

The Merriam Report DECK 9/30/10 DECKERS OUTDOOR CORP

All amounts in millions except for earnings per share

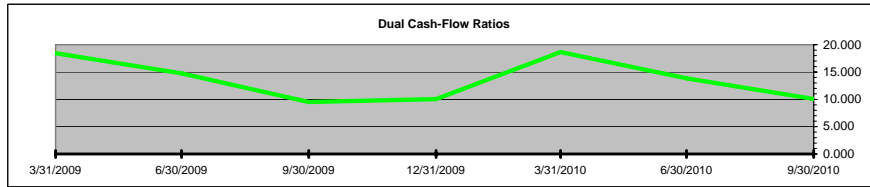
	1	2	3	4	1	2	3	Averages
Quarterly period ending:	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	
Earnings Per Share (Incl. Ext. Items)	\$ 0.930	\$ 0.070	\$ 0.860	\$ 7.650	\$ 1.37000	\$ 0.230	\$ 1.070	\$ 1.740
% Change in E.P.S. (from prev. qtr.)		-92.5%	1128.6%	789.5%	-82.1%	-83.2%	365.2%	337.6%
Total Revenues	13422.6	10254.8	22841.4	34798.9	15592.7	13705.9	27787.9	19772.0
% Change in Revenues (from prev. qtr.)		-23.6%	122.7%	52.4%	-55.2%	-12.1%	102.7%	31.2%
Cost of Revenues	7531.3	61763.0	130463.0	174548.0	78020.0	76316.0	146926.0	96509.6
Accounts Receivable:	5629.8	6306.8	11292.9	7642.7	5458.2	8164.7	14223.2	8388.3
% Change in Receivables (from prev. qtr.)		12.0%	79.1%	-32.3%	-28.6%	49.6%	74.2%	25.7%
DSO's (# of days it took customers to pay)	38.2	56.0	45.0	20.0	31.9	54.2	46.6	41.7
Inventories:	6639.9	14564.4	18775.8	8535.6	6882.4	12046.0	19731.3	12453.6
% Change in Inventory (from prev. qtr.)		119.3%	28.9%	-54.5%	-19.4%	75.0%	63.8%	35.5%
Inventory as a % of Sales	49.5%	142.0%	82.2%	24.5%	44.1%	87.9%	71.0%	71.61%
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Other Current Assets:	1836.2	1817.3	1695.2	1692.2	1708.1	1643.7	1763.3	1736.6
Property, Plant & Equip. (net):	3012.3	3263.7	3438.0	3544.2	3614.4	3736.7	4290.7	3557.1
% Change in P, P & E (from prev. qtr.)		8.3%	5.3%	3.1%	2.0%	3.4%	14.8%	6.2%
Accounts Payable:	1949.2	5144.2	5195.6	4733.1	2945.8	7995.3	7320.2	5040.5
% Change in Payables (from prev. qtr.)		163.9%	1.0%	-8.9%	-37.8%	171.4%	-8.4%	46.9%
Quarterly period ending:	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	
Total Liabilities:	4690.8	7368.6	10020.4	10768.5	6649.6	11229.6	13542.0	9181.4
Shareholder equity:	39904.5	40468.2	42122.3	49135.8	51242.5	52224.6	56175.8	47324.8
Retained Earnings (Accum. Deficit)	28085.5	28373.4	29756.2	36530.4	38319.9	38953.0	42422.8	34634.5
Operating Cash Flow (OCF)	65373.8	66346.4	69375.5	85014.3	88910.7	90525.3	96672.3	80231.2
OCF as % of Revenues	487.0%	647.0%	303.7%	244.3%	570.2%	660.5%	345.7%	465.50%
Balance Sheet Cash Flow (BSCF)	4689.9	7367.3	10018.6	10767.1	6648.6	11227.8	13539.7	9179.8
BSCF as % of Revenues	34.9%	71.8%	43.9%	30.9%	42.6%	81.9%	48.7%	50.70%
Spread between OCF & BSCF	60684.0	58979.1	59356.9	74247.2	82262.1	79297.5	82532.6	71051.3
Ratios								
Spread to Revenues	452.10%	575.14%	259.87%	213.36%	527.57%	578.56%	297.01%	4.148
Spread to OCF	13.939	9.006	6.925	7.896	13.373	8.063	7.096	9.471
MR Dual Cash-Flow Figure	18.460	14.757	9.523	10.029	18.649	13.848	10.066	13.619

The Merriam Report

DECKERS OUTDOOR CORP DECK 9/30/10	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10
MR Dual Cash-Flow Figure	18.460	14.757	9.523	10.029	18.649	13.848	10.066

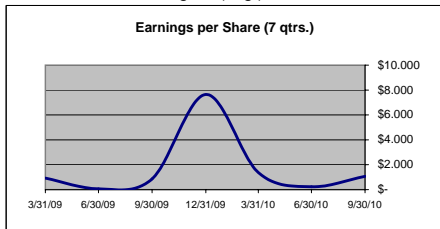
Merriam Report Signals:

- Recent Bearish
- Confirmed Bearish
- Recent Bullish
- Confirmed Bullish



MR Dual Cash-Flow Figure (avg.)

	03/31/09	06/30/09	09/30/09	12/31/09	03/31/10	06/30/10	09/30/10
P/E	9.24	12.8	6.5	3.78	14.63	15.4	5.25
P/S	0.96	3.78	1.44	0.55	2.15	6.42	1.68
P/FCF	13.2112	53.8094	13.3632	2.5919	11.7306	30.0715	8.9
PEG	0.9991	0.8903	-0.3656	0.0643	0.2267	0.2198	0.0442
Earnings Yield	0.1082	0.0781	0.1538	0.2648	0.0683	0.065	0.1906
Cash to Total Asse	0.5165	0.3671	0.2414	0.5714	0.6176	0.5263	0.3596
Debt-to-Assets	0	0	0	0	0	0	0



Accrual Ratios Average Accruals

	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10
2.31%	15.26%	8.91%	-28.86%	-4.00%	4.70%	16.90%	
2.17%							

Revenue Metrics (as % of Sales)

	Recent Qtr.
Research & Development	0.00%
Cost of Sales	52.87%
S/G/A	23.26%
Payables	26.34%

Combined Avg.

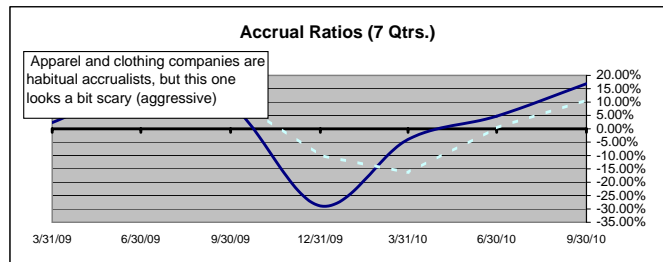
0.00%
53.71%
25.30%
25.49%

Capital Productivity

	Recent Qtr.
Inventory / Revenues	\$ 0.710
Receivables / Revenues	\$ 0.512
Inventory & Receivables / Revenues	\$ 1.222
P,P&E / Revenues	\$ 0.154

Combined Avg.

\$ 0.630
\$ 0.424
\$ 1.054
\$ 0.180



Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

0.83% 2.03%

Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bullish

Operating Cash-Flow Trend
Balance Sheet Cash-Flow Trend

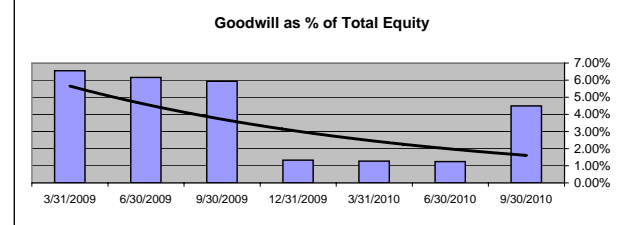
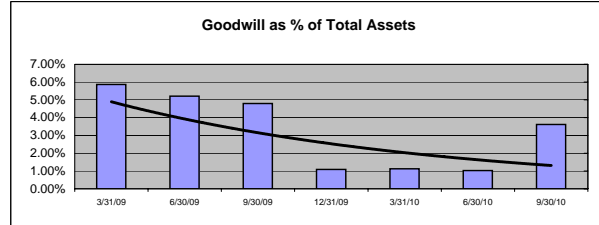
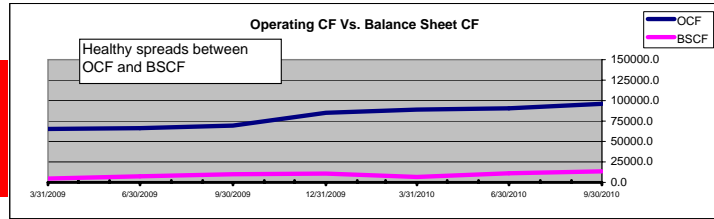
Bullish

Bearish

	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10
OCF	65373.8	66346.4	69375.5	85014.3	88910.7	90525.3	96072.3
BSCF	4689.9	7367.3	10018.6	10767.1	6648.6	11227.8	13539.7

Comparison of Recent Quarter Changes to Average

EPS	Bearish	
Revenues	Bearish	
Accounts Receivable	Bearish	
Days Sales Outstanding	Bearish	
Inventory	Bearish	
Accounts Payable	Bearish	
Accrual Ratios	Extreme Bearish	



	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	AVG.
Goodwill as % of Total Assets	5.86%	5.21%	4.80%	1.09%	1.12%	1.03%	3.62%	3.25%
Goodwill as % of Total Equity	6.55%	6.16%	5.94%	1.32%	1.27%	1.25%	4.49%	3.85%
	1.12	1.18	1.24	1.22	1.13	1.22	1.24	1.19

Dual Cash Flow Trend	-2
Financial Ratios (conventional)	5
Balance Sheet and Income Statement	-4
Accrual Ratios	-3
Revenue Metrics and Capital Productivity	-1
Goodwill Trends	-3
Merriam Report Score	-8

DECKERS OUTDOOR CORP		9/30/2010	1/26/2011
Ending Period Share Price		49.96	\$ 75.72
Estimated Fair Value		\$ 50.53	
End Price to Est. FV		3.23%	49.84% OVERVALUED

Adjustments (Payables)	\$	8.16
Adjustments (Receivables)	\$	(3.36)
Adjustments (DSO)	\$	(0.81)
Adjustments (OCF)	\$	(1.78)
Adjustments (BSCF)	\$	1.88
Adjustments (Inventory)	\$	(1.95)
Total Adjustments	\$	2.14

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