

## NEWS RELEASE

Contacts: **Volcom, Inc.**  
Doug Collier  
Chief Financial Officer  
(949) 646-2175

**PondelWilkinson Inc.**  
Rob Whetstone (310) 279-5963; rwhetstone@pondel.com  
Evan Pondel (310) 279-5973; epondel@pondel.com

### **VOLCOM REPORTS FINANCIAL RESULTS FOR 2008 SECOND QUARTER**

- **Second-Quarter Consolidated Revenues Increased 26% to \$72.5 Million**
- **Net Income is \$4.8 Million, Equal to \$0.20 Per Diluted Share**

**COSTA MESA, CA – July 24, 2008** – Volcom, Inc. (NASDAQ: VLCM) today announced financial results for the second quarter ended June 30, 2008.

For the 2008 second quarter, total consolidated revenues increased 25.6% to \$72.5 million, compared with \$57.7 million in the second quarter of 2007.

“The strength of the Volcom brand continued to resonate with our customers domestically and abroad in the second quarter,” said Richard Woolcott, Volcom’s chairman and chief executive officer. “We believe our multi-pronged diversification strategy is providing us with more means to successfully weather the challenging retail environment. We are focused on the fundamentals of our business, which will ultimately make us a stronger company in the long term.”

In the 2008 second quarter, gross margin on a consolidated basis was 48.0%, compared with 48.2% in the second quarter of 2007.

Operating income for the second quarter of 2008 was \$6.9 million, compared with \$8.8 million for the second quarter of 2007. Operating margin was 9.5% compared with 15.3% in the second quarter of 2007.

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Net income for the second quarter of 2008 was \$4.8 million, or \$0.20 per diluted share, compared with \$6.2 million, or \$0.25 per diluted share for the second quarter of 2007.


### **2008 Financial Outlook**

In casting its financial outlook for the third quarter and the full year, Volcom noted a continued overall soft retail environment. For the 2008 third quarter, the company anticipates total consolidated revenues of approximately \$109 million to \$110 million, representing an increase of approximately 20% to 21% over the 2007 third quarter. Fully diluted earnings per share are expected to be in the range of \$0.63 to \$0.64.

For the full year of 2008, Volcom expects consolidated revenue of between \$344 million to \$347 million, which is generally in line with its previous estimate. This estimate includes a full year's contribution from the company's European operation, which was operating at full capacity beginning in the third quarter of 2007, the financial contribution from the acquisition of Electric Visual Evolution in January 2008, and the contribution from the acquisition of Laguna Surf & Sport, which is anticipated to close later this month. Earnings per diluted share expectations have been reduced and are anticipated to be in the range of \$1.50 to \$1.53 versus previous guidance of \$1.56 to \$1.59.

The company will host a conference call today at approximately 4:30 p.m. EDT to discuss its financial results and outlook in further detail. The conference call will be available to interested parties through a live audio Internet broadcast at [www.volcom.com](http://www.volcom.com).

### **About Volcom, Inc.**

Volcom is an innovative designer, marketer and distributor of premium quality young mens and womens clothing, accessories and related products. The Volcom brand, symbolized by The Stone , is athlete-driven, creative and forward thinking. Volcom has consistently followed its motto of "youth against establishment," and the brand is inspired by the energy of youth culture. Volcom branded products are sold throughout the United States and internationally. Volcom's news announcements and SEC filings are available through the company's website at [www.volcom.com](http://www.volcom.com).

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## **Safe Harbor Statement**

Certain statements in this press release and oral statements made from time to time by representatives of the company are forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995, including statements in connection with or related to any discussion of or reference to our future operations, opportunities or financial performance. In particular, statements regarding the company's guidance and future financial performance contained under the section entitled 2008 Financial Outlook and Mr. Woolcott's statements regarding Volcom's strategy providing "a means to successfully weather the challenging retail environment" and fundamentals of Volcom's business "ultimately make[ing] us a stronger company in the long term" constitute forward-looking statements. These forward-looking statements are based on management's current expectations but they involve a number of risks and uncertainties. Volcom's actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of risks and uncertainties, including, without limitation, further softening of the retail environment, sales of our products by key retailers, including Pacific Sunwear and Zumiez, our ability to successfully shift from a licensee model in Europe to a direct control model, changes in fashion trends and consumer preferences, general economic conditions, the impact of increasing sourcing costs, and additional factors which are detailed in our filings with the Securities and Exchange Commission, including the Risk Factors contained in the company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") and the subsequently filed Quarterly Reports on Form 10-Q, all of which are available at [www.sec.gov](http://www.sec.gov). Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Volcom is under no obligation, and expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.

(tables follow)