



Interim Report January - March 2004

April 28, 2004



Highlights

- The year has started positively for the sports equipment market
- Amer Group's year started exceptionally well
 - Net sales in local currencies +14%
 - Deliveries earlier than Q1/2003
- EBIT up significantly
 - EUR 18 million gain in EBIT from exiting the tobacco business
 - Reorganization of Wilson



Key indicators

	Q1/04	Q1/03	2003
Net sales (MEUR)	293.4	281.2	1,094.1
EBIT (MEUR)	46.7	20.6	117.7
EPS (EUR)	1.30	0.56	3.35

Financial Review

Pekka Paalanne
CFO

Transition to IFRS

Transition to IFRS

- Applied as of Q1/2004 reporting
 - Comparative figures prepared for 2003
- Goodwill amortization replaced with impairment tests
 - Improves 2003's EBIT by 16.5 MEUR
- Other P&L adjustments include
 - Pension costs
 - Finance expenses
 - Taxes

Transition to IFRS cont.

- One-off transitional valuation adjustments weaken the equity ratio slightly
- Hedge accounting applied for operating cash flows
- Income statement format changed
- Segment reporting
 - Business segments as before
 - Geographical segments: Americas (incl. Latin America), EMEA (Europe, Middle-East, Africa) and Asia Pacific (incl. Japan & Australia)

January – March figures



Profit and loss statement

	Q1/04	Q1/03	Ch%	2003
Net sales	293.4	281.2	4	1,094.1
EBIT	46.7	20.6		117.7
Net financials	-1.6	-2.2		-8.2
EBT	45.1	18.4		109.5
Taxes	-14.4	-5.2		-31.0
Net result	30.6	13.1		78.1
ROCE % *)	25.9	19.3		21.0

*) Rolling 12 months



Breakdown of net sales

	Q1/04	Q1/03	Ch%	Ch% in local currencies	2003
Racquet	58.7	56.0	5	13	207.4
Golf	48.6	41.8	16	24	156.1
Team	61.5	62.2	-1	14	181.0
Winter Sports	28.9	25.9	12	15	188.2
Fitness Equipment	55.1	51.4	7	23	175.5
Sports Instruments	18.8	20.1	-6	-4	76.6
	271.6	257.4	6	16	984.8
Tobacco	21.8	23.8	-8		109.3
Total	293.4	281.2	4	14	1.094.1





Geographic breakdown of net sales

	Q1/04	Q1/03	Ch%	Ch% in local currencies	2003
Americas	174.5	168.3	4	19	573.2
EMEA	94.3	88.7	6	7	417.8
Asia	24.6	24.2	2	7	103.1
Total	293.4	281.2	4	14	1,094.1

Wilson

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Breakdown of EBIT

	Q1/04	Q1/03	2003
Racquet Sports	7.2	3.9	20.6
Golf	3.2	-1.2	-12.4
Team Sports	12.3	11.4	23.3
Winter Sports	-5.1	-3.6	28.3
Fitness Equipment	9.5	8.9	26.8
Sports Instruments	1.8	2.2	7.7
HQ	-1.1	-2.5	-6.6
Patent Settlement	-	-	20.5
Tobacco	18.9	1.5	9.5
Total	46.7	20.6	117.7

Wilson

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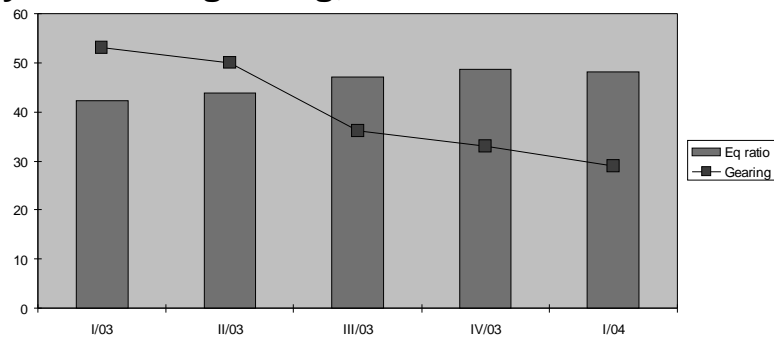
ATOMIC

PRECOR

Balance sheet

	31 Mar 2004	31 Mar 2003	31 Dec 2003
Goodwill	304.1	296.0	275.1
Fixed assets	138.0	161.2	139.4
Inventories	132.5	156.5	136.9
Receivables	290.5	266.1	293.6
Cash	28.0	28.6	27.1
Equity	429.6	383.0	423.4
Int. bearing debt	152.6	230.1	167.7
- Long term	32.8	65.3	32.2
- Short term	119.8	164.8	135.5
Other liabilities	310.9	295.3	281.0
Total	893.1	908.4	872.1

Equity ratio and gearing, %



	31 Mar 2004	31 Mar 2003	31 Dec 2003
EqRatio %	48.1	42.2	48.6
Gearing %	29	53	33

Divisional highlights

Roger Talermo
President & CEO

Racquet Sports



- Upswing started in Q3/03 continued
 - Tennis rackets +8%, especially within the high-end segment
 - Tennis balls +19%
 - Footwear +5%
- Global launch of a new product line in May

MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales	58.7	56.0	5	13
EBIT	7.2	3.9		

Golf



- Main goal in 2004: profitability
- Net sales and EBIT on track
 - Deliveries proceeding according to plan
 - Sales of golf clubs +23%, sales of golf balls +14%
- EBIT positive
 - Reorganization of Wilson
 - Decline in average selling prices

MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales	48.6	41.8	16	24
EBIT	3.2	-1.2		

Team Sports



- Good performance continued
- Basketballs +43%, American footballs +31%, baseball and softball bats +21%, gloves -12%
- Sales also boosted by the acquisition of ATEC
 - Integration proceeding well
- Sales outside the US +5%



MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales	61.5	62.2	-1	14
EBIT	12.3	11.4	8	26



Winter Sports



- Sales of alpine skis +11%
 - Average market selling prices declined
- Investments in the distribution network
- Pre-orders in volume terms proceeding according to plan
- A successful season 2003/2004 for Atomic athletes
- New products for 2004/2005: Metron, Neox, Volant



	MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales		28.9	25.9	12	15
EBIT		-5.1	-3.6		



Fitness Equipment



- Growth especially in elliptical cross-trainers
- Sales outside the Americas +16%
- Acquisition of FPI and ClubCom
 - Integration proceeding well
 - Fully integrated line presented at the IHRSA



	MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales		55.1	51.4	7	23
EBIT		9.5	8.9	7	23





Sports Instruments

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- Sales of wristop computers +9%
- Sales of diving instruments +2%
- Declining non-core sales
- New products: n3, X9, G3, t6

MEUR	Q1/04	Q1/03	Ch%	Ch% in local currencies
Net sales	18.8	20.1	-6	-4
EBIT	1.8	2.2	-18	



n3



X9



t6



Withdrawal from tobacco business

- Consideration received from Philip Morris EUR 29 million
 - Benefited Amer's Q1 EBIT by EUR 18 million
- Amer Tobacco's right to produce and sell Philip Morris cigarettes in Finland ended on 26 March 2004

	Q1/04	Q1/03	Ch%
Net sales	21.8	23.8	-8
EBIT	0.9	1.5	

Outlook

- 100% focused sports equipment company
- Strategy backed up by increasing leisure time, living standards and awareness of the importance of physical and mental wellbeing
- Amer Sports net sales and EBIT in local currencies expected to grow in 2004



Target:

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

