

NMMA ANNUAL REPORT

2011



LETTER TO MEMBERS



A handwritten signature in black ink, which appears to read "Tom Dammrich". The signature is fluid and cursive.

Thomas J. Dammrich, President

Dear Colleagues:

"Whether you think you can, or you think you can't—you're right." I referenced this Henry Ford quote a lot this past year because it's a good reminder that success and attitude go hand in hand. More than ever the recreational boating industry has had its head down, working to create better products for customers, cut costs and increase revenues. The recession offered a wake-up call, injecting a renewed commitment and focus and the need to work together if we're going to grow. As a result, innovative boats, engines and accessories are entering the market at an unprecedented pace; customer satisfaction programs are the norm, not the exception; and for the first time in five years, new powerboat sales increased in 2011.

Recognizing we must work together if we're going to sustain and grow our industry, NMMA has taken a leadership position to drive the belief among the industry in our joint vision of a successful future of growth for recreational boating. It's this kind of positive attitude and work ethic NMMA puts into action every day to deliver value to you, our members.

As your association, we work with and for you, to strive for your success. Each member of your NMMA team brings unique value to the association. We are proud of our work on your behalf and with this year's Annual Report we highlight key successes that improve your business, the recreational boating industry and the consumer boating experience.

Everything we do—advocating for you on Capitol Hill to protect your interests, marketing programs, boat shows, certification, statistics and research that help drive market expansion—generates significant measurable results. Every employee, every project, every meeting works in concert on your behalf. But it's the entire NMMA team—directors of the board and task forces, members, staff, and affiliates—working together to grow the industry that's reflected in all of the work described on the following pages.

Thank you for being part of our team.



LETTER FROM THE CHAIRMAN



A handwritten signature in black ink that reads "Jason Pajonk-Taylor". The signature is written in a cursive, flowing style.

Jason Pajonk-Taylor, Chairman

Dear Colleagues:

The tide is rising and we are moving in the right direction. 2011 was a better year for recreational boating with powerboat shipments to dealers up an estimated 26.5% on a rolling 12-month basis in December, steady NMMA boat show attendance, and a renewed focus on the industry's Discover Boating program.

As we regain our footing following the recession, I want to recognize the significant role NMMA has played in our industry's survival and growth this past year alone. As Chairman of NMMA and as an accessory manufacturer I have a unique vantage point to how the association works on behalf of its members. Here are a few examples that come to mind:

- Leading advocacy efforts on behalf of members and recreational boating on Capitol Hill. NMMA's government relations staff is unrelenting on federal and regulatory issues impacting the marine industry and diligently protect our interests. The value of their work is priceless; the sheer scope is nothing short of impressive. I encourage you to visit the Government section on nmma.org to get involved and learn about the issues they address.
- Working to reignite Discover Boating and launching the Welcome to the Water campaign in 2011 to increase boating participation. Discover Boating is a key part of the association's market expansion strategy. Join the movement and see the results of your NMMA team at work at growboating.org.
- Producing top-notch boat and sport shows across the U.S. NMMA delivers an ideal buying, shopping and boating lifestyle experience for consumers and an excellent selling opportunity for exhibitors. Extensive marketing campaigns, fun, crowd-attracting features, smart show set-up and flow—NMMA upholds its reputation for quality shows and events.
- Helping us explore markets abroad and grow internationally. This year alone, NMMA brought us opportunities in thriving markets such as Korea and METS Amsterdam.
- Maintaining an industry standard for quality and helping members deliver better products to the consumer through NMMA Boat and Yacht Certification program, PWC certification and trailer certification.
- Providing the latest industry research and statistics to help members make informed business decisions. In 2011 NMMA staff released quarterly Dashboard reports providing members with expanded insights and data on the boating market—proving invaluable as we navigate the economic landscape.
- And last but not least, NMMA's continued commitment to making cost reductions while increasing value for members illustrates its mission of success of all members.

I'm proud to be associated with NMMA and know you will be too when you get a glimpse on the following pages of all the work they do on our behalf.



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FINANCIALS

2011 SOURCES OF REVENUE

Revenue to fund NMMA programs was \$12.3 million for the twelve months ending September 30, 2011. As a result of the discontinuation of the Grow Boating (GBI) redirection that had been in place since October, 2009, the current year brought in \$3.5M assessment dollars to fund GBI, a \$2.4M increase from 2010. GBI revenues account for 29% of the 2011 revenue and this is passed through to Grow Boating, Inc.. Net boat show revenue accounted for 16% of revenues, an average of 10% increase on show results from year to year. Dues revenue accounted for 22% of revenue. Certification programs and products accounted for 12% of revenue, while International Programs provided 5% of revenue. Realized Investment income accounted for 10% of annual revenues, and reflects gains realized from the repositioning of the investment portfolio. Industry Programs and Other Income provided 4% and 2% of total revenue, respectively.

2011 USES OF FUNDS

NMMA Program Expenses for the period ending September 30, 2011 were \$14.4 million, exclusive of show operations.

During FY11, NMMA continued to provide significant value to its members and the greater recreational boating industry. Significant issues addressed by Government Relations (GR) include: educating members and lawmakers on the National Toxicology Program, working to have the Sportfish and Boating Trust Fund reauthorized as part of the 2011 Surface Transportation Reauthorization bill, and opposing the introduction of E15 and the EPA's partial waiver for E15. In 2011, planning also began for the 2012 Democratic and Republican National Conventions, where NMMA will hold advocacy events in partnership with local dealers and manufacturers. State government relations staff continues its work as well, fighting against the Biscayne National Park proposed General Management plan, which would close over 20 percent of the Park to recreational boaters and fishermen.

NMMA's marketing and social media presence continues to expand. 2011 saw the launch of *Boat Show Exhibitor Magazine*, a smart phone application for the Miami Boat Show, and a mobile version of DiscoverBoating.com. In its inaugural year on Twitter, one of the fastest growing social networks in the world, NMMA boat shows reached more than 6 million consumers/influencers. NMMA continued to provide staff support for Discover Boating, and the new *Welcome to the Water* campaign.

Table 1.1 2011 Sources of Revenue

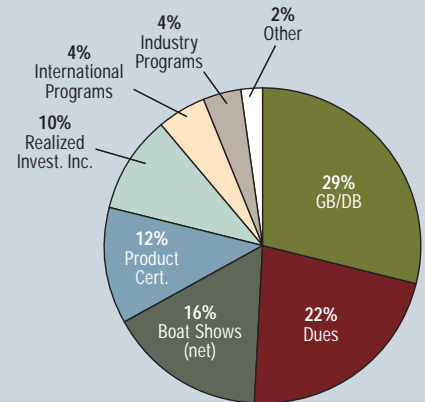
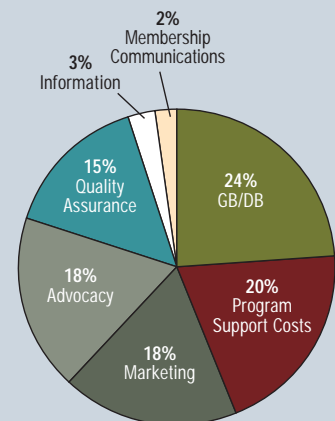


Table 1.2 2011 Use of Funds



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS		2011	2010
CURRENT ASSETS	Cash & cash equivalents	\$4,850,275	\$3,761,173
	Investments	13,725,477	13,131,065
	Accounts receivable, net of allowances for uncollectible accounts of \$66,976 in 2011 and \$79,318 in 2010	723,747	975,282
	Receivables from affiliated associations	—	31,130
	Prepaid expenses and other assets	1,972,723	2,378,412
	Total current assets	21,272,222	20,277,062
NON-CURRENT ASSETS	Capital and intangible assets		
	Intangible assets, net of accumulated amortization of \$25,179,739 in 2011 and \$23,961,090 in 2010	1,071,428	2,571,714
	Office equipment, show equipment and leasehold improvements, net of accumulated depreciation of \$2,533,630 in 2011 and \$3,045,944 in 2010	174,067	199,495
	Computer software development costs, net of accumulated depreciation of \$1,771,611 in 2011 and \$1,524,118 in 2010	70,262	343,174
	Capital and intangible assets, net	1,315,757	3,114,383
	Other non-current assets	576,085	612,221
	Total non-current assets	1,891,842	3,726,604
TOTAL ASSETS		\$23,164,064	\$24,003,666
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES	Accounts payable & accrued liabilities	\$2,328,983	\$2,186,427
	Deferred revenues	9,337,079	7,664,934
	Deferred revenues—Grow Boating Initiative	541,113	679,299
	Current portion of long-term debt	250,000	250,000
	Total current liabilities	12,457,175	10,780,660
NON-CURRENT LIABILITIES	Accrued pension liability	7,839,191	6,610,892
	Long-term debt, net of current portion	500,000	750,000
	Other non-current liabilities	661,502	687,221
	Total non-current liabilities	9,000,693	8,048,113
TOTAL LIABILITIES		21,457,868	18,828,773
NET ASSETS	Unrestricted	1,111,791	5,174,893
	Unrestricted board designated—Personal Watercraft	594,405	—
	Total net assets	1,706,196	5,174,893
TOTAL LIABILITIES AND NET ASSETS		\$23,164,064	\$24,003,666

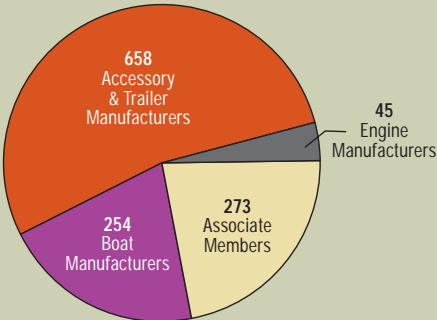
CONSOLIDATED STATEMENTS OF ACTIVITIES		2011	2010
CHANGES IN UNRESTRICTED NET ASSETS	Revenues, gains & other support		
	Shows revenue	\$24,864,036	\$28,213,770
	Dues income	2,119,074	2,264,213
	Member services revenue	2,049,625	1,642,126
	Industry assessments, contributions and member services revenue—Grow Boating Initiative	3,548,187	1,118,334
	Investment return	594,413	910,713
	Other income	5,043	26,233
	Total revenues, gains and other support	33,180,378	34,175,389
EXPENSES	Program services		
	Direct shows expense	17,223,918	18,453,644
	Shows administration expense	5,030,375	5,039,368
	Association services expense	2,241,422	1,951,714
	Government relations	2,072,297	2,031,984
	Industry promotion	2,784,560	2,332,322
	Industry promotion—Grow Boating Initiative	3,423,557	790,782
	Direct industry support	305,430	248,996
	Total program services	33,081,559	30,848,810
SUPPORTING SERVICES	Management and general	2,914,248	2,728,969
	Total expenses	35,995,807	33,577,779
	Change in unrestricted net assets before other changes in unrestricted net assets	(2,815,429)	597,610
OTHER CHANGES IN UNRESTRICTED NET ASSETS			
	Pension-related change other than net periodic pension cost	(1,261,459)	(2,478,391)
	Gain on sale of Toronto Boat Show	—	4,168,388
	Transfer of net assets from PWIA	324,931	—
	Cumulative translation adjustment	13,786	(45,023)
	Total other changes in unrestricted net assets	(922,742)	1,644,974
CHANGES IN UNRESTRICTED NET ASSETS BEFORE PERSONAL WATERCRAFT		(3,738,171)	2,242,584
Changes in board designated net assets—Personal Watercraft			
	Personal Watercraft revenues	562,142	—
	Personal Watercraft expenses	(292,668)	—
	Changes in board designated net assets—Personal Watercraft	269,474	—
CHANGE IN NET ASSETS		(3,468,697)	2,242,584
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR		5,174,893	2,932,309
UNRESTRICTED NET ASSETS, END OF YEAR		\$1,706,196	\$5,174,893

NMMA MEMBERSHIP

Table 2.1 2011 Membership



Table 2.1 2011 Divisional Breakout



Membership in NMMA gives you a voice among industry leaders and access to resources that can help you grow your business. NMMA provides its members with invaluable learning, networking and leadership opportunities.

In FY2011, NMMA produced seven webinars to help members understand crucial topics such as the SBA’s Dealer Floor Plan Loan Program, Clean Water Act and Uniform Vessel & Titling act and keep up with latest marketing trends. NMMA publications, *Washington Wave*, *Currents* and *Boating News Net*, connect members with important industry and association news to help members keep up with critical issues, recognize emerging trends, gain insight on current economic conditions, and adapt to changes in the marketplace.

ACCOMPLISHMENTS

New market study launched—Marine Accessory Market Research

NMMA addressed the lack of data and current research on the marine accessory market, and, in partnership with Foresight Research, conducted a research study of the marine accessory market to provide insight into how boaters make accessory purchase decisions. New, i.e. first-time, boat owners (new and pre-owned boats) and current boaters were surveyed. The study addressed the following:

- Identify how consumers become aware of accessories available for their boats
- Determine which factors influence consumers’ buying decisions (dealer, magazines, website research, TV shows, commercials, word of mouth, etc.)
- Explore how consumers conduct pre-purchase research and gather information
- Understand the process consumers use to make a purchase decision

The results of this study will be available in the *2011 Recreational Boating Statistical Abstract* scheduled for release in June 2012.

GOVERNMENT RELATIONS

NMMA is among the industry's most effective and outspoken advocates, actively representing the industry to policymakers at both state and national levels. As the leading voice of the recreational boating industry, NMMA works every day to protect the interests of our members and the recreational boating industry as a whole.

NMMA initiatives and advocacy efforts successfully influenced numerous policy decisions and legislative issues throughout FY2011. Following is a summary of the year's accomplishments.

ACCOMPLISHMENTS

Addressing Key Issues confronting the recreational boating industry

NMMA led the charge in coordinating members of the Angling & Boating Alliance (ABA) to lobby the 112th Congress for full reauthorization of the **Sport Fish Restoration and Boating Trust Fund**, (formerly known as Wallup-Breaux), a program that provides more than \$650 million annually for aquatic conservation and boating infrastructure.

NMMA prevailed upon the EPA to revisit a poorly conceived directive relating to control techniques guidelines (CTG) for states to follow when regulating volatile organic compounds (VOCs) under the **Clean Air Act (CAA)**, which could have imposed severe restrictions on the solvent content for paints and coatings used on recreational boats. NMMA had productive meetings with several Senate offices, and as a result, many states proposed CAA State Implementation Plans that are much less restrictive than anticipated.

Business Activity Tax Simplification Act—NMMA supported efforts to establish a nationwide standard for States to follow before they can establish an economic nexus to levy taxes on marine manufacturers that do not have a physical presence in their state.

NMMA worked to prioritize **Harbor Maintenance Trust Fund Expenditures**, and supports an amendment to HR 104, the Realize America's Maritime Promise Act (RAMP) that would level the playing field between big harbors and the smaller ones used primarily by small commercial fishermen and recreational boaters.

NMMA acted as the industry's advocate to aggressively challenge the entire **ethanol** program put forth by the Environmental Protection Agency (EPA). NMMA facilitated a July 7, 2011, appearance of Jeff Wasil, Emissions Certification Engineer for Evinrude Marine Engines Division before the Energy and Environment Subcommittee of the House Committee on Science, Space and Technology. In addition, NMMA met with staff of 15 U.S. Senators to discuss E15 ethanol blends and their deleterious effect on engines, and is also working with a coalition to draft a legal challenge to the move to E15 blends.



Dave Hilbert testifying before Congress on E15



Jim Currie speaks at inaugural reception in honor of Senate Ocean's Caucus



NMMA GR conducts fact finding tour of Biscayne Bay state access issue)

NMMA worked to educate policymakers about the necessity of considering recreational user's needs in ocean spatial planning, submitting extensive written comments on the National Ocean Council's Strategic Actions Plan Outline for the **National Ocean Policy**. NMMA also researched changes to the National Standard 10 (Safety at Sea) guidelines proposed by the National Marine Fisheries Services and with five other organizations submitted comments pointing out that decisions to close near-shore waters to fishing also force anglers further from shore and increase the likelihood of dangerous situations.

NMMA moved to head off legislative threats to the current **mortgage interest deduction for boats** that qualify as second homes. In response to NMMA legislative alerts, NMMA members sent more than 1,100 letters to members of Congress opposing such plans.

ADVOCATING TO PROTECT YOUR INTERESTS (FEDERAL REGULATORY & LEGAL)

Boat dealers benefit from a new **Uniform Boat Titling Model Law** that was adopted in June 2011 and championed by NMMA and the National Marine Bankers Association (NMBA). The model law features an innovative provision to move hull-damaged boats out of inventory. The National Conference of Commissioners on Uniform State Law (NCCUSL) named NMMA to its enactment committee, and NCCUSL, NMMA and NASBLA will work to have the model law adopted in all states.

NMMA, with other industry partners, continues to press for reform of the **Lacey Act**, seeking a strategy to address problems associated with the act. As written, it is difficult for multi-component products, such as boats, to comply with the act, and NMMA argued in comments that it should not be applied to such products.

Boat manufacturers benefited from NMMA's successful challenge to a USCG proposal to increase the length of **Hull Identification Numbers (HIN)**. USCG withdrew its proposal in January 2011, and NMMA worked with the National Insurance Crime Bureau (NICB) to facilitate an agreement on required data elements for boat manufacturers to submit to its database.

ENVIRONMENTAL HEALTH & SAFETY

Marine engine manufacturers stand to save considerable time and resources as a result of EPA's decision to accept NMMA's **Greenhouse Gas Emission** factors in April 2011.

To save boat builders from an unnecessary administrative burden, NMMA worked with Outdoor Power Equipment Institute and non-marine industry manufacturers that share our concerns to reform the **California Air Resources Board (CARB) marine engine certification program** by streamlining the engine carry-over process and prevent CARB's plan to add boat certification under the evaporative emission regulations.

To determine the viability of **isobutynol** fuel in marine applications, NMMA and ABYC tested the fuel in three vessels during the 2011 boating season (June–September). Pre-season emission evaluation and on-water operation were favorable. The second phase of testing will evaluate fuel degradation after it has been stored for the winter in both boats and drums.

COMMUNICATIONS & ADVOCACY OUTREACH

NMMA government relations twice monthly newsletter, *The Washington Wave* delivered important legislative and regulatory news to more than 2,000 subscribers, including Congressional staff, federal and state government officials, boating community partners, the media and NMMA members.

NMMA government relations department launched a **new policy-oriented e-newsletter for boat show exhibitors** and contributed regularly to AMI's *Advocate* and NMMA's *Boat Show Exhibitor Magazine*.

NMMA worked to rebuild **BoatPAC** in FY2011, and ended 2011 with \$71,650.92 cash on hand, up 217% from 2010 levels. BoatPAC raised a total of \$96,268.45 for the 2011/12 election cycle. Individual participation reached 126, a 62% increase from 2010.

More than 175 people from 26 states and Canada attended the 2011 **American Boating Congress (ABC)** to represent recreational boating industry on Capitol Hill. Attendees conducted more than 100 visits to Members of Congress and their staff to discuss the key policy issues facing the industry. Attendees heard from Congressional Boating Caucus co-chairs Congresswoman Candice Miller (R-Mich.) and Congressman Joe Donnelly (D-Ind.), plus Rear Admiral Kevin Cook from the US Coast Guard and Greg Ip of *The Economist*. Guests from the Environmental Protection Agency, Law Offices of John T. O'Rourke, and National Association of Manufacturers also spoke at the conference.



Isobutanol testing



GR staff plans presence at Democratic and Republican National Conventions

STATE

Through joint efforts of NMMA and the Connecticut Marine Trades Association, a luxury tax plan was significantly scaled back (dropping the proposed tax on a \$200,000 boat to \$1,300 from \$3,000) and plans to tax the value of trade-ins, slip fees and marine labor were also eliminated.

Following testimony by NMMA, a Connecticut lemon law bill was tabled and never revived. A proposed lemon law bill in Pennsylvania also failed to move forward following NMMA lobbying efforts targeting small-government advocates in the legislature.

Personal Watercraft Industry Association (PWIA) successfully lifted the ban on personal watercraft for three additional Wildlife Management Areas in Louisiana, effective July 2011.

NMMA opposed a Massachusetts bill that would require all persons on boats 20 feet or smaller to wear life jackets. NMMA testimony before the Joint Committee on Public Safety and Homeland security and meetings with legislative leaders convinced the committee to table the bill.

NMMA developed a comprehensive database compiling all **marine dealer-manufacturer state law requirements**, as a tool to help members understand and deal with existing state contract law requirements.

NMMA's state government relations department formed and continues to lead a coalition of automobile, outdoor power equipment, and engine manufacturers to monitor **state ethanol legislation and regulatory actions** and promote united opposition to the state-level bills that would promote the sale of E-15, alter fuel pump labeling requirements, and provide retailer liability protections.

MARKETING COMMUNICATIONS

NMMA is the leading source of information on the recreational boating industry for both the public and the media. The association's marketing and communication efforts work to expand the market for boating by engaging and inspiring the public with positive messages about boating. NMMA marketing teams provide critical support for government relations, certification and other association programs.

IN-HOUSE ADVERTISING

Accomplishments

Boat Show advertising generated more than one billion paid media impressions.

Launched *Boat Show Exhibitor Magazine*—First ever publication targeted exclusively at boat show exhibitors. The publication was well received by the industry: At end of FY2011, *Boat Show Exhibitor* had a subscription base of more than 6,000 people and a mailing list of 25,000.

INTERACTIVE & WEB

Supports Discover Boating marketing, advertising and communications needs online. DiscoverBoating.com, nmma.org and GrowBoating.org websites are information portals for consumers and the industry. Manage 18 boat show websites and four affiliate organization websites.

Accomplishments

NEW DiscoverBoating.com

FY 2011 saw the debut of a revamped consumer website, supported by a new campaign—Welcome to the Water. The redesigned site offered a more personalized experience and featured an expanded set of tools for both potential and current boaters, such as the "Get Off Your Dock Guide", an interactive information resource for new and prospective boaters. The redesigned site launched on May 2, 2011

During FY2011 the site generated:

- 1,182,922 visits—up 148% from FY2010
- 948,615 unique views—up 146% from FY2010
- 3.3 million page views—up 147% from FY2010





Mobile DiscoverBoating.com

Acting on usage trends data which indicate that by 2014 more people will access the Internet via smart phones than desktop computers, site visitors using smart phones are now auto-directed to the DiscoverBoating.com mobile site

- Visits to DiscoverBoating.com from a mobile device in FY2011 increased 323% compared to FY2010
- 15% of DiscoverBoating.com visitors access the site with a mobile device

Social Media

Social media marketing worked to promote boating to an ever-increasing audience; the Discover Boating Facebook page grew to 219,000 fans.

Welcome to the Water Boat Trip Planner on Facebook successfully engaged boaters, offering them the opportunity to win nautical prizes by inviting others to go boating. The campaign generated nearly 400 million impressions and 227,000 clicks.

Search Engine Optimization

During FY2011 natural search engine efforts:

- Generated 67% of traffic to DiscoverBoating.com
- Brought nearly 600,000 unique visitors to the site

PUBLIC RELATIONS AND INDUSTRY COMMUNICATIONS

The public relations team works year-round to develop and manage communications on issues impacting recreational boating, proactively garner press in support of the boating lifestyle for Discover Boating and protect the interests of members and the industry in consumer and industry media.

Accomplishments

Secured record media coverage for NMMA boat shows, placing 3,000 news stories, an 11 percent increase from the previous year and creating 1.6 billion impressions, up 13 percent over 2010. Social media efforts resulted in more than 12,000 followers on Twitter for NMMA boat shows.

Assumed responsibility for Personal Watercraft Industry Association public relations, securing record coverage for personal watercraft. PR efforts resulted in more than 830 news stories nationwide promoting the benefits of PWCs and an estimated 23 million impressions.

Created positive awareness among consumers for the boating lifestyle, generating 200 million media impressions in top consumer media outlets on behalf of Discover Boating.

Managed media inquiries and proactively pitched stories about the recreational boating industry that accurately and positively delivered key messaging, resulting in more than 1,000 news stories.

Secured media placements in top outlets, include CBS MoneyWatch, *The New York Times*, CNBC.com, MSN, *Miami Herald*, and *Chicago Tribune*.



DISCOVER BOATING CANADA

With a return to full funding, the marketing campaign supported a strategic television campaign, online display advertising, search engine marketing and a Facebook campaign. The DiscoverBoating.ca websites (English and French) were revised to mirror the DiscoverBoating.com Welcome to the Water campaign.

Accomplishments

Search engine marketing generated:

- 131,451,882 impressions (9% more than targeted impressions)
- 218,448 clicks through to DiscoverBoating.ca

Facebook Campaign generated:

- 133,819,644 impressions and a total of 17, 566 'Likes'



Social Media

The fan base of the Discover Boating Canada Facebook page grew from 1,395 to 18,915

Welcome to the Water Boat Trip Planner, adapted for English Canada, performed well, generating 231 events and 1,075 RSVPs

Public relations secured more than 29 million impressions during FY2011, a 17% increase from the previous year

Discover Boating brand and message reached approximately 1 million consumers at community events and waterfront festivals during the summer of 2011.

The Discover Boating Centre was featured at key boat shows across Canada: Toronto, Vancouver, Mid-Canada, Montreal and Halifax. Discover Boating also had a presence at the Edmonton, Calgary, Moncton and Lewisporte boat shows.

DVD

Discover Boating DVD orders totaled 2,237, down 37% compared to the previous year. 64% of the English DVDs were viewed online, compared to just 17% of the French versions.

SHOWS & SPONSORSHIP

CONSUMER BOAT SHOWS

NMMA boat and sport shows engage the public and provide the industry with quality sales events and venues. Boat show marketing efforts also serve to promote the boating lifestyle and remind the public of the fun and enjoyment to be found on a boat. Shows' revenue funds programs and initiatives that benefit the entire recreational boating industry.

Accomplishments

NMMA committed to improving boating education opportunities for the FY2011 show season, launching pilot experiential educational programs at a number of shows. The Discover Boating Dock at Tampa and Miami and enhanced Discover Boating Learning Centers in Louisville, Minneapolis and Atlantic City proved that quality education can build attendance and is a great way to keep attendees engaged.

Based on this learning, work was begun on a new educational element—Fred's Shed, a hands-on learning center, which will be a feature attraction at ten 2012 winter shows.

NMMA partnered with UK-based TRMG to produce Show Guides for the FY2011 show season. The new Show Guides offered significantly improved content, graphics and layout and were well supported by exhibitor advertising.

Total consumer attendance at 2011 winter shows increased 15% from the prior year.

The Atlantic City Boat Show® rebounded from a devastating snowstorm in 2010 that forced the show to close on Saturday, with total attendance up 114% over the previous year.

The Kansas City Boat & Sportshow® grew by approximately 25%, with every major boat dealer in the area participating in the show. Total attendance was up 7%.

The Louisville Boat, RV & Sportshow® grew nearly 15% and total attendance was up 9% from 2010. Both boat and RV dealers reported serious sales.

Total attendance at the Miami International Boat Show® topped 100,000 for the first time in 3 years and was up 14% from 2010. Exhibitors noted the strong international attendance, with a noticeable increase in visitors from South America (Brazil in particular).

Strictly Sail® Miami returned to Miamarina at Bayside, was packed on land and had more boats in water than last year; exhibitors reported excellent sales.

NMMA launched the first mobile boat show app for iPhone and Android smartphone users. The Miami Boat Show app went live February 2, 2011.



SPONSORSHIP

Sponsorship revenues enhanced both consumer and industry initiatives, and help ensure NMMA events and programs continue to deliver high value to our members.

Accomplishments

- Sponsorship revenue for 2011 exceeded 2010 by 19%; met or achieved sponsorship goals for 10 of the 18 boat shows
- Allstate returned as a multi-show sponsor with a focus on the fishing boat attendee; giveaways and seminars add value to show experience for attendees
- Sponsorship provided critical financial support for the American Boating Congress; 2011 revenue exceeded 2010 by 6%

TRADE SHOWS

NMMA trade events offer professional development, networking and business opportunities. NMMA co-owns and produces the annual International Boatbuilders Exposition & Conference (IBEX) with *Professional Boatbuilder* magazine.

NMMA partners with *Soundings Trade Only* to produce the Aftermarket Pavilion at IBEX.

Accomplishments

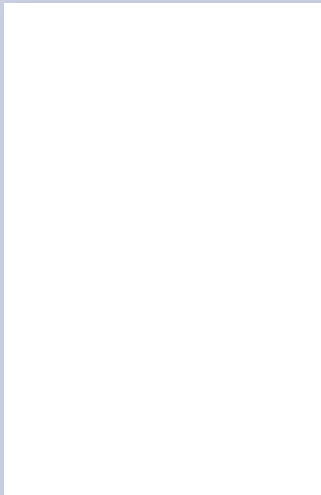
International Boatbuilders Exposition & Conference (IBEX)

IBEX 2011 was held October 17–19, 2011 at the Kentucky Exposition Center in Louisville, Kentucky.

- 556 companies exhibited, up 2.3% from the previous year
- More than 60 first-time exhibitors
- More than 90 seminars—the largest selection of course material in the show's 21-year history and the industry's most expansive trade seminar series

Aftermarket Pavilion

Soundings Trade Only enhanced their sponsorship of the Aftermarket Pavilion, adding a Dealer seminar track and a larger presence within the pavilion. Fifty companies participated.



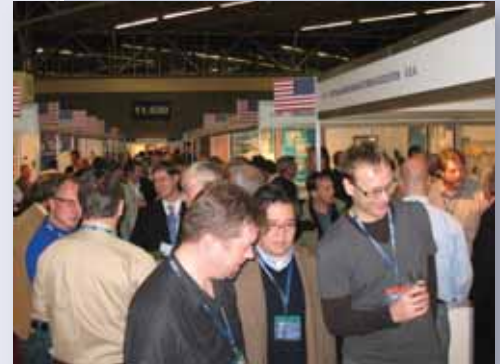
INTERNATIONAL MARKETING

NMMA participates in overseas trade shows to help members access the global marketplace.

The Marine Equipment Trade Show (METS)

Seventy-one companies exhibited at the U.S.A. Pavilion at METS in 2011, using the show to explore entering overseas markets, enhance existing distribution channels and introduce new products.

The USA Pavilion Reception held on Wednesday, November 16 was sponsored by Polyform and the Miami International Boat Show®.



QUALITY ASSURANCE



NMMA supports industry best practices in quality, safety, consumer satisfaction and training to improve the boating experience for the public.

Accomplishments

NMMA Certification continues to set the industry standard for product safety and compliance. During FY2011 the Engineering Standards department:

- Certified 196 boat brands and 33 trailer brands
- Processed 526 new boat model applications and 378 new type accepted component applications
- Conducted 214 certification inspections
- Registered 168 TC-W3 branded oils and 57 FC-W branded oils (on calendar year)
- Listed 95 participants in the NMMA CSI program

To maintain the excellence and ensure the comprehensive nature of the Boat and Yacht Certification Program, NMMA continues to review additional ABYC standards for consideration.

After a year in review and revision, the Warning Label Methodology Study was accepted and handed off to ABYC to use as a reference guide in warning label development.

ICOMIA Technical Committee efforts to harmonize ISO and ABYC standards led to the development of a single label that can be used for both U.S. capacity requirements and CE certification.

In response to the increase in fuel and oil additives available to fight the harmful effects of ethanol in fuel, and resulting confusion and skepticism of both OEMs and consumers, NMMA is considering whether to develop a standard for testing fuel additives.

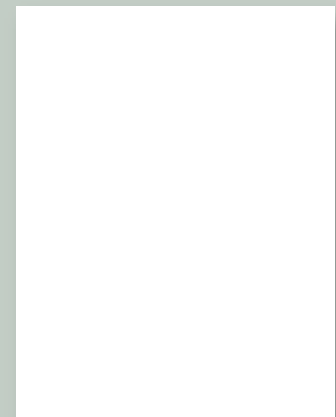
INDUSTRY DATA & RESEARCH

Every year NMMA collects, analyzes, tracks and delivers industry-wide and niche-specific data critical that helps members make sound business decisions and navigate today's turbulent marketplace. Members receive insight and information on market trends, economic forces impacting the industry, and access to research that is unavailable elsewhere.

Accomplishments

The *2010 Recreational Boating Statistical Abstract* published on June 1, 2011, was 240 pages long, and included a new boater participation study conducted by Foresight Research. Published annually, the abstract is the marine industry's most comprehensive collection of market statistics, and provides data used by policy makers and the media, as well as members, to understand the market and identify business issues.

In June 2011 the U.S. Coast Guard awarded a \$150,000 grant to the Foundation for Recreational Boating Safety and Education to develop a hands-on, on-water boating safety and education program in conjunction with Discover Boating.



AFFILIATE PROGRAMS



NMBA President Karen Trostle presents a check for \$5,000 to BoatUS Foundation President, Chris Edmondston at NMBA's 2011 annual conference in San Antonio



Team Red at PFDMA's 2011 annual conference boat building team activity in St. Petersburg, Florida



Conference attendees celebrate 25 years at SOBA's anniversary conference in La Crosse, Wisconsin, October 2011

Focused on industry sectors group-specific issues, NMMA affiliates' efforts are complemented and supported by the broader scope of NMMA's work. The affiliate program enables related businesses to present a unified front regarding critical issues such as product standards, public policy advocacy and regulatory issues.

NATIONAL MARINE BANKERS ASSOCIATION (NMBA)

NMBA surveyed members to gauge changes in the lending environment and identify market trends that could be used for business planning.

NMBA is pursuing a strategy to grow its membership base, with a goal to recruit representation from all marine lending sectors, including commercial banks, retail service companies, credit union, savings and loan companies and private financing firms.

NMBA 2011 Annual Report was published in August 2011. The report highlights market trends and data essential to any company conducting business in the marine lending sector.

PERSONAL FLOTATION DEVICE MANUFACTURERS ASSOCIATION (PFDMA)

The second annual "Ready, Set, Inflate" event was held May 21, 2011. 1,685 people (a 46% increase) gathered at 99 events held around the world (37 U.S. states and territories, six countries) to raise awareness of life jacket wear and boating safety in general.

The finalists in the PFD Design Competition were showcased at the International Boating and Water Safety Summit in Savannah, Georgia in March 2011. The \$5,000 first prize was awarded to Jeff Betz for his "rash guard" t-shirt with an inflatable chamber that could be deployed automatically or manually.

The USCG certified IMANNA Labs to test and approve PFDs, as part of the industry's efforts to streamline PFD testing and USCG approval process.

STATES ORGANIZATION FOR BOATING ACCESS (SOBA)

SOBA developed a *National Boating Access Directory* that includes links to recreational boating and boating access websites in every state. It is available on SOBA's website.

SOBA's popular *Operations and Maintenance Manual* was completely revised and updated; the revised edition is published electronically.

SOBA held a 25th Anniversary Conference in September 25–29, 2011.

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Edgewater Power Boats

NMMA OFFICES

Headquarters

231 S. LaSalle Street, Suite 2050
Chicago, IL 60604
Phone: 312.946.6200
Fax: 312.946.0388

Legislative Office

444 N. Capitol Street, NW, Suite 645
Washington, DC 20001
Phone: 202.737.9750
Fax: 202.628.4716

NMMA Canada

14 McEwan Drive West, Unit #8
Bolton, ON L7E 1H1
Phone: 905.951.0009
Fax: 905.951.0018

SHOW OFFICES

Louisville

143A Arnold Drive
Shepherdsville, KY 40165
Phone: 502.957.1666
Fax: 502.957.1690

Miami

9050 Pines Boulevard, Suite 305
Pembroke Pines, FL 33024
Phone: 954.441.3220
Fax: 954.430.4171

Minneapolis

331 2nd Avenue South, Suite 201
Minneapolis, MN 55401
Phone: 612.332.8330
Fax: 612.827.1424

New England

350 Copeland Street, 1st Floor
Quincy, MA 02169
Phone: 617.472.1442
Fax: 617.472.0159

New York

37-18 Northern Boulevard, Suite 311
Long Island City, NY 11101
Phone: 718.707.0711
Fax: 888.649.7786

St. Louis

111 N. Taylor Avenue, Suite A
Kirkwood, MO 63122
Phone: 314.821.5400
Fax: 866.521.6015

NMMA STAFF OFFICERS

Thomas J. Dammrich
President

Ben Wold
Executive Vice President

Mark Adams
Vice President, Sportshows

Sara Anghel
*Vice President, Government Relations
& Public Affairs (Canada)*

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Thomas Marhevko
Vice President, Engineering Standards

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Vice President, Boat Shows

John McKnight
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DC Office Lead*

