and the formation of the special committee. The press release also stated that the annual meeting of Johnson Outdoors shareholders, scheduled for February 25, 2004, would be adjourned to a date to be announced, and that supplementary proxy materials would be mailed to shareholders the following week.

On February 23, 2004, a purported class action shareholder complaint was filed in the Circuit Court of Racine County in the State of Wisconsin on behalf of Johnson Outdoors shareholders naming as defendants the members of the board of directors of Johnson Outdoors and challenging the adequacy of the consideration and disclosures relating to the proposal. A second complaint raising similar claims was filed on March 4, 2004. See SPECIAL FACTORS Litigation Related to the Merger.

On February 25, 2004, Johnson Outdoors announced that the annual meeting of shareholders would be reconvened on March 9, 2004. On February 26, 2004, Johnson Outdoors mailed to shareholders a supplement to the proxy statement for the annual meeting, describing the proposal by Mr. Johnson and Ms. Johnson-Leipold and stating that the proposal would not be considered or acted upon at the annual meeting.

On February 25, 2004, the special committee conducted interviews with three law firms to discuss their possible engagement to represent the special committee. As a result of these interviews, the special committee decided to retain Skadden, Arps, Slate, Meagher & Flom LLP as its legal advisor, based, among other considerations, on that firm s expertise in mergers and acquisitions and securities law, as well as its experience in representing special committees of boards of directors of public companies in going-private transactions. The special committee confirmed that Skadden, Arps had no conflicts of interest with regard to representing the special committee in a transaction involving Johnson Outdoors, members of the Johnson family and related persons. The special committee also interviewed three investment banks to serve as an independent financial advisor to assist in the special committee s evaluation of and, if deemed appropriate, negotiations with respect to the Johnson family proposal. These interviews covered each candidate investment bank s experience in similar engagements, knowledge of Johnson Outdoors and the outdoor recreation products industry, fees and fee structures, potential conflicts and various other matters. Based on these discussions, the special committee made a tentative determination to select William Blair & Company, L.L.C. as its financial advisor.

At its meeting on March 8, 2004, the special committee formalized the engagements of Skadden, Arps and William Blair. Representatives of Skadden, Arps and William Blair attended the meeting. Skadden, Arps provided the special committee with a detailed overview of the fiduciary duties of directors under Wisconsin law and Johnson Outdoors articles of incorporation and bylaws as members of the special committee in the context of a proposed sale of Johnson Outdoors, in general, and the Johnsons proposal, in particular. In addition, Skadden, Arps reported that it had engaged in discussions with McDermott Will & Emery concerning a non-disclosure agreement and a communications protocol that would govern the due diligence process undertaken by representatives of Mr. Johnson and Ms. Johnson-Leipold and their potential financing sources in connection with the proposal.

During the ensuing weeks, a non-disclosure agreement and a communications protocol between Johnson Outdoors and Mr. Johnson and Ms. Johnson-Leipold were negotiated.

Shortly after the special committee s March 8 meeting, Johnson Outdoors began providing financial and other due diligence information to William Blair. During the next several months, William Blair continued to evaluate the financial and other diligence information regarding Johnson Outdoors. Also, a legal due diligence review of Johnson Outdoors was commenced on behalf of the special committee, which review continued through the next several months.

Commencing in early March and continuing through April, 2004, Ms. Johnson-Leipold, Mr. George and Valuemetrics held a series meeting with a number of the prospective lenders with which Mr. George and Valuemetrics had engaged in preliminary discussions to further explore the terms and structure of a possible financing. During this period, the prospective lenders also engaged in preliminary due diligence. Following these meetings and throughout May 2004, the Johnsons advisors engaged in further discussions with the prospective lenders that expressed a continuing interest in providing financing for the proposed transaction.

On March 16, 2004, the special committee met with representatives of Skadden, Arps and William Blair. Representatives of Skadden, Arps reported that Johnson Outdoors, J Venture Management, Inc., Mr. Johnson and Ms. Johnson-Leipold had agreed to the non-disclosure agreement and communications protocol giving the special committee oversight with respect to the release by Johnson Outdoors of information to Mr. Johnson and Ms. Johnson-Leipold, their advisors and their potential financing sources. The special committee agreed that it would be unrealistic for the committee to respond to the Johnsons proposal by the March 22 expiration date and directed Mr. Pyle to explore a more extended timetable.

Following discussions between Mr. Pyle and Ms. Johnson-Leipold, on March 18, 2004, Ms. Johnson-Leipold delivered to the special committee a letter stating that she and Mr. Johnson would extend the effectiveness of their proposal for an additional 60 days. Johnson Outdoors issued a press release on the same day disclosing the extension of the deadline.

On March 19, 2004, the special committee met and received an update from Skadden, Arps regarding discussions with McDermott Will & Emery regarding the proposal and related matters and from William Blair regarding progress relating to its due diligence. Between March 19 and March 24, 2004, representatives of William Blair met with Johnson Outdoors management and provided the special committee with a preliminary draft of discussion materials relating to the proposal. Skadden, Arps provided the special committee and William Blair with a memorandum regarding a preliminary valuation of Johnson Outdoors ranging from approximately $20.00 to $25.56 per share prepared by a third party, Value Incorporated, based on publicly-available information. This valuation had been prepared at the direction of the plaintiffs in the litigation involving Johnson Outdoors and its directors relating to the proposal. During this period, Mr. Pyle met to discuss procedural matters with Mr. George of J Venture Management. Mr. George, together with Valuemetrics, had been designated by Mr. Johnson and Ms. Johnson-Leipold to negotiate on their behalf with respect to the proposal.

The special committee met on March 24, 2004, with representatives of Skadden, Arps and William Blair in attendance. William Blair reviewed with the special committee the previously distributed preliminary draft discussion materials.

On March 29, 2004, the special committee met with representatives of Skadden, Arps and William Blair. Representatives of William Blair reviewed with the special committee draft discussion materials prepared by them relating to the proposal. The meeting participants also discussed the preliminary valuation of Johnson Outdoors prepared by Value Incorporated. The special committee concluded that the current offer of $18 per share was inadequate and instructed William Blair to meet, on behalf of the special committee, as soon as possible with Valuemetrics and Mr. George to engage in further discussions.

On April 14, 2004 and again on April 19, 2004, representatives of William Blair informed Mr. George and Valuemetrics of the special committee s view as to the inadequacy of the proposed $18 per share price. William Blair indicated that the special committee would be receptive to considering a revised proposal at a higher price, but no target price was identified.

The special committee met on April 20, 2004. William Blair reviewed with the special committee its discussions with Mr. George and Valuemetrics. The special committee directed Mr. Pyle and William Blair to continue the discussions.

Between April 20 and May 5, 2004, Mr. Pyle and William Blair, on behalf of the special committee, held several discussions with Mr. George and Valuemetrics to discuss the proposal. Mr. Pyle informed Mr. George that the special committee would not approve a transaction at a price below market and noted that, in recent weeks, closing prices for Johnson Outdoors common stock on the Nasdaq National Market had been around $19.50 per share.

On May 5, 2004, at the request of Mr. Johnson and Ms. Johnson-Leipold, Valuemetrics advised William Blair that the Johnsons were willing to raise their proposed price to $19.10 per share.

On May 5, 2004, Johnson Outdoors acquired Techsonic Industries Inc., a maker of underwater sonar and video viewing and global positioning system technologies, from Teleflex Incorporated, for a cash purchase price of $28 million. The acquisition added the Humminbird® brand to Johnson Outdoors marine electronics group portfolio. In its May 6, 2004 announcement of the Techsonic acquisition, Johnson Outdoors stated that the acquisition was anticipated to be accretive to cash flow and earnings in the first full fiscal year of ownership (fiscal 2005).

At the special committee s May 6, 2004 meeting, Mr. Pyle and representatives of William Blair reported on the discussions to date with the Johnsons representatives. Following a discussion of the new price of $19.10 per share, the special committee instructed Mr. Pyle and representatives of William Blair to seek a further increase in the price offered by the Johnsons.

On May 11, 2004, Mr. Pyle met with Mr. George, and Mr. Pyle informed Mr. George of the special committee s desire for a further increase in the price offered by the Johnsons. Following the meeting, Mr. George notified Mr. Pyle that the Johnsons would be willing to raise their proposed price to $20.10. Mr. George also stated that, given the cash price at which Johnson Outdoors had acquired Techsonic, the Johnsons would not be willing to pay a higher price for Johnson Outdoors common stock based on the anticipated accretive effects of the Techsonic acquisition.

On May 14, 2004, the special committee met, and Mr. Pyle reported to the special committee on the results of the recent negotiations. Representatives of William Blair presented, and the special committee discussed, revised materials reflecting Johnson Outdoors acquisition of Techsonic. Skadden, Arps reviewed again the fiduciary duties of the special committee members under Wisconsin law and Johnson Outdoors articles of incorporation and bylaws in the context of a proposed sale of Johnson Outdoors, in general, and the Johnsons proposal, in particular. The special committee instructed Mr. Pyle to seek an increase in the Johnsons proposed price of $20.10 per share and to raise with the Johnsons representatives certain matters to be included in a proposed merger agreement. Later that day, McDermott Will & Emery delivered a draft merger agreement to Skadden, Arps.

During the week of May 17, 2004, Mr. Pyle discussed with Mr. George the special committee s desire that the proposed merger consideration be increased to more than $20.10 per share. In the evening of May 17, 2004, the special committee met with representatives of Skadden, Arps. Skadden, Arps reviewed with the special committee key issues in the draft merger agreement. The draft merger agreement included a financing condition, but the special committee had received no recent indication from Mr. Johnson, Ms. Johnson-Leipold or Mr. George as to the status of financing for their proposal. The special committee directed Skadden, Arps to respond to the draft merger agreement with the special committee s comments, and to inquire of McDermott Will & Emery as to the status of efforts to obtain financing.

On May 21, 2004, Ms. Johnson-Leipold delivered to the special committee a letter stating that, at the request of the special committee, she and Mr. Johnson were willing to leave their proposal open beyond its expiration date to allow the special committee to continue to evaluate the proposal. Johnson Outdoors issued a press release on the same day disclosing the Johnsons decision to allow the proposal to remain open.

On May 22, 2004, Mr. Johnson passed away.

Between late May and June, 2004, Mr. Pyle held discussions with each of Mr. George and Ms. Johnson-Leipold regarding the proposal and the efforts to obtain financing. Mr. Pyle requested that Ms. Johnson-Leipold s representatives meet with the special committee to discuss the status of their efforts to arrange financing.

During June 2004, Ms. Johnson-Leipold and the Johnsons advisors evaluated the terms on which the prospective lenders were willing to provide financing for the transaction and determined that the terms and structure of the financing commitment proposed by GE Capital would best enable the Johnsons to proceed with and consummate the proposed merger transaction.

The special committee met on June 28, 2004. Ms. Johnson-Leipold, Mr. George and representatives of McDermott Will & Emery attended the meeting to provide information concerning the financing for the Johnsons proposal and to respond to questions. Ms. Johnson-Leipold and Mr. George told the special committee that, after discussions with numerous potential lenders, they had selected GE Capital to provide financing. Mr. George noted that GE Capital had already commenced its due diligence review of Johnson Outdoors and stated that he expected that a draft financing commitment letter would be available within one week, with the possibility of final terms for the commitment letter being established by the end of July 2004. After an extended discussion, Ms. Johnson-Leipold, Mr. George and McDermott Will & Emery departed the meeting. The special committee then discussed with Skadden, Arps the draft merger agreement. The special committee also instructed representatives of William Blair to review Johnson Outdoors most recently revised financial forecasts.

On July 2, 2004, Skadden, Arps transmitted to McDermott Will & Emery the special committee s comments on the draft merger agreement.

During the week following the June 28, 2004 special committee meeting, Mr. Pyle and Mr. George conducted discussions about the status of efforts to obtain financing, and Mr. Pyle invited Ms. Johnson-Leipold to provide a progress report at the next meeting of the special committee.

On July 8, 2004, the special committee met, joined by Ms. Johnson-Leipold, Mr. George and representatives of McDermott Will & Emery. Ms. Johnson-Leipold and Mr. George provided the special committee with an initial draft financing commitment letter from GE Capital, but stated that they anticipated that a further revised draft of the commitment letter would be provided before the Special Committee s comments were requested. Mr. George reported that GE Capital s due diligence review of Johnson Outdoors was still under way and expressed his continuing belief that a financing commitment could be in place by the end of July.

On July 18, 2004, McDermott Will & Emery requested that comments be provided on the initial draft of the financing commitment letter that had been delivered on July 8, 2004, Skadden, Arps provided the special committee members with a description of the proposed terms of the financing commitment letter and discussed the terms of the proposed commitment. On July 20, 2004, Skadden, Arps transmitted to McDermott Will & Emery the comments of the special committee and suggested modifications.

During July and August, 2004 Mr. Pyle held discussions with Mr. George regarding the status of GE Capital s ongoing due diligence and the anticipated timing of an updated financing commitment letter.

On August 23, 2004, McDermott Will & Emery delivered to Skadden, Arps a revised draft merger agreement.

The special committee met on August 24, 2004. Ms. Johnson-Leipold, Mr. George and representatives of McDermott Will & Emery joined the meeting. Ms. Johnson-Leipold and Mr. George reported that the structure of the financing for the proposed transaction had been finalized in discussions with GE Capital. The special committee expressed its concern at the length of time the process had taken, and expressed its strong desire that the Johnsons make progress on obtaining financing for the proposed transaction as soon as possible. The participants then reviewed a transaction timeline. Mr. George advised the special committee that the Johnsons and their advisors believed that they would be in a position to finalize arrangements for the GE Capital financing commitment by the second week of September.

Skadden, Arps delivered to McDermott Will & Emery a mark-up of the draft merger agreement on September 1, 2004 and on the next day discussed with McDermott Will & Emery the remaining open issues.

Between September 3, 2004 and September 22, 2004, Johnson Outdoors prepared its disclosure schedule for the merger agreement and continued to respond to numerous due diligence requests from counsel to GE Capital. During the week of September 13, 2004, Mr. Pyle conveyed to Mr. George the special committee s request for a formal update on the Johnsons transaction proposal and the related financing.

The special committee met again on September 22, 2004. Ms. Johnson-Leipold, Mr. George, and representatives of Valuemetrics and McDermott Will & Emery attended to provide the special committee with a formal update regarding the Johnsons transaction proposal and the financing thereof. Paul A. Lehmann, Johnson Outdoors Chief Financial Officer, and Alisa D. Swire, Johnson Outdoors Vice President, Business Development and Legal Affairs, also attended a portion of the meeting. Mr. George presented to the special committee a revised draft commitment letter from GE Capital and an outline of the structure of the proposed financing. Mr. George reported that the Johnsons were prepared to proceed with the proposal at the $20.10 price that had previously been discussed, despite what he described as a weakening in Johnson Outdoors performance since those earlier discussions. After an extended discussion among the meeting participants, the guests left the meeting, and the special committee reviewed with its financial and legal advisors the status of the transaction, the price being offered and the proposed financing. The special committee directed Skadden, Arps to meet with McDermott Will & Emery to resolve the outstanding issues with respect to the draft merger agreement and ancillary documents.

On September 26, 2004, Mr. George delivered to Mr. Pyle a revised draft, dated September 24, 2004, of the proposed financing commitment letter from GE Capital and indicated that negotiation of the commitment letter had been substantially completed.

On September 27, 2004, Skadden, Arps updated the members of the special committee on the status of negotiations on the merger agreement. The special committee members specified October 8 as a target date, for planning purposes, for formal consideration of the proposed transaction.

At a meeting of the board of directors on September 29, 2004, Johnson Outdoors management presented a revised fiscal-year 2004 forecast and fiscal-year 2005 budget. The special committee met following the board of directors meeting. William Blair provided the special committee with an update on its financial analyses. The special committee discussed the revised fiscal-year 2004 forecast and fiscal-year 2005 budget prepared by management and requested that William Blair circulate revised discussion materials and review the revised forecast and budget data in preparation for the next special committee meeting.

The special committee met on October 1, 2004. Skadden, Arps and Mr. Pyle provided the special committee members with an update on the negotiation of a proposed merger agreement. The special committee also reviewed the discussion materials prepared by William Blair, which reflected the revised fiscal-year 2004 forecast and fiscal-year 2005 budget information provided by Johnson Outdoors management.

On October 6, 2004, Mr. Pyle and Mr. George, together with representatives of Skadden, Arps and McDermott Will & Emery, met to negotiate remaining open items in the merger agreement. The parties also discussed the status of the financing commitment letter. Mr. George indicated that the financing commitment letter still had not been finalized. During the October 6 meeting, Mr. Pyle held discussions with Mr. George regarding the proposed $20.10 per share merger consideration. Mr. Pyle stated that the special committee believed that the price should be increased. Mr. George indicated that he was not in a position to alter the proposed price, but at Mr. Pyle s request would defer a rejection of the requested price increase until the parties could discuss price during the following week.

On October 8, 2004, the special committee met to discuss the draft discussion materials prepared by William Blair that the special committee had previously reviewed at its March 29, May 14 and October 1, 2004 meetings, copies of which had been provided to special committee members, at their request, prior to the October 8 meeting. Mr. Pyle reported to the special committee on his October 6 exchange with Mr. George regarding the proposed merger consideration. The special committee directed Mr. Pyle to seek a higher price.

Mr. Pyle and Mr. George subsequently discussed the status of the financing commitment letter and the special committee s request for an increase in the proposed merger consideration. Mr. George reported that the financing commitment letter had not yet been finalized, and he reaffirmed that there would be no additional increase in the proposed transaction price.

Between October 11 and October 27, 2004, Skadden, Arps and McDermott Will & Emery continued to work on completing Johnson Outdoors disclosure schedule, the merger agreement and related documents, and the updating of the due diligence investigation of Johnson Outdoors on behalf of the special committee was completed. Johnson Outdoors also responded to additional due diligence requests from GE Capital.

In late October 2004, Mr. Pyle spoke with Ms. Johnson-Leipold and requested an increase in the proposed $20.10 per share merger consideration. Ms. Johnson-Leipold rejected the request. Mr. Pyle asked that Ms. Johnson-Leipold discuss the matter with the entire special committee on October 27 and urged her to reconsider her response.

On the morning of October 27, 2004, Mr. Pyle, Mr. Fahey and Mr. London met by teleconference with Ms. Johnson-Leipold and Mr. George. The special committee requested an increase in the proposed merger consideration of $20.10. Following discussion, Ms. Johnson-Leipold rejected the special committee s request and informed the special committee members that the Johnsons were unwilling to proceed with the transaction at a price in excess of $20.10. Ms. Johnson-Leipold and Mr. George then excused themselves from the teleconference. The special committee members deliberated on the results of the meeting with Ms. Johnson-Leipold and Mr. George and the fact that the special committee had not received any third-party indications of interest for an acquisition of Johnson Outdoors, even though the Johnson family proposal had been publicly disclosed eight months earlier.

Also on October 27, 2004, McDermott Will & Emery provided the special committee and its advisors with a copy of the final draft of the financing commitment letter with GE Capital.

On October 28, 2004, the special committee met. At this meeting, Skadden, Arps discussed in detail the fiduciary duties of the special committee members under Wisconsin law and other legal considerations, including provisions of Johnson Outdoors articles of incorporation and bylaws, that the special committee members should take into account in their deliberations regarding the proposed transaction. Among other things, Skadden, Arps discussed the requirement under the articles of incorporation that, in evaluating and responding to a merger proposal, the board of directors consider, among other factors, the consideration being offered in the merger proposal not only in relation to the then-current market price, but also in relation to the then-current value of Johnson Outdoors in a freely negotiated transaction and in relation to the board of directors estimate of the future value of Johnson Outdoors as an independent entity. In addition, Skadden, Arps presented a detailed review of the terms of the draft merger agreement, the financing commitment letter from GE Capital and other related documentation. William Blair reviewed with the special committee the financial aspects of the proposed merger. William Blair discussed, among other things, the historical and projected financial information and historical stock prices of Johnson Outdoors; share price premiums based on historical prices in relation to the proposed merger consideration; and valuation analyses that included an analysis of premiums paid in recent public-company merger-and-acquisition transactions, an analysis of comparable public companies share prices as a multiple of their net incomes and cash flows, an analysis of prices paid in comparable merger-and-acquisition transactions expressed as a multiple of target-company cash flows, a discounted cash flow analysis and a leveraged buyout analysis. William Blair delivered to the special committee its opinion that, as of October 28, 2004 and based on and subject to the assumptions, limitations and qualifications set forth in the opinion, the cash consideration of $20.10 per share to be paid in the merger to the shareholders of Johnson Outdoors other than the participating shareholders and JO Acquisition Corp. was fair, from a financial point of view, to such shareholders. See SPECIAL FACTORS Opinion of Financial Advisor to the Special Committee.

Following discussion and questioning of its advisors, the special committee then determined that the merger agreement and the merger were fair to and in the best interests of Johnson Outdoors unaffiliated shareholders and resolved to recommend that the board of directors approve and adopt the merger agreement and recommend that Johnson Outdoors shareholders vote for approval of the merger agreement.

The October 28, 2004 special committee meeting was followed by a special meeting of the board of directors of Johnson Outdoors. In view of her potential conflict of interest with respect to the proposal by the participating shareholders to acquire 100% ownership of Johnson Outdoors, Ms. Johnson-Leipold recused herself from the board of directors deliberations with respect to the merger and the merger agreement and abstained from voting on the merger agreement and related matters. Mr. Lawton, who is President and Chief Executive Officer of JohnsonDiversey, Inc. a Johnson family enterprise, also recused himself from the board of directors deliberations with respect to the merger and the merger agreement and abstained from voting on the merger agreement and related matters due to the potential conflict of interest.

At the October 28, 2004 meeting of the board of directors, Foley & Lardner LLP, counsel to Johnson Outdoors, discussed in detail the directors fiduciary duties under Wisconsin law relating to a consideration of the merger agreement and related matters. Foley & Lardner LLP also presented a detailed review of the terms of the draft merger agreement, the financing commitment letter from GE Capital and other related documentation. Mr. Pyle, on behalf of the special committee, reviewed for the directors the process undertaken by the special committee in evaluating the Johnson family proposal and negotiating the merger agreement and related matters. Mr. Pyle then delivered the special committee s recommendations to the board of directors with respect to the merger agreement, the merger and related matters. Ms. Johnson-Leipold and Mr. Lawton then recused themselves, and the board of directors proceeded to discuss the proposed merger agreement, the recommendation of the special committee and the process that had been undertaken by the special committee in evaluating and negotiating the proposed transaction.

Members of Johnson Outdoors management then joined the meeting to report on current developments in an intellectual-property litigation matter involving Johnson Outdoors. Following management s report, representatives of the Johnsons informed the board of directors that, before Ms. Johnson-Leipold would cause the merger agreement to be executed, such representatives would need time to update GE Capital on the status of the litigation matter and confirm that GE Capital was prepared to execute the financing commitment letter.

The board of directors then adjourned its meeting. Representatives of the Johnsons held discussions with GE Capital. After reconvening its meeting, the board of directors received from GE Capital an executed copy of its financing commitment letter. Acting on the recommendation of the special committee, the board of directors (with Ms. Johnson-Leipold and Mr. Lawton not voting on the transaction) then determined that the merger agreement and the merger were fair to and in the best interests of Johnson Outdoors unaffiliated shareholders, approved and adopted the merger agreement and resolved to recommend to Johnson Outdoors shareholders that they vote for the approval of the merger agreement.

Following the meeting of the board of directors, the merger agreement and related transaction documents were executed by the parties.

On October 29, 2004, prior to the opening of trading on the Nasdaq Stock Market, Johnson Outdoors issued a press release announcing that its board of directors had approved the merger agreement.

Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending the Approval of the Merger Agreement

Both the special committee and the board of directors of Johnson Outdoors have determined that the merger agreement and the merger are fair to and in the best interests of the unaffiliated shareholders of Johnson Outdoors. The special committee has recommended that the board of directors

approve and adopt the merger agreement;

approve the merger; and

recommend that the shareholders of Johnson Outdoors vote for the approval of the merger agreement.

After considering the recommendation of the special committee, the board of directors has approved and adopted the merger agreement, approved the merger and resolved to recommend to Johnson Outdoors shareholders that they vote for the approval of the merger agreement. In view of their potential conflicts of interest with respect to the proposal by the participating shareholders to acquire 100% ownership of Johnson Outdoors, Ms. Johnson-Leipold and Mr. Lawton recused themselves from the board of directors deliberations with respect to the merger and the merger agreement and abstained from voting on the related resolutions, including the recommendations to Johnson Outdoors shareholders described in this proxy statement.

In reaching their determinations and making their recommendations, both the special committee and the board of directors relied on Johnson Outdoors management to provide accurate and complete financial information, projections and assumptions (based on the best information available to management at that time), as the starting point for their analyses.

In reaching its determination and making its recommendation, the special committee considered factors including:

the opinion delivered by William Blair on October 28, 2004 that, as of that date and based on and subject to the assumptions, limitations and qualifications set forth in the opinion, the cash consideration of $20.10 per share to be paid in the merger to the shareholders of Johnson Outdoors other than the participating shareholders and JO Acquisition Corp. was fair, from a financial point of view, to such shareholders;

the fact that the merger consideration of $20.10 per share in cash to be received by Johnson Outdoors shareholders represented, at the time of the special committee s determination, a 21.2% premium to the average closing price of Johnson Outdoors Class A common stock for the 30 days prior to the February 20, 2004 announcement of the Johnsons initial proposal to acquire 100% ownership of Johnson Outdoors, and a 53.7% premium to the average closing price for the 52 weeks prior to the February 20, 2004 announcement;

the special committee s consideration of the various analyses undertaken by William Blair, each of which is described below under SPECIAL FACTORS Opinion of Financial Advisor to the Special Committee ;

the special committee s belief, based on the performance of Johnson Outdoors common stock immediately following the initial February 20, 2004 announcement of the proposal by members of the Johnson family to acquire 100% ownership of Johnson Outdoors at a price of $18.00 per share, absent any other operational announcement and absent a similar increase in the stock prices of Johnson Outdoors industry peers, that the increase in the market price of Johnson Outdoors common stock following that announcement reflected primarily anticipation of a possible acquisition by Johnson family shareholders, rather than a perception of higher intrinsic value for Johnson Outdoors common stock;

the special committee s belief that the principal advantage of Johnson Outdoors continuing as a public company would be to allow public shareholders to continue to participate in any growth in the value of Johnson Outdoors equity, but that, under all of the relevant circumstances and in view of the historical results of operations, financial condition, assets, liabilities, business strategy and prospects of Johnson Outdoors, the nature of the industry in which Johnson Outdoors competes, and trading characteristics of companies with market capitalization similar in size to that of Johnson Outdoors, and in light of the proposed merger consideration of $20.10 per share, the value to shareholders that would be achieved by continuing as a public company was not likely to be as great as the merger consideration of $20.10 per share;

the active and direct role of the members of the special committee and their representatives in the negotiations with respect to the merger, and the consideration of the transaction by the special committee at numerous special committee meetings;

the negotiations that took place between the special committee and its representatives, on the one hand, and representatives of JO Acquisition Corp., on the other hand, with respect to the increase in the merger consideration from the initial offer at $18.00 per share to $20.10 per share and the belief by the members of the special committee that $20.10 per share was the highest price that the participating shareholders and JO Acquisition Corp. would agree to pay to Johnson Outdoors shareholders;

the merger consideration of $20.10 per share in cash in relation to the then-current market price of Johnson Outdoors common stock, the then-current value of Johnson Outdoors in a freely negotiated transaction and the future value of Johnson Outdoors as an independent entity;

the fact that, to date, no third party has come forward with an alternative transaction proposal;

the belief that no alternative bidder would be able to consummate an acquisition of Johnson Outdoors due to the principal Johnson family shareholders position that they were unwilling to sell their shares of Johnson Outdoors common stock, which shares represent a controlling interest in connection with any transaction involving the acquisition of Johnson Outdoors;

the terms of the merger agreement that permit Johnson Outdoors and the special committee to explore, under specified circumstances, an unsolicited acquisition proposal and, if the special committee determines that an unsolicited acquisition proposal is a superior proposal (meaning that the acquisition proposal would, if consummated, provide greater value to Johnson Outdoors shareholders than the merger, from a financial point of view), that permit the special committee to modify or withdraw

its recommendation with respect to the merger agreement and the merger and to approve or recommend the superior proposal;

Johnson Outdoors' right to terminate the merger agreement to accept a superior proposal;

the status and conditions of the GE Capital debt financing to fund the merger and related expenses and to provide for the ongoing working capital of Johnson Outdoors, and the experience and success of GE Capital in closing other similar transactions;

the significant changes made in the debt financing commitment, relative to the terms of the commitment as initially proposed by GE Capital, to limit the conditions to such financing;

the special committee s understanding that prospective lenders other than GE Capital had met with representatives of the participating shareholders and had independently declined to participate in the financing of the proposed merger on terms acceptable to the participating shareholders;

the representation from JO Acquisition Corp. in the merger agreement as to its belief that, upon the transactions contemplated by the merger agreement, Johnson Outdoors would not be insolvent, would not be left with unreasonably small capital and would not have incurred debts beyond its ability to pay such debts as they mature;

the fact that the receipt by the special committee of an opinion of an independent financial advisor as to Johnson Outdoors solvency following the merger is a condition to Johnson Outdoors obligation to consummate the merger;

the terms and conditions of the voting agreement providing for the principal participating shareholders to vote in favor of approving the merger agreement; and

the availability to shareholders who vote against approval of the merger agreement of dissenters rights under Wisconsin law, which provide shareholders who dispute the fairness of the merger consideration with an opportunity to have a court determine the fair value of their shares.

The special committee believes that each of these factors supported its conclusion that the merger is fair to and in the best interests of Johnson Outdoors unaffiliated shareholders.

In evaluating the merger and related transactions, the special committee did not consider

the net book value of Johnson Outdoors, because it believed that net book value is not a material indicator of the value of Johnson Outdoors as a going concern but rather is indicative of historical costs; or

the liquidation value of Johnson Outdoors, because the special committee considered Johnson Outdoors as a viable, going concern business, and therefore did not consider the liquidation value as a relevant valuation methodology.

In addition, the special committee did not establish, and did not consider, a pre-merger going concern value for the equity of Johnson Outdoors and does not believe there is a single method of determining going concern value, although the special committee believes the analyses of William Blair in their totality may be reflective of going concern value.

The special committee also considered a variety of risks and other potentially negative factors concerning the merger agreement and the transactions contemplated by it, including the merger. These factors included:

the fact that Johnson Outdoors' only recourse in the event of a wrongful termination or material breach of the merger agreement may be against JO Acquisition Corp., a company without assets;

the fact that, following the merger, Johnson Outdoors shareholders will no longer participate in any future earnings of Johnson Outdoors or benefit from any increases in Johnson Outdoors value;

the fact that certain parties, including Ms. Johnson-Leipold and other members of the board of directors, including members of the special committee, may have interests that are different from those of Johnson Outdoors shareholders, as described under SPECIAL FACTORS Interests of Certain Persons in the Merger ;

the limitations contained in the merger agreement on Johnson Outdoors ability to solicit other offers, as well as the possibility that Johnson Outdoors could be required to reimburse JO Acquisition Corp. for up to $3,000,000 of its out-of-pocket expenses in the event that the merger is not consummated;

the fact that the obligation of GE Capital to provide debt financing to pay the merger consideration is subject to conditions outside of Johnson Outdoors control;

the risk of a potential fraudulent conveyance challenge to the merger described under "SPECIAL FACTORS--Certain Risks in the Event of Bankruptcy"; and

the fact that, for U.S. federal income tax purposes, the merger consideration will be taxable to Johnson Outdoors shareholders receiving the merger consideration.

This discussion of the information and factors considered by the special committee in reaching its conclusions and recommendation includes all of the material factors considered by the special committee but is not intended to be exhaustive. In view of the wide variety of factors considered by the special committee in evaluating the merger agreement and the transactions contemplated by it, including the merger, and the complexity of these matters, the special committee did not find it practicable, and did not attempt, to quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the special committee may have given different weight to different factors.

The special committee believes that sufficient procedural safeguards were and are present to ensure the fairness of the merger and to permit the special committee to represent effectively the interests of Johnson Outdoors unaffiliated shareholders. These procedural safeguards include the following:

the special committee's active and intense negotiations, with the assistance of its advisors, with representatives of JO Acquisition Corp. and the Johnsons regarding the merger consideration and the other terms of the merger and the merger agreement;

other than their receipt of board of directors and special committee fees, their indemnification and liability insurance rights under the merger agreement and their entitlement to receive cash in respect of their Johnson Outdoors stock options in connection with the merger, members of the special committee do not have an interest in the merger different from that of Johnson Outdoors shareholders;

the special committee retained and received the advice and assistance of William Blair as its financial advisor and Skadden, Arps as its legal advisor, and requested and received from William Blair an opinion, delivered orally and confirmed in writing on October 28, 2004, with respect to the fairness from a financial point of view of the merger consideration to be received by Johnson Outdoors shareholders other than the participating shareholders and JO Acquisition Corp.;

the requirement that, among other necessary shareholder votes, the proposal to approve the merger agreement receive the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the outstanding shares of Johnson Outdoors Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders;

the recognition by the special committee that it had no obligation to recommend the approval of the merger proposal or any other transaction;

the recognition by the special committee that the board of directors could consider and recommend superior proposals; and

the availability of dissenters' rights under Wisconsin law for Johnson Outdoors' shareholders who oppose the merger.

In light of the procedural safeguards described above, the special committee did not consider it necessary to retain an unaffiliated representative to act solely on behalf of Johnson Outdoors unaffiliated shareholders for purposes of negotiating the terms of the merger agreement or preparing a report concerning the fairness of the merger agreement and the merger.

In reaching its determination that the merger agreement and the merger are fair to and in the best interests of Johnson Outdoors unaffiliated shareholders, the board of directors determined that the analysis of special committee was reasonable and adopted the analysis of the special committee as to the fairness to Johnson Outdoors unaffiliated shareholders of the merger consideration of $20.10 per share. In determining the reasonableness of the special committee s analysis and adopting the special committee s analysis, the board of directors considered and relied upon

- the process the special committee conducted in considering the merger;
- the special committee's having retained and received advice from its independent legal counsel, Skadden, Arps;
- the special committee's having retained and received advice from its independent financial advisor, William Blair;
- the special committee s unanimous recommendation on October 28, 2004 that the board of directors determine that the merger agreement and the merger are fair to and in the best interests of Johnson Outdoors unaffiliated shareholders and approve and adopt the merger agreement and approve the transactions contemplated by the merger agreement, including the merger; and

- the availability of dissenters rights under Wisconsin law for Johnson Outdoors shareholders who oppose the merger.

The board of directors also believes that sufficient procedural safeguards were present to ensure the fairness of the transaction and to permit the special committee to represent effectively the interests of Johnson Outdoors unaffiliated shareholders. The board of directors reached this conclusion based on, among other things:

- the fact that the special committee consisted solely of independent directors who are not affiliated with the participating shareholders;
- the selection and retention by the special committee of its own financial advisor and legal counsel;
- the fact that the negotiations that had taken place between representatives of JO Acquisition Corp. and the Johnsons, on the one hand, and the special committee and its representatives, on the other hand, were structured and conducted so as to preserve the independence of the special committee and promote the fairness of the transaction;
- the fact that the merger agreement and the merger were approved by the members of the board of directors who are not employees of Johnson Outdoors or affiliated with the participating shareholders; and
- the requirement that, among other necessary shareholder votes, the proposal to approve the merger agreement receive the affirmative vote of at least 66 2/3% of the votes entitled to be cast by the holders of the outstanding shares of Johnson Outdoors Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders.

In light of the procedural protections described above, the board of directors, including each of the non-employee directors, did not consider it necessary either to require a separate affirmative vote of a majority of Johnson Outdoors unaffiliated shareholders or to retain an unaffiliated representative to act solely on behalf of Johnson Outdoors unaffiliated shareholders for purposes of negotiating the terms of the merger agreement or preparing a report concerning the fairness of the merger agreement and the merger.

In view of the wide variety of factors considered by the board of directors in evaluating the merger and the complexity of these matters, the board of directors did not find it practicable, and did not attempt, to quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the board of directors may have given different weight to different factors.

Based in part upon the recommendation of the special committee, the board of directors voted to approve and adopt the merger agreement and resolved to recommend that you vote FOR the approval of the merger agreement and FOR the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement.

If the merger is consummated, members of the board of directors other than Ms. Helen Johnson-Leipold will be entitled to receive an aggregate of approximately $1,231,654, consisting of merger consideration and cash in respect of Johnson Outdoors stock options, approximately $921,734 of which would be received by members of the special committee. See SPECIAL FACTORS Interests of Certain Persons in the Merger.

Position of the Participating Shareholders and JO Acquisition Corp. as to the Fairness of the Merger to Johnson Outdoors

Unaffiliated Shareholders

JO Acquisition Corp. and the participating shareholders believe that the terms and conditions of the merger are substantively and procedurally fair to the unaffiliated shareholders. This determination is based on the following factors:

JO Acquisition Corp. and the participating shareholders reviewed the historical financial performance of Johnson Outdoors and its financial results and believe the merger price of $20.10 per share is fair based on that review.

JO Acquisition Corp. and the participating shareholders considered the historical market prices and trading activity of the Johnson Outdoors common stock, including the fact that price of $20.10 per share price to be paid in the merger represents a 21.2% premium over the average closing price of Johnson Outdoors Class A common stock for the 30 days prior to the February 20, 2004 announcement of Ms. Johnson-Leipold s and the late Mr. Johnson s initial proposal to acquire 100% ownership of Johnson Outdoors not owned by the Johnsons, members of their family or entities controlled by them, and a 53.7% premium to the average closing price for the 52 weeks prior to the February 20, 2004 announcement.

The merger will provide consideration to Johnson Outdoors shareholders entirely in cash which will allow them to pursue other investment alternatives.

There has historically been a small public float of Johnson Outdoors common stock, resulting in a lack of liquidity as evidenced by relatively low trading volumes.

The special committee received a written opinion of William Blair, its independent financial advisor, that as of October 28, 2004 and based upon and subject to the assumptions, limitations and qualifications set forth in its opinion, the consideration to be received by holders of shares of Johnson Outdoors common stock pursuant to the merger agreement (other than JO Acquisition Corp. and the participating shareholders, as to which William Blair expressed no view), was fair, from a financial point of view, to such shareholders.

Although JO Acquisition Corp. and the participating shareholders were not part of the deliberation process of the special committee or the board of directors and none of JO Acquisition Corp. or the participating shareholders participated in their respective conclusions as to the fairness of the merger to the unaffiliated shareholders, JO Acquisition Corp. and the participating shareholders found persuasive the conclusions of the board of directors and the special committee as to the fairness of the merger to the unaffiliated shareholders.

The board of directors established a special committee consisting of independent directors who are not, and have not been, officers or employees of Johnson Outdoors, JO Acquisition Corp. or any of their respective affiliates and are not otherwise affiliated with the participating shareholders, which was represented by its own experienced legal counsel, Skadden, Arps, and advised by its own experienced financial advisor, William Blair, to evaluate the merger and make recommendations to the board of directors with respect to the merger agreement.See SPECIAL FACTORSBackground of the Merger. Furthermore, the special committee had the exclusive authority to negotiate the terms of the merger agreement, and the special committee negotiated the terms of the merger agreement on an arm s-length basis.

Consistent with the WBCL, the merger agreement requires the approval of at least 66 2/3% of the votes entitled to be cast at the special meeting by the holders of the outstanding shares of Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders.

The special committee unanimously determined that the merger agreement and the merger are fair to and in the best interests of Johnson Outdoors unaffiliatedshareholders and unanimously recommended to the board of directors that the merger agreement be approved and adopted and the merger be approved, and the merger agreement was approved and adopted and the merger was approved by the members of the board of directors, excluding Ms. Johnson-Leipold and Mr. Lawton, who recused themselves. See SPECIAL FACTORS Background of the Merger and SPECIAL FACTORS Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending Approval of the Merger Agreement.

The merger agreement was the result of arm s-length negotiations in which the special committee, with the assistance of its advisors, vigorously negotiated with the advisors retained by JO Acquisition Corp. the terms and conditions of the merger, including, without limitation, the merger consideration, the representations and warranties, the non-solicitation covenant, the conditions to closing and the termination and expense reimbursement provisions. See SPECIAL FACTORS Background of the Merger.

Neither Ms. Johnson-Leipold nor any of the other participating shareholders participated in the deliberative process of the board of directors during which, the merger and the merger agreement, were discussed.

The board of directors or the special committee, as the case may be, may, at any time prior to shareholder approval of the merger agreement, decline to make, withdraw, modify or change a recommendation that Johnson Outdoors shareholders vote to approve the merger agreement to the extent that the board of directors or the special committee determines in good faith, after consultation with legal counsel, that making such recommendation or the failure to so withdraw, modify or change its recommendation would be inconsistent with its fiduciary duties to Johnson Outdoors shareholders (other than the participating shareholders) under applicable laws, provided that the board of directors or the special committee, as the case may be, immediately notifies JO Acquisition Corp. of its determination to so decline, withdraw, modify or change its recommendation. Any such action by the board of directors or the special committee with respect to its recommendation will not relieve Johnson Outdoors of its obligation to convene the special meeting and to use its reasonable efforts to solicit proxies in favor of approval of the merger agreement.

The merger agreement does not provide for the payment of a breakup or similar fee to JO Acquisition Corp. under any circumstances. However, if Johnson Outdoors terminates the merger agreement in connection with the approval of a superior proposal by the board of directors, acting on the recommendation of the special committee, or if JO Acquisition Corp. terminates the merger agreement due to the special committee s withdrawal, modification or change of its recommendation to shareholders in favor of the merger agreement in a manner adverse to JO Acquisition Corp. at a time when an acquisition proposal is outstanding or otherwise fails to fulfill its obligations to JO Acquisition Corp. in connection with an outstanding third party acquisition proposal, Johnson Outdoors will be obligated to pay the out-of-pocket expenses actually and reasonably incurred by JO Acquisition Corp. and its affiliates in connection with the merger agreement, up to an aggregate maximum of $3,000,000. See THE MERGER AGREEMENT Expenses.

Under Wisconsin law, Johnson Outdoors shareholders who do not vote in favor of approval of the merger agreement and who otherwise comply with the procedures for perfecting dissenters rights under the applicable statutory provisions of Wisconsin law may demand payment of the fair value of their shares in cash in connection with the consummation of the merger, which may be determined to be more or less than the $20.10 per share merger consideration. See SPECIAL FACTORS Dissenters Rights.

Because of the variety of factors considered, JO Acquisition Corp. and the participating shareholders did not find it practicable to and did not attempt to, make specific assessments of, quantify, rank or otherwise assign relative weights to, the specific factors considered in reaching their determination. JO Acquisition Corp. and the participating shareholders felt that there was no need to retain any additional unaffiliated representatives to act on behalf of the shareholders, because the independence of the members of the special committee and the retention by the special committee of its own legal counsel and financial advisor permitted the special committee to effectively represent the interests of such shareholders and because the merger agreement explicitly requires the approval of the merger by the affirmative vote requires the approval of at least 66 2/3% of the votes entitled to be cast at the special meeting by the holders of the outstanding shares of Class A common stock and Class B common stock not beneficially owned by JO Acquisition Corp. or any of the participating shareholders or any affiliate or associate of JO Acquisition Corp. or any of the participating shareholders.

JO Acquisition Corp. and the participating shareholders did not consider net book value or liquidation value in determining the fairness of the merger to the unaffiliated shareholders. JO Acquisition Corp. and the participating shareholders do not believe that net book value, which is an accounting concept, reflects or has any meaningful impact on the market trading prices of Johnson Outdoors common stock. JO Acquisition Corp. and the participating shareholders did not consider liquidation value in determining the fairness of the merger to the unaffiliated shareholders because the Johnson Outdoors business is a viable, going concern business, that will continue to operate upon consummation of the merger.

Johnson Outdoors Position as to the Fairness of the Merger to Johnson Outdoors Unaffiliated Shareholders

The board of directors of Johnson Outdoors believes that the merger agreement and the merger are fair to and in the best interests of Johnson Outdoors unaffiliated shareholders for all of the reasons set forth above under SPECIAL FACTORS Recommendations of the Special Committee and the Board of Directors; Reasons for Recommending the Approval of the Merger Agreement. With a view to conducting a fair process with respect to the negotiation and consideration of the merger, the board of directors established a special committee, consisting of three independent directors of Johnson Outdoors, none of whom has an interest in the merger different from that of Johnson Outdoors shareholders and option holders generally, other than the receipt of board of directors and special committee fees and rights to indemnification and liability insurance under the merger agreement. None of the members of the special committee is an officer or employee of Johnson Outdoors, and none will be a shareholder, director, officer or employee of Johnson Outdoors following the merger. With respect to the fairness of the transaction price in connection with the merger, the board of directors has noted that the participating shareholders indicated, following extensive negotiations with the special committee and its representatives, that the merger consideration of $20.10 in cash per share was the highest price they would be willing to pay.

In reaching these conclusions, the board of directors considered it significant that the special committee retained its own financial and legal advisors who have extensive experience with transactions similar to the merger and who assisted the special committee in evaluating the merger and in negotiating with the participating shareholders and their advisors.

William Blair was retained as financial advisor to the special committee and, in connection with the special committee s October 28, 2004 meeting, was asked by the special committee to render an opinion as to the fairness, from a financial point of view, of the merger consideration. William Blair delivered to the special committee its written opinion that, as of October 28, 2004 and based on and subject to the assumptions, limitations and qualifications set forth in the opinion, the merger consideration was fair, from a financial point of view, to Johnson Outdoors shareholders other than the participating shareholders and JO Acquisition Corp.

The board of directors, based in part on the unanimous recommendation of the special committee, recommends that the Johnson Outdoors shareholders vote FOR the approval of the merger agreement. The board of directors also recommends that you vote FOR the proposal to adjourn the special meeting if necessary to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement. The recommendations of the board of directors were made after consideration of all the material factors, both positive and negative, as described above.

Financial Projections

In connection with JO Acquisition Corp. s review of Johnson Outdoors and in the course of the negotiations between the special committee and JO Acquisition Corp. described in SPECIAL FACTORS Background of the Merger, Johnson Outdoors provided JO Acquisition Corp. with non-public business and financial information. The non-public information included projections of Johnson Outdoors future operating performance. Such projections also were provided to William Blair in its capacity as financial advisor to the special committee. The information set forth below has been excerpted from the materials provided to JO Acquisition Corp. and William Blair, and does not give effect to the transactions contemplated by the merger agreement, including the merger, or the financing of the merger.

Johnson Outdoors does not, as a matter of course, publicly disclose projections of future revenues or earnings. The projections were not prepared with a view to public disclosure and are included in this proxy statement only because such information was made available to JO Acquisition Corp. in connection with its due diligence investigation of Johnson Outdoors. The projections were not prepared with a view to compliance with the published guidelines of the SEC regarding projections, nor were they prepared in accordance with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial projections. Ernst & Young LLP, Johnson Outdoors independent accountants, has neither examined nor compiled the projections, and accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect to the projections. The audit report incorporated by reference into this proxy statement related to Johnson Outdoors historical financial information does not extend to the projections and should not be read to do so. In compiling the projections, Johnson Outdoors management took into account historical performance, combined with projections regarding development activities. The projections were developed in a manner consistent with management s historical development of budgets and long-range operating projections and were not developed for public disclosure. Although the projections were presented with numerical specificity, the projections reflect numerous assumptions and estimates as to future events made by Johnson Outdoors management that Johnson

Outdoors management believed were reasonable at the time the projections were prepared. Failure to achieve any such assumptions would impact the accuracy of the projections. In addition, factors such as industry performance and general business, economic, regulatory, market and financial conditions, all of which are difficult to predict and beyond the control of Johnson Outdoors management, may cause the projections or the underlying assumptions to be inaccurate. Accordingly, there can be no assurance that the projections will be realized, and actual results may be materially greater or less than those contained in the projections. See FORWARD-LOOKING STATEMENTS on page .

Johnson Outdoors does not intend to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even if any or all of the assumptions underlying the projections are shown to be in error.

The projections Johnson Outdoors provided to JO Acquisition Corp. and William Blair included estimates of fiscal year 2004, 2005 and 2006 net sales, gross profit and net income. The materials set forth in the chart below are excerpted from the projections originally provided to JO Acquisition Corp. and William Blair on October 12, 2004.

Selected Income Statement Information	2004	2005	2006
		(in thousands)	
Net sales	$355,300	$365,182	$378,700
Gross profit	147,000	157,388	163,215
Net income	8,998	8,359	14,760

Opinion of the Financial Advisor to the Special Committee

William Blair was retained to act as a financial advisor to the special committee in connection with the proposed merger. In connection with the October 28, 2004 meeting of the special committee, the special committee requested that William Blair render an opinion as to the fairness, from a financial point of view, to the shareholders of Johnson Outdoors (other than the participating shareholders and JO Acquisition Corp.) of the cash consideration to be paid in the merger to such shareholders. On October 28, 2004, William Blair delivered its opinion to the effect that, as of that date and based upon and subject to the assumptions, limitations and qualifications set forth in the opinion, the merger consideration of $20.10 per share in cash to be paid by JO Acquisition Corp. to holders of Johnson Outdoors common stock (other than the participating shareholders and JO Acquisition Corp.) pursuant to the merger agreement was fair, from a financial point of view, to the holders of Johnson Outdoors common stock (other than the participating shareholders and JO Acquisition Corp.).

William Blair s opinion was provided for the use and benefit of the special committee in connection with the special committee s consideration of the transaction contemplated by the draft merger agreement. William Blair s opinion is limited to the fairness, as of the date of the opinion and from a financial point of view, to the holders of Johnson Outdoors common stock (other than the participating shareholders and JO Acquisition Corp.) of the merger consideration to be paid in connection with the merger. The opinion does not address the merits of the underlying decision by Johnson Outdoors to engage in the merger and does not constitute a recommendation to any holder of Johnson Outdoors common stock as to how such shareholder should vote with respect to the merger.

William Blair s opinion was only one of many factors taken into consideration by the special committee in making its determination to recommend the approval of the merger agreement and should not be viewed as determinative of the views of the special committee with respect to the merger or merger consideration. The terms of the merger agreement, however, including the merger consideration, were determined through negotiations between the special committee and JO Acquisition Corp. and were approved by Johnson Outdoors board of directors. William Blair provided financial advice to the special committee during these negotiations, however, William Blair did not recommend to the special committee that any specific price per share or other form of consideration constituted the only appropriate consideration for the merger.

The following summary of William Blair s opinion is qualified in its entirety by reference to the full text of the opinion. The full text of William Blair s written opinion, dated October 28, 2004, is attached as Annex D to this document and incorporated into this document by reference. You are urged to read the entire opinion carefully to learn about the assumptions made, general procedures followed, matters considered and limits on the scope of the review undertaken by William Blair in rendering its opinion. William Blair s opinion will be made available for inspection and copying at the principal offices of Johnson Outdoors at 555 Main Street, Racine, Wisconsin 53403 during normal business hours by any interested Johnson Outdoors shareholder or by his or her representative who has been so designated in writing.

In connection with its opinion, William Blair examined: (a) the draft merger agreement; (b) certain audited historical financial statements of Johnson Outdoors for the five years ended October 3, 2003; (c) the unaudited financial statements of Johnson Outdoors for the year ended September 30, 2004; (d) certain internal business, operating and financial information and forecasts of Johnson Outdoors prepared by the senior management of Johnson Outdoors; (e) the financial terms of the merger compared with publicly available information regarding the financial terms of certain other business combinations that William Blair deemed relevant; (f) the financial position and operating results of Johnson Outdoors compared with those of certain other publicly traded companies that William Blair deemed relevant; (g) current and historical market

prices and trading volumes of the common stock of Johnson Outdoors; and (h) certain other publicly available information about Johnson Outdoors. William Blair also held discussions with members of the senior management of Johnson Outdoors to discuss the foregoing, and considered other matters which were deemed relevant to its inquiry. William Blair also took into account such accepted financial and investment banking procedures and considerations as it deemed relevant.

In rendering its opinion, William Blair assumed and relied upon, without independent verification, the accuracy and completeness of all the information examined by or otherwise reviewed or discussed with it for purposes of the opinion, including, without limitation, the forecasts provided by senior management of Johnson Outdoors. William Blair assumed that Johnson Outdoors was not aware of any information that might be material to its opinion that had not already been made available. William Blair did not make or obtain an independent valuation or appraisal of the assets, liabilities or solvency of Johnson Outdoors. William Blair was advised by the senior management of Johnson Outdoors that the forecasts examined by it had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of Johnson Outdoors as to the future results of operations and financial condition of Johnson Outdoors. In that regard, William Blair assumed, with the consent of the special committee, that all material assets and liabilities (contingent or otherwise) of Johnson Outdoors were as set forth in Johnson Outdoors financial statements or other information made available to William Blair.

William Blair s opinion is based upon economic, market, financial and other conditions existing on, and other information disclosed to it as of, the date of the opinion. The opinion does not predict or take into account any changes which may occur, or information which may become available, after the date of the opinion. It should be understood that, although subsequent developments may affect the opinion, William Blair does not have any obligation to update, revise or reaffirm the opinion. William Blair relied as to all legal matters regarding the merger on advice of counsel to the special committee, and assumed that the merger will be consummated on the terms described in the draft merger agreement, without any amendments thereto and without any waiver of any terms or conditions thereunder. William Blair was not requested to, and did not, participate in the negotiation or structuring of the merger nor was it asked to consider, and its opinion does not address, the relative merits of the merger as compared to any alternative business strategies that might exist for Johnson Outdoors or the effect of any other transaction in which Johnson Outdoors might engage. In connection with its engagement, William Blair was not requested to approach, nor did it hold any discussions with, third parties to solicit indications of interest in a possible acquisition of Johnson Outdoors. Consequently, William Blair expresses no opinion as to whether any alternative transaction might produce consideration for the holders of Johnson Outdoors common stock (other than the participating shareholders and JO Acquisition Corp.) in an amount in excess of the merger consideration.

The following is a summary of the material financial analyses performed and material factors considered by William Blair to arrive at its opinion. William Blair performed certain procedures, including each of the financial analyses described below, and reviewed with the special committee the assumptions upon which such analyses were based, as well as other factors. The financial analyses summarized below include information presented in tabular format. In order to fully understand William Blair s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the accompanying narrative description of the financial analyses, including the assumptions and methodologies underlying the analyses, could create a misleading or incomplete view of William Blair s financial analyses. In performing its analyses, William Blair made numerous assumptions with respect to financial conditions and other matters, many of which are beyond the control of William Blair, Johnson Outdoors and JO Acquisition Corp. Any estimates contained in the analyses performed by William Blair are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. In addition, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. Although the following summary does not purport to describe all of the analyses performed or factors considered by William Blair in this regard, it does describe the principal elements of analyses made by William Blair in arriving at its opinion.

Merger and Acquisition Premiums Paid Analysis

William Blair reviewed available data from 1,200 domestic public transactions that were announced and completed between January 1, 2001 and September 26, 2004, and from this data set, also reviewed transactions with enterprise values between $100 million and $500 million, all transactions in which less than 50% of the target was acquired, all transactions in which the remaining minority interest was acquired by a previously controlling shareholder and all transactions in which the target was taken private. Specifically, for these transactions, William Blair compared the acquisition price per share to the (i) closing price of the target stock one day, one week, one month, two months and three months prior to the announcement of the transaction and (ii) 52-week average, 52-week high and 52-week low of the target stock prior to the announcement of the transaction.

William Blair compared the range of resulting per share stock price premiums for the reviewed transactions to the premiums implied by comparing the $20.10 per share price to be paid in the merger to Johnson Outdoors common stock prices one day, one week, one month, two months and three months prior to the announcement on February 20, 2004 and to the 52-week average, 52-week high and 52-week low of

Johnson Outdoors common stock prior to the announcement.

William Blair noted that none of the selected companies is identical to Johnson Outdoors and that the reasons for, and circumstances surrounding, each of the transactions reviewed were diverse. William Blair also noted that the premiums fluctuate among different industry sectors and based on perceived growth, synergies, strategic value and type of consideration utilized in the transaction. Accordingly, these factors affect the comparison of the premiums implied by the merger versus the premiums paid in these transactions. Information regarding the premiums from William Blair s analysis of selected transactions is set forth in the following table:

		Premiums Paid Percentile Data		
Premium Period	**Implied Transaction Premium at $20.10 Per Share**	**25th**	**50th**	**75th**
All transactions announced and completed between January 1, 2001 and September 26, 2004				
One Day Prior	18.6%	7.2%	27.3%	54.0%
One Week Prior	19.3%	9.9%	31.7%	60.5%
One Month Prior	25.9%	11.2%	34.7%	68.4%
Two Months Prior	45.2%	9.8%	38.3%	81.2%
Three Months Prior	39.5%	8.2%	39.7%	81.4%
52-Week Average Prior	53.7%	(3.3)%	34.1%	68.9%
52-Week High Prior	18.1%	(47.5)%	(7.6)%	4.9%
52-Week Low Prior	125.8%	66.7%	120.0%	217.3%
Transactions in which enterprise value was between $100 million and $500 million				
One Day Prior	18.6%	9.1%	28.9%	51.1%
One Week Prior	19.3%	14.9%	31.9%	58.5%
One Month Prior	25.9%	16.0%	37.8%	68.2%
Two Months Prior	45.2%	15.8%	40.2%	83.3%
Three Months Prior	39.5%	15.4%	42.4%	83.0%
52-Week Average Prior	53.7%	9.3%	37.9%	79.4%
52-Week High Prior	18.1%	(32.1)%	(1.1)%	8.0%
52-Week Low Prior	125.8%	67.1%	121.5%	222.3%
Transactions in which less than 50% of the target was acquired				
One Day Prior	18.6%	0.0%	10.8%	38.4%
One Week Prior	19.3%	(1.4)%	17.9%	37.7%
One Month Prior	25.9%	0.3%	19.1%	43.9%
Two Months Prior	45.2%	(5.0)%	17.5%	56.5%
Three Months Prior	39.5%	(11.9)%	15.9%	58.9%
52-Week Average Prior	53.7%	(7.5)%	10.5%	28.6%
52-Week High Prior	18.1%	(40.9)%	(18.3)%	0.0%
52-Week Low Prior	125.8%	45.4%	79.8%	149.0%
Transactions in which remaining minority interest was acquired by a previously controlling shareholder				
One Day Prior	18.6%	9.7%	33.3%	49.0%
One Week Prior	19.3%	17.5%	31.9%	50.5%
One Month Prior	25.9%	11.7%	24.4%	49.1%
Two Months Prior	45.2%	3.7%	17.7%	78.5%
Three Months Prior	39.5%	1.5%	24.9%	84.7%
52-Week Average Prior	53.7%	4.5%	10.6%	21.9%
52-Week High Prior	18.1%	(28.2)%	(10.8)%	1.6%
52-Week Low Prior	125.8%	59.1%	89.0%	148.6%
Transactions in which target was taken private				
One Day Prior	18.6%	9.8%	34.1%	68.6%

Transactions in which target was taken private				
One Week Prior	19.3%	13.4%	35.5%	74.7%
One Month Prior	25.9%	19.8%	42.2%	73.8%
Two Months Prior				