



ACCELERATING GROWTH IN APPAREL

September 1, 2011 // Andy Towne, President of Apparel

Contents

1. Strategic role of Apparel & Gear
2. Global apparel market and where we play
3. Strategic building blocks
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Capital Markets Day – September 2010

Every part of the Group has a clear role, targets and action plan

Business area	Objective	Actions
Apparel & Footwear	Further accelerate growth	<ul style="list-style-type: none"> • Expand commercial footprint • Enter new segments and categories • Category-based operation

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Implications for Amer Sports Apparel

From:

- No apparel category or culture
- Brands as silos: lacking scale
- Narrow, performance focused product base
- Under-potentialised distribution
- Weak go-to-market, merchandising & instore presence
- Narrow consumer base
- No mid-term R&D plan

→ 150 MEUR @ CAGR 15% (2005-2009)

To:

- Strong, organised apparel capabilities
- High-performing apparel category securing scale and synergies
- Versatile, year round products
- Effective distribution building blocks
- Fully programmed GTM execution
- Extended portfolio
- Structured innovation pipeline

→ towards 500 MEUR H1/2011 growth 27%

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GLOBAL APPAREL MARKET AND WHERE WE PLAY

What is sports apparel?

Apparel

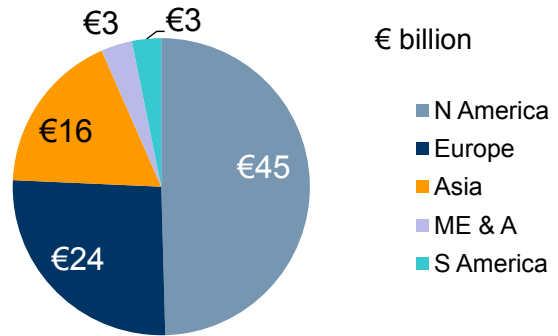
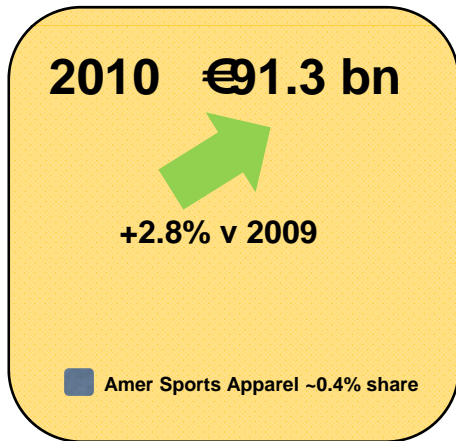


Gear



The attractiveness of sports apparel

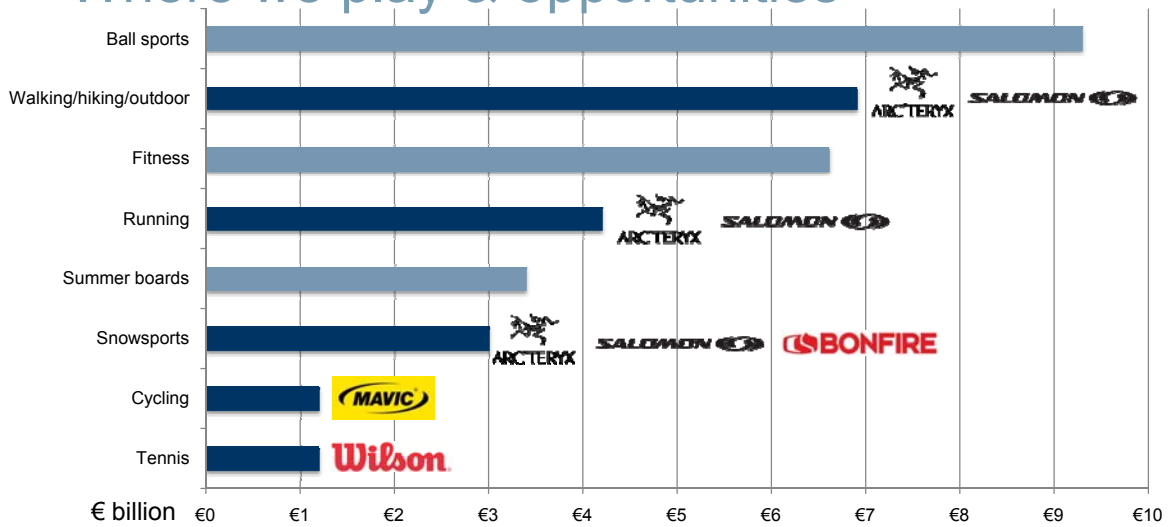
Big, growing market + high profitability + asset efficient



Source: NPD Consumer Panel 2010 Sporting Goods (retail value)



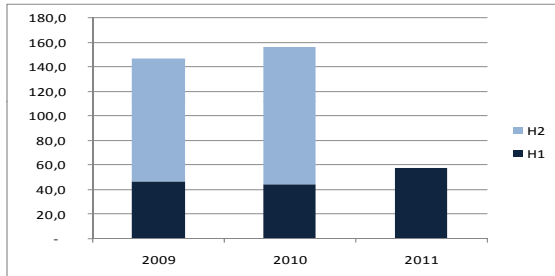
Where we play & opportunities



Source: NPD Consumer Panel 2010 (retail value)

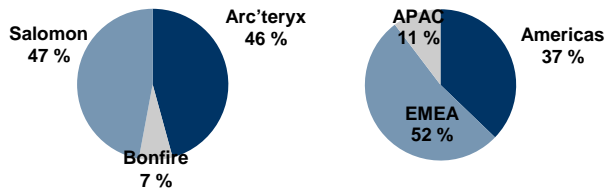


Amer Sports Apparel overview



- Main brands: Salomon, Arc'teryx, Bonfire
- Small, emerging businesses: Wilson Tennis, Mavic
- Historical CAGR 15%. Growth accelerated since Q4/2010 to ~25%
- Goal to become a 500 MEUR apparel company

Sales by Brand 2010 (%) Sales by Region 2010 (%)



Wilson Tennis and Mavic apparel reported under Ball Sports and Cycling respectively



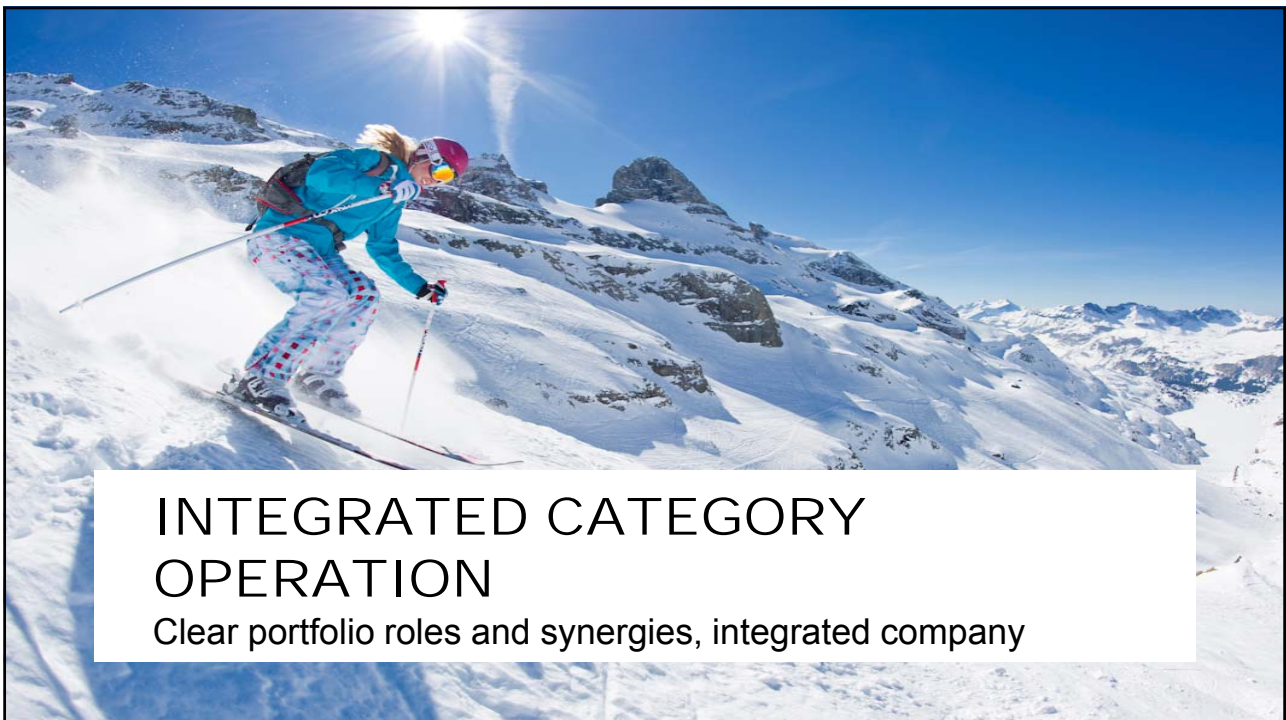
GROUP STRATEGIC
PRIORITIES & APPAREL

Group strategic priorities in Apparel

1. Clear portfolio roles and synergies; integrated company
 - Build an integrated, high-performing category operation
2. Grow faster in softgoods
 - Aggressively grow the core businesses: drive Salomon and Arc'teryx to full potential
 - Add significant new businesses: extend non-apparel brands & drive innovation
 - Learn for the future: Action Sports
3. Win with consumers
 - Consumer-centric brand/category expansion
 - Establish regional product development capability
4. Win in go-to-market
 - Drive distribution and expand geographically
5. Operational excellence
 - Integrate sourcing platform
 - Manage against clear category KPI's and scorecards

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INTEGRATED CATEGORY OPERATION

Clear portfolio roles and synergies, integrated company

Apparel category integrated model

Before:

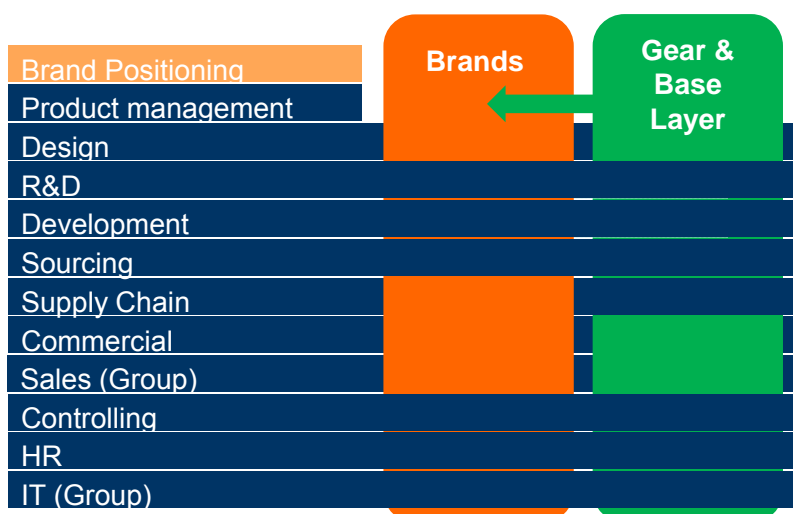
- No category-level coordination
- Brands operating in silos
- Brands sourcing independently
- Product makers not product sellers
- Item driven
- One-size-fits-everywhere collections
- Incremental opportunities over-looked
- SKU proliferation; low coverage
- Ad hoc innovation

Now:

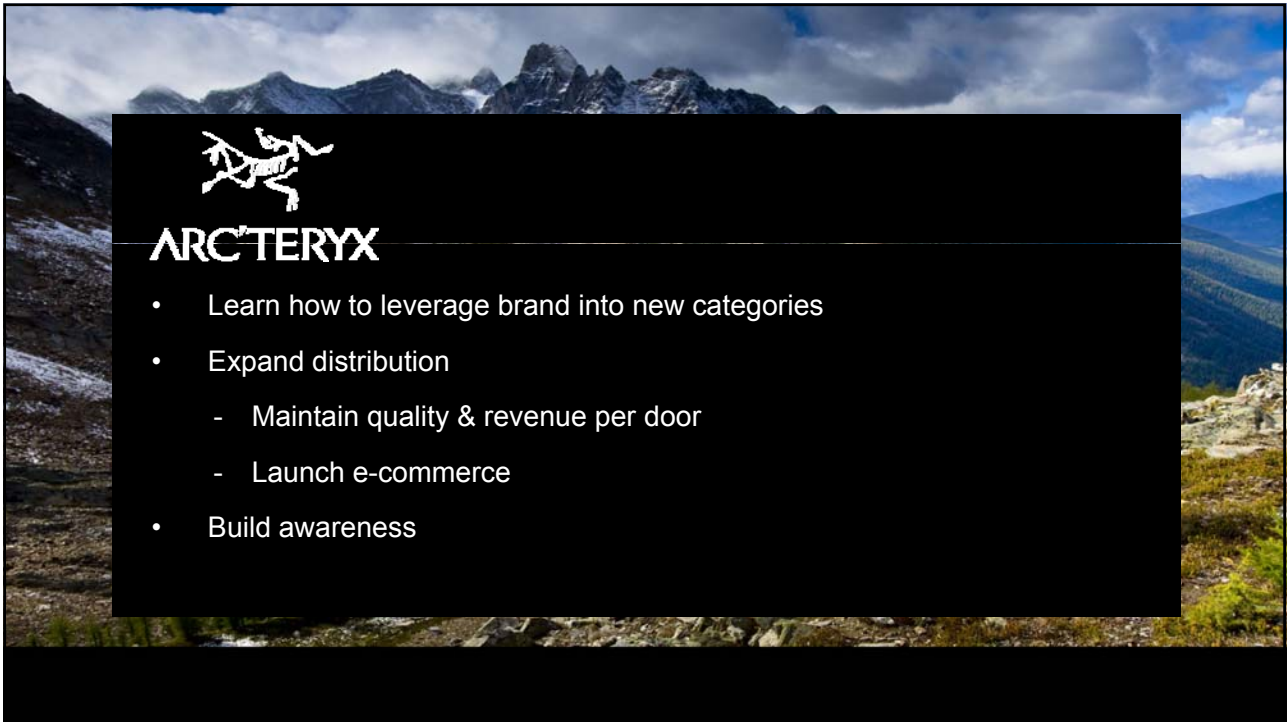
- Expert category management team
- Synchronised product development; coordinated processes & controls
- Maximised sourcing scale
- Consumer-centric, commercial range planning
- Concept & assortment driven
- Local relevancy: regional development (Portland, N Am. & Hong Kong, APAC)
- Resourced significant incremental opportunities (Gear & Base Layer)
- Control & efficiency through KPI's
- Category-led, programmed R&D



Apparel category integrated model







ARC'TERYX

- Learn how to leverage brand into new categories
- Expand distribution
 - Maintain quality & revenue per door
 - Launch e-commerce
- Build awareness



Wilson Tennis

- Strengthen tennis apparel
- Expand into adjacencies
- Drive scale through category approach
- Strengthen go-to-market capabilities



ADD SIGNIFICANT NEW BUSINESS
 Grow faster in softgoods

Leverage strong brand equities

- Exploit the strength in equipment: launch apparel from brands with strong authenticity
- Organise & build capabilities to expand into adjacent categories
- Extend brand connection with new consumer groups

DemARINI
ATOMIC

Gear 

Base layer 

Action sports 

BONFIRE

Deliver innovation pipeline

- Innovation track record in apparel
- Driving at category level
 - New leadership
 - Re-organised resources & processes



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Before:

- Low door penetration (all brands)
 - Narrow range sold into accounts
 - Insufficient instore stand-out
 - Low sales per door (excl. Arc'teryx)
-
- Uncoordinated portfolio
 - Some weak regional indices
 - Incomplete product offer for B2C

Now:

- Commercial planning separated from sales execution
 - Selling assortments & instore programmes (e.g. shop-in-shop)
 - Intentional benchmarking, gap planning and KPI tracking (doors, €/door, range width)
 - Addressing apparel selling capabilities and capacities
-
- Leverage strengths through portfolio coordination at country and key account level
 - Finalizing plans to drive US and APAC step-change distribution expansion
 - Introducing buyer/merchandising function





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Integrate sourcing platform

- One vendor interface for all brands
 - Synchronize product development across brands
 - Create scale
- Create margin builders
 - Drive production efficient design
 - Coordinated usage of materials
 - Leverage volumes to level-load factories
- Deliver platform for Supply Chain
 - Buy-ready discipline
 - Increased product productivity

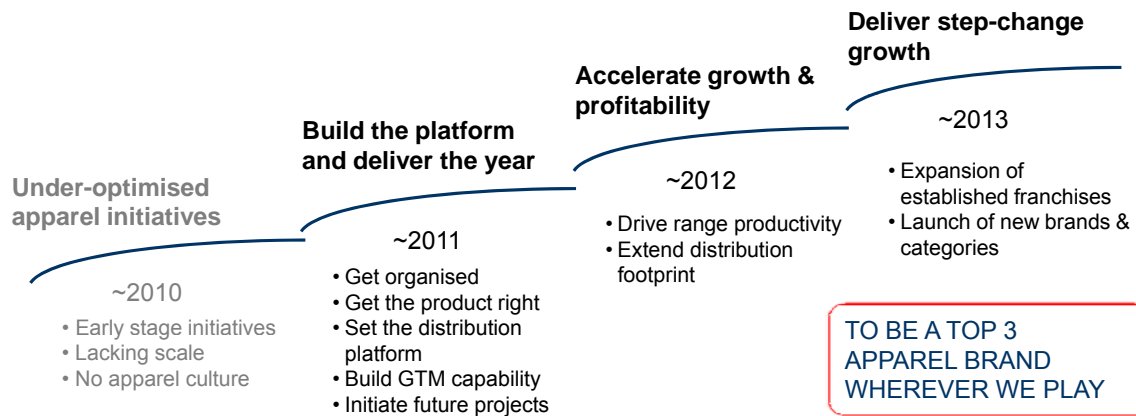
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SUMMARY

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Strategic Glidepath



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