



**AMER SPORTS**



## **Webcast and conference call**

Full-year 2008 and Q4/08 results

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## 2008 Highlights

- Net sales were EUR 1,576.6 million (1,652.0) and in local currencies at last year's level
- EBIT was EUR 78.9 million (49.5), including a capital gain of EUR13 million from selling the company's corporate headquarters building in April
- EPS was EUR 0.47 (0.25)
- The Board proposes to the AGM a dividend of EUR 0.16 (0.50) per share
- Amer Sports is looking at different alternatives to strengthen the balance sheet

### Divisional highlights:

- + Apparel and Footwear gained market shares and the business grew by 19%
- + The Restructuring of the Winter Sports Equipment business was completed
- Sales and profitability of the Fitness business collapsed as a result of the weak market environment in the US



## Q4/08 Highlights

- The sporting goods sector not unaffected by the financial crisis
- In local currencies net sales decreased 3% to EUR 495 million (497)
- EBIT was EUR 35.2 million (11.0) and includes voluntary recall cost provisions of EUR 6 million. Last year's results include EUR 42.7 million restructuring costs
- New programs were started to reduce working capital and adjust Amer Sports' organization to the current market conditions

### Divisional highlights:

- Re-orders of Winter Sports Equipment somewhat lower than expected despite good snow conditions
- Demand for commercial fitness equipment started to weaken
- Good progress in Apparel & Footwear continued



## Breakdown of net sales

MEUR	Q4/08	Q4/07	Ch %	Ch %*)	2008	2007	Ch %	Ch %*)
Winter and Outdoor	326.6	304.9	7	6	860.8	830.1	4	5
Ball Sports	110.0	107.0	3	-2	495.5	530.9	-7	-1
Fitness	58.7	85.2	-31	-36	220.3	291.0	-24	-20
<b>Total</b>	<b>495.3</b>	<b>497.1</b>	<b>0</b>	<b>-3</b>	<b>1,576.6</b>	<b>1,652.0</b>	<b>-5</b>	<b>-1</b>

## Breakdown of EBIT

MEUR	Q4/08	Q4/07	Ch %	Ch %*)	2008	2007	Ch %	Ch %*)
Winter and Outdoor	36.7	35.2	4	5	41.1	20.9	97	-
Ball Sports	3.4	8.0	-58	-58	37.0	48.2	-23	-17
Fitness	-2.3	13.0	-	-	3.8	37.2	-90	-89
Headquarters	-2.6	-2.5	-	-	-3.0	-14.1	-	-
Non-recurring expenses	-	-42.7	-	-	-	-42.7	-	-
<b>Total</b>	<b>35.2</b>	<b>11.0</b>	<b>-</b>	<b>-</b>	<b>78.9</b>	<b>49.5</b>	<b>59</b>	<b>79</b>

\*) Change % in local currencies



## Business area information

MEUR	Q4/08	Q4/07	Ch %	Ch %*)	2008	2007	Ch %	Ch %*)
Winter Sports Equipment	202.7	188.7	7	5	391.9	394.2	-1	0
Apparel and Footwear	67.9	60.2	13	17	264.9	229.4	15	19
Fitness Equipment	58.7	85.2	-31	-36	220.3	291.0	-24	-20
Team Sports	52.8	47.4	11	3	189.9	195.5	-3	3
Racquet Sports	45.1	44.1	2	-1	227.0	236.0	-4	1
Cycling	31.3	30.4	3	1	114.2	114.1	0	1
Sports Instruments	24.7	25.3	-2	-3	89.8	90.7	-1	1
Golf	12.1	15.5	-22	-22	78.6	99.4	-21	-15
<b>Total</b>	<b>495.3</b>	<b>497.1</b>	<b>0</b>	<b>-3</b>	<b>1,576.6</b>	<b>1,652.0</b>	<b>-5</b>	<b>-1</b>

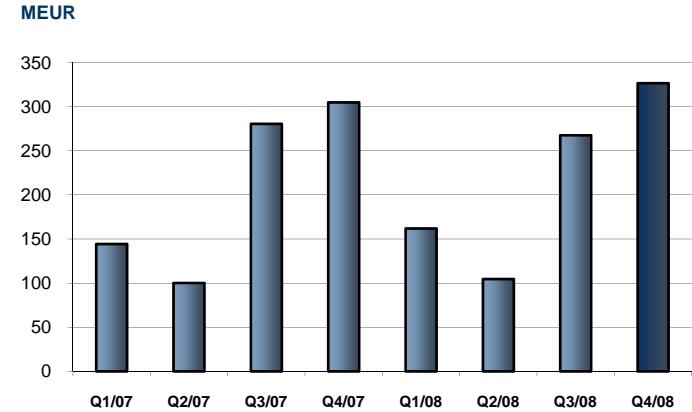
\*) Change % in local currency terms



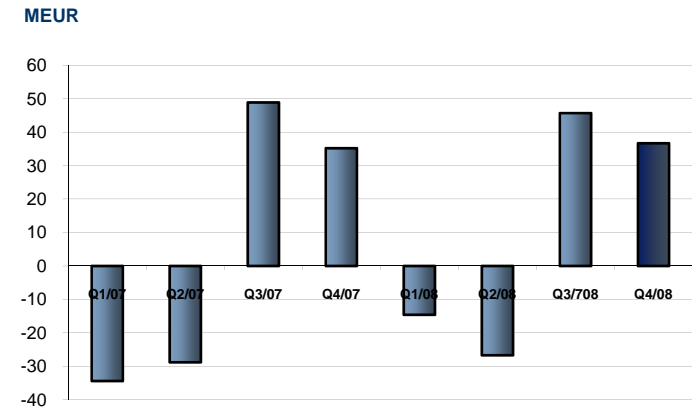
## Winter and Outdoor Q4/08

- Winter Sports Equipment +5%, EUR 202.7 million
  - Profitability improved thanks to cost cutting measures
- Apparel and Footwear +17%, EUR 67.9 million
  - Strong growth trend throughout the year
  - Profitability at a good level
- Cycling +1%, EUR 31.3 million
  - Voluntary recall of R-SYS wheels. The technical product issue has now been solved
  - Mavic’s underlying profitability has remained at a very good level
- Sports Instruments -3%, EUR 24.7 million
  - The positive sales growth trend of wristop computers continued
  - The diving market contracted due the economical environment

**Net sales**



**EBIT**





## Winter and Outdoor outlook 2009

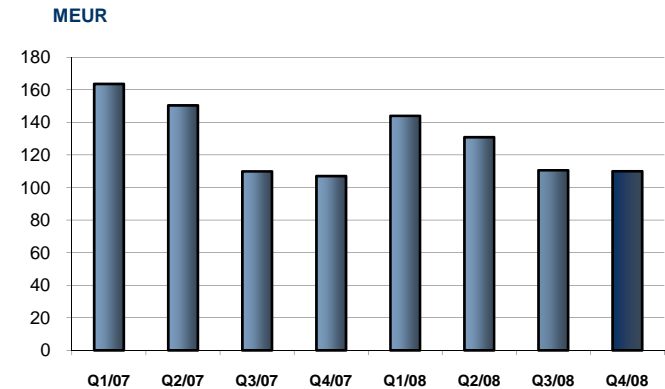
- The profitability of Winter and Outdoor segment is expected to improve thanks to the restructuring of the winter sports equipment business
- In the Footwear and Apparel business, the strong order book should allow it to grow faster than its peers
- The outlook for Mavic in 2009 is cautious, reflecting the uncertainty of the bike manufacturers
- Suunto's sales are expected to grow, thanks to new channel entry and new product introductions



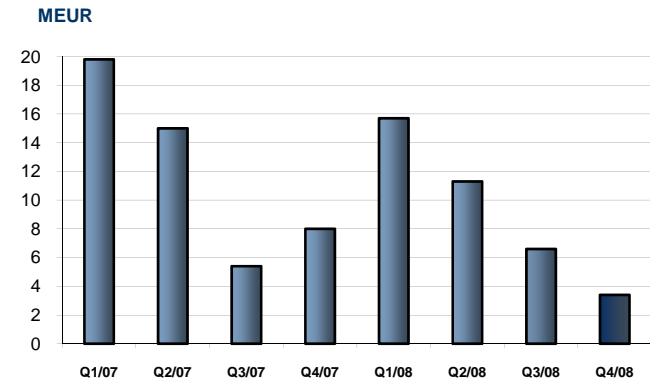
## Ball Sports Q4/08

- Racquet Sports -1%, EUR 45.1 million
  - Cautious buying by customers
  - Growth in Europe offset by weakness in the US
  - Good profitability maintained throughout the year
- Team Sports +3%, EUR 52.8 million
  - Price competition intensifying
  - Profitability weakened due to year-end closeout selling on excess inventories
- Golf -22%, EUR 12.1 million
  - Mix of premium clubs clearly growing and improving profitability
  - Sales decline reflects the decision to exit underperforming businesses

Net sales



EBIT





## Ball Sports outlook 2009

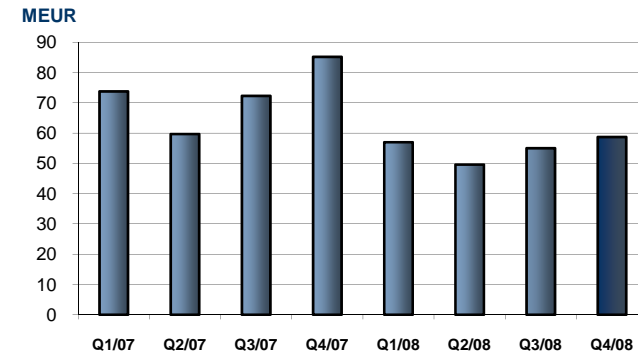
- Sales and profitability are expected to remain close to the previous year's level
- The Racquet and Team Sports businesses will maintain their leadership positions
- Golf will continue to improve its performance
- The economic development in North America, in particular, remains a factor of uncertainty in the outlook



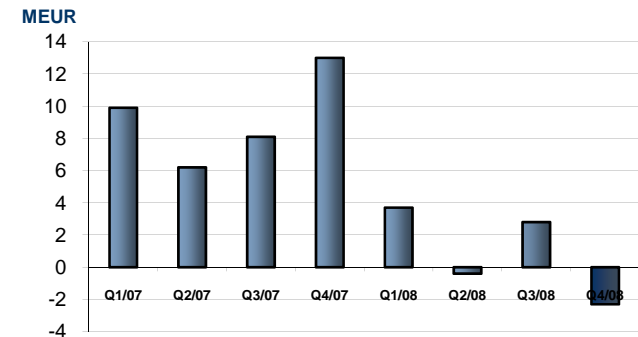
## Fitness Equipment Q4/08

- Precor's net sales -36%, EUR 58.7 million
- Demand for commercial equipment started to weaken
  - Customers more concerned about the general economic outlook
  - Tight credit market made it more difficult to finance equipment investments
- Consumer equipment sales remained weak and its share of full-year sales accounted for 13% (26%)
- Several cost cutting initiatives have been implemented

Net sales



EBIT





## Fitness outlook 2009

- Due to the globally weak macro-economic environment, the short-term outlook for Precor remains uncertain
- Many customers are impacted by the tight credit market and postponing their investments in new fitness equipment
- The long-term fundamental drivers of the fitness market remain positive and Precor is well positioned for a rapid recovery as the broader economy begins to improve



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## **Financials**



## Key ratios

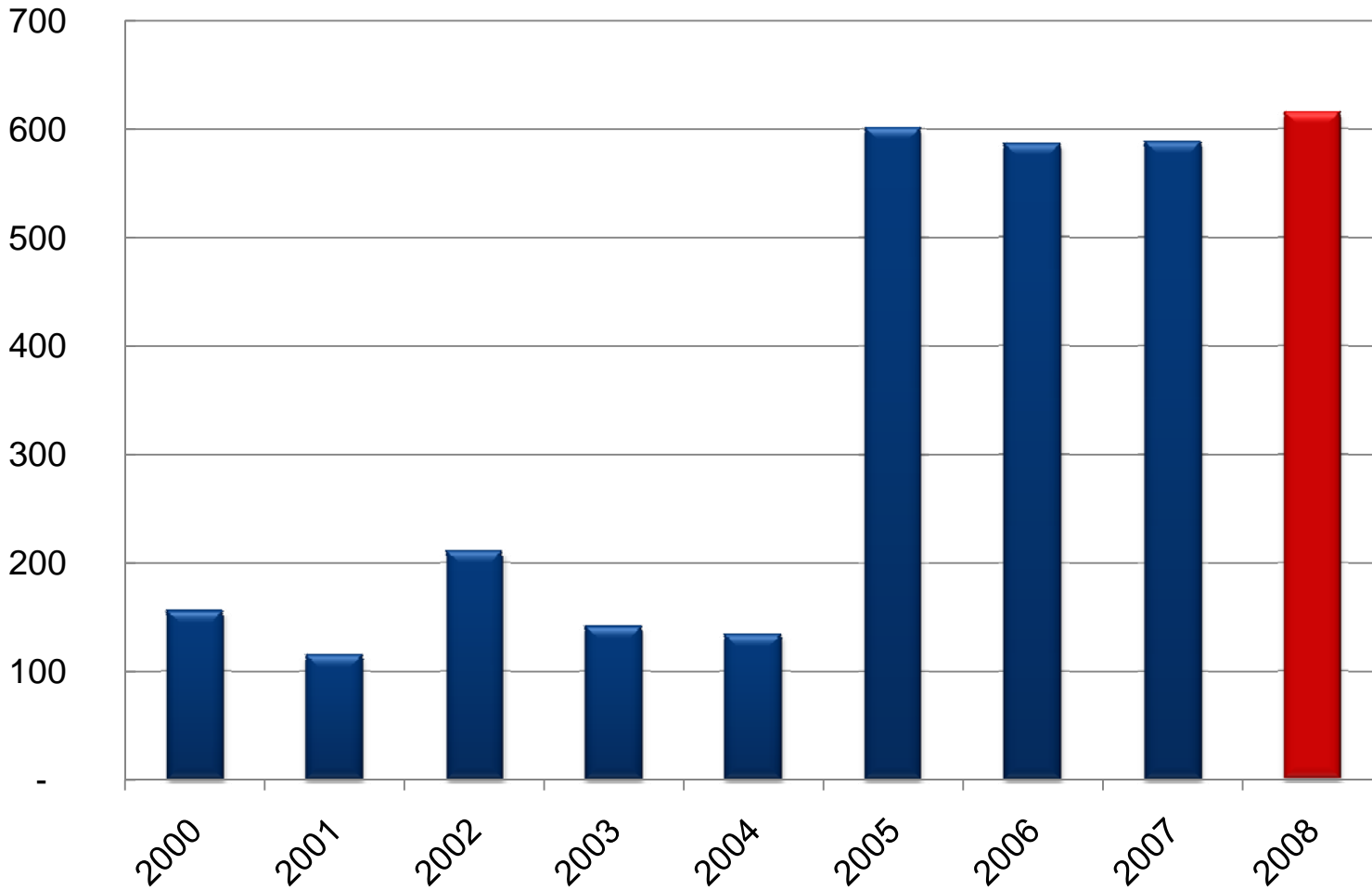
	2008	2007	2006	2005
Earnings per share, EUR	0.47	0.70*)	0.98	1.05 (0.87 **)
Equity per share, EUR	6.95	7.04	7.71	7.46
Net debt, MEUR	615.6	588.2	585.4	601.0
Equity ratio, %	30.6	31.0	33.6	31.8
Gearing, %	121	115	105	112
Return on equity, %	6.7	3.5	12.9	15.1
Return on capital employed, %	7.9	4.8	12.0	11.3

\*) Before non-recurring items

\*\*\*) Pro forma



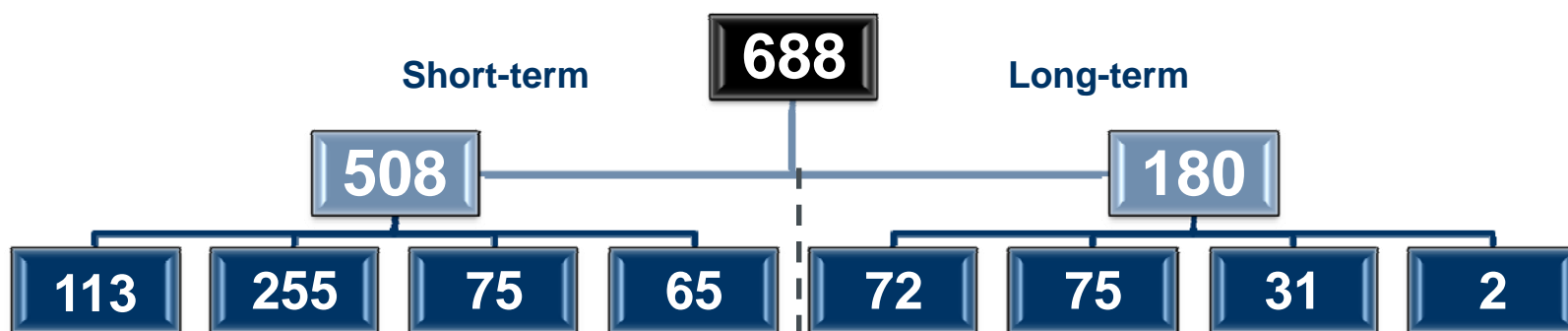
## Net debt





## Q4/2008: Debt breakdown, EUR million

### Interest bearing debt



Type of debt:	Commer. papers	Synd. credit facility*)	Bond	Other	Bank loan 100 USD	Bond	Pension loan	Other
Maturity:	< 6 months	2011 2012	2009		2011 2012	2011		

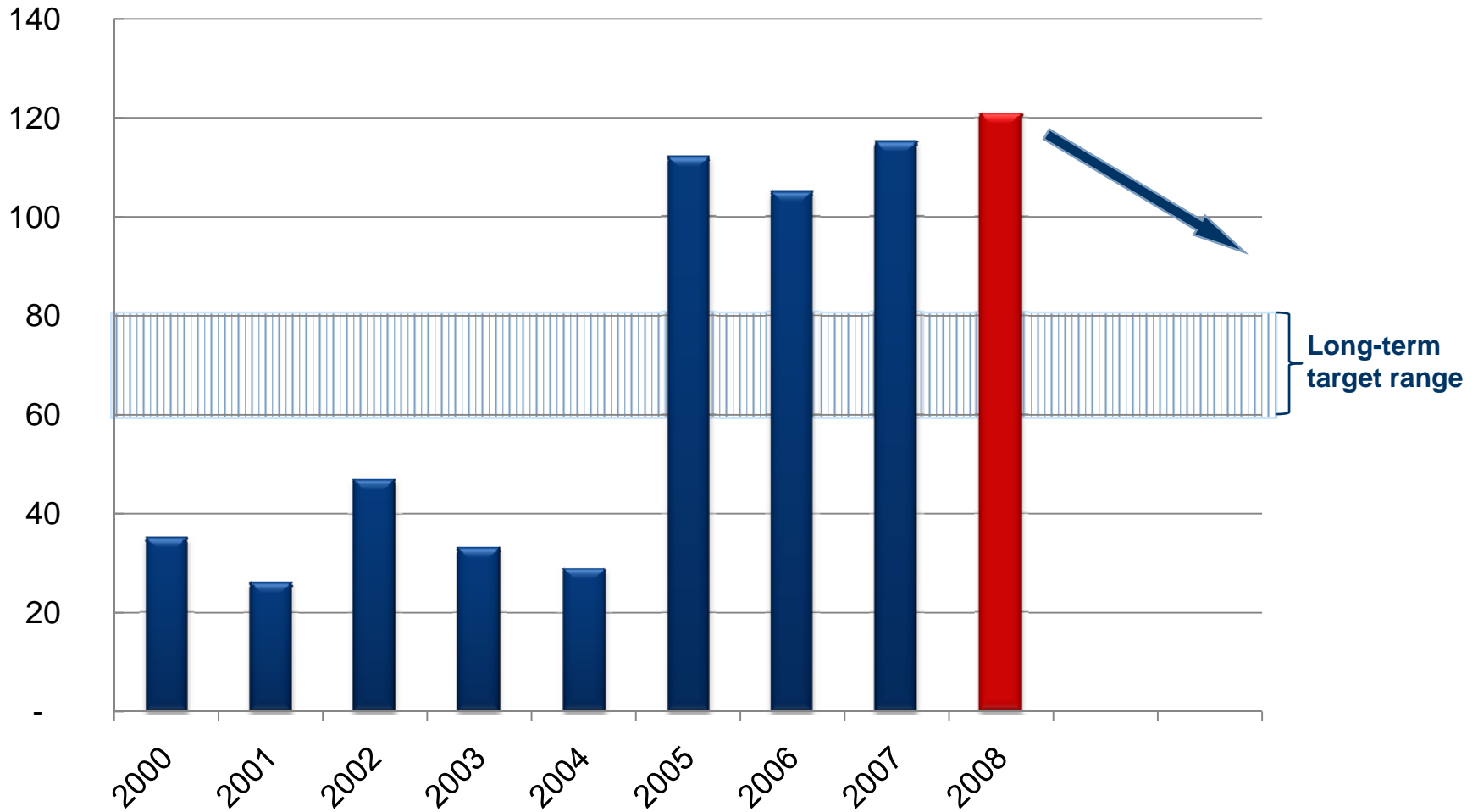
\*) Unused portion at the end of Q4/2008 was EUR 70 million

Committed credit limit of EUR 60 million (maturing in 2010) → total unused credits EUR 130 million

Cash EUR 72 million at the end of Q4 → Net debt EUR 616 million



# Gearing





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**Outlook**



## Short-term priorities

- Maximize cash flow
  - Working capital reduction
    - DSI management
    - DSO improvement
  - Capex management
- Profitability protection
  - Opex and sourcing cost reduction
  - Maximize sales by capturing shelf space and consumer share of mind while market conditions are in flux

➔ Gearing improvement

**Key priority is to strengthen the balance sheet**





## Financial outlook for 2009

- The outlook is clearly more uncertain than normally at this time of year
- The company's results in 2009 are anticipated to improve
  - Better cost efficiency in the Winter Sports Equipment business



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