

JOHNSON OUTDOORS INC  
Form DEFM14A  
February 15, 2005

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

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

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

**Johnson Outdoors, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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(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):

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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February 15, 2005

Dear Johnson Outdoors Shareholder:

You are cordially invited to attend a special meeting of the shareholders of Johnson Outdoors Inc. to be held on March 22, 2005 at 9:30 a.m., Central time, at the Racine Marriott, Grand Ballroom, located at 7111 West Washington Avenue (Highway 20), Racine, Wisconsin 53406.

At the special meeting, you will be asked to consider and vote upon a proposal to approve the merger agreement between Johnson Outdoors and JO Acquisition Corp. that was dated October 28, 2004. You will also be asked 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.

Under the terms of the proposed merger, all shareholders of Johnson Outdoors, other than JO Acquisition Corp. and members of the Johnson family (the Buy-Out Group) as well as shareholders who have perfected dissenters' rights, would receive \$20.10 per share in cash, and the Buy-Out Group would acquire 100% ownership of Johnson Outdoors.

The all-cash price of \$20.10 per share represents a 21.2% premium to the average closing price of Johnson Outdoors Class A common stock for the 30 days prior to the initial \$18.00 offer made by Helen Johnson-Leipold and the late Samuel C. Johnson and a 53.7% premium to the 52-week average closing price prior to the February 20, 2004 announcement of the offer.

**Our Board of Directors recommends that shareholders vote FOR 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.** A Special Committee of independent directors was appointed to evaluate the merger, and after extensive negotiations with the Johnsons and careful consideration, including a thorough review with its independent advisors and the receipt of a fairness opinion from its independent financial advisor, unanimously determined that the merger is fair to and in the best interests of the Company's shareholders other than the Buy-Out Group.

**Your vote is very important to us. Approval of the merger agreement requires, among other required votes, the affirmative vote of 66 2/3% of the votes entitled to be cast at the special meeting by shareholders other than members of the Buy-Out Group and their affiliates or associates. Accordingly, 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.**

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, please contact:**

INNISFREE M&A INCORPORATED

Shareholders Call Toll-Free: (877) 825-8964

Banks & Brokers Call Collect: (212) 750-5833

Sincerely,

Johnson Outdoors Inc.

**JOHNSON OUTDOORS INC.**

**555 MAIN STREET**

**RACINE, WISCONSIN 53403**

February 15, 2005

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 March 22, 2005 at 9:30 a.m., Central time, at the Racine Marriott, Grand Ballroom, located at 7111 West Washington Avenue (Highway 20), Racine, Wisconsin 53406.

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 <sup>2</sup>/<sub>3</sub>% 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. Subject to the terms of a voting agreement, the participating shareholders have committed to vote shares beneficially owned by them in favor of the merger. These shares represent 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. 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 (877) 825-8964.

Very truly yours,



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.**

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The enclosed proxy statement is dated February 15, 2005 and is first being mailed to shareholders on or about February 15, 2005.

**JOHNSON OUTDOORS INC.**

**555 MAIN STREET**

**RACINE, WISCONSIN 53403**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD MARCH 22, 2005**

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To the shareholders of Johnson Outdoors Inc.:

We will hold a special meeting of shareholders of Johnson Outdoors Inc. on March 22, 2005 at 9:30 a.m., Central time, at the Racine Marriott, Grand Ballroom, located at 7111 West Washington Avenue (Highway 20), Racine, Wisconsin 53406. 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 February 14, 2005. 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

February 15, 2005

**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.**

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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 88.*

### Parties Involved in the Proposed Transaction (page 62)

**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 59)

**Matters to be Considered (page 59)** At the special meeting, shareholders will, among other things, consider and vote upon a proposal to approve the merger agreement.

**Date, Time, Place (page 59)** The special meeting will be held on March 22, 2005 at 9:30 a.m., Central time, at the Racine Marriott, Grand Ballroom, located at 7111 West Washington Avenue (Highway 20), Racine, Wisconsin 53406.

**Record Date (page 59)** Johnson Outdoors has fixed February 14, 2005 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 60 and 59)** 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 <sup>2</sup>/<sub>3</sub>% 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 60)** 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. Innisfree 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 60)** 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 15)**

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



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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 and Reasons for the Merger (page 16)**

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 45)**

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 36 and 28)**

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 37)**

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 33)**

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 48)**

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 51)**

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 71)**

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 shareholders of Johnson Outdoors (other than participating shareholders).

**Conditions to Completion of the Merger (page 74)**

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



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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 75)**

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. In addition, either Johnson Outdoors, acting under the direction of the special committee, or JO Acquisition Corp. may generally (but is not required to) 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;