



# **Interim Report January – March 2006**

May 2, 2006

# Segment reporting 2006

## 1. BUSINESS SEGMENTS

Required segment information:  
sales, EBIT, assets and liabilities, capex, depreciation, cash flow

### Business areas

Voluntary additional information:  
sales

**Salomon**

**Wilson**

**Precor**

**Atomic**

**Suunto**



1. Winter Sports Equipment
2. Apparel and Footwear
3. Mavic

1. Racquet Sports
2. Team Sports
3. Golf

**Precor**

**Atomic**

**Suunto**

## 2. GEOGRAPHICAL SEGMENTS

**Americas**

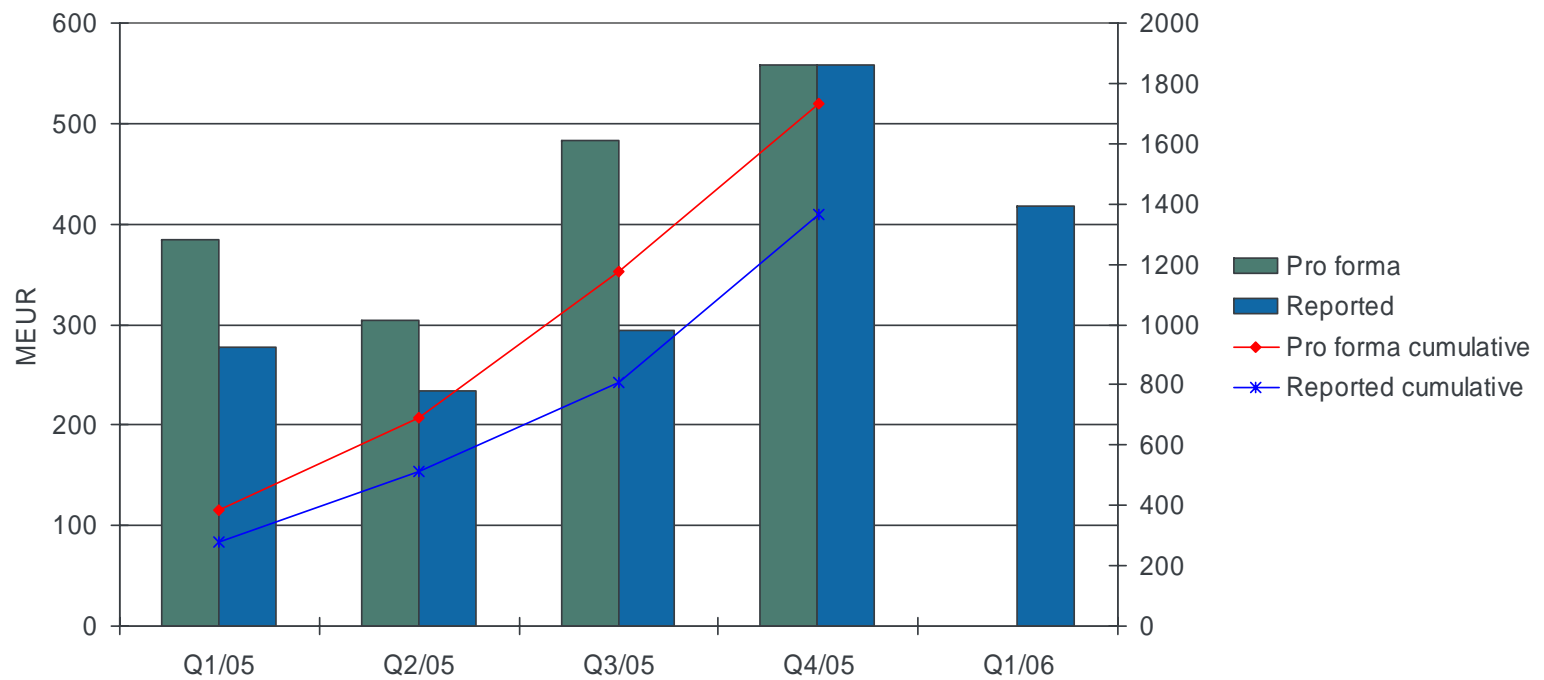
**EMEA**

**Asia**

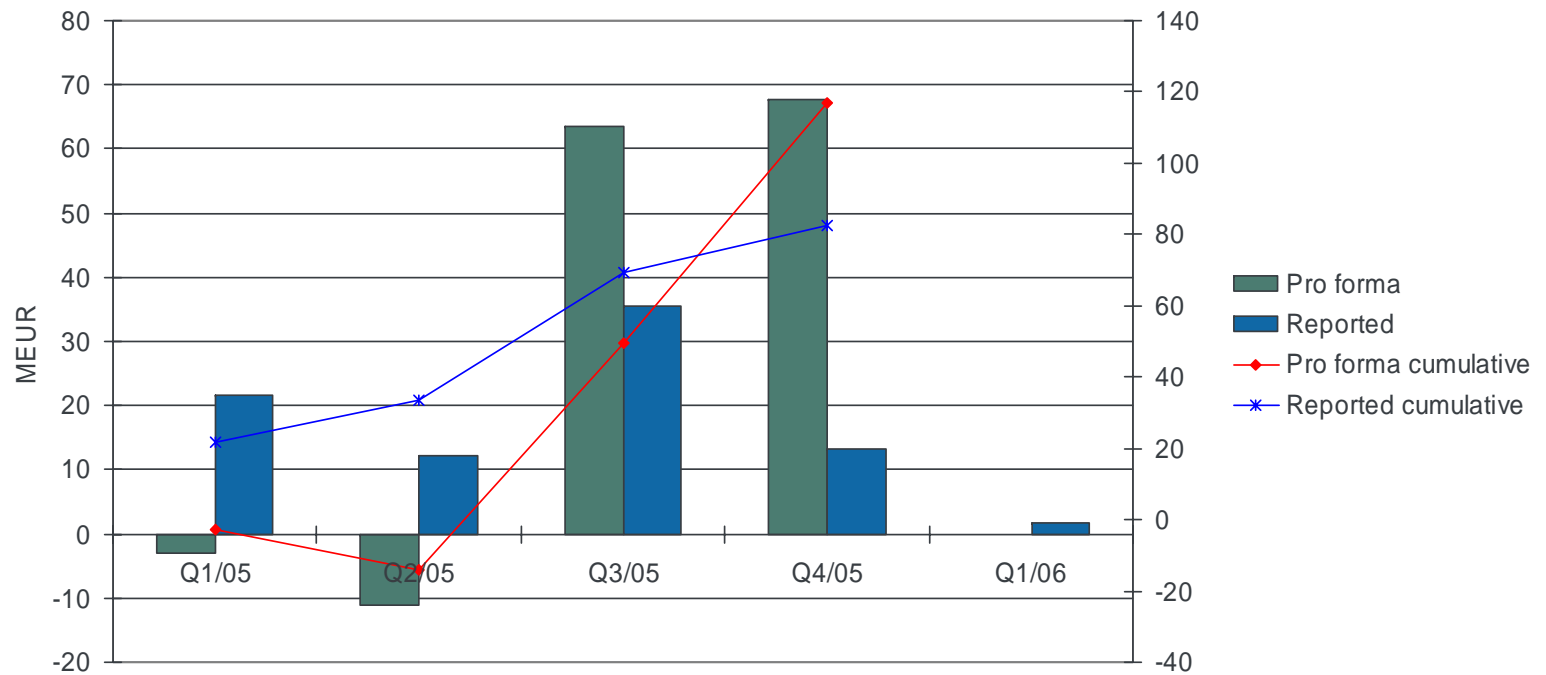
## Pro forma figures

- Salomon changed substantially Amer Sports' business structure and increased seasonality
- Pro forma is used for 2005 as primary comparison information
  - Salomon has been accounted for as from January 1, 2005
  - Figures do not include non-recurring items related to the Salomon acquisition
- Pro forma financing income and expenses for 2005 have been estimated using a capital structure that assumes Salomon had been acquired at the beginning of 2005.
- Pro forma taxes have been assessed in accordance with ordinary tax rates without the effect of non-recurring items.

# Changes in net sales

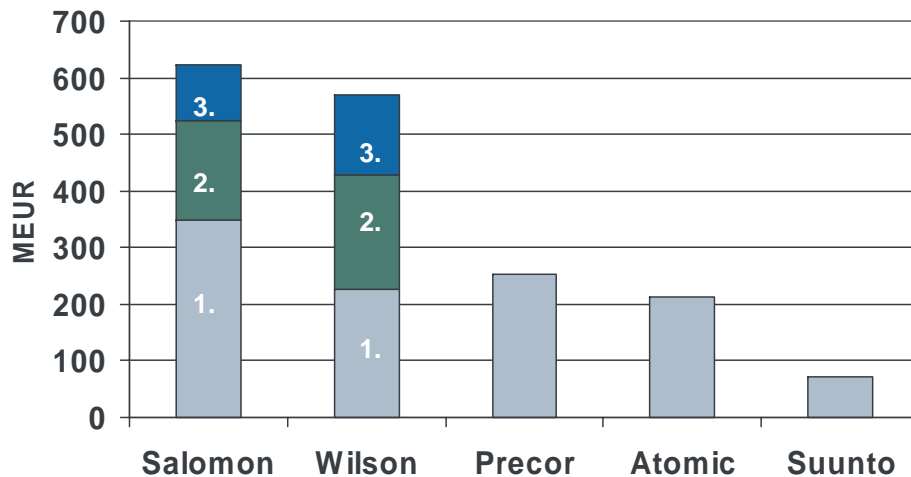


# Changes in EBIT



# Changes in net sales 2005

### Net sales by business segments



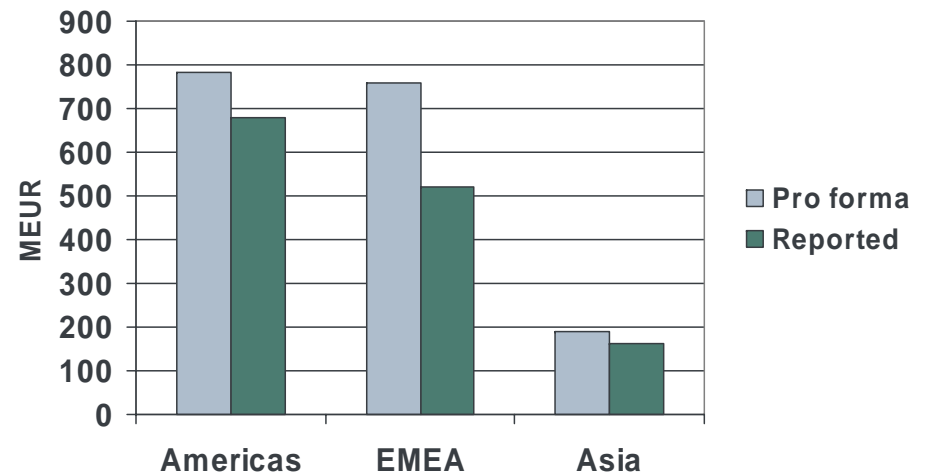
#### Salomon

- 1. Winter Sports Equipment 56%
- 2. Apparel and Footwear 28%
- 3. Mavic 16%

#### Wilson

- 1. Racquet Sports 39%
- 2. Team Sports 36%
- 3. Golf 25%

### Net sales by geographical area



■ Pro forma  
■ Reported



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## Profit and loss statement

MEUR

	Q1/06	Q1/05	Ch %	2005
Net sales	417.4	385.0	8	1,732.0
EBIT	1.6	-3.0		117.1
Net financials	-4.9	-5.0		-24.0
EBT	-3.3	-8.0		93.1
Taxes	1.0	3.0		-30.7
Net result	-2.4	-5.0		62.2

## Breakdown of net sales

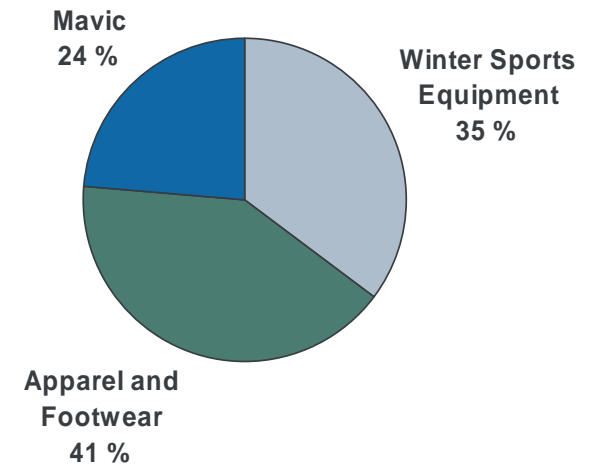
MEUR

	Q1/06	Q1/05	Ch %	Ch % in local currencies	2005
Salomon	123.3	107.2	15	12	623.5
Wilson	178.3	172.3	3	-3	570.4
Precor	72.9	59.0	24	15	252.1
Atomic	23.7	26.5	-11	-13	214.0
Suunto	19.2	20.0	-4	-9	72.0
<b>Total</b>	<b>417.4</b>	<b>385.0</b>	<b>8</b>	<b>3</b>	<b>1,732.0</b>

# Salomon, net sales



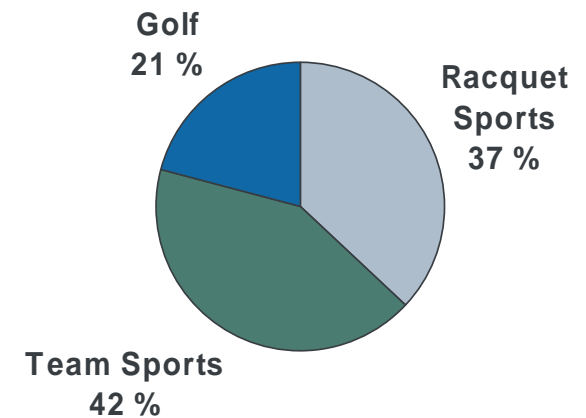
MEUR	Q1/06	Q1/05	Ch %	Ch % in local currencies	2005
Winter Sports Eq	43.4	38.3	13	12	348.6
Apparel and Footwear	50.8	43.5	17	12	175.6
Mavic	29.1	25.4	15	13	99.3
<b>Total</b>	<b>123.3</b>	<b>107.2</b>	<b>15</b>	<b>12</b>	<b>623.5</b>



## Wilson, net sales



MEUR	Q1/06	Q1/05	Ch %	Ch % in local currencies	2005
Racquet Sports	65.8	61.0	8	2	225.4
Team Sports	75.3	63.9	18	8	203.8
Golf	37.2	47.4	-22	-26	141.2
<b>Total</b>	<b>178,3</b>	<b>172.3</b>	<b>3</b>	<b>-3</b>	<b>570.4</b>





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## Geographical breakdown of net sales

MEUR

	Q1/06	Q1/05	Ch %	Ch % in local currencies	2005
Americas	220.4	194.4	13	3	783.3
EMEA	157.8	155.3	2	1	758.3
Asia Pacific	39.2	35.3	12	9	190.4
<b>Total</b>	<b>417.4</b>	<b>385.0</b>	<b>8</b>	<b>3</b>	<b>1,732.0</b>



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## Breakdown of EBIT

MEUR

	Q1/06	Q1/05	Ch %	2005
Salomon	-22.4	-24.5	-	18.1
Wilson	24.3	26.1	-7	52.1
Precor	12.0	5.8	-	31.1
Atomic	-9.4	-8.4	-	22.2
Suunto	1.1	1.7	-35	3.4
HQ	-4.0	-3.7	-	-9.8
<b>Total</b>	<b>1.6</b>	<b>-3.0</b>	<b>-</b>	<b>117.1</b>

## Cash flow statement

MEUR

	1-3/06	1-3/05	1-12/2005
Net cash from operating activities	197.9	28.8	96.4
Net cash from investing activities	-39.7	-2.6	-471.6
Net cash from financing activities			
Dividends paid	-35.7	-32.0	-36.0
Issue of shares	-	-	0.7
Change in net debt	-125.0	7.4	441.3
Net increase/decrease in cash and cash equivalents	-2.5	1.6	30.8
Cash and cash equivalents at 1 Jan	48.3	17.3	17.9
Cash and cash equivalents at 31 Mar/31 Dec	45.8	18.9	48.7



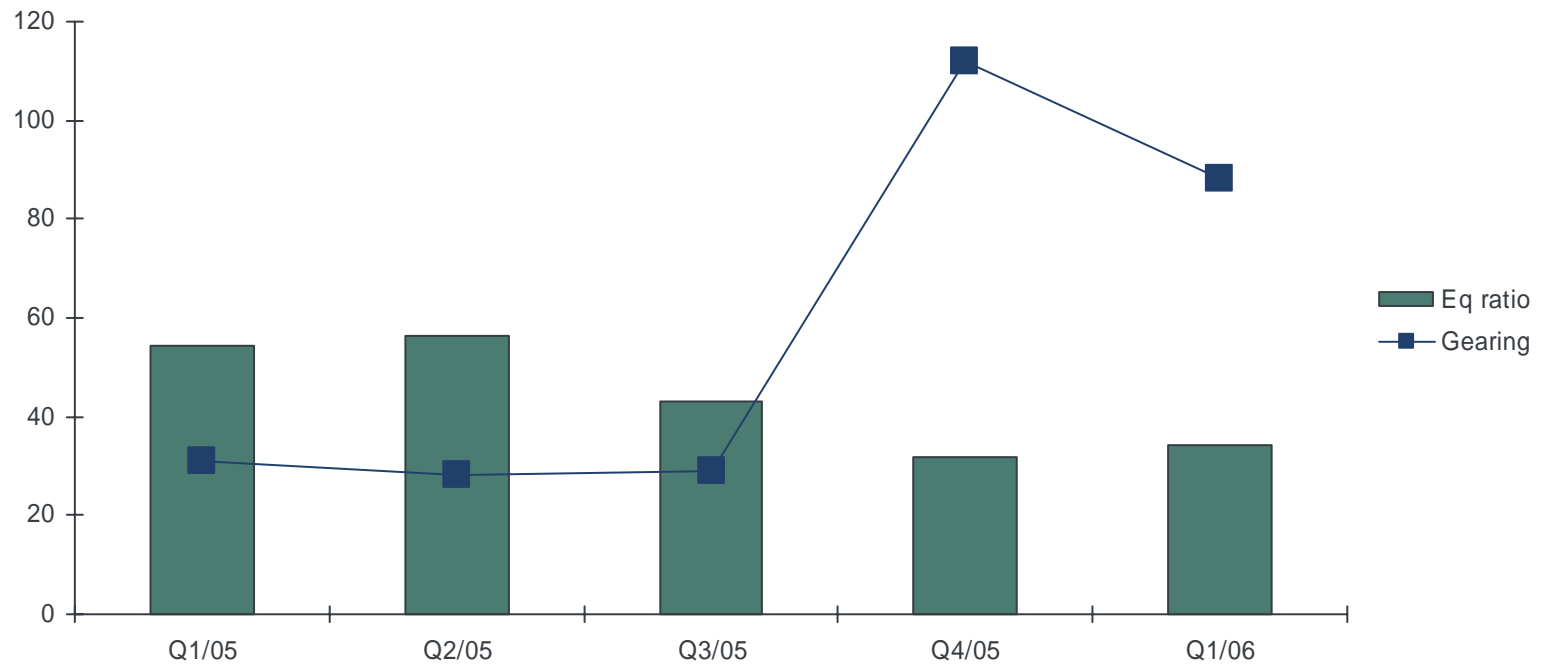
**AMER SPORTS**

## Balance sheet

MEUR

	31 Mach 2006	31 March 2005	31 Dec 2005
Goodwill and other intangible non-current assets	522.5	296.9	528.8
Other non-current assets	179.4	112.0	172.1
Inventories	302.1	161.7	301.6
Receivables	409.6	236.6	635.1
Marketable securities	1.9	-	-
Cash	43.9	18.9	48.7
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Equity	497.5	450.3	536.2
Int. bearing liabilities			
- Long-term	256.4	30.9	256.2
- Current	229.1	125.5	393.5
Other liabilities	476.4	219.4	500.4
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Total	1,459.4	826.1	1,686.3

## Equity ratio and gearing, %



	31 March 2006	31 March 2005	31 Dec 2005
Equity ratio, %	34.1	54.5	31.8
Gearing, %	88	31	112



**Roger Talermo**  
**President & CEO**

## Key indicators

	Q1/06	Pro forma Q1/05	Ch %	Q1/06	Reported Q1/05	Ch %
Net sales (MEUR)	417.4	385.0	8	417.4	277.8	50
EBIT (MEUR)	1.6	-3.0		1.6	21.5	-93
EBT (MEUR)	-3.3	-8.0		-3.3	20.8	
EPS (EUR)	-0.03	-0.07		-0.03	0.20	

## General market conditions

- Solid start for the industry
  - Good winter season boosted sales of winter sports equipment and apparel
- The sports apparel business is undergoing change
  - Sportswear is increasingly worn in non-sport settings
  - More technical apparel in sports
  - The market has been highly influenced by developments in textile technologies and changes in fashion
- Industry consolidation continues

## Salomon integration and restructuring

- Three-year turn-around program proceeding as planned
  - In 2006 codetermination negotiations in France and restructuring of industrial production
- The implementation of synergies with Atomic is proceeding in accordance with plans

## Winter sports

- A new group structure
  - Significance of winter sports has increased
- On the basis of inventory levels and amount of orders, winter sports net sales for the year as a whole is expected to grow
  - Pre-order season is still continuing

## Sourcing consolidation

- Amer Sports Sourcing Ltd in Hong Kong, and its Mainland China based Representative Office are established
- Objectives
  - Higher operational supply chain efficiencies
  - Better risk management

## Challenges



### SUUNTO

- Organization is rebuilt
- New strategic focus in process
- Focus on improving delivery capabilities and product launches



- Smaller customer base due to refocus of sales programs
- Weaker start than planned
- The effects of the cost cuts and the reorganization measures are not yet fully evident in the result

## Strong performers

### **SALOMON**

- The trend in Salomon's Q1 sales was good

### **Wilson.**

- Team Sports achieved record Q1 results, growth in all key categories
- Racquet Sports maintained its strong momentum

### **PRECOR**<sup>USA</sup>

- Solid double-digit revenue growth and profitability

### **ATOMIC**

- Strong start for the coming season

## Amer Sports' outlook for 2006

- In 2006, Amer Sports' net sales are expected to increase to EUR 1.8 billion (pro forma 2005: EUR 1,732 million).
- Earnings per share in 2006 are expected to come in at EUR 0.90–1.05.
- 2006 is a transitional year for Salomon. Substantial earnings improvements are expected in 2007 and 2008.



The No. 1 sports equipment company in the world