

AMER GROUP PLC

RESULTS FOR THE 2001 FINANCIAL YEAR

- Net sales of EUR 1,099.8 million (2000: 1,086.6), up by 1%
- Operating profit of EUR 98.6 million (2000: 94.9), up by 4%
- Profit before extraordinary items of EUR 89.3 million (2000: 77.5), up by 15%
- Earnings per share of EUR 2.90 (2000: EUR 2.70)
- Dividend proposed of EUR 1.10 (2000: EUR 1.00)

- Although 2001 was a very challenging year for the sports equipment industry, Amer Group's businesses continued to make good progress. Amer Group is one of the most profitable sports equipment companies in the world.
- The largest increases in operating profits were reported in the Winter Sports and Team Sports Divisions with both making record profits. Suunto also made rapid progress during the year. The Golf Division, however, was not able to achieve its targets and reported a loss.
- The fastest growing product categories were wristop computers (39%), diving instruments (25%), alpine boots (56%), baseball and softball bats (20%) and volleyballs (30%).
- The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 1.10 per share be paid for the 2001 financial year, representing 37% of net profit. 2000's dividend was EUR 1.00 a share. According to the Board's proposal the record date will be 26 March and the dividend will be paid on 4 April 2002.



AMER SPORTS

W Wilson

SUUNTO

▲ ATOMIC

Net sales and results

The Group's net sales totalled EUR 1,099.8 million (2000: EUR 1,086.6 million), up 1%. Comparable net sales increased by 3%. Geographically, 51% of net sales were generated in North America, 11% in Finland, 25% in other European countries and 13% in the Rest of the World.

The Group's operating profit amounted to EUR 98.6 million, up 4% compared to 2000. Profit before extraordinary items totalled EUR 89.3 million (2000: EUR 77.5 million) and net profit was EUR 68.5 million (2000: EUR 65.8 million). Operating profit includes a gain of USD 8 million following the settlement of certain patent infringement lawsuits in the US.

Net financing expenses decreased by 47% to EUR 9.3 million, representing 0.8% of net sales.

Taxes for the 2001 financial year totalled EUR 20.5 million.

Return on capital employed (ROCE) increased from 16.1% in 2000 to 17.0% in 2001. Return on equity decreased from 16.1% in 2000 to 15.6% in 2001.

Earnings per share were EUR 2.90 (2000: EUR 2.70).

Q4 results

The Group's comparable net sales decreased by 6% and totalled EUR 244.5 million. Operating profit decreased by 5% to EUR 17.0 million, respectively. Profit before extraordinary items increased by 14%.

In the fourth quarter, the Winter Sports' high season dominates Amer Group's activities. Due to the earlier timing of deliveries compared to 2000, Atomic's net sales and operating profit were almost the same. During the period, Wilson's sales were affected by declining demand and the related caution of the trade in the USA, especially in October.

Highlights by business area

Wilson's net sales were similar to last year's, totalling EUR 705.4 million, a decrease of 2%. The total value of Wilson branded licensed products sold globally amounted to EUR 192 million.

The Racquet Sports Division's net sales and operating profit were similar to last year's. Operating profit totalled EUR 26.1 million (2000: EUR 26.6 million). Wilson retained its position as the leading brand in tennis equipment with a global market share of 33% in tennis racquets and 22% in tennis balls.

The Golf Division's performance was weak. Net sales decreased by 8%, and its operations were unprofitable with a loss of EUR 3.3 million compared to an operating profit of EUR 13.2 million in 2000. Wilson's club sales increased slightly, whilst both golf ball sales and profitability declined due to fierce competition. Wilson also lost some market share in golf balls.

The Team Sports Division improved its already strong market position in the USA. Net sales were up 5%. Bat sales grew by 20%. Operating profit was up 55% to a record of EUR 24.2 million.

The Winter Sports Division also had a record year with net sales increasing by 13%. Operating profit grew by 5% to a total of EUR 40.2 million, despite increased investment in R&D and branding. This good performance was boosted by increased sales and improved internal efficiency, such as the new logistics centre opened during the year. Alpine ski sales increased by 8%. Atomic is the second largest brand in alpine skis globally.

The Sports Instruments Division's net sales increased by 19%. Operating profit increased by 23% to EUR 10.1 million. The strongest growth was seen in wristop computers, with sales up 39%, and diving instruments, with sales growth of 25%. Suunto is the world's leading manufacturer of wristop computers, diving instruments and compasses.

Amer Tobacco's net sales increased by 9%. Operating profit increased by 3% to EUR 9.6 million. The company's share of the Finnish cigarette market remained strong at 75%. A total of EUR 415.1 million was paid in excise tax. Cigar sales increased significantly aided by the first full year contribution from the distribution agreement with Swedish Match. The company's cigar market share increased to 57%.

Changes in corporate structure

In March 2001, the Teletekno business was sold to a group of investment companies and the company's current management. Amer retained a 19% minority shareholding in the newly established company. In August, Konemuovi Oy was merged within Amer Group Plc.

Capital expenditure

The Group's gross capital expenditure totalled EUR 24.2 million (2000: EUR 57.2 million).

Wilson's capital expenditure amounted to EUR 8.2 million, mainly accounted for by production, logistics and data systems. Atomic's capital expenditure totalled EUR 10.4 million, of which approximately 50% related to the new R&D Centre, and to the new logistics centre which was completed during the year. Suunto's capital expenditure totalled EUR 2.8 million and Amer Tobacco's capital expenditure amounted to EUR 1.7 million.

Income from sales of real estate companies' shares and disposals of fixed assets totalled EUR 12.7 million.

Research and development

R&D expenditure amounted to EUR 22.8 million, representing 2.0% of Group net sales. Of this, EUR 14.6 million related to Wilson, EUR 4.0 million to Atomic and EUR 4.2 million to Suunto.

Finance

In March, all current individual domestic commercial paper programmes were replaced by one joint domestic paper programme of EUR 100 million. Due to its strong cash flow, Amer Group took no other significant funding actions during the financial year. The equity ratio stood at 50.7% (2000: 47.4%) at the 2001 year-end. Gear-

ing was 26% (2000:35%). The Group's year-end net debt totalled EUR 114.5 million (2000: EUR 154.6 million). The Group's financial position and liquidity remained good throughout the year.

Personnel

The number of Amer Group employees decreased by 593 during the year following the closure of the tennis ball factory in Fountain Inn, South Carolina, and the streamlining of the US golf businesses. Teletekno, divested in March, employed 99 persons. The number of Amer Group employees totalled 3,734 at the end of the financial year (2000: 4,327). The average number of employees during 2001 was 4,015 (2000: 4,379). At the year end Wilson had a total of 2,125 employees (2000: 2,653). Atomic's personnel totalled 633 at the end of the year (2000: 613), Suunto's 575 (2000: 566) and Amer Tobacco's 356 (2000: 353). The Parent Company, Amer Group Plc, had 45 employees at the year-end (2000: 43), with an average of 45 (2000: 43) during the year.

The number of employees totalled 1,418 in the US, 675 in Finland, 601 in Austria and 1,040 in the Rest of the World.

The Parent Company's Board of Directors and Auditors

At the Annual General Meeting on 7 March 2001 it was resolved that the Board of Directors would consist of seven members. Mr Pekka Kainulainen and Mr Roger Talermo, whose terms were scheduled to expire, were re-elected for the term 2001-2003. The other Board members, Mr Ilkka Brotherus (term 2000-2002), Mr Felix Björklund (term 1999-2001), Mr Tauno Huhtala (term 1999-2001), Mr Tuomo Lähdesmäki (term 2000-2002) and Mr Timo Maasilta (term 2000-2002) continued as Board Members. At its first meeting the new Board of Directors elected Mr Pekka Kainulainen as Chairman and Mr Tauno Huhtala as Vice Chairman.

SVH Pricewaterhouse Coopers Ltd., Authorised Public Accountants, were elected Auditors of the Company, with the auditor in charge being Mr Göran Lindell.

Shares

The Company had 10,520 registered shareholders at the end of the financial year. Nominees accounted for 50% of the total shares in issue (2000: 52%).

Amer's share price performed well, rising 5% during the financial year, in comparison to a 22% decrease in the Helsinki portfolio index and a 24% decrease in the FTSE 100 index in London. A total of 74% of the shares in issue were traded, with some 12.4 million shares or 51% of those in issue traded on the Helsinki Exchanges and 5.5 million shares or 23% of those in issue traded on the London Stock Exchange. The share price was at its lowest in September and at its highest in December. In Helsinki, the share price high was EUR 29.50 and the low EUR 21.00, averaging EUR 25.61. In London, the prices were GBP 17.96, 13.94 and 15.93, respectively.

On 7 March 2001, the AGM approved a proposal to authorise the Board of Directors to purchase and dispose of the Company's shares. The Board may also propose that the acquired shares be cancelled thereby decreasing the share capital. The authorisations are limited to 5% of the total number of shares in issue and votes thereon. The authorisations are valid until the 2002 AGM, although for a maximum period of one year from the date of the AGM at which they were approved.

In May, the Company's share capital was decreased by cancelling a total of 633,000 of its own shares held by the Company on the basis of the 2001 AGM resolution.

During the period January – March 2001 the Company acquired a total of 390,400 of its own shares and it acquired a total of 769,100 between April – December 2001, authorised by the 2000 AGM and the 2001 AGM, respectively. At the end of the year, the number of shares repurchased totalled 968,300, representing 4% of the Company's shares and votes. The repurchased shares have not had any significant impact on the breakdown of shareholdings and votes in the Company.

During the year, a total of 38,400 new Amer Group Plc shares were subscribed for on the basis of the 1998 A warrants. A total of 26,650 shares were subscribed for and paid up in November – December 2001; 20,700 of these shares were registered on 30 January and 5,950 will be registered in February 2002. After the corresponding increases in the share capital, the Company's share capital may still increase by 784,950 new shares as a result of the 1998 warrant subscription.

In 2001, the 1998 warrants were entered into the Finnish automated book-entry securities system. On 25 June 2001, the A warrants were introduced to the main list of the Helsinki Exchanges, and the B warrants, whose subscription period started on 1 January 2002, were introduced and simultaneously combined with the A warrants as one security on 11 January 2002.

In August, 15,778 Amer Group Plc shares which had not been transferred to the book-entry system were sold on behalf of their owners following a resolution at the AGM in March. The respective funds have been deposited with the Southern Finland County Administrative Board.

At the end of the year, the Company's paid up and registered share capital was EUR 96,463,680 and the number of the shares in issue was 24,115,920.

The Company's market capitalisation excluding the repurchased shares stood at EUR 682.9 million at the year-end.

The Board of Directors had no outstanding authorisations to issue shares at the year-end.

New marketing name

In line with its strategic goals, Amer Group launched a new marketing name, Amer Sports, combined with a new logo, to be used for corporate marketing and advertising purposes. The official name of the Company, Amer Group Plc, is unchanged. The objective of

the new marketing name, along with our participation in the around the world yacht race, The Volvo Ocean Race, is to further strengthen the Company's commitment to sports equipment and to enhance the profile of the Group and its brands globally.

2002 prospects

The outlook for the sports equipment market in 2002 is cautiously optimistic. However, a large degree of uncertainty relating to general economic conditions remains.

In addition to the economic situation, demand for sports equipment is strongly affected by sports related issues, such as product innovations in the short term and the long term development of the number of participants in a specific sport.

Amer Group's operations are balanced by its wide portfolio of sports as well as by its geographic diversification.

During the current year, the tennis equipment market is expected to grow slightly. Like last year, 2002 will be a challenging one in our golf business. The global golf equipment market is expected to remain flat compared to last year, and competition will continue to be fierce. The market for team sports equipment is expected to remain flat or to decrease slightly. The positive trend is expected to continue in winter sports, while strong demand for Suunto's sports instruments is also likely to continue.

Amer Group's objective in 2002 is to deliver a strong performance against the market background outlined above.

Amer Group's target is to become the leading player in the global sporting goods equipment market. With this in mind, the Group continues to enhance its long term growth potential through increased investment in marketing and R&D. Amer Group is also focusing on the development of its Amer Sports distribution organisation in order to benefit more widely from its diversified portfolio of sports, a concept which has been well received by the trade. In addition to organic growth, acquisitions which meet the Group's strategic aims will be considered.

The Group's annual report will be published during the week 10. The interim report for the period January to March will be published on 7 May, for the period January to June on 6 August and for January to September on 5 November 2002.

The Company's Annual General Meeting will be held on Thursday, 21 March 2002 at 2:00pm at Amer Group Plc's headquarters in Helsinki.

Helsinki 7 February 2002

AMER GROUP PLC
Board of Directors

EUR million	2001	2000	Change %	
CONSOLIDATED RESULTS				
NET SALES	1,099.8	1,086.6		1
Depreciation	34.9	38.8		
OPERATING PROFIT	98.6	94.9		4
Net financing expenses	-9.3	-17.4		
PROFIT BEFORE EXTRAORDINARY ITEMS	89.3	77.5		15
Extraordinary items	-	-		
PROFIT BEFORE TAXES	89.3	77.5		15
Taxes	-20.5	-11.6		
Minority interest	-0.3	-0.1		
PROFIT	68.5	65.8		4
Earnings per share, EUR	2.90	2.70		
Earnings per share, diluted, EUR	2.88	2.68		
Adjusted average number of shares in issue less own shares, EUR million	23.6	24.3		
Equity per share, EUR	18.71	17.51		
ROCE, %	17.0	16.1		
ROE, %	15.6	16.1		
Average rates used: EUR 1.00 = USD	0.90	0.92		
AVERAGE PERSONNEL	4,015	4,379		
In financial ratios shareholders' equity and number of shares exclude own shares.				
NET SALES BY BUSINESS AREAS				
Racquet Sports	264.8	264.7		
Golf	235.9	257.5		-8
Team Sports	204.7	194.1		5
Winter Sports	199.3	177.0		13
Sports instruments	83.4	70.2		19
Tobacco	103.9	95.4		9
	1,092.0	1,058.9		3
Sold operations	7.8	27.7		
Net sales, total	1,099.8	1,086.6		1
BREAKDOWN OF OPERATING PROFIT				
Racquet Sports	26.1	26.6		-2
Golf	-3.3	13.2		
Team Sports	24.2	15.6		55
Winter Sports	40.2	38.3		5
Sports instruments	10.1	8.2		23
Tobacco	9.6	9.3		3
Headquarters	0.3	-8.8		
Group goodwill	-9.3	-9.6		
	97.9	92.8		5
Sold operations	0.7	2.1		
Total	98.6	94.9		4
GEOGRAPHIC BREAKDOWN OF NET SALES				
	2001	2000	%	Change %
North America	562.1	558.0	51	1
Finland	114.7	118.7	11	-3
Rest of Europe	278.8	266.4	25	5
Japan	60.6	68.2	6	-11
Asia Pacific	35.9	30.9	3	16
Other	47.7	44.4	4	7
Group, total	1,099.8	1,086.6	100	1

EUR million	2001	2000
CONSOLIDATED CASH FLOW STATEMENT		
Net cash from operating activities	93.2	74.7
Net cash from investing activities	11.8	-41.9
Net cash from financing activities	-118.1	-63.9
Net increase/decrease in cash and cash equivalents	-13.1	-31.1
Cash and cash equivalents at 1 Jan	41.6	71.7
Cash and cash equivalents at 31 Dec	28.5	40.6
CONSOLIDATED BALANCE SHEET		
Assets	31 Dec 2001	31 Dec 2000
Goodwill	208.1	222.1
Other intangible fixed assets	19.8	20.9
Tangible fixed assets	151.9	154.6
Long-term investments	56.0	51.0
Inventories and work in progress	155.2	161.3
Receivables	282.4	282.0
Marketable securities	1.5	14.5
Cash and cash equivalents	27.0	26.1
Assets	901.9	932.5
Shareholders' equity and liabilities	31 Dec 2001	31 Dec 2000
Shareholders' equity	458.1	437.8
Minority interest	11.2	11.0
Provision for contingent losses	2.8	4.4
Long-term interest-bearing liabilities	73.4	127.6
Other long-term liabilities	19.6	27.2
Short-term interest-bearing liabilities	69.6	67.6
Other short-term liabilities	267.2	256.9
Shareholders' equity and liabilities	901.9	932.5
Equity ratio	50.7%	47.4%
Gearing	26%	35%
EUR 1.00 = USD	0.88	0.93
CONTINGENT LIABILITIES AND SECURED ASSETS, CONSOLIDATED		
	31 Dec 2001	31 Dec 2000
Charges on assets	-	9.1
Mortgages pledged	17.3	19.0
Guarantees	-	1.4
Liabilities for leasing and rental agreements	55.6	54.8
Other liabilities	40.9	41.7
There are no guarantees or contingencies given for the management of the company, the shareholders or the associated companies.		
NOTIONAL AMOUNTS OF DERIVATIVE FINANCIAL INSTRUMENTS		
	31 Dec 2001	31 Dec 2000
Nominal value		
Foreign exchange forward contracts	306.6	310.8
Forward rate agreements	50.0	0.0
Fair value		
Foreign exchange forward contracts	1.9	10.7
Forward rate agreements	0.0	0.0

EUR million	2001				2000			
	IV	III	II	I	IV	III	II	I
QUARTERLY BREAKDOWN OF NET SALES								
Racquet	48.2	73.1	74.1	69.4	51.4	70.2	71.5	71.6
Golf	38.0	47.5	89.9	60.5	46.0	52.8	89.3	69.4
Team Sports	41.9	45.6	49.1	68.1	48.8	41.7	44.4	59.2
Wilson total	128.1	166.2	213.1	198.0	146.2	164.7	205.2	200.2
Atomic	68.2	91.6	11.1	28.4	68.7	74.3	9.4	24.6
Suunto	22.1	18.4	23.0	19.9	20.2	14.8	18.9	16.3
Tobacco	26.1	28.3	27.3	22.2	26.1	26.3	24.4	18.6
	244.5	304.5	274.5	268.5	261.2	280.1	257.9	259.7
Sold operations	-	-	0.1	7.7	7.4	6.2	7.5	6.6
Total	244.5	304.5	274.6	276.2	268.6	286.3	265.4	266.3

EUR million	2001				2000			
	IV	III	II	I	IV	III	II	I
QUARTERLY BREAKDOWN OF OPERATING PROFIT								
Wilson	0.6	7.0	26.1	13.3	3.8	10.9	26.2	14.5
Atomic	16.8	28.4	-5.2	0.2	18.1	22.3	-3.0	0.9
Suunto	2.2	2.3	3.2	2.4	2.0	1.0	3.5	1.7
Tobacco	2.1	2.6	2.9	2.0	2.4	2.3	3.5	1.1
Headquarters	-2.4	-4.3	8.9	-1.9	-5.9	1.0	-1.8	-2.1
Group goodwill	-2.3	-2.3	-2.3	-2.4	-2.5	-2.4	-2.4	-2.3
	17.0	33.7	33.6	13.6	17.9	35.1	26.0	13.8
Sold operations	-	-	-0.1	0.8	0.3	0.4	1.0	0.4
Total	17.0	33.7	33.5	14.4	18.2	35.5	27.0	14.2

AMER GROUP PLC

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