



MOUNTAIN TOP



2016 ANNUAL REPORT

ADVENTURE



AWAITS





MESSAGE FROM THE MOUNTAIN TOP CEO

The outdoors has defined the culture and identity of America, perhaps more than any other nation. At REI we believe that choosing life outdoors brings out the very best in us, individually and collectively; regardless of age, gender, race or background. Everything we do is built from a belief that, “an outdoor life is a life well lived.” But the future of life outdoors is not assured. Without much fanfare or protest, at the turn of the century we passed a troubling cultural milestone. Humans became an indoor species.

In all these areas, we are asking tough questions about how REI can shape the future of life outdoors, driven by the belief that being outdoors makes us all happier

and healthier. We will continue to push into those topics as your outdoor co-op to help you dream and scheme about doing the things outdoors that you love most, no matter where you are or how you interact with us.

Thank you for being a part of the co-op and see you outside.

A handwritten signature in black ink that reads "Jack McMahon". The signature is written in a cursive, flowing style.

Jack McMahon

Chair, Mountain Top Board of Directors



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COMPANY PROFILE

We are passionate about the outdoors and committed to promoting environmental stewardship and increasing access to outdoor recreation through volunteerism, gear donations and financial contributions.

Mountain Top is a national outdoor retail co-op dedicated to inspiring, educating and outfitting its members and the community for a lifetime of outdoor adventure and stewardship. We offer our own line of high-quality award-winning gear and apparel, in addition to products from the top brands for camping, climbing, cycling, fitness, hiking, paddling, snow sports and travel.



1987

Mountain Top started as a co-op, in 1987 and we've stayed true to that business structure ever since.

2004

Mountain Top reaches over two million members, 20 retail stores and \$200 million in annual sales.

1995

Mountain Top opens a new state-of-the-art distribution center in Colorado.

2016

Mountain Top opens a flagship store in the Big Apple with a three-level store.



COMPANY STRATEGY

The co-op structure helps Mountain Top become a lifestyle brand. With millions of loyal members on its mailing list, the company has started what amounts to a travel agency. Our outdoor classes, where novices can learn anything from wilderness medicine to paddling a kayak, have helped us become more than just a retail store.

Mountain Top, as a co-op, cares about being a good environmental steward, treating employees well, and making sure its current members are happy. The irony is, that's the kind of warm, fuzzy corporate filling that's bringing customers in the door. Ever since two million people became Mountain Top members in 2004, boosting the ranks by 20 percent, annual sales have steadily increased.

Mountain Top prepares for the future with ideas that expand beyond retail, to further their prominence as a lifestyle brand. The co-op structure helps Mountain Top become a lifestyle brand.



ANNUAL SALES (In Millions)



↑5% Increase in annual revenues between 2015 and 2016.

↑4% Increase in store sales between 2015 and 2016.

↑12% Increase in digital sales between 2015 and 2016.



SHAREHOLDER INFORMATION

MOUNTAIN TOP YEARLY WRAP-UP

2016 was a very strong year for Mountain Top, one that saw the launch of award-winning products, record sales and earnings, and remarkable progress in our drive to define and lead the future of personal mobility.

MOUNTAIN TOP 2017 STRATEGY MEETING

Wednesday December 21, 2016 10:00 AM

Stockholders meeting to overview the Mountain Top strategy for 2017.

MOUNTAIN TOP ANNUAL MEETING OF STOCKHOLDERS

Wednesday January 04, 2017 08:30 AM

Stockholder entrance to the meeting is at the rear of the GIANT Center. Doors open at 8:30 a.m. Convenient parking located adjacent to the entrance, with round-trip shuttle buses available. Bring your photo I.D. and Admission Document, such as proxy card, admission ticket, legal proxy, or account statement showing holdings as of March 6, 2017.





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