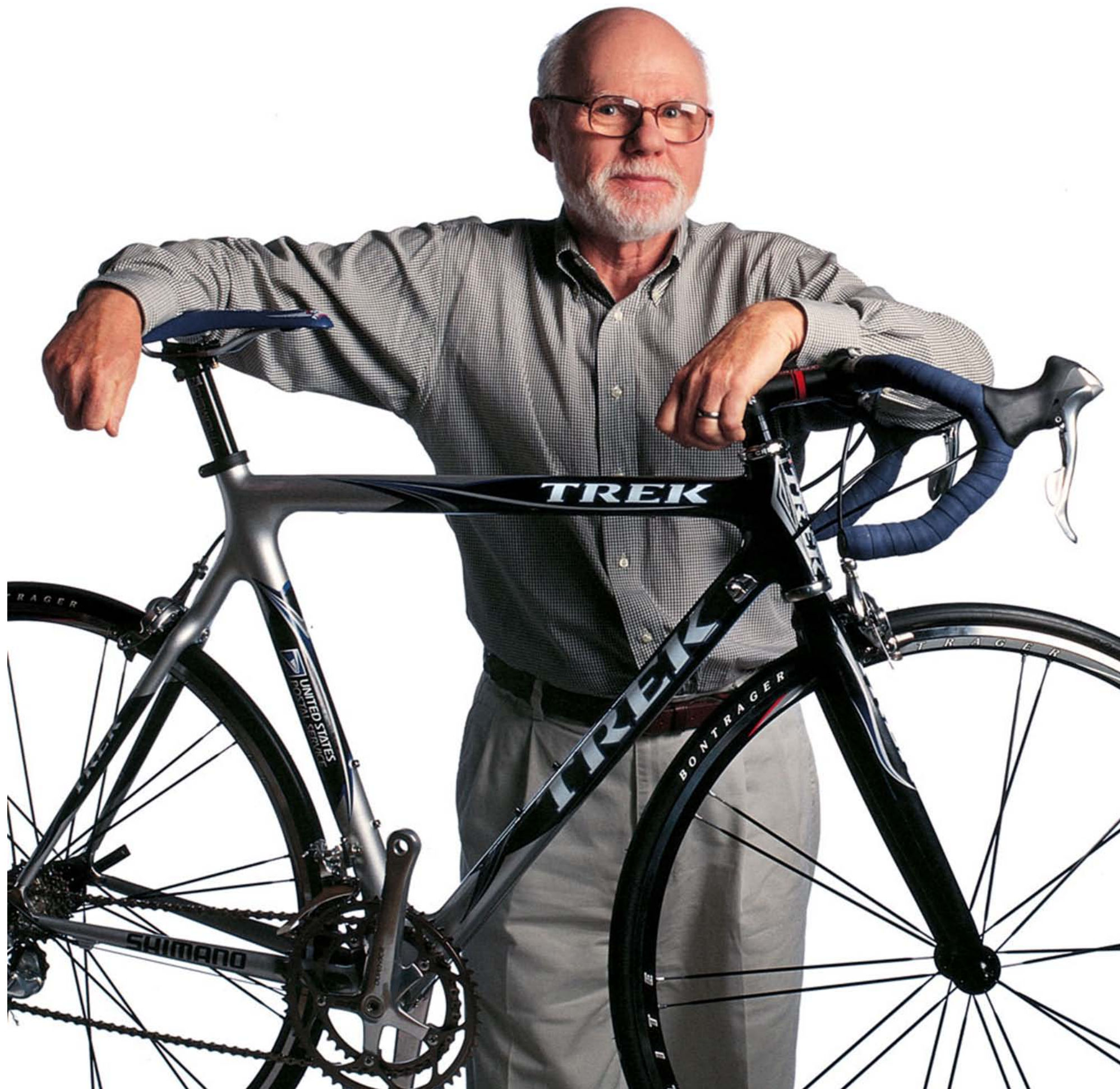


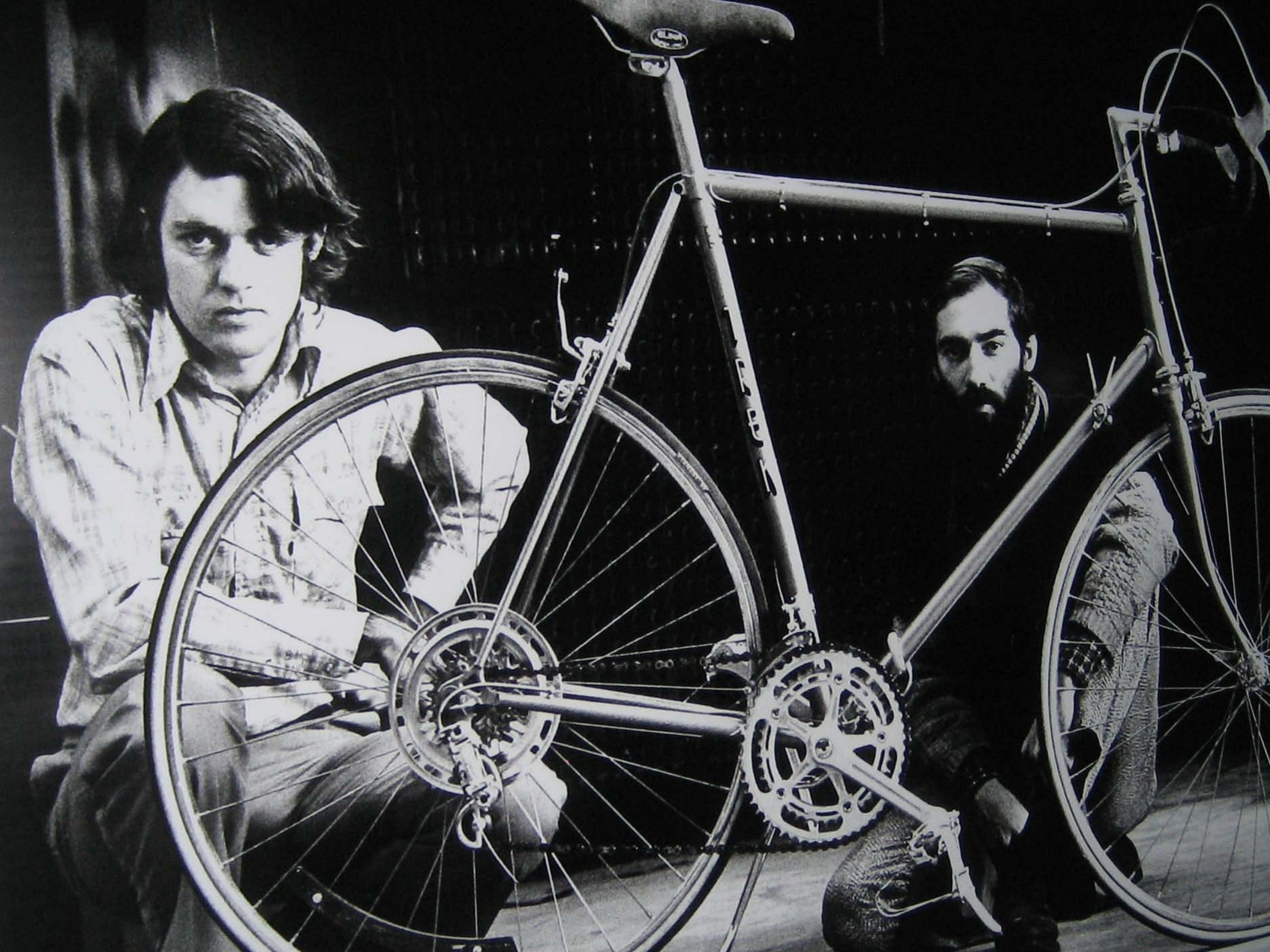


***TREK***

John Burke,  
Trek Bicycle Corporation







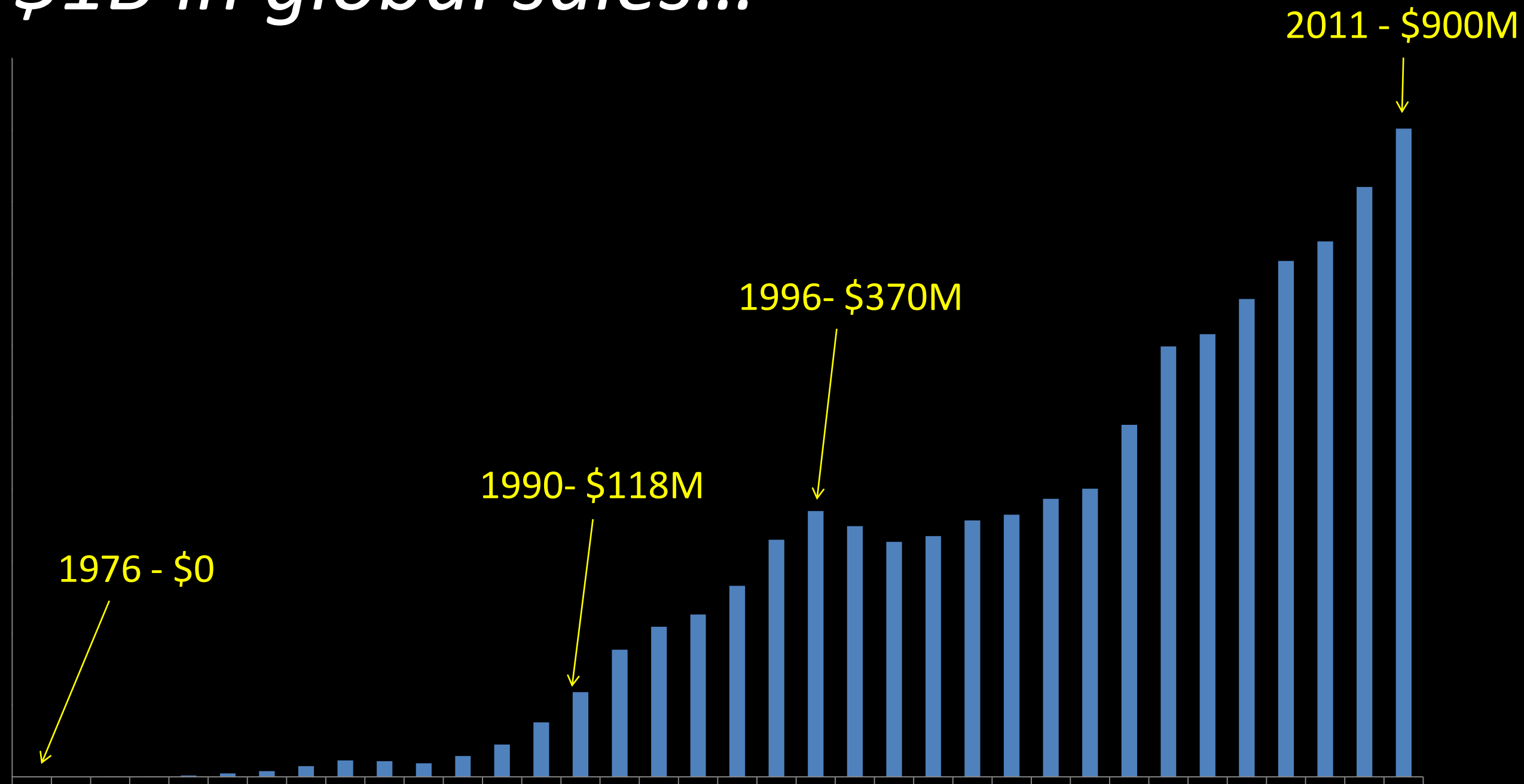




# Subsidiary and Distributor Offices



*From humble beginnings, Trek nears \$1B in global sales...*



Confidential - Internal Use Only



# Trek Strategy



1. Best in class products, Period
2. Competent, committed, and wildly successful retailers in every market
3. Right people, Right seats, Awesome Bus
4. Global company
5. Green
6. Asset velocity
7. Continuous process improvement

# Best in Class Products. Period.





# Madone 6 Series & SSL



# Fuel EX









# PROJECTONE



## PROJECT ONE™

Introducing the all-new Project One custom bike program. Now with more choices, more options, more color combinations and more control over all the details. The possibilities are only as limited as your imagination. [Learn More.](#)

Build Your Dream Bike



# Competent and Committed Retailers in Every Market



### 3. Bicycle Nekomoto





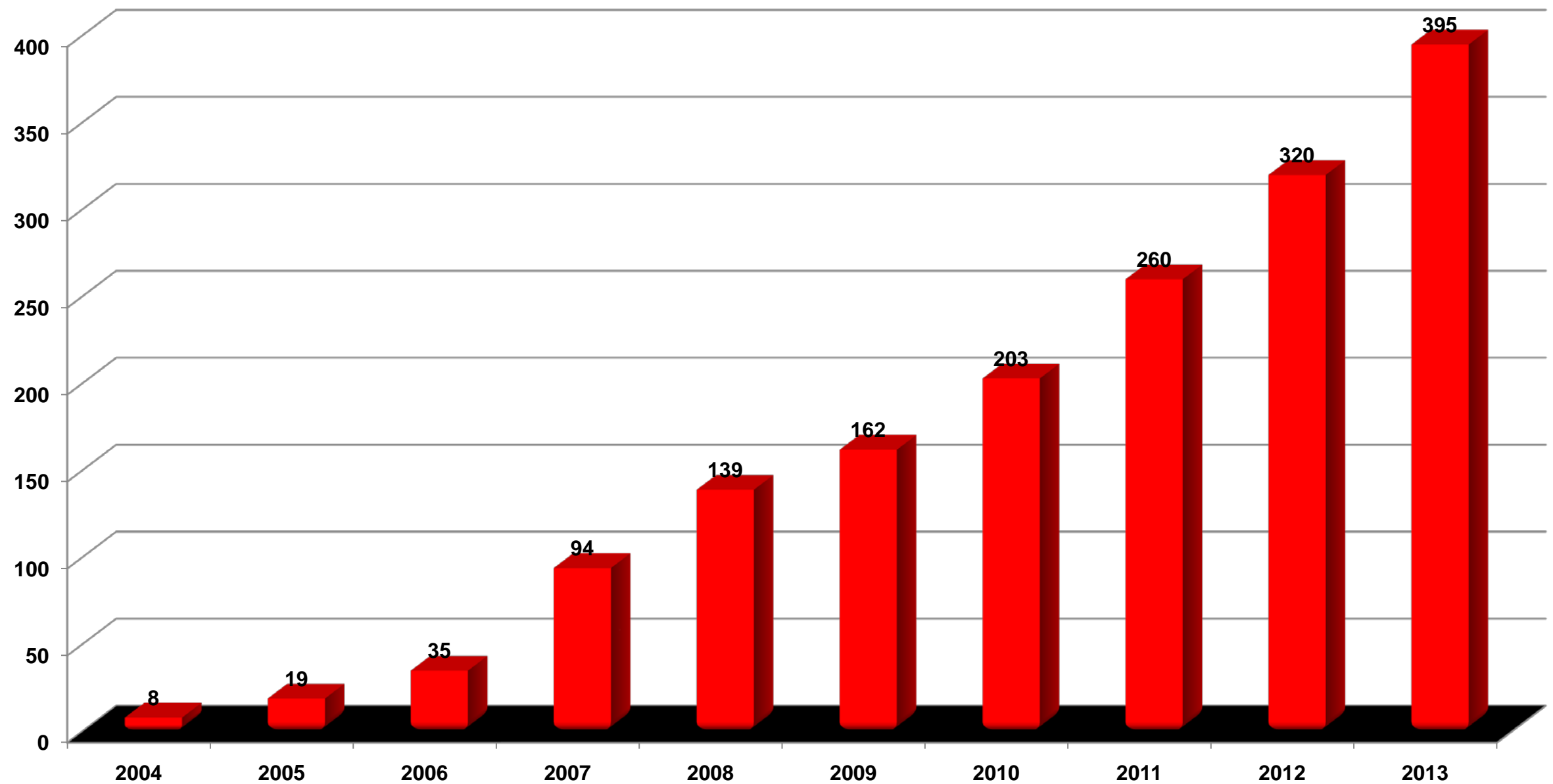
# Improve Profitability



Riverbend October 13-15, 2010

Retail Services, Roger Bird

**Concept Stores Worldwide**



The Right People  
in the Right Seats  
on an Awesome Bus









## Trek Bicycle Performance Appraisal 2009

Name \_\_\_\_\_

Dept \_\_\_\_\_

Manager \_\_\_\_\_



**TREK**

|  | 0-5 | Comments |
|--|-----|----------|
| <b>OPEN TO IDEAS</b><br>Open to NEW ideas from ANYWHERE; Great at plan B   |     |          |
| <b>PRODUCTION</b><br>Gets stuff done. Keeps commitments  |     |          |
| <b>ENERGY</b><br>Energy and the ability to energize others. Plays "2 touchdowns behind". Has a sense of urgency. |     |          |
| <b>DECISION MAKING</b><br>Effective decision maker, and if necessary, makes difficult decisions                  |     |          |
| <b>CUSTOMER SERVICE</b><br>Makes internal and external customers wildly successful                               |     |          |
| <b>AVERAGE SCORE</b>   |     |          |

**Action Plan** (1-3 specific actions or changes to focus on in the next 6-12 months)

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

|   |  |   |  |
|---|--|---|--|
| 5 | Top 10% of performers; Always demonstrates | 2 | Occasionally demonstrates                    |
| 4 | Consistently demonstrates                  | 1 | Rarely demonstrates                          |
| 3 | Generally demonstrates                     | 0 | Bottom 10% of performers; Never demonstrates |

# Global Company



**TREK**



# THE TREK WAY

---

## 10. THINK AND ACT GLOBALLY

---

If we could shrink the Earth's population to a village of precisely 100 people, with all the existing human ratios remaining the same, of the 100:

- 56** would be from Asia
- 21** would be from Europe
- 14** would be from the Western Hemisphere
- 9** would be from Africa

# Continuous Improvement



**TREK**



# THE TREK WAY

## 4. LIVE QUALITY AND BE OBSESSED WITH CONTINUOUS IMPROVEMENT

### 1. There is always a better way.

Banish sacred cows. Every process can be improved and then improved again.

On March 23, 2009 US distribution shipped 20% more bikes than the same day in 2008.

They did it with 20 fewer people than last year.



A photograph of a paved path lined with palm trees at sunset. The sun is low on the horizon, creating a warm, golden glow. The path curves to the right and has large white arrows painted on it, pointing in the direction of travel. The palm trees are silhouetted against the bright sky.

# OUR GREATEST OPPORTUNITY

John Burke, Trek Bicycle Corporation



# 4 TRENDS

# 1. Traffic CONGESTION

In 2003, traffic congestion delayed people 7 billion hours worldwide and wasted Five Billion gallons of fuel.





# 2. URBANIZATION

For the first time in human history, more people are living in cities than in the rural areas.





# 3. ENVIRONMENT

Vehicles contribute to an estimated 60-70% of urban air pollution.

60% of the pollution created by car emissions happens in the first few minutes of operation.



# 4. THE WORLD IS GETTING FAT



| Average Weight   | 1960    | 2002    | Difference |
|------------------|---------|---------|------------|
| Kids<br>6-11     | 63 lbs  | 74 lbs  | +11 lbs    |
| Men<br>over 20   | 167 lbs | 191 lbs | +24 lbs    |
| Women<br>over 20 | 139 lbs | 163 lbs | +24 lbs    |



# 1985 - 2006



# 1985 - 2006



# 1987

# 1985 - 2006

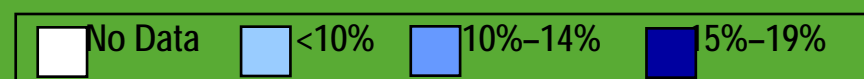
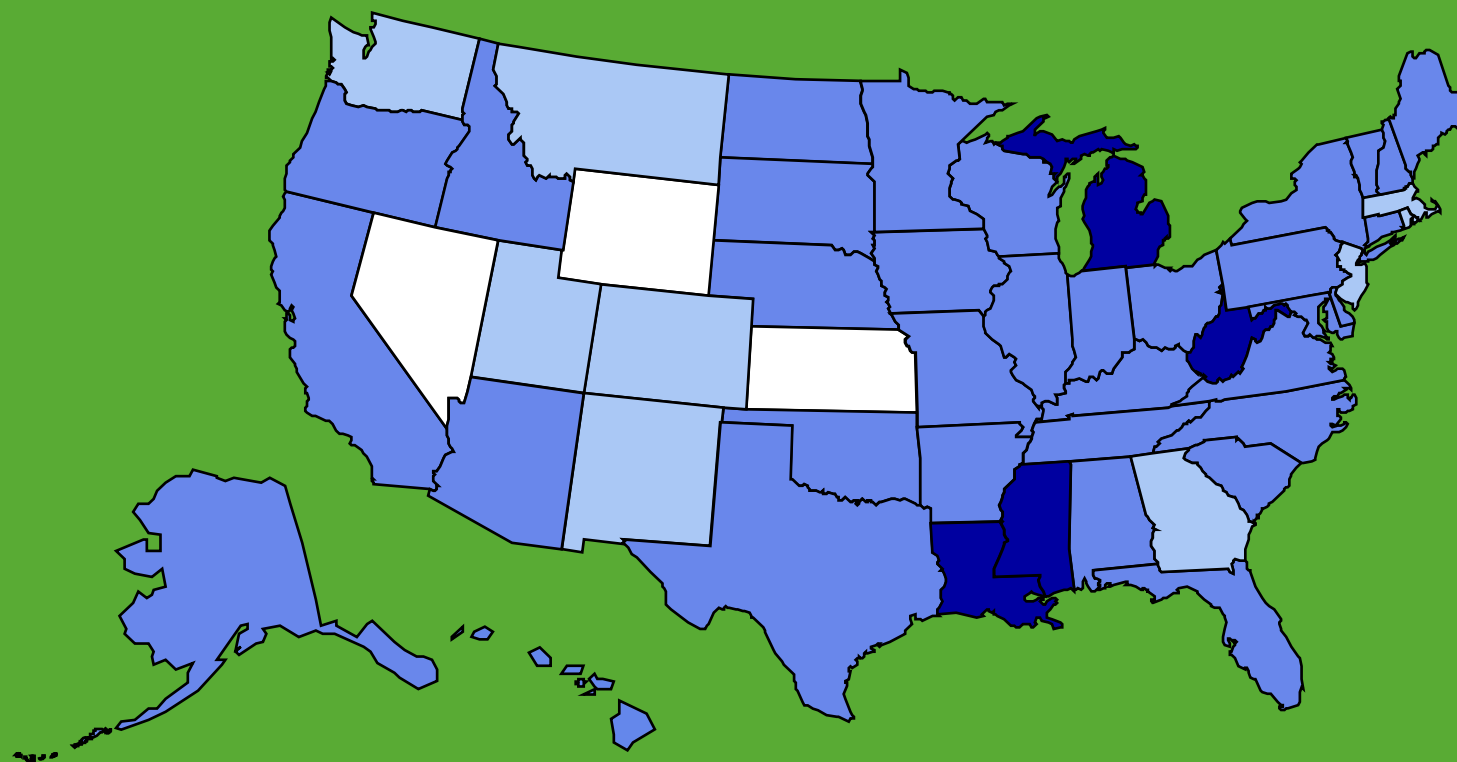




# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006

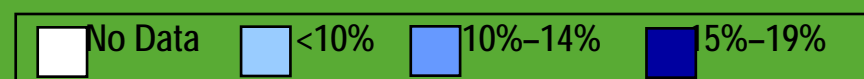
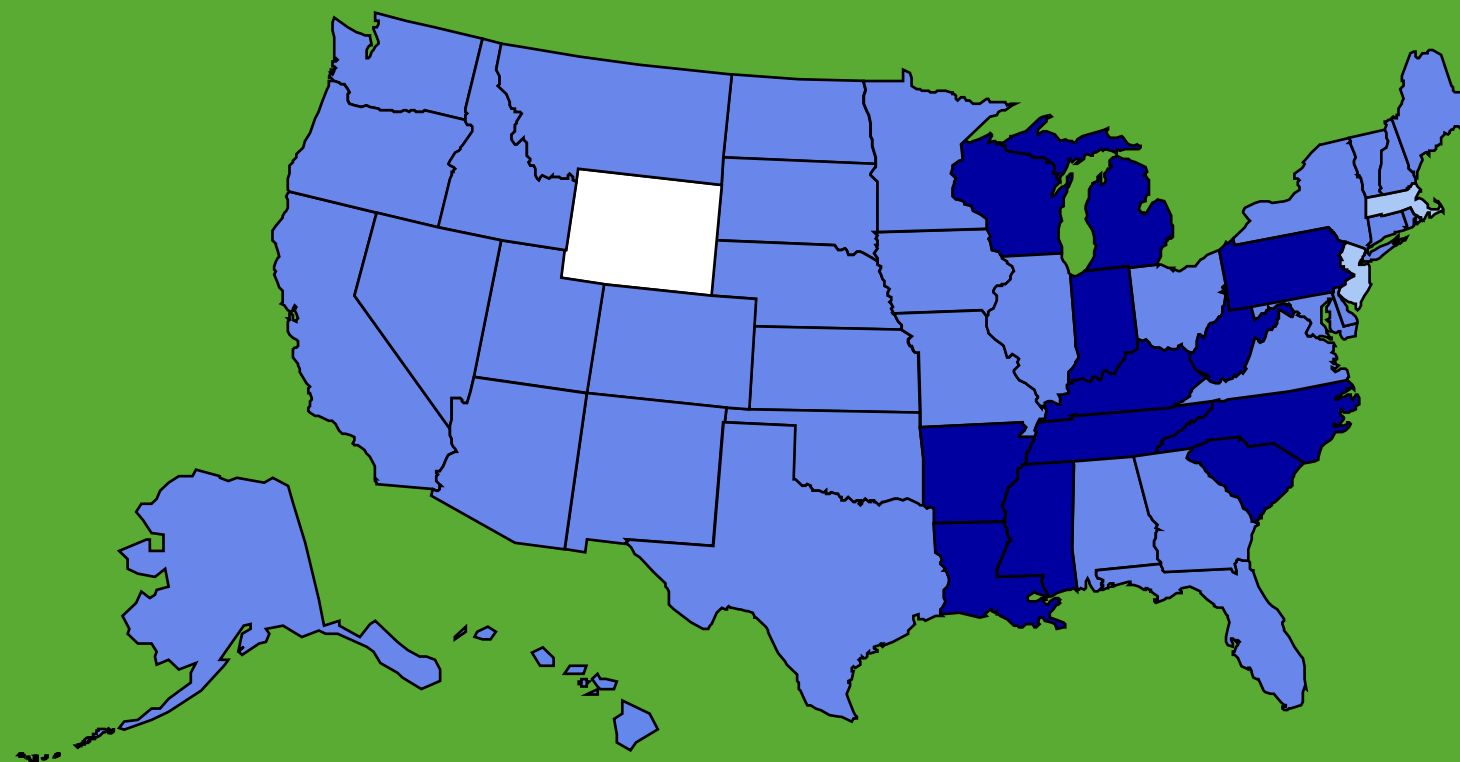


1991

# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006

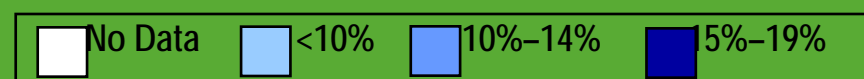
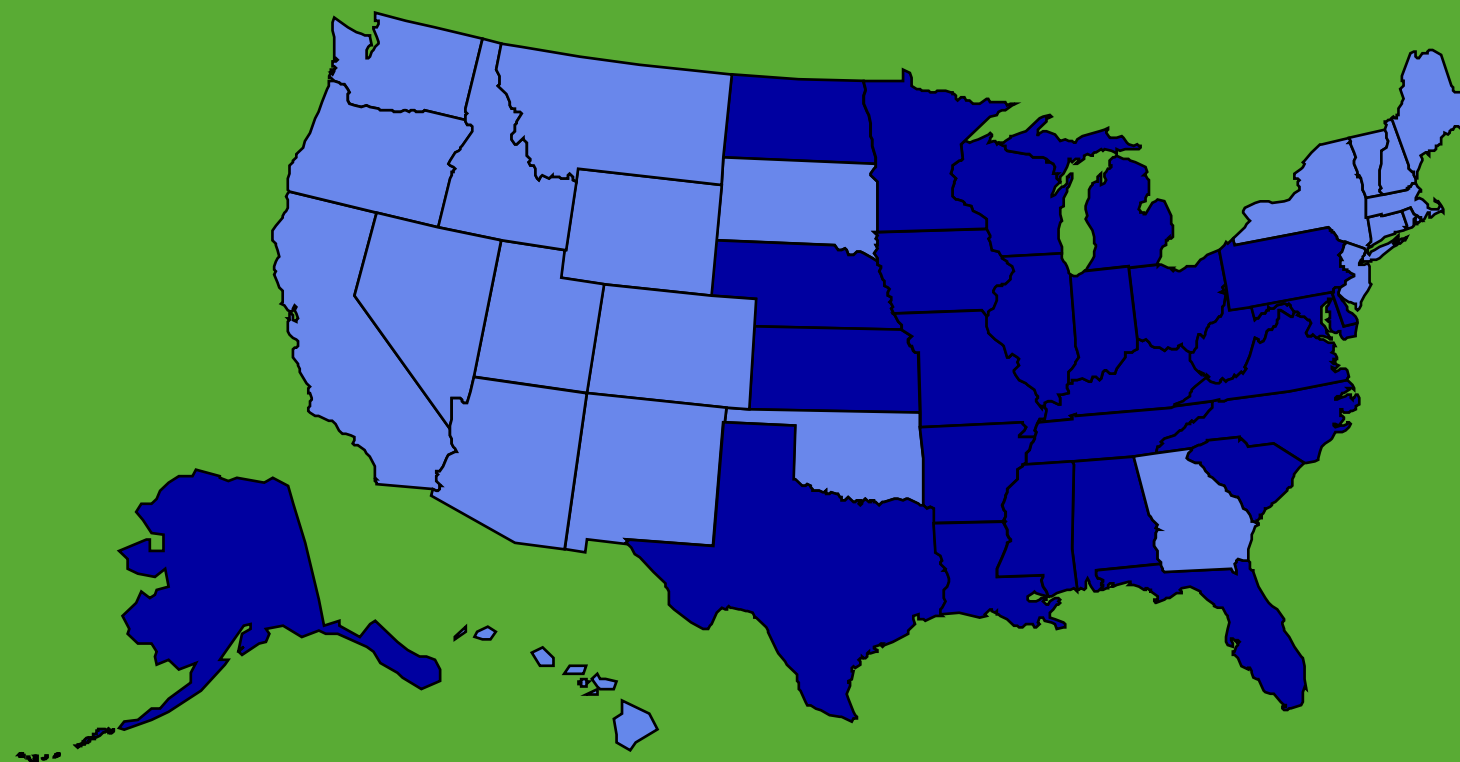


1993

# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006



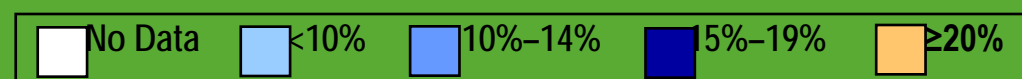
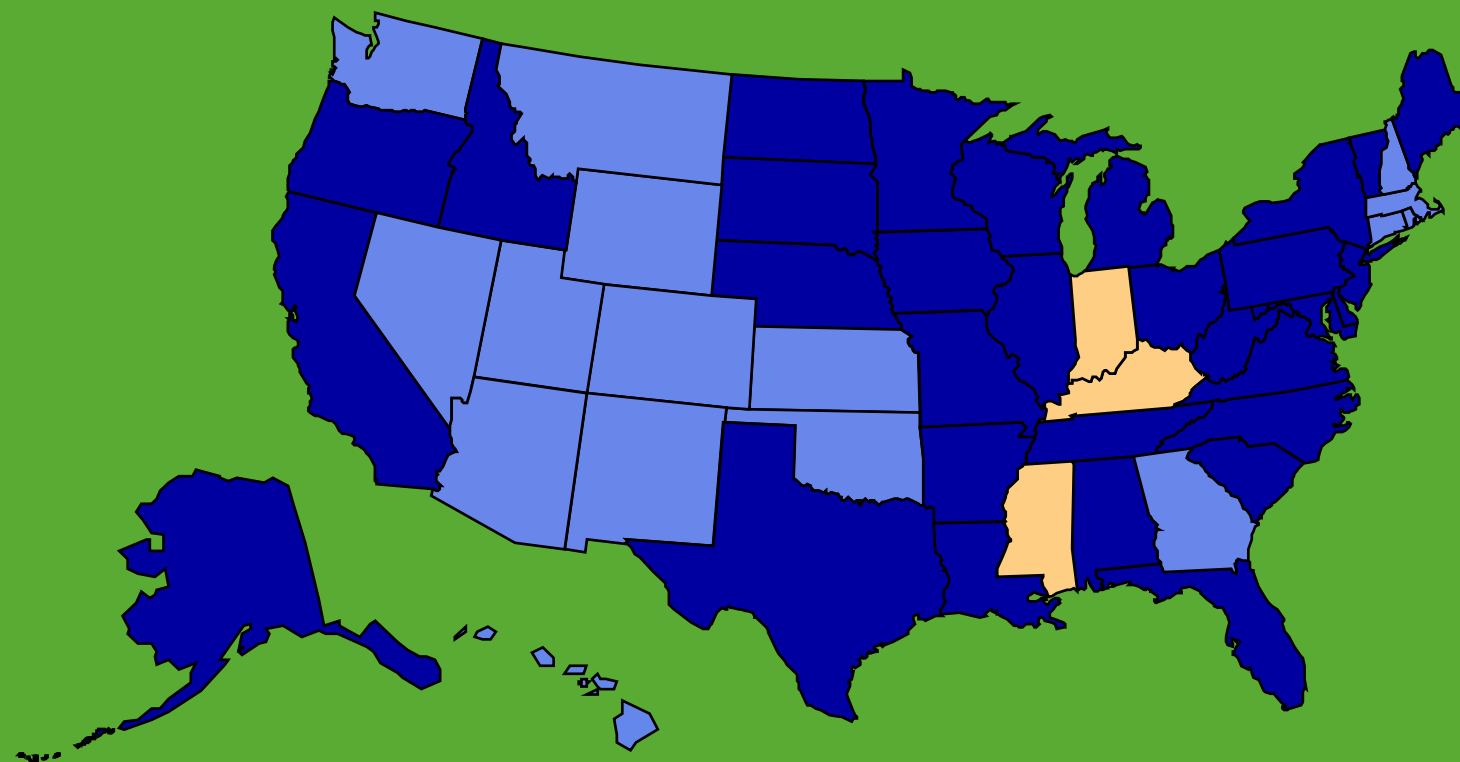
1995



# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006

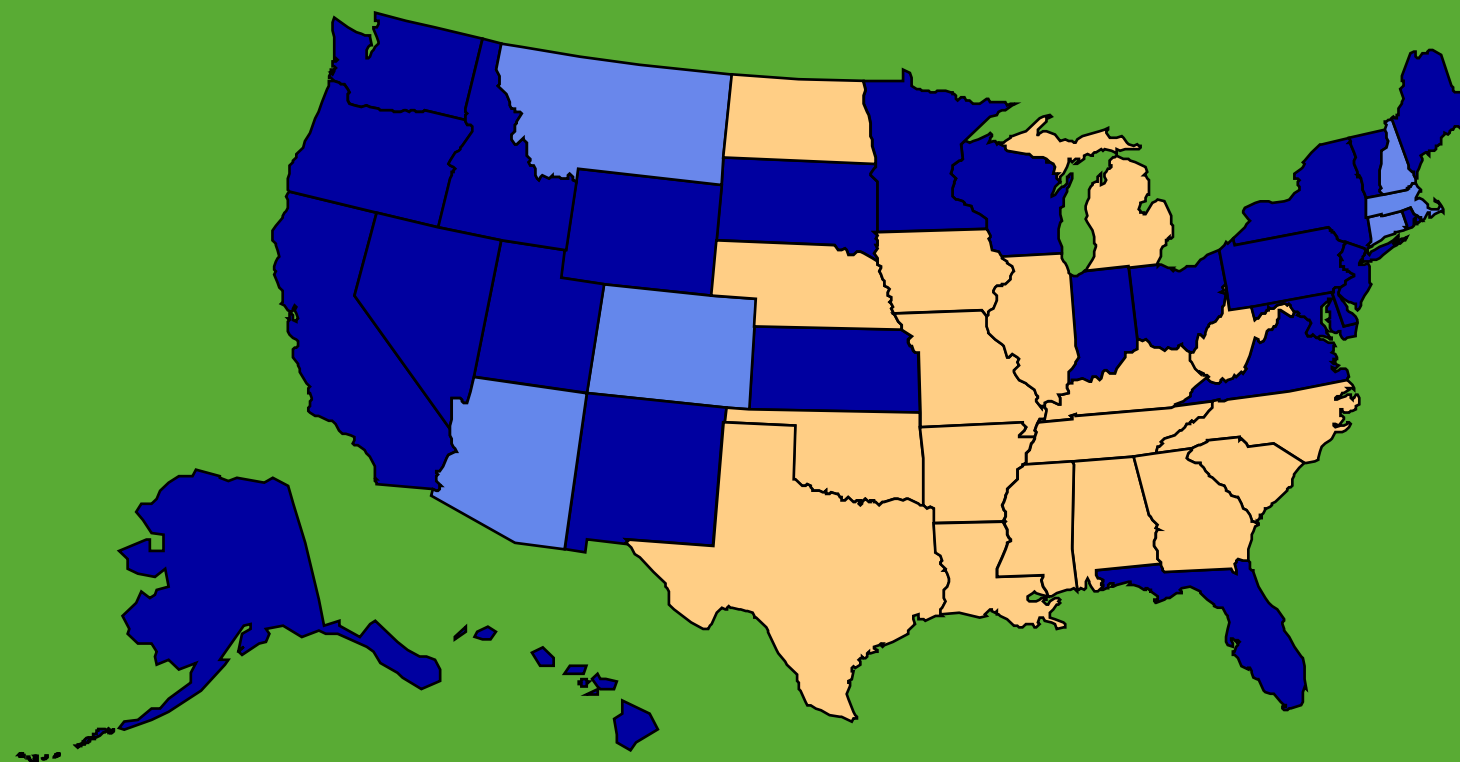


1997

# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006

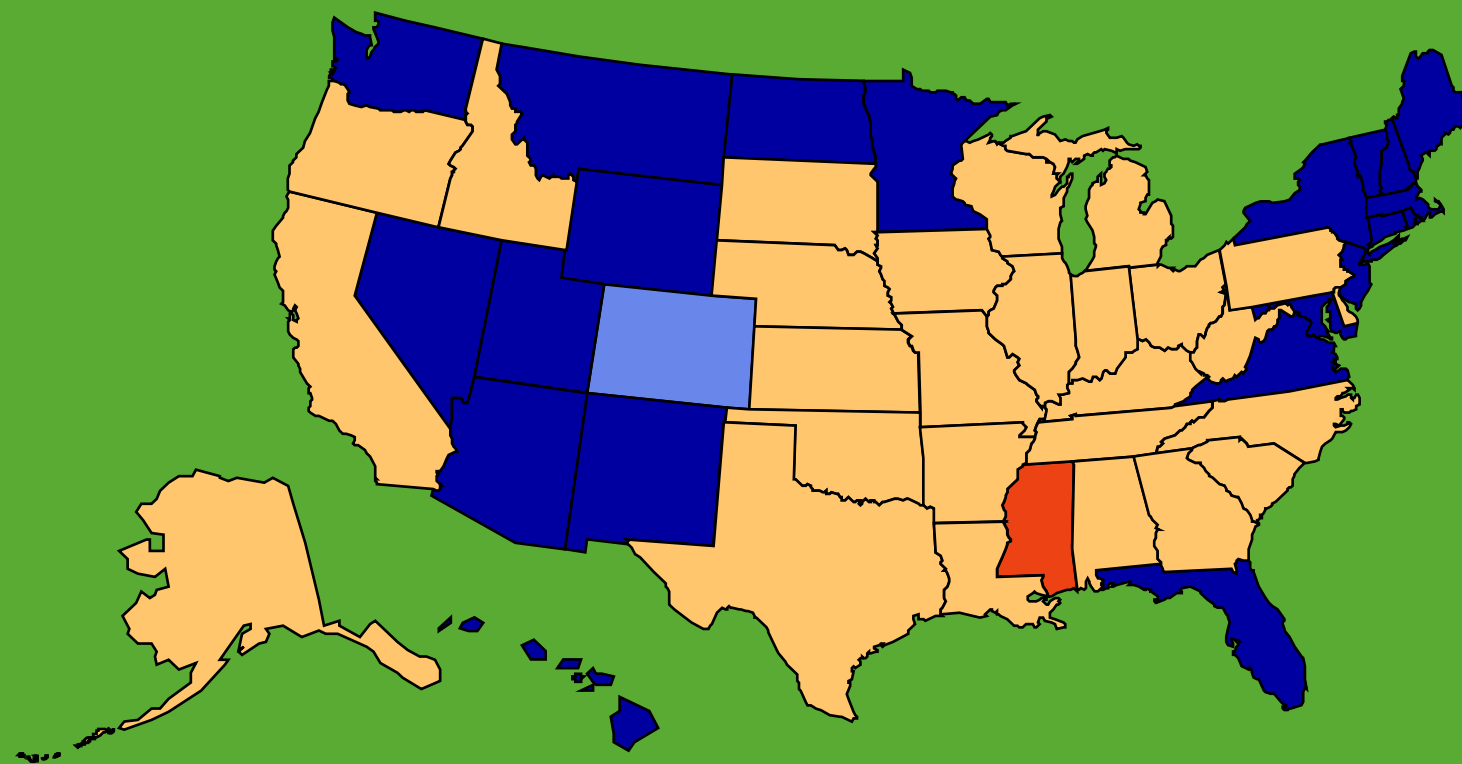


1999

# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006



2001



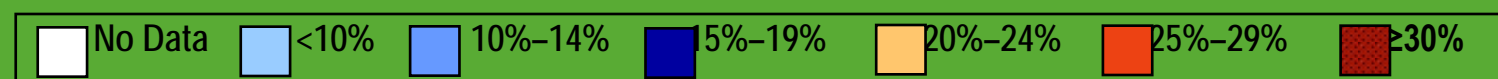
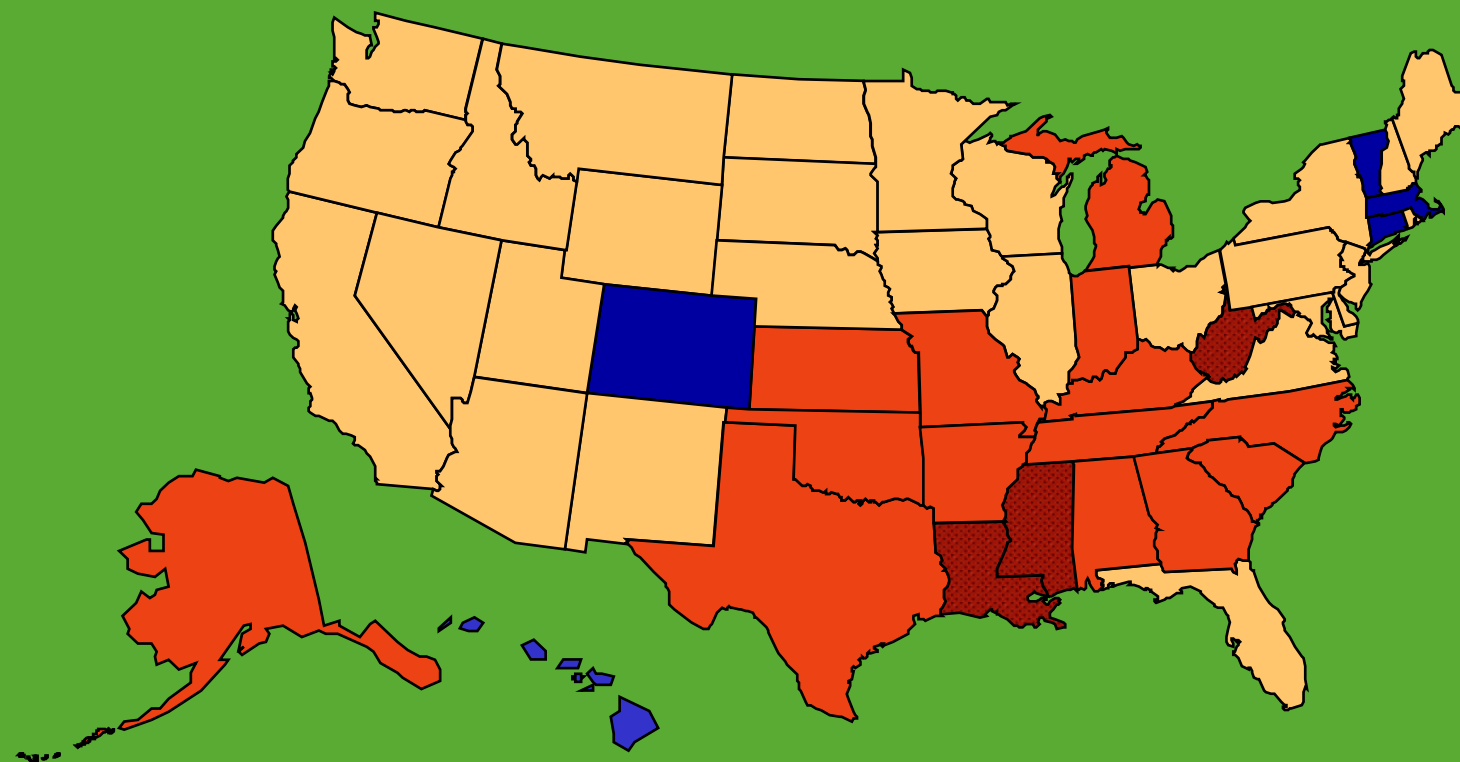
# 1985 - 2006



# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2006



2005

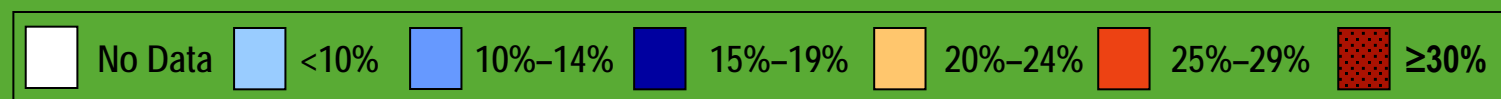
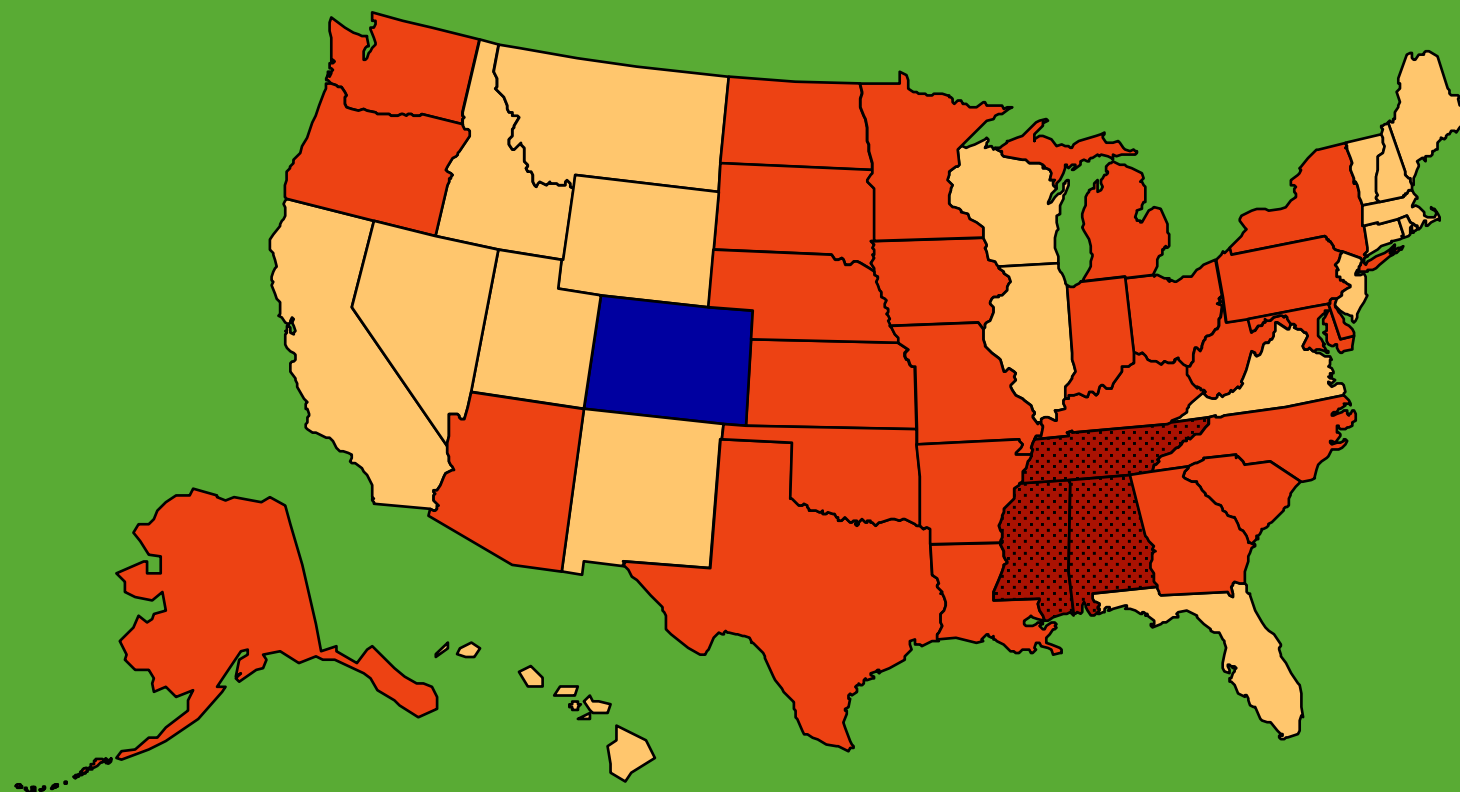
# 1985 - 2006



# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2007



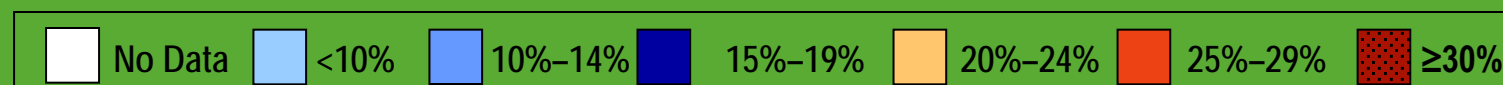
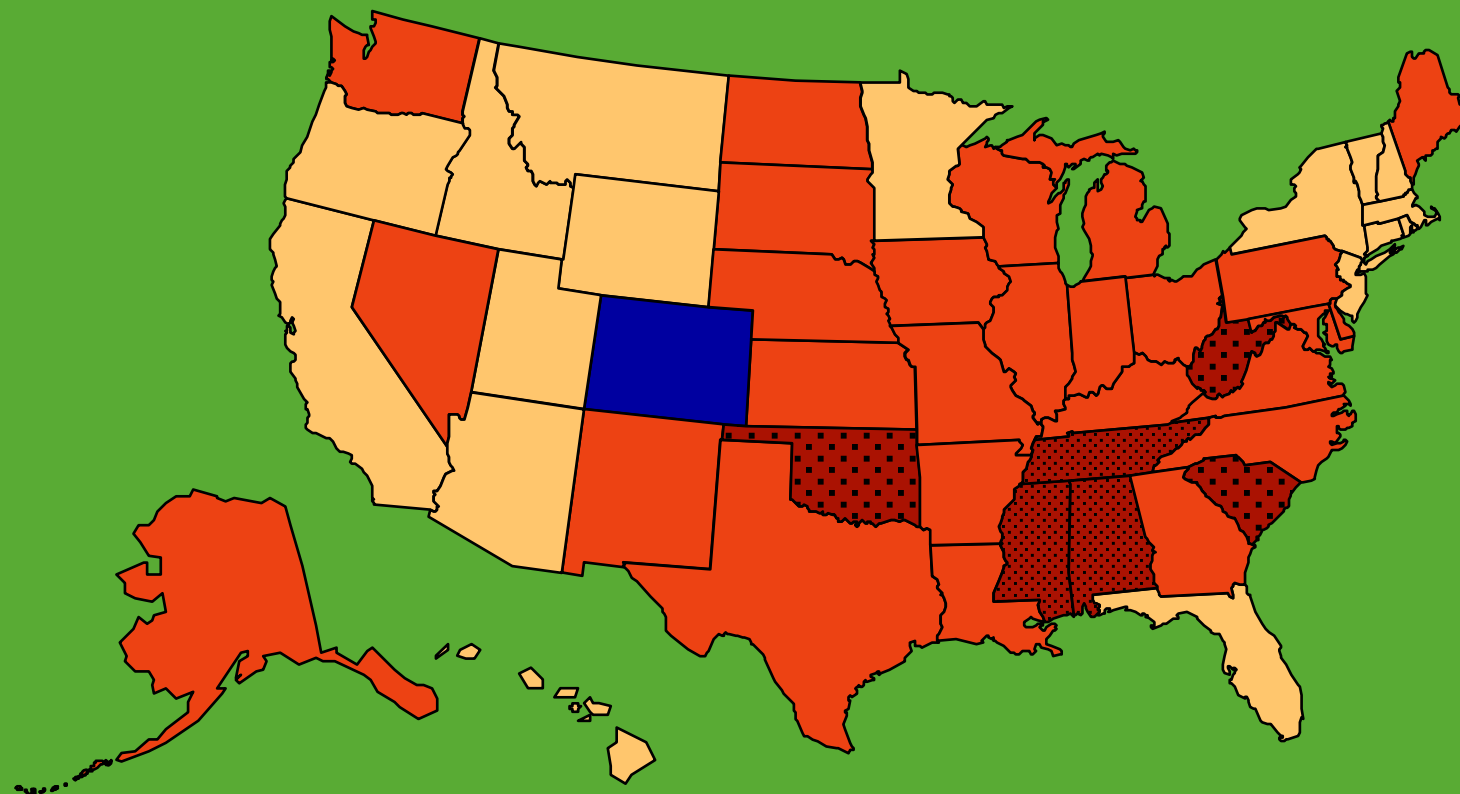
2007



# THE WORLD IS GETTING FAT

OBESITY TRENDS IN US  
ADULTS

1985 - 2008



2008

What solution will  
address these problems?

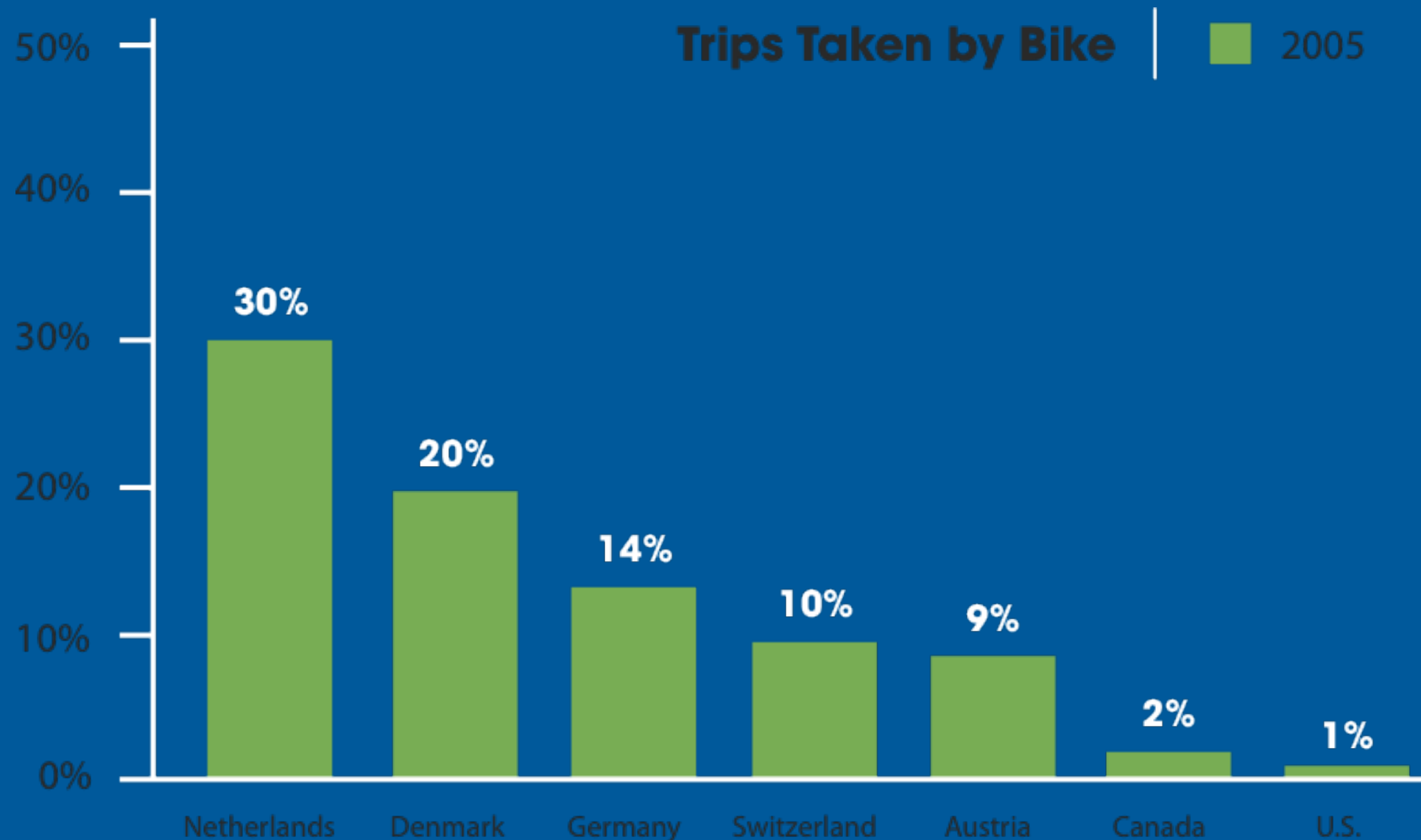


# OUR GREATEST OPPORTUNITY



Creating a  
BICYCLE FRIENDLY  
WORLD

# The U.S. Needs to CATCH UP





WE ARE MAKING  
PROGRESS

# Copenhagen

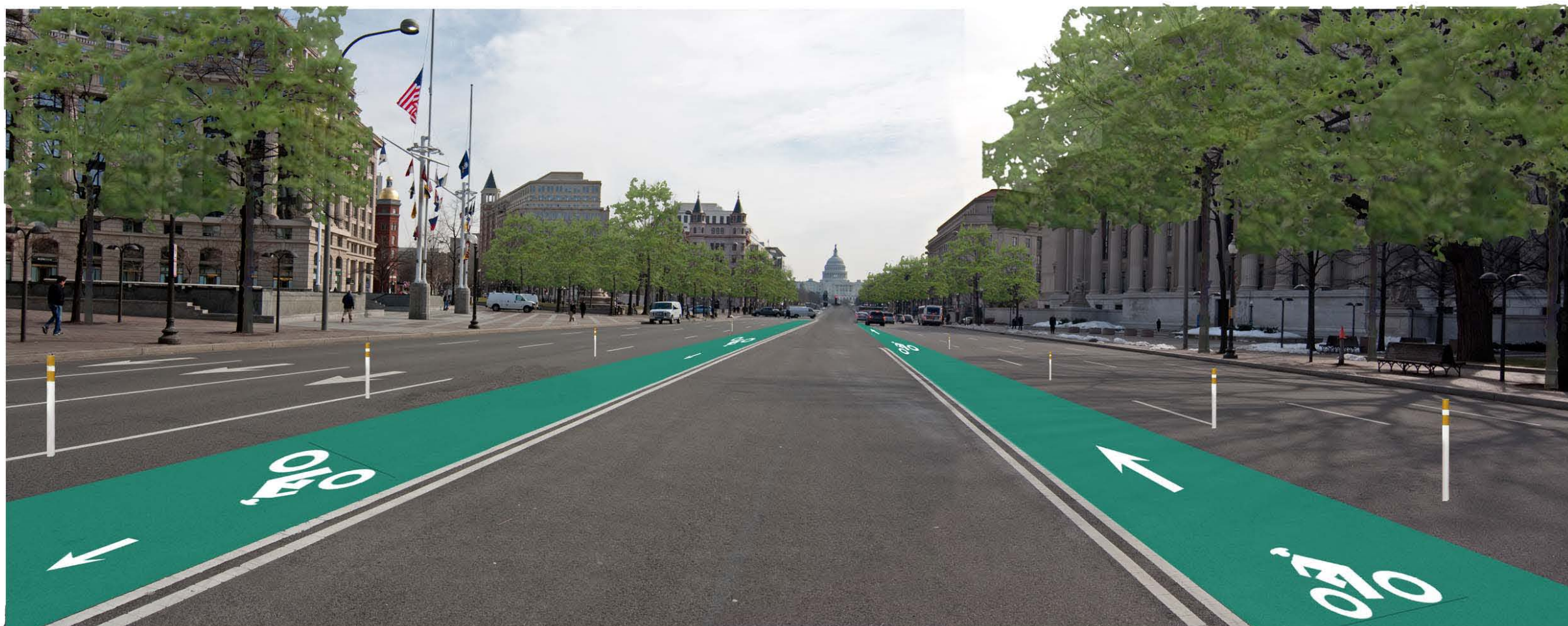






Ride the Drive, Madison





PENNSYLVANIA AVENUE, N.W.

BIKE LANE CONCEPT



NATIONAL BIKE SUMMIT 2010



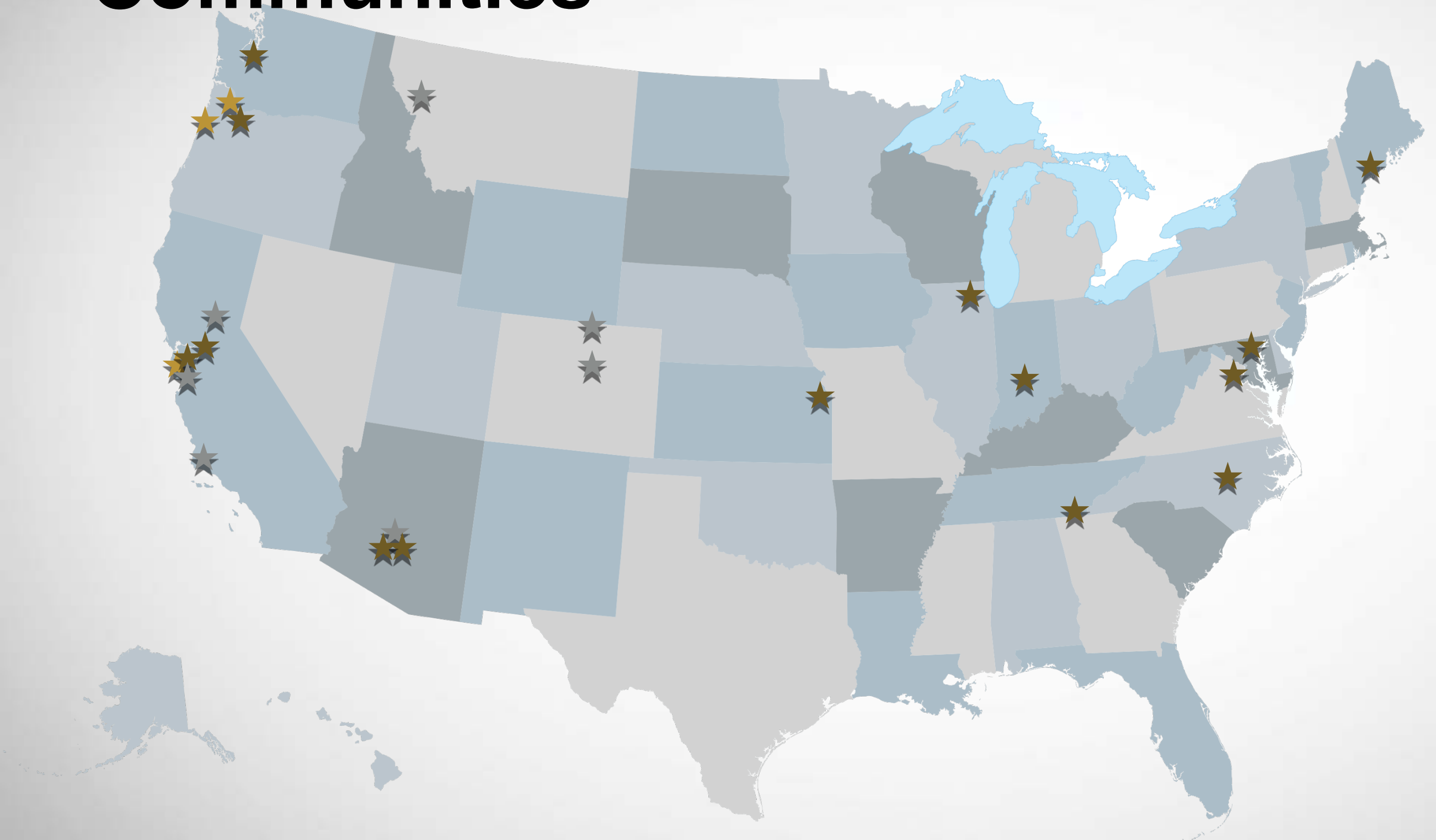
John Burke, Trek Bicycle

Corporation



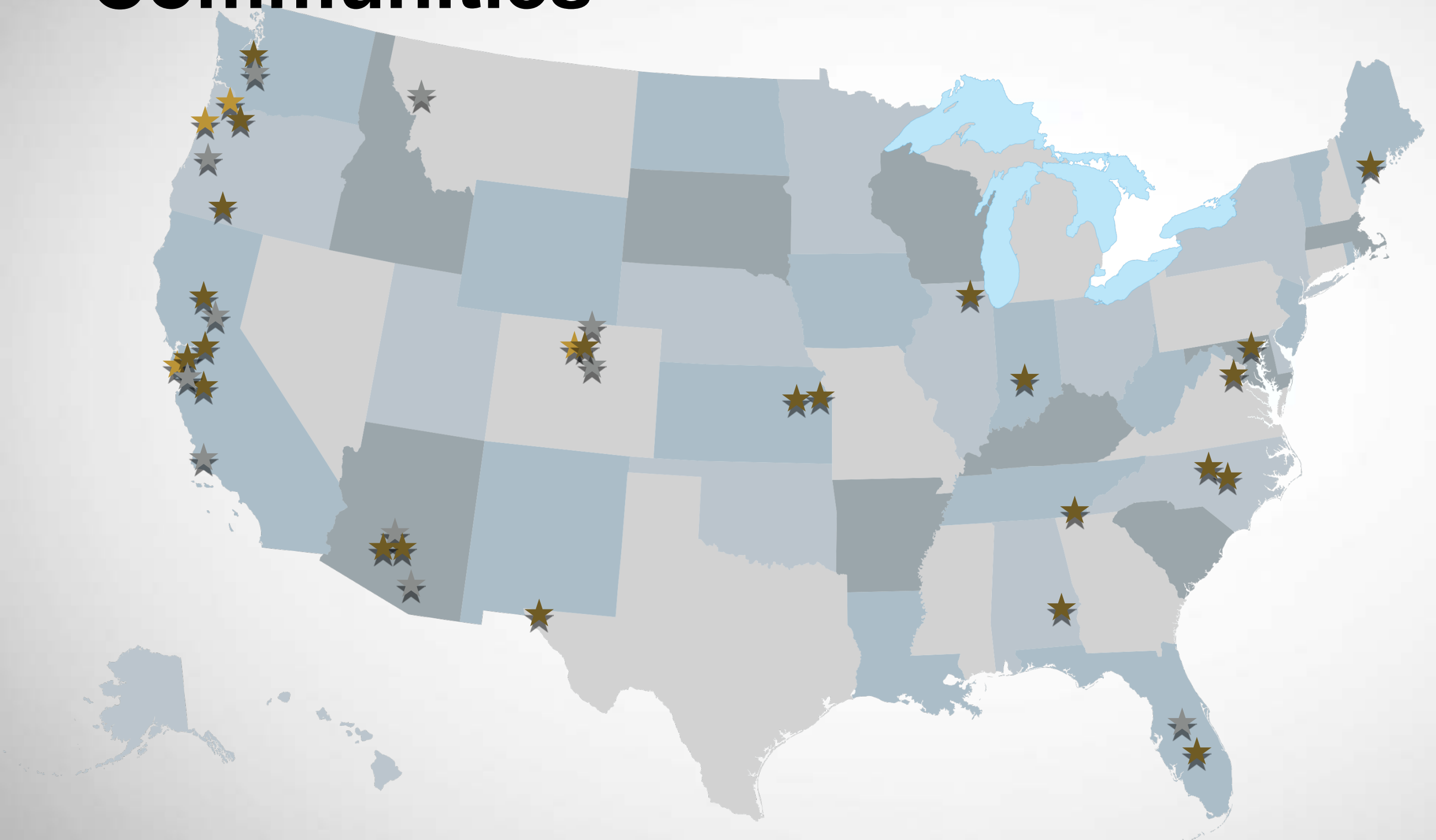
# 5. Bicycle Friendly Communities

2003



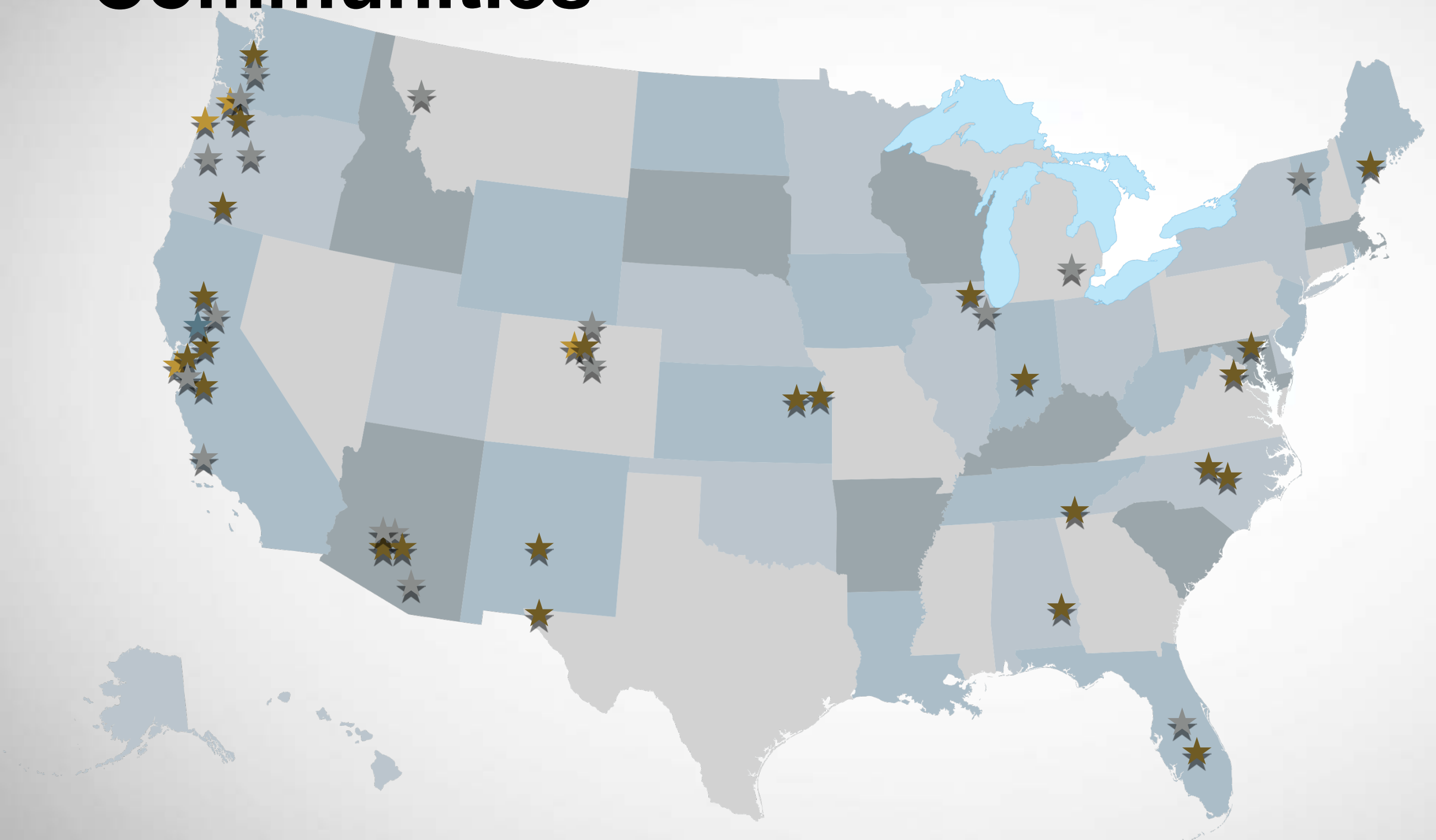
# 5. Bicycle Friendly Communities

2004



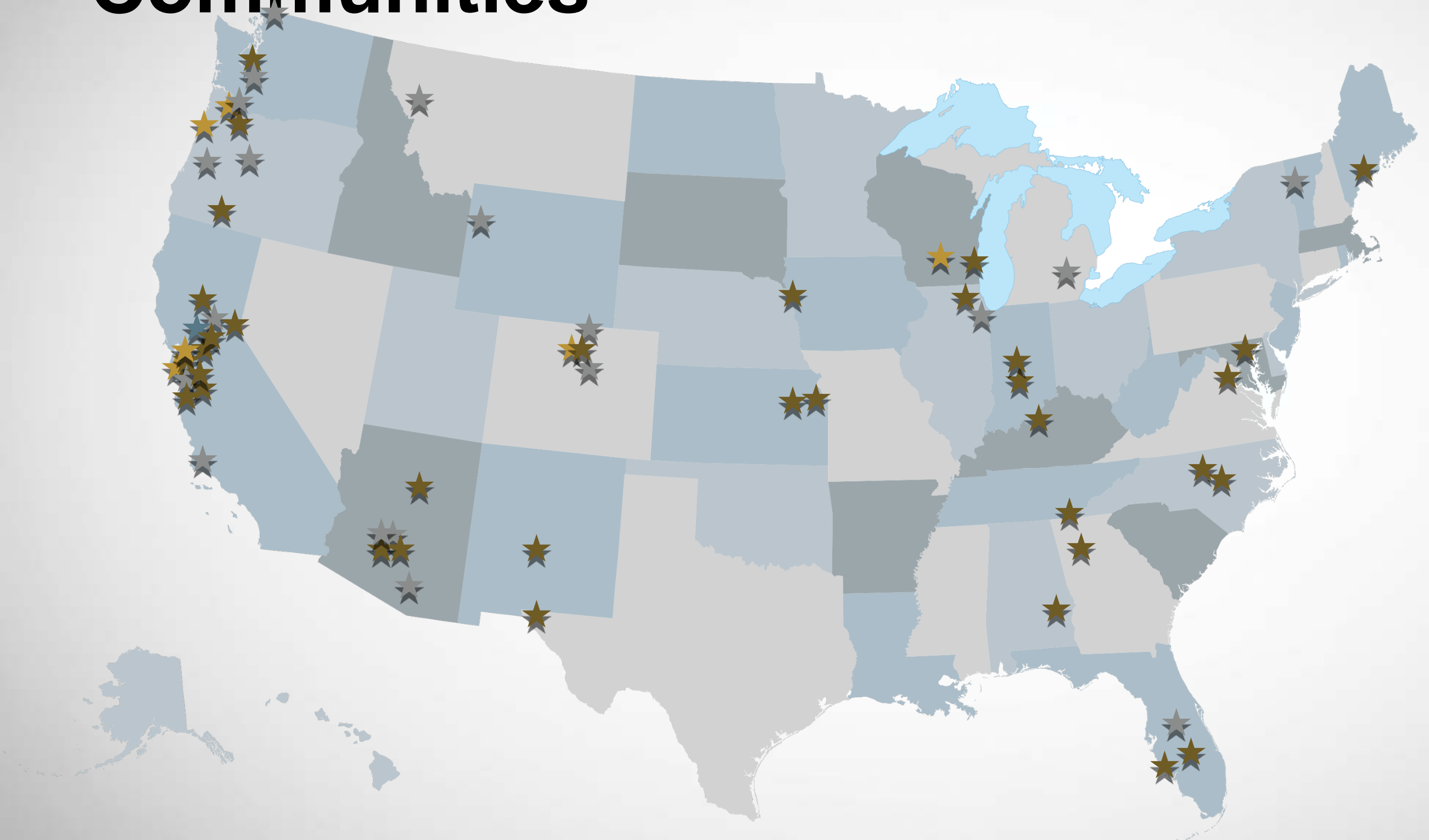
# 5. Bicycle Friendly Communities

2005



# 5. Bicycle Friendly Communities

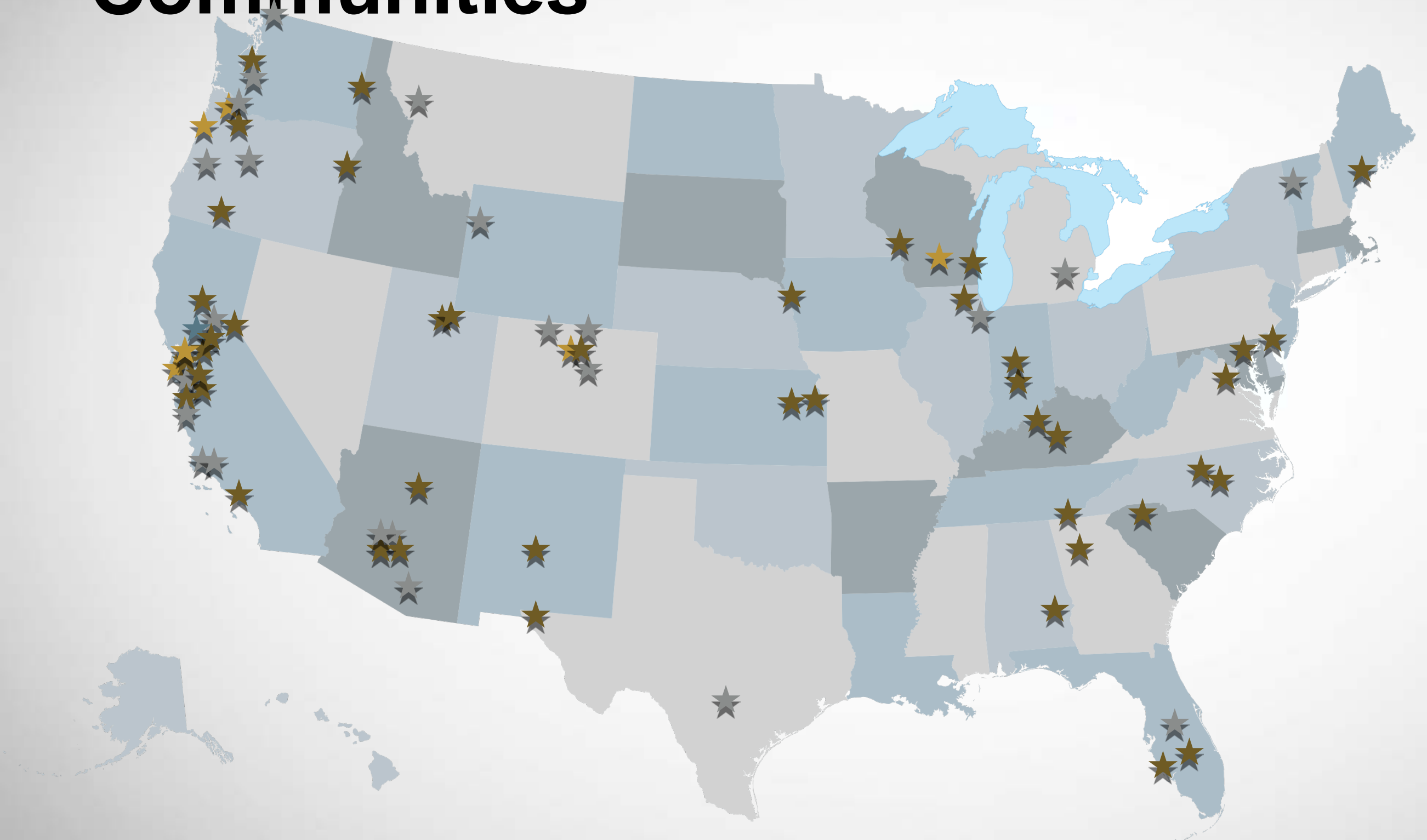
2006





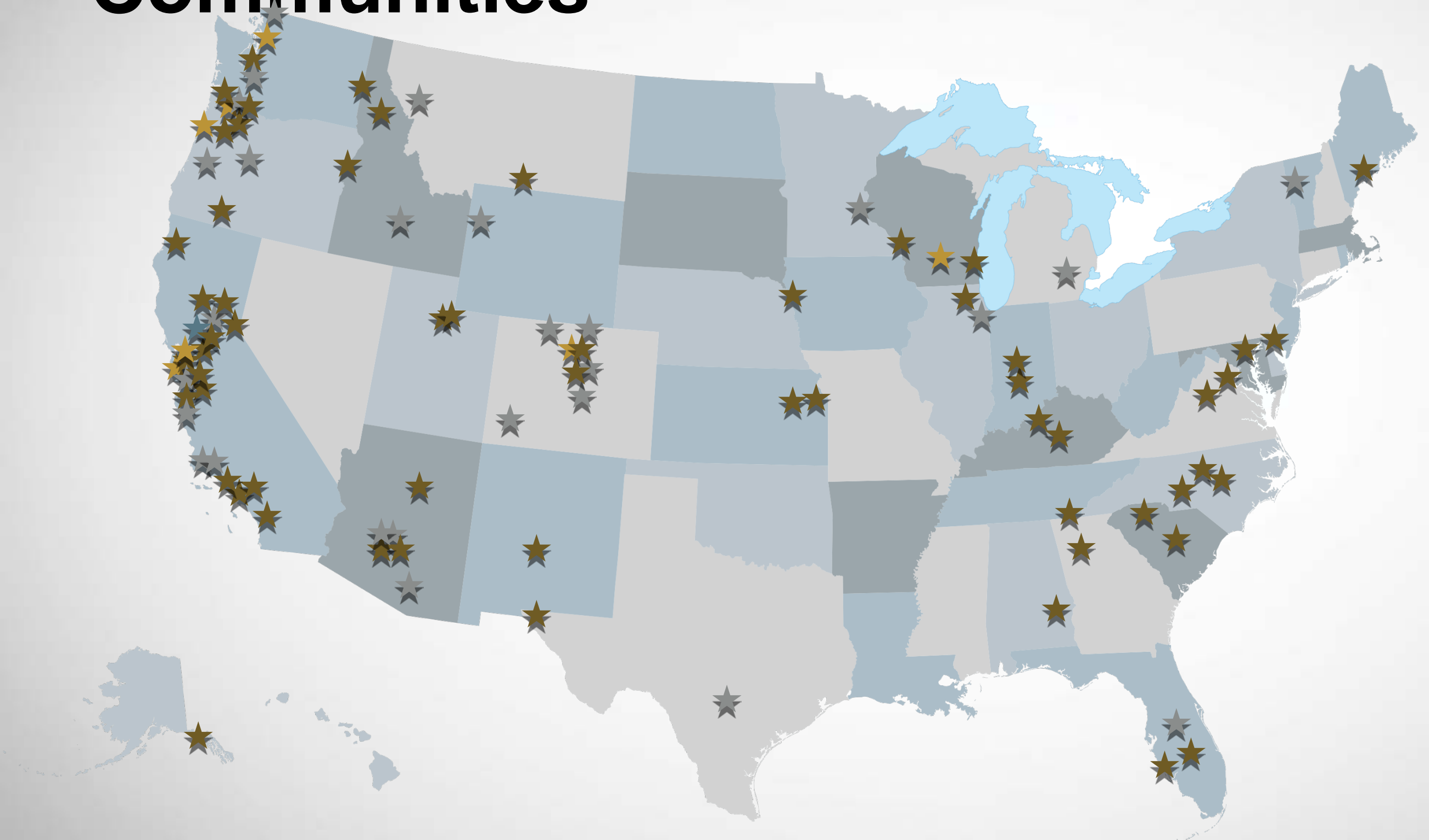
# 5. Bicycle Friendly Communities

2007



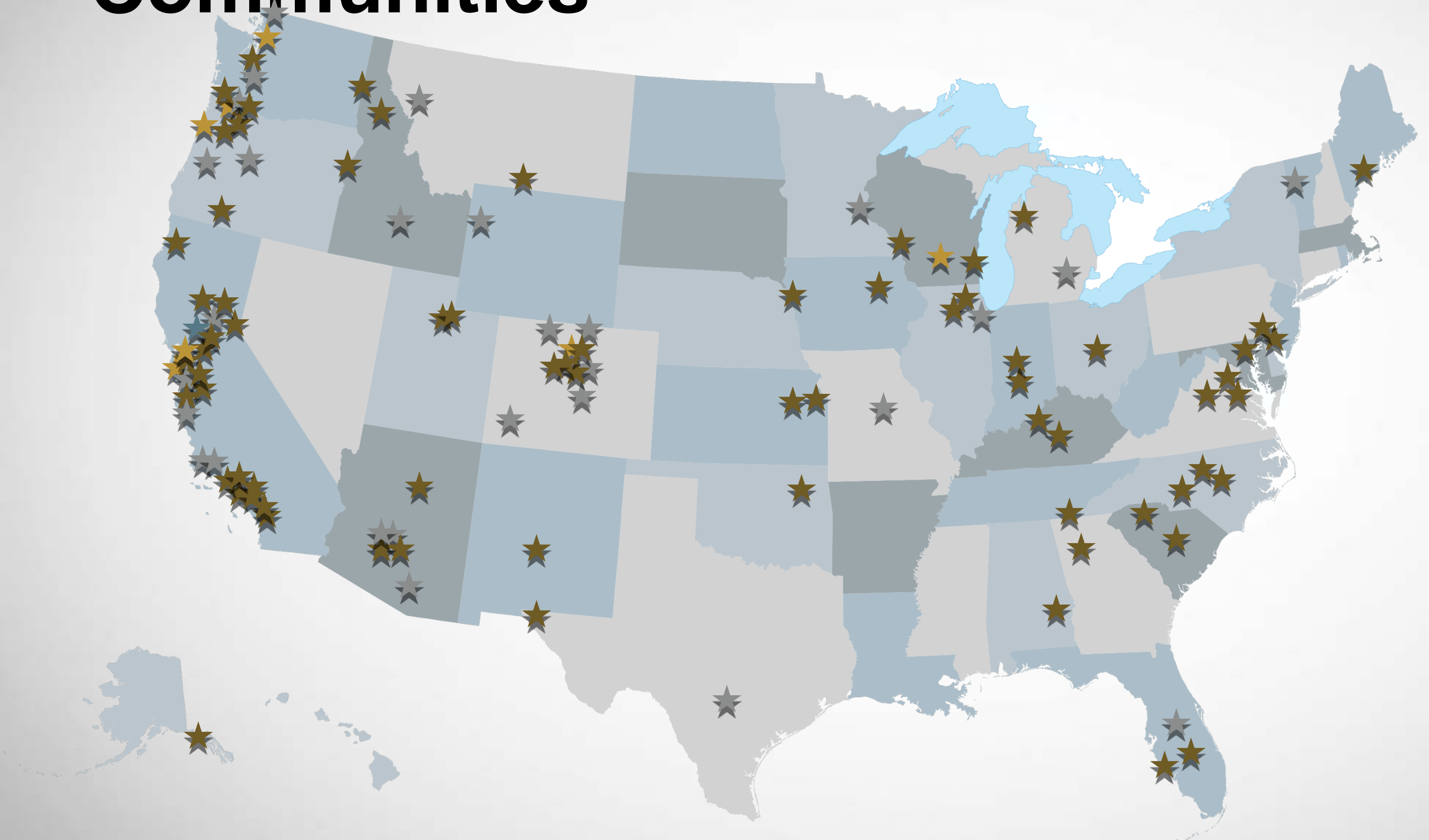
# 5. Bicycle Friendly Communities

2008



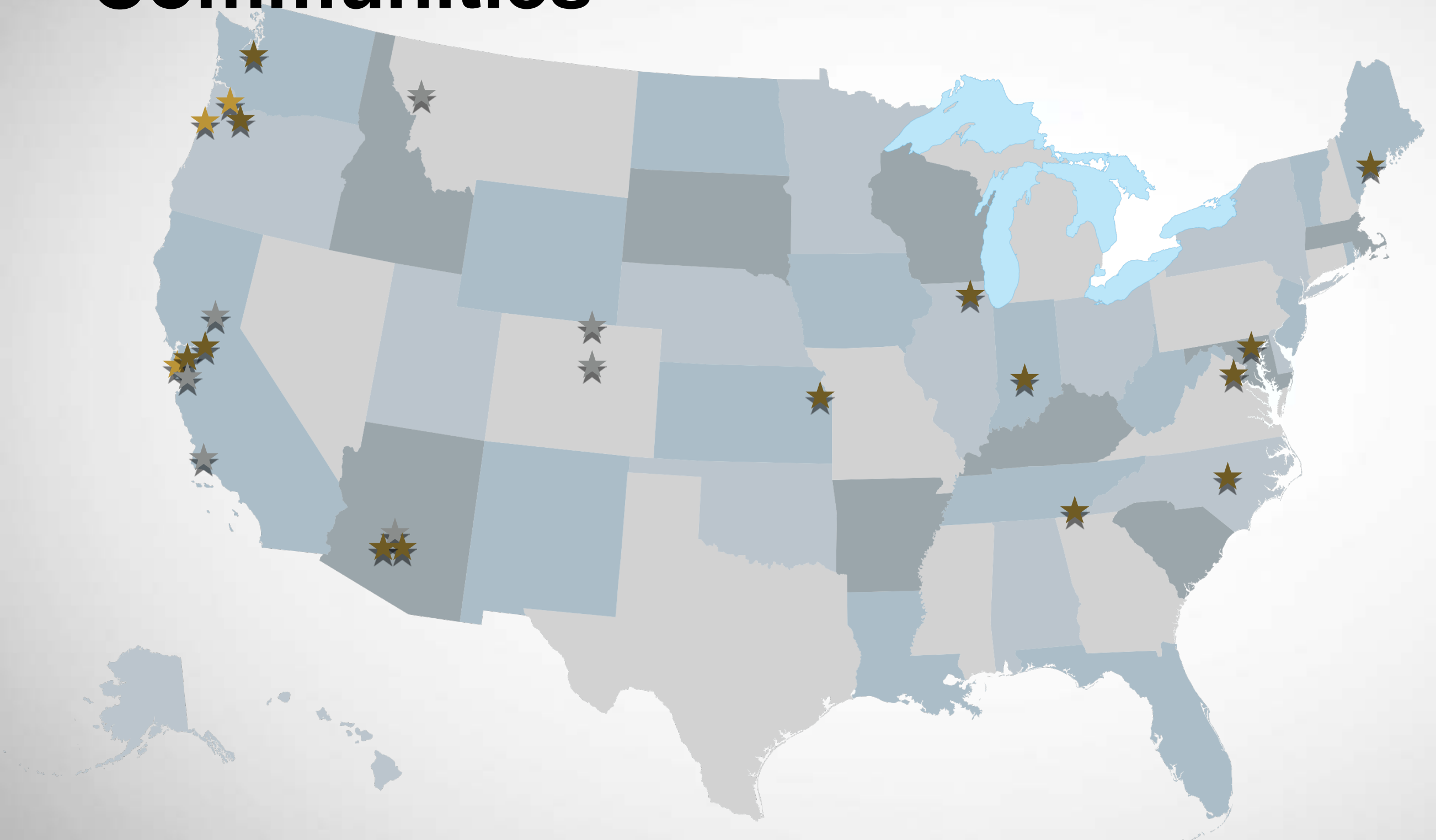
# 5. Bicycle Friendly Communities

2009



## 5. Bicycle Friendly Communities

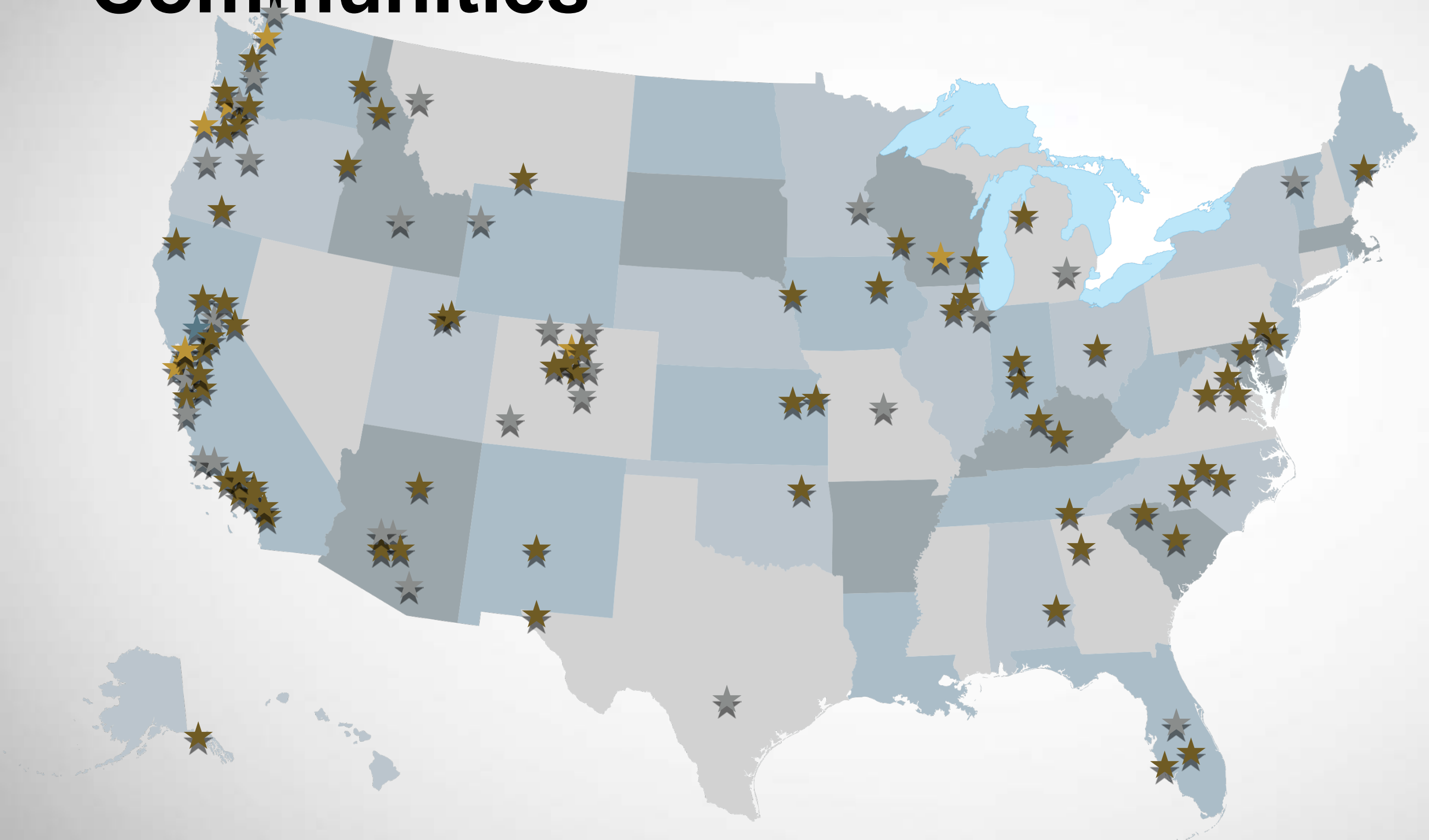
# 2003






# 5. Bicycle Friendly Communities

2009



A photograph of a paved path lined with palm trees at sunset. The sun is low on the horizon, creating a warm, golden glow. The path curves to the right, and a yellow line runs along its edge. Large, light-colored arrows are painted on the path, pointing in the direction of travel. The quote is overlaid in white text on the lower right portion of the image.

A small group of thoughtful people  
could change the world. Indeed,  
it's the only thing that ever has.  
— Margaret Mead