



Interim Report January - March 2005

April 28, 2005

Roger Talermo
President and CEO



Highlights

- The year has started as expected in the sports equipment market
- Net sales in local currencies +5% in Q1/2005
 - Strongest growth in Asia Pacific, +29%
- EBIT declined 22% to EUR 21.5 million

Key indicators

	Q1/05	Q1/04	Ch %	2004
Net sales (MEUR)	277.8	271.6	2	1,035.9
EBIT (MEUR)	21.5	27.4	-22	100.5
EBT (MEUR)	20.8	25.7	-19	97.0
EPS, cont. operations (EUR)	0.20	0.24		0.96

Financial Review

Pekka Paalanne
CFO

Accounting changes

- Discontinued operations presented on single line separately from continuing operations (IFRS 5)
- Warrants are expensed in the income statement (IFRS 2)
- Key indicators 2004 recalculated to correspond to these changes

Accounting changes

	Q1/2004	FY2004
Reported net result	30.6	84.5
IFRS 2	-0.4	-1.9
IFRS 5	-13.5	-14.0
Continuing operations	16.7	68.6



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Profit and loss statement, continuing operations

MEUR

	Q1/05	Q1/04	Ch %	2004
Net sales	277.8	271.6	2	1,035.9
EBIT	21.5	27.4	-22	100.5
Net Financials	-0.7	-1.7		-3.5
EBT	20.8	25.7	-19	97.0
Taxes	-6.6	-8.9		-28.1
Net result	14.2	16.7	-15	68.6
ROCE %	16.4	22.5		17.7

Wilson

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Breakdown of net sales

MEUR

	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Racquet Sports	61.0	58.7	4	6	210.3
Golf	47.4	48.6	-2	0	147.7
Team Sports	63.9	61.5	4	9	185.0
Winter Sports	26.5	28.9	-8	-8	205.6
Fitness Equipment	59.0	55.1	7	12	210.1
Sports Instruments	20.0	18.8	6	7	77.2
Total	277.8	271.6	2	5	1,035.9





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Breakdown of EBIT

MEUR

	Q1/05	Q1/04	Ch %	2004
Racquet Sports	9.0	7.2	25	26.9
Golf	4.5	3.2	41	0.5
Team Sports	12.6	12.3	2	24.6
Winter Sports	-8.4	-5.1	-	29.6
Fitness Equipment	5.8	9.5	-39	23.9
Sports Instruments	1.7	1.8	-6	8.0
HQ	-3.7	-1.5	-	-13.0
Total	21.5	27.4	-22	100.5

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Geographic breakdown of net sales

MEUR

	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Americas	174.3	174.5	-	4	597.1
EMEA	72.6	72.5	-	-	327.2
Asia Pacific	30.9	24.6	26	29	111.6
Total	277.8	271.6	2	5	1,035.9

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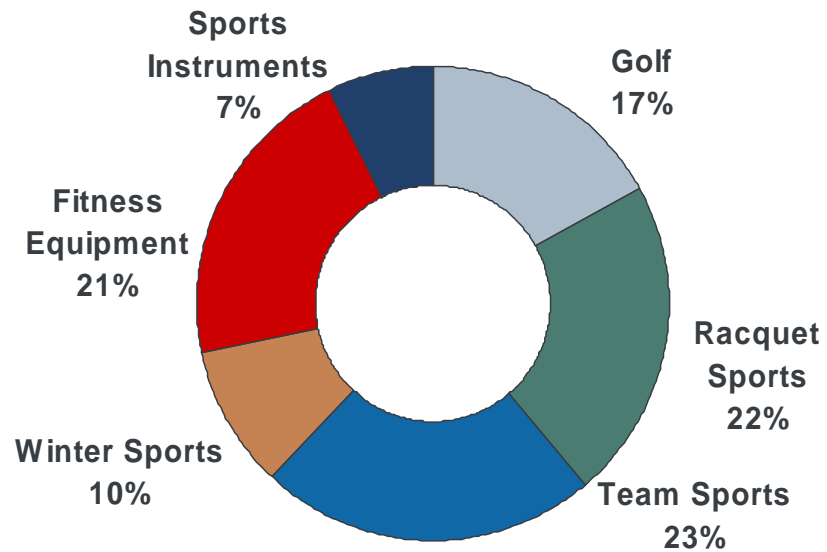
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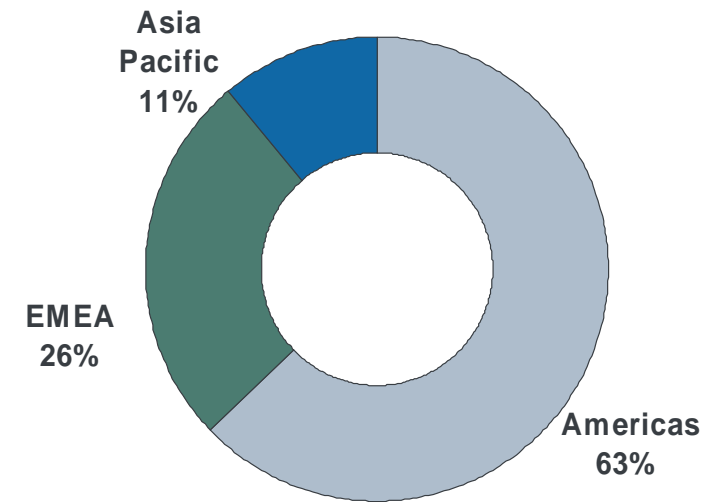
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Net Sales

By division



By geography





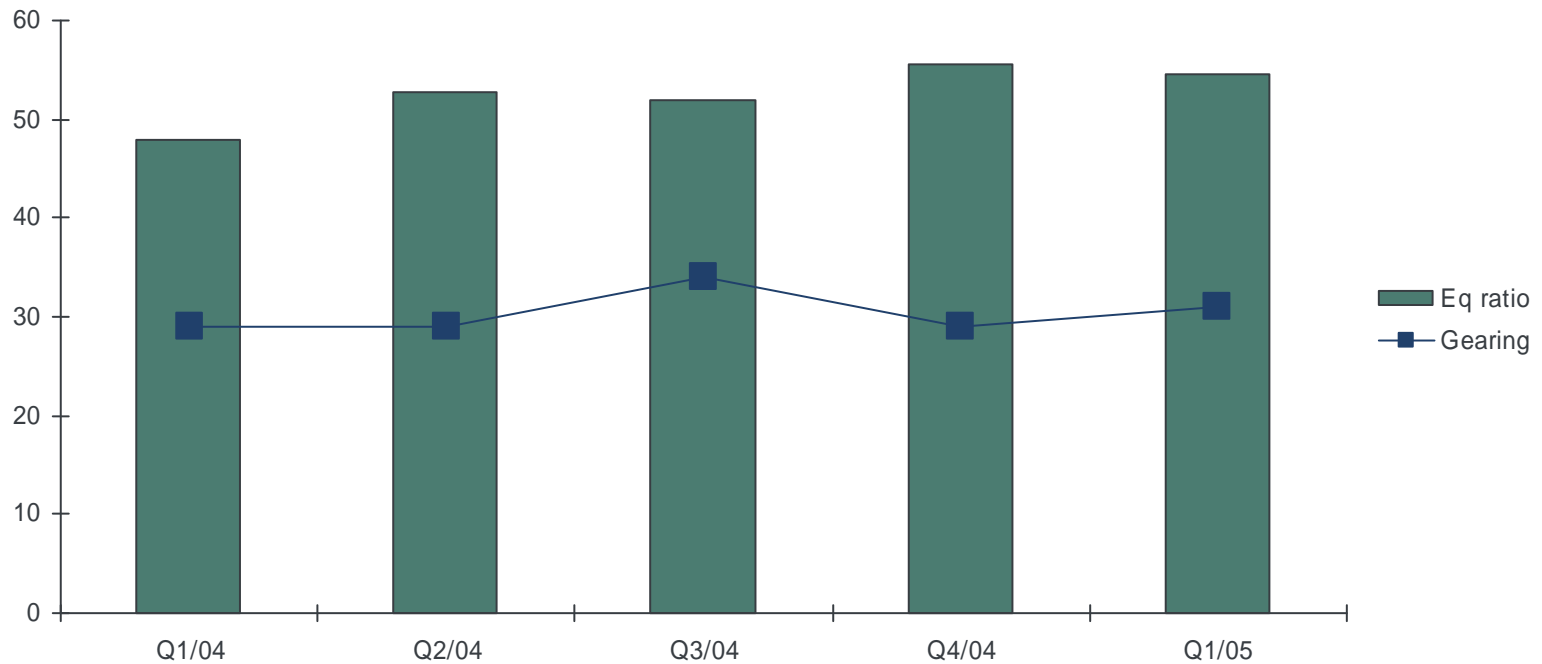
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Balance sheet

MEUR

	31 March 2005	31 March 2004	31 Dec 2004
Goodwill	293.2	304.1	284.2
Other non-current assets	115.7	138.3	114.9
Inventories	161.7	132.5	154.4
Receivables	236.6	290.5	260.0
Cash	18.9	28.0	17.0
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	826.1	893.4	830.5
Equity	450.3	428.6	461.3
Int. bearing debt			
- Long term	30.9	32.8	27.1
- Short term	125.5	119.8	123.1
Other liabilities	219.4	312.2	219.0
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Total	826.1	893.4	830.5

Equity ratio and gearing, %



	31 Mar 2005	31 Mar 2004	31 Dec 2004
Equity ratio, %	54.5	48.0	55.5
Gearing, %	31	29	29

Divisional highlights

Roger Talermo
President & CEO

Racquet Sports



- Racquet Sports continued to perform well
 - Americas +6%, Asia Pacific +22%, EMEA -2%
- US tennis market was flat in Q1 (TIA)
- Wilson is the global market leader in tennis rackets
 - Tennis rackets +10%; high-end segment +6%
 - Tennis balls +5%, footwear -8%
- Wilson the “Official Tennis Ball” of the Australian Open from 2006



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	61.0	58.7	4	6	210.3
EBIT	9.0	7.2	25		26.9

Golf



- The global golf equipment market remained flat
 - Overall sales of golf equipments to the trade fell by 3% in the US
 - The number of rounds played declined 3.5% in the US
- Net sales and EBIT on track
 - Sales of golf clubs +4%: premium product line +23%
 - Sales in Asia Pacific grew by 30%



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	47.4	48.6	-2	0	147.7
EBIT	4.5	3.2	41		0.5

Team Sports



- Good performance continued
 - EMEA 9%, Americas 7%, Asia Pacific +120%
 - Japan particularly good
- Baseballs and softball bats +34%
- Training equipment sales boosted by better use of sales and distribution network, and product launches



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	63.9	61.5	4	9	185.0
EBIT	12.6	12.3	2	7	24.6

Winter Sports



- Deliveries are heavily weighted towards the latter part of the year
- Sales in EMEA -4%, Americas -27%
 - USA was suffering from poor snow conditions
- Investments in distribution network in Italy and Russia
- A successful season 2004/2005 for Atomic athletes
- New products for 2005/2006: IZOR ski line



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	26.5	28.9	-8	-8	205.6
EBIT	-8.4	-5.1	-65		29.6

Fitness Equipment

- In US, demand for fitness equipment continued to grow
- Sales up +12% in local currencies
 - Sales outside the Americas +14%
 - Strong growth in stationary cycles and treadmills
- EBIT down by 36%
 - Profitability of the integrated business not yet satisfactory
 - Increased costs levels



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	59.0	55.1	7	12	210.1
EBIT	5.8	9.5	-39	-36	23.9

Sports Instruments



- Sports instruments sales up +6%
 - EMEA +10%, Americas +5%
 - Sales of diving instruments +15%: Suunto D9 widely awarded
 - Wristop computers +2%
 - Diving and water sports suits +10%
- New sports-specific products
 - Speed and distance measurement accessories for Suunto t6 wristop computer, and improved Suunto X3HR 2005 model



MEUR	Q1/05	Q1/04	Ch %	Ch % in local currencies	2004
Net sales	20.0	18.8	6	7	77.2
EBIT	1.7	1.8	-6		8.0

Outlook for 2005

- Demand for sport equipment will remain good
 - Growth stabilizing in the US
 - Slow recovery continues in Europe and Japan
- Comparable net sales in local currencies +3–5%
- The earnings per share EUR 0.90–1.05
(2004: EUR 0.96 *)

* Continuing operations



Target:

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

