

Amer Group Plc's magazine for
shareholders and customers 1 | 2001

Amer

**Good
result**

**New
strategy**

**New
premium
products:**

**Deep
Red and
iWound**

***Grant
Dalton***

WILL SKIPPER AMER'S BOAT

EDITORIAL

Higher profile around the world

Amer's participation in next September's Volvo Ocean Race (VOR) is closely linked to the Group's new strategic goals. The ultimate objective is to become the world's leading sports equipment company over the next three to four years. Our growth target means that the Group's net sales should be about EUR 1.5 billion in 2004. As this increase in net sales is expected to be achieved mainly through organic growth, one important goal is to raise the profile of our Wilson, Atomic and Suunto brands among consumers, and thereby to increase our market shares. The VOR, a round-the-world yacht race that will last over a year and visit ports in all of our key markets, will serve as an excellent tool in this endeavour.

Wilson and Atomic are already global brands. Now we aim to turn Suunto into a household name worldwide. The VOR also represents a major opportunity in this work. A number of new products from Suunto and other companies of the Group will be launched while the race is in progress. Naturally, we aim to take full advantage of the race and its associated events in promoting these new products and the brands themselves.

Up until now the Amer Group has kept a fairly low profile; as a rule, we have preferred to keep the spotlight focused on our brands – both in Finland and abroad. Although that policy will certainly be continued, raising the Group's profile has now been set as a goal of our VOR project. We are now prepared to bring the company's name more to the fore both here in Finland and internationally. We want retailers of sporting goods to be more aware of our portfolio strategy and international investors to instantly associate Wilson, Atomic and Suunto with the Amer Group.

Ocean racing is a highly technical sport in which teamwork plays a crucial role. Developing team spirit and sharing common goals and responsibilities within the Amer Group also demands teamwork. We believe that the VOR project will be a useful tool in this internal development work as well.



Marja-Leena Simola



PHOTO: RISTO LAINE



Grant Dalton, a two-times winner of the Volvo Ocean Race, will skipper one of Amer's boats.

Two boats are being built for the Volvo Ocean Race at Nautor's boatyard in France.



AMER GROUP PLC'S MAGAZINE FOR SHAREHOLDERS AND CUSTOMERS

The magazine will be published quarterly in Finnish, English and German in 2001.

This magazine is mailed to the Group's registered shareholders, customers, present and retired employees and other interest groups.

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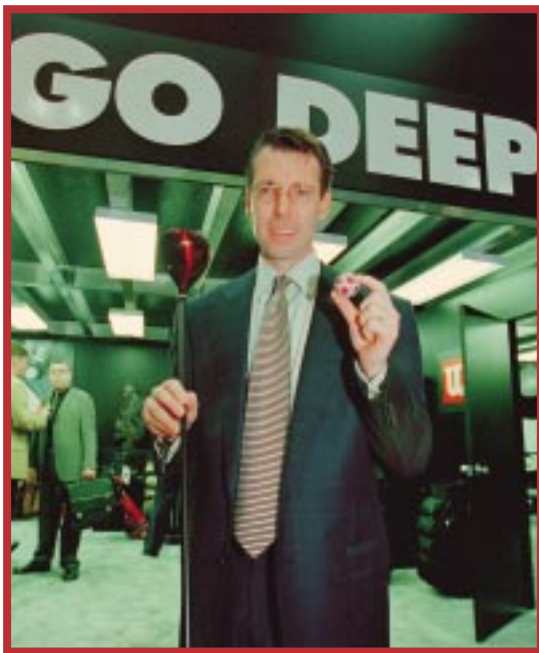
Lehdentekijät Oy

Halsuantie 2, FIN-00420
Helsinki, Tel. +358 9 5860 420
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Composition and repro:
Offset-Kopio Oy
Printed by: Libris, Helsinki, 2001

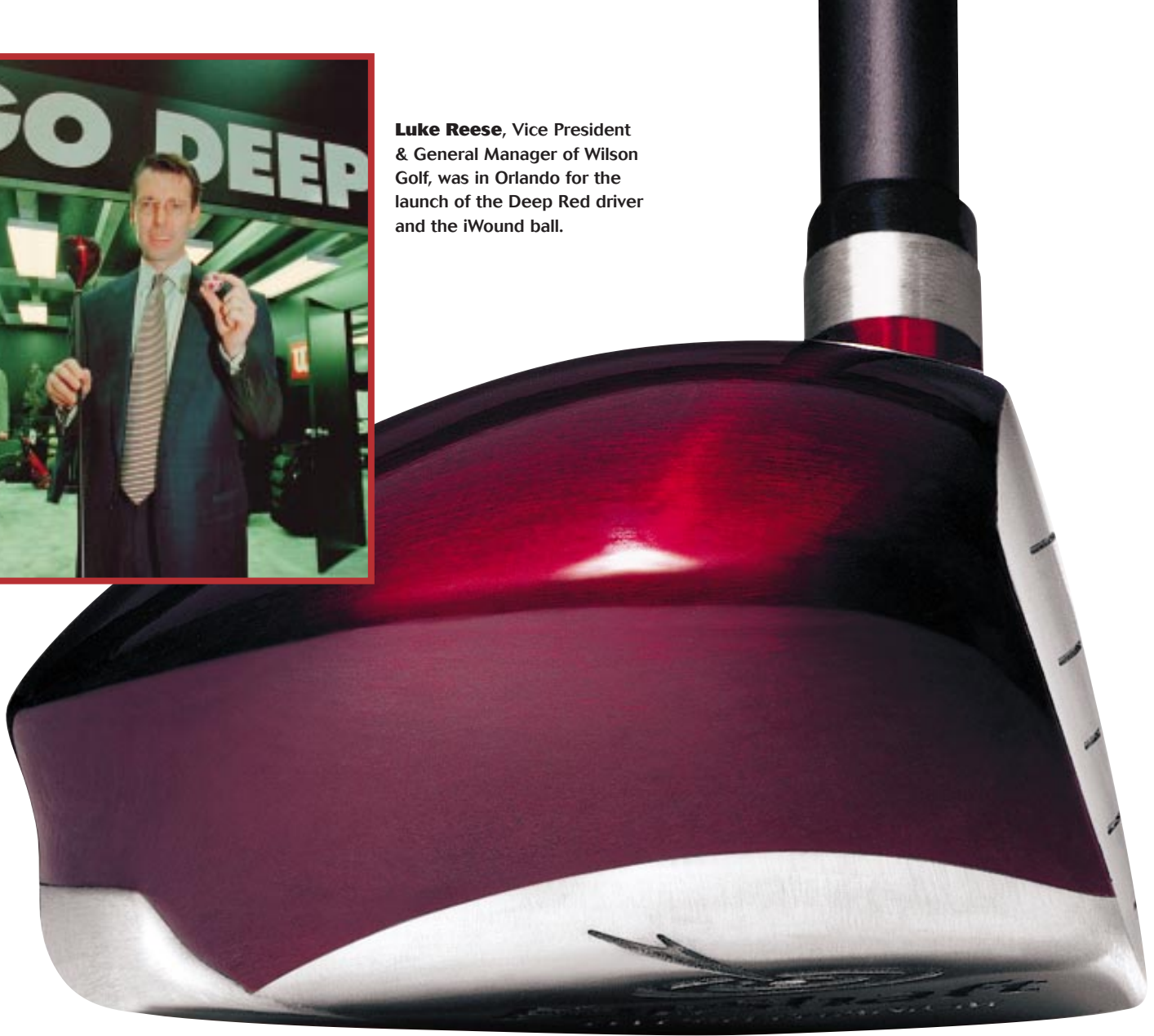
ISSN 1455-9544

Cover photo
All Over Press

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Luke Reese, Vice President & General Manager of Wilson Golf, was in Orlando for the launch of the Deep Red driver and the iWound ball.



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AMER'S GOAL: No. 1 sports equipment company

Amer is in good shape – so good, in fact, that it has set its sights on becoming the world's leading sports equipment company.

TEXT: PEKKA RINNE
PHOTO: TIMO RAUNIO

The Group's new financial targets for the next 3-4 years are demanding: an average annual increase in net sales of at least 10%, operating profit at 10% of net sales, and an ROCE of 20%.

The growth target means that the net sales of Amer's sporting goods businesses should be about EUR 1.5 billion in the year 2004. Talermo speaks more about strategic goals than he does about financial targets; after all, the latter are a mere consequence of the former.

"The real challenge for the corporate manager is not the result itself but how to achieve it; in other words, what the strategy is to be." Of course, both are still essential. "Amer's strategic goal is to become the world's leading sports equipment company. Strategic goals and financial targets are closely linked to one another. No company can assume market leadership without profitable growth."

President and CEO **Roger Talermo** is not one for dwelling on the past, but he can certainly look back his stewardship of the company with much satisfaction. "The vision that led to the formulation of our strategy and to the implementation of various programmes and other actions has served us very well in-



Roger Talermo: "An annual growth target of 10% is a tough ask, but, if the market remains even at its present level, there is no reason to doubt that we can achieve it. We have an excellent team, and our balance sheet, profits, R&D bank and technology base are all in fine fettle. And as we are in such good shape, there's no point in settling for anything other than top spot."

Amer is in good shape

deed. In 1996 we set ourselves the goal of becoming a modern, interesting and trustworthy company that generates added value for its shareholders. In the early days it sometimes crossed my mind that it would be nice if Amer could turn in a good result for the year 2000 – the 50th anniversary of the company’s establishment. We have built up the company in a sustainable manner; we haven’t taken any short-cuts and we haven’t compromised our long-term aims to secure short-term gains – it’s a policy we will continue to follow.”

Industry analysts believe that Amer has progressed over the past four years like a train keeping punctually to its timetable. The company’s result has developed as promised: steady improvement despite the fact that market conditions in the sporting goods industry have not always been favourable. Amer is now in fine shape in terms of both profitability and balance sheet structure.

Everyone onboard

Our new goals were carefully considered over a period of eight months; all the business areas have been closely involved in formulating the strategy and they are all fully onboard.

“Each unit has had its own role to play in the development of the strategy and each knows its own responsibilities. We have a very close-knit team around the world. Everyone in the Group now understands what our strategy and goals are, and how we are going to achieve them.”

“Together we have closely examined Amer’s prospects of assuming the leadership of our industry. An annual growth target of 10% is a tough ask, but, if the market remains even at its present level, there is no reason to doubt that we can achieve it. We have an excellent team, and our balance sheet, profits, R&D bank and technology base are all in fine fettle. And as we are in such good shape, there’s no point in settling for anything other than top spot.”

One topic for reflection in the strategy formulation process was Amer’s cyclical sensitivity. “The record shows that to some extent we are not dependent of general economic development in our key markets so long as they do not sink into recession. Even though strong economic growth lasted for ten years in the United States, it was not reproduced in anything like its full force in the sporting goods industry.”

No major changes

Successful implementation of the strategy will

not require any major changes in the day-to-day business of the company. Rather, it will mainly involve further refinement of business practices and principles that have proven their worth over the years. The cornerstones of our business will remain international brands, game-improvement sports equipment for active sport participants, and an extensive portfolio of sports. Grass-roots contact and equipment testing events have proven to be excellent marketing tools.

Of course, there is always room for improvement. Cost hunting and efficiency maximisation demand constant vigilance. “We’re not yet quite up to full speed, but efficiency improvements of the magnitude made in earlier years are no longer achievable. That said, one must always pay close attention to efficiency, otherwise it will weaken – it’s a law of nature.” There are still many ways in which efficiency can be boosted. The whole supply chain is changing all the time: goods and raw material suppliers and the retail trade are integrating, new technology is transforming logistics, and so on.

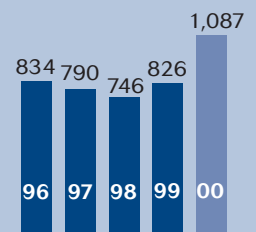
A number of projects aimed at boosting efficiency are currently underway in Amer. Examples include Atomic’s central warehouse in Altenmarkt, the introduction of the SAP system in Europe, and the launch of a similar logistics project in the United States. Roger Talermino singles out development and better exploitation of the product range and portfolio structure as one of this year’s most important goals: “In that area we have still not gone nearly as far as we can.”

Leader in every sport

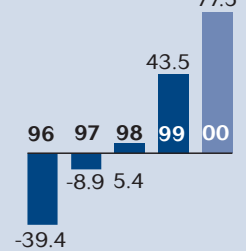
The Group’s growth target will be mainly achieved through internal, organic growth, but acquisitions are also a possibility. Market share will be sought at the expense of competitors. Talermino stresses that if Amer wants to be No. 1, it is not enough to be the leader in the consolidated sense; rather, it should be the leader in every sport of its portfolio.

Atomic, Wilson Racquet Sports and Wilson Team Sports are the best in their respective segments. Suunto is also a strong brand, but the task of turning it into a major global brand has only just begun. Wilson’s golf brand is still in the making, but it too has significantly improved its profitability, market position and image – especially in the all-important US market. Improved recognition of our brands and Amer’s name will do much to promote the company’s growth. For this reason Amer has decided to participate with two boats in the Volvo Ocean Race 2001-1002.

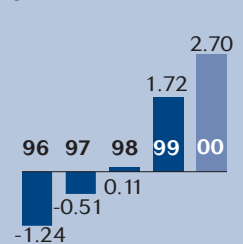
Net sales
EUR million



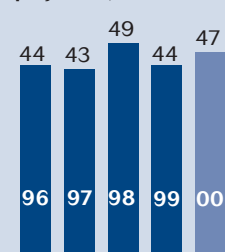
Profit before
extraordinary items
EUR million



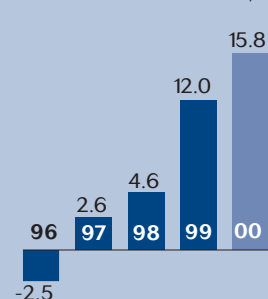
Earnings per share
EUR



Equity ratio, %



Return of investment, %





Amer to participate in
ROUND-THE-WORLD
YACHT RACE

AMER IS THE LEADING PARTNER
IN A TEAM THAT WILL BUILD
AND FIT OUT TWO BOATS FOR
THE VOLVO OCEAN RACE.

“For us the Volvo Ocean Race is first and foremost a means of increasing the recognition of our strong brands and raising the company’s profile around the world. Investors ought to know that these strong global brands are a part of Amer. The Volvo Ocean Race is a part of our profile-raising campaign, which is one step along the road to becoming the world’s leading sports equipment company. A global company needs global tools. The route of the Volvo Ocean Race passes through all of our key markets, so it will be a useful vehicle for us over its entire duration,” explains President and CEO **Roger Talermo**.

The Volvo Ocean Race (VOR) will also serve a purpose in Amer’s internal development work. Ocean racing is a highly technical sport in which teamwork plays a crucial role. The same can be said for the development of Amer’s brands. “The VOR project will provide the personnel of our business units with an opportunity to learn more about each other, and, for instance, it will promote the transfer of product development innovations from one unit to another,” says **Eero Alperi**, Amer’s Vice President, Corporate Planning and Business Development.



Grant Dalton's co-skipper, Bouwe Bekking, (left) in conversation with project director Fred Andersson and President & CEO Roger Talermo at Amer's VOR press conference.



Photo: Risto Laune

Grant Dalton is an experienced round-the-world yachtsman with an impressive record of two wins and three seconds from his previous races.

The VOR has a huge public following. When the race was last held in 1997–98, some 700 hours of TV coverage reached nearly 500 million households in about 200 countries and there were about 11 million hits on the race's website. It will be possible to follow this year's race in real time on the Internet.

Dalton appointed skipper

Naturally, the project's sporting objective is to win to race. Amer is the leading partner in a team that will build and fit out two racing VO60 class yachts. The boats were designed by **Bruce Farr** and **German Frers Jr.** and are being constructed by Nautor, a Finnish-Italian boatyard, in La Ciotat near Marseilles. The yacht designed by Frers will be launched at the end of May, and the one designed by Farr will follow one month later.

This will be the first time that the various legs of the race carry the same number of points, so consistently good performance in all sea conditions, yachtmanship and crew teamwork will be decisive.

Grant Dalton from New Zealand has been recruited to skipper the first boat. He is an experienced round-the-world yachtsman with an impressive record of two wins and three seconds from his five previous races. The co-skipper is Dutchman **Bouwe Bekking**, and **Paul Cayard**, the winner of the last race, has agreed to act as the team's advisor.

The crews have to work exceptionally hard during the race. Project director **Fred Andersson** says that each crew member will expend about 5,000 calories a day, which is roughly the equivalent of skiing 70 kilometres. The crews will therefore have to get themselves into peak condition before the race, and a training and product development base is to be set up in Spain. In the run-up to the VOR, the boats will take part in the Fastnet Race off the south-west coast of England.

The boats participating in the Volvo Ocean Race will set sail from Southampton on 23 September 2001 and will cross the finish line in Kiel by 9 June 2002.

Amer's

BEST RESULT EVER

Last year Amer had the best

result in its entire history.

The profit before taxes rose

78% compared with the

previous year. Amer is one

of the most profitable

companies in the sporting

goods industry.

TEXT: PEKKA RINNE, PHOTO: TIMO RAUNIO

Senior Vice President and CFO **Pekka Paalanne** doubts that any similarly structured company in the sporting goods industry has out-performed Amer. Amer's equity ratio rose to 47%, clearly exceeding the company's set minimum of 40%, and the return on capital employed was 16.1%. The dividend to earnings ratio was 37%. Atomic doubled its operating profit. Winter sports was the only element of the sports portfolio to see any growth in its market. There was a marked increase in the operating profits of both Suunto and the Team Sports Division.

Golf goes premium

The operating profit of Wilson's golf business fell by 5%. Competition was most intense in the ball market in the United States. Wilson's Smart-Core and Staff Titanium balls and its Fat Shaft Hyper Carbon irons maintained their market shares.

Pekka Paalanne says that the competitive situation on the ball market is still unclear, and it will not be until next summer at the earliest before the overall situation takes shape. "It's a tough fight and no-one wants to give an inch. We just have to get used to operating in that environment and to be ready to react quickly."

In Europe, Wilson grew significantly and increased its market share. Paalanne expects a great deal of Wilson's Deep Red driver and the iWound

ball. "These new products should put us on the premium level." Paalanne does stress, however, that Wilson's irons will be developed as well. The Golf Division's net sales and operating profit are expected to rise somewhat this year on the back of these new products.

Tennis plays a solid game

"Business as usual" is how Pekka Paalanne describes the performance of Wilson Racquet Sports last year. There were no major changes in either the market or the competitive situation. Rollers tennis racquets and Rally balls were the most important product launches.

The closure of the Fountain Inn tennis ball factory was the most significant internal change. All the costs of plant closure were included in last year's result. A new subcontractor in Bangkok will manufacture tennis balls exclusively for Wilson, which has not had to invest a penny in the new production facility. There will be a permanent presence of Wilson quality controllers on site, and the same quality control principles as those followed by all of Wilson's key suppliers will be observed. Wilson also sources some of its tennis ball production from Indonesia. A plant which will start manufacturing the surface material for tennis balls is under construction nearby the Bangkok ball factory.

Pekka Paalanne stresses that the emphasis in all of Amer's business areas will continue to be placed on the control of supply chains. "There's still much work to be done."

A minor negative effect of Amer's decision to outsource the manufacture of tennis balls is that stocks will rise slightly, as it will be necessary to maintain "buffer stocks". Nonetheless, the overall situation will improve as capital tied up in production is liberated.

This year the net sales and operating profit of Wilson Racquet Sports are expected to rise somewhat.

Team Sports going strong

According to Pekka Paalanne, there are three reasons for the marked improvement in the profits of Wilson Team Sports: the first-time inclusion

GROUP

GOODWILL

A change has occurred in the way in which the results of Amer Group's business areas are calculated. The goodwill arising from an acquisition was previously allocated to the business area in question. For example, the goodwill that the Group gained from the acquisition of Wilson was allocated to Wilson's business areas.

Now the goodwill arising from acquisitions is allocated to the Group as group goodwill, so the results of all business areas are comparable and descriptive of pure business performance. The changes have been made retroactively so that the results for different years are mutually comparable. Correspondingly, goodwill on the balance sheets of the business areas has been transferred to the Group, so the business areas' return on capital employed (ROCE) is now calculated without goodwill. The only change in the consolidated financial statements is one new line: depreciation of group goodwill. There is therefore no effect at all on the overall result for the Group; goodwill is merely recorded in a different place.

"Now we can compare directly the results of, for instance, our winter sports and golf businesses, and we are better placed to see how well our businesses are performing in relation to their competitors," says Pekka Paalanne.



Pekka Paalanne:
 “The new practice of recording goodwill will improve the comparability of different business areas both with each other and with competitors.”

of Atomic brand alpine skis totalled 800,000 pairs last year, compared with about 600,000 pairs in the previous year. Global sales of skis last year were 4.8–5.0 million pairs.

Pekka Paalanne is full of praise for the flexibility of Atomic’s factory, which he describes as first rate. If the market situation demands, there is enough capacity to manufacture about a million pairs without any significant investments.

Atomic made an operating profit of EUR 38.3 million, which is an all-time record. Atomic appears to be in a good position for the year ahead as well, and it is anticipated that

Suunto may be expected to launch more new products later this year. Suunto’s research and product development resources have been strengthened and will be so again in the future. Suunto’s integration into the Amer Group went well, and the early results of the shared distribution system are very positive. A joint development project involving Suunto, Wilson and Atomic has been launched with the aim of applying and exploiting Suunto’s electronics expertise in the products of the other two companies. The fruits of this work may be expected in a year or two.

Suunto has a minority interest in the satellite positioning company, Fastrax, which manufactures the world’s smallest GPS receiver in terms of power consumption – it is about the size of postage stamp. New Suunto products incorporating GPS technology are expected to hit the market sometime this year.

Consolidated results, EUR million

| | 2000 | 1999 | Change,% |
|----------------------|---------|-------|----------|
| Net sales | 1,086.6 | 825.7 | 32 |
| Operating profit | 94.9 | 58.5 | 62 |
| Profit ¹⁾ | 65.8 | 41.8 | 57 |
| Earnings per share | 2.70 | 1.72 | |
| ROCE, % | 16.1 | 12.1 | |
| R&D expenditure | 21.3 | 10.9 | 95 |
| Investments | 57.2 | 78.7 | -27 |

¹⁾ Profit after taxes

Operating profit, EUR million

| | 2000 | 1999 | Change, % |
|--------------------------------|-------------|-------------|-----------|
| Golf | 13.2 | 13.9 | -5 |
| Racquet Sports | 26.6 | 24.7 | 8 |
| Team Sports | 15.6 | 8.1 | 93 |
| Winter Sports | 38.3 | 16.7 | 129 |
| Outdoor and Sports Instruments | 8.2 | – | – |
| Amer Tobacco | 9.3 | 9.6 | -3 |
| Teletekno | 2.1 | – | – |
| Headquarters | -8.8 | -8.6 | |
| Group Goodwill | -9.6 | -5.9 | |
| Total | 94.9 | 58.5 | |

of DeMarini – an extremely profitable manufacturer of softball and baseball bats – in Amer’s result; the increased share of premium products in sales; and reduced product costs, i.e. more-efficient subcontracting has been achieved. The fact that Amer’s closest competitors experienced problems in their businesses also contributed to the unit’s success.

Atomic springs a surprise

Atomic’s result for the year 2000 exceeded all expectations. The winter sports market grew by about 10%, driven by sales in Europe and the United States. Atomic outgrew the market, and net sales from winter sports, excluding inline skates, rose 34%. The main factors behind this excellent performance were successful products, advanced technical solutions, and the integration of skis and binders, which boosted sales of Atomic’s binders by 130,000 pairs to approx. 430,000 pairs. Sales

profits will be maintained.

The trade’s inventory situation remains unclear, but Pekka Paalanne is confident that it should not pose too great a problem. “I’m not particularly concerned about the inventory situation. The popularity of winter sports continues to grow and recreational skiers seem to be in an enthusiastic buying mood.”

Suunto boosts its sales

Suunto’s net sales (outdoor and sports instruments) doubled compared with the previous year thanks to good sales of and improved margins on diving instruments and wristop computers. The favourable trend is expected to continue this year as well. Sales of diving instruments rose as much as 80%, and Suunto became the world’s leading manufacturer.

New products included the Metro, Yachtsman, Mariner and E203 Escape wristop computers and the Cobra and Stinger diving in-

Amer Tobacco further strengthens its position

Amer Tobacco is the market leader in Finland in both cigarettes and cigars. Amer Tobacco made an agreement with Swedish Match on the importation and distribution of cigars. Thanks to this agreement, Amer’s share of the cigar market has grown from 4 to 21%, and this year it is expected to rise to about 60%. Amer Tobacco’s share of the cigarette market is 75%. Operating profit is expected to remain at its good level

Slight improvement for Teletekno

Teletekno’s net sales grew by 8% and its operating profit rose to EUR 2.1 million. Modest increases in Teletekno’s net sales and operating profit are also expected this year.



The DRIVING

Wilson introduced its new Deep Red Fat Shaft driver and iWound golf ball at the PGA Merchandise Show in Orlando, Florida. Both products are positioned in the premium price bracket.

TEXT: TIMO MANSIKKA-AHO, JANNE KAIJÄRVI, PEKKA RINNE.
PHOTOS: TODD ANDERSON/ALL OVER PRESS

“Deep Red is positioned in a price bracket where just a few years ago we could not have dreamed to be. We now have the means and the mettle to challenge the world’s best manufacturers in their own backyard. Deep Red is undoubtedly technically competitive and to some extent it has no equal,” says Amer Group’s President & CEO, **Roger Talermo**.

There are Deep Red Fat Shaft drivers for golfers of all standards from beginners to professionals. The Deep Red driver features a new and unique design from head to shaft, producing maximum distance with unparalleled accuracy. The Deep Red has a Pro Lite™ 480 diameter Fat Shaft developed in extensive testing with Grafalloy, the leader in lightweight graphite shafts. The Pro Lite™ shaft’s firmer tip provides low torque for stability on off-centre hits, while the softer butt provides ultimate feel.

The weight of the Deep Red titanium clubhead is positioned low and back for a

deeper, lower centre of gravity, creating an extremely large sweetspot. The new weight distribution also affects ball trajectory and reduces side spin. The fact that 80% of amateur golfers hit the ball out of the toe of the club has been taken into account in the club head design.

An independent test has shown that Deep Red produces longer and straighter drives than the non-conforming drivers currently on the market. Deep Red’s impressive length off the tee is powered by the trampoline effect of its very thin and responsive face, which, according to **Luke Reese**, Vice President & General Manager of Wilson Golf, does conform to USGA rules.

According to preliminary information from tests carried out by the impartial Rankmark company on the new drivers exhibited in Orlando, Deep Red is the best new product in its class.

Deep Red will make its European debut in March and will go on sale in Finland



FOR



CE



Frank Garrett and Deep Red. Garret and his team of over 30 co-workers spent more than three years developing the iWound ball and the radically new Deep Red Fat Shaft driver.

during the spring. Deep Red will be followed by other members of the same metal wood family. “We will be adding to the range of models during the course of this year,” promises Roger Talermo.

iWound Distance and feel

The new iWound golf ball is another breakthrough product for Wilson, since it too is positioned in the premium price bracket. According to Luke Reese, iWound has hit the golfing world like a bolt out of the blue – a revolutionary golf ball in terms of its construction and basic concept. R&D Director **Frank Garrett** and his team of over 30 co-workers spent more than three years developing the new ball. Along the way they made numerous prototypes, even more concept plans, and so many test drives that put end to end they would have stretched almost 2,000 kilometres. Surprisingly, though, the iWound ball started from a very simple idea.

“Up until now, golfers have had to choose whether they would like to have distance at the expense of feel and spin, or vice versa; in other words, they have had to choose between a solid core ball or a wound ball. This unwanted trade-off sparked an idea in our product development department – an idea which, like all great ideas viewed in hindsight, was brilliant in its simplicity. Why couldn't we combine these two basic virtues so that, instead of winding





Luke Reese: "We put the accent firmly on quality and we are confident that the golfing public is willing to pay more to get it. Companies that compete on price are not in the same league as Wilson."

rubber band threads around the entire core, just part of it would be covered – just enough for the ball to have good spin characteristics."

Ultimately, this led through a long cycle of design and testing to the creation of the iWound ball, which will be available in golf and pro shops from March. The length of rubber band threads in a conventional wound ball is as long as an American football pitch, about a hundred yards. The rubber band threads make a wound ball soft and give it excellent spin characteristics, but they also absorb energy at impact, resulting in less distance than a solid core ball. The iWound ball resolves this trade-off and gives both.

Wilson's product development professionals work together as a closely knit team. Sizeable resources ensure that each person has the opportunity to concentrate on the development of his or her own area of expertise. Frank Garrett believes that this is the secret of their great success.

Golfers will pay for quality

Competition in the golf industry is getting more and more intense; the increased supply from golf equipment manufacturers

was particularly evident at Orlando. The dominant market presence of large companies is being counterbalanced by the birth of small firms, which primarily compete on the basis of price. The trend is particularly clear in the ball market, where one could even describe the situation in the lowest price segment as a price war. According to Luke Reese, this will not in any way disrupt the launch of Deep Red and iWound, which are both positioned in the premium price bracket; in fact, quite the reverse is true.

As in Wilson's product family generally, quality lies at the very heart of the Golf Division's business philosophy. "Companies that compete on price are not in the same league as Wilson. We put the accent firmly on quality and we are confident that the golfing public is willing to pay more to get it. A purposeful golfer does not need to play many times with poor clubs to notice that they are slowing down his or her development significantly; the best clubs also improve your game the most."

"Our product development department does an enormous amount of work so that we can continuously offer the best to the

golfing world. We have raised the bar significantly as far as new products are concerned; only those products that we ourselves can feel proud of get through our tight screening process and onto the shop shelf."

Roger Talermo: "Deep Red and iWound demonstrate that we believe Wilson to be such a good golf brand that it will be accepted even in the highest price bracket. Wilson Golf is now rising to the same level as Wilson Racquet Sports and Atomic. We now have upper-segment premium products in all of our sports. That is extremely important because if price pressures arise in lower price brackets, margins must be obtained from premium products."

Luke Reese and Frank Garret demand a great deal of their own people and this uncompromising attitude permeates through the entire sales network. Only the most committed and quality-conscious outlets can display Wilson's golf products on their shelves.

"We expect from each of our partners exactly the same as we expect from ourselves," stresses Luke Reese. "That's why we only accept as members of our sales



The best characteristics of the solid-core and wound balls are combined in the iWound.



President of Wilson Sporting Goods Co, Jim Baugh, has good reason to smile at the PGA Merchandise Show in Orlando. Deep Red and iWound aroused a great deal of interest.

network those who can really demonstrate their investment in offering the best possible products to golfers of all levels. We train our retailers continuously and we make sure that they know everything that's worth knowing about Wilson and its golf products."

Demo Days still the cornerstone

Wilson's hugely popular Demo Days, at which golf pros and teachers demonstrate products and give useful tips, will remain the cornerstone of the company's marketing strategy. During the course of 2001 no fewer than 6,500 such events will be arranged in the United States alone, and a further 2,000 worldwide. Luke Reese says that the significant investments do bear fruit – both com-

mercially and in terms of image promotion.

Wilson also believes in the potency of references and recommendations in its marketing. In the United States as many as 3,000 golf teachers take part in the Demo Days and use Wilson's products in their teaching. Outside the United States there are about 1,000 teachers; altogether Wilson's advisory staff members make up one of the golf industry's largest personnel groups. Promoting trial usage, i.e. getting more golfers to try out Wilson's products, is also essential. Sales personnel have been given clear instructions to make golf balls available for trial use. Luke Reese is convinced that trial use leads rapidly to brand loyalty.

All geared up for the coming season

Luke Reese expects much from the year ahead. He says that sales can be boosted in two ways: either by selling more products to the same number of people, or by selling the same number of products to a larger group of people. Deep Red and iWound will give Wilson an opportunity to get the best of both worlds, i.e. to sell more products to a larger number of quality-conscious golfers.

Wilson's product development was targeted first at irons, because the competition in woods was too intense. Fat Shaft irons have been a success. The other area of emphasis was golf balls. Luke Reese: "We began by building up a loyal group that trusted Wilson's equipment. However, at that time we lacked certain products – for instance, we didn't manufacture drivers at all. As our product range has grown, we have reached the point where we are able to offer everything the golfer needs – and that has meant that more and more golfers are becoming friends of Wilson."

Roger Talermo: "Initially, we didn't have the capability to compete in drivers, so we focused on irons. Sales of Fat Shaft irons have grown year on year, and the non-existent supply of second-hand irons suggests that owners are satisfied with them. Now we have a top-quality driver for our established group of loyal users to try out. I believe that Deep Red will also give fresh impetus to sales of our irons."

| | DISTANCE | FORGIVENESS | CONFIDENCE | COSMETICS | OVERALL |
|------------------|----------|-------------|------------|-----------|---------|
| WILSON FAT SHAFT | #1 | #1 | #1 | #1 | #1 |
| CALLAWAY HAWKEYE | 4 | 2 | 2 | 2 | 2 |
| TITLEIST 975D | 3 | 4 | 4 | 4 | 3 |
| TAYLOR MADE 300 | 5 | 3 | 3 | 3 | 4 |
| PING TiSi | 2 | 4 | 5 | 5 | 5 |

Play tests were conducted with 112 players with handicaps from 0 to 25. The players were given the 5 drivers listed and asked to provide their assessment of each club. The players filled out a questionnaire at the end of the test rating all drivers on a scale of 1 to 5 with 1 being the best and 5 being the least preferred.

A couple of years ago US Federal Reserve Chairman, Alan Greenspan, concerned about the continuous rise of share prices, made his now famous “irrational exuberance” speech. The essential message of the speech was that the level of share prices had exceeded the “rational level” by any conventional assessment, and that investors should brace themselves for a possible fall.

TEXT: JARI MELGIN, PHOTO: RISTO LAINE

Irrational exu

It has now been almost three years since Greenspan's speech and the Dow Jones index is 3,000 points higher than it was then. So, was there something wrong with Greenspan's analysis?

Since the beginning of 1999, Amer Group's share has risen 159 per cent, compared with 15 per cent for the Dow Jones industrial index, 17 per cent for the HEX portfolio index, and 24 per cent for the index of the sporting goods industry. Is the rise of Amer's share price based on unrealistic expectations or does the price level have a basis in reality.

NPV method more widely accepted

Amer's share is actively followed by more than ten analysts. They endeavour to assess the correct value of the company and to issue buy and sell recommendations on the basis of their research. They use a number of different methods when assessing the value of the company. Perhaps the most widely accepted is the net present value (NPV) method, according to which a company's market capitalisation is the value of future cash flows discounted to the present time less the company's net liabilities. Key factors in the calculation of net present value are the company's profitability, growth and business-related risk.

When outside analysts assess the future of a company like Amer, they try to consider the likely future of the sporting goods industry as

a whole. Statistics suggest that increased leisure-time and higher living standards have resulted in people spending a larger proportion of their disposable income on sports equipment. However, sport has to compete for people's free time with rivals such as information technology and entertainment electronics.

Predicting the development of Amer's sports is more difficult than forecasting the trend for the industry as a whole. Golf has long been growing steadily, and ageing of the population will support its growth in the future too. In winter sports, more and more consumers have been switching to carving skis, and this technology changeover is expected to continue for several years to come. The introduction of information technology into sport and Suunto's growth potential are not difficult to understand. Individual high-profile athletes can influence the popularity of sports, as exemplified by the **Williams sisters** and **Hermann Maier**.

Above-average profitability is the target

Amer has set higher profitability than the average for the sporting goods industry as its target. The task of investors is to assess whether Amer's brands are sufficiently strong, and whether the Group's management and personnel are sufficiently skilled to attain the company's profitability target. Strong cash flow from business operations also supports the company's value. Under Amer's

tight control, subcontractors are manufacturing an increasingly large proportion of the company's products, which means that the need to invest in production is small.

Determining the value of a company also involves a lot of factors that are not based directly on the company's own operations. The market tries to forecast how the ups and downs of different national economies will impact on the sales of different sporting goods. However, participation in sports does not depend on the state of the economy, so Amer cannot be regarded as being particularly sensitive to cyclical changes. The company's broad portfolio of sports and the global scale of its operations also reduce the risks of investors.

It is important for investors that the company's share is liquid. The minimum investment of major international investors is often so large that it represents some percentage points of Amer's total share capital. Such investors have to consider whether it is possible for them to buy the number of shares they want without it having an excessive effect on the share price. Similar considerations also apply to the possibility of selling the shares in the future.

Own actions

Promoting investor relations is one of the most concrete ways in which a company can influence the value of its share. When the management of a company meets with investors and analysts it seeks to communicate



Jari Melgin is Amer Group's Corporate Treasurer. He is also responsible for Investor Relations.

Amer buys back own shares

berance?

Amer's Board of Directors decided to buy back own shares on 10 November 2000. According to the authorisation of the Annual General Meeting, a maximum of 5% of the total number of shares, i.e. 1,216,344 shares, could be bought back. The Board of Directors proposed that the 633,000 shares bought back by 7 February 2001 should be declared void. The voided shares represent 2.5% of the company's share capital. Amer has continued to buy back its own shares since the Board made its proposal.

Repurchases of own shares benefit the remaining shareholders because the company's earnings are then shared among a smaller number of owners.

Last year's repurchase and voiding of Amer's 1993 issue of convertible bonds had the same effect as a buy-back of own shares. The number of shares that would have been subscribed at a price of EUR 20.50 per share had the convertible bonds been fully exercised would have represented 7% of the company's share capital. Amer has been the most active Finnish listed company in reducing the number of issued shares by means of own share and convertible bond buy-backs.

the right picture of the company's financial state and future outlook. At the same time it tries to sustain investor interest in the company at as high a level as possible, so that the company's share will be followed and its market capitalisation correctly formed.

Amer's systematic work in the area of investor relations was publicly acknowledged in the Investor Barometer 2000, according to which the company had risen from 55th place in 1998 to join the top five of all the Finnish listed companies.

Share value formation is a complicated process, which is affected by factors inside the company and by external events over which the company has no control whatsoever. Investors also have feelings towards companies: high regard for the Wilson or Atomic brand, for instance. Favourable perception of the company's products or its public image may influence an investment decision.

As the value of a company is always based mainly on expectations of the future, the analysis is naturally subject to a great deal of uncertainty. By publicly announcing its financial targets, the management tries to reduce this uncertainty. Amer Group set itself new financial targets at the beginning of the year. These enable management to communicate to investors its view of how the most important factors for value formation are likely to develop in the future.

Even though each company is different, analysts strive continuously to compare Amer to other listed companies, especially others in the sporting goods industry. Amer's valuation indicators are compared with those of its key reference group in table below.

Amer Group's valuation indicators in relation to other companies of the sporting goods industry (year 2000 figures).

| | EV/Sales | EV/EBIT | P/E |
|------------------------|------------|-------------|-------------|
| Amer | 0.7 | 8.4 | 9.8 |
| Rossignol (e) | 0.7 | 9.9 | 20.6 |
| Adidas- | | | |
| Salomon (e) | 0.9 | 10.4 | 19.0 |
| Callaway | 1.7 | 11.6 | 18.5 |
| K2 (e) | 0.3 | 9.7 | 15.6 |

(e) = estimate

EV/Sales: Enterprise value divided by net sales

EV/EBIT: Enterprise value divided by earnings before interest and taxes

P/E: Price-earnings ratio (share price divided by earnings per share)

MOSQUITO bites

Suunto's new Mosquito wristop computer was launched at the Diver's Equipment Manufacturers Association (DEMA) annual trade show in New Orleans at the end of January.



Mosquito extends Suunto's watch-type wristop computer segment into the medium price bracket.



Mosquito attracted much interest at the DEMA show; Suunto's stand drew representatives of the trade from all continents of the world.

The Mosquito is a wristop computer designed for all kinds of diving applications. The user can select the functions according to the situation, diving gear and individual preferences. It is watertight to a depth of 100 metres but excellent out of the water too, as it has all the characteristics of a versatile wristwatch. Mosquito's usage possibilities are really extensive, which broadens its potential customer base. Mosquito is also suitable for those who live active lives above the waves.

Suunto has always invested systematically in product development. In the area of wristop computers this means not only the most advanced technology but also stylish, appropriate and wristwatch-like design. Suunto has designed Mosquito to be the thinnest and sleekest wristop computer on the market, without compromising on functionality or ease of use. Suunto's flagship wristop computer, the Stinger, was launched last year.

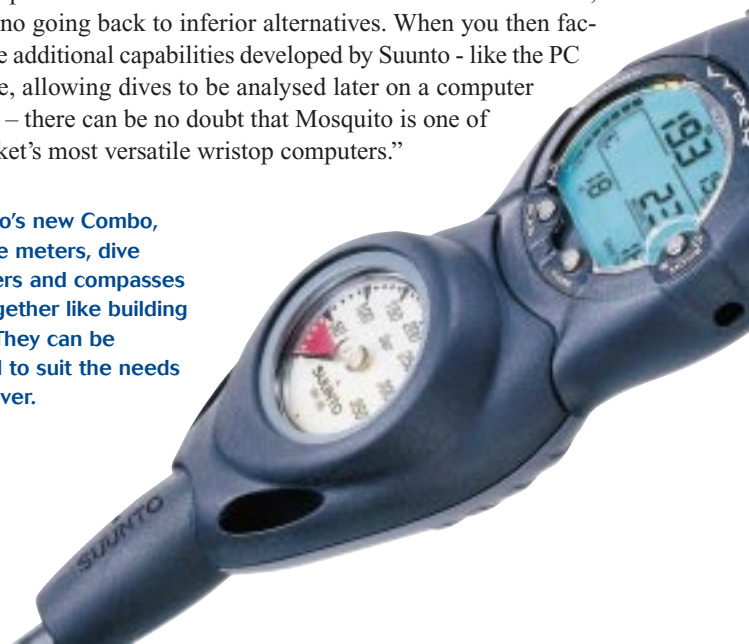
Mosquito attracts

According to Product Manager **Sten Stockmann** of Suunto, Mosquito was enthusiastically received at DEMA. There was plenty of

interest in Suunto's stand, and eager buyers were much in evidence.

"Advanced technical solutions and stylish design undoubtedly make an attractive and winning combination. Mosquito can offer so much important information to the diver that once seen and used, there is no going back to inferior alternatives. When you then factor in the additional capabilities developed by Suunto - like the PC interface, allowing dives to be analysed later on a computer monitor - there can be no doubt that Mosquito is one of the market's most versatile wristop computers."

In Suunto's new Combo, analogue meters, dive computers and compasses all fit together like building blocks. They can be changed to suit the needs of the diver.



Little **O**BSERVER

The Observer wristop computer displays altitude and pressure information in such a way that it significantly helps the wearer when assessing possible weather changes and monitoring altitude readings. The device displays altitude, records even small changes of elevation, and is waterproof to a depth of 100 metres. The instant accessibility of information such as the total number of metres climbed and descended as well as the number of descents is particularly useful for alpine skiers. The Observer is about 40 per cent smaller than earlier models. The steel and titanium body ensures durability and reliability.



Off to a flying international start

Besides the enthusiastic reaction at DEMA, Suunto's sales network has made careful preparations for the world launch of the product family's latest member. Sales Director **Ari Lähteenmäki** expects Mosquito sales to be good even in its first year of life. Like Suunto's earlier hit products, Mosquito will rely almost entirely on international markets for its success.

Lähteenmäki has complete faith in his sales team and believes that uncompromising quality will always sell. "Suunto has risen to become the global market leader in dive instruments and is even the market leader in Japan. That says a lot about our products and our organisation. If a product's technical quality impresses the Japanese consumer, then it will succeed everywhere else too."

One key market for Suunto's Mosquito is North America, where both volumes and competition are unmatched anywhere else in the world. Suunto appeared at DEMA in conjunction with one of its biggest retail partners, Aqua Lung. Ari Lähteenmäki believes that this partnership will open up a fast lane for Suunto into the US and other markets.

"Our sales network is already waiting with great anticipation for Mosquito's sales to take off; our partnership with local dealers has been fine-tuned over the years, and our own sales companies are all geared up for a flying start," says Ari Lähteenmäki.



Suunto's sales organisation has spread its network all over the world; Sales Director Ari Lähteenmäki expects Mosquito to be a success already this summer.



Dan W. Colliander and Don Rockwell, Aqua Lung's Vice President for North America, found new opportunities beckoning in New Orleans; DEMA was an excellent launch platform for sales of the Mosquito wristop computer.

If you don't float
at DEMA,
sales will take a dive

DEMA is the Diver's Equipment Manufacturers Association trade show, which provides an annual opportunity for the industry's professionals to showcase new products, exchange experiences, and generally be seen among a carefully selected group of industry people.

The diving world is a pretty tight-knit community, and DEMA is the event at which those hungry for success during the coming year must stand out from the crowd.

"It is rare for an industry to be so close and to meet so regularly," says the President of Suunto, **Dan W. Colliander**. "Those appearing here each year include equipment manufacturers, resort representatives and trade professionals – buyers and sellers. DEMA largely dictates the industry's prevailing trends in the year ahead."

DEMA participants are carefully screened – only industry professionals, equipment vendors and other parties with business links to diving have any place on the showroom floor. Every comment, criticism and expression of interest can be taken as a reliable indication of whether real opportunities for success exist. Suunto made a very favourable showing at DEMA in January, which offers a splendid platform for the company's drive forward in 2001.

e-commerce

— BUT ONLY FOR THE TRADE

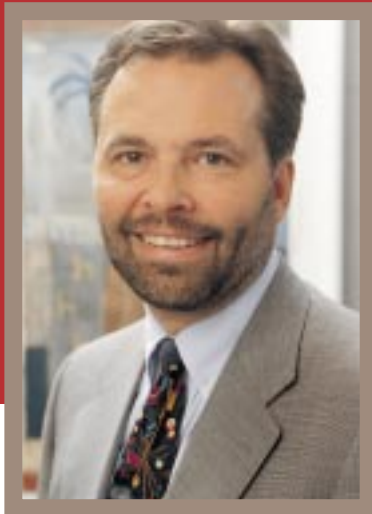


Photo: Risto Laine

Amer's e-commerce strategy is clear: on-line contact with retailers and partners, but not directly with consumers.

Eero Alperi: "We are trying to open up the whole supply chain to our retailers."

Amer's first foray into the world of e-commerce can be found at www.wilson-canada.com. The new on-line service enables Amer to serve retailers 24 hours a day, seven days a week.

"Two years ago we decided that we must move forward in the front rank of our business. We looked at ways in which we could better serve our customers, i.e. retailers, and at the same time improve the efficiency of our operations," says **Eero Alperi**, Vice President, Corporate Planning and Business Development. During the course of this study it became clear that close co-operation with distributors is a more functional alternative to direct on-line sales to consumers. It is therefore not a question of interfering with a function-

al distribution channel; the intention is just to make it better.

"We are creating tools that will allow us to collaborate more closely with our distributors. We are trying to open up the whole supply chain to the retailers. Production, wholesalers and retailers will be connected to a common information system to the extent applicable in each case," says Alperi.

Shared information systems speed up reaction to market changes, because the knowledge of the retailers is communicated quickly to the sales companies and then on to production. If, for example, a certain ski model starts to sell well, its production can be cranked up to meet the demand.



Only for the trade

The first on-line service intended for retailers was brought into trial use in Canada last summer. In accordance with Amer's strategy, the service launched by Amer Sports Canada is open only to the trade. Initially, the service covers just Wilson products, but soon it will encompass those of Atomic as well.

"We would like to make it as easy as possible to do business with Amer. However, we do not intend to force our cus-

Paul McKeown: "At the moment the sales companies just take orders; in the future they will also provide advice to consumers. Soon we will have a quite new possibility to communicate directly with the end-user."

tomers to use this channel exclusively. Sometimes, it is easier to pick up the phone and make a call," says **Paul McKeown**, who has been closely involved in the development of the on-line service.

The information presented on the website comes directly from the database of the sales company, so the service is always operating in real time. A retailer registered to use the service can, for example, place orders and examine the sales company's stock position at any time of the day or night. When a retailer places an order, he also sees the availability and delivery time of the product in question.

"Nine-to-five are not the best possible hours of business for a retailer of sporting goods. Just consider a situation that would be quite normal in a small ski-shop. A customer comes in on a Saturday morning and wants to buy a certain model, which happens to be out of stock at that particular time. Using the on-line service the retailer can check our stock situation and say: 'Certainly sir, we can have those skis ready for you on Monday.' The purchase will probably be made, but without the on-line service the customer might well decide to try elsewhere."

On-line product catalogue

In the first stage, practical tools that allow the retailers to do business more easily and reliably with the sales companies are being brought into use on the on-line service. An on-line order is directly and reliably recorded in the database, with no one needing to interpret unclear faxes.

"The number of erroneous orders has fallen sharply," says Paul McKeown. On-line co-operation can be very close. For example, automatic orders can be agreed with major customers, with restocking to the agreed level taking place once a week. "We are now offering small retailers the same service that was previously reserved only for major customers."

The on-line service also provides retailers with precise technical data on all products. For instance, the correct string tensioning for a tennis racquet or the method of fastening a ski binding can be checked at any time. "A good information service helps store personnel to understand our products. It is very difficult to remember all the details of our extensive

product range. Now the seller can find all the information required in our on-line catalogue," says Paul McKeown.

News and information on future products has been added to the service since its launch. "Many on-line services are static and boring. How many times would you bother to visit a website that never changes?"

Made-to-fit products

McKeown believes that the use of on-line services will change the nature of the work done in the sales companies. "At the moment the sales companies just take orders; in the future they will also provide advice to consumers. If you are planning to buy an expensive set of golf clubs, you will probably want to know everything about the range of suitable products. Soon we will have a quite new possibility to communicate directly with the end-user."

On-line contact provides new possibilities to supply the trade with made-to-fit products. "There are plenty of recreational golfers and tennis players who are ready to pay a premium price if they can get exactly the product they want. The golf pro certainly sees what the customer needs. Now he can just fill out a form on the website, and we issue an order confirmation and tell when the clubs will be delivered."

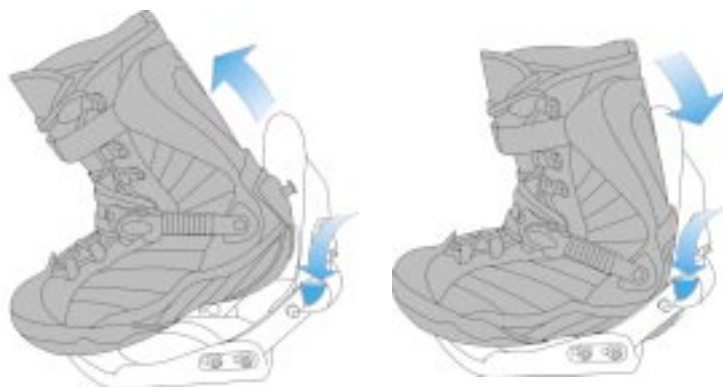
Canadian website was designed and built in house

"In the Canadian market we are the only sales company that has a working e-commerce strategy. We know that competitors are preparing to launch on-line business-to-business services. However, some of these are off-the-shelf systems. They will certainly be good and functional in their own way, but suppose we were to get the same system as Titleist, how would it help us?"

A service modelled on the Canadian pilot has been brought into trial use in the USA. More are promised in other countries as well. "It will take some time before on-line services are in widespread use," forecasts Eero Alperi. "Our first experience indicates that we are moving in the right direction. Customers are satisfied with the service, which is available 24 hours a day."

Step in and go

Snowboarders, especially novices, constantly have to remove and refasten their boot to the binders. Last year **Atomic** acquired the **Device** brand name and patent for a quick snowboard fastening system. The **Device Step In System** speeds up attachment and, thanks to the fastening points located on the edges of the board and on the toe and heel of the boot, provides efficient power transmission and excellent snowboarding characteristics.



Only Atomic gets top marks

Last year the Consumer Magazine published the results of an alpine ski test made in collaboration with ICRT (International Consumer Research & Testing) in Austria. The Atomic Beta Race 9.16 was the only racing ski to get top marks of 5 points from both the intermediate and advanced skiers who took part in the test. Altogether 33 ski models were tested.

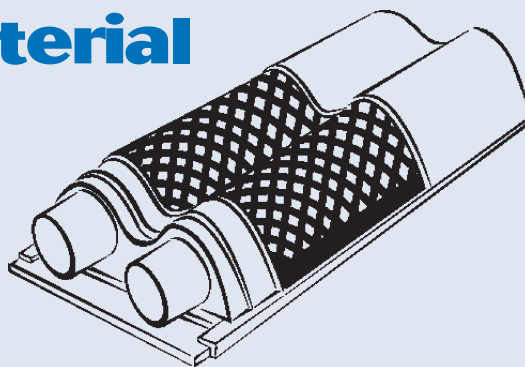
Of the recreational skis tested, the Atomic Beta Carv 9.18 and the Beta Ride 9.22 got 4 points from the intermediate and advanced skiers. In the technical test the Atomic skis also received 4 points, which was the highest mark given to any recreational ski included in the test.

New volleyball

Wilson's Reaction volleyball makes use of Floating Cover Technology, in which a layer of latex fibres is added to the inner surface of the ball. As a result the surface of the Reaction ball is soft and has good grip properties. The ball is easy to control, adding more speed and greater accuracy to serves and returns.

New ski material

A new material called Texalium, which is fibreglass tissue covered with aluminium, is now being used in Atomic's top ski models. Texalium 200 improves the directional stability and rotational stiffness of freerider skis, and Texalium 100 is used to enhance the ride comfort of carving skis.



Amer's magazine in third place

Amer's magazine for shareholders and customers came third in Finland Post's annual customer magazine competition. In the opinion of the panel of judges: "Amer's magazine is a smart and modern-looking publication with all the hallmarks of a professional job. Its general appearance is stylish, clear and controlled. The well-thought-out layout of text and pictures gives a satisfying overall result. The typographical elements are controlled and the headlines snappy and to the point. Different kinds of stories are nicely blended to maintain the reader's interest. Larger pieces are successfully broken down into more manageable elements. The magazine fairly portrays the international and diverse image of its publisher."

Amer's magazine was entered into the competition's corporate and organisational magazine series, which consisted of 90 competing magazines in total.

APPOINTMENTS



Photo: Risto Laine

Sylvie Vignon, 50, has been appointed Finance Director of Amer Sports Europe, which is based in München, Germany. She joined Wilson Sporting Goods in 1990 as Finance Manager, France and has worked for Amer Sports France for 10 years, most recently as Operation & Finance Director. In addition to her responsibilities in France, Sylvie also managed the finance operations of the Wilson subsidiary in Spain for 4 years. She was also instrumental in the merger of Atomic, Dynamic and Wilson operations in France into one Amer Sports operation. The European Finance Director is a member of the Executive Team of Amer Sports Europe, and her role is to support the European General Manager in managing the development and execution of Amer Sports portfolio concept in Europe.



Rick Kerpsack (left) has been appointed Director of Wilson Interactive Marketing. He was formerly the General Manager of Wilson Footwear. **Jack Rohrback**, who has long experience of the footwear business, has been appointed as his successor.



All brands at **ISPO**

All of Amer's brands were on display at the ISPO sporting goods fair in Munich, Germany. Visitors to the fair were able to familiarise themselves with Amer's complete portfolio of sporting goods, since the stands of Wilson, Atomic and Suunto were arranged side by side. In addition, Suunto had a separate department of its own. Atomic's range for next season was presented to the trade at ISPO.

Wilson's website best

Wilson and Atomic have both revamped their websites. Wilson's website won praise from users in a worldwide survey organised by Nielsen / NetRatings. Of the websites of sporting goods companies, the survey participants chose Wilson's as the best. Visitors to the site were particularly appreciative of the content design. Web-users can now access Atomic's Oxygen snowboard site directly from the company's main website. Suunto's website is currently being renewed.

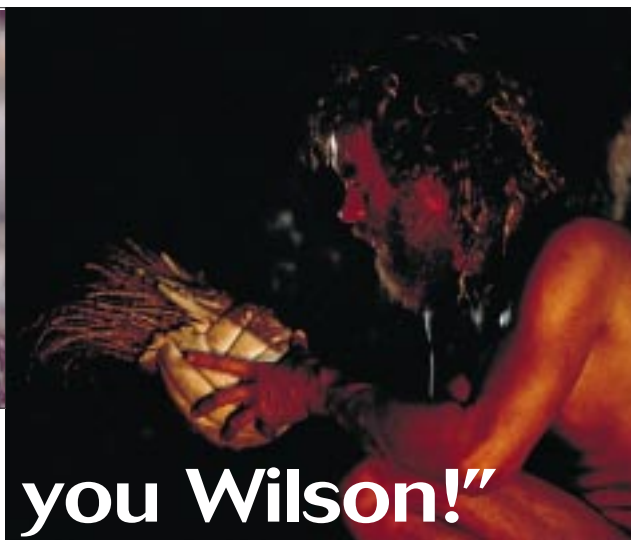
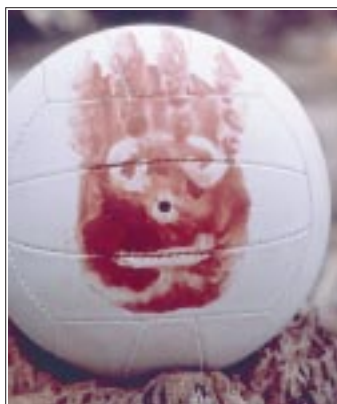
Wilsonsports.com
Suunto.com
Atomicsnow.com
Oxygensnowboards.com

Suunto has moved. The new address is Valimotie 7, FIN-01510 Vantaa, Finland; and the new telephone number is +358 9 875 870.

Beta Vasa
ATOMIC
 3D GRIP

Three golds for **Karine Ruby**

Oxygen snowboarders were particularly successful at the World Championships in Madonna di Campiglio. **Karine Ruby** of France, a gold medallist at the Nagano Olympics in 1998, won gold medals in the grand slalom, half-pipe and snowboard cross. All told, the Oxygen team won seven medals. Bronze medals went to **Alex Maier** of Austria in the snowboard cross, to **Manuela Riegler** and **Stefan Kaltschütz** in the pairs slalom, and to **Markus Hurme** of Finland in the half-pipe.



“I love you Wilson!”

“I love you, Wilson”, cries **Tom Hanks** in his latest movie *Cast Away*, which is directed by Robert Zemeckis. The object of Hanks’s affection is Wilson’s AVP Replica Gold volleyball, which, besides Helen Hunt, is the other star of the movie.

Tom Hanks plays the role of Chuck Noland, an inspector for Federal Express. Having survived an air crash, Nolan is marooned on a desert island – his only companion a volleyball which he finds washed up on the beach and on which he paints a face using his own blood. “Wilson”,

as Noland names the ball, is more than just a volleyball; it becomes a psychological crutch and safety valve, to which the man starts to relate to ease the pain of his solitude.

Although “Wilson” does not have a single line in the movie, a volleyball playing opposite Tom Hanks has aroused a great deal of interest. Actually, “Wilson” seems to have made a deep impression on movie-goers. So much so, in fact, that the Broadcast Film Critics Association named “Wilson” Best Inanimate Object of 2000.

Best Inanimate Object

The management of Wilson Sporting Goods has been pleasantly surprised with the movie role given to the AVP Replica Gold volleyball and, of course, with the wonderful publicity that the movie has generated. Wilson had absolutely nothing to do with the choice of volleyball brand for the movie, although they were naturally only to pleased to supply the moviemakers will all the balls they needed.

“It is incredible how much interest in the company has been generated by the movie. We have been inundated with positive phone calls from retailers, consumers and friends who have seen the movie. We are very grateful to 20th Century Fox for this unique opportunity, and it is a great honour for us to receive this first ‘Best Inanimate Object’ award,” says Vice President & General Manager of Wilson Team Sports, **Chris Considine**.

The fact that the Wilson AVP Replica Gold volleyballs used in the making of *Cast Away* were recently auctioned in the USA probably says something about “Wilson”’s popularity. The studio received USD 21 000 for just one of the balls. The AVP Replica Gold volleyball is the Official Match ball of the US Association of Volleyball Professionals’ Beach Volleyball League.



Surprise US winner

Twenty-seven-year-old **Daron Rahlves** of the United States caused the biggest upset of the World Championships by winning the Super-G. A member of Atomic Team, Rahlves had previously won only two World Cup races. Rahlves has been training with the Austrian national team. The Atomic Team took 11 of the 30 medals won at the World Championships.



Stephan Eberharter (left) won silver in the Super-G. The bronze went to **Hermann Maier**, whose brute-strength style was not suited to the gentle slopes.

Harrington signs for Wilson

Padraig Harrington has signed a three-year agreement with Wilson to play the latest Fat Shaft clubs on a global basis. The popular 29-year-old Irishman will use the recently-launched RM Signature Fat Shaft irons that have placed him among the top four for a spot in the European team for the 2001 Ryder Cup at the Belfry. He made an impressive Ryder Cup debut at Brookline last year, culminating in his defeat of **Mark O'Meara** in a high-pressure singles match.

"I am very happy to sign another contract with Wilson and play with the clubs that have helped my game so much," said Padraig. "I switched to using the new RM Signature Fat Shaft irons in September and a month later won a Tour title in Madrid with 17 under-par. So I know how good these clubs are and what confidence they give me in my game," he added.

The RM Signature Fat Shaft irons are named after the respected club designer **Robert Mendralla**, who has been crafting top clubs for Wilson for the past 30 years. He has taken the proven Fat Shaft technology for average golfers a stage further for the benefit of better players. The new club has a shaft tip diameter of 0.450" (versus 0.370" standard) and provides the ultimate in accuracy for players who wish to work and shape the

ball towards the green.

As well as using the same RM Signature Fat Shaft irons that are available in all leading golf shops, Padraig will wear the distinctive Wilson visor and carry the famous red-and-white Tour bag throughout all his rounds on the European Tour, in the major championships and at other top events around the world.

Padraig first signed for Wilson in 1998, the year he won the Irish PGA Championship. Last year he won two more European Tour titles: the Brazil Sao Paulo 500 Years Open and the BBVA Turespana Masters in Madrid. After the Caltex Singapore Masters in February, he was 24th in the world rankings, 8th in the Volvo European Order of Merit, and among the top four for a spot in the European team for the 2001 Ryder Cup. He has been among the best Europeans competing in the majors, finishing equal fifth in the US Open at Pebble Beach and inside the top 20 at both The Masters and The Open.

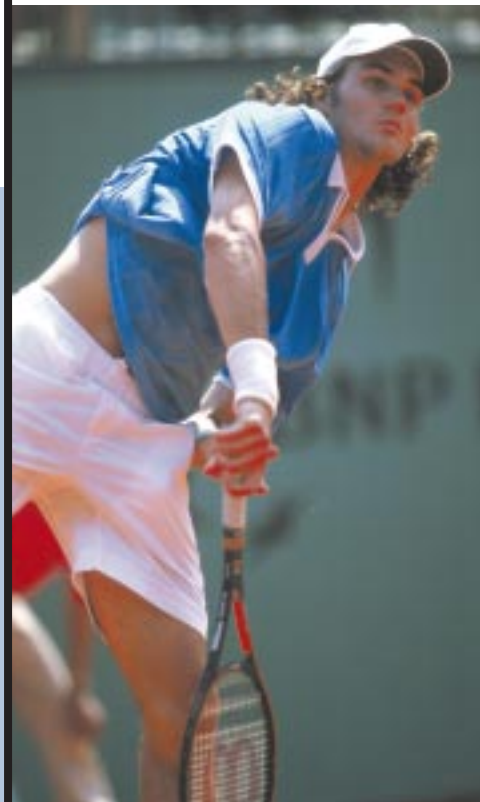
GENE TECHNOLOGY AT THE SUPER BOWL

The USA's most-watched television programme, the National Football League's (NFL) grand final in the Super Bowl, gathered the nation around their TVs on January 28. The game between the Baltimore Ravens and the New York Giants in Tampa Stadium was watched by 72,000 spectators in the stands and over 120 million people at home. Baltimore emerged from the game as surprise winners, crushing their opponents by 31 points to 7.

About 50 Wilson balls were specially reserved for the occasion. After the game some of these balls were donated to charity, while others were sold through the NFL's website. The match balls were impregnated with specially developed synthetic DNA to prevent the problem of fake balls being sold as official Super Bowl balls, as has happened in previous years.

Federer wins ATP- tournament

The professional career of nineteen-year-old **Roger Federer** (Switzerland) is progressing very well indeed. In February he won his first ATP tournament in Milan, defeating **Julien Boutter** in the final. Federer was also a member of the Swiss Davis Cup team, which surprised the tennis world by beating the powerful US team.



Amer 50 years

Amer Group celebrated its 50th birthday in sporting style last November. Experienced ATP player **Todd Martin** shared his knowledge and experience with Finnish tennis coaches, national team members and juniors over two days.

Wilson players **Todd Martin**, **Jonas Björkman**, **Stefan Edberg** and **Janne Ojala** played in an exhibition match for the celebration guests.

The party was attended by more than 3,000 guests, who were entertained by the Swedish singer **Thomas Ledin** and other performers.



Photos: Lauri Olander