

X TERRA

1996 - 2009

The XTERRA Story

How a Sport was Born
and a Brand Evolved



Running Down a Dream...

XTERRA is ...

"The single best meeting ground for the best triathletes in the world. Ironman, ITU, Olympic, 70.3, Winter Triathlon, and Mountain bike champs have all competed at XTERRA." – Jimmy Archer

"The Captain Morgan of triathlon!"
– *Christiane Reetz*

"A Way of Life," – J. Rittling

"An Epic adventure that tests your will," – Bruce Rogers

"The coolest, most diverse, challenging and funnest competition ever!" – Molly Hummel

"An addiction," – Jayne Peterlin

"Blood, Sweat, & Beers!" – J. Walsh

"An extreme test of endurance, skill, and guts." – J. Middaugh

"Adventure!" – Mark Leishman

"One of the toughest things I've ever done, but well worth it," – Chris Holt

"A gnarly way to commune with nature!" – *Brandyn Roark Gray*

"Living more through competition, meeting wonderful, like-minded people and traveling to beautiful venues," – Libby Harrow

"Life" – Conrad Stoltz



The XTERRA Story

PART I : THE PREQUEL

While the first-ever XTERRA was "born on the beach" on the island of Maui in 1996, the origins of the brand were rooted in events that took place in the late '80's when Tom Kiely (pictured), the CEO of TEAM Unlimited, was tasked with creating more publicity for the Waikiki Oahu Visitors Association.

SPORTS TV WAS THE BIG IDEA

"First, sports are a big part of our culture in Hawaii, and second, what looks better on TV than the beaches and ocean," explained Kiely.

The concept was pretty simple. Sports and entertainment is one of the biggest industries in the world and the travel industry is THE BIGGEST industry in the world. Bring those two together in programming, and you've got something big.

So, Kiely came up with the idea for the Hawaiian International Ocean Challenge - a lifeguard skills competition that attracted water safety specialists from Australia, New Zealand, California, and Hawaii. Then, he forged a relationship with ESPN - the worldwide leader in sports.



In 1990 the Ocean Challenge was broadcast on ESPN, and millions of viewers were exposed to the beauty of Waikiki - the sun, sand, and crystal clear blue water of the Pacific Ocean.

"So we get into producing the Ocean Challenge," says Kiely. "And now I'm thinking I've got all these athletes and TV crews and if it costs me this much to produce one show, it'll cost less for another, and even less for a third."



ESPN BUYS IN

ESPN approves two more shows (Waikiki King's Race and Diamond Head Wahine Windsurfing Classic) and in 1991 TEAM Unlimited produced three events and three TV shows. The concept was working, and Hawaii was reaping the benefits of the outdoor exposure the shows were generating.

"So the next year ('92) we produced seven Hawaiian Sports Adventure Shows...multiple segments, different stories, great scenic's, and 30-minutes of entertaining stuff," said Kiely. Those seven shows were in addition to the Ocean Challenge and a few other televised events, including the inaugural Tour O' Hawaii.

"Tour O' Hawaii, now that was a great event," said Dave Nicholas, the race director for TEAM Unlimited.



"The Tour O' Hawaii happened before pro cyclists were allowed to compete in the Olympics so the top riders from every country kept their amateur status so they could race in



the Olympics. We had George Hincapie, Jan Ulrich, Tyler Hamilton, and lots of others - a who's who of international cycling," said Nicholas.

A few years later the Olympics allowed pros to compete, road cycling in the U.S. was on the decline, and the Tour O' Hawaii was no more. At the same time, however, mountain biking was taking off. So in 1995, in addition to 12 other TV shows and several events, TEAM Unlimited produced the Hawaiian Mountain Tour.

In doing so Nicholas and mountain bike Hall-of-Famer Dean Crandall established the rules and held the **first-ever mountain bike stage race**. This is also where many of the XTERRA greats first appeared. The likes of Ned Overend, Shari Kain, Melanie McQuaid, Steve Larsen, Mike Kloser, Leslie Tomlinson, and host of others were taking part in the Hawaiian Mountain Tour. Now these races took place at Kualoa Ranch on Oahu, where the Koolau mountain range meets the ocean, and the story goes that after their races the mountain bikers would ride down to the beach and jump in the water. It sparked an idea...why not have a mountain bike triathlon?

By 1996 TEAM Unlimited had produced more than 50 shows and sporting events, and while the idea of an off-road triathlon was enticing - who'd pay for it?

LOOKING FOR A GRAND IDEA

Almost simultaneously, the Aston Hotel in Maui (now the Wailea Marriott Resort) was shopping for a good idea for their grand opening and the Maui Visitors Bureau was looking for a new event that could tell a different story about Maui's south shore because all the exposure up to that point was golf. Well, what better way to show off the hotel and south shore than 1) starting the race at this beautiful beach in front of the sponsor hotel, 2) follow a race that covers 21 miles of terrain with two dozen camera's, and 3) put it on TV for the whole world to see?

Kiely likes to define luck as the "intersection of opportunity and activity. I called Aston and the MVB and said O.K., I've got the idea, here's the thing, ping, bang, boom," said Kiely.

"And that's what got us started in XTERRA."

Part II : The Story Behind the Name

It's well documented that the first-ever XTERRA was the World Championship in Maui, but that race wasn't actually called XTERRA, it was ... "AquaTerra".

Turned out, however, that AquaTerra was trademarked by a kayak company in South Carolina and they wanted some big-time \$\$\$ if TEAM Unlimited wanted to keep using the name.

Instead of dishing out cash to make the kayak company famous, Kiely came up with "XTERRA".

"I wanted something that could mean many things to many people so there would be room for expansion," said Kiely. "The X is a numerical term which means "unknown" and Terra is Latin for land/territory, so ... "Unknown territory."



Conrad "The Caveman" Stoltz is a 3x XTERRA World Champ and social marketing guru - see conradstoltz.com

Kiely also had the foresight to register the name in all major product categories including automobile and it was just weeks later when Nissan – after months and a million dollars worth of market research on what to name their new SUV – decided on Xterra and called him up to secure the rights.

Long story short, TEAM kept XTERRA and Nissan got the license to the name for their new SUV in exchange for a sponsorship deal that lasted nine years and spurred the growth of the sport. >>>

"XTERRA is this cosmic blend of specialized training, arduous racing, incredible camaraderie and friendships with competitors and TEAM Unlimited that defies description, and it's an irreplaceable component of my life," – Kent Robison



PART III : MAGIC

At the finish line of that very first race in 1996 it was clear that XTERRA was going to be more than just a one-off event. There was passion in the eyes of the competitors and an unwavering feeling that XTERRA was destined to become a lifestyle...a movement.

The Fox Sports Net broadcast of that original event (which you can watch in its entirety right now on XTERRA.TV) exposed the new and exciting sport to the nation, and the response set the table for the future of a sport.

"That race was **magical**, and the reaction by everyone – our staff, the competitors, the hotel, the Maui Visitors Bureau, the people that watched on TV, was that we had truly uncovered something special," explained Kiely.

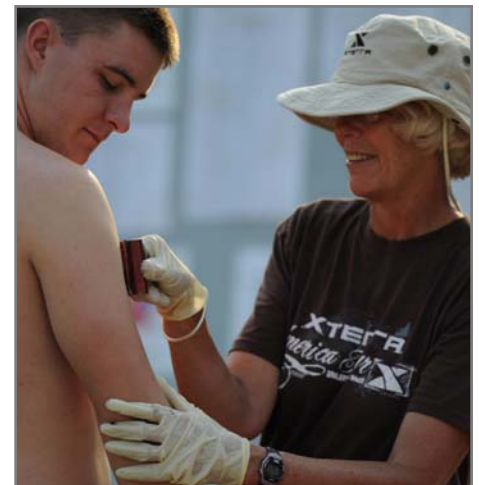
In the early days there was no grand strategy or master plan, rather more of a reaction to the marketplace and people saying 'bring XTERRA to our community'.

As such TEAM Unlimited put on four XTERRA races in 1997, five in 1998, and in 1999 the stars aligned with Nissan and a 10-stop "XTERRA America Tour" was put in place to help the car giant promote its new SUV in an authentic way.

"What we learned after that year was that 10 events were not enough to satisfy the demand

for the thousands of people who wanted to get back to the roots of endurance sports, go off-road and have fun. A bigger event plan was mandated," said Janet Clark, President of TEAM Unlimited.

To meet the challenge TEAM Unlimited shelved its other event properties and concentrated on the growth of XTERRA. A key ingredient in that evolution would be Janet Clark, a former "Ad Woman of the Year" while at Ogilvy and Mather. Born and raised in Canberra, Australia, Clark brought 25 years of media and marketing experience to the table and together with Kiely and Nicholas - the "Big Three" put together a plan on how to take XTERRA to the next level.



Clark is a "hands-on" executive, as seen here body marking a competitor before the race

Armed with the knowledge that a) XTERRA was building from the ground up and its grass roots appeal was dynamic, b) the enthusiasm for the sport went beyond the U.S. borders, c) XTERRA was turning into a media darling with significant coverage in magazine, newspapers, and TV and, d) even people outside of triathlon were attracted to XTERRA – the initial expansion steps were written on the chalkboard: >>>

- Reach as many communities as we can
- Produce a substantial national TV package
- Start planning for international growth
- Register and own the trademark name of XTERRA in all of the primary countries for all appropriate categories
- Build the foundation of the XTERRA community
- Begin development of new XTERRA products, media and properties

Part IV : From a Vision to a Lifestyle



A mountain biker rides through the river at XTERRA Japan at Marunuma Resort



TERRA has grown at an amazing rate through the years. In 2000 the XTERRA Gear licensing business was launched and the

World Tour was born with races in England, Japan and Canada.

In 2001 the XTERRA Point Series was created with 19 races leading up to the USA Championship. The Series was (and still is) marvelously structured, providing a bona-fide championship for age-group athletes to compete within their region, then against the best across the U.S. to determine a legitimate national champion. It opened the door for destinations across the country to showcase their trails and natural beauty with venues; and it solidified the "Live More" lifestyle as like-minded athletes from all different backgrounds were creating the closest of friendships through the sport.

The XTERRA Adventures TV Series was also born in 2001 and the terms "Adventure" and "XTERRA" would be linked together forever. By 2003 there were 50 XTERRA races to compete in and by 2004 there was a full-blown XTERRA European Tour.

The Year Two Thousand and Five marked the inaugural season for the Trail Running Series. In 2008 that Series culminated with the first-ever XTERRA Trail Running World Championship – which was highlighted on XTERRA.TV, a 24/7 web TV network featuring XTERRA events and adventures from around the world.



Each dirt-strewn step in XTERRA's development built the foundation of the Brand – which revolves around its community.

SI Adventure

WHAT IT TAKES

It's all about comfort for one triathlete, even if that breaches his pal Lance's sense of cool

With his March win at the Portobello Triathlon in Panama, off-road triathlete Jimmy Riccietello, 39, shows no sign of slowing down. On May 18 he'll tackle the Balance Bar Adventure Race in New York City; two weeks later he'll compete in the Xterra West Championships in Big Bear, Calif. His keys to success: training rides with pal Lance Armstrong and this gear.

1 BIKE

K2 Razorback SL 2003 (\$4,399) (www.k2bike.com)
"There isn't a trail system or obstacle I fear when I ride this bike. It's a fully-suspended bike that comes with Shimano disk brakes, like the ones used in cars. The brakes are highly effective in wet, muddy conditions. It's like riding a motorcycle that weighs only 22 pounds."

2 SHORTS

Hind Ultra Drylete Cycling Short (\$70) (www.hind.com)
"You've got to keep your boys comfy, especially for off-roading. There's nothing worse than chafing down there and having your crotch go numb. A lot of guys go with short shorts, but I like more coverage. It gives me extra muscle support for running."



3 WET SUIT

Vector Pro Xterra (\$450) (www.xterrawetsuits.com)
"Just as big as preventing chafing is making sure you don't freeze your juuvs off. The neoprene rubber is five millimeters thick but feels superflexible. I usually swim about a minute faster per mile in a wet suit, which is great because I want to get the heck out of the water fast."

4 HYDRATION PACK

K2 Hydrofoil Drinking System 2 L (\$40) (www.k2bike.com)
"I used to think bladders were dorky. But wearing one keeps my back cool, and it's hands-free, which is superconvenient for mountain biking. Still I refuse to wear one if I'm doing a ride with Lance. Road guys think they're uncool, and I'd get laughed out of the ride."

5 GPS

Timex Speed and Distance System (\$225) (www.timex.com)
"It's tough to get an accurate mileage read with off-road triathlons. I don't use a global positioning system during a race, but I like to go over the course a few days before and casually let the race director know that the run is really six miles, not 4.8 as advertised."



6. Cliff Shots (\$1.10 apiece) (www.cliffshot.com); 7. Hind Pavement Optional gloves (\$30) (www.hind.com); 8. TYR Technoflex 2.0 swim goggles (\$12) (www.tyr.com); 9. TYR Winkle-Free Silicone swim cap (\$10) (www.tyr.com); 10. TIME Scelop cross-country mountain bike shoes (\$225) (www.timesportusa.com); 11. Saucony Grid Xterra trail running shoes (\$80) (www.saucony.com); 12. Giro Pneuino bike helmet (\$159.99) (www.giro.com); 13. Xterra water bottle (\$3) (www.xterragear.com); 14. XTG race jersey (\$45) (www.xterragear.com); 15. XTG mesh cap (\$15) (www.xterragear.com); 16. TriSports Race-number belt (\$5.99) (www.trisports.com); 17. Rudy Project Xerosene sunglasses (\$125) (www.rudyprojectusa.com); 18. DeFeet Aireators socks (\$10) (www.defeet.com); 19. Cliff Bar (\$1.99) (www.cliffbar.com); 20. Red Bull (\$2) (www.redbull.com)

This layout in Sports Illustrated exposed the "Tools of the Trade" to the masses

Today, a little more than a decade after that first race, XTERRA has grown into a global phenomenon with more than 175 events in 14 countries. It has established off-road triathlon and trail running series'. It has branded products from wetsuits to footwear to cycling accessories to fitness equipment, tech wear and apparel. It produces 8-to-10 new TV shows each year. XTERRAPlanet.com gets 10 million annual page views per year. XTERRA.TV is garnering 40,000 views per month. There are training programs across the U.S. and introductory distance races for newcomers. The sport dishes out more than a half-million dollars in prize money to attract the world's leading multisport athletes. XTERRA recognizes hometown heroes (everyday athletes from all walks of life) as national and world champions. It puts on kids races, and owner-and-dog races. It has an Eco Team that helps preserve the places they race, and a Foundation that provides educational opportunities for at-risk kids. **XTERRA has heart. >>>**

"XTERRA is ... family, friends, and fun. It's always adventurous and you never know what's in store for you – but you can always count on a smile or a joke or something to make your day." – Linda Lindsay



The executive summary for the 2008 XTERRA Annual Report shaped up like this...

- 157,000 participants
- 31 million TV viewers
- 63 million advertising impressions
- 6 million grassroots marketing impressions
- 215 million publicity impressions
- 8.2 million XTERRAPlanet.com



Max King is XTERRA's best Trail Runner



The 2008 XTERRA Amateur National Champs



"One-Arm Willie" Stewart - XTERRA's most prolific Physically Challenged Athlete



Running past Castles at XTERRA Czech



Biking on the Flume in Nevada



The XTERRA K9 Challenge



XTERRA Kids Rock!

HONOR ROLL



Since 1990 TEAM TV has produced nearly 300 television shows resulting in three Emmy Nominations & 39 Telly Awards for production excellence.



In 2002 XTERRA was named the Event of the Year at the Endurance Sports Awards, dubbed the "Academy Awards for Endurance Sports" by Entertainment Tonight, and several XTERRA races have won honors as "Best Triathlon", "Best Adventure Race", and "Best Muddy Race". Just last year the XTERRA World Championship was named "the most raucous, fun-loving race on the calendar of modern-day multisport," by the editors of *Inside Triathlon Magazine*.

"The XTERRA World Championship of off-road racing attracts a close-knit community of international mud seekers, friendly dirt fanatics and overall supportive types - smile in Maui and someone will smile back. XTERRA is one big, happy family, and if you've never been, XTERRA Worlds is the most raucous, rollicking reunion in all the kingdom of multisport," the magazine said.



There is nothing sweeter than the finish line!



Part V : The Future

It was "the people" who nurtured XTERRA's growth and it will be their desires, needs, and interests that set the path for its future.

Many brands start with a product and then use marketing tools to try and build a relationship with the community. XTERRA did the reverse...it began with the community – the active lifestyle market - and everything flowed from that first impression, that initial connection.

With that comes another list, another chalkboard full of **ideas** and **dreams** and **visions...**

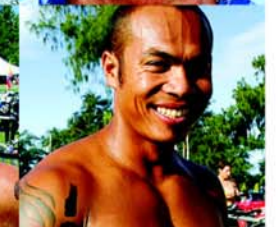
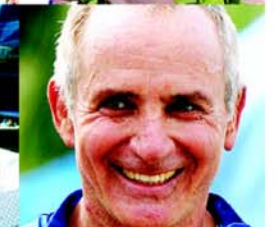
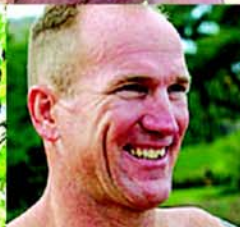
- 500 Events in 25 countries
- More than a million participants
- XTERRA branded products success stories
- An XTERRA Magazine
- An XTERRA Television Network
- XTERRA Experiential Retail Stores
- XTERRA Camps, Clinics, and Travel
- XTERRA Health and Fitness Mobile Marketing Tours
- XTERRA Foundation working to make the world a better place

"The most important thing we created was a relationship, a friendship with our XTERRA Tribe," said Kiely. "It is this foundation, this very real and authentic relationship, that makes us a respected and recognized emerging brand and it is what will carry us to great heights in the future."



ONLY XTERRA CAN
ELICIT THIS KIND
OF EXPRESSION

The looks convey a special feeling. An emotion consummated in the dirt, challenge, and achievement of XTERRA. This season, discover our community. Express yourself. XTERRA



Live More.



XTERRA