

Stephan Eberharter

Olympic Champion
and World Cup
No. 1



Good result

- VOR sailors in Rio
 - Freeride comes on strong
-

Wilson Staff True,
the first perfectly balanced golf ball



Editorial



MARJA-LEENA SIMOLA

Values are our guiding stars

Every company has its own values. They may not be defined or even readily identifiable, but they exist nonetheless. They are part of the corporate culture – the unwritten rules and practices that govern our daily work and the way we do business.

Amer Sports' values have now been defined. The aim is to remind the personnel and other stakeholder groups what kind of company Amer is and what matters for the Group.

Amer Sports' values come naturally from the world of sport: determined to win, team spirit, fair play and innovation. Our core value is good profitability. Financial success allows us to continue the development of our brands and products. We also believe that ambition nurtures employee morale and promotes high-quality work.

We believe in team spirit and teamwork. We want our team to consist of strong individuals who support our common goals. We play by the rules and we acknowledge our mistakes. Innovation is always a necessary ingredient for business development, and the prime mover for innovation is to constantly question the way we do things. Allowing mistakes is also important for innovation – you can't make much progress without them!

Cynics regard corporate values as a fashionable illusion - a way of polishing up the company's image and pulling the wool over the eyes of customers, shareholders and other stakeholder groups. They don't believe that values have anything to do with reality or morality. Despite such criticisms, one should remember that values do support the company's strategy and, from the perspective of workplace culture, they are a very concrete and important matter for employees. Some supporters of corporate values have likened them to stars in the night sky – they guide us but are always unattainable. They have also been described as beacons marking the route to the company's vision of the future.

Amer's vision is challenging: the company aims to become the No. 1 sports equipment company in the world. To make that vision a reality, our brands and products, which represent the very latest technology, must be recognised and appreciated all over the world. As one of the most profitable companies in the sporting good industry, Amer is an interesting and competitiveness investment object. Our personnel are highly competent and committed to their work. The achievement of global market leadership implies net sales of about EUR 1.5 billion in the year 2005.

Values are enduring and independent of place and time. Well-defined values lend support when the going gets rough. When all else fails, good values will always shine through the gloom. Amer Sports' values feel like that.



AMER GROUP PLC'S MAGAZINE FOR SHAREHOLDERS AND CUSTOMERS

The magazine will be published quarterly in Finnish, English and German in 2002.

This magazine is mailed to the Group's registered shareholders, customers, present and retired employees and other interest groups. Address source: Amer Group's Register of Shareholders and Customers, Amer Group Plc, P.O. Box 130, FIN-00601 Helsinki

www.amersports.com
www.wilsonsports.com
www.atomicsnow.com
www.suunto.com

Editorial staff

Editor-in-chief
Marja-Leena Simola, Director,
Communications
Amer Group Plc
Communications Department
P.O. Box 130 FIN-00601 Helsinki
Tel. +358 9 725 7800

Lehdenkijät Oy

Halsuantie 2, FIN-00420
Helsinki, Tel. +358 9 5860 420
Editorial manager: Pekka Rinne
Editorial secretary: Kati Särkelä
AD: Taru Koskinen
Composition and repro:
Mediatehdas Oy

Printed by: SP-Paino,
Hyvinkää, 2002
ISSN 1455-9544

Changes of address:
amer.communications@amersports.com



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In spite of the difficult US market conditions in the fourth quarter, 2001 was a good year for the Amer Group. Only in golf ball sales were there problems.

Another good result

Amer's net sales were up 1% and operating profit rose 4% to EUR 98.6 million. The operating profit includes a fourth-quarter gain of USD 8 million following the settlement of certain patent infringement lawsuits in the US. Profit before extraordinary items was up 15% on the previous year at EUR 89.3 million.

Net cash flow was good, EUR 93.2 million, and net debt decreased. US dollar interest rates and balance sheet hedging expenses fell, reducing net financing costs 47% to EUR 9.3 million, i.e. 0.8% of net sales.

The balance sheet was further strengthened. The equity ratio rose from 47.4% to 50.7% and gearing fell from 35% to 26%. The Group's net debt was EUR 114.5 million.

The return on capital employed (ROCE) was 17.0%. According to Senior Vice President & CFO **Pekka Paalanne**, the target for the years ahead is 20%.

Amer paid taxes totalling EUR 20.5 million. The tax rate rose to 23% and a further increase is expected in 2002 as the losses from previous years start to dry up.

Pekka Paalanne says that a great deal of effort is being put into boosting the efficiency of capital usage, and the fruits of this work are expected in the near future.

The Group's comparable net sales in the fourth quarter of last year fell 6% and the corresponding operating profit 5%. On the other hand, profit before extraordinary items rose 14%. Wilson's fourth-quarter sales suffered as a consequence of the terrorist attack on September 11th. The biggest decline in sales occurred in the Team Sports Division. In October-November the trade reduced its inventories but in December sales almost recovered to their earlier level. Sales of Suunto's dive instruments suffered temporarily from the terrorist attack, but there were no dramatic changes.

Problems only in golf ball sales

Of Amer's sports equipment divisions, Team Sports and Winter Sports exceeded their all-time record results last year. Suunto also improved its result significantly.

The Golf Division's performance was weak. Net sales fell 8% and the operating result was a loss of EUR 3.3 million.

The biggest reason for the decline in the performance of the Golf

Division was price competition on the US golf ball market. At the same time as several new suppliers entered the market, demand remained unchanged and Wilson lost market share.

In golf clubs, however, Wilson preserved its 5% share of the global market. Deep Red clubs are premium price point products and their sales have developed well. Wilson will launch a new range of clubs in the lower price point.

The costs of the Golf Division have been cut, golf ball production has been adjusted to correspond better to the market situation, and club assembly will be transferred to Asia. Last year the number of employees on Wilson's US payroll fell by about 200.

Wilson's new premium price point Staff True golf ball attracted more attention than any other product when it was unveiled at the 49th PGA Golf Show in Orlando, Florida. The Staff family of golf balls has been renewed.

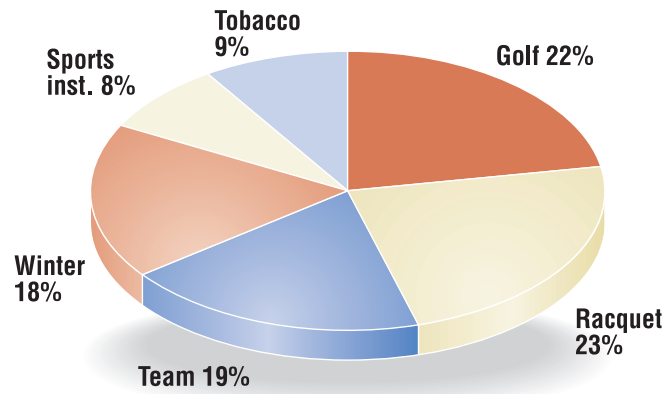
The result for the Racquet Sports Division remained unchanged. Wilson retained its position as the leading brand in tennis equipment with a global market share of 33% in tennis racquets and 22% in tennis balls. In the fourth quarter of last year Wilson's new three-piece Triad 3.0 was the best-selling tennis racquet in the United States and Japan. The Triad 2.0 and 4.0 were also on the top-ten list of best-sellers in the US. The new Double Core tennis ball became the Official Davis Cup Ball from the beginning of this year.

The operating profit of the Team Sports Division rose 55 per cent. Wilson is either the market leader or in second place in all of its most important team sports. The improvement in the Division's result was due to more efficient subcontracting and the higher average selling price of its products.

Another good season in prospect for Atomic

Atomic's operating profit rose 5 per cent in spite of significant investments in R&D and marketing. Atomic's new logistics centre improved distribution: all products are now distributed through one point instead of six.

Alpine ski sales rose 8 per cent, making Atomic the second biggest ski brand in the world. In the United States Atomic was again the fastest growing brand: its sales were 28 per cent up on the previous year. Amer's President and CEO **Roger Talermo** says that Atomic is



Amer 2001

EUR million	2001	2000	Change
CONSOLIDATED RESULTS			
NET SALES	1099.8	1086.6	1%
Depreciation	34.9	38.8	
OPERATING PROFIT	98.6	94.9	4%
Net financing expenses	-9.3	-17.4	
PROFIT BEFORE TAXES	89.3	77.5	15%
Taxes	-20.5	-11.6	
Minority interest	-0.3	-0.1	
PROFIT	68.5	65.8	4%
Earnings per share, EUR	2.90	2.70	
Adjusted average number of shares in issue, EUR million	23.6	24.3	
Equity per share, EUR	18.71	17.51	
Average number of personnel	4015	4379	
Own shares have been eliminated from shareholders' equity and the number of shares in issue.			



clearly the world's most advanced manufacturer in terms of technical solutions.

"Our understanding is that Atomic's products have been selling well, they are at the top of the buyers' recommended lists, and the product range has been renewed. All in all, I would say that things are looking pretty good for the winter season," forecasts Talerma.

Atomic's market share in alpine skis is 18 per cent globally and 22 per cent in Europe.

Suunto's operating profit rose 23 per cent. Sales of wristop computers rose 39 per cent and diving instruments 25 per cent. Suunto is the world's leading manufacturer of wristop computers, diving instruments and compasses. Last year Suunto launched a number of advanced products, and they will be joined by a lot more this year too.

Amer Tobacco's operating profit rose 3 per cent and its share of the Finnish cigarette market was 75 per cent. Its market share in cigars rose strongly to 57 per cent thanks to the distribution agreement with Swedish Match.

Operating profit

EUR million	2001	2000	Change
Racquet Sports	26.1	26.6	-2%
Golf	-3.3	13.2	
Team Sports	24.2	15.6	55%
Winter Sports	40.2	38.3	5%
Sports instruments	10.1	8.2	23%
Tobacco	9.6	9.3	3%
Headquarters	0.3	-8.8	
Group goodwill	-9.3	-9.6	
Sold operations	0.7	2.1	
Total	98.6	94.9	4%

Good result is still the goal

President and CEO Roger Talerma is cautiously optimistic about the outlook for 2002. The aim is to return another good result.

The tennis market is expected to grow somewhat and a return to profitability in the golf business will be sought despite the prospect of continued weakness in the market. The golf market is expected to remain flat with fierce competition continuing. Demand for team sports equipment is expected to remain flat or move slightly down. The positive trend in winter sports is expected to continue, and further growth in demand for sports instruments is anticipated.

New products will be launched by all of Amer's sports equipment divisions in the year ahead.

Amer aims to become the world's leading sports equipment manufacturer. Roger Talerma says that reaching that target will mean net sales of about EUR 1.5 billion in 2005. Last year net sales were EUR 1.1 billion.

Australia is a sports crazy nation
of 19 million people.

Sports crazy nation

TEXT PAUL MITCHELL PHOTO ALL OVER PRESS

Adam Joyce admits his golf handicap, at 27, is a bit high for his liking. But he can be forgiven - he's busy heading up Wilson Sporting Goods Australia from the company's head office in Melbourne. And in sporting mad Australia it's a busy market. Australia, of course, hosted the 2000 Olympic Games in Sydney. But that was just a taste of how important sport is to Australians.

"Australians love sport. As you can see from our top three sports, swimming, bush walking and gym, we're great participants as well as fantastic spectators. We are a sports crazy nation of 19 million people," says Adam.

With **Lleyton Hewitt** currently number one in the world, tennis is also booming in Australia.

"We were runner-up in the men's Davis Cup, and semi-finalist in the women's Federation Cup. There are 1.8 million tennis players in Australia and Wilson's sales in the sport were in 2001 up 13.4 % on 2000 figures. We sell approximately 90,000 racquets per year," says Adam.

Wilson Sporting Goods Australia's portfolio is diverse: golf, tennis, NFL, basketball, baseball, volleyball, squash, badminton, racquetball; as well as footwear, bags and accessories.

Under Adam's leadership Wilson has achieved a healthy share of the Australian market. For example, Wilson's market share is almost a third in tennis equipment, over 10 per cent in golf clubs and just under 8 per cent in golf balls.

Golf, one of Wilson's traditional markets, is in Australia declining, despite 1.6 million Australian players and 600 courses.

"Rounds played and ball imports are both down, which indicates participation is also down," says Adam. "Golf is a very tough, competitive market. But in this shrinking market, Wilson was last year up 43 % on 2000. We sold, in total, 8,400 full sets. Amongst these were 1,500 premium sets (Fat Shaft/Deep Red)."

Wilson Sporting Goods Australia sells only imported Wilson products. Amer's other brands, Atomic and Suunto, have their own

Australian distributors. As well as its Melbourne head office, Wilson Australia has a Sydney (New South Wales) state office and agents' offices in the nation's other major states.

"We have 53 full-time employees," Adam adds, "and we have more than a 1,000 customers from Rebel Sports, the largest sporting

retailer in Australia to sole operators."

Adam has been with Wilson Australia for six years. Like so many in the Amer Group, his own sporting interests sparked his professional interest in Wilson. That's why he's an advocate of the group's 'Demo Days'.

"It just gives the opportunity for consumers to trial the product," he says, adding, "and it helps in product differentiation."

Adam is a keen tennis player and he also enjoys snow and water skiing.

"I also like the 'sport' of playing with my kids," he jokes.

With a golf handicap of 27, perhaps Adam's kids will have to join him on more buggy rides around Australia's top class courses.



Adam Joyce: "Demo Days give consumers an opportunity to trial the product, and they help in product differentiation too."





Wilson dominates two-thirds of the tennis equipment market in Brazil, the homeland of Gustavo "Guga" Kuerten. And golf is growing in popularity as well.

Wilson is No. 1 tennis brand in Brazil

Soccer is more a religion than a game in Brazil, but Gustavo Kuerten's success has given a boost to the growing popularity of tennis.

"Gustavo's success aside, tennis has a solid following here in Brazil. The people play the game a lot and the market is growing all the time," says the Country Manager of Wilson Brazil, **Reynaldo Farah**.

According to the latest statistics, there are 1.2 million recreational tennis players and 30,000 amateur golfers in the country. Golf's per capita participation rate is low, but the sport is growing very quickly indeed. In 1995 there were only 60 golf courses in Brazil; today there are as many as 200, with 16 more under construction.

In team sports, volleyball has outperformed even basketball in terms of popularity growth. Beach volleyball is particularly popular.

"Our product range includes all of Wilson's tennis racquets, footwear, golf equipment, volleyballs, basketballs and other equipment. We already manufacture sports bags and cases in Brazil, and some footwear too," says Farah.

"Of Amer Sports' products, we only sell the Wilson brand. Obviously, the absence of snow in Brazil means that we don't sell Atomic's products here. Suunto has its own local distribution."

"Wilson has market shares of 65 per cent in tennis and about 20 per cent in golf. In team sports our share is still small, but that's because we have only just entered the market."

"Impartial market research does not exist

here, and that is a major shortcoming of the Brazilian sporting goods market. We have been trying to co-operate with sports associations in order to get them to keep statistics on market shares. There aren't any research institutes with figures on the sporting goods market either," complains Reynaldo.

Wilson Brazil employs 45 people in its office in São Paulo and at its distribution centre in Extrema in the state of Minas Gerais. In addition, Wilson has 31 representatives who cover the whole of Brazil.

"Our most important customers include Decathlon, which is the same chain as in Europe, and a few pro shops operating in shopping malls. More and more hypermarkets are opening in Brazil, and Wilson has its own full-range department in the best of these. The share of these hypermarkets rose to 22 per cent last year, and today they are already among Wilson's biggest customers."

Brazilian champion

Reynaldo Farah, 45, has been with Wilson for a year. He is a two-times Brazilian ocean racing champion and four-times São Paulo state champion.

"My own favourite sports are sailing and diving. On dry land I have been playing tennis since I was 13 years old, and I am now learning to play golf. The popularity of scuba diving is growing at an incredible rate. I know that for a fact because I have been closely following the development of the market since I took up the sport in 1974. Demand for diving computers in Brazil is strong."



Reynaldo Farah: "Leisure has become an industry also here in Brazil."

"Wristop computers are a product segment that we have been watching with interest. Nowadays they have very advanced technical functions, and people are starting to look for just such products. At São Paulo's sporting goods trade fair, they sold out in a single day! It's definitely a potential market opening," believes Reynaldo.

"Recreational sport is growing all the time in every sector. Leisure has become an industry also here in Brazil. And this is an excellent country for leisure-time pursuits and sports. We have a good climate, and there's no shortage of land on which golf courses and soccer pitches can be built."

"People want alternative ways to spend their free time. Many resorts are being built in Brazil at the moment, and these are spawning even more tennis, golf and other ball game facilities. A whole recreational sports infrastructure is being put in place as more and more people seek a healthier lifestyle."



Amer Sports One still in second place

Grant Dalton: "We were fast, but we weren't lucky."



Becalmed off Rio, Amer Sports One drops back into fifth place on the fourth leg.

Paul Cayard, who sailed with Amer Sports One on the fourth leg, leaves the boat with a heavy heart.

Almost the whole 6 700 nautical miles from Auckland across the ice-invested Southern Ocean to Cape Horn and on up to the warm waters of Rio de Janeiro, Amer Sports One followed closely in the wake of the leading boat, Illbruck, only to fall back to fifth place in the last few hours of the voyage. Amer Sports Too arrived in Rio is seventh place. After the fourth leg, Amer Sports One is second in the Volvo Ocean Race's overall standings, and Amer Sports Too is eighth.

"We were in second place for 22 days, only to see three boats slip past us with the lights of Rio in sight. It's the cruellest thing that can happen in sailing," laments Amer Sports One's skipper **Grant Dalton** on the Marina da Gloria jetty near Guanabara.

"As a general rule you stay close to the coast at night to catch the offshore breeze. We didn't do that because all the weather forecasts indicated more wind offshore - and you have to believe in something. As things turned out, the wind came from the shore and three boats slipped past us on the inside during the early hours of the morning."

"Sometimes you get good breaks, sometimes you don't - sport is like that. We sailed very well for 22 days and gave it our very best effort. At our fastest we sailed 126 nautical miles in six hours at an average speed of 21 knots."

Amer Sports' top speed was 35 knots coming off a giant wave.

"It was the biggest wave in the world," remember Grant Dalton and **Paul Cayard**.

"This is a cruel race. We are still second but this result was complete for Illbruck. We were quick, but we weren't lucky. We don't need to change anything; we just need to do everything as well as have done so far, and we'll give a good account of ourselves in this project," says Dalton.

"Contrasting weather conditions are a special feature of this race. In a week you can sail from icy waters to the heat of Rio, then across the equator, past the mouth of the Amazon and on to Miami."

Paul Cayard, who sailed on board Amer Sports One on the fourth leg, leaves the boat with sadness because he would like to have continued. He believes that the crew treated him with respect in deference to his victory four years ago.



Contrasting weather conditions are a special feature of this race. In a week you can sail from icy waters to the heat of Rio, then across the equator, past the mouth of the Amazon and on to Miami.

Lisa McDonald: "It was perhaps fortunate that we didn't appreciate how unusually hazardous the ice conditions were."



"It's difficult to jump into an existing team, and it's difficult for them when a new man comes on board. Still, the decision to join Amer Sports One was easy, because it wasn't a leap into the unknown. I was confident that I could pass on to the boys a lot of the philosophy and thoughts that proved useful in our winning the last race."

"Hopefully, I have contributed towards making the boat somewhat faster and better," says Cayard.

Satisfied women

The mood was cheerful as Amer Sports Two docked in Rio. The women were immediately besieged by members of the electronic and print media, and skipper **Lisa McDonald** was all smiles.

"We were really happy to see Rio. We had heard how beautiful it is. We approached port at night in a good wind, and we thought that we would see Rio in the morning. Five hours later it was already light and there it was, but the wind had died completely!"

"This leg was a really good achievement for us. We have a good crew and everyone works well together," says Lisa McDonald with obvious pleasure.

"Four years ago I sailed this leg with four other girls, but our mast broke right at the start and we couldn't sail very fast. This time we sailed a long way south and we saw plenty of ice. We pushed really hard, and were perhaps fortunate that we didn't appreciate how unusually hazardous the ice conditions were. It was a new experience for us. Of course, it was difficult and very cold, but we stuck together, we came through in one piece, and we're proud of that."

Global warming?

"I don't know whether it stems from global warming or not, but there was more ice in the Southern Ocean than I have ever seen before – and I've been there many times!," says Grant Dalton.

"Was it scary? You've got to approach it in the right way. OK, there's ice, but you have to push on as hard as you can. Especially at night you need to watch the radar very closely. Growlers don't show up on radar, but they're big enough to sink the boat. We saw many more ice bergs during the daytime than we picked up on radar at night, but, of course, their numbers are the same around the clock."

Departing from Auckland, the fleet headed south in search of stronger winds.

"We sailed a thousand miles before crossing the International Date Line, which must be a new record," says Paul Cayard.

"The International Date Line is 180 degrees and New Zealand is 175 degree. Five degrees of longitude is 300 miles. We sailed a thousand miles without travelling 300 miles east, and in this race the object is to go east!"

"The advantage of sailing south is that when you turn east the distance to Cape Horn is much shorter. There's also more wind down south. On a normal route we would have come down to 60 degrees south at a longitude of about 130 degree. But the route we chose took us into the ice zone from 155 degrees to 110 degrees," explains Cayard.

Between icebergs

On one occasion Amer Sports One had to sail between two icebergs. It's not a manoeuvre recommended in any sailing manual.

"It was probably one large iceberg that had

split in two a few days earlier. They don't always show up on radar, and it was after dark when we spotted them. We were already too close, about 6 miles away, and we couldn't go round them. They were about 5-6 miles apart, and we had to sail through the gap between them. We kept a sharp lookout all the while, because only a small proportion of an iceberg is visible above the surface. We took down the spinnaker, reduced speed and proceeded under the mainsail only," recalls Cayard.

No shortage of motivation

The race is far from over in Lisa McDonald's opinion.

"There are still five legs to be sailed, and each one of them is a race in its own right as far as I'm concerned. We won't have any problems with motivation. From here on the legs are shorter, but just as challenging. The boats will be sailing close to one another for a larger part of the leg, so the competition will be even fiercer than before. We're getting better all the time, so we're hoping for the best."

"Equatorial winds are a bit tricky. Sometimes the trade winds blow, sometimes it's calm. The Caribbean has a lot of wind on a very close reaching angle; it's hot and humid, but a lot of water comes over the deck; you constantly get salt water in your eyes, and you have to wear wet-weather gear. It's tough sailing, but very good racing," smiles Lisa.

"Mixed racing is a good thing because it keeps everyone interested. We're not yet in the same street as the men when it comes to experience, but we're working hard all the time to narrow the gap. Some of those guys have sailed round the world seven times; only five of us have done it once."

SUUNTO G9

PERSONAL GOLF INSTRUMENT



Suunto's new G9 wristop computer is a personal golf instrument for on-course use. The Suunto G9 is equipped with internal programming features and Global Positioning System (GPS) capabilities that allow golfers to instantly and accurately measure individual shot distances, track club selections and scores, and store additional input gained on the golf course, all from a compact and convenient platform.

Further analysis on home computer

The Suunto G9 computer comes complete with a portable battery charger and Golf Manager CD software, allowing speedy data transfer to and from the instrument. The Suunto G9 also features a "Dual Golf Bag" function, allowing the golfer to input and manage distance data for two distinct sets of golf clubs.

The GPS technology of the Suunto G9 is state-of-the-art and can integrate with the vectoring of a golf course to provide the golfer with valuable distance and playability information. The golf course vectoring data can be input to the Suunto G9 in a variety of ways: through the golf course's own computer system; via data links on the World Wide Web; or by on-site manual vectoring. Similarly, all shot measurements and on-course data can be easily downloaded from the Suunto G9 to a home computer for further analysis.

All purchasers of Suunto products become members of Suuntosports.com and thus part of a global golf community. The website allows the members to upload data from their own Activity Manager in order to compare their performance with other users - or just to share the experiences of a great performance with friends or even with the whole world.

Additional features of the Suunto G9 include a watch, barometer, thermometer, altimeter and 3D digital compass. Deliveries of the Suunto G9 to retailers are scheduled for summer 2002.

PERSONAL CROSS SPORTS INSTRUMENT

Suunto X6 provides all the information that a cross sports enthusiast could possibly need: compass bearings, slope



SUUNTO X6

readings, altitude (1 metre resolution), barometric pressure, total vertical distance climbed and vertical climb rate. There is also a programmable altitude alarm that is vitally important for mountain climbers. Cumulative data can be recorded in the logbook, which also enables long-distance hikers or skiers to record waypoints.

The instrument's chronometer can record lap and split times and an accurate altitude profile can be recorded at 10-60 second intervals. The chronometer also has an adjustable alarm for interval training, three programmable alarms and a dual time function. The Suunto X6HR model comes complete with a versatile heart rate monitor. Suunto X6's menu-based user interface is easy to learn, functioning in the same way as a mobile phone.



Wilson introduces the perfectly balanced Staff True golf ball

TEXT ARJA VARTIA

As many as one in four golf balls currently on the market are unbalanced, causing even 10-foot putts to miss the hole completely. Wilson's new Staff True is perfectly balanced and it beat every other ball out there in a robot putting test.



Wilson's new ball was the biggest talking point at this January's PGA Golf Show in Orlando. According to reports in international golf magazines, Wilson left the other manufacturers dumbfounded when it presented the astonishing results of a robot putting test. The Staff True balls putted by the robot never missed the hole, while its competitors' balls missed a third or more of the same number of putts.

The robot putted 24,194 golf balls from all the leading US and Japanese manufacturers over a ten-foot distance on a flat surface. The results were surprising to say the least. A large percentage of the balls veered off line and missed the hole. The reason for this is that many balls are unbalanced, and Wilson is the first manufacturer to address the problem.

"When we began this project, we were amazed at how many balls from top manufacturers, including our own, were unbalanced," says **Luke Reese**, Vice President and General Manager of Wilson Golf.

No fewer than 26% of the balls currently on

the market have a heavy side and light side. When manufacturing golf balls it is extremely difficult to perfectly center the core inside the ball. And, because the core material weighs more than the cover material, the uncentered core creates a heavy side and a light side of the ball. Wilson has solved the problem by moving weight from the core to the cover so that both are equally heavy, thereby eliminating the disequilibrium. The result is a perfectly balanced ball that holds the line better on puts and has a straighter trajectory through the air.

Practical test on the Senior PGA Tour

Two-times Masters Champion **Ben Crenshaw** made his first appearance on the US Senior PGA Tour in January, having just turned 50 years of age. His return to competitive golf also marked another debut: Crenshaw played the Staff True ball, which he helped Wilson to develop.

"When we started to develop the ball, we thought it important that a top player from the professional ranks should test it," says Luke



BEN CRENSHAW
Age: 50 years
Turned professional in 1973
19 PGA Tour wins
Two-times Masters Champion
Ranked 46 on the all-time money list
Five appearances in the Ryder Cup
Captain of the 1999 US Ryder Cup Team
Website:
www.bencrenshaw.com

Ben Crenshaw is one of the world's best putters. He played Wilson's Staff True Distance ball on his Senior PGA Tour debut.

Reese. "Ben Crenshaw is one the all-time great putters and he was our first choice. He was involved in the development work from the prototype stage onwards."

Crenshaw is a real master of the short game. He has written several books on the subject as well as a number of instructional videos.

"Ball balancing has been around for a number of years on the PGA Tour, and many players have been putting their golf balls in salt water to see whether one side is heavier than the other. When we presented our plans for the Staff True to one of the best putters in the history of the game, he immediately expressed an interest in helping us to develop and test it," says Reese.

Amer's President and CEO **Roger Talermo** says that Wilson will be seeking a higher profile for its golf products by returning to the PGA Tour for the first time since the early 1980s. Top touring pros have been very interested in the Wilson Staff True.

Wilson's new ball is manufactured in two models: the Staff True Tour and the Staff True Distance. The True Tour is a multi-layer product with a solid core. It has a soft urethane blend outer cover and a new-generation Ionomer inner layer, yielding both good feel and impressive distance. The True Distance is a two-piece ball, with a solid core and soft Ionomer cover. Both True balls are in the upper price bracket and will be available in pro shops from the beginning of March.



The robot putted 24,194 golf balls from all the leading US and Japanese manufacturers over a ten-foot distance on a flat surface.

Luke Reese:

"We were amazed at how many golf balls were unbalanced."

The recipients of the Chicago Athenaeum's Good Design Awards were chosen in Helsinki last year. Finnish products received ten of the one hundred awards presented. Products representing all of the Amer's sports brands were among them:

- ATOMIC'S SYSTEM BETA RIDE 11.20**
- SUUNTO'S MOSQUITO AND COMBO**
- DIVING INSTRUMENTS,**
- ESCAPE 203 ALTIMETER AND**
- OBSERVER WRISTOP COMPUTER**
- WILSON'S FAT SHAFT DEEP RED DRIVER**

Good design prizes for all brands

In addition to the advanced technical features of our branded products, good design is an essential aspect of our product development work. Indeed, good design is a cornerstone in the building of strong brands," stresses Amer's President and CEO, **Roger Talermo**.

The Good Design Awards are the world's oldest and most prestigious. They were established in 1950 by Edgar J. Kaufman Jr. One of the founders was the renowned Finnish architect **Eero Saarinen**.

The prize-winning products will be on display at an exhibition opening in March at the Chicago Athenaeum, a museum dedicated to architecture and design. A list of the prize-winning products and companies can be found on the museum's website at www.chi-athenaeum.org



New products

TEXT MARKKU RIMPILÄINEN

New from Atomic

Atomic presented its product range for 2002-2003 season at the ISPO Winter Sports Trade Fair in Munich, Germany.

CERAMIC REINFORCEMENTS IN THE SKI BASE

Carving skiers ski mainly on the edges of the ski. As a result the base of the ski tends to wear away near the edges especially on hard snow. Atomic has solved the problem by using a ceramic base in this carving zone.

ATOMIC FAT SKIS

Wide-bodied skis that float perfectly on the snow are the last word in Freeride skiing. Atomic offers two alternatives: **Big Daddy** and **Sugar Daddy** with, for the first time in fat skis, totally innovative constructions (Beta4 and B4 adapter) for maximum performance off piste.

SOFT BOOTS

Conventional plastic has been combined with new high quality textile materials in the construction of Atomic's **Softech** boots. The aim of the material combination is primarily greater comfort. Softech boots do not chafe and they are easy to put on and take off even when cold. Softech boots for women, like all Atomic boots for the fairer sex, are fitted with a battery-heated **Thermic** insole.



DIMPLED TOP

Atomic's giant slalom skis have a new golf ball geometry and a new design for maximum performance with maximum



SHEET

m ski is still red and the slalom ski yellow, but both L-like Aerospeed topsheet. This together with a new tip v adapter (boot-binding connection) provides smoother m control at top speed.



Atomic's new R&D centre was completed in November 2001.



Atomic research

Atomic's future products are created using computers and precision measuring instruments in the company's new R&D centre. The aim is to turn good ideas into first-class products as quickly as possible.

Atomic's factory site in Altenmarkt, Austria has grown quickly. The new logistics centre, which was opened in May 2001, replaces six old warehouses in different parts of Europe. The new R&D centre was completed in November 2001. It may be a fraction of the size of the huge logistics centre, but its significance for the company is just as great.

"This investment in a new R&D centre will enable us to maintain our technological leadership in the winter sports market," says the President of Atomic, **Michael Schineis**.

Research close to production

The site for the R&D centre was known even before the decision on its construction was made. The company wanted to build it between the two production halls, so that the distance from research to production would be as short as possible.

"The ski industry is not the same as the pharmaceuticals industry, where new products can be studied for years before they finally go into mass production. For us it is very important that research and production work together. If our researchers get an idea for a new product, we must be able to test immediately whether it can be mass produced. If our product development process is fast, then we can also react quickly to market trends," says Schineis.



President of Atomic, **Michael Schineis**:
"This investment in a new R&D centre will enable us to maintain our technological leadership in the winter sports market. We are significantly more competitive than any of our rivals."

The company also wanted its racing ski teams to be a part of the research centre. Then, solutions discovered in the exacting conditions of World Cup competitions can be put straight into production.

"Both athletes and leisure time participants are using shorter skis than before. The professional skier is looking for speed, the amateur for easy ski handling. From the athletes we learn how we can make short skis of very high performance. We are then able to apply the same solutions in series production.

In product development for alpine skiing, Atomic has long been working on the integration of ski, binding and boot into a single product known as the Atomic Snow System. The integrated solution gives the

Atomic research

skier plenty of advantages in performance, safety, and ski handling.

In-house mouldmaking

The R&D centre is a three-storey building. Computer-aided design of new products on the top floor, equipment preparation and maintenance for Atomic's ski teams on the first floor, and testing laboratories on the ground floor.

"We can, for example, test how our products react across a wide range of temperatures. We can also simulate conditions during shipment. An increasingly large proportion of our production is shipped across the ocean in containers, and they must arrive at the destination in pristine condition."

The design and fabrication of moulds is an important part of the centre's work. Moulds are needed for skis, boots and bindings already at the prototype stage of manufacture.

"The mould is the link between research and production. We actually make 80 per cent of our moulds in house.

Nature's own laboratory

Even though testing under laboratory conditions tells a lot about a product's characteristics, the final tests are almost made on the slopes and ski trails.

"The only way to find out if a product is good or bad is to put it on and hit the snow. That's why we're all skiers," says Schineis.

The best possible natural laboratory surrounds the Altenmarkt factory: the Austrian Alps. In Flachau and Zauchensee, just a few kilometres away, the finals of this winter's World Cup were skied. And two glaciers are no more than a short drive from the town.

"We can test our products 365 days a year," says Schineis.

Profitability provides resources

Last year Atomic sold 890 000 pairs of skis and held a 18 per cent share of the global ski market.

In terms of sales volume Atomic is already very close to becoming the world's biggest ski manufacturer, but Schineis regards profitability as being even more important than size.

"We are significantly more competitive than any of our rivals. This does not mean, however, that we take it easy. If you make a mistake, then you can lose market share very quickly. The challenge now facing us is to preserve our competitiveness at a high level, and to develop the business calmly step by step without taking any rash actions."



Freeride comes on strong!

We're used to seeing top skiers winning Alpine races on Atomic skis, but what on earth are Skier X, Ultracross and Big Air?



Sugar Daddy is Atomic's wide-bodied freestyle ski for deep snow.



The winds of change are blowing through Atomic's stable of competition skiers. In 2000 Atomic's traditional alpine team was joined by a new sibling: Atomic Freeride

Team (AFT). The members of AFT have come to dominate their young sport in a very short period of time.

Freeride is a new and rapidly growing alpine ski sport. The athletes wear skis, but the disciplines have been developed only in the past couple of years.

Freeride is primarily inspired and influenced by snowboarding. Indeed, Freeride events include the halfpipe and Big Air, a competition in which the skiers soar skyward from the launch ramp of an enormous skijump.

Just as exhilarating to watch is the Freeride event "Big Mountain", in which the daring competitors pick their own route down precipitous mountainsides of seemingly impossible difficulty.

The disciplines therefore differ quite a lot from the traditional ones, and the same can be said for the skis.

The tail of the skis used in Big Air and the halfpipe are generally turned upward. Atomic offers two of these so-called twintip skis: Stomp and Tweak, while the Atomic SX:11 is designed especially for skier X.

The Freeride skis used in deep snow are quite a lot wider than conventional alpine skis. The extra width helps the ski to float on the soft snow surface. These wide-bodied Freeride skis are represented in Atomic's product range by Big Daddy and Sugar Daddy. The bindings and boots are integrated into these skis in accordance with the Atomic Snow System concept.

The Atomic Freeride Team has played an important role in the development of these new products.

"The team's skiers are the best of the best. They are also creative and want to share their ideas. It's a real pleasure to work with them," says the President of Atomic, **Michael Schineis**.

The Atomic Freeride Team tours the world under the stewardship of its French manager, **J.P. Baralo**. The team has been assembled from countries in which Freeride is most popular: the United States, Canada, France, Sweden and New Zealand.

"In these countries Freeride is at least as important to us as traditional alpine skiing," says Atomic's Marketing Manager, **Patrick Tritscher**.

The team's members are the very best in their Freeride disciplines. **Reggie Crist** and **Peter Lind** won Gold and Silver at the Skiercross in the Winter X Games VI and Peter Lind and **Seth Wescott** won the Ultracross. They are all old hands at the parallel starts of snowboard racing.

As you might have already guessed, Freeride has been enthusiastically embraced by young people in particular.

"Kids no longer go automatically for snowboarding - skis are also an attractive option," says Schineis.

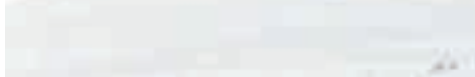
You can find out more about Freeride skiing at:
www.aft.eu.com



EBERHARTER

ATOMIC ATHLETES WIN 22 OLYMPIC MEDALS

- Athletes using Atomic's winter sports equipment won 22 medals at the Salt Lake City Winter Olympics. Fourteen of these medals were won in Nordic events and eight in alpine events. The medal haul consisted of five golds, five silvers and 12 bronzes.
- **Stephan Eberharter's** medal haul from Salt Lake City was a gold, silver and bronze medal. He also won the World Cup.
- **Andrea Henkel** of Germany won the women's 25 km biathlon.
- **Mikhail Ivanov** of Russia won gold in the 50 km classic.
- Ski-jumper **Matti Hautamäki** of Finland won silver in the team event and bronze in the K-120 individual.



HENKEL



IVANOV



Venus takes over at the top

● **Venus Williams** was No. 1 in the WTA rankings at the end of February. **Lindsay Davenport** was ranked third. Davenport has been suffering from an injured knee, on which she has had successful surgery.

Federer and Henin to stay with Wilson

● Two of the world's top young tennis stars, **Roger Federer** of Switzerland and **Justine Henin** of Belgium, are to stay in Wilson's stable. Henin's new contract will last for three years and Federer's for four years. Federer, who uses the Wilson Pro Staff 6.0, was fifteenth in the ATP rankings at the end of February. Henin has wielded the Wilson Hyper Hammer 5.2 on her way to sixth place on WTA rankings.



Triad technology in squash racquets too

● The three-piece construction of Wilson's Triad racquets greatly reduces the amount of vibration transmitted to the player's arm.

First applied in tennis racquets, Wilson's Triad technology has now been incorporated in its squash racquets too. In Triad technology the hoop and handle of the racquet never touch as they are buffered by a shock-absorbing polymer called Iso-Zorb™, which isolates shock in the hoop and, according to tests, prevents 60% of the vibration from ever reaching the player's body. The three components are bonded together by Loctite 496™, which is capable of withstanding a load of 2.5 tonnes and acts like a mechanical locking system.

Of Wilson's new Triad squash racquets, the Triad Hammer 140 is the lightest and most powerful, and yet offers excellent playing comfort. The racquet is intended for players who are looking for the best possible squash world. The Triad Hammer 150 is technologically similar to the 140, but slightly heavier. Thanks to Wilson's Power Holes technology, both racquets feature large sweet spots.

Executive Board will enhance corporate strategy

Amer Group has established an Executive Board to ensure that its global corporate strategy is put into practice. Amer Sports' goal is to become the world's leading sports equipment supplier. For consumers, Amer Sports' operations are based on strong, global brands and game improvement products for active sports participants. For the trade, Amer Sports offers a comprehensive portfolio of sports as well as an integrated and efficient supply chain with high customer service standards. The main tasks of the new Executive Board are to enhance the Company's corporate strategy, to strengthen its global business approach, and to promote the future growth of shareholder value. Amer Sports' major brands, Wilson, Atomic and Suunto, and its golf, racquet sports, team sports, winter sports and sports instruments business areas, are represented on the Executive Board, as are the European, North American and Asian sales and distribution organisations.

THE MEMBERS OF THE AMER SPORTS EXECUTIVE BOARD ARE:

Roger Talerio, President & CEO, Amer Group Plc
Pekka Paalanne, Senior Vice President & CFO, Amer Group Plc
Max Alfthan, Vice President, Communications, Amer Group Plc
Jim Baugh, President, Wilson Sporting Goods Co.
Dan Colliander, President, Suunto Corporation
Chris Considine, General Manager, Wilson Team Sports
John Embree, General Manager, Wilson Racquet Sports
Kari Kauniskangas, President, Amer Sports Europe
Steve Millea, Vice President, International Markets
Luke Reese, General Manager, Wilson Golf
Michael Schineis, President, Atomic Austria GmbH
Eero Alperi, Director, Corporate Planning and Development, Amer Group Plc, will act as secretary to the Executive Board. The Executive Board will meet three times a year, for first time in March 2002. The Executive Board does not have any legal standing within the Amer Group.

Amer's share perks up

Amer's share has weathered the economic downturn rather well. Last year it rose 5 per cent, whereas in Helsinki the HEX portfolio index fell 22 per cent and in London the Financial Times Index dropped 24 per cent. The average listed price of Amer's share last year was EUR 25.61 on Helsinki Exchanges and GBP 15.93 on the London Stock Exchange. Amer's share started to rise appreciably at the beginning of March.

Amer's year-end market capitalisation less the 968,300 own shares held by the company was EUR 682.9 million. The aforementioned own shares represented 4 per cent of the company's share capital and conferred voting rights. At the end of the year Amer had 10,520 shareholders. Half of the company's shares were nominee-registered.

APPOINTMENTS

● **Ari Lähtenmäki** has been appointed Director of Commercial Operations International at Suunto Corporation. His task is to streamline and simplify Suunto's distribution and sales in the international marketplace. Lähtenmäki also will retain responsibility for global sales of diving instruments.

● **Juha Kainua** has been appointed Product Manager with responsibility for Suunto's wristop computers and compasses. He will be responsible for sales and marketing of Suunto products in Finland and also for sales of Atomic and Wilson products in western Finland.

● **Marcus Mangs** has been appointed Business Manager of Amer Sports Europe. He will be responsible for the global co-ordination of Suunto's product sales and brand marketing.

● **Ian Crichton** has been appointed Commercial Director of Suunto Corporation with effect from the beginning of April. He will be responsible for Suunto's commercial operations globally.

● **Päivi Antola** has been appointed Communications Manager, Amer Group. She formerly held the same position with Sonera Juxto.

● **Taina Harala** has been appointed Communications Assistant at Amer Group.

S&P 500 Sports General Index (Amer, Callaway, Rossignol, K2, Rawlings, Nike, Reebok, Fila, Adidas-Salomon, Sports Authority, Venator, Head)
 SEI Sports Equipment Index (Amer, Callaway, Rossignol, K2, Head ja Rawlings)





it's

true

