



AMER SPORTS

Interim Report January - September 2003

October 28, 2003



Highlights

- Market conditions stabilising
- Amer Sports' progress is at least on a par with the market, with the exception of Golf
 - Wilson re-organisation continues in line with plan
- EUR 20.5 million gain from patent litigation case
- 2003 net sales expected to be similar to 2002, operating profit EUR 90-100 million



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January - September key indicators

	Q1-Q3/03	Q1-Q3/02	FY 2002
Net sales (MEUR)	836.8	835.8	1,101.9
EBIT (MEUR)	82.3	77.2	103.0
EBT (MEUR)	76.0	72.0	95.6
EPS (EUR)	2.27	2.23	2.95



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Reaching the no. 1 position

Investments in 2003 in

- Brands
- R & D
- Distribution



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Case Japan

- #2 in the global golf market
- #3 in the tennis market
- #2 in the baseball market
- #3 in the alpine ski market

Amer Sports Japan

- Wilson Japan founded 1985
- Transformed into Amer Sports Japan October 2002
 - 100 employees, 3 locations
- Precor sales integrated May 2003
- First Suunto employee nominated July 2003
- Atomic sales to be integrated in the 2004/2005 season



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Financial Review

Pekka Paalanne

CFO





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Profit and loss statement January - September 2003

	Q1-Q3/03	Q1-Q3/02	Ch%	FY 2002
Net sales	836.8	835.8	0	1,101.9
EBIT	82.3	77.2	7	103.0
Net financials	-6.3	-5.2		-7.4
EBT	76.0	72.0	6	95.6
Taxes	-22.8	-20.2		-26.5
Net profit	52.9	51.8		68.5
ROCE % *)	17.7	17.5		18.3

*) Rolling 12 months



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Profit and loss statement July - September 2003

	Q3/03	Q3/02	Ch%	FY 2002
Net sales	301.1	283.6	6	1,101.9
EBIT	57.5	38.7	49	103.0
Net financials	-2.2	-2.2		-7.4
EBT	55.3	36.5	52	95.6
Taxes	-16.6	-10.2		-26.5
Net profit	38.6	26.3		68.5



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Breakdown of net sales January - September 2003

	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies	FY2002
Racquet	173.1	204.6	-15	-3	243.9
Golf	135.9	184.8	-26	-16	213.3
Team	143.2	162.0	-12	5	203.9
Winter Sports	116.5	136.2	-14	-11	201.6
Fitness Equipment	128.6	-	-	-	39.5
Sports Instruments	55.9	61.8	-10	-5	85.3
Tobacco	83.6	86.4	-3	-3	114.4
Total	836.8	835.8		11	1,101.9



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Geographic breakdown of net sales

	Q1-Q3/03	Q1-Q3/02	Ch% in local currencies	FY2002
North America	444.9	435.7	20	558.5
Europe	293.9	296.0	1	405.5
Japan	40.4	46.1	-5	56.2
Asia Pacific	28.9	27.8	20	34.8
Other	28.7	30.2	12	46.9
Total	836.8	835.8	11	1,101.9



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Breakdown of net sales July - September 2003

	Q3/03	Q3/02	Ch%	Ch% in local currencies	FY2002
Racquet	57.5	60.2	-4	4	243.9
Golf	32.2	39.2	-18	-13	213.3
Team	38.6	41.4	-7	3	203.9
Winter Sports	83.3	93.8	-11	-8	201.6
Fitness Equipment	42.8	-	-	-	39.5
Sports Instruments	16.4	17.7	-7	-6	85.3
Tobacco	30.3	31.3	-3	-	114.4
Total	301.1	283.6	6	12	1,101.9





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Breakdown of EBIT January - September 2003

	Q1-Q3/03	Q1-Q3/02	FY2002
Racquet	18.5	22.4	25.6
Golf	-3.3	10.7	7.1
Team	17.5	20.8	24.0
Winter Sports	12.3	23.0	39.6
Fitness Equipment	19.3	-	6.3
Sports Instruments	5.9	6.8	10.5
Tobacco	7.5	7.3	9.2
HQ	-4.7	-7.1	-9.2
Group goodwill	-11.2	-6.7	-10.1
Patent settlement	20.5	-	-
Total	82.3	77.2	103.0

Wilson

SUUNTO

ATOMIC

PRECOR^{USA}



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Breakdown of EBIT July - September 2003

	Q3/03	Q3/02	FY2002
Racquet	7.8	6.6	25.6
Golf	-5.6	-2.1	7.1
Team	2.6	2.5	24.0
Winter Sports	24.9	31.3	39.6
Fitness Equipment	7.5	-	6.3
Sports Instruments	1.9	2.1	10.5
Tobacco	2.8	2.3	9.2
HQ	-1.2	-1.9	-9.2
Group goodwill	-3.7	-2.1	-10.1
Patent settlement	20.5	-	-
Total	57.5	38.7	103.0



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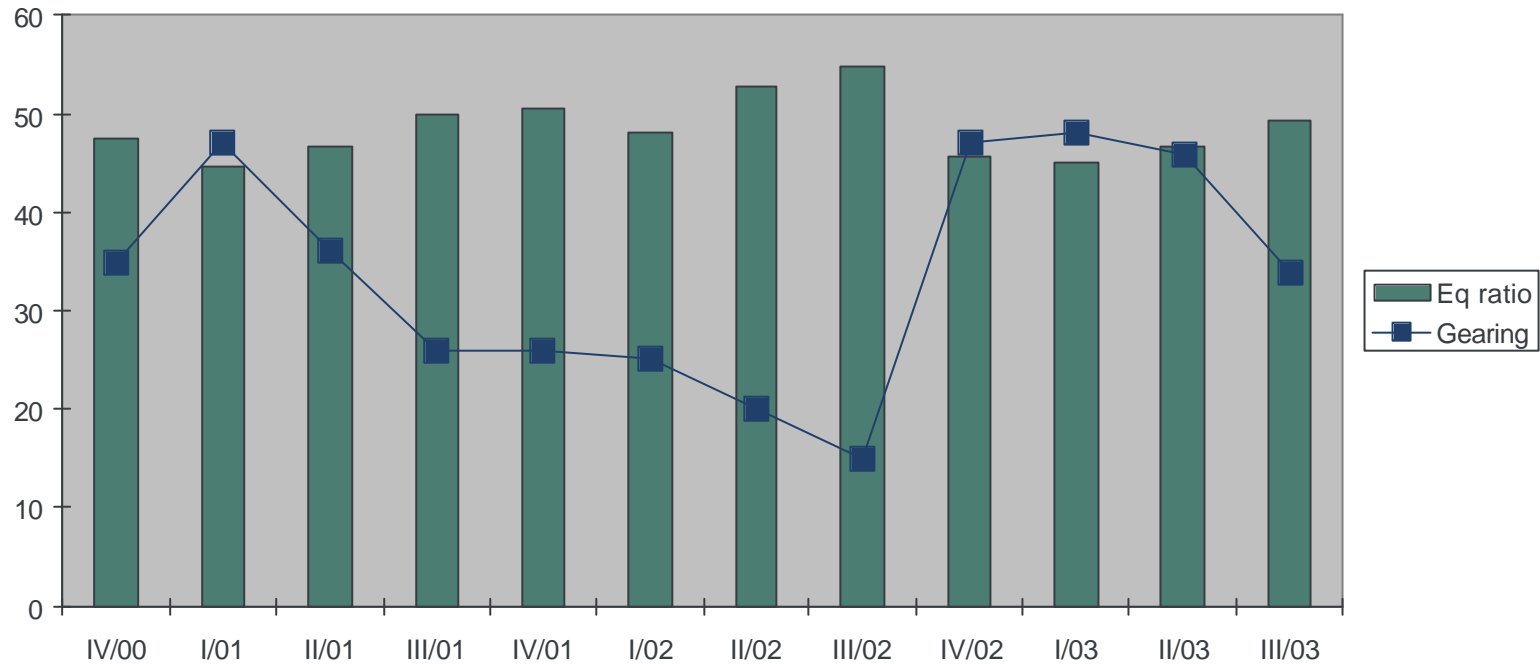
Balance sheet

	30 Sept 2003	30 Sept 2002	31 Dec 2002
Goodwill	279.5	183.0	312.1
Fixed assets	180.6	215.0	197.7
Inventories	139.0	140.1	156.4
Receivables	320.1	294.2	308.2
Cash	23.8	24.1	33.1
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Equity	478.0	480.3	473.4
Int. bearing debt	177.6	93.2	243.0
- Long term	60.1	49.7	48.2
- Short term	117.5	43.5	194.8
Other liabilities	287.4	282.9	291.1
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Total	943.0	856.4	1,007.5



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Equity ratio and gearing, %



	30 Sept 2003	30 Sept 2002	31 Dec 2002
EqRatio %	49.3	54.8	45.6
Gearing %	34	15	47



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Divisional highlights

Roger Talermo
President & CEO



Racquet Sports



- Growing sales in Q3
 - Q1-Q3 sales of tennis racquets & balls both still down 4%
- Renewed contracts
 - US Open endorsement contract until 2009
 - Roger Federer re-signed
- #1 US brand in racquets, strings and footwear*

(*TIA/Sports Marketing Surveys Q2/2003)

MEUR	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies
Net sales	173.1	204.6	-15	-3
EBIT	18.5	22.4	-17	-3

Golf



- Sales significantly below target
- Further steps in Wilson re-organisation
 - Closure of Tullahoma and Springfield assembly units
- New product introductions: Deep Red II Maxx, Deep Red II Distance Irons
- Padraig Harrington re-signed with Wilson

MEUR	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies
Net sales	135.9	184.8	-26	-16
EBIT	-3.3	10.7	-	-

Team Sports



- Baseball and softball bat sales up 18%
 - Entry into the youth baseball market
 - Custom-designed bats for the Japanese market
- Wilson won the Chicago Innovation Award
 - Youth Batting Helmet

MEUR	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies
Net sales	143.2	162.0	-12	5
EBIT	17.5	20.8	-16	-

Winter Sports



- Pre-order volume close to last year's level
 - September deliveries match last year's level
 - More pre-order deliveries in Q4 than usual
- New sales set up in Japan
 - Atomic sales thru' Amer Sports Japan 2004/2005
 - Asics distribution agreement discontinued

MEUR	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies
Net sales	116.5	136.2	-14	-11
EBIT	12.3	23.0	-47	-44

Fitness equipment



- Growth in treadmills and cycles
- Public Sector sales in the USA picked up after a slow H1
- Positive medium-term outlook

MEUR	Q1-Q3/03	Q1-Q3/02*	Ch%	Ch% in local currencies
Net sales	128.6	147.0	-13	-
EBIT	19.3	18.6	4	24

*Pro forma

Sports Instruments



- Sales of wristop computers up 6%
- Diving instruments sales picked up in Q3
- Declining non-core sales
- Focus on volume products
 - Suunto X3HR, Suunto X6HRM, Suunto n3

MEUR	Q1-Q3/03	Q1-Q3/02	Ch%	Ch% in local currencies
Net sales	55.9	61.8	-10	-5
EBIT	5.9	6.8	-13	-12

Tobacco

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

	Q1-Q3/03	Q1-Q3/02	Ch%
Net sales	83.6	86.4	-3
EBIT	7.5	7.3	3

Outlook

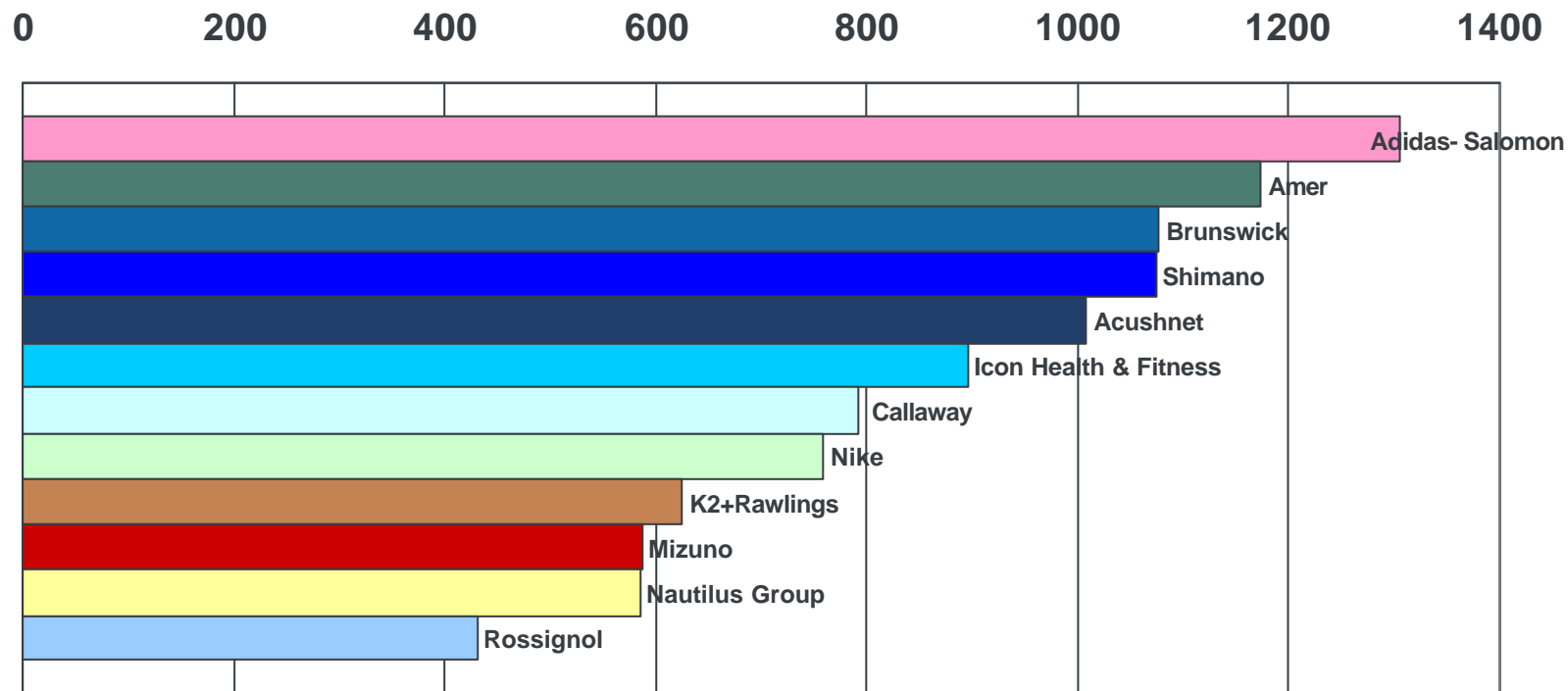
- Demand for sports equipment has stabilised
- Net sales in 2003 expected to be similar to 2002's, operating profit EUR 90-100 million
- Wilson re-organisation delivering EUR 12m of savings next year
- Amer Sports is balanced by its wide portfolio of sports and geographical diversity



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Sports equipment companies

Net sales 2002
Million \$





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Target:

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

 **Wilson.**

 **SUUNTO**

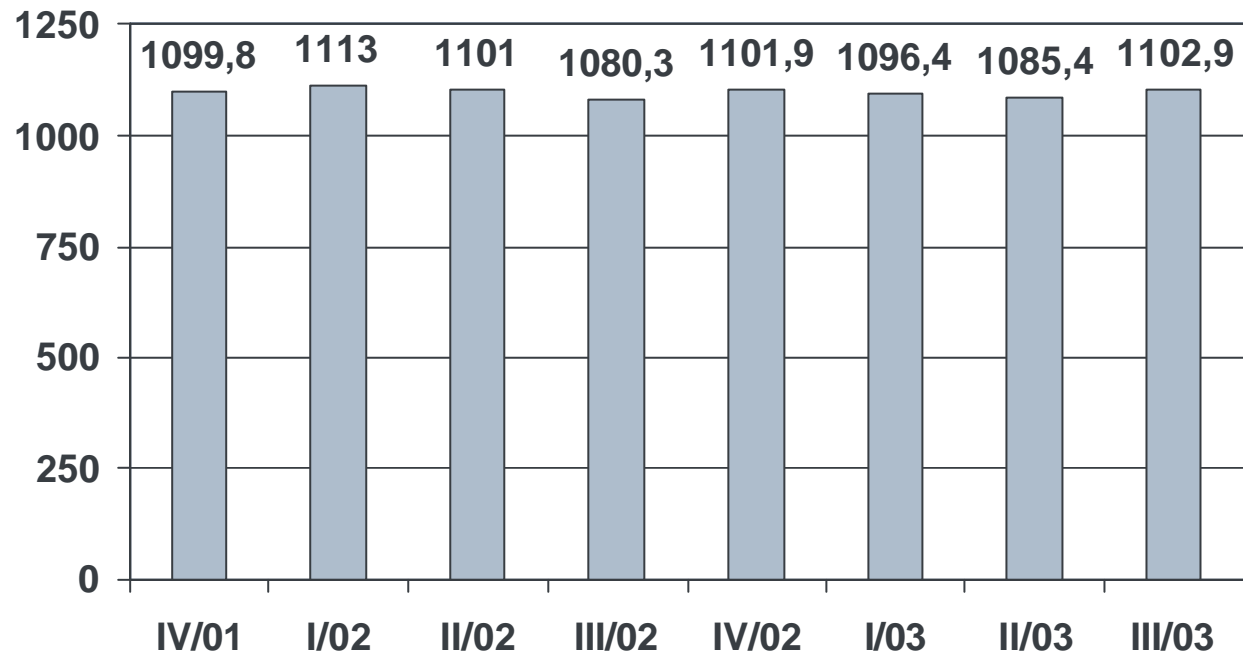
 **ATOMIC**

PRECOR^{USA}



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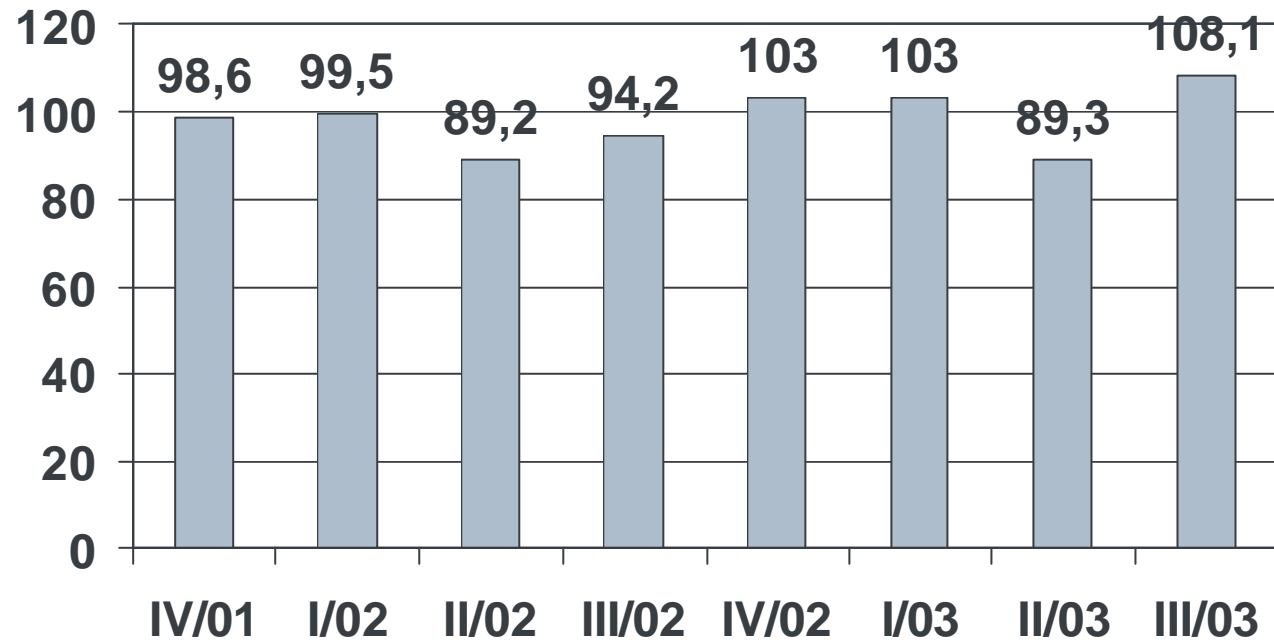
Net sales, rolling 12 months (MEUR)





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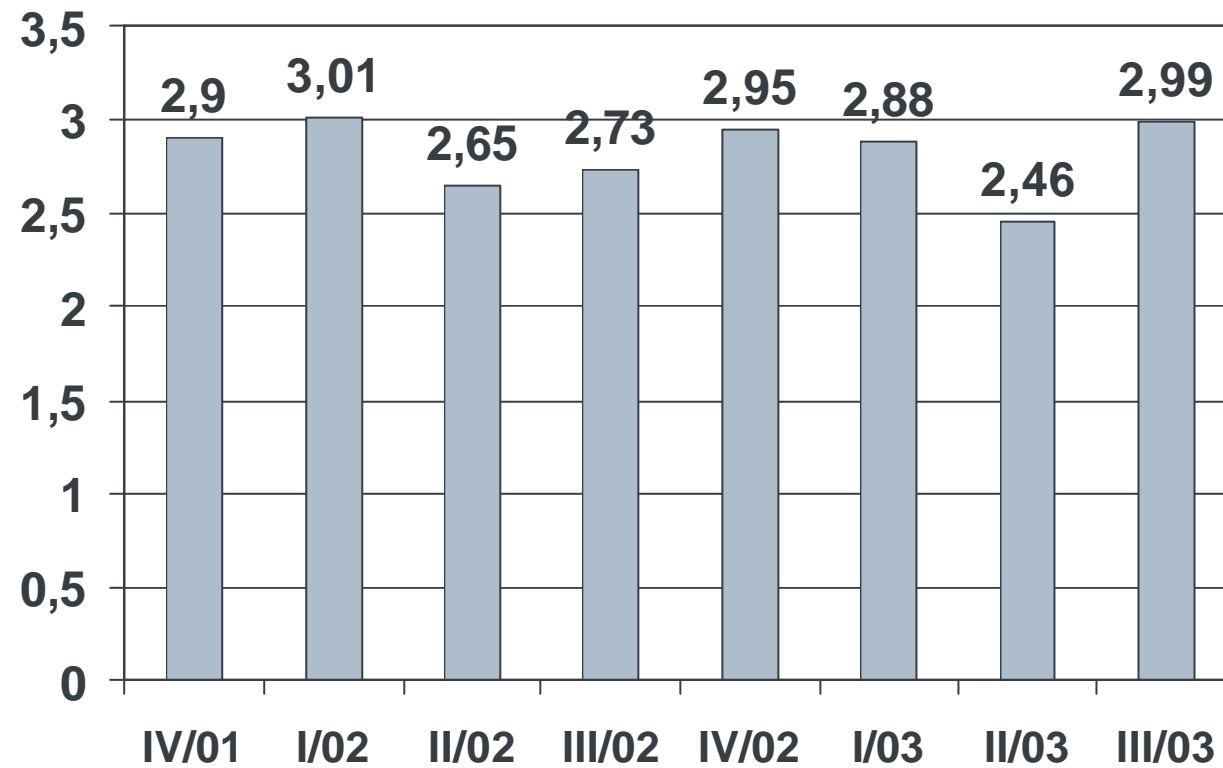
EBIT, rolling 12 months (MEUR)





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EPS, rolling 12 months (EUR)





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ROCE, rolling 12 months (%)

