WOLVERINE WORLD WIDE INC /DE/
Form 10-Q
July 29, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the second twelve week accounting period ended June 19, 2010

OR

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

For the transition period from __________ to __________

Commission File Number: 001-06024

WOLVERINE WORLD WIDE, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**38-1185150**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
9341 Courtland Drive N.E., Rockford, Michigan	**49351**
(Address of Principal Executive Offices)	(Zip Code)

(616) 866-5500

(Registrant s Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No þ

Indicate the number of shares outstanding of each of the issuer s classes of common stock as of the latest practicable date.

There were 63,686,651 shares of Common Stock, $1 par value, outstanding as of July 23, 2010, of which 14,897,837 shares are held as Treasury Stock.

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FORWARD-LOOKING STATEMENTS

This Report on Form 10-Q contains forward-looking statements, which are statements relating to future events. Forward-looking statements are based on management s beliefs, assumptions, current expectations, estimates and projections about the footwear business, worldwide economics and the Company itself. Words such as anticipates, believes, estimates, expects, forecasts, intends, is likely, plans, predicts, projects, should, v words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions (Risk Factors) that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements.

Risk Factors include, but are not limited to:

- uncertainties relating to changes in demand for the Company s products;
- changes in consumer preferences or spending patterns;
- changes in local, domestic or international economic and market conditions;
- the impact of competition and pricing by the Company s competitors;
- the cost and availability of inventories, services, labor and equipment furnished to the Company;
- the ability of the Company to manage and forecast its growth and inventories;
- increased future pension funding requirements;
- changes in duty structures in countries of import and export;
- changes in interest rates, tax laws, duties, tariffs, quotas or applicable assessments;
- foreign currency fluctuations compared to the U.S. dollar, most notably the British pound, Canadian dollar, euro and Chinese yuan;
- the risk of doing business in developing countries and economically volatile areas;
- the cost, availability and production capacity of contract manufacturers;
- the cost and availability of raw materials, including leather and petroleum-based materials;
- changes in planned consumer demand or at-once orders;
- loss of significant customers;
- customer order cancellations;
- the exercise of future purchase options by the U.S. Department of Defense on previously awarded contracts;
- the impact of a global recession on demand for the Company s products;
- the impact of limited credit availability on the Company s suppliers, distributors and customers;

the success of apparel and consumer-direct business initiatives;

changes in business strategy or development plans;

integration of operations of newly acquired businesses;

relationships with international distributors and licensees;

the ability to secure and protect trademarks, patents and other intellectual property;

technological developments;

the ability to attract and retain qualified personnel;

the size and growth of footwear, apparel and accessory markets;

service interruptions at shipping and receiving ports;

changes in the amount or severity of inclement weather;

changes due to the growth of Internet commerce;

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- the popularity of particular designs and categories of footwear;
- the Company s ability to adapt and compete in global apparel and accessory markets;

Additionally, concerns regarding acts of terrorism and international conflict have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand, foreign sourcing of footwear, shipping and transportation, product imports and exports and the sale of products in foreign markets.

These matters are representative of the Risk Factors that could cause a difference between an ultimate actual outcome and a forward-looking statement. Historical operating results are not necessarily indicative of the results that may be expected in the future. The Risk Factors included here are not exhaustive. Investors should review the Risk Factors identified in Item 1A of the Company s Annual Report on Form 10-K for the fiscal year ended January 2, 2010 and any information regarding such Risk Factors included in the Company s subsequent filings with the Securities and Exchange Commission. Other Risk Factors exist, and new Risk Factors emerge from time to time, that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(Thousands of Dollars)
(Unaudited)

	June 19, 2010	January 2, 2010	June 20, 2009
ASSETS			
Current assets:			
Cash and cash equivalents	**$ 110,120**	$ 160,439	$ 79,171
Accounts receivable, less allowances June 19, 2010 $14,217 January 2, 2010 $13,946 June 20, 2009 $14,021	**183,221**	163,755	182,881
Inventories:			
Finished products	**155,363**	140,124	169,516
Raw materials and work-in-process	**15,410**	17,941	14,145
	170,773	158,065	183,661
Deferred income taxes	**9,941**	12,475	10,780
Prepaid expenses and other assets	**9,860**	8,804	12,473
Total current assets	**483,915**	503,538	468,966
Property, plant and equipment:			
Gross cost	**305,903**	303,148	302,348
Less accumulated depreciation	**235,348**	229,196	224,350
	70,555	73,952	77,998
Other assets:			
Goodwill and other non-amortizable intangibles	**54,165**	56,198	55,755
Cash surrender value of life insurance	**36,323**	35,405	37,247
Deferred income taxes	**35,690**	35,094	
Other	**3,865**	3,746	27,796
	130,043	130,443	120,798
Total assets	**$ 684,513**	$ 707,933	$ 667,762

See accompanying notes to consolidated condensed financial statements.

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets continued
(Thousands of Dollars, Except Share and Per Share Data)
(Unaudited)

	June 19, 2010	January 2, 2010	June 20, 2009
LIABILITIES AND STOCKHOLDERS EQUITY			
Current liabilities:			
Accounts payable	**$ 43,038**	$ 42,262	$ 30,826
Accrued salaries and wages	**15,907**	20,751	18,558
Income taxes	**10,530**	18,887	8,923
Accrued pension liabilities	**2,044**	2,044	2,044
Restructuring reserve	**3,340**	5,926	3,115
Other accrued liabilities	**42,506**	42,443	52,713
Current maturities of long-term debt	**492**	538	549
Revolving credit agreement			34,800
Total current liabilities	**117,857**	132,851	151,528
Long-term debt (less current maturities)	**492**	1,077	1,094
Deferred compensation	**5,558**	5,870	6,108
Accrued pension liabilities	**80,476**	84,134	64,582
Other non-current liabilities	**2,019**	1,968	1,999
Stockholders equity			
Common Stock par value $1, authorized 160,000,000 shares; shares issued (including shares in treasury):			
June 19, 2010 63,678,277 shares			
January 2, 2010 62,763,924 shares			
June 20, 2009 62,427,269 shares	**63,678**	62,764	62,427
Additional paid-in capital	**94,316**	81,021	69,037
Retained earnings	**740,472**	706,439	673,713
Accumulated other comprehensive income (loss)	**(47,389)**	(42,806)	(37,556)
Cost of shares in treasury:			
June 19, 2010 14,822,207 shares			
January 2, 2010 13,170,471 shares			
June 20, 2009 13,163,074 shares	**(372,966)**	(325,385)	(325,170)
Total stockholders equity	**478,111**	482,033	442,451
Total liabilities and stockholders equity	**$ 684,513**	$ 707,933	$ 667,762

See accompanying notes to consolidated condensed financial statements.

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Thousands of Dollars, Except Per Share Data)
(Unaudited)

	12 Weeks Ended		24 Weeks Ended	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Revenue	**$ 258,199**	$ 246,438	**$ 543,096**	$ 501,762
Cost of goods sold	**154,093**	153,380	**320,420**	303,441
Restructuring and other transition costs	**425**	1,018	**1,406**	3,338
Gross profit	**103,681**	92,040	**221,270**	194,983
Selling, general and administrative expenses	**76,720**	72,823	**155,260**	148,143
Restructuring and other transition costs	**2,311**	6,901	**2,828**	19,039
Operating profit	**24,650**	12,316	**63,182**	27,801
Other expenses (income):				
Interest expense (income) net	**(4)**	119	**85**	208
Other expense net	**395**	520	**165**	412
	391	639	**250**	620
Earnings before income taxes	**24,259**	11,677	**62,932**	27,181
Income taxes	**7,037**	3,771	**18,251**	8,780
Net earnings	**$ 17,222**	$ 7,906	**$ 44,681**	$ 18,401
Net earnings per share:				
Basic	**$ 0.35**	$ 0.16	**$ 0.91**	$ 0.38
Diluted	**$ 0.35**	$ 0.16	**$ 0.89**	$ 0.37
Cash dividends per share	**$ 0.11**	$ 0.11	**$ 0.22**	$ 0.22

See accompanying notes to consolidated condensed financial statements.

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(Thousands of Dollars)
(Unaudited)

	24 Weeks Ended	
	June 19, 2010	June 20, 2009
OPERATING ACTIVITIES		
Net earnings	**$ 44,681**	$ 18,401
Adjustments necessary to reconcile net earnings to net cash provided by operating activities:		
Depreciation	**7,059**	6,571
Amortization	**795**	704
Deferred income taxes	**(649)**	2
Stock-based compensation expense	**5,110**	4,033
Excess tax benefits from stock-based compensation	**(873)**	
Pension expense	**7,517**	7,224
Restructuring and other transition costs	**4,234**	22,378
Cash payments related to restructuring and other transition costs	**(6,912)**	(11,662)
Other	**8,327**	(9,322)
Changes in operating assets and liabilities:		
Accounts receivable	**(21,639)**	(9,052)
Inventories	**(15,693)**	16,096
Other operating assets	**(2,101)**	(631)
Accounts payable	**1,276**	(18,370)
Other operating liabilities	**(20,799)**	15,574
Net cash provided by operating activities	**10,333**	41,946
INVESTING ACTIVITIES		
Business acquisitions		(7,954)
Additions to property, plant and equipment	**(5,102)**	(4,937)
Other	**(890)**	(1,063)
Net cash used in investing activities	**(5,992)**	(13,954)
FINANCING ACTIVITIES		
Net borrowings under revolver		(24,700)
Payments of long-term debt and capital lease obligations	**(537)**	(3)
Cash dividends paid	**(10,799)**	(10,729)
Purchase of common stock for treasury	**(48,057)**	(6,195)
Proceeds from shares issued under stock incentive plans	**8,057**	1,553
Excess tax benefits from stock-based compensation	**873**	
Net cash used in financing activities	**(50,463)**	(40,074)
Effect of foreign exchange rate changes	**(4,197)**	1,751

Decrease in cash and cash equivalents	**(50,319)**	(10,331)
Cash and cash equivalents at beginning of the period	**160,439**	89,502
Cash and cash equivalents at end of the period	**$ 110,120**	$ 79,171

See accompanying notes to consolidated condensed financial statements.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
June 19, 2010 and June 20, 2009
(Unaudited)

All amounts are in thousands of dollars except share and per share data, and elsewhere as noted.

1. Summary of Significant Accounting Policies

NATURE OF OPERATIONS

Wolverine World Wide, Inc. is a leading designer, manufacturer and marketer of a broad range of quality casual shoes, performance outdoor footwear, apparel, work shoes and boots, and uniform shoes and boots. The Company s global portfolio of owned and licensed brands includes: *Bates*®, *Cat*® Footwear, *Chaco*®, *Cushe*™, *Harley-Davidson*® Footwear, *Hush Puppies*®, *HyTest*®, *Merrell*®, *Patagonia*® Footwear, *Sebago*®, *Soft Style*® and *Wolverine*®. Licensing programs are utilized to extend the global reach of the Company s owned brands. The Company also operates a retail division to market its own brands as well as branded footwear and apparel from other manufacturers; a leathers division that markets *Wolverine Performance Leathers* ; and a pigskin procurement operation.

BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to the Quarterly Report on Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for a complete presentation of the financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included in the accompanying financial statements. For further information, refer to the consolidated financial statements and footnotes included in the Company s Annual Report on Form 10-K for the fiscal year ended January 2, 2010.

REVENUE RECOGNITION

Revenue is recognized on the sale of products manufactured or sourced by the Company when the related goods have been shipped, legal title has passed to the customer and collectability is reasonably assured. Revenue generated through programs with licensees and distributors involving products bearing the Company s trademarks is recognized as earned according to stated contractual terms upon either the purchase or shipment of branded products by licensees and distributors.

The Company records provisions against gross revenue for estimated stock returns and cash discounts in the period when the related revenue is recorded. These estimates are based on factors that include, but are not limited to, historical stock returns, historical discounts taken and analysis of credit memorandum activity.

COST OF GOODS SOLD

Cost of goods sold for the Company s operations include the actual product costs, including inbound freight charges, purchasing, sourcing, inspection and receiving costs. Warehousing costs are included in selling, general and administrative expenses.

SEASONALITY

The Company s business is subject to seasonal influences and the Company s fiscal year has twelve weeks in each of the first three quarters and sixteen or seventeen weeks in the fourth quarter. Both factors can cause significant differences in revenue, earnings and cash flows from quarter to quarter; however, the differences have followed a consistent pattern in previous years.

RECLASSIFICATIONS

Certain prior period amounts on the consolidated condensed financial statements have been reclassified to conform to current period presentation. These reclassifications did not affect net earnings.

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements continued
June 19, 2010 and June 20, 2009
(Unaudited)

2. Earnings Per Share

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

	12 Weeks Ended		24 Weeks Ended	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Numerator:				
Net earnings	**$ 17,222**	$ 7,906	**$ 44,681**	$ 18,401
Adjustment for earnings allocated to nonvested restricted common stock	**(273)**	(111)	**(670)**	(321)
Net earnings used in calculating basic earnings per share	**16,949**	7,795	**44,011**	18,080
Adjustment for earnings reallocated to nonvested restricted common stock	**6**		**15**	1
Net earnings used in calculating diluted earnings per share	**$ 16,955**	$ 7,795	**$ 44,026**	$ 18,081
Denominator:				
Weighted average shares outstanding	**49,160,001**	49,087,819	**49,376,607**	49,001,869
Adjustment for nonvested restricted common stock	**(1,248,223)**	(689,497)	**(1,170,522)**	(854,248)
Shares used in calculating basic earnings per share	**47,911,778**	48,398,322	**48,206,085**	48,147,621
Effect of dilutive stock options	**1,056,525**	559,669	**1,043,953**	523,434
Shares used in calculating diluted earnings per share	**48,968,303**	48,957,991	**49,250,038**	48,671,055
Net earnings per share:				
Basic	**$ 0.35**	$ 0.16	**$ 0.91**	$ 0.38
Diluted	**$ 0.35**	$ 0.16	**$ 0.89**	$ 0.37

Options to purchase 851,533 and 989,145 shares of common stock for the 12 and 24 weeks ended June 19, 2010, respectively, and 3,564,712 and 3,425,423 shares for the 12 and 24 weeks ended June 20, 2009, respectively have not been included in the denominator for the computation of diluted earnings per share because the related exercise prices of these shares were greater than the average market price for the quarters then-ended and, therefore, they were anti-dilutive.

The Company calculates earnings per share in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 260, *Earnings Per Share* (ASC 260). ASC 260 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the earnings allocation in computing earnings per share under the two-class method. Under the

guidance in ASC 260, the Company s unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and must be included in the computation of earnings per share pursuant to the two-class method.

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements continued
June 19, 2010 and June 20, 2009
(Unaudited)

3. Goodwill and Other Non-Amortizable Intangibles

The changes in the carrying amount of goodwill and other non-amortizable intangibles are as follows:

	Goodwill	Trademarks	Total
Balance at June 20, 2009	$ 39,785	$ 15,970	$ 55,755
Intangibles acquired	369	256	625
Foreign currency translation effects	(182)		(182)
Balance at January 2, 2010	39,972	16,226	56,198
Intangibles acquired		**87**	**87**
Foreign currency translation effects	**(1,908)**	**(212)**	**(2,120)**
Balance at June 19, 2010	**$ 38,064**	$ **16,101**	$ **54,165**

4. Comprehensive Income (Loss)

Comprehensive income (loss) represents net earnings and any revenue, expenses, gains and losses that, under accounting principles generally accepted in the United States, are excluded from net earnings and recognized directly as a component of stockholders equity.

The ending accumulated other comprehensive income (loss) is as follows:

	June 19, 2010	January 2, 2010	June 20, 2009
Foreign currency translation adjustments	**$ 4,532**	$ 14,477	$ 9,971
Fair value of foreign exchange contracts, net of taxes	**1,816**	(3,546)	(1,642)
Pension adjustments, net of taxes	**(53,737)**	(53,737)	(45,885)
Accumulated other comprehensive income (loss)	**$ (47,389)**	$ (42,806)	$ (37,556)

The reconciliation from net earnings to comprehensive income is as follows:

	12 Weeks Ended		**24 Weeks Ended**	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Net earnings	$ **17,222**	$ 7,906	**$ 44,681**	$ 18,401
Other comprehensive income (loss):				
Foreign currency translation adjustments	**(2,042)**	14,155	**(9,945)**	10,843
Change in fair value of foreign exchange contracts, net of taxes	**3,227**	(6,102)	**5,362**	(5,565)
Comprehensive income	$ **18,407**	$ 15,959	**$ 40,098**	$ 23,679

5. Business Segments

The Company has one reportable segment that is engaged in designing, manufacturing, sourcing, marketing, licensing, and distributing to the retail sector branded footwear, apparel and accessories. Revenue earned from the operations of this segment is derived from the sale of branded footwear, apparel and accessories to external customers as well as

royalty income from the licensing of the Company s trademarks and brand names to third party licensees and distributors. The operating segments aggregated into the branded footwear, apparel and licensing segment manufacture, source, market and distribute products in a similar manner.

The other business units in the following tables consist of the Company s retail, leather and pigskin procurement operations. These other operations do not collectively form a reportable segment because their respective operations are dissimilar and they do not meet the applicable quantitative requirements. At June 19, 2010, the Company operated 79 retail stores in North America, 5 retail stores in the United Kingdom and 28 consumer-direct internet sites that sell Company-branded products, as well as footwear, apparel and accessory products under brands that are owned by unaffiliated companies. The other business units distribute products through retail and wholesale channels.

WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements continued
June 19, 2010 and June 20, 2009
(Unaudited)

The Company measures segment profits as earnings before income taxes. The accounting policies used to determine profitability and total assets of the branded footwear, apparel and licensing segment and other business units are the same as those disclosed in Note 1.

Business segment information is as follows:

	12 Weeks Ended June 19, 2010			
	Branded Footwear, Apparel and Licensing	Other Business Units	Corporate	Consolidated
Revenue	**$ 225,147**	**$ 33,052**	**$**	**$ 258,199**
Intersegment revenue	**9,149**	**777**		**9,926**
Earnings (loss) before income taxes	**31,330**	**2,237**	**(9,308)**	**24,259**
Total assets	**520,097**	**43,393**	**121,023**	**684,513**

	24 Weeks Ended June 19, 2010			
	Branded Footwear, Apparel and Licensing	Other Business Units	Corporate	Consolidated
Revenue	**$ 486,785**	**$ 56,311**	**$**	**$ 543,096**
Intersegment revenue	**16,568**	**1,506**		**18,074**
Earnings (loss) before income taxes	**79,246**	**845**	**(17,159)**	**62,932**
Total assets	**520,097**	**43,393**	**121,023**	**684,513**

	12 Weeks Ended June 20, 2009			
	Branded Footwear, Apparel and Licensing	Other Business Units	Corporate	Consolidated
Revenue	$ 218,139	$ 28,299	$	$ 246,438
Intersegment revenue	10,557	332		10,889
Earnings (loss) before income taxes	19,166	(1,660)	(5,829)	11,677
Total assets	516,354	45,228	106,180	667,762

	24 Weeks Ended June 20, 2009	
	Branded Footwear,	Other

	Apparel and Licensing	Business Units	Corporate	Consolidated
Revenue	$ 453,223	$ 48,539	$	$ 501,762
Intersegment revenue	21,919	1,468		23,387
Earnings (loss) before income taxes	48,567	(10,498)	(10,888)	27,181
Total assets	516,354	45,228	106,180	667,762

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WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements continued
June 19, 2010 and June 20, 2009
(Unaudited)

6. Financial Instruments and Risk Management

The Company follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), which provides a consistent definition of fair value, focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-tier hierarchy for fair value measurements. This topic requires fair value measurements to be classified and disclosed in one of the following three categories:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Fair value is measured using either direct or indirect inputs, other than quoted prices included within Level 1, which are observable for similar assets or liabilities.

Level 3: Fair value is measured using valuation techniques in which one or more significant inputs are unobservable.

As of June 19, 2010 and June 20, 2009, an asset of $1,988 and a liability of $3,651, respectively, have been recognized for the fair value of the Company s foreign exchange contracts. In accordance with ASC 820, these liabilities and assets fall within Level 2 of the fair value hierarchy. The fair values for these financial instruments are determined using prices for recently-traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs. The Company did not have any additional assets or liabilities that were measured at fair value on a recurring basis at June 19, 2010.

The Company s financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable, borrowings under the Company s revolving credit agreement and long-term debt. The carrying amounts of the Company s financial instruments approximate their fair value. As of June 19, 2010 the carrying value and fair value of the Company s fixed rate long-term debt was $984 and $1,010, respectively. As of June 20, 2009 the carrying value and fair value of the Company s fixed rate long-term debt was $1,643 and $1,680, respectively. Fair value was determined using discounted cash flow analyses and current interest rates for similar instruments; therefore, the debt instruments fall within Level 2 of the fair value hierarchy. The Company does not hold or issue financial instruments for trading purposes.

The Company entered into a new credit agreement with a bank syndicate during the second quarter of 2010 which provides the Company with a revolving credit facility, including a swing-line facility and letter of credit facility, in an initial aggregate amount of up to $150.0 million. This amount is subject to increase up to a maximum aggregate amount of $225.0 million under certain circumstances. The revolving credit facility is used to support working capital requirements and other business needs. There were no amounts outstanding under the revolving credit facility at June 19, 2010 compared to $34.8 million outstanding at June 20, 2009 under the former revolving credit agreement. The Company considers balances drawn on the revolving credit facility, if any, to be short-term in nature. The Company was in compliance with all debt covenant requirements at June 19, 2010 and June 20, 2009. Proceeds from the new credit facility, along with cash flows from operations, are expected to be sufficient to meet working capital needs for the foreseeable future. Any excess cash flows from operating activities are expected to be used to purchase property, plant and equipment, pay down debt, fund internal and external growth initiatives, pay dividends or repurchase the Company s common stock.

The Company follows FASB ASC Topic 815, *Derivatives and Hedging,* which is intended to improve transparency in financial reporting and requires that all derivative instruments be recorded on the consolidated condensed balance sheets at fair value by establishing criteria for designation and effectiveness of hedging relationships. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business. At June 19, 2010 and June 20,

2009, foreign exchange contracts with a notional value of $91,900 and $72,315, respectively, were outstanding to purchase U.S. dollars with maturities ranging up to 308 days. These contracts have been designated as cash flow hedges.

The fair value of the foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. Hedge effectiveness is evaluated by the hypothetical derivative method. Any hedge ineffectiveness is reported within the cost of goods sold caption of the consolidated condensed statements of operations. Hedge ineffectiveness was not material to the consolidated condensed financial statements for the 12 and 24 weeks ended June 19, 2010 and June 20, 2009. If, in the future, the foreign exchange contracts are determined to be ineffective hedges or terminated before their contractual termination dates, the Company would be required to reclassify into earnings all or a portion of the unrealized amounts related to the cash flow hedges that are currently included in accumulated other comprehensive income (loss) within stockholders equity. For the 12 weeks ended June 19, 2010 and June 20, 2009, the Company recognized net gains of $676 and $333, respectively, in accumulated other comprehensive income (loss) related to the effective portion of its foreign exchange contracts. For the 12 weeks ended June 19, 2010 and June 20, 2009, the Company reclassified a gain of $991 and a loss of $2,742, respectively, from accumulated other comprehensive income (loss) into cost of goods sold related to the effective portion of its foreign exchange contracts designated and qualifying as cash flow hedges. For the 24 weeks ended June 19, 2010 and June 20, 2009, the Company recognized a net loss of $203 and a net gain of $3,167, respectively, in accumulated other comprehensive income (loss) related to the effective portion of its foreign exchange contracts.

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For the 24 weeks ended June 19, 2010 and June 20, 2009, the Company reclassified a gain of $2,408 and a loss of $3,986, respectively, from accumulated other comprehensive income (loss) into cost of goods sold related to the effective portion of its foreign exchange contracts designated and qualifying as cash flow hedges.

7. Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of FASB ASC Topic 718, *Compensation-Stock Compensation* (ASC 718). The Company recognized compensation costs of $2,555 and $5,110, respectively, and related income tax benefits of $791 and $1,557, respectively, for grants under its stock-based compensation plans in the consolidated condensed statement of operations for the 12 and 24 weeks ended June 19, 2010. For the 12 and 24 weeks ended June 20, 2009, the Company recognized compensation costs of $2,486 and $4,033, respectively, and related income tax benefits of $553 and $918, respectively, for grants under its stock-based compensation plans.

Stock-based compensation expense recognized in the consolidated condensed statements of operations for the 12 and 24 weeks ended June 19, 2010 and June 20, 2009 is based on awards ultimately expected to vest and, therefore, has been reduced for estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience.

The Company estimated the fair value of employee stock options on the date of grant using the Black-Scholes model. The estimated weighted-average fair value for each option granted during the 24 weeks ended June 19, 2010 and June 20, 2009 was $6.94 and $4.36 per share, respectively, based on the following weighted-average assumptions:

	12 Weeks Ended		**24 Weeks Ended**	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Expected market price volatility [1]	**37.2%**	36.4%	**37.9%**	34.8%
Risk-free interest rate [2]	**2.1%**	1.6%	**1.9%**	1.6%
Dividend yield [3]	**1.7%**	2.0%	**1.9%**	1.8%
Expected term [4]	**4 years**	4 years	**4 years**	4 years

(1) Based on historical volatility of the Company s common stock. The expected volatility is based on the daily percentage change in the price of the stock over four years.

(2) Represents the U.S. Treasury yield curve in

effect for the expected term of the option at the time of grant.

(3) Represents the Company s cash dividend yield for the expected term.

(4) Represents the period of time that options granted are expected to be outstanding. As part of the determination of the expected term, the Company concluded that all employee groups exhibit similar exercise and post-vesting termination behavior.

The Company issued 154,658 and 1,017,829 shares of common stock in connection with the exercise of stock options and new restricted stock grants during the 12 and 24 weeks ended June 19, 2010, respectively. During the 12 and 24 weeks ended June 19, 2010, the Company cancelled 17,328 and 21,081 shares, respectively, of common stock as a result of forfeiture of restricted stock awards. The Company issued 120,200 and 816,069 shares of common stock in connection with the exercise of stock options and new restricted stock grants during the 12 and 24 weeks ended June 20, 2009, respectively. During the 12 and 24 weeks ended June 20, 2009, the Company cancelled 7,850 and 11,384 shares, respectively, of common stock as a result of forfeiture of restricted stock awards.

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8. Pension Expense

A summary of net pension and Supplemental Executive Retirement Plan costs recognized by the Company is as follows:

	12 Weeks Ended		24 Weeks Ended	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Service cost pertaining to benefits earned during the period	**$ 1,322**	$ 1,077	**$ 2,644**	$ 2,155
Interest cost on projected benefit obligations	**2,936**	2,839	**5,871**	5,677
Expected return on pension assets	**(2,877)**	(2,518)	**(5,754)**	(5,036)
Net amortization loss	**2,378**	2,214	**4,756**	4,428
Net pension expense	**$ 3,759**	$ 3,612	**$ 7,517**	$ 7,224

9. Litigation and Contingencies

The Company is involved in environmental claims and other legal actions arising in the normal course of business. The environmental claims include sites where the U.S. Environmental Protection Agency has notified the Company that it is a potentially responsible party with respect to environmental remediation. However, after taking into consideration legal counsel s evaluation of all actions and claims against the Company, management is currently of the opinion that their outcome will not have a material adverse effect on the Company s consolidated financial position, results of operations or cash flows.

The Company is involved in routine litigation incidental to its business and is a party to legal actions and claims, including, but not limited to, those related to employment and intellectual property. Some of the legal proceedings include claims for compensatory as well as punitive damages. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available to the Company, liabilities that have been recorded with respect to such actions and claims, and applicable insurance coverage, the Company s management currently believes that these items will not have a material adverse effect on the Company s consolidated financial position, results of operations or cash flows.

Pursuant to certain of the Company s lease agreements, the Company has provided financial guarantees to third parties in the form of indemnification provisions. These provisions require the Company to indemnify and reimburse the third parties for certain costs incurred by such third parties in connection with these lease agreements, including but not limited to adverse judgments in lawsuits, taxes and operating costs. The terms of the guarantees are equal to the terms of the related lease agreements. The Company is not able to calculate the maximum potential amount of future payments it could be required to make under these guarantees, as the potential payment is dependent upon the occurrence of future unknown events.

The Company has future minimum royalty and other obligations due under the terms of certain licenses held by the Company. These minimum future obligations are as follows:

	2010	2011	2012	2013	2014	Thereafter
Minimum royalties	$ 1,544	$ 1,772	$ 970	$ 999	$ 1,029	$ 1,060
Minimum advertising	1,837	1,941	1,999	2,059	2,121	4,434

Minimum royalties are based on both fixed obligations and assumptions related to the consumer price index. Royalty payments in excess of minimum requirements are based upon future sales levels and are not included in the above table. In accordance with these agreements, the Company incurred royalty expense of $728 and $1,467, respectively

for the 12 and 24 weeks ended June 19, 2010. For the 12 and 24 weeks ended June 20, 2009, the Company incurred royalty expense of $756 and $1,345, respectively.

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The terms of certain license agreements also require the Company to make advertising expenditures based on the level of sales. In accordance with these agreements, the Company incurred advertising expense of $669 and $1,281, respectively, for the 12 and 24 weeks ended June 19, 2010. For the 12 and 24 weeks ended June 20, 2009, the Company incurred advertising expense of $492 and $1,049, respectively.

10. Restructuring and Other Transition Costs

On January 7, 2009 the Board of Directors of the Company approved a strategic restructuring plan designed to create significant operating efficiencies, improve its supply chain and create a stronger global brand platform. On October 7, 2009, the Company announced that its restructuring plan was expanded to include the consolidation of two owned domestic manufacturing facilities into one and to finalize realignment in certain of the Company s product creation organizations. The strategic restructuring plan and all actions, except for certain cash payments, to be taken under the plan were completed as of June 19, 2010. The Company incurred restructuring and other transition costs of $2,736 ($1,943 on an after-tax basis), or $0.04 per diluted share, and $4,234 ($3,006 on an after-tax basis), or $0.06 per diluted share, for the 12 and 24 weeks ended June 19, 2010. For the 12 and 24 weeks ended June 20, 2009, the Company incurred restructuring and other transition costs of $7,919 ($5,361 on an after-tax basis), or $0.11 per diluted share and $22,377 ($15,149 on an after-tax basis), or $0.31 per diluted share, respectively. In fiscal 2009 the Company incurred restructuring and other transition costs of approximately $35,600, or $0.53 per diluted share.

The following is a summary of the restructuring and other transition costs:

	12 Weeks Ended		24 Weeks Ended	
	June 19, 2010	June 20, 2009	**June 19, 2010**	June 20, 2009
Restructuring	**$ 1,823**	$ 5,159	**$ 2,239**	$ 19,204
Other transition costs	**913**	2,760	**1,995**	3,173
Total restructuring and other transition costs	**$ 2,736**	$ 7,919	**$ 4,234**	$ 22,377

Restructuring

The Company incurred the following restructuring charges: $1,823 ($1,294 on an after-tax basis), or $0.03 per diluted share, for the 12 weeks ended June 19, 2010; $2,239 ($1,590 on an after-tax basis), or $0.03 per diluted share, for the 24 weeks ended June 19, 2010; $5,159 ($3,493 on an after-tax basis), or $0.07 per diluted share, for the 12 weeks ended June 20, 2009; and $19,204 ($13,001 on an after-tax basis), or $0.27 per diluted share, for the 24 weeks ended June 20, 2009.

The following is a summary of the activity with respect to a liability established by the Company in connection with the restructuring plan, by category of costs:

	Severance and employee related	Non-cash charges related to property and equipment	Facility exit costs	Other related restructuring	Total
Balance at June 20, 2009	$ 2,384	$	$ 666	$ 65	$ 3,115
Charges incurred	4,420	1,768	1,784	1,907	9,879
Amounts paid or utilized	(2,938)	(1,768)	(965)	(1,397)	(7,068)

Balance at January 2, 2010	$	3,866	$		$	1,485	$	575	$	5,926
Charges incurred		**571**		**715**		**803**		**150**		**2,239**
Amounts paid or utilized		**(3,113)**		**(715)**		**(398)**		**(599)**		**(4,825)**
Balance at June 19, 2010	**$**	**1,324**	**$**		**$**	**1,890**	**$**	**126**	**$**	**3,340**

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Other Transition Costs

Incremental costs incurred related to the restructuring plan that do not qualify as restructuring costs under the provisions of FASB ASC Topic 420, *Exit or Disposal Cost Obligations*, have been included in the Company s consolidated condensed statements of operations on the line titled Restructuring and other transition costs . These primarily include costs related to closure of facilities, new employee training and transition to outsourced services. All costs included in this caption were solely related to the transition and implementation of the restructuring plan and do not include ongoing business operating costs. Other transition costs were $913 ($648 on an after-tax basis), and $1,995 ($1,416 on an after-tax basis) for the 12 and 24 weeks ended June 19, 2010, respectively, and $2,760 ($1,869 on an after-tax basis) and $3,173 ($2,148 on an after-tax basis) for the 12 and 24 weeks ended June 20, 2009, respectively.

11. Business Acquisitions

The Company accounted for the following acquisitions under the provisions of FASB ASC Topic 805, *Business Combinations*.

On January 8, 2009, the Company announced the acquisition of the *Cushe*™ footwear brand. The purchase price consisted of $1,477 cash, a $1,477 note payable and contingent consideration of $839. The Company acquired assets valued at $273 (consisting primarily of property, plant and equipment and inventory) and assumed operating liabilities valued at $290, resulting in goodwill and intangibles of $3,810. Amounts recorded relating to the acquisition are subject to changes in foreign currency exchange rates.

On January 22, 2009, the Company acquired the *Chaco*® footwear brand and certain assets valued at $3,912, consisting primarily of accounts receivable and inventory, for cash of $6,910 and assumed operating liabilities valued at $4,662. The purchase resulted in goodwill and intangibles recorded of $7,660.

Using the purchase method of accounting, the purchase price in each of these acquisitions is allocated to the assets acquired and liabilities assumed based on their estimated fair values as of the effective date of the acquisition. The excess purchase price over the assets and liabilities is recorded as goodwill. The purchase price allocation for each acquisition was finalized during the third quarter of 2009 and a final determination of all purchase accounting adjustments was made upon finalization of asset valuations and acquisition costs. Pro forma results of operations have not been presented because the effects of these acquisitions, individually and in the aggregate, were not material to the Company s consolidated results of operations. Both of the brands have been consolidated into the Company s results of operations since their respective acquisition dates.

12. New Accounting Standards

In April 2009, the FASB issued FASB ASC Topic 825, *Financial Instruments* and ASC Topic 270, *Interim Reporting* (ASC 825 and ASC 270), to require, on an interim basis, disclosures about the fair value of financial instruments for public entities. ASC 825 and ASC 270 are expected to improve the transparency and quality of information provided to financial statement users by increasing the frequency of disclosures about fair value for interim periods as well as annual periods. ASC 825 and ASC 270 are effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The Company has disclosed the information required by ASC 825 and ASC 270 on an interim basis, and the adoption did not affect the Company s consolidated financial position, results of operations or cash flows.

In May 2009, the FASB issued FASB ASC Topic 855, *Subsequent Events* (ASC 855). The objective of this statement is to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. ASC 855, among other things, sets forth the period after the balance sheet date during which management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and the disclosures an entity should make about events or transactions that occurred after the balance sheet date. In accordance with this

statement, an entity should apply the requirements to interim or annual financial periods ending after June 15, 2009. The Company adopted ASC 855 in the second quarter of 2009 and the adoption did not affect the Company s consolidated financial position, results of operations or cash flows.

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In June 2009, the FASB issued FASB ASC Topic 105, *Generally Accepted Accounting Principles* (ASC 105). ASC 105 establishes the FASB Accounting Standards Codification™ (Codification) as the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. ASC 105 and the Codification were effective for financial statements issued for interim and annual periods ending after September 15, 2009 (fiscal year ended January 2, 2010 for the Company). The Company adopted this ASC and included the required disclosures in its financial statements.

In January 2010, the FASB issued Accounting Standard Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements* (ASU No. 2010-06). ASU No. 2010-06 amends existing disclosure requirements under ASC 820 by adding required disclosures about items transferring into and out of Levels 1 and 2 in the fair value hierarchy; adding separate disclosures about purchases, sales, issuances and settlements relative to Level 3 measurements; and clarifying the existing fair value disclosures about the level of disaggregation. ASU No. 2010-06 is effective for financial statements issued for interim and annual periods beginning after December 15, 2009 (first quarter 2010 for the Company), except for the requirement to provide Level 3 activity, which is effective for fiscal years beginning after December 15, 2010 (first quarter 2011 for the Company). The Company adopted the applicable disclosure requirements of this ASU in the first quarter of 2010, and the adoption did not affect the Company s consolidated financial position, results of operations or cash flows.

In February 2010, the FASB issued ASU No. 2010-09, *Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements*. This ASU, which was effective immediately, removed the requirement for an SEC filer to disclose a date through which subsequent events have been evaluated. The Company adopted this standard in the first quarter of 2010 and the adoption did not affect the Company s consolidated financial position, results of operations or cash flows.

ITEM 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

BUSINESS OVERVIEW

Wolverine World Wide, Inc. (the Company) is a leading global designer, manufacturer and marketer of branded footwear, apparel and accessories. The Company s stated mission is to *Excite Consumers Around the World with Innovative Footwear and Apparel that Bring Style to Purpose.* The Company pursues this mission by offering innovative products and compelling brand propositions, delivering supply chain excellence, complementing its footwear brands with strong apparel and accessories offerings and building a more substantial global consumer-direct footprint.

The Company s portfolio consists of 12 brands that were marketed in approximately 180 countries and territories as of June 19, 2010. The Company controls distribution of its brands into the retail channel via subsidiary operations in the United States, Canada, the United Kingdom and certain other countries in continental Europe. In other markets, the Company relies on a network of third-party distributors and licensees to market its brands. The Company also owned and operated 84 brick-and-mortar retail stores in the United States, Canada and the United Kingdom and operated 28 consumer-direct internet sites as of the end of the second quarter of fiscal 2010.

FINANCIAL OVERVIEW

Revenue for the second quarter of 2010 was $258.2 million, a 4.8% increase over second quarter 2009 revenue of $246.4 million. Robust organic growth from the portfolio was partially offset by expected lower closeout sales and the delay into the subsequent quarter of a significant shipment to a third-party distributor.

Gross margin for the second quarter of 2010 was 40.2% compared to 37.3% in the second quarter of 2009, driven by a lower percentage of closeout sales, modestly lower product costs and benefits from year-over-year selling price increases.

Diluted earnings per share for the second quarter of 2010 were $0.35 per share compared to $0.16 per share for the same quarter in the prior year.

The Company completed its strategic restructuring plan in the second quarter of 2010. Restructuring and other transition costs in the second quarter reduced diluted earnings per share by $0.04 and $0.11 in 2010 and 2009, respectively.

Accounts receivable increased 0.2% in the second quarter of 2010 compared to the second quarter of 2009. This percentage is considerably below the quarter s revenue increase of 4.8% due to strong cash collections in this year s quarter.

Inventory decreased 7.0% in the second quarter of 2010 compared to the second quarter of 2009, driven by continued success of the Company s strategic inventory control initiatives.

The Company ended the second quarter of 2010 with $110.1 million of cash and cash equivalents, interest-bearing debt of only $1.0 million and zero outstanding on its new $150 million credit facility.

During the second quarter of 2010, the Company repurchased approximately 753,000 shares of its common stock at an average cost of $29.99 per share.

The Company declared a quarterly cash dividend of $0.11 per share in the second quarter of 2010, equal to the dividend declared in the second quarter of 2009.

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The following is a discussion of the Company s results of operations and liquidity and capital resources. This section should be read in conjunction with the consolidated condensed financial statements and related notes.

RESULTS OF OPERATIONS SECOND QUARTER 2010 COMPARED TO SECOND QUARTER 2009

FINANCIAL SUMMARY SECOND QUARTER 2010 VERSUS SECOND QUARTER 2009

	2010		2009		Change	
(Millions of dollars, except per share data)	**$**	**% of Total**	$	% of Total	$	%
Revenue						
Branded footwear, apparel and licensing	**$ 225.1**	**87.2%**	$ 218.1	88.5%	$ 7.0	3.2%
Other business units	**33.1**	**12.8%**	28.3	11.5%	4.8	17.0%
Total revenue	**$ 258.2**	**100.0%**	$ 246.4	100.0%	$ 11.8	4.8%
	$	**% of Revenue**	$	% of Revenue	$	%
Gross profit						
Branded footwear, apparel and licensing	**$ 91.8**	**40.8%**	$ 81.9	37.6%	$ 9.9	12.1%
Other business units	**11.9**	**36.0%**	10.1	35.7%	1.8	17.8%
Total gross profit	**$ 103.7**	**40.2%**	$ 92.0	37.3%	$ 11.7	12.7%
Selling, general and administrative expenses	**$ 76.7**	**29.7%**	$ 72.8	29.6%	$ 3.9	5.4%
Restructuring and other transition costs	**2.3**	**0.9%**	6.9	2.8%	(4.6)	(66.7%)
Total operating expenses	**$ 79.0**	**30.6%**	$ 79.7	32.4%	$ (0.7)	(0.9%)
Interest (income) expense net	**0.0**	**0.0%**	0.1	0.0%	(0.1)	(96.0%)
Other expense net	**0.4**	**0.2%**	0.5	0.2%	(0.1)	(20.0%)
Earnings before income taxes	**$ 24.3**	**9.4%**	$ 11.7	4.7%	$ 12.6	107.7%
Net earnings	**$ 17.2**	**6.7%**	$ 7.9	3.2%	$ 9.3	117.7%
Diluted earnings per share	**$ 0.35**		$ 0.16		$ 0.19	118.8%

The Company has one reportable segment that is engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. The branded footwear, apparel and licensing segment is organized into four primary operating units:

Outdoor Group, consisting of Merrell®, Chaco® and Patagonia® footwear, and Merrell® brand apparel;

Wolverine Footwear Group, consisting of Bates®, HyTest®, and Wolverine® boots and shoes, Wolverine® brand apparel and certain private label branded products;

Heritage Brands Group, consisting of Cat® footwear, Harley-Davidson® footwear and Sebago® footwear and apparel; and

Hush Puppies Group, consisting of Hush Puppies®, Soft Style® and Cushe™ brands.
The Company s other business units, which do not collectively comprise a separate reportable segment, consist of: Wolverine Retail, which includes the Company s retail stores and e-commerce operations; Wolverine Procurement, which includes pigskin procurement operations; and Wolverine Leathers, which markets pigskin leather.

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The following is supplemental information on total revenue:

TOTAL REVENUE SECOND QUARTER

(Millions of dollars)	**2010** $	**2010** %	2009 $	2009 %	Change $	Change %
Outdoor Group	**$ 97.9**	**37.9%**	$ 92.8	37.7%	$ 5.1	5.5%
Wolverine Footwear Group	**54.8**	**21.2%**	49.7	20.2%	5.1	10.3%
Heritage Brands Group	**44.3**	**17.2%**	45.0	18.3%	(0.7)	(1.6%)
Hush Puppies Group	**25.6**	**9.9%**	27.1	11.0%	(1.5)	(5.5%)
Other	**2.5**	**1.0%**	3.5	1.3%	(1.0)	(28.6%)
Total branded footwear, apparel and licensing revenue	**$ 225.1**	**87.2%**	$ 218.1	88.5%	$ 7.0	3.2%
Other business units	**33.1**	**12.8%**	28.3	11.5%	4.8	17.0%
Total Revenue	**$ 258.2**	**100.0%**	$ 246.4	100.0%	$ 11.8	4.8%

REVENUE

Revenue for the second quarter of 2010 increased $11.8 million from the second quarter of 2009 to $258.2 million. The impact of translating foreign-denominated revenue to U.S. dollars had minimal impact on revenue in the second quarter, as the benefit from a stronger Canadian dollar was almost completely offset by relative weakness in the euro and British pound. Revenue increased $7.0 million in the branded footwear, apparel and licensing operations, as discussed below, reflecting strong organic growth partially offset by expected lower closeout sales and the delay late in the quarter of a significant shipment to a third-party distributor. Revenue from the other business units increased $4.8 million, led by strong organic growth from the consumer-direct businesses and resurgent demand for proprietary leather from the Wolverine Leathers business. International revenue represented 35.4% of total revenue in the second quarter of 2010 compared to 37.4% of total revenue in the second quarter of 2009.

The Outdoor Group generated revenue of $97.9 million in the second quarter of 2010, a $5.1 million increase from the second quarter of 2009. The Merrell® brand s revenue in the second quarter of 2010 increased at a rate in the mid single digits compared to the second quarter of 2009, reflecting strong organic growth in both the Merrell Footwear and Merrell Apparel businesses partially offset by expected lower closeout sales and the delay late in the quarter of a significant shipment to a third-party distributor. Patagonia® Footwear s revenue increased at a rate in the low teens in the second quarter of 2010 compared to the second quarter of 2009. Revenue from the Chaco® brand increased at a rate in the mid single digits compared to the second quarter of 2009, driven in part by a significant increase in the brand s e-commerce business.

The Wolverine Footwear Group generated revenue of $54.8 million in the second quarter of 2010, a $5.1 million increase from the second quarter of 2009, as every brand in the group contributed to the increase. The Wolverine® brand s revenue grew at a rate in the mid teens over the prior year, due primarily to strong sell-through in the brand s major accounts. Revenue from the Bates® footwear business in the second quarter of 2010 increased at a rate in the mid single digits over the second quarter of 2009, due primarily to strong shipments to the civilian channel. HyTest® s revenue for the second quarter of 2010 increased at a rate in the low twenties from the second quarter of 2009 due to increases in at-once orders.

The Heritage Brands Group generated revenue of $44.3 million in the second quarter of 2010, a $0.7 million decrease compared to the second quarter of 2009. Cat® Footwear s revenue in the second quarter of 2010 was essentially flat compared to the prior year, with strong growth in the U.S. and European markets offset by negative foreign currency impact and the delay late in the quarter of a significant shipment to a third-party distributor. Harley-Davidson® Footwear s revenue was also flat compared to the second quarter of 2009, reflecting the continuing weak motorcycle market in the U.S. Sebago® revenue decreased at a rate in the high single digits in the second quarter of 2010 compared to the prior year, primarily due to lower closeout sales than in the prior year.

The Hush Puppies Group generated revenue of $25.6 million in the second quarter of 2010, a $1.5 million decrease from the second quarter of 2009. Hush Puppies® U.S. growth in the second quarter of 2010 was offset by lower closeout sales than in the second quarter of 2009 and declines in the Canadian and European markets. Revenue from the Cushe™ brand more than tripled from the second quarter of 2009, reflecting continued positive momentum for the brand.

Within the Company s other business units, Wolverine Retail s revenue increased in the second quarter of 2010 at a rate in the mid teens compared to the second quarter of 2009 as a result of comparable-store revenue increases across the Company s brick-and-mortar retail stores and strong growth from e-commerce. Wolverine Retail operated 84 retail stores worldwide at the end of the second quarter of 2010 compared to 93 at the end of the second quarter of 2009, with the decrease attributable to strategic closures of select underperforming stores. Revenue from the Wolverine Leathers business increased at a rate in the high teens in the second quarter of 2010 compared to the second quarter of 2009 due to increased demand for its proprietary product from key customers.

GROSS MARGIN

The gross margin for the second quarter of 2010 was 40.2%, 290 basis points higher than the second quarter of 2009, driven by a lower percentage of closeout sales, modestly lower product costs, selling price increases, and benefits from the now-completed restructuring program, all of which more than offset higher freight costs. Additionally, a decrease in restructuring and other transition costs included in cost of goods sold from $1.0 million in the second quarter of 2009 to $0.4 million in the second quarter of 2010 accounted for 25 basis points of the increase.

OPERATING EXPENSES

Operating expenses of $79.0 million for the second quarter of 2010 decreased $0.7 million from $79.7 million in the second quarter of 2009. Planned increases in advertising, marketing and sales force infrastructure to fuel future growth and increases in certain operating expenses that vary with revenue, such as selling commissions and distribution costs, were more than offset by a $4.6 million decrease in restructuring and other transition costs.

INTEREST, OTHER AND TAXES

The change in net interest expense reflected lower borrowings under the revolving credit agreement in the current year s quarter.

The decrease in other expense is related primarily to the change in realized gains or losses on foreign-denominated assets and liabilities.

The Company s effective tax rate for the second quarter of 2010 was 29.0% compared to 32.3% for the second quarter of 2009. The lower rate reflects benefits from international tax planning strategies implemented in the latter part of 2009.

NET EARNINGS AND EARNINGS PER SHARE

As a result of the revenue, gross margin, expense and tax rate changes discussed above, the Company achieved net earnings of $17.2 million for the second quarter of 2010 compared to $7.9 million in the second quarter of 2009, an increase of $9.3 million.

Basic and diluted net earnings per share increased 118.8% in the second quarter of 2010 to $0.35 from $0.16 in the second quarter of 2009.

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RESULTS OF OPERATIONS FIRST TWO QUARTERS OF 2010 COMPARED TO FIRST TWO QUARTERS OF 2009
FINANCIAL SUMMARY FIRST TWO QUARTERS OF 2010 VERSUS FIRST TWO QUARTERS OF 2009

	2010		2009		Change	
(Millions of dollars, except per share data)	**$**	**% of Total**	$	% of Total	$	%
Revenue						
Branded footwear, apparel and licensing	**$ 486.8**	**89.6%**	$ 453.2	90.3%	$ 33.6	7.4%
Other business units	**56.3**	**10.4%**	48.6	9.7%	7.7	15.8%
Total revenue	**$ 543.1**	**100.0%**	$ 501.8	100.0%	$ 41.3	8.2%
	$	**% of Revenue**	$	% of Revenue	$	%
Gross profit						
Branded footwear, apparel and licensing	**$ 200.6**	**41.2%**	$ 179.8	39.7%	$ 20.8	11.6%
Other business units	**20.7**	**36.8%**	15.2	31.2%	5.5	36.2%
Total gross profit	**$ 221.3**	**40.7%**	$ 195.0	38.9%	$ 26.3	13.5%
Selling, general and administrative expenses	**$ 155.3**	**28.6%**	$ 148.2	29.5%	$ 7.1	4.8%
Restructuring and other transition costs	**2.8**	**0.5%**	19.0	3.8%	(16.2)	(85.3%)
Total operating expenses	**$ 158.1**	**29.1%**	$ 167.2	33.3%	$ (9.1)	(5.4%)
Interest (income) expense net	**0.1**	**0.0%**	0.2	0.0%	(0.1)	(50.0%)
Other expense net	**0.2**	**0.0%**	0.4	0.1%	(0.2)	(50.0%)
Earnings before income taxes	**$ 62.9**	**11.6%**	$ 27.2	5.4%	$ 35.7	131.3%
Net earnings	**$ 44.7**	**8.2%**	$ 18.4	3.7%	$ 26.3	142.9%
Diluted earnings per share	**$ 0.89**		$ 0.37		$ 0.52	140.5%

The following is supplemental information on total revenue:

Total Revenue First Two Quarters

	2010		2009		Change	
(Millions of dollars)	**$**	**%**	$	%	$	%
Outdoor Group	**$ 211.4**	**38.9%**	$ 190.9	38.0%	$ 20.5	10.7%
Wolverine Footwear Group	**111.5**	**20.5%**	103.1	20.6%	8.4	8.1%
Heritage Brands Group	**93.7**	**17.3%**	91.3	18.2%	2.4	2.6%
Hush Puppies Group	**64.8**	**11.9%**	61.8	12.3%	3.0	4.9%
Other	**5.4**	**1.0%**	6.1	1.2%	(0.7)	(11.5%)

Total branded footwear, apparel and licensing revenue	**$**	**486.8**	**89.6%**	$ 453.2	90.3%	$ 33.6	7.4%
Other business units		**56.3**	**10.4%**	48.6	9.7%	7.7	15.8%
Total revenue	**$**	**543.1**	**100.0%**	$ 501.8	100.0%	$ 41.3	8.2%

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REVENUE

Revenue for the first two quarters of 2010 increased $41.3 million, or 8.2%, from the first two quarters of 2009 to $543.1 million. The effect of a weaker U.S. dollar against the British pound, euro and Canadian dollar increased revenue by $9.6 million. Increases in unit volume and net selling prices for select brands in the branded footwear, apparel and licensing operations increased revenue by $24.0 million. Revenue from the other business units increased $7.7 million.

The Outdoor Group recorded revenue of $211.4 million for the first two quarters of 2010, a $20.5 million increase over the first two quarters of the prior year. The Merrell® brand s revenue increased at a high single digit rate compared to the first two quarters of 2009, primarily as a result of strong organic growth and currency translation benefits from a weaker U.S. dollar, partially offset by lower closeout sales in the U.S. market. This increase was complemented by Patagonia® Footwear s revenue increasing at a rate in the mid twenties and revenue from the Chaco® brand increasing at a rate in the mid teens compared to the first two quarters of 2009.

The Wolverine Footwear Group had revenue of $111.5 million during the first two quarters of 2010, an $8.4 million increase from the first two quarters of 2009. The Wolverine® brand s revenue grew at a rate in the low teens during the first two quarters of 2010 compared to the first two quarters of 2009 due primarily to the success of the Contour Welt™ collection in the U.S. market and robust sell-through to premium distribution channels. The Bates® military and civilian uniform footwear business realized a low single digit revenue increase in the first two quarters of 2010 compared to the first two quarters of 2009 as a result of strong shipments to the civilian channel partially offset by a planned reduction in U.S. Military shipments. HyTest® s revenue increased at a rate in the mid teens due primarily to increases in at-once orders.

The Heritage Brands Group recorded revenue of $93.7 million for the first two quarters of 2010, a $2.4 million increase over the first two quarters of the prior year. Cat® Footwear s revenue increased at a mid single digit rate compared to the first two quarters of 2009, reflecting stronger sales in both the European and U.S. markets and the impact of the modestly weaker U.S. dollar on reported results. Harley-Davidson® Footwear revenue decreased at a low single digit rate due primarily to the continued weak motorcycle market in the U.S., partially offset by increases in non-U.S. geographies. Sebago® reported an increase in revenue at a mid single digit rate for the first two quarters of 2010, compared to the first two quarters of 2009, primarily as a result of solid organic growth and benefits from a slightly weaker U.S. dollar compared to 2009, partially offset by lower closeout sales.

The Hush Puppies Group recorded revenue of $64.8 million in the first two quarters of 2010, a $3.0 million increase from the first two quarters of 2009. Hush Puppies® Company revenue for the first two quarters of 2010 was essentially flat compared to the first two quarters of 2009, as growth in the U.S. and the international licensing business was offset by lower closeout sales and declines in the Canadian and European markets. Revenue generated by the Cushe™ brand more than tripled compared to the first two quarters of 2009, driven by the excellent placement the brand has secured in better specialty, outdoor and surf retail venues.

Within the Company s other business units, Wolverine Retail s revenue increased in the first two quarters of 2010 at a rate in the high teens compared to the first two quarters of 2009 as a result of comparable-store revenue increases across the Company s brick-and-mortar retail stores and strong growth from e-commerce. Wolverine Retail operated 84 retail stores worldwide at the end of the second quarter of 2010 compared to 93 at the end of the second quarter of 2009, with the decrease due to strategic closures of select underperforming stores. Revenue from the Wolverine® Leathers operation increased at a rate in the mid teens in the first two quarters of 2010 versus the first two quarters of 2009 due to an increase in demand for its proprietary product.

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GROSS MARGIN

The gross margin for the first two quarters of 2010 was 40.7%, a 180 basis point increase from the first two quarters of 2009, driven by lower closeout sales, higher average selling prices, modestly lower product costs, benefits from the restructuring plan and a shift in mix to higher margin product sales during the first two quarters of 2010. Additionally, a decrease in restructuring and other transition costs included in cost of goods sold from $3.3 million in the first two quarters of 2009 to $1.4 million in the first two quarters of 2010 resulted in a 41 basis point increase.

OPERATING EXPENSES

Operating expenses for the first two quarters of 2010 were $158.1 million versus $167.2 million for the first two quarters of 2009, a $9.1 million decrease. Planned increases related to brand-building investments in advertising and promotion as well as increases in certain operating expenses that vary with revenue, such as selling commissions and distribution costs, were more than offset by a decrease in restructuring and other transition costs of $16.2 million.

INTEREST, OTHER & TAXES

The change in net interest expense reflected lower borrowings outstanding under the revolving credit agreement in the first two quarters of the current year.

The change in other expense primarily related to the change in realized gains or losses on foreign denominated assets and liabilities.

The Company s effective tax rate for the first two quarters of 2010 was 29.0% compared to 32.3% for the first two quarters of 2009. The lower rate reflects benefits from international tax planning strategies implemented in the latter part of 2009.

NET EARNINGS AND EARNINGS PER SHARE

As a result of the revenue, gross margin and expense changes discussed above, the Company had net earnings of $44.7 million for the first two quarters of 2010, compared to $18.4 million in the first two quarters of 2009, an increase of $26.3 million, or 142.8%.

Basic net earnings per share increased 139.5% in the first two quarters of 2010 to $0.91 from $0.38 in the first two quarters of 2009, and diluted net earnings per share increased 140.5% in the first two quarters of 2010 to $0.89 from $0.37 in the first two quarters of 2009. The Company repurchased approximately 1,637,000 shares of common stock in the first two quarters of 2010 and repurchased approximately 406,000 shares in the first two quarters of 2009, both of which lowered the average shares outstanding.

LIQUIDITY AND CAPITAL RESOURCES

				Change from	
(Millions of dollars)	**June 19, 2010**	January 2, 2010	June 20, 2009	January 2, 2010	June 20, 2009
Cash and cash equivalents	**$ 110.1**	$ 160.4	$ 79.2	$ (50.3)	$ 30.9
Accounts receivable	**183.2**	163.8	182.9	19.4	0.3
Inventories	**170.8**	158.1	183.7	12.7	(12.9)
Accounts payable	**43.0**	42.3	30.8	0.7	12.2
Current accrued liabilities	**74.3**	90.1	85.4	(15.8)	(11.1)
Interest-bearing debt	**1.0**	1.6	36.4	(0.6)	(35.4)
Cash provided by operating activities	**10.3**		41.9		(31.6)
Additions to property, plant and equipment	**5.1**		4.9		0.2
Depreciation and amortization	**7.9**		7.3		0.6

Cash and cash equivalents of $110.1 million as of June 19, 2010 increased $30.9 million versus June 20, 2009, driven by the increase in revenue and strong cash collections of accounts receivable balances. The decrease in cash and cash equivalents from January 2, 2010 is driven by additional investments in working capital and other operating assets to drive future growth. Accounts receivable increased only 0.2% compared to the second quarter of 2009 on a 4.8% increase in revenue. No single customer accounted for more than 10% of the outstanding accounts receivable balance at June 19, 2010. Inventory levels decreased 7.0% from the same quarter last year, with the decrease driven primarily by the Company s inventory control initiatives.

The increase in accounts payable in the second quarter of 2010 compared to the second quarter of 2009 was primarily attributable to timing of cash payments to vendors. The decrease in current accrued liabilities was due primarily to timing of payments causing decreases in accrued salaries and taxes payable, partially offset by increased advertising accruals.

On June 7, 2010, the Company entered into a new credit agreement with a bank syndicate which provides the Company with a revolving credit facility, including a swing-line facility and letter of credit facility, in an initial aggregate amount of up to $150.0 million. This amount is subject to increase up to a maximum aggregate amount of $225.0 million under certain circumstances. The revolving credit facility is used to support working capital requirements and other business needs. There were no amounts outstanding under the revolving credit facility at June 19, 2010 compared to $34.8 million outstanding at June 20, 2009 under the former revolving credit agreement. The Company considers balances drawn on the revolving credit facility, if any, to be short-term in nature. The Company was in compliance with all debt covenant requirements at June 19, 2010 and June 20, 2009. Proceeds from the new credit facility, along with cash flows from operations, are expected to be sufficient to meet working capital needs for the foreseeable future. Any excess cash flows from operating activities are expected to be used to purchase property, plant and equipment, pay down debt, fund internal and external growth initiatives, pay dividends or repurchase the Company s common stock.

The Company had commercial letter-of-credit facilities outstanding of $0.3 million and $1.6 million at June 19, 2010 and June 20, 2009, respectively.

Net cash provided by operating activities through June 19, 2010 was $10.3 million versus $41.9 million through June 20, 2009, a decrease of $31.6 million. Stronger earnings performance and lower cash payments for restructuring were more than offset by additional investments in working capital and timing of tax and operating expense payments.

The majority of capital expenditures in the quarter were for information system enhancements, manufacturing equipment and building improvements. The Company leases machinery, equipment and certain warehouse, office and

retail store space under operating lease agreements that expire at various dates through 2023.

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The Company s Board of Directors approved a common stock repurchase program on April 19, 2007. The program authorized the repurchase of up to 7.0 million shares of common stock over a 36-month period beginning on the effective date of the program. The Company exhausted the program by repurchasing 199,996 shares at an average price of $26.52 per share during the first quarter of 2010. The Company s Board of Directors approved a new common stock repurchase program on February 11, 2010. This program authorizes the repurchase of up to $200.0 million in common stock over a four-year period. The Company repurchased 683,808 shares at an average price of $28.18 in the first quarter of 2010 and 752,643 shares at an average price of $29.99 per share during the second quarter of 2010 under this new program. The primary purpose of the stock repurchase programs is to increase stockholder value. The Company intends to continue to repurchase shares of its common stock under the new program in open market or privately negotiated transactions, from time to time, depending upon market conditions and other factors. Additional information about stock repurchases is included in Part II, Item 2 of this Form 10-Q.

The Company declared dividends of $0.11 per share, or $5.3 million, in the second quarter of 2010. This is equal to the $0.11 per share declared in the second quarter of 2009. The quarterly dividend is payable on August 2, 2010 to stockholders of record on July 1, 2010.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company s consolidated condensed financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company s estimates. However, actual results may differ from these estimates under different assumptions or conditions.

The Company has identified the critical accounting policies used in determining estimates and assumptions in the amounts reported in its Management s Discussion and Analysis of Financial Condition and Results of Operations in its Annual Report on Form 10-K for the fiscal year ended January 2, 2010. Management believes there have been no changes in those critical accounting policies.

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ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

The information concerning quantitative and qualitative disclosures about market risk contained in the Company s Annual Report on Form 10-K for its fiscal year ended January 2, 2010 is incorporated herein by reference.

The Company faces market risk to the extent that changes in foreign currency exchange rates affect the Company s foreign assets, liabilities and inventory purchase commitments and to the extent that its long-term debt requirements are affected by changes in interest rates. The Company manages these risks by attempting to denominate contractual and other foreign arrangements in U.S. dollars. The Company does not believe that there has been a material change in the nature of the Company s primary market risk exposures, including the categories of market risk to which the Company is exposed and the particular markets that present the primary risk of loss to the Company. As of the date of this Quarterly Report on Form 10-Q, the Company does not know of or expect there to be any material change in the general nature of its primary market risk exposure in the near term.

Under the provisions of FASB ASC Topic 815, *Derivative*s *and Hedging*, the Company is required to recognize all derivatives on the balance sheet at fair value. Derivatives that are not qualifying hedges must be adjusted to fair value through earnings. If a derivative is a qualifying hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the United States in the United Kingdom, continental Europe and Canada where the functional currencies are primarily the British pound, euro and Canadian dollar, respectively. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business. At June 19, 2010 and June 20, 2009, the Company had outstanding forward currency exchange contracts to purchase $91.9 million and $72.3 million, respectively, of U.S. dollars with maturities ranging up to 308 days.

The Company also has production facilities in the Dominican Republic and sourcing locations in Asia, where financial statements reflect the U.S. dollar as the functional currency. However, operating costs are paid in the local currency. Additionally, royalty payments from third-party foreign licensees is calculated in the licensees local currencies, but paid in U.S. dollars. Accordingly, the Company s reported results are subject to foreign currency exposure for this stream of revenue and expenses.

Assets and liabilities outside the United States are primarily located in the United Kingdom, Canada and the Netherlands. The Company s investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. Accordingly, the Company does not hedge these net investments. For the quarter ended June 19, 2010, the modestly weaker U.S. dollar compared to the relevant foreign currencies increased the value of these investments in net assets by $2.0 million. For the quarter ended June 20, 2009, the strengthening of the U.S. dollar compared to foreign currencies decreased the value of these investments in net assets by $14.2 million. These changes resulted in cumulative foreign currency translation adjustments at June 19, 2010 and June 20, 2009 of $4.5 million and $10.0 million, respectively, that are deferred and recorded as a component of accumulated other comprehensive income in stockholders equity.

Because the Company markets, sells and licenses its products throughout the world, it could be affected by weak economic conditions in foreign markets that could reduce demand for its products.

The Company is exposed to changes in interest rates primarily as a result of its revolving credit agreement. As of June 19, 2010, the Company had zero outstanding on its revolving credit, compared to $34.8 million as of June 20, 2009.

The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instruments.

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ITEM 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company s management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures. Based on and as of the time of such evaluation, the Company s management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company s disclosure controls and procedures, as defined in Securities Exchange Act Rule 13a-15(e), were effective as of the end of the period covered by this report. There have been no changes during the quarter ended June 19, 2010 that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

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PART II. OTHER INFORMATION

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet Be Purchased Under the Plans or Programs
Period 1 (March 28, 2010 to April 24, 2010)				
Common Stock Repurchase Program[1]		$		$ 180,729,916
Employee Transactions[2]	690	30.36		
Period 2 (April 25, 2010 to May 22, 2010)				
Common Stock Repurchase Program[1]	477,643	30.95	477,643	165,946,076
Employee Transactions[2]	2,364	29.68		
Period 3 (May 23, 2010 to June 19, 2010)				
Common Stock Repurchase Program[1]	275,000	28.32	275,000	158,159,178
Employee Transactions[2]	122	28.70		
Total for Quarter ended June 19, 2010				
Common Stock Repurchase Program[1]	752,643	29.99	752,643	158,159,178
Employee Transactions[2]	3,176	29.79		

[1] The Company s Board of Directors approved a common stock repurchase program on February 11, 2010. This program authorized the repurchase of up to $200.0 million of common stock over a four-year period, commencing on the effective date of the

program. All shares repurchased during the period covered by this Quarterly Report on Form 10-Q (other than repurchases pursuant to the Employee Transactions set forth above) were purchased under publicly announced programs.

(2) Employee transactions include: (1) shares delivered or attested in satisfaction of the exercise price and/or tax withholding obligations by holders of employee stock options who exercised options and (2) restricted shares withheld to offset tax withholding that occurs upon vesting of restricted shares. The Company s employee stock compensation plans provide that the value of the shares delivered or attested to, or

withheld, shall be the closing price of the Company s common stock on the date the relevant transaction occurs.

ITEM 6. Exhibits

The following documents are filed as exhibits to this report on Form 10-Q:

Exhibit Number	Document
3.1	Restated Certificate of Incorporation. Previously filed as Exhibit 3.1 to the Company s Annual Report on Form 10-K for the year ended December 30, 2006. Here incorporated by reference.
3.2	Amended and Restated Bylaws. Previously filed as Exhibit 3.1 to the Company s Current Report on Form 8-K filed on October 15, 2008. Here incorporated by reference.
10.1	Wolverine World Wide, Inc. Stock Incentive Plan of 2010. Previously filed as Exhibit 10.1 to the Company s Form S-8 filed on March 4, 2010. Here incorporated by reference.
10.2	Credit Agreement, dated as of June 7, 2010, among Wolverine World Wide, Inc., certain foreign subsidiaries of Wolverine World Wide, Inc., JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto. Previously filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed on June 8, 2010. Here incorporated by reference.
31.1	Certification of Chairman, Chief Executive Officer and President under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Senior Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification pursuant to 18 U.S.C. §1350.
101	The following materials from the Company s Quarterly Report on Form 10-Q for the twelve weeks ended June 19, 2010, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Condensed Balance Sheets as of June 19, 2010, January 2, 2010 and June 20, 2009, (ii) Consolidated Condensed Statements of Operations for the twelve weeks ended June 19, 2010 and June 20, 2009 and for the twenty-four weeks ended June 19, 2010 and June 20, 2009, (iii) Consolidated Condensed Statements of Cash Flows for the twenty-four weeks ended June 19, 2010 and June 20, 2009, and (iv) Notes to Consolidated Condensed Financial Statements, tagged as blocks of text.*

* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a

registration
statement or
prospectus for
purposes of
Sections 11 or
12 of the
Securities Act of
1933, as
amended, are
deemed not filed
for purposes of
Section 18 of
the Securities
and Exchange
Act of 1934, as
amended, and
otherwise are
not subject to
liability under
those sections.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES
July 29, 2010	/s/ Blake W. Krueger
Date	Blake W. Krueger Chairman, Chief Executive Officer and President (Duly Authorized Signatory for Registrant)
July 29, 2010	/s/ Donald T. Grimes
Date	Donald T. Grimes Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Duly Authorized Signatory for Registrant)

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* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or

prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.