

01

Greetings

A letter from CEO Greg Roda

Hi Folks,

I would like to take this opportunity to offer many thanks to our valued customers and suppliers in this difficult economic environment. We greatly appreciate your support and contribution that has allowed Outlast to maintain a strong position in the marketplace with continued growth. Our efforts have focused on new product launches, enhanced training programs and marketing efforts that refine our message of temperature regulation for improved comfort. As always, our partners have had a great impact on making our efforts successful.

Outlast continues to demonstrate success in building a global supply chain that serves markets in the major geographies with both new and current customers. The footwear sector has done particularly well in this respect. In North America, Outlast is making its way into the golf market with Callaway's launch of the Hyperbolic SL shoe. Also in North America, Auri Footwear has expanded their Outlast® offering from just men's shoes into their new women's line. In Korea, our long time partner Prospects has launched a new trail walking shoe that builds upon their existing footwear line. For more information on these stories and other product launches with Outlast® technology, please see the Partner News section below.

Our marketing team has been especially productive in 2010. The North American office participated in a PR event called Summer House. For this unique marketing opportunity Outlast supplied complete Outlast® Sleep Systems for participants to experience a better night's sleep. Our global marketing team has also created a new online training program designed to support our partners at retail as well as on the sales front. This tool allows for sales training in an efficient manner so that the attributes of Outlast® technology can be fully understood and explained to potential new customers as well as to consumers. This web-based, e-learning platform is an interactive multi-language tool designed to be simple and cost effective for partners at every point in the value chain. I hope that many of you will visit our website and give the e-learning tool a try.

Outlast will continue to innovate by creating new products and tools to demonstrate the effectiveness of these products. I look forward to the second half of a very good year, as product launches are rolled-out in existing and new markets.



Greg Roda

Greg Roda
CEO Outlast Technologies, Inc.

Outlast® Sheet Sets Launch Nationwide in Sleepy's

Design Weave sheets with Outlast® technology are launching in Sleepy's, an American mattress and specialty bedding retail leader with over 700 stores in the U.S. Outlast welcomes Sleepy's as a retail outlet for the new Design Weave sheet sets and looks forward to line extensions in the future. The sheet sets will be sold under the Expressions trademark brand with the sub-brand name of Serenity.

To illustrate the benefits of Outlast® technology in the sheet sets, Sleepy's will offer a unique retail experience by providing in-store fabric swatches for consumers to actually feel the Outlast® difference. Consumers will be able to touch the fabric and feel its cooling effect to help enforce the temperature regulating and moisture management benefits of Outlast® technology.

Sheet sets are available as of June 2010 in all Sleepy's stores.

For more information visit: www.sleepys.com



Product Spotlight

Callaway Golf Shoe Offers Ultimate Comfort with Outlast® Technology

New licensee Callaway Golf Company has incorporated the proactive temperature regulating and moisture reducing benefits of Outlast® technology into its Hyperbolic footwear to improve comfort on the golf course. Adding Outlast® technology into the Hyperbolic footwear allows Callaway Golf to offer its customers a more advanced type of comfort, beyond feel, stability and wicking. Golf is a sport where temperature and level of activity during a round can vary—Outlast® technology helps reduce temperature swings inside the shoe to keep the feet drier and more comfortable, longer.

For more information visit: www.callawaygolf.com



Auri Footwear Combines Comfort and Fashion in Women's Shoe

Outlast® licensee Auri Footwear is the first couture footwear collection to combine comfort and fashion. Originally available only for men, in the spring of 2010 Auri launched a line of women's shoes incorporating Outlast® technology with temperature regulation to keep feet dry and comfortable...even in high heels.

For more information visit: www.aurifootwear.com

Auri



Select Comfort Adds Pajamas to In Balance™ Line

Sleep Number In Balance™ pajamas with Outlast® technology offer a solution to stay cool and comfortable all night long. Outlast® technology in these pajamas creates a more comfortable sleeping environment by balancing temperature swings, a common sleep disturbance.

For more information visit: www.selectcomfort.com



World Famous Climber Prefers Mountain Lion Shirt

Mountain Lion, a French company and Outlast Europe partner, has created a climbing shirt favored by famous climber Pierre Bollinger. Bollinger likes to wear a Mountain Lion shirt with Outlast® technology to balance temperature swings throughout the climb. Outlast® technology allows Bollinger to feel more comfortable, longer so he stays not too hot, not too cold®, but just right.



Prospects Shoe Offers Solution for Walkers

A popular product in Korea, Outlast Asia recently developed the W Trail shoe specifically designed for walking on gravel, dirt, stone and sand. The W Trail is perfect for those looking for a shoe designed with walkers' needs in mind. The shoe features special cushioning on the sole and waterproof fabric that features Outlast® technology to offer comfort through the technology's moisture management properties.

Advertisements can be seen twice a week in the popular *Jung-ang Ilbo* and *Josun Ilbo* Korean newspapers.



Outlast Launches New Worldwide Training Program

Outlast has developed an interactive multi-language elearning tool. Accessible through outlast.com, this comprehensive training program is designed to help manufacturers as well as retailers easily acquire knowledge about Outlast® technology.

To expand your knowledge of Outlast® technology, log on to the Training section of outlast.com and work through the training sessions. The training is divided into two versions, Basic and Advanced. After choosing a category—General, Apparel, Bedding or Footwear—click through seven chapters complete with questions, feedback and tips for selling. At the end, there is an opportunity to win great prizes by participating in a quiz to test newly acquired knowledge.

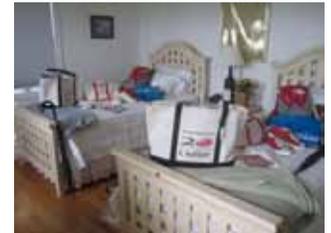
Visit Online Training at outlast.com.



Outlast® Bedding Tested by Top National Media Outlets

This past June, Outlast participated in a unique marketing program called Summer House in Nantucket, MA. The concept involves lifestyle editors from dozens of top national consumer media outlets who stay in a house for a three-day session and have an opportunity to sample products in their intended settings.

For Summer House 2010 Outlast provided a complete Outlast® Sleep System for each bed: mattress pad, lightweight comforter, sheet set, pillow protector and woven blanket. Journalists slept in the Outlast® beds for two nights, experiencing the Outlast® difference, and received a goody bag full of Outlast® products to take home. In all, a great opportunity to create a memorable one-on-one experience and connect with the media.



Outlast® Technology Returns to Space

Originally developed for NASA to protect astronauts from temperature fluctuations, Outlast® technology has made a triumphant return to space. JAXA, the Japanese equivalent of NASA, produced a sweater worn by Naoko Yamazuki on a recent space shuttle flight. A high profile Japanese astronaut, Yamazuki and her custom sweater made headlines in many Japanese media outlets.

This product was specifically designed for Yamazuki. A replica of the sweater will be shown at Outdoor Retailer Summer Market, this coming August in Salt Lake City, Utah.

A New Look for Outlast at Outdoor Retailer

The Outlast booth for 2010 is a departure from any previous Outlast booth and from anything the competition is doing. In a sea of lifestyle imagery Outlast will stand out with text to start the conversation about what comfort is. To some, it's being comfortable enough to hold downward dog for six more seconds, or for others, it's a sweater that doesn't make them sweat or technology that stops their pack from sticking to their back.

The new booth redefines comfort in hundreds of ways, covering both the emotional and physical aspects of what true comfort can mean to people in the outdoor industry. The headline "COMFORT IS" starts the conversation and the hundreds of phrases that make up the background graphic continue it.

Whether attendees read one or two phrases, or finish them all, they will be both entertained and enlightened and will come away from the booth knowing that Outlast understands the active sports category and has a solution for greater comfort via heat management.



Outdoor Retailer Summer Market

August 3-6, 2010
Salt Lake City, Utah
Booth #155-611

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twitter.com/OutlastTech

[Facebook.com/Outlast](https://facebook.com/Outlast)

Or contact us anytime:

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