

The Merriam Report DECK 12/31/10 DECKERS OUTDOOR CORP

All amounts in millions except for earnings per share

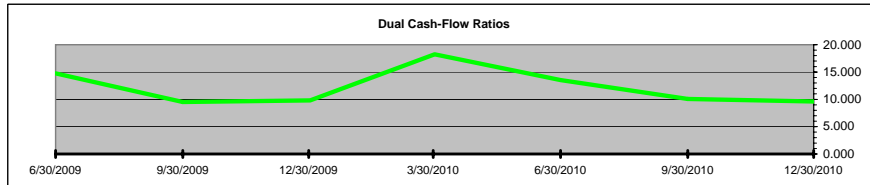
	2	3	4	1	2	3	4	Averages		
Quarterly period ending:	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010			
Earnings Per Share (Incl. Ext. Items)	\$ 0.070	\$ 0.860	\$ 1.720	\$ 1.370	\$ 0.23000	\$ 1.070	\$ 2.270	\$ 1.084		1
% Change in E.P.S. (from prev. qtr.)		1128.6%	100.0%	-20.3%	-83.2%	365.2%	112.1%	267.1%		-1
Total Revenues	10254.8	22841.4	34798.9	15592.7	13705.9	27787.9	43012.4	23999.1		1
% Change in Revenues (from prev. qtr.)		122.7%	52.4%	-55.2%	-12.1%	102.7%	54.8%	44.2%		1
Cost of Revenues	6176.3	130463.0	174548.0	78020.0	76316.0	146926.0	196789.0	115605.5		-1
Accounts Receivable:	6306.8	11292.9	7642.7	5458.2	8164.7	14223.2	11666.3	9250.7		-1
% Change in Receivables (from prev. qtr.)		79.1%	-32.3%	-28.6%	49.6%	74.2%	-18.0%	20.7%		1 5.52%
DSO's (# of days it took customers to pay)	56.0	45.0	20.0	31.9	54.2	46.6	24.7	39.8		1 5.42%
Inventories:	14564.4	18775.8	8535.6	6882.4	12046.0	19731.3	12499.5	13290.7		1
% Change in Inventory (from prev. qtr.)		28.9%	-54.5%	-19.4%	75.0%	63.8%	-36.7%	9.5%		1 6.60%
Inventory as a % of Sales	142.0%	82.2%	24.5%	44.1%	87.9%	71.0%	29.1%	68.69%		1
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0		
Other Current Assets:	1817.3	1695.2	1722.2	1708.1	1643.7	1763.3	2884.8	1890.7		-1
Property, Plant & Equip. (net):	3263.7	3438.0	3544.2	3614.4	3736.7	4290.7	4773.7	3808.8		
% Change in P, P & E (from prev. qtr.)		5.3%	3.1%	2.0%	3.4%	14.8%	11.3%	6.6%		
Accounts Payable:	5144.2	5195.6	4733.1	2945.8	7995.3	7320.2	6707.3	5720.2		-1
% Change in Payables (from prev. qtr.)		1.0%	-8.9%	-37.8%	171.4%	-8.4%	-8.4%	18.2%		1 0.0379
Quarterly period ending:	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010			0.2087
Total Liabilities:	7368.6	10020.4	10768.5	6649.6	11229.6	13542.0	15600.7	10739.9		
Shareholder equity:	40468.2	42122.3	49135.8	51242.5	52224.6	56175.8	65298.7	50952.6		
Retained Earnings (Accum. Deficit)	28373.4	29756.2	36530.4	38319.9	38953.0	42422.8	51346.9	37957.4		
Operating Cash Flow (OCF)	66346.4	69375.5	83271.0	86962.1	88631.2	96072.3	114151.1	86401.4		1
OCF as % of Revenues	647.0%	303.7%	239.3%	557.7%	646.7%	345.7%	265.4%	429.36%		-1 -0.0546
Balance Sheet Cash Flow (BSCF)	7367.3	10018.6	10767.1	6648.6	11227.8	13539.7	15598.6	10738.2		-1
BSCF as % of Revenues	71.8%	43.9%	30.9%	42.6%	81.9%	48.7%	36.3%	50.88%		1 0.2873
Spread between OCF & BSCF	58979.1	59356.9	72503.9	80313.5	77403.4	82532.6	98552.5	75663.1		4 0.041
Ratios										
Spread to Revenues	575.14%	259.87%	208.35%	515.07%	564.75%	297.01%	229.13%	3.785		
Spread to OCF	9.006	6.925	7.734	13.080	7.894	7.096	7.318	8.436		
MR Dual Cash-Flow Figure	14.757	9.523	9.817	18.230	13.541	10.066	9.609	12.221		

The Merriam Report

DECKERS OUTDOOR CORP DECK 12/31/10	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10		
MR Dual Cash-Flow Figure	14.757	9.523	9.817	18.230	13.541	10.066	9.609	-1	-1

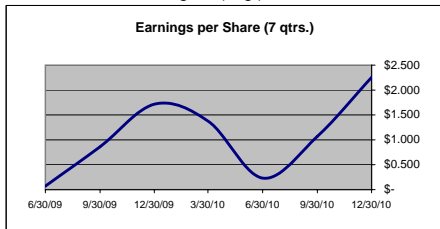
Merriam Report Signals:

Recent Bearish
Confirmed Bearish



MR Dual Cash-Flow Figure (avg.)

	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10		
P/E	41.09	49.62	11.34	40.12	43.43	14.15	19.45	0	31.314
P/S	3.78	1.44	1.64	2.15	6.42	2.13	1.68	1	2.7486
P/FCF	53.8094	13.3632	7.7758	11.7306	30.0715	13.895	8.9	1	19.935
PEG	-0.6373	-0.5569	0.1945	0.5331	0.4588	0.0277	0.538	0	0.0797
Earnings Yield	0.0243	0.0202	0.0882	0.0249	0.023	0.0707	0.0514	0	0.0432
Cash to Total Asse	0.3671	0.2414	0.5709	0.6176	0.5263	0.3596	0.5503	1	0.4619
Debt-to-Assets	0	0	0	0	0	0	0	0	0



Accrual Ratios Average Accruals

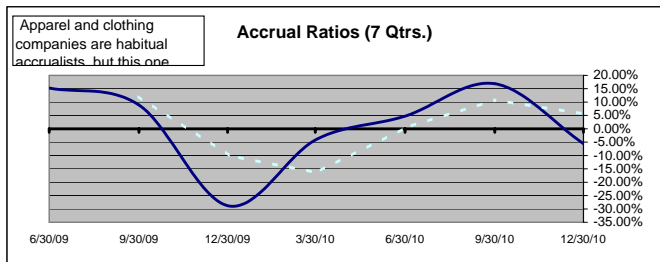
	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	
	15.26%	8.91%	-28.86%	-4.00%	4.70%	16.90%	-5.81%	-3
	1.02%							

Revenue Metrics (as % of Sales)

	Recent Qtr.	Combined Avg.
Research & Development	0.00%	0.00%
Cost of Sales	45.75%	51.48%
S/G/A	21.53%	24.00%
Payables	15.59%	23.84%

Capital Productivity

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.291	\$ 0.554
Receivables / Revenues	\$ 0.271	\$ 0.385
Inventory & Receivables / Revenues	\$ 0.562	\$ 0.939
P,P&E / Revenues	\$ 0.111	\$ 0.159



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.

5.73% 2.47%

Summary of Merriam Report Signals

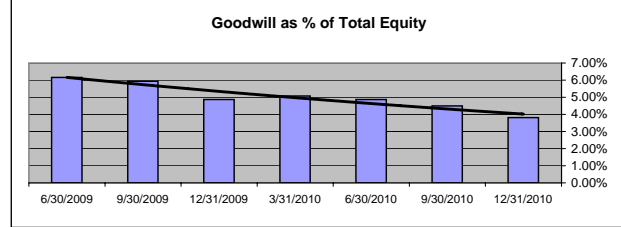
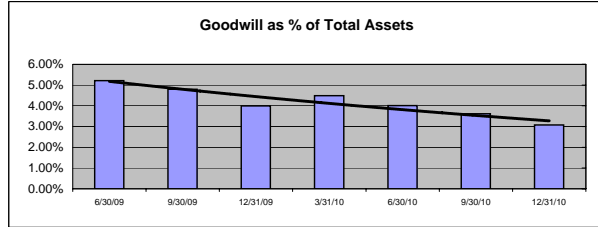
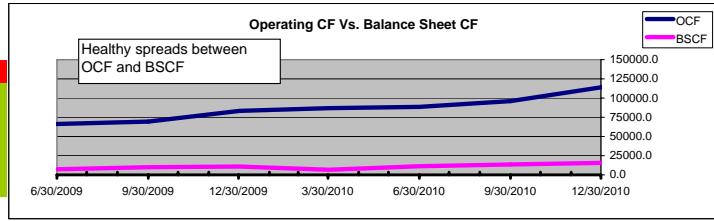
Dual Cash-Flow Figures

Operating Cash-Flow Trend
Balance Sheet Cash-Flow Trend

	Recent Bearish	Confirmed Bearish	Recent Bullish	Confirmed Bullish					
Operating Cash-Flow Trend	Bullish	OCF	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10
Balance Sheet Cash-Flow Trend	Bearish	BSCF	66346.4	69375.5	83271.0	86962.1	88631.2	96072.3	114151.1
			7367.3	10018.6	10767.1	6648.6	11227.8	13539.7	15598.6

Comparison of Recent Quarter Changes to Average

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



	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	AVG.
Goodwill as % of Total Assets	5.21%	4.80%	4.00%	4.49%	4.01%	3.62%	3.08%	4.17%
Goodwill as % of Total Equity	6.16%	5.94%	4.87%	5.07%	4.87%	4.49%	3.82%	5.03%
	1.18	1.24	1.22	1.13	1.22	1.24	1.24	1.21

Dual Cash Flow Trend	-2
Financial Ratios (conventional)	3
Balance Sheet and Income Statement	4
Accrual Ratios	-3
Revenue Metrics and Capital Productivity	7
Goodwill Trends	-3
Merriam Report Score	6

DECKERS OUTDOOR CORP	12/31/2010	3/4/2011
Ending Period Share Price	79.74	\$ 87.18
Estimated Fair Value	\$ 88.95	
End Price to Est. FV	3.39%	-1.98%

Valuation
UNDERVALUED

Earnings Quality

A+
A-
B+
B-
C+
C-

Adjustments (Payables)	\$	2.92
Adjustments (Receivables)	\$	4.26
Adjustments (DSO)	\$	0.60
Adjustments (OCF)	\$	(4.21)
Adjustments (BSCF)	\$	3.17
Adjustments (Inventory)	\$	5.09
Total Adjustments	\$	11.82

This report is published by Merriam Report Investment Research and its author JS Merriam. All opinions and information presented are intended for informational purposes only. Nothing herein should be construed as an offer or solicitation to buy or sell any security. Investors should always research companies and securities thoroughly before making any investments.