



Interim Report Q1/07

April 25, 2007

Roger Talermo, President and CEO



Q1 Highlights

- All businesses except winter sports developing largely as expected
- Net sales declined by 4% in local currencies
 - Uncommonly weak snow conditions in nearly every market significantly affected business
 - Winter sports equipment re-orders decreased notably from last year
 - Atomic and Salomon inventory levels lower than last year
 - Currencies reduced net sales by 5%
 - Solid growth in Salomon Apparel and Footwear, Precor and Suunto
- EBIT declined to EUR -7.8 million (Q1/06: EUR 1.6 million)
 - Additional measures initiated to insure profitability in winter sports
- New guidance: full-year results to reach previous year's level
 - Previous guidance: EBIT to increase from EUR 120 million to EUR 130-145 million



Profit and loss statement

MEUR

	Q1/07	Q1/06	Ch %	2006
Net sales	381.8	417.4	-9	1,792.7
EBIT	-7.8	1.6	-6	120.2
Net financials	-6.8	-4.9		-23.6
EBT	-14.6	-3.3		96.6
Taxes	3.6	1.0		-26.1
Net result	-11.0	-2.3		70.5
EPS	-0.15	-0.03		0.98



Breakdown of net sales

MEUR

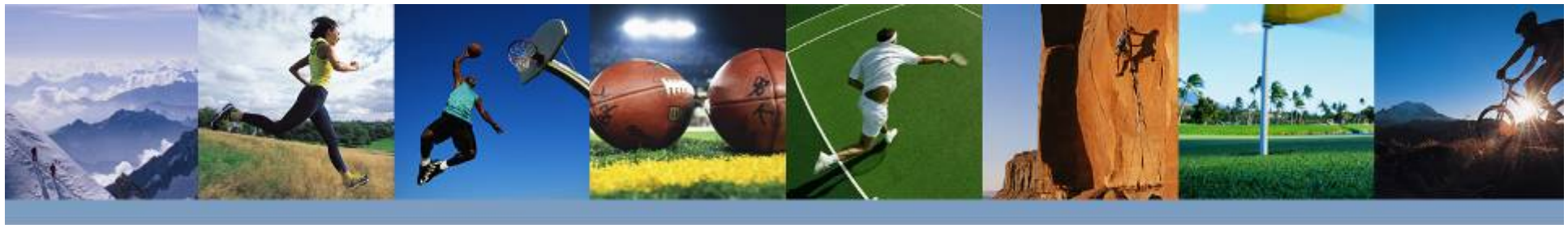
	Q1/07	Q1/06	Ch %	Ch % in local currencies	2006
Salomon	110.5	123.3	-10	-8	661.4
Wilson	163.6	178.3	-8	-2	569.6
Precor	73.8	72.9	1	9	275.6
Atomic	12.5	23.7	-47	-46	204.8
Suunto	21.4	19.2	11	16	81.3
Total	381.8	417.4	-9	-4	1,792.7



Breakdown of EBIT

MEUR

	Q1/07	Q1/06	Ch %	2006
Salomon	-22.6	-22.4	-1	23.6
Wilson	19.8	24.3	-19	54.6
Precor	9.9	12.0	-18	34.8
Atomic	-13.3	-9.4	-41	16.6
Suunto	1.5	1.1	36	7.0
HQ	-3.1	-4.0	23	-16.4
Total	-7.8	1.6		120.2



Business Segments



Winter sports market

- Amer Sports is responding to the challenging market conditions by
 - Leveraging synergies
 - Increasing the efficiency of its operations
- Strategic position
 - Salomon and Atomic combined volume (market share of ~30%) in winter sports enables us to become the cost-leader in the industry
 - Salomon and Atomic product lines are strong
- Future outlook
 - We have taken measures to improve profitability
 - Synergies continue to increase cost-efficiency
 - Strong focus on product development



Salomon

- Q1 net sales declined 8% in local currencies
 - Winter Sports Equipment -54%
 - Apparel & Footwear +23%
 - Mavic +6%
- Salomon has adjusted its production
 - Inventory level and mix are healthy
- In 2007, Salomon winter sports business net sales are estimated to fall 15–20%
- Footwear and apparel continue to grow. Mavic is expected to keep developing favorably and its profitability to remain at good level.



MEUR	Q1/07	Q1/06	Ch %
Net sales	110.5	123.3	-10
EBIT	-22.6	-22.4	-1



Atomic

- Q1 net sales declined by 46% in local currencies
- Measures were taken to react to the shrinking market environment by lowering costs and reducing workforce
- In 2007, Atomic net sales are estimated to fall 15–20%



MEUR	Q1/07	Q1/06	Ch %
Net sales	12.5	23.7	-47
EBIT	-13.3	-9.4	-41



Wilson

- Q1 net sales declined by 2% in local currencies
 - Racquet Sports +4%
 - Team Sports -4%
 - Golf -9%
- Earnings decreased due to timing of Team Sports sales
 - Q1 investments in marketing and IT system upgrades also increased costs
- Wilson is expected to keep growing profitably in 2007



MEUR	Q1/07	Q1/06	Ch %
Net sales	163.6	178.3	-8
EBIT	19.8	24.3	-19



Precor

- Q1 net sales increased by 9% in local currencies
- North America continues to fuel the growth in both commercial and consumer segments
 - Product launches building momentum
- Quarterly earnings in 2007 will be more evenly balanced than last year
- Precor's growth in 2007 is forecast to once again outpace the market



MEUR	Q1/07	Q1/06	Ch %
Net sales	73.8	72.9	1
EBIT	9.9	12.0	-18



Suunto

- Q1 net sales increased by 16% in local currencies
 - 43% sales growth in wristop computers boosted by the new t-series heart rate monitor product line
 - Diving instruments -5%
- Diving instruments and wristop computers accounted for 70% (66%) of net sales
- New launches are anticipated to generate growth in Suunto's net sales in 2007. Profitability is also expected to improve.



MEUR	Q1/07	Q1/06	Ch %
Net sales	21.4	19.2	11
EBIT	1.5	1.1	36



Outlook



Full-year outlook 2007 and guidance

- Amer Sports net sales are expected to decline slightly
- EBIT is estimated to reach the previous year's level
- The weaker outlook is the result of high inventory levels in the winter sports industry
 - Poor snow conditions have created general caution for retail pre-orders regarding both timing and volume
 - Net sales of Amer Sports winter sports equipment are expected to decline about 15-20%
- Cash flow from operating activities is forecasted to improve
- Other business segments expected to develop positively
- Previous guidance, Feb 13, 2007
 - EBIT: EUR 130–145 million
 - ESP: EUR 1.10–1.25.



AMER SPORTS

PERFORMANCE PRODUCTS FOR ACTIVE SPORTS

Wilson **SUUNTO** **ATOMIC** **PRECOR**[®]_{USA} **SALOMON** 

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