

FINAL TRANSCRIPT

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Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

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PRESENTATION

Operator

Good afternoon, ladies and gentlemen, and welcome to the Amer Sports second quarter 2009 results conference call. My name is Liz and I will be your coordinator for today's call. For the duration of the call you will be on listen-only. However, at the end of the call, you will have the opportunity to ask questions. (Operator Instructions)

I will now hand over to your host to begin today's call. Thank you.

Tommy Ilmoni - *Amer Sports Oyj - VP - IR & Corporate Communications*

Good afternoon, ladies and gentlemen. This is Tommy Ilmoni, Vice President, Investor Relations and Corporate Communications. And welcome to our Amer Sports Q2 2009 conference call and webcast. Here today with me I have CEO Roger Talermo, and CFO Pekka Paalanne, and the agenda is following.

Roger Talermo will go through the key highlights of the second quarter results followed by CFO Pekka Paalanne who will discuss the financials. And after that Talermo will talk about the outlook, and after that we will then take the questions you may have.

At this stage I would like to hand over to CEO, Roger Talermo. Please.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Roger Talermo - Amer Sports Oyj - CEO

Thank you, and welcome also on my behalf. As you all know most likely the second quarter always is our smallest quarter [except] that it's also the second part of the spring business. So a lot of things that happened during the second part already was falling in through the first quarter.

The market condition generally remained very challenging as we all know, particularly in the US where we have not seen really improvement.

The net sales in local currencies were down 6% to EUR284.7 million whereas in reported currencies we were flat to last year. I will talk about now more in the local currencies as that has been the tradition in our presentations.

Americas were down 12%, EMEA up plus 2%, and Asia Pacific down 4%. So we clearly see from this that Americas is the one which is the most challenging part in the business.

EBIT was minus EUR29.4 million as in last year it was minus EUR7.8 million. But I have to remind you that in the last year's numbers we recorded the gain from our sale of headquarters, so they are not really comparable. Earnings per share, likewise, then followed minus EUR0.34 per share compared to minus EUR0.16 previous year.

Some highlights, the strong momentum, the growth continued in Apparel and Footwear.

Winter Sports Equipment pre-orders are now all booked and we ended up on being at the last year's level. The biggest negative or the biggest drops we saw was in the real discretionary businesses like Fitness and Golf and as you probably know we introduced a new management model in June.

Now, to go into the business areas a little bit more in detail to look at the numbers; and on the chart which you all probably see, they are ranked from the biggest to the smallest in this quarter. So this quarter's really biggest business was the Racquet business. It was down 2% compared to previous year, so just a slight slide.

Apparel and Footwear plus 24%, so the pre-bookings we took earlier clearly went through to the dealers in a positive way. Team Sports were up 5% so a good small recovery there. And then as I mentioned the two hardest-hit businesses, Fitness Equipment and Golf, minus 23%, respectively, minus 22%.

Cycling and Sports Instruments were minus 8% and Winter Sports Equipment minus 34% but we shouldn't be too worried about that because Q2 is not a winter sports quarter, mainly just question of timing of shipments.

So this gives the flat in reported currencies and minus 6 in local currencies. If we look at the breakdown of sales according to our segments, the Winter and Outdoor was flat in local currencies, Ball Sports were minus 4% in the quarter and Fitness minus 23%. So, clearly Fitness is the one which has the toughest time.

Likewise if you look at the first six months, the H1, we were flat in Winter and Outdoor. So the second quarter didn't bring in any new things there. The Ball Sports was down minus 6% on the first six months, so the second quarter improved it a little bit. And in Fitness it was minus 24% in the first six months compared to minus 23% in the second quarter. So the situation remained challenging like in the first quarter.

On the EBIT level Winter and Outdoor minus 11%, Ball Sports minus 39%. So we clearly see that there is a little bit of deterioration of profitability, and I'll be back to this in a second. And Fitness was down EUR2 million, down from just let's say breakeven. So likewise there the situation continued challenging.



Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

And here we see on the headquarter level -- we see the, from positive to negative, which means that in the last year's numbers we had this EUR13 million gain from sale of our headquarter building. And this gives then the EUR29.4 million negative quarter on the EBIT level.

If we then dive in a little bit more into the different business segments and we start with the Winter and Outdoor business, as said, very strong continuation of the Apparel and Footwear, they were spring-summer bookings that we had earlier. We could ship them, dealers took them, and seemingly it has gone very well.

However, we have already indicated last quarter that the order book for fall-winter season, which we recorded in the first half of the year, towards the second half of the year, is slower like in other pre-bookings that we have had. So we don't anticipate the same pace as before.

Equipment, no big deal for the sales in the quarter, as mentioned the good news probably is that the pre-orders are on the last year's level globally. However, we have to say that there is regionally big differences again even here in the Winter Sports like in every other business we have, US and the North American market is harder hit. And we had a very good progress in the European, especially the Alpine European markets but also some other European markets due to the very good snow situation last winter. So we saw good progress of orders in Europe.

Cycling has now stabilized its delivery situation. It started very low especially on the OEM side. Now it's actually going pretty stable compared to how the year began.

Sports Instruments down, as said, minus 8%. Again, the United States particularly down; likewise the diving category which suffers from overseas diving. People tend to travel to dive and buy their dive devices in their destinations which of course now is hit by the recession.

Training category, the heart rate monitors and the outdoor products were held -- holding up to last year's level in their sales.

And if we move over to Ball Sports, Racquet Sports minus 2%; again the US is the market where we saw a downward trend. The good news is that especially Asia Pacific had a very good quarter. However, we have to mention that this was more of a pipeline fill-in, especially in China where we have expanded our distribution and now working through our own subsidiary, commercial subsidiary in China.

Team Sports, going forward; that's good news. But on the other hand as you saw from the EBIT numbers there is a reason for the lower EBIT and that's mainly the mix that has shifted downwards and towards national retailers. So it's evident that both consumers are downgrading and then the distribution pattern is not equal to what it was in the previous year.

Golf is certainly the category that has been hardest hit here. We can see that also when we compare it with our competitors. Everybody in the hard goods seems to have a hard time. Price competition continued and especially in the United States, which is the biggest golf market by far in the world, has had a tough time to sell through golf clubs.

Likewise, really discretionary is also Precor business, our Fitness business, and the market situation is very much, as I earlier indicated, unchanged. The commercial business is certainly affected more now than before by the tight credit market situation.

It's just simply difficult for our dealers, our clubs to get to the financing, or the leasing contracts they have had in the past. And that's, unfortunately, the case for the moment.

As you probably know, we are on the way, not completely cutting our investments, and one of the investments we are pulling forward is our new equipment facility in North Carolina. We are moving one sector from the LA base into North Carolina, and this way first of all we take out the pipe -- the problems in production bottlenecks. And North Carolina for us is a site which is



Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

much cheaper to operate in than in the LA base. This factory, by the way, manufactures only strength equipment which has been behind our production in terms of opportunities compared to the cardiovascular that we mainly deal with.

Now, I would like to hand over to our CFO, Mr. Pekka Paalanne, and he will take you through some of the financial ratios.

Pekka Paalanne - *Amer Sports Oyj - CFO*

Good afternoon, so on my behalf. So, first few key ratios. Earnings per share was -- during the H1 it was minus EUR0.49, so down compared to previous year, mainly reflecting the lower results during the first half of the year. And to be noted also here last year's first half included this, the capital gain.

Equity per share was EUR7.10, up from previous year. I will come back to net debt on the next slide. Equity ratio was 37.3%, so up from previous year's same period.

Gearing was 103%, so down from a year ago, and I will also come back to that. Return on equity was minus 13.2% compared to minus 7%.

One comment here to all those key figures which relate to equity; i.e., equity per share, equity ratio, gearing, and return on equity. They all include now the hybrid bond which was issued, EUR60 million hybrid bond, which was issued in March this year.

Just to remind you that the bond has no maturity, but the Company may pull the bond after three years. The hybrid bond is a bond that is subordinated to the Company's other debt obligation and it will be treated as equity in the IFRS statements as we have been doing.

Then Q2 debt breakdown. So the gross debt was EUR557 million end of the -- end of June. Of that 25% was short-term and really CP -- domestic CP program mostly.

So the CP program we have been using all these years and this year's has seen no exception. The market is there. We have been accessing it, we are accessing it up to the Q2 or so. But the maturities are relatively short nowadays.

Then we have -- on the long-term side, we have the bank loan -- [first] quarter bank loan EUR71 million, that is actually \$100 million. It's part of our initial original 2005 syndicate arrangement which is due in 2011 and 2012. Most of it will be -- is due end of 2012.

And then the syndicated credit facility in euros, we have been -- we have in use EUR235 million and unused portion of that facility was EUR90 million end of June. And then we have domestic bond, EUR75 million, and then some pension loans EUR29 million.

So we can see that EUR75 million of the debt in the balance sheet is long-term and maturing to end of 2011 or 2012. In total, we had EUR150 million unused credits end of Q2.

Then, next one, the last one for me, gearing. Some of you are [already pretty familiar] with this one also, so -- gearing and the development of the gearing. So our gearing was, end of 2008, 121%, and the hybrid bond then reduced the gearing to just under 100%.

Last of all, as I've explained in the previous webcasts, we initiated significant measures to reduce the working capital; i.e., (inaudible) the focus being in inventories and in receivables. And with these operational measures then, then the objective is to take the gearing as close as possible to the comfort zone, which we have indicated on the slide being between 60% and 80%.



Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

End of June, we are tracking our plans in both areas, so inventories start coming down as planned as well as receivables.

That was basically the slides I had prepared to show you.

Roger Talermo - Amer Sports Oyj - CEO

All right, thank you. Now, to close up before questions and answers as I indicated earlier, the situation is challenging and -- but we have not changed our outlook for the end of the year. We think that the challenge will be there for the rest of the year. I don't think there is anything that indicates today that the market will dramatically improve compared to the first part of the year.

And therefore, our estimation for the full year which we gave earlier this year where we said that the -- our EBIT for the full year 2009 will be below last year's level, is intact.

However, when I say that it's evident that in such a challenging environment, we will continue to do the utmost to adjust our structure in order to protect to the bottom line and we have a lot of measures going on and -- which we have started early and we are continuing to work on those. So we are not just sitting and holding back and waiting for better times, but really trying to adjust our cost base. So that -- cost base and structure so that we are able to cope with the current challenging environment.

So, thank you. That's all from our part and now I think it's the time to answer some questions if you have any.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions) Your first question comes from the line of Fitz Peters from Goldman Sachs. Please go ahead with your question.

Fitz Peters - Goldman Sachs - Analyst

Good afternoon, gentlemen. Thanks for taking the time to chat with us today. Two questions; first off, I was interested in -- if you could talk a little bit more about the planned cash savings from the inventory and receivables reduction. Just looking so far at the interim, the inventory at the end of second quarter, it looks like trailing 12-month sales or looking forward to, at least my forecast, full year sales, it is basically flat year-on-year in terms of inventory turns. I was just wondering if you are expecting for that to improve; and if so, how in the second half?

Pekka Paalanne - Amer Sports Oyj - CFO

Okay, so as said, we are tracking the [plans] regarding inventory reduction and now during the first six months really inventories have been coming down from the yearend, whereas typically at this time inventories are going up.

So the most [important] --- the impact we will be seeing then in Q3 and Q4, that has been (inaudible). That is the area where the --- that is the time when we start to really see bigger improvements.

Now then that also means that the ratio per DSIs then start to -- you start to see the improvement also in the DSIs. You don't really see (inaudible) also ourselves we look at the current trailing 12 months, that kind of development, but we will start to see it pretty soon.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Fitz Peters - Goldman Sachs - Analyst

Okay. Second question on the gearing slide, Pekka, that you went through a few minutes ago. The benefit from the hybrid bond that you saw last year, presumably that will reverse when -- assuming that you would pay off the bond which I think has a 4% coupon rate, in order to remain within the target range you would have to find additional operational, take operational, additional operational measures or find out ways to generate cash flow.

I was just wondering, is there more fat to cut or -- where you might see cash flow coming through to remain the within the target range?

Pekka Paalanne - Amer Sports Oyj - CFO

I think what we -- when we set out this (inaudible) 100 program, really hammering the inventories as the important part of the program. And it is not only about really now squeezing as much as -- out as possible short-term, it's a very much (inaudible). It's a program which consists of many activities and most of these activities are really expected to give longer-term even more positive impacts. So this is not the final goal where we want to be. We want to go much further, but -- and we will see then logically more improvements going forward. Absolutely.

Fitz Peters - Goldman Sachs - Analyst

Okay thank you very much.

Operator

Thank you. Your next question comes from the line of [Samuel Martin from Penem Capital]. Please go ahead with your question.

Samuel Martin - Penem Capital - Analyst

Yes thank you. I've got three questions please. The first on financial income. I wonder if you can just give us a breakdown of the 1.5 million net interest, are there any exceptionals in there for the period?

And secondly, I'm just a bit confused about the way you're reporting earnings per share. That earnings to be attributable to both the ordinary shareholders and the hybrid bond shareholders, as far as I understand it. So I wonder if you can give us what the earnings per ordinary share would be or equivalent be -- the coupon paid on the hybrid bond during the period so we can adjust it ourselves on a post-tax basis.

And finally on the outlook, I just wondered if you can clarify whether your guidance is for the --- for EBIT to fall below last year on a pre-exceptional basis or post-exceptional basis? In other words, is it going to be below the EUR79 million that you reported or the EUR66 million (inaudible) the exceptional gain? Thank you.

Pekka Paalanne - Amer Sports Oyj - CFO

So the first question was related to the financing income and expenses. The financing income and expenses are artificially low in Q2 results and I think we have also commented in the release. So basically there is unrealized FX gain in Q2 results and that was just around EUR4 million and so that's the reason for that.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

And the second part of the question was hybrid. First off, the hybrid is accounted for as an equity, as I said, but it's not diluted for shareholders. So -- and so that the coupon which is then going to be paid, it has a [conservative] condition that if there are dividends now being paid, then also the coupon must be paid. So how we have been treating that coupon now is according to IFRS; first of all, it's been directly just deducted from the exit. It's not being reported in the financing cost line item.

Samuel Martin - Penem Capital - Analyst

So let me get this right, the coupon is only paid if ordinary shareholders get a dividend?

Pekka Paalanne - Amer Sports Oyj - CFO

No that's basically -- I think we have to always assume and of course that the coupon will be paid (inaudible), technically speaking there is a correlation between dividend and coupon. But coupons, we can't -- account for that the coupon will be paid absolutely. So don't take that as we don't pay. We will pay. It is just that we --- it's the deductive from the equity and we accrue that now in our equity as a reduction (inaudible) interest.

Samuel Martin - Penem Capital - Analyst

All right, but the EUR23 million net profit you've reported is before the accrual of that coupon?

Pekka Paalanne - Amer Sports Oyj - CFO

It's also that -- so that the coupon is directly deducted from the equity according to IFRS.

Samuel Martin - Penem Capital - Analyst

Right, but it doesn't get through to P&L?

Pekka Paalanne - Amer Sports Oyj - CFO

No, it does not. It goes directly from the equity.

Samuel Martin - Penem Capital - Analyst

Right, but if you like, the earnings attributable to ordinary shareholders would then be EUR23 million net loss, and then you need to subtract EUR2 million or whatever it is from that?

Pekka Paalanne - Amer Sports Oyj - CFO

Yes, there is -- we have to take into account that the shareholders' earnings, returned earnings, the balance of equity will be reduced with this (technical difficulty).

Samuel Martin - Penem Capital - Analyst

Okay, thank you.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Operator

Thank you.

Pekka Paalanne - Amer Sports Oyj - CFO

What was the --

Samuel Martin - Penem Capital - Analyst

And the last one was just on the guidance, just clarification whether you meant EBIT to be down against the pre-exceptional EBIT from last year or the post-exceptional EBIT from last year.

Pekka Paalanne - Amer Sports Oyj - CFO

We don't talk about our guidance.

Samuel Martin - Penem Capital - Analyst

But last year you reported EUR79 million EBIT after the gain on the headquarters disposal; it was EUR66 million before it, so is your guidance against the EUR66 million or the EUR79 million?

Pekka Paalanne - Amer Sports Oyj - CFO

We haven't discussed about --- anytime about the EUR66 million, so it's about -- we talk about reported operating profit, or reported EBIT.

Samuel Martin - Penem Capital - Analyst

Okay.

Pekka Paalanne - Amer Sports Oyj - CFO

So that's what you should be comparing to.

Samuel Martin - Penem Capital - Analyst

Thank you.

Operator

Thank you for your question. The next question comes from the line of Maria Wikstrom from Handelsbanken. Please go ahead.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Maria Wikstrom - Handelsbanken - Analyst

Yes, thank you, this is Maria Wikstrom from Handelsbanken. I would like to ask about the cost savings in Winter and Outdoor business because what strikes me a bit is that I understood that you have a cost -- I mean fixed costs -- on the Winter and Outdoor business. And still if you look at the EBIT on this segment, it actually deteriorated year-over-year. So can you bit highlight that, why does ---doesn't the cost savings actually come through in -- on the EBIT level on the Winter and Outdoor business in the second half -- second quarter of the year?

Pekka Paalanne - Amer Sports Oyj - CFO

First of all as you know the -- the Winter Sports business is being done during the Q3 and Q4. What comes to -- and that's where the results are also then being made. What comes to the savings, OpEx savings we have been discussing earlier, that is intact. So we are saving that about EUR20 million around plus in operating expenses compared to previous year.

It becomes visible -- then that part becomes visible as we move forward. It is already in the (inaudible) numbers and the rest will be reported during -- as we go forward. What comes to operating expenses phasing -- of course it's phased more according to the volumes. So that proportionally there will be more also OpEx, the question that you're asking when we recognize that, but the saving is there.

Maria Wikstrom - Handelsbanken - Analyst

Can you then a bit highlight that? How much of the 20 million cost saving is actually cut from -- let me just-- is it fixed cost and how much you are going to report then on the gross profit?

Pekka Paalanne - Amer Sports Oyj - CFO

No. We don't go that deep in the--- into the analysis and -- but be assured that the 20 million cost saving is there.

Maria Wikstrom - Handelsbanken - Analyst

Okay, then my second question is still on the balance sheet, which looks still rather stretched and there is still a bit way to go to these -- to get the gearing down to 80%. Should we expect business divestments in the second half of the year? Do you think that the market actually currently allows that you might be divesting some of the businesses in order to collect some cash and pay down your debts?

Roger Talerio - Amer Sports Oyj - CEO

As you remember, we have said in our fullyear 2008 report in February that our intention is to strengthen our balance sheet and it's a key priority in 2009. And we have also said that we will take all necessary measures to get there and this view has not changed in any different way.

Maria Wikstrom - Handelsbanken - Analyst

Okay, thank you very much.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Operator

Okay, thank you. Your next question comes from the line of Tia Lehto from Carnegie. Please go ahead with your question.

Tia Lehto - Carnegie - Analyst

Yes, thank you, and hello to everybody. On the gross margin, we saw that the gross margin was down 2.9 percentage points year-on-year, while the first quarter was quite stable. Could you explain the drop and which segments it really came from?

Roger Taleramo - Amer Sports Oyj - CEO

Mainly -- and I don't want to go into details on how much or from where, but the main drop comes from the fact that the mix is lower than anticipated. Consumers are downgrading their purchases or at least there're more sales in the lower price points than in the higher price point. As you know, this recession has hit quite hard the higher price points in general. That is clearly the most important part here. And of course percentage-wise then when the total sales volume is lower that has an impact also on the gross margin. It's true that this is now the first time now we see that, there is also more competitive environment that has actually an impact on the margin, and this is the results of that situation.

Tia Lehto - Carnegie - Analyst

So is this an indication for what to expect also in the second half? And a follow-up on that is that what about your Winter Sports Equipment pre-order book? Is that at -- what kind of level -- up, down, or flat?

Roger Taleramo - Amer Sports Oyj - CEO

If you look at -- on the sales level the pre-order book is flat.

Tia Lehto - Carnegie - Analyst

On the gross margins?

Roger Taleramo - Amer Sports Oyj - CEO

I don't have that details at this point to report on the gross margin. We -- as you know we launched a lot of new products this year. So I cannot really comment on how it has been and then what it is today. So we will come back to this at the later stage.

Tia Lehto - Carnegie - Analyst

Are you then expecting still the mix to remain in a way challenging for you going forward?

Roger Taleramo - Amer Sports Oyj - CEO

Of course for the Ski business it should improve as we come into the, I would say the main season, as we are also then delivering more high end skis, if you recall, we did a very drastic decision last spring and we did not deliver the previewed skis around about 20,000, 25,000 pairs to the trade up in the mountains, and they are all mainly high-end skis. Now the impact of that in terms of protecting business and margins has to be seen because we have not gone through the analysis in detail yet because of the vacation -- vacations.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

But theoretically -- allow me to say this way, theoretically that should give us a boost. However, as I said the markets remains, in our opinion, challenging throughout the year and it is the same. We cannot forecast accurately. We know nobody has a crystal ball at this stage.

But if the market remains as challenging as it has started in the year evidently there is the likelihood that a continuation of the margin level on this level is more likely than that it would improve. I cannot -- I don't have a crystal ball and I don't have the numbers for upcoming margins, so I'm sorry, this is only speculation.

Tia Lehto - *Carnegie - Analyst*

And then also to continue did you have more closeouts or something in the first half than last year?

Roger Talermo - *Amer Sports Oyj - CEO*

Yes, we did have. If you remember I referred to Pekka Paalanne's -- that he talked about this in one inventory reduction program, this 100 million working capital improvement program. That of course pushed us to sell as much excess inventory out as possible in Q1, mainly some of them in Q2 but mainly in Q1. And therefore, as we are intact with that program that we have managed to take down inventories in the full year as we see it today, it will have an impact of course -- or it had an impact on the margins in Q1.

Tia Lehto - *Carnegie - Analyst*

Okay, thank you very much.

Operator

Thank you. Your next question comes from the line of Rauli Juva from Nordea. Please go ahead with your question.

Rauli Juva - *Nordea - Analyst*

Yes, hello, Rauli Juva from Nordea. I think you touched this already in the previous question a bit but just to give some -- or to get some more color on the cost-cutting, can you specify or quantify in any way what kind of cost-cutting measures are you taking? And then particularly on the Fitness and the Ball Sports divisions where the EBIT margin has been declining for quite a few quarters in a row, if we assume the current mix and sales situation, at what point of time do you think you can stabilize the margins or even get them upwards? Thanks.

Roger Talermo - *Amer Sports Oyj - CEO*

Maybe not quantifying but qualifying some of the cost-cutting. I think Mr. Paalanne has already mentioned some of that. As we have said all through the year when we saw that the market is tough, we have done excessive programs and we continue to do programs to try to challenge our expense base in every single matter that you can imagine.

We have -- in the past two years we have laid off more than 300 people. Even if our numbers -- you've probably seen our numbers, we are up in employees, but that is because we included now the in-sourcing of our Bulgarian factory which had a little bit more people than that. So -- but we have really realized important programs to take down the cost base through employment cuts.

Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

On top of that we have had salary freezes, we have had even areas where we have taken down our salaries. We have gone to shorter weeks, working weeks, we have partial layoffs. We have eliminated a lot of programs that we have planned to do during the year, et cetera, et cetera. So we have cut traveling, we have downgraded traveling from business class to economy class, et cetera, et cetera. So we've done everything you can imagine one can do.

Evidently going towards the end of the year, there is less opportunities as quite a lot of our expense base is also fixed contracts, at lead contracts, partnerships, et cetera, plus the flexibility generally at this time of the year becomes smaller and smaller because lot of the costs are already taken.

However, we have really an important plan that we are working on. Now immediately when everybody comes from vacation especially Middle Europe, that's still on towards the end of August, where we are going to go through all our expenses again, of course to see if we can still cut for the end of the year, but mainly also for the upcoming year. It's important that we now start already to prepare to find the baseline to assure that all the measures we've taken, what is the real impact, because now as you know, we have paid also for the measures over the past two years.

So now we have to know exactly what is our baseline, and what changes we need to do to get even to a lower base. I'd rather see us preparing to tough times than trying to be semi-optimistic that everything turns quite quickly.

So we are working during the August-September months in close cooperation with our main Board on actions what we need to do, even structural actions to be able to come to a lower cost base. Because we feel that market share gains in this environment is extremely difficult because yes, we don't necessarily have the means nor do our distributors, our dealers have the means to take in extra products or newer products. Everybody is downscaling, everybody is destocking. The important thing is that we are ready when the market turns.

And we feel that if we prepare properly now -- and we still have time to prepare, then we have an opportunity to really start to grow when the market turns, and start to grow faster than the market grows because if you compare the situation on the -- within the industry there is a lot of bleeding now going on. So we feel that we are in a proper position to go forward.

Rauli Juva - *Nordea - Analyst*

Okay, thanks.

Operator

Thank you. We currently have no further questions. (Operator Instructions) We have no questions.

We have a question coming through from the line of [Manu Rempela] from Deutsche Bank. Please go ahead with your question.

Manu Rempela - *Deutsche Bank - Analyst*

Hi, this is Manu Rempela from Deutsche Bank, unfortunately I was unable to join the conference earlier, so I might have missed something and hopefully this question hasn't been asked already. But if it has been so, please try to answer it again. So you have as a line in your Q2 report where you say that you are looking at all possible means to strengthen your balance sheet, or are considering all possible means to strengthen your balance sheet. So could you please elaborate in this, what should we expect from this wording?



Aug. 06. 2009 / 12:00PM, AME.HE - Q2 2009 Amer Sports Oyj Earnings Conference Call

Roger Talerio - Amer Sports Oyj - CEO

I think that we have elaborated this already and we have elaborated it more or less with those words that you just mentioned. You must understand that we can't be very specific about the plans. And as you know we did already one step, which was with the hybrid bond, and we have this large working capital reduction program that Mr. Paalanne was referring to, those were the two first steps. This is all we can comment at this stage.

Manu Rempela - Deutsche Bank - Analyst

So there are some plans on the table or can you comment that there aren't any plans on the table regarding additional or the third steps?

Roger Talerio - Amer Sports Oyj - CEO

I think I already commented on that. I don't know if I want to go further on this.

Manu Rempela - Deutsche Bank - Analyst

Okay, thank you, no further questions from my side.

Operator

(Operator Instructions) We have no further questions coming through. So I hand the call back to you, Tommy, for closing remarks.

Tommy Ilmoni - Amer Sports Oyj - VP - IR & Corporate Communications

Okay, thank you for joining this call today and our Q3 results will be then published at 29th of October. Meanwhile if you have any questions feel free to be in contact with me. Thank you and bye-bye.

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