



AMER SPORTS

Interim Report January - June 2003

August 5, 2003

Highlights

- 2003 is providing to be a tough year for the sporting goods industry
- Amer Sports' progress is at least on a par with the market, with the exception of Golf
 - Wilson re-organisation started
- 2003 net sales expected to be similar to 2002's, EBIT around EUR 70-80 million

January - June key indicators

| | H1/03 | H1/02 | FY 2002 |
|------------------|-------|-------|---------|
| Net sales (MEUR) | 535.7 | 552.2 | 1,101.9 |
| EBIT (MEUR) | 24.8 | 38.5 | 103.0 |
| EBT (MEUR) | 20.7 | 35.5 | 95.6 |
| EPS (EUR) | 0.61 | 1.10 | 2.95 |

Financial Review

Pekka Paalanne

CFO

Profit and loss statement January-June 2003

| | H1/03 | H1/02 | Ch% | FY 2002 |
|----------------|-------|-------|-----|---------|
| Net sales | 535.7 | 552.2 | -3 | 1,101.9 |
| EBIT | 24.8 | 38.5 | -36 | 103.0 |
| Net financials | -4.1 | -3.0 | | -7.4 |
| EBT | 20.7 | 35.5 | -42 | 95.6 |
| Taxes | -6.2 | -10.0 | | -26.5 |
| Net profit | 14.3 | 25.5 | -44 | 68.5 |
| ROCE % *) | 15.2 | 16.1 | | 18.3 |

*) Rolling 12 months

Profit and loss statement April-June 2003

| | Q2/03 | Q2/02 | Ch% | FY 2002 |
|----------------|-------|-------|-----|---------|
| Net sales | 251.8 | 262.8 | -4 | 1,101.9 |
| EBIT | 9.5 | 23.2 | -59 | 103.0 |
| Net financials | -1.9 | -2.4 | | -7.4 |
| EBT | 7.6 | 20.8 | -63 | 95.6 |
| Taxes | -2.3 | -5.9 | | -26.5 |
| Net profit | 5.2 | 14.9 | -65 | 68.5 |

Breakdown of net sales January-June 2003

| | H1/03 | H1/02 | Ch% | Ch% in local currencies | FY2002 |
|--------------------|--------------|--------------|-----------|-------------------------|----------------|
| Racquet | 115.6 | 144.4 | -20 | -6 | 243.9 |
| Golf | 103.7 | 145.6 | -29 | -17 | 213.3 |
| Team | 104.6 | 120.6 | -13 | 6 | 203.9 |
| Winter Sports | 33.2 | 42.4 | -22 | -18 | 201.6 |
| Fitness Equipment | 85.8 | - | - | - | 39.5 |
| Sports Instruments | 39.5 | 44.1 | -10 | -5 | 85.3 |
| Tobacco | 53.3 | 55.1 | -3 | -3 | 114.4 |
| Total | 535.7 | 552.2 | -3 | 11 | 1,101.9 |

Geographic breakdown of net sales

| | H1/03 | H1/02 | Ch% in local currencies | FY2002 |
|---------------|--------------|--------------|-------------------------|----------------|
| North America | 309.4 | 313.3 | 20 | 558.5 |
| Europe | 168.4 | 170.7 | 1 | 405.5 |
| Japan | 23.8 | 30.6 | -15 | 56.2 |
| Asia Pacific | 16.7 | 17.9 | 10 | 34.8 |
| Other | 17.4 | 19.7 | 11 | 46.9 |
| Total | 535.7 | 552.2 | 11 | 1,101.9 |

Breakdown of net sales April-June 2003

| | Q2/03 | Q2/02 | Ch% | Ch% in local currencies | FY2002 |
|--------------------|--------------|--------------|-----------|-------------------------|----------------|
| Racquet | 58.7 | 70.6 | -17 | -2 | 243.9 |
| Golf | 61.1 | 79.4 | -23 | -10 | 213.3 |
| Team | 41.5 | 48.6 | -15 | 5 | 203.9 |
| Winter Sports | 7.2 | 11.3 | -36 | -35 | 201.6 |
| Fitness Equipment | 34.4 | - | - | - | 39.5 |
| Sports Instruments | 19.4 | 22.6 | -14 | -9 | 85.3 |
| Tobacco | 29.5 | 30.3 | -3 | -3 | 114.4 |
| Total | 251.8 | 262.8 | -4 | 9 | 1,101.9 |

Breakdown of EBIT January-June 2003

| | H1/03 | H1/02 | FY2002 |
|--------------------|-------------|-------------|--------------|
| Racquet | 10.7 | 15.8 | 25.6 |
| Golf | 2.3 | 12.8 | 7.1 |
| Team | 14.9 | 18.3 | 24.0 |
| Winter Sports | -12.6 | -8.3 | 39.6 |
| Fitness Equipment | 11.8 | - | 6.3 |
| Sports Instruments | 4.0 | 4.7 | 10.5 |
| Tobacco | 4.7 | 5.0 | 9.2 |
| HQ | -3.5 | -5.2 | -9.2 |
| Group goodwill | -7.5 | -4.6 | -10.1 |
| Total | 24.8 | 38.5 | 103.0 |

Breakdown of EBIT April-June 2003

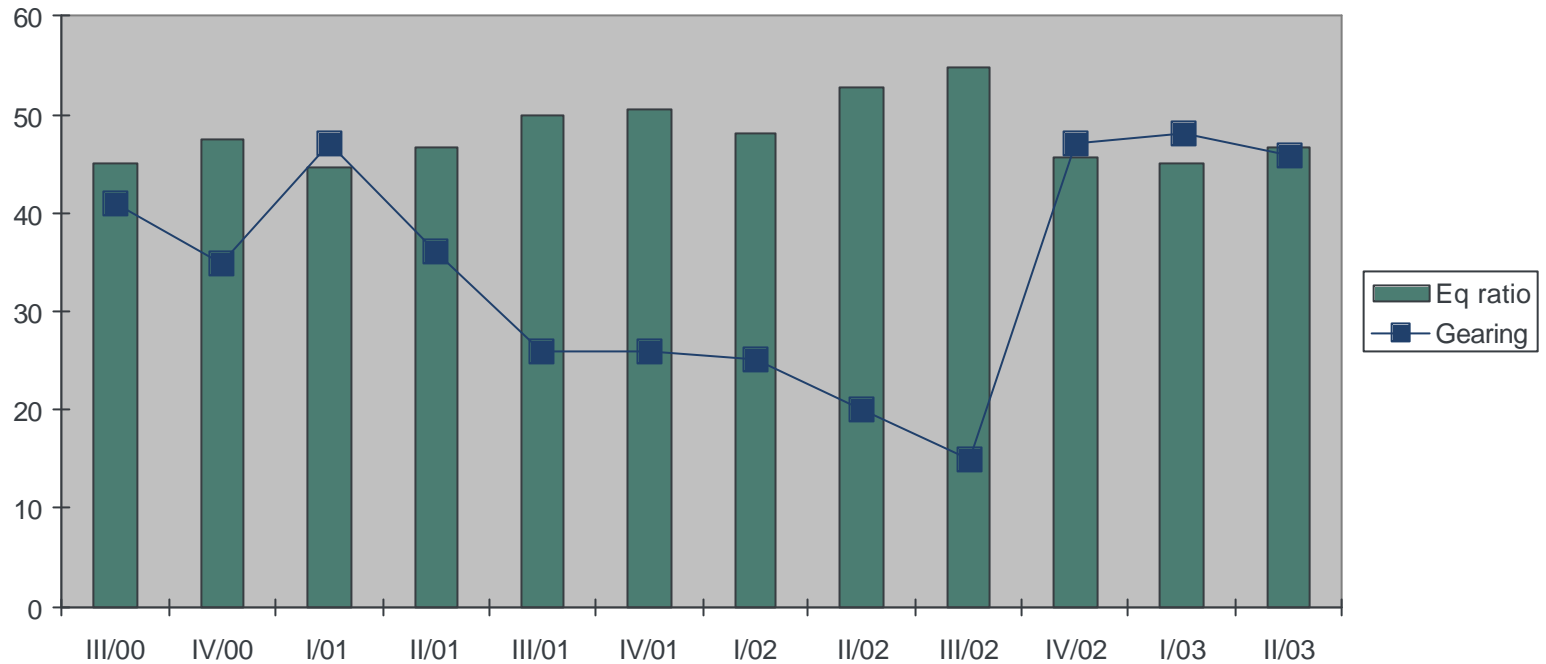
| | Q2/03 | Q2/02 | FY2002 |
|--------------------|------------|-------------|--------------|
| Racquet | 6.9 | 9.5 | 25.6 |
| Golf | 4.4 | 12.9 | 7.1 |
| Team | 4.0 | 6.6 | 24.0 |
| Winter Sports | -9.0 | -6.8 | 39.6 |
| Fitness Equipment | 2.9 | - | 6.3 |
| Sports Instruments | 1.8 | 3.1 | 10.5 |
| Tobacco | 3.2 | 3.3 | 9.2 |
| HQ | -1.0 | -3.1 | -9.2 |
| Group goodwill | -3.7 | -2.3 | -10.1 |
| Total | 9.5 | 23.2 | 103.0 |

Balance sheet

| | 30 June 2003 | 30 June 2002 | 31 Dec 2002 |
|-------------------|--------------|--------------|-------------|
| Goodwill | 286.9 | 183.4 | 312.1 |
| Fixed assets | 184.2 | 214.0 | 197.7 |
| Inventories | 171.6 | 167.8 | 156.4 |
| Receivables | 255.8 | 248.0 | 308.2 |
| Cash | 23.1 | 21.0 | 33.1 |
| Equity | 442.7 | 453.4 | 473.4 |
| Int. bearing debt | 216.8 | 108.4 | 243.0 |
| - Long term | 63.4 | 57.0 | 48.2 |
| - Short term | 153.4 | 51.4 | 194.8 |
| Other liabilities | 262.1 | 274.0 | 291.1 |
| Total | 921.6 | 835.8 | 1,007.5 |



Equity ratio and gearing, %



| | H1/03 | H1/02 | FY2002 |
|-----------|-------|-------|--------|
| EqRatio % | 46.6 | 52.8 | 45.6 |
| Gearing % | 46 | 20 | 47 |

Divisional highlights

Roger Talermo
President & CEO

Racquet Sports



- Slow sales in H1
 - Tennis racquet sales declined 10%
 - Tennis ball sales declined 4%
- New products: Triad, Pro Staff, Series H, footwear
- Venus & Serena Williams re-signed with Wilson

| MEUR | H1/03 | H1/02 | Ch% | Ch% in local currencies |
|-----------|-------|-------|-----|-------------------------|
| Net sales | 115.6 | 144.4 | -20 | -6 |
| EBIT | 10.7 | 15.8 | -32 | -19 |

Golf



- Golf sales clearly below target
- Club sales declined 16%
- Golf ball sales down 25%
 - Tough competition continues
- Wilson re-organisation lowering costs in 2004

| MEUR | H1/03 | H1/02 | Ch% | Ch% in local currencies |
|-----------|-------|-------|-----|-------------------------|
| Net sales | 103.7 | 145.6 | -29 | -17 |
| EBIT | 2.3 | 12.8 | -82 | -80 |

Team Sports



- Basketball sales up 13%
 - NCAA match ball agreement
 - NCAA Composite Basketball
- Baseball and softball bat sales up 23%
 - Product line extension into youth baseball market
- Youth Batting Helmet
 - "New product of the year" (Business Week / USA Today)

| MEUR | H1/03 | H1/02 | Ch% | Ch% in local currencies |
|-----------|-------|-------|-----|-------------------------|
| Net sales | 104.6 | 120.6 | -13 | +6 |
| EBIT | 14.9 | 18.3 | -19 | 0 |

Winter Sports



- Focus on producing next season's lines
 - Deliveries in September-October
- Pre-orders close to last year's level
- Neox EBM 412: first binding with electronic management
- Investment in sales organisation

| MEUR | H1/03 | H1/02 | Ch% | Ch% in local currencies |
|-----------|-------|-------|-----|-------------------------|
| Net sales | 33.2 | 42.4 | -22 | -18 |
| EBIT | -12.6 | -8.3 | -52 | -61 |

Fitness equipment



- Growth in treadmills and cycles
- Integration proceeding well
- US market outlook cautious
- Growth opportunities outside the USA
 - New office in Tokyo

| MEUR | H1/03 | H1/02* | Ch% | Ch% in local currencies |
|-----------|-------|--------|-----|-------------------------|
| Net sales | 85.8 | 100.7 | -15 | -2 |
| EBIT | 11.8 | 14.0 | -16 | -1 |

*pro forma

Sports Instruments



- Sales of wristop computers up 6%
- Diving instruments sales declined by 17%
 - Global diving market down
- Suunto X3hr being launched in September
- Suunto n3 to the market Q4/2003
- Suunto X6hr: Gear of the year / Buyer's guide 2003

| MEUR | H1/03 | H1/02 | Ch% | Ch% in local currencies |
|-----------|-------|-------|-----|-------------------------|
| Net sales | 39.5 | 44.1 | -10 | -5 |
| EBIT | 4.0 | 4.7 | -15 | -11 |

Tobacco

- Finnish tobacco market declined
- Market shifting to low price segment
- Sales outside Finland increased

| | H1/03 | H1/02 | Ch% |
|-----------|-------|-------|-----|
| Net sales | 53.3 | 55.1 | -3 |
| EBIT | 4.7 | 5.0 | -6 |

Outlook for full year 2003

- Market conditions expected to remain challenging
- Net sales expected to be similar to 2002's, operating profit around EUR 70-80 million
- Wilson re-organisation will help deliver EUR 10m of savings next year
- Amer Sports is balanced by its wide portfolio of sports and geographical diversity



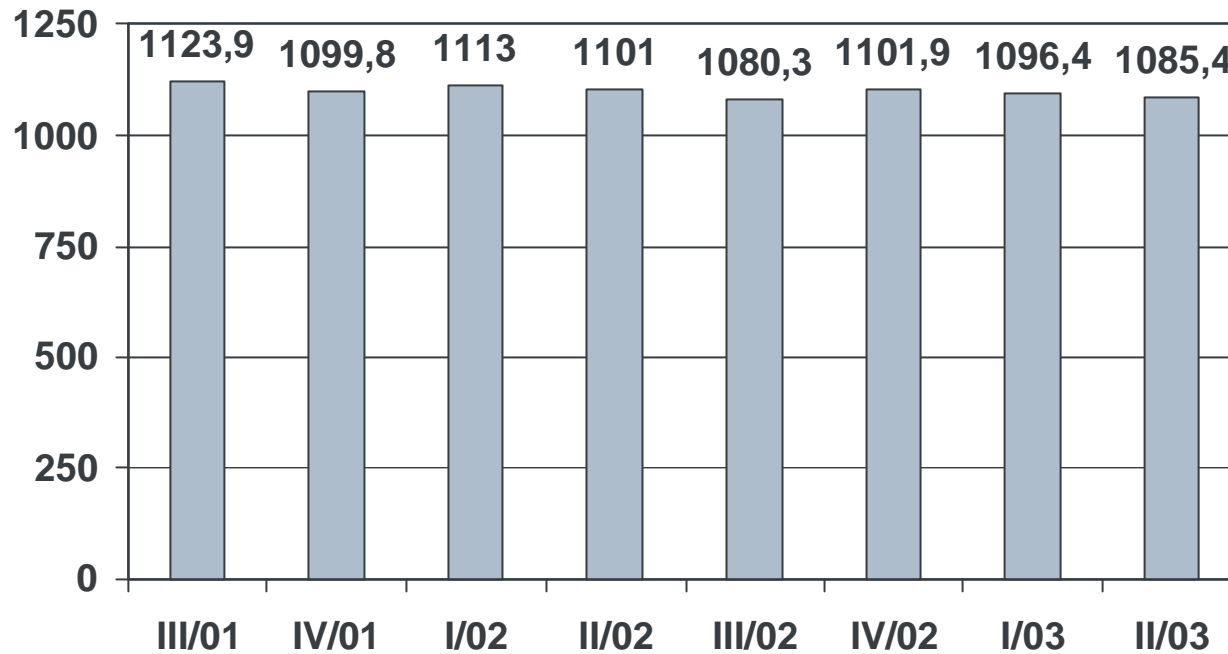
AMER SPORTS

Target:

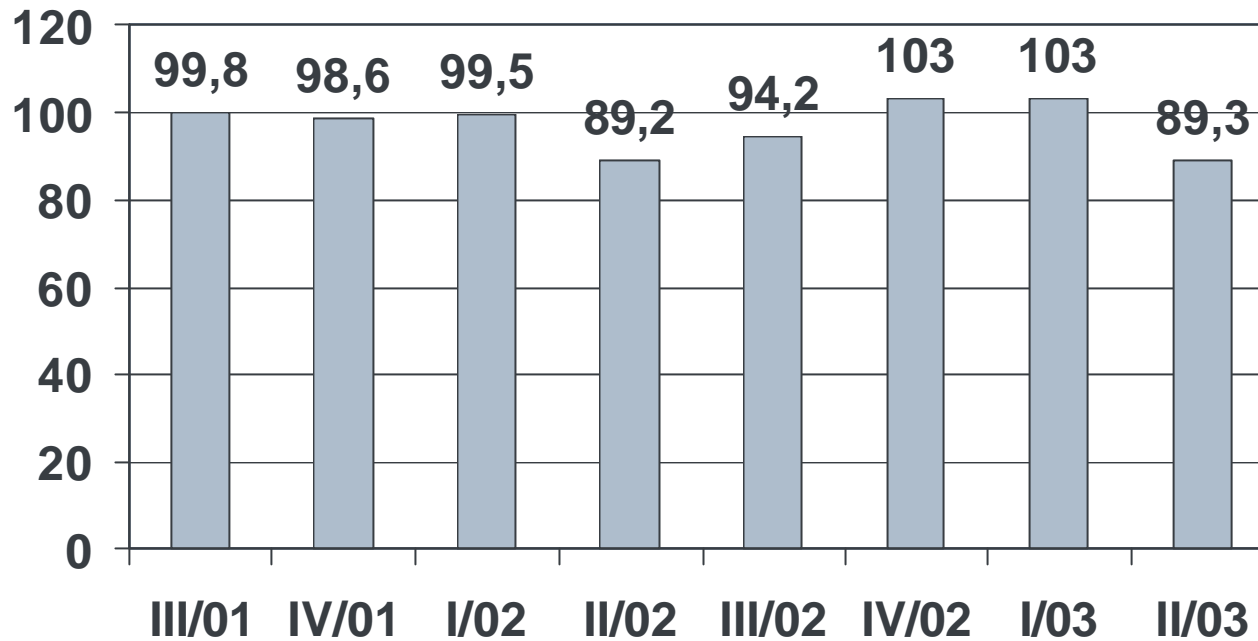
**To be the no. 1 sports equipment
company in the world**



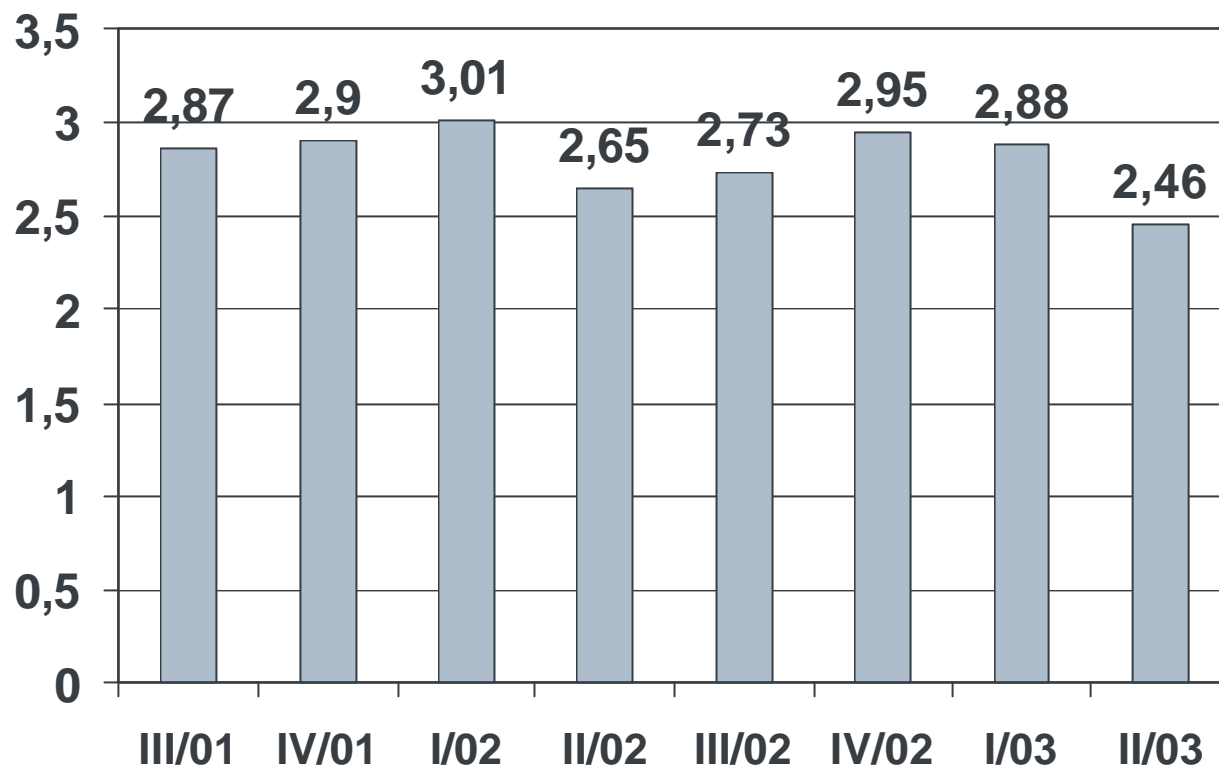
Net sales, rolling 12 months (MEUR)



EBIT, rolling 12 months (MEUR)



EPS, rolling 12 months (EUR)



ROCE, rolling 12 months (%)

