



NEWS RELEASE

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VOLCOM REPORTS FINANCIAL RESULTS FOR 2008 FOURTH QUARTER AND FULL YEAR

2008 FOURTH-QUARTER HIGHLIGHTS:

- **Total Consolidated Revenues Were \$69.6 Million Versus \$69.1 Million in 2007**
- **Adjusted Consolidated Net Income of \$3.3 Million, or \$0.14 Per Diluted Share, Excludes Non-cash Impairment Charge and Foreign Exchange Loss on Canadian Denominated Receivables**
- **Non-cash Impairment Charge on Goodwill and Intangible Assets Related to Acquisitions Totals \$16.2 Million, or \$0.46 Per Share**
- **Foreign Exchange Loss on the Company's Canadian Denominated Receivables of \$1.4 Million, or \$0.04 Per Share**
- **Consolidated Net Loss of \$8.7 Million, or \$0.36 Per Share, Includes Impairment Charge and Foreign Exchange Loss on Canadian Denominated Receivables**

2008 FULL -YEAR HIGHLIGHTS:

- **Total Consolidated Revenues Increase 25% to \$334.3 Million from \$268.6 Million in 2007**
- **Adjusted Consolidated Net Income of \$33.9 Million, or \$1.39 Per Diluted Share, Excludes Fourth Quarter Impairment Charge and Foreign Exchange Loss on Canadian Denominated Receivables**
- **Consolidated Net Income of \$21.7 Million, or \$0.89 Per Diluted Share, Includes Fourth Quarter Impairment Charge and Foreign Exchange Loss on Canadian Denominated Receivables**
- **Company Generates \$24.7 Million in Operating Cash Flow; Solid Balance Sheet With \$79.6 Million in Cash and No Long-term Debt**

COSTA MESA, CA – February 19, 2009 – Volcom, Inc. (NASDAQ: VLCM) today announced financial results for the fourth quarter ended December 31, 2008.

For the 2008 fourth quarter, total consolidated revenues were \$69.6 million compared with \$69.1 million in the fourth quarter of 2007. Total revenues in the company's U.S. segment, which includes revenues from the U.S.,

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Canada, Japan and most other international territories outside of Europe, as well as the company's branded retail stores, were \$54.9 million compared with \$58.9 million in the prior year period. Total revenues in the company's Europe segment were \$10.9 million compared with \$10.2 million in the same period in 2007. Total revenues in the company's Electric segment, which Volcom acquired in January 2008, were \$3.8 million.

"While the ongoing global macroeconomic turmoil affected our results for the 2008 fourth quarter and full year, the underlying strength of Volcom is well intact," said Richard Woolcott, Volcom's chairman and chief executive officer. "In the face of this economic uncertainty, we are working to maintain a healthy balance between being aggressive when we see opportunities and pulling back where we can, including reducing our cost structure. We have a solid cash position and a strong global brand with a devout following. Further, we believe that our product line-up for 2009 is one of our best ever. We plan to approach the year with discipline, commitment and focus, and we remain confident in our ability to ride this period out and prevail as an even stronger company."

The company noted that as part of its cost reduction measures it has recently concluded a cutback of approximately 8% of its domestic, in-house workforce, including its Electric subsidiary; announced decreased salaries throughout the company; and, implemented company-wide spending cuts.

Consolidated gross profit for the 2008 fourth quarter was \$30.9 million, equal to 44.4% of total revenues, compared with \$30.0 million, or 43.4% of total revenues, in the fourth quarter of 2007.

Selling, general and administrative expenses on a consolidated basis were \$26.5 million in the 2008 fourth quarter versus \$19.3 million in the comparable period in 2007.

The company reported a pre-tax, non-cash impairment charge on goodwill and intangible assets amounting to \$16.2 million, or approximately \$0.46 per share. This charge was identified in connection with the company's annual impairment test and relates to its 2008 acquisitions of Electric Visual and two Laguna Surf and Sport retail stores, which had impairment charges of \$14.8 million and \$1.4 million, respectively.

Additionally, the company reported a foreign exchange loss in the 2008 fourth quarter of \$1.4 million, or approximately \$0.04 per share, related to the strengthened U.S. dollar against the company's Canadian dollar denominated receivables.

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Adjusted consolidated net income for the 2008 fourth quarter, which excludes the above-mentioned non-cash impairment charge and the foreign exchange loss on the company's Canadian dollar denominated receivables, was \$3.3 million, or \$0.14 per diluted share. Including the impairment charge and foreign exchange loss on the company's Canadian dollar denominated receivables, consolidated net loss for the fourth quarter of 2008 was \$8.7 million, or \$0.36 per share. The company reported net income of \$7.1 million, or \$0.29 per diluted share, in fourth quarter of 2007.

Management believes that including adjusted net income and adjusted net income per diluted share for the current period provides a useful and relevant measure for comparative year-over-year operating performance. Refer to the attached reconciliation table for details regarding the basis for the adjusted net income per diluted share calculation.

2009 Financial Outlook


In putting forth its financial guidance for the 2009 first quarter, the company noted it continues to operate in a weak economic environment. As such, the company currently expects total consolidated revenues for the 2009 first quarter of approximately \$62 million to \$65 million, and fully diluted earnings per share are expected to be in the range of \$0.13 to \$0.16.

Due to the uncertainty of the global economy and the lack of visibility into future business and market trends compared to that which has historically been available to the company, Volcom is currently suspending its practice of providing annual revenue and earnings guidance until such time when it has better clarity into its business.

Conference Call Information

The company will host a conference call today at approximately 4:30 p.m. ET 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. A telephone playback of the conference call also will be available through 11:59 p.m. ET, Thursday February 26. Listeners should call (800) 642-1687 (domestic) or (706) 645-9291 (international) and use reservation number 83908166.

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,"

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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.

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 Volcom's future operations, opportunities or financial performance. In particular, statements regarding the company's guidance and future financial performance contained under the section entitled 2009 Financial Outlook and Mr. Woolcott's statements regarding the company's underlying strength, product line-up for 2009, and confidence in Volcom's "ability to ride this period out and prevail as an even stronger company." 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. 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.

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