ANNUAL REPORT 2006

AMER SPORTS

PERFORMANCE PRODUCTS FOR ACTIVE SPORTS

CONTENT

JULY
EARLY IN THE MORNING
ALTITUDE 7,800 FEET
FRANCE

AMER SPORTS BUSINESS SEGMENTS

Brands: Salomon, Mavic, Arc'teryx, Bonfire
www.salomonsports.com

The leading outdoor and winter sports company

Salomon is the world leader in winter sports and is well-established in outdoor sports. Salomon is known for highly innovative and performance-oriented products. Salomon's sports include alpine and cross-country skiing, snowboarding, and major outdoor sports such as climbing, hiking, adventure racing and trail running.

Brands: Wilson, DeMarini, Atec
www.wilson.com

The authentic ball sports brand

Wilson is the world's leading manufacturer of ball sports products. Its core sports are tennis, squash, badminton, American football, baseball, basketball, softball and golf.

Brands: Precor, Cardio Theater, ClubCom
www.precor.com

The global fitness equipment leader

Precor is a full-line supplier of technically-advanced, premium-quality fitness equipment for the commercial and home markets. Its main products are aerobic exercise equipment, strength-training systems and entertainment systems. Precor is the world's leading manufacturer of elliptical crosstrainers.

Brands: Atomic, Dynamic, Volant
www.atomicsnow.com

The leading manufacturer of alpine skis

Atomic is the world's leading manufacturer of alpine skis. Its sports categories include alpine skiing, cross-country skiing and snowboarding.

Brands: Suunto, Recta, Bare, Ursuk
www.suunto.com

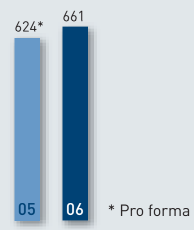
The leading manufacturer of sports instruments

Suunto is the leading manufacturer of instruments for a variety of sports, including diving, training, skiing, hiking, sailing and golf. Suunto is a market leader in diving computers.

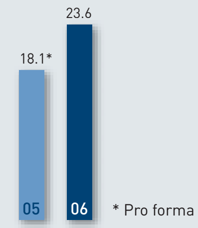
KEY INDICATORS

EUR MILLION	2006	PRO FORMA 2005	CHANGE
NET SALES			
WINTER SPORTS	345.6	348.6	–1%
APPAREL AND FOOTWEAR	208.0	175.6	18%
MAVIC	107.8	99.3	9%
NET SALES, TOTAL	661.4	623.5	6%
EBIT	23.6	18.1	30%
% OF NET SALES	3.6	2.9	
PERSONNEL AT YEAR END	2,372	2,607	–9%

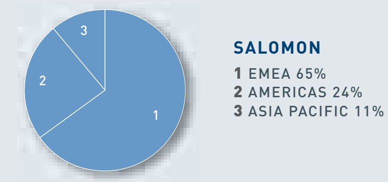
NET SALES, EUR MILLION



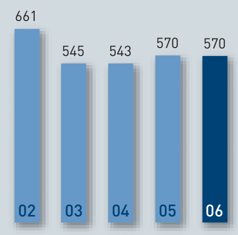
EBIT, EUR MILLION

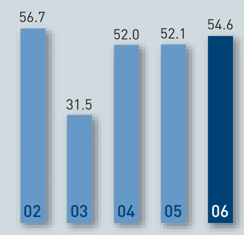


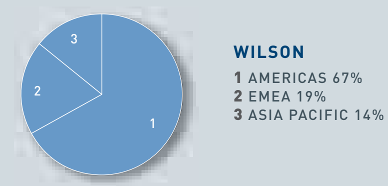
NET SALES BY GEOGRAPHICAL SEGMENT



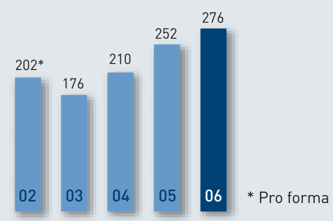
EUR MILLION	2006	2005	CHANGE
NET SALES			
RACQUET SPORTS	235.3	225.4	4%
TEAM SPORTS	219.6	203.8	8%
GOLF	114.7	141.2	–19%
NET SALES, TOTAL	569.6	570.4	0%
EBIT	54.6	52.1	5%
% OF NET SALES	9.6	9.1	
ROCE, 12-MONTH ROLLING AVERAGE	38.4	36.9	
PERSONNEL AT YEAR END	1,919	1,914	0%

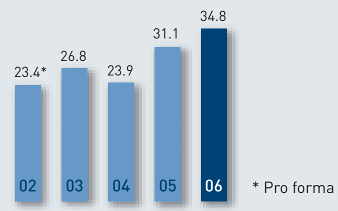


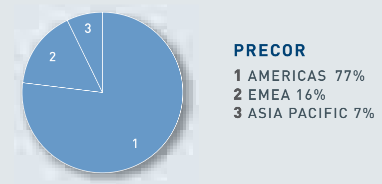




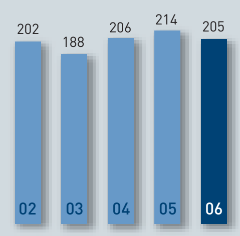
EUR MILLION	2006	2005	CHANGE
NET SALES	275.6	252.1	9%
EBIT	34.8	31.1	12%
% OF NET SALES	12.6	12.3	
ROCE, 12-MONTH ROLLING AVERAGE	50.6	51.2	
PERSONNEL AT YEAR END	795	733	8%

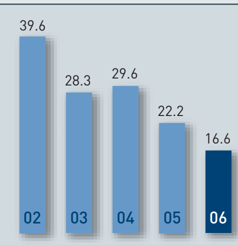


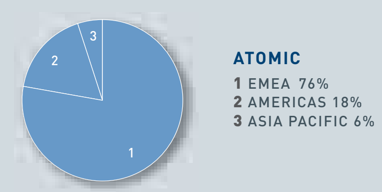




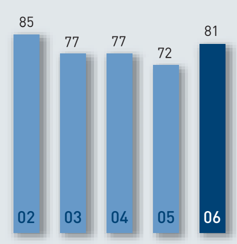
EUR MILLION	2006	2005	CHANGE
NET SALES	204.8	214.0	–4%
EBIT	16.6	22.2	–25%
% OF NET SALES	8.1	10.4	
ROCE, 12-MONTH ROLLING AVERAGE	16.5	20.6	
PERSONNEL AT YEAR END	893	833	7%

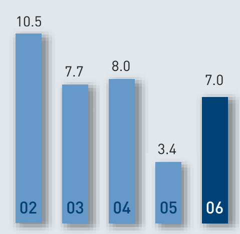


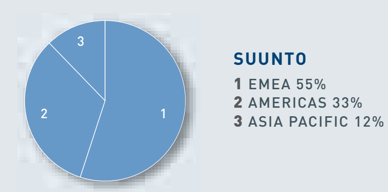




EUR MILLION	2006	2005	CHANGE
NET SALES	81.3	72.0	13%
EBIT	7.0	3.4	106%
% OF NET SALES	8.6	4.7	
ROCE, 12-MONTH ROLLING AVERAGE	30.9	14.8	
PERSONNEL AT YEAR END	522	527	–1%







AMER SPORTS IS THE WORLD'S LEADING SPORTS EQUIPMENT COMPANY

We offer technically-advanced equipment and products that improve the performance of active sports participants. Our major brands include Salomon, Wilson, Precor, Atomic and Suunto. The company's business is balanced by our broad portfolio of sports and our presence in all major markets.

Listed on the Helsinki Stock Exchange since 1977, Amer Sports Corporation had a turnover of 1.8 billion euros and a market capitalization of 1.2 billion euros in 2006. At the end of the year, Amer Sports employed 6,553 people. We are recognized world-wide for our sports brands, including Salomon, Wilson, Precor, Atomic and Suunto.

Amer Sports provides equipment, technical apparel and footwear for a wide variety of athletic activities: winter and summer, indoor and outdoor, individual and team, women and men, adults and children. We focus on products that help athletes achieve the best results and most enjoyment from their sports. Our range of sports includes tennis, badminton, golf, American football, soccer, baseball, basketball, alpine skiing, cross-country skiing, snowboarding, fitness training, cycling, running, hiking and diving.

Amer Sports is a year-round, full-service supplier. Our broad range of sports equipment and global presence provide balance for our businesses as seasons turn and the popularity of individual sports fluctuate.

Amer Sports sales organizations operate in 33 countries, allowing us to effectively bring our new products to market simultaneously around the globe. Our sales companies have experience and specialized expertise for every type of sport. Furthermore, our local personnel know their own markets and the preferences of sports enthusiasts in their territories.

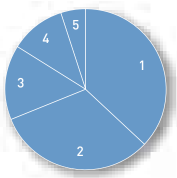
First-class customer service and reliable, efficient and timely supply chain management are core to the Amer Sports strategy, enabling us to continue to build on strong relationships with our customers and maintain our market-leading position.

We are continuously developing our operations in collaboration with our retail partners. The Amer Sports product offering and services ensure optimal efficiency in the sell-through process.

In-depth know-how in each of our sports, together with a deep understanding of the consumer, are the keys to bringing innovative new products to market that outperform our competitors.

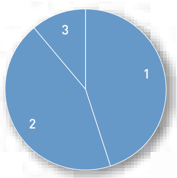
NET SALES BY BUSINESS SEGMENT

1 SALOMON 37%
2 WILSON 32%
3 PRECOR 15%
4 ATOMIC 11%
5 SUUNTO 5%



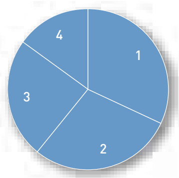
NET SALES BY GEOGRAPHICAL SEGMENT

1 AMERICAS 45%
2 EMEA 44%
3 ASIA PACIFIC 11%



NET SALES

1 BALL SPORTS 32%
2 WINTER SPORTS EQUIPMENT 29%
3 OUTDOOR 24%
4 FITNESS 15%



A GLANCE AT 2006

AMER SPORTS FINANCIAL REVIEW, PAGES 54–101

In 2006, Amer Sports Corporation's net sales were 1,792.7 million euros. EBIT came in at 120.2 million euros. Earnings per share were 0.98 euros. At the end of 2006, the company employed 6,553 people.

The proposed dividend for 2006 is 0.50 euros per share, representing a dividend ratio of 51%. A dividend of 0.50 euros per share was paid for 2005.

SALOMON, PAGES 18–25

Salomon reached its goals for 2006, supported by improved profitability in equipment and strong growth in soft goods. Mavic's net sales increased but its EBIT declined.

WILSON, PAGES 26–33

Wilson's net sales were flat compared to 2005. Racquet Sports and Team Sports sales increased, but Golf sales and earnings fell short of their objectives.

PRECOR, PAGES 34–37

Precor continued to grow its business in 2006. Sales, particularly to fitness clubs, have continued to surge in North America. Much of Precor's gain in commercial markets is drawn from the success of the new Experience line of commercial cardio equipment.

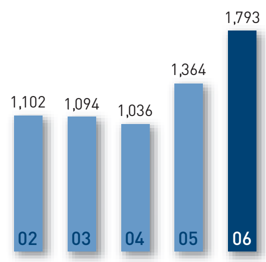
ATOMIC, PAGES 38–41

Atomic's sales growth was slowed by poor snow conditions in several key markets. In 2006, Atomic won the overall world cups both in alpine skiing (Benjamin Raich, Austria) and in cross-country skiing (Tobias Angerer, Germany).

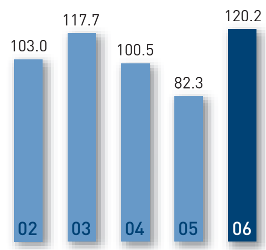
SUUNTO, PAGES 42–45

Suunto is back on the grow path. Suunto developed a new athletic training line that helps users achieve their fitness and performance goals with intelligent real-time information and advice.

NET SALES, REPORTED
EUR MILLION



EBIT
EUR MILLION



KEY INDICATORS

EUR MILLION	2006	2005	CHANGE %	PRO FORMA 2005*	CHANGE %
NET SALES	1,792.7	1,363.7	31	1,732.0	4
GROSS PROFIT	697.4	546.6	28	684.4	2
EBIT	120.2	82.3	46	117.1	3
% OF NET SALES	6.7	6.0		6.8	
FINANCING INCOME AND EXPENSES	–23.6	–9.0		–24.0	
EARNINGS BEFORE TAXES	96.6	73.3	32	93.1	4
NET RESULT	70.5	75.4	–6	62.4	13
EARNINGS PER SHARE, EUR	0.98	1.05		0.87	
RETURN ON SHAREHOLDERS' EQUITY (ROE), %	12.9	15.1		-	
EQUITY RATIO, %	33.6	31.8		-	
PERSONNEL AT YEAR END	6,553	6,667		6,667	

For a complete set of 2006 key figures, see page 63.
Calculation of key indicators, see page 87.
Amer Sports stock exchange releases in their entirety can be found on the company's website at www.amersports.com.

* In these figures Salomon has been accounted for as from January 1, 2005 .

CEO'S REVIEW

ROGER TALERMO

Amer Sports experienced an expected year of transition in 2006. Our sales increased 31% as we integrated Salomon for the full year. We also initiated several organizational changes. These will not significantly affect the bottom line this year but will position us for stronger future growth.

Achieving our growth target of becoming a two-billion euro company will take a few years. To reach this goal, we are developing our operational structure to gain synergies and streamline our processes. Many important decisions have already been made. The transition is underway.

GLOBAL DEVELOPMENT

World-wide, several Amer Sports and Salomon subsidiaries have merged. Quite a few have moved into joint locations to better serve local customers. For example, the creation of our North American Winter and Outdoor organization is an important step in strengthening our presence in these categories in the number one market in the world, the United States. We also opened an Amer Sports logistics center in the United

States in Rockdale, Tennessee. Wilson has already moved in, and Salomon, Atomic and Suunto will follow in 2007.

We have continued to streamline and renew quite a few of our internal processes in order to operate more efficiently. Our Asian sourcing office in Hong Kong has opened, allowing us to be closer to our sources and work more effectively with our vendors. We expanded the use of our Bulgarian and Romanian Winter Sports sources, and the capacity of Altenmarkt's ski factory was increased by opening up bottlenecks and focusing our production in certain locations. Our information technology staff continued the SAP rollout to help us achieve more transparency.

It goes without saying that all of these changes are necessary as we continue to grow.

STRENGTHENING OUR POSITION

In 2006, we achieved organic growth of 4%. Precor was up 9%, and Suunto was back on the growth path with a 13% increase in sales. Salomon's sales increased 6%. Wilson's sales remained at 2005 levels with 4% growth in Racquet Sports and 8% in Team Sports. As expected, Golf was a challenge, but many improvements were made to move the business into the black in 2007. Atomic's sales growth was slowed by poor snow conditions in several key markets.

Going forward, sports equipment will continue to be our core business. Our portfolio of sports remains balanced thanks to our presence in every season year-round. We need to strengthen our leadership position and be recognized as the undisputed number one sports equipment company in the world. We recognize there are excellent growth opportunities in technical apparel and footwear, where Arc'teryx, Salomon and Bonfire provide us with strong footholds to build upon. The opportunity to more prominently enter these higher-growth and higher-margin categories will be seriously explored.

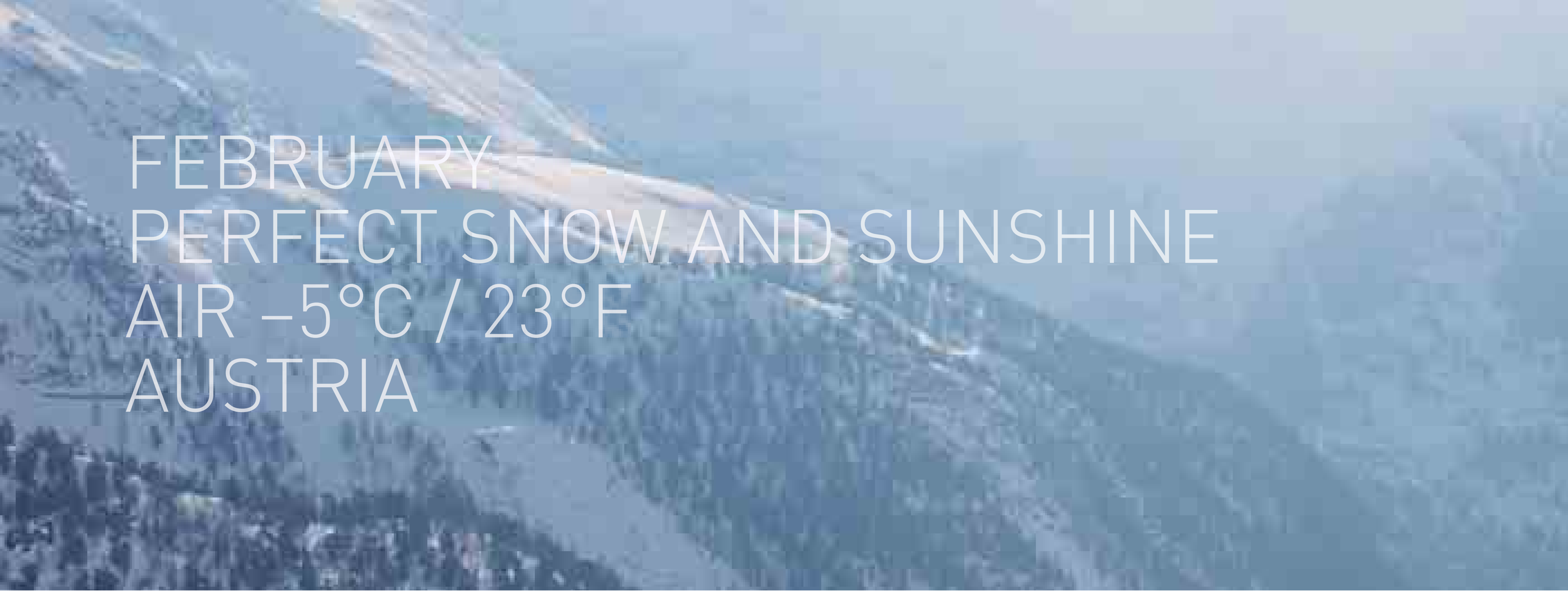
Amer Sports has a stronger-than-ever position in the global sports business. We will continue to build strong business platforms that serve all of our brands. International distribution, efficient supply chain management, transparent information flow, and ambitious target-setting are all factors that will drive our company's future success.

FUTURE SUCCESS

We know that at the end of the day, our success is in the hands of sportswomen and sportsmen engaged in their activities of choice. It is our ultimate task to provide all people – whatever their level of performance – with products that inspire them to improve their skills, enjoy their activities, and make them proud of the products they use.

Amer Sports people world-wide are committed to our values. Our focus will always be on innovating and serving our customers and consumers and continuing to improve our business and its value. I am proud to say that Amer Sports is powered by its people, and I want to thank them for their commitment.

I am convinced that we will be stronger than ever in the future. Everyone involved with Amer Sports will participate in our success. Our commitment to excel and our love of sports will continue be our driver.



VISION, MISSION AND VALUES

VISION

To be the industry's leading active sports company, fueled by authentic brands with products that inspire athletic performance.

MISSION

Our mission is to produce sports and fitness products that enable everyone from the enthusiastic beginner to the professional athlete to achieve the best results and most enjoyment from their sports.

OUR PLAYING FIELD
We are dedicated to active lifestyles, sports and wellness.

OUR AMBITION
The passion for sports is at the core of our business. Our primary motive is setting and achieving targets and moving beyond our limits in life, business and technology, enabling people to achieve their highest goals in sports and improve their well-being.

VALUES

The Amer Sports staff consists of people of various nationalities with different business cultures. Our shared values support and guide our operations around the world. Success in competition requires the determination to win, team spirit, fair play and innovation.

DETERMINED TO WIN
Strong performance is our core value. Financial success enables continuous development of our brands and products. The determination to win encourages a strong work ethic and high-level performance.

TEAM SPIRIT
We believe in team spirit and teamwork. We want our team to consist of strong individuals who support our common goals.

FAIR PLAY
We play by the rules and we recognize and seek to remedy our faults.

INNOVATION
The prerequisite for development is innovation, and the prime mover for innovation is to always question the way we do things.

SPORTING GOODS, A BUSINESS OF THE FUTURE

The spirit of surpassing goals is at the core of the Amer Sports business. We produce sports equipment for everyone from the professional athlete to the active participant to the enthusiastic beginner.

Whether you are competing against others or just trying to improve on your previous best; working out every morning or playing golf on Saturdays with your best friend; or just hitting the slopes with your family on the weekend, we have a product that will improve your performance and make your experience richer.

AMER SPORTS IS DEDICATED TO SPORTS

Amer Sports is dedicated to supporting and encouraging active lifestyles, sports and wellness. We believe that the right equipment is the key to making sports and physical exercise more fun, enjoyable and effective. We provide athletes at every level with the tools they need to get the most from every sport they perform.

HIGHER STANDARDS OF LIVING

Increased standards of living and rising levels of discretionary income in many parts of the world are leading people to spend more on what they enjoy most, and many of them enjoy sports. The experiential nature of many sports provides participants with intense physical action combined with the adrenaline rush they seek. Sports is not only an activity, it is also a source of entertainment for those participating and those watching.

LEISURE TIME

The demands of peoples' careers are counter-balanced by a significant focus on their leisure-time activities. At Amer Sports, we understand that our consumers demand performance from their sports equipment. When you only have so much time to spend, you want to achieve maximum satisfaction from everything you do. Our products – footwear, apparel, and equipment – are designed to do just that.

AGING POPULATION

Trends indicate that as we live longer than previous generations, we have more time and money to pursue our personal interests. As people live to be older, they are also living "younger" and staying active longer.

WELLNESS AND HEALTH

Amer Sports and its employees are committed to helping people of all ages achieve the physical and mental well-being they desire. Sports and fitness are undisputedly excellent ways for people to take control of their own health and of their bodies. We produce products that provide athletic enjoyment from childhood to retirement.

Supported by trends evident in today's society, the sporting goods industry will continue to grow at a healthy pace. The continuous development of new and better products will keep Amer Sports and our brands at the cutting edge of the sports equipment industry for years to come.

STRATEGY

We are the No. 1 sports equipment company in the world. Our goal is to further strengthen our position through a consumer-focused product strategy, strong brands, innovative research and product development, first-class customer service, and an efficient supply chain.

Our strategy is based on sports, leisure-time activities and well-being. Rising standards of living, the greater leisure-time people now enjoy, and growing awareness of the importance of physical and mental health open up future growth potential for the sports equipment industry.

In addition to profitable organic growth, we are focused on finding and effectively harnessing synergy benefits as well as cooperation within our Group.

The consolidation of the sporting goods industry continues. Our ambition is to make the Amer Sports product portfolio stronger and improve our strategic position by acquiring companies that fit within our chosen business strategy and strengthen our company as a whole.

GLOBAL BRANDS

Our operations are based on strong global brands. Our major brands are Salomon, Wilson, Precor, Atomic and Suunto.

BALANCED SPORTS PORTFOLIO

Amer Sports provides equipment and products for a large variety of sports – winter and summer; indoor and outdoor; individual and team; covering the core sports of the industry.

Our broad portfolio of sports makes us a year-round, full-service supplier, making it easier for us to establish lasting business relationships within the industry. Moreover, our wide range of sports and global presence across all markets balance the Amer Sports business as the seasons turn and the popularity of individual sports fluctuate.

GAME IMPROVEMENT PRODUCTS

We are specialists in all of our selected sports. We design and manufacture the industry's best products. Successful R&D is an important part of our business. We continuously roll out technologically-advanced game improvement products that meet consumer needs. The expertise and experience of top athletes are the cornerstone of our product development. Collaboration with raw material suppliers also generates new types of solutions for our sports equipment.

CUSTOMER SERVICE AND SUPPLY CHAIN MANAGEMENT

Our company-wide sales, logistics, Asian sourcing and IT functions help us operate cost-effectively. We are focused on using our collective know-how to bolster our shared platforms, deepen our understanding of consumer purchasing behavior, and improve our product development and innovation processes.

Our portfolio of brands is supported by a strong supply chain that guarantees our customers first-rate service in all product categories and market segments. Our comprehensive sales and distribution network enables us to bring new products to market simultaneously world-wide.

We continuously develop our operations in collaboration with our partners. We offer the right products and services to ensure optimal efficiency in the sell-through of products from retail to the consumer. Our experts serve the whole spectrum of sports retailers, from specialist stores to large chains.

Effective supply chain management also enables us to boost profitability and improve working capital efficiency.

FINANCIAL TARGETS

Our goal is consistent profitable growth. Profitability enables us to invest in product development and marketing, which are essential tools in bolstering our position as the global leader in the sports equipment industry.

In our day-to-day operations, our primary focus is to achieve organic growth through the development of innovative products, effective marketing, solid customer service, and an efficient supply chain. In addition, we will continue to be an active participant in the structural changes taking place within the industry.

We intend to make selective acquisitions that support the Amer Sports strategy, strengthen our position, and deliver shareholder value.

AVERAGE ORGANIC GROWTH OF 5% PER ANNUM

Our objective is to deliver currency-neutral organic growth averaging 5% per annum and to outgrow our competitors in the competitive field.

EBIT OF AT LEAST 10% OF NET SALES

Our annual target is to achieve EBIT of at least 10% of net sales. In addition, our profitability should be better than that of other leading sports equipment companies world-wide.

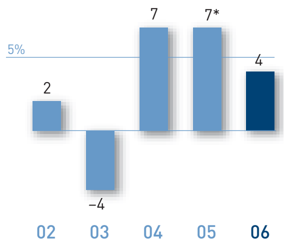
OPTIMAL BALANCE SHEET STRUCTURE

We will use our balance sheet actively whilst avoiding excessively large financial risks.

DIVIDEND PAYOUT RATIO EQUIVALENT TO AT LEAST 1/3 OF ANNUAL NET RESULT

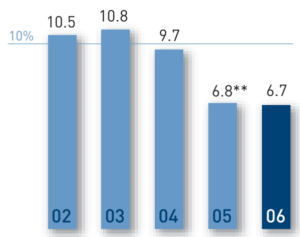
We seek to be viewed as a competitive investment that increases shareholder value through a combination of dividend payments and share price performance. We pursue a progressive dividend policy reflecting our earnings performance, with the aim of distributing a dividend of at least one-third of our annual net result.

ORGANIC GROWTH, %



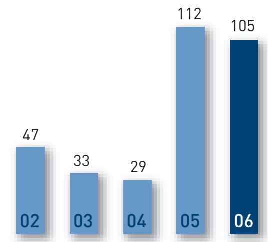
* Excluding Salomon

EBIT, %

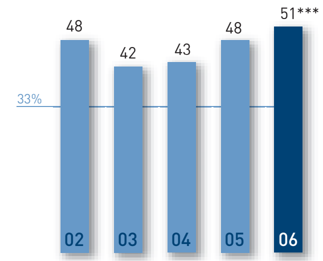


** Pro forma

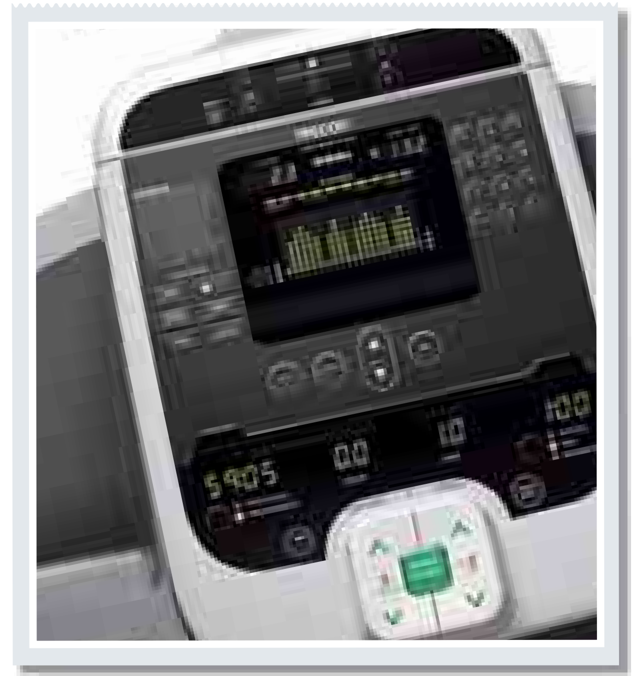
GEARING, %



DIVIDEND RATIO, %



*** Board of Directors' proposal.



STRONG GLOBAL BRANDS

The Amer Sports business is based on strong brands that are respected by athletes world-wide. Our major brands are Salomon, Wilson, Precor, Atomic and Suunto.

We continue to develop our brands as global power brands within their respective sports territories. We carefully define and build our brands. By adopting a focused brand strategy, we create and manage consistent brand experiences across all segments and product categories.

Our brands are trusted by consumers world-wide. We earn their trust by setting the standard of innovation and usability in every sport we participate in. We offer advanced, performance-oriented products with attention to detail, high quality and functional dependability. We are genuinely passionate about shaping and growing our sports by continuously developing products that elevate the performance of leading athletes as well as active participants.

FOUR CORNERSTONES

All of the Amer Sports brands stand on four cornerstones: authenticity, authority, attitude and aesthetics. Authenticity and authority are at the core of everything we do. Absolute expertise in each of our sports gives us authority. Marketing and communications are tasked with conveying attitude to the brands and ensuring that their cores remain strong. The significance of aesthetics is growing as demanding consumers require successful brands to not only be functional in terms of form but also feature design that follows current trends.

INDUSTRY LEADERS

Internationally, Amer Sports has several strong brands that are linked by their long histories in the sports equipment industry.

Wilson's roots are in Chicago, USA. At the heart of ball sports history for almost a century, no other company has been as influential in shaping the games of tennis, golf, baseball, and American football as Wilson. As the originators of break-through technologies, Wilson has world-wide legitimacy and has produced legendary classics in each sport it plays in.

Atomic comes from the Austrian village of Altenmarkt, which is surrounded by mountains. The company has focused on snow sports equipment since 1955. Nowadays, Atomic is the world's leading manufacturer of alpine skis.


Precor's home is on the west coast of the United States, where the fitness concept was born. For over 20 years, Precor has focused on manufacturing high-quality, technically-advanced fitness equipment. When Precor brought the world's first elliptical crosstrainer to market in 1995, it revolutionized aerobic exercise in fitness centers world-wide.

Through 70 years of innovation, Suunto has become the world's market leader in diving computers and outdoor instruments. Suunto represents the pinnacle of Finnish design and high-tech expertise. Suunto has also recently entered the growing fitness training market with its t-series product line.

Salomon was established in 1947. It has evolved into a global performance brand delivering design and innovation to the mountain. Salomon has a passion to grow and always has its eye on the future of sport, ready to challenge established ideas.

Driven by innovation, Arc'teryx was founded in 1991 to build better gear. It radically challenges the market's status quo. Arc'teryx products are the most innovative and superbly crafted packs, harnesses and mountain apparel pieces available.

The oldest of our brands is bicycle component manufacturer Mavic, whose history reaches back to the end of the 1800's.The company is particularly known for its road racing and mountain bike wheels and rims.

ATHLETE ENDORSEMENT AND EVENT PRESENCE

A form of expression that solidifies the authenticity of our brands is that they all have a superior understanding of each of their sports. Our brands create genuine and long-lasting relationships with top athletes, coaches and sports organizations.

Wilson has been the Official Ball of American Football's professional league, the NFL (National Football League), since 1941. Every Super Bowl has been played using a Wilson football. At the collegiate level, Wilson is the official ball of American Football and the Official Basketball of the NCAA (National Collegiate Athletic Association) Men's and Women's National Championships. Wilson is also the Official Ball of the CFL (Canadian Football League), and the Official Ball Glove of MLB, (Major League Baseball), the U.S. professional baseball league.

The world's best tennis players, including world No. 1's Roger Federer and Justine Henin, use Wilson rackets. Wilson is the official ball of the U.S. Open, Australian Open, Davis Cup and the WTA Tour. Wilson is also the official equipment service partner for many badminton championships.

Mavic has been the official service partner of the Tour de France since 1973, assisting all of the participating teams. In road racing, the company has been an official supplier to many clubs and teams and a partner to several top teams on the Pro Tour. Mavic also has a strong presence in the newest forms of cycling: mountain biking, BMX and triathlon.

Atomic has a prominent place in various forms of skiing, including alpine and cross-country skiing and ski jumping. Since 1995/96, Atomic skiers have captured 11 straight overall men's alpine skiing world cup titles.

The Suunto Ambassador Program consists of international top athletes and coaches who utilize Suunto's various products in sports activities.

Salomon is visibly active in many mountain sports, such as alpine and cross-country skiing, snowboarding, and trail running. Salomon has also devoted great efforts to creating new disciplines, including the Crossmax ski series and Adventure Racing.

OUR PRODUCTS IN ACTION


Janica Kostelic, Salomon


Tom Brady, Wilson


Benjamin Raich, Atomic

Marlies Schild, Atomic


David Benedek, Salomon


David Wright, Wilson


Jonathan Wyatt, Suunto


Daniel Tynell, Salomon


Padraig Harrington, Wilson


Anja Pärson, Salomon


Roger Federer. Wilson

Simon Booth, Salomon

David Moncoutie, Mavic

Tobias Angerer, Atomic

Richie Schley, Mavic

Kerri Walsh, Wilson

Bob and Mike Bryan, Wilson

Julien Absalon, Mavic

Nick Sharp, Salomon

Simon Dumont, Salomon

Cat Osterman, Wilson

Rob Jebb, Salomon

Andrea Brede, Suunto

Martina Eberl, Wilson

Justine Henin, Wilson

Anthony Wall, Wilson


SALOMON
OUTDOOR AND WINTER
SPORTS COMPANY

Salomon consists of authentic and respected outdoor and winter sports brands. The most well-known are Salomon in winter sports equipment, outdoor footwear and apparel; Arc'teryx in outdoor apparel; and Mavic in cycling. The Salomon business is structured into three business areas: Winter Sports Equipment, Apparel and Footwear, and Mavic.

JEAN-LUC DIARD, President of Salomon

"Salomon is actively involved in nearly every element of action and outdoor sports. Nature and the outdoors are key to all of our sports. But maybe what we are most proud of is our capacity to innovate in every field we enter."

Salomon was born in 1947 in the heart of the French Alps, the birthplace of modern alpinism. Driven by a passion for skiing and design innovation, Francois Salomon and his son Georges designed and perfected many of the first modern ski bindings. During the following 60 years, Salomon's commitment to innovative design and passion for mountain sports created a vast range of revolutionary innovations in bindings, boots, skis and apparel for both alpine and cross-country skiing. The company also brought innovative solutions to footwear, apparel and equipment for snowboarding, adventure racing, mountaineering, and many other sports. In 1999 Salomon extended its terrain to cycling by acquiring Mavic, and in 2002 it bought Arc'teryx to complement its presence in the outdoor apparel and gear market.

Headquartered in Annecy, France, Salomon employed 2,372 people at the end of 2006. Its sales network within the Amer Sports organization serves customers in approximately 80 countries.

YEAR 2006

The year 2006 was one of significant changes for Salomon. The company completed a restructuring program in France, and as a result its personnel will be reduced by 370 people. Decisions were also taken to lower product costs and create industrial synergies with Atomic. The integration of Salomon's sales organization into the Amer Sports global sales and distribution team is proceeding as planned.

In 2006, a portion of Salomon's deliveries slated for September was delayed, rolling over from the third to the fourth quarter. The delay was caused by Salomon's logistics partner not being able to deliver all the winter sports equipment to market on schedule.

Despite the delivery issues, Salomon reached its goals for 2006, supported by improved profitability in Winter Sports Equipment and strong growth in soft goods. Mavic's result declined but remained solid.

Sales and EBIT

For Salomon, the fastest growth was seen in emerging markets, especially in Russia. Eastern Europe, Scandinavia and German-speaking Europe had healthy growth ratios, while Latin Europe and the Far East underperformed.

Salomon's net sales increased 6% to 661.4 million euros. The breakdown of net sales was as follows: Winter Sports Equipment, 52%, Apparel and Footwear, 32%, and Mavic, 16%. Of net sales, the Americas generated 24%, EMEA 65% and Asia Pacific 11%. Sales were up 6% in the Americas, 7% in EMEA and 3% in Asia Pacific. Winter Sports Equipment suffered from delivery problems in September–October. The situation was back to normal by the end of the year.

Salomon's EBIT came in at 23.6 million euros (18.1). Healthy sales growth and improved cost control contributed to the improvement in earnings over 2005 figures. Salomon's deliveries of winter sports equipment and apparel largely take place in the latter half of the year. The busiest delivery period is September–November, emphasizing the seasonality of its business operations.

YEAR 2007

Salomon continues to be on track with the turnaround program initiated in 2005. It is expected to yield substantial earnings improvements in 2007 and 2008. Industrial cooperation with Atomic should provide cost savings in Winter Sports Equipment.

As the year began, temperatures remained higher than usual in Europe, Asia and the Eastern United States. The market for winter sports equipment is expected to fall short of the 2005/06 season both in terms of volume and value due to uncertainty caused by uncommon weather during the 2006/07 winter season.

Based on pre-orders for spring/summer 2007, Footwear and Apparel will continue its high growth rate. Mavic's solid growth and profitability is expected to continue.

SALOMON

WINTER SPORTS EQUIPMENT

Salomon is the world's largest winter sports equipment brand in the world, including the sports of alpine skiing, cross-country skiing and snowboarding.

The Salomon Winter Sports Equipment business is directed from Annecy, France.

YEAR 2006

The global winter sports market is estimated to be approximately 1.9 billion euros, divided into 1.3 billion euros in alpine sports, 0.4 billion in snowboarding, and 0.2 billion euros in cross-country skiing. Due to excellent winter conditions in 2005/06, pre-order deliveries for 2006/07 were solid.

The start of the 2006/07 season was uneven, with good snow conditions in western parts of North America but unusually warm weather in Europe.

Sales

Salomon Winter Sports Equipment was successful in reversing its long-term declining trend in sales. Despite lower than usual re-order levels, which were due to unfavorable weather conditions, sales of Winter Sports Equipment remained at 2005 levels. The fastest-growing product category was cross-country skiing with a sales increase of 19%. Snowboard equipment sales were on level with the previous year, while alpine skiing sales declined 5%.

Salomon is the world's largest winter sports equipment brand in the world and holds the leading position for alpine boots, cross-country boots and bindings. A total of 1.3 million pairs of Salomon alpine boots were sold in 2006.

Salomon's strong position in the growing cross-country market continued. The third year in cross-country skis established Salomon as one of the key brands in the market.

Achievements

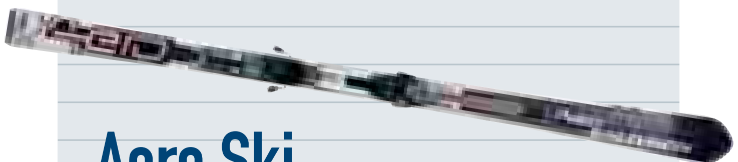
Salomon's cross-country skiing team celebrated at the finish line of the 2006 Vasaloppet as Sweden's Daniel Tynell, who skied using only Salomon equipment, won

MARCH

Salomon's cross-country skiing team celebrated at the Vasaloppet finish line as Sweden's Daniel Tynell, who skied using only Salomon equipment, won this classic ski marathon. For the race, Tynell used Salomon's Equipe 10 Classic skis, S-Lab Classic boots, and SNS® Pilot® Classic bindings, which were launched last spring.

Impact Alpine Boot

The Impact 10 will challenge the strongest of skiers on the quest for the best: Advanced Shell Technology fully loaded with a 110 flex, 100mm last and perfect envelopment with revolutionary articulated buckles that spread pressure across the instep. The fully customizable liner provides precision and comfort.



Aero Ski

Aero is the summit of Salomon's technology today, providing radical performance with complete technical assistance to ensure Control on Demand. A unique combination of aerodynamic technology and Salomon's expertise brings a new approach for the performance and carving segment. Our goal is to make carving skis more accessible by adding Hybrid Technology and Multiradius construction so you can control every situation.

SNS Classic Nordic System

The revolutionary SNS Pilot Classic binding is now available. The two-axis system with a steel link provides more control, thus more pleasure. With an automatic step-in and pole or manual step-out, this binding is unbelievably easy to use.

the classic ski marathon. For the race, Tynell used Salomon's Equipe 10 Classic skis and the S-Lab Classic boots and SNS® Pilot® Classic bindings.

Salomon introduced a new breed of bindings and boots for cross-country skiing. The SNS Pilot Classic features a two-axis binding system. The major benefits of the SNS Pilot Classic are better control and more power transmission in the kick phase. What's more, this is the lightest boot and binding system on the market. Atomic's cross-country bindings and boots will also be manufactured in compliance with the SNS system.

The Salomon X-Wing range achieved great success in 2006 with rave reviews in magazine tests, with Best in Test ratings from all the major ski magazines. The X-Wing range carves on groomers and floats on powder, meeting the needs of all versatile skiers. In 2007, Salomon is reinforcing this line with new technologies, such as the Protrak system and full wood cores, to take All-Mountain versatility to a new level.

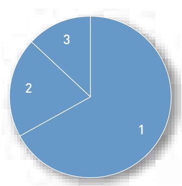
Salomon women achieved success at the 2006 Olympic Games: Janica Kostelic was the Combined Olympic Champion and a silver medalist in Super-G, and Anja Pärson was the Slalom Olympic Champion and bronze medalist in downhill and combined.

YEAR 2007

The focus in 2007 continues to be in improving the profitability of the Winter Sports Equipment business. Industrial synergies will start to materialize in product concepts through lower production costs and improved processes. Synergies are also gained through shared components with Atomic.

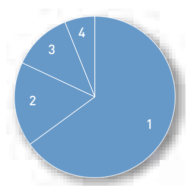
WINTER SPORTS EQUIPMENT NET SALES

1 EMEA 67%
2 AMERICAS 20%
3 ASIA PACIFIC 13%



WINTER SPORTS EQUIPMENT NET SALES

1 ALPINE SKI EQUIPMENT 65%
2 CROSS-COUNTRY 17%
3 SNOWBOARDING 12%
4 OTHER 6%



GLOBAL MARKETS (WHOLESALE)*

ALPINE SKI EQUIPMENT	EUR 1.3 BILLION
CROSS-COUNTRY SKI EQUIPMENT	EUR 0.2 BILLION
SNOWBOARDS	EUR 0.4 BILLION

* Converted into euro at average exchange rates over the review year

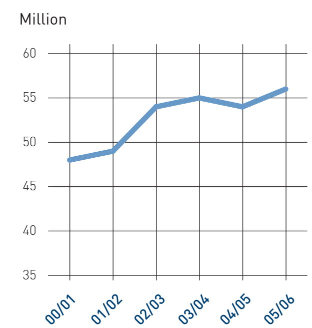
GLOBAL MARKETS 2006 (2005)

EUROPE	63% (62)
NORTH AMERICA	24% (25)
JAPAN	11% (11)
OTHER	2% (2)

SALOMON MARKET SHARES 2006 (2005)

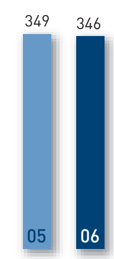
ALPINE SKIS	13% (14)
BINDINGS	17% (18)
SKI BOOTS	24% (26)
CROSS-COUNTRY SKI EQUIPMENT	26% (23)
SNOWBOARDS	11% (12)

PARTICIPATION, SKIER DAYS IN FRANCE



Source: Syndicat National des Telepheriques de France - Winter 2005/2006

WINTER SPORTS EQUIPMENT NET SALES, EUR MILLION



APPAREL AND FOOTWEAR

Salomon Apparel and Footwear includes technical apparel and footwear for outdoor performance, trail running and other outdoor categories. The apparel business is carried out through three authentic brands: Salomon, Arc'teryx and Bonfire.

The Salomon Apparel and Footwear business is directed from Annecy, France.

YEAR 2006

The market for outdoor apparel and gear is very fragmented, with few truly global brands. The estimated market size is 10 billion euros, divided almost equally between footwear and apparel and gear. The outdoor apparel and gear market has continued to outperform other soft goods categories, supported by the trend towards healthier lifestyles.

Sales

Net sales of Apparel and Footwear grew by 18% to 208.0 million euros. The positive trend in sales of outdoor footwear was boosted by new softshell technology. The growth was strongest in apparel, where Arc'teryx- and Salomon-branded products grew fastest.

Salomon has established itself as the specialist in the fast-growing trail running category in addition to its classical stronghold in the outdoor performance segment. A total of 2.6 million pairs of Salomon shoes were shipped in 2006.

JUNE–SEPTEMBER

The Adrenaline Hunters are a team of globe-trotting athletes who travel around the planet looking for the next hit of pure adrenaline. This past summer the Adrenaline Hunters' most outrageous footage was shown at Europe's best Outdoor Sports Events, as the Saab Salomon Adrenaline Tour cruised around the continent in a custom truck with a gigantic screen.

HOT PRODUCTS

Aspen Shoe

Salomon Aspen Aerogels™ technology provides superior warmth and less bulk in this lightweight, extreme-cold boot. The Aspen features a full waterproof booty and seam-sealed construction for superior protection against snow and ground water. The ultimate in climate control technology is achieved by an upper that combines a furry lining with quilted insulation. The lightweight synthetic 3D Belt protects the boot and allows for easy entry/removal.

Aero 3:1 Jacket

Salomon's new 3-in-1 jacket featuring a 100% seam-sealed, Advantex Move DWR outer shell and integrated Recco avalanche rescue system technology. Embossed padding on the forearm, shoulders and elbows as well as contrasting, stitchless, waterproof zippers provide progressive styling. A zip-in softshell inner with removable back padding provides maximum motion and fit. The wide waist strap and comfy stretch side-panels hold back padding close to the body.

Fusion Dry Shoe

Weatherproof outdoor luxury from Salomon: a waterproof version of the innovative softshell Fusion/Symbio. Outdoor luxury gets an upgrade – waterproof technology is added to this incredibly innovative softshell shoe.
A Contagrip® running last provides agility and security while the super-tech internal Sensifit™ support system ensures security and support.
3D Fit padding provides incredible fit comfort.

Arc'teryx´s continued success is based on radically improving the lightest, best-performing, and highest-quality outdoor products available. It has a reputation of being at the pinnacle of the outdoor world. Its original design is fused with proprietary construction processes and unrivalled craftsmanship to create the best outdoor gear made.

Achievements

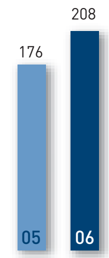
Salomon´s softshell footwear received the Outdoor industry award in 2006 and the "l'Escarpin de Cristal 2006" award for its technology innovation.

As a consequence of the purchase of Salomon by Amer Sports, the footwear and apparel business area is working intensively to take responsibility for its Asian sourcing operations. Changes for footwear will be completed in the spring 2007 and for apparel and gear in 2008. The changes also enable us to simplify our product development processes.

YEAR 2007

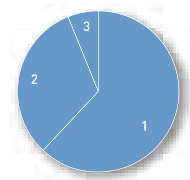
The apparel and footwear area will strive to continue its solid growth in 2007, supported by innovative design and the further strengthening of its distribution network. The challenge of taking over the supply network has proceeded well, and 2007 is the year when most of the changes will materialize.

APPAREL AND FOOTWEAR NET SALES, EUR MILLION



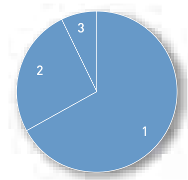
APPAREL AND FOOTWEAR NET SALES

1 EMEA 62%
2 AMERICAS 32%
3 ASIA PACIFIC 6%



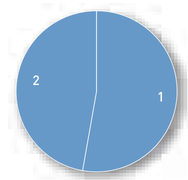
APPAREL AND FOOTWEAR NET SALES

1 SALOMON 67%
2 ARC'TERYX 26%
3 BONFIRE 7%



APPAREL AND FOOTWEAR NET SALES

1 APPAREL AND GEAR 53%
2 FOOTWEAR 47%



CYCLING

Mavic is a leading cycling systems brand. Its territory covers road cycling, mountain biking, triathlon and track racing. Mavic is all about love of cycling, which leads to the designing and manufacturing of great products that offer cyclists a real difference.

Mavic is based in Annecy, France and employed worldwide 360 people at the end of 2006. Mavic was founded by Charles Idoux and Lucien Chanel in Lyon in 1889. Today, the company is most noted as a manufacturer of premium cycling wheels. Mavic's product line has always been focused on consumers and their needs because its spirit and passion lives "at the heart of cycling": from the Pro Tour teams to weekend enthusiasts on the road side, from World Cup athletes to every-day mountain bikers in the off-road domain. In this spirit, Mavic formulated its current philosophy of "The best wheel for every ride."

Mission

Mavic's mission is to provide systems and equipment for cyclists from novice enthusiasts to professional riders, helping them accomplish their most ambitious objectives and experience the thrills of cycling.

YEAR 2006

The road and mountain bicycles market is formed of a limited number of specialized component manufacturers. The estimated size of the sporting bike component market was approximately 3 billion euros. The year 2006 was somewhat impacted by high inventory levels of specialized bicycle distributors.

JULY

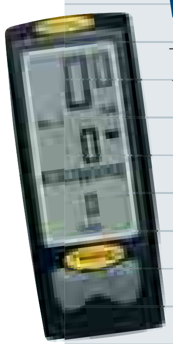
Mavic is the official service partner of the Tour de France, but it has also become the Tour's unofficial mascot. The company is as much a part of the Tour as the Tour is of the French summer. Mavic is also known to friends of Le Tour world-wide because the yellow Mavic service car pops up on television screens every day during the race.

HOT PRODUCTS

Cosmic Carbone SL Premium

A wheel that performs as well as it looks good, the Cosmic Carbone SL Premium will improve even the most elegant of bikes. For years, the Cosmic Carbone SL has been the racer's preference: one of the most aerodynamic wheels of the peloton, one of the stiffest, and yet light enough to help the racer be the first to cross the finish line. The Cosmic Carbone SL Premium integrates the same exceptional technical features and dynamic abilities, as the Cosmic Carbone SL, but packaged in an exclusive way: titanium parts (axle, skewers) and discreet and classy aesthetics to outfit the most beautiful bike out there.

Wintech HR



The WinTech line of computers takes a large leap forward this year. New designs and a host of features and add-on options that offer real reliability are in the line-up for 2007, including a new multi-position, digitally coded, wireless cycle computer with heart rate monitor functions. In addition to speed and distance information, it offers all the heart rate monitor functions that are useful in cycling. All of the advantages that have made WinTech a success are of course included: easy installation, set-up and ease of use.

Crossmax SLR

Take the same incredible technical specs as the Crossmax SL, add titanium quick release and a carbon front hub to make it even lighter, plus racing graphics, and you get the Crossmax SLR, the world's best-performing cross-country race wheel. The wheel is 150g lighter for efficiency in steep climbs and 10% stiffer to reduce energy loss and provide more speed from power input. The wheel has 9% less inertia during fast accelerations and off-turn speed and shorter braking distances, and it features shorter spokes and Isopulse rear lacing to reduce tension cycles, balance spokes tensions from side to side, reduce material fatigue, leading to improved wheel endurance.

Sales

Mavic's net sales increased 9% to 107.8 million euros. The fastest growth was seen in OEM sales, where Mavic provides wheels to a number of the best-known bicycle brands. Although relatively small as a product group, the cycling apparel and footwear lines were also a clear success.

In order to further improve its responsiveness to the market and contribute to working capital targets, Mavic initiated lean product development and manufacturing projects with goals to dramatically reduce lead times. The first positive results were already visible by the end of 2006.

Achievements

In July, Mavic signed a new five-year extension agreement with the Tour de France to continue as the official service partner of the world's most famous cycling event.

During the Tour de France, Mavic tested a new prototype that will be used to gather practical user experiences with the help of professional riders. The prototype marks a new step forward in technology. There are no holes whatsoever in the wheel rim: the treads, center and rim form one carbon fiber whole.

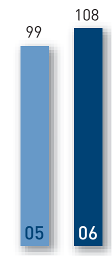
The Ksyrium ES, Mavic's newest wheelset, has been designed for top-level competition cycling. The combination of Maxtal aluminum, carbon fiber and titanium has produced especially lightweight and responsive wheels.

At the end of August, Julien Absalon, a 26-year-old Frenchman, dominated in New Zealand to win his third consecutive Cross Country World Championship. Absalon rode on a bike with Mavic's new Crossmax SLR wheels. He also captured Olympic gold in Athens in 2004.

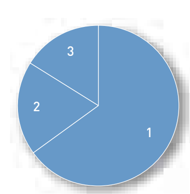
YEAR 2007

The outlook for Mavic in 2007 is favorable. With a strong product offering and well-functioning operations, it should be able to continue to achieve growth rates that exceed the cycling industry average.

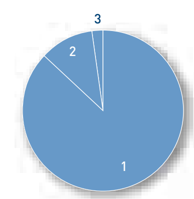
MAVIC NET SALES
EUR MILLION



MAVIC
NET SALES
1 EMEA 65%
2 AMERICAS 19%
3 ASIA PACIFIC 16%



MAVIC
NET SALES
1 RIMS AND WHEELS 87%
2 APPAREL AND FOOTWEAR 11%
3 OTHER 2%




Wilson®
THE AUTHENTIC
BALL SPORTS
BRAND

Wilson is the world's leading manufacturer of ball sports equipment. Its core sports are tennis, baseball, American football, golf, basketball, softball, badminton and squash. The Wilson business is structured into three business areas: Racquet Sports, Team Sports and Golf.

At the heart of sports history for almost a century, no other company has been as influential and intimately involved in shaping the games of tennis, golf, baseball and American football as Wilson. As the originator of breakthrough technologies, Wilson has produced legendary classics and earned world-wide legitimacy in each sport it participates in.

Headquartered in Chicago, in the United States, Wilson employed 1,919 people at the end of 2006. Its dedicated sales network within the Amer Sports organization serves customers in over 100 countries.

Mission

In constant pursuit of innovative technologies and cutting-edge design, to develop breakthrough products that enhance the performance of all athletes, from the enthusiastic novice to the seasoned professional.

Vision

To be the No. 1 ball sports company in the world.

Sports categories

Wilson's core sports are tennis, baseball, American football, golf, basketball, softball, badminton and squash.

YEAR 2006

Wilson's net sales of 569.6 million euros were flat compared to 2005. The breakdown of net sales was as follows: Racquet Sports, 41%, Team Sports, 39%, and Golf, 20%. Of net sales, the Americas generated 67%, EMEA 19% and Asia Pacific 14%. Sales growth was 2% in the Americas. In EMEA, sales were at last year's level. In Asia Pacific, sales were down 9%, especially due to weaker sales of tennis and golf equipment in Japan.

Wilson's EBIT increased 5% from last year's level to 54.6 million euros.

Racquet Sports continued to perform well, with net sales rising 4%. Of its product groups, the strongest growth was seen in footwear and accessories, up 16% and 14%, respectively.

Team Sports net sales increased 8%. Sales of all key product groups were up compared with 2005, with sales decreasing only in uniforms and training equipment.

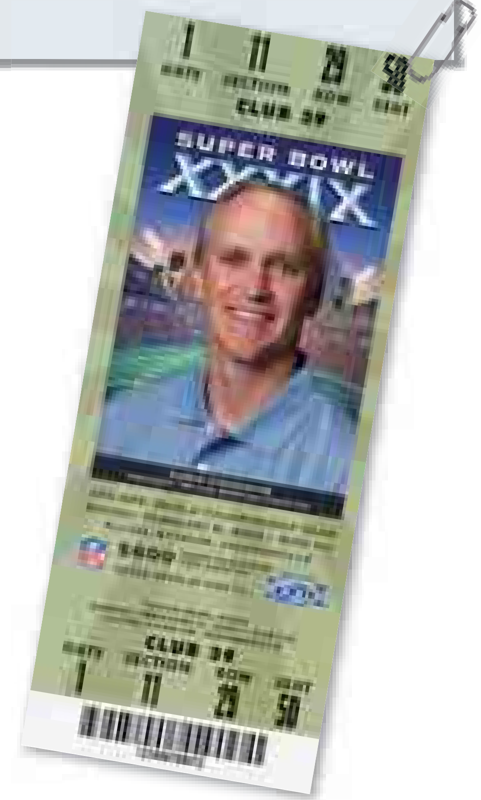
Golf's sales fell short of its objectives, especially in Japan. Demand for golf equipment also declined in Europe. Also the new distribution strategy focusing on major customers in the United States cut into Golf's net sales.

YEAR 2007

Wilson anticipates its profitable growth to continue in 2007. Market trends for Racquet Sports are expected to remain favorable. The business is expected to continue its growth through new innovative products and geographical expansion in emerging markets. Team Sports market trends are expected to remain stable, and its sales are expected to grow in 2007. Golf's profitability is expected to improve in 2007.

CHRIS CONSIDINE, President of Wilson

"We really stand for the athlete. We help the average player and the elite athlete play better. We take care of their needs and our consumers' needs. Amer Sports is a collection of the finest sporting goods companies in the world. We are proud to be a part of the Amer Sports family."



Wilson

RACQUET SPORTS

Wilson is the world's number one racquet sports company. Its sports categories include tennis, badminton and squash.

The Wilson Racquet Sports business is directed from Chicago, in the United States, and it employed 601 people at the end of 2006.

YEAR 2006

For 2006, the global wholesale value of the two largest tennis industry product categories (rackets and tennis balls) is estimated at approximately 0.5 billion euros, of which tennis rackets accounted for approximately 60% and tennis balls 40% of the market. The largest market by geographic region was Europe, which accounted for approximately 34% of the total global market, followed by North America at 32% and Japan at 18%, with the rest of the world at 16%. Tennis participation world-wide continues to be very stable, with a strong core of serious and active players.

Sales

Racquet Sports sales continued to grow positively, with net sales rising 4% to 235.3 million euros. Of the product groups, sales growth was seen particularly in footwear, 16% and accessories, 14%. The new Evolution footwear collection is the first line of tennis shoes to meet the specific needs of players as their game evolves.

In tennis balls, Wilson is the only manufacturer to have official ball status at two of the four Grand Slam events: the Australian Open and the U.S. Open. These partnerships highlight Wilson's quality and performance in the tennis ball category.

Achievements

Solidifying a relationship that began at age 10, Roger Federer signed a lifetime agreement with Wilson for rackets, string, tennis balls and tennis accessories. Ranked No. 1 in the world, Federer has competed with Wilson rackets since day one, signing his first professional agreement with the company in 1997.

Federer won his third Tennis Masters Cup title in four years in 2006. The world's No. 1 men's player earned an incredible 22–2 overall record at the circuit-ending finals.

JULY

Top seed and world No. 1 Roger Federer won the Wimbledon crown for the fourth consecutive year. This was Federer's eighth Grand Slam crown and 39th career title. With the win, Federer became only the sixth man to secure four straight Wimbledon titles and the eighth player to win four or more crowns at the All-England Lawn Tennis Club.

HOT PRODUCTS

nSix One Tour

One of Wilson's most popular high performance rackets, the nSix One Tour is also the No. 1 racket choice of touring pros, including ten-time Grand Slam winner Roger Federer. The nSix One Tour features Wilson's exclusive nCode technology, where nano-sized silicone dioxide crystals are injected into the carbon matrix of the racket frame, resulting in significantly more strength and stability. Additionally, the nSix One Tour provides unmatched control and feel.

W5 Divine Iris

The W5 Divine Iris was introduced this summer and quickly became one of the most popular and well-known additions to the W line. The W5 was created exclusively for Venus Williams and features Wilson's nCode frame technology for added stability, strength and power. The design of this racket, both classic and elegant, is white with colorful chocolate and golden colored swirls inspired from the work of Venus' favorite painter, 19th century Austrian artist Gustav Klimt. Venus officially debuted this racket in professional competition this past spring at the 2006 French Open.

Open shoe

Wilson's Open tennis shoe for men is the apex of the Evolution line and designed especially for serious players who demand both exceptional performance and style from their footwear. The Open shoe ensures every competitive advantage is maximized and features 360-degree ventilation, all-encompassing stability, the ultimate in toe drag protection and serviceable outsole radius for enhanced pivot control. In addition, the Open delivers superior comfort and shock absorption, all in a durable but lightweight performance shoe.

Justine Henin earned her first Sony Ericsson WTA Tour Championship title in Madrid and ended the season as the No. 1 women's player in the world.

Wilson signed an agreement to be the exclusive worldwide distributor of Luxilon string. Luxilon offered on-site stringing services for all ATP Masters Cup and Sony Ericsson WTA Tour players throughout the Championships.

The Wilson tennis ball will be the Official Ball of the Fed Cup and WTA Pro Tour. In addition, Wilson will continue sponsoring the Davis Cup.

YEAR 2007

The 2007 market trends for Racquet Sports are expected to remain favorable. Wilson Racquet Sports is expected to continue its growth through new innovative products and geographical expansion in emerging markets. By leveraging the strength of the Amer Sports sales and distribution platforms, market penetration can be achieved more efficiently.

In the first quarter of 2007, Wilson launched the new innovative [K]Factor tennis rackets world-wide. Validating the new technology, Roger Federer, the No. 1 tennis player in the world, quickly adopted the [K]Factor racket for competitive play at the 2007 Australian Open.

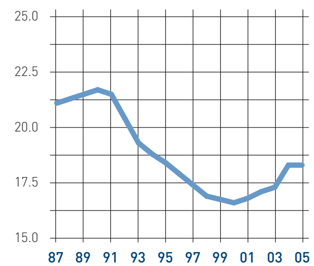
WILSON MARKET SHARES 2006 (2005)

TENNIS RACKETS	
GLOBAL	36% (37)
US	46% (46)
EUROPE	33% (33)
JAPAN	25% (27)

WILSON MARKET SHARES 2006 (2005)

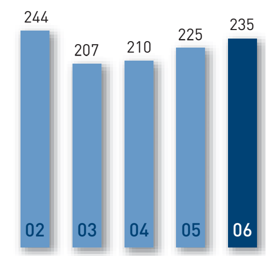
TENNIS BALLS	
GLOBAL	27% (26)
US	42% (42)
EUROPE	20% (18)
JAPAN	10% (11)

TENNIS PARTICIPATION, USA, PARTICIPATED AT LEAST ONCE



Source: SGMA

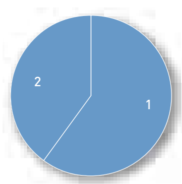
RACQUET SPORTS NET SALES, EUR MILLION



GLOBAL MARKET, TENNIS RACKETS AND BALLS

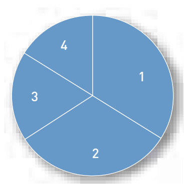
EUR 0.5 BILLION (WHOLESALE)

1 TENNIS RACKETS 60%
2 TENNIS BALLS 40%



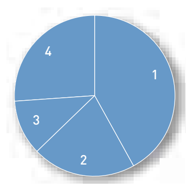
GLOBAL MARKET

1 EUROPE 34%
2 NORTH AMERICA 32%
3 JAPAN 18%
4 OTHER 16%



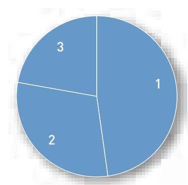
RACQUET SPORTS NET SALES

1 TENNIS RACKETS 42%
2 TENNIS BALLS 21%
3 FOOTWEAR 11%
4 OTHER 26%



RACQUET SPORTS NET SALES

1 AMERICAS 48%
2 EMEA 30%
3 ASIA PACIFIC 22%



TEAM SPORTS

Wilson is the No. 1 American football company and No. 2 baseball company in the world.

FEBRUARY

A longtime favorite of top college programs including the University of Tennessee, University of Kansas, and University of Louisville men's programs, and Arizona State, Boston College, and University of Louisville's women's teams - the Wilson basketball is the ball of choice for more than 450 NCAA teams and the Men's and Women's NCAA Division I, II and III Championships. The Wilson NCAA Game Ball is the only moisture absorbing basketball made, delivering improved grip as players sweat.

The Wilson Team Sports business is directed from Chicago, in the United States, and it employed 758 people at the end of 2006.

YEAR 2006

The United States is the largest market for team sports, with sports such as American football, baseball and basketball attracting massive media attention and being played at schools, colleges and clubs. In Japan, baseball is the most-favored team sport.

Sales

Team Sports continued to perform well, posting record earnings for the third consecutive year. Net sales were up 8% to 219.6 million euros.

Wilson baseball and softball continued to strengthen its position in the industry, with sales growth in baseballs of 18%, bats 13%, and ball gloves 11%.

Wilson has a dominant position in American football, and its sales increased by 7% in 2006. Leading the American football industry in product innovations and chosen as the official ball of the NFL, NCAA and CFL, Wilson continues to maintain a wide gap between its competition.

The fastest-growing product category was soccer, which rose by 45%. The soccer category benefited from the success of local initiatives in Latin America and the World Cup. Volleyball and basketball grew by 17% and 6%, respectively.

HOT PRODUCTS

A2K™ gloves

A custom-tooling of America's greatest glove, the A2K builds on legendary A2000® patterns with finer materials and even finer attention to detail. Painstakingly crafted of Pro-Stock Select leather, the A2K fits like the proverbial glove, putting the player in total comfort and control. Retro colors, rolled and stitched Dual Welting™, direct leather embroidery and meticulous craftsmanship throughout make the A2K the sharpest-looking and best-performing ball glove in Major League Baseball®.

NXTGEN batting helmet

An innovative new helmet design with patent-pending Snapfit™ Technology. The tough ABS shell and mask meet NOCSAETM standards and keeps you confident around the plate. Three-tiered comfort foam padding is made of the best materials: durable EPP foam for excellent shock resistance and open cell foam that conforms to your head and provides comfort, both wrapped with Wilson® moisture management lining. The helmet has a controlled air venting design that strategically reduces weight while maintaining optimal safety and durability.

NCAA® Wave basketball

An innovative new game ball with precision control Wave™ Technology. Its grooves are cut into the carcass creating recessed ridges, providing superior ball control for all aspects of the game. The patented composite Leather Cover absorbs moisture in game conditions for maximum ball control. Patented Aqua-Grip™ laid-in channels replace traditional rubber with pebbled composite leather to enhance gripability. Patented Cushion Core Technology combines low-density sponge rubber and ultra-durable butyl rubber, producing a basketball with exceptional feel.

Achievements

The A2K™ is the newest edition to Wilson's prestigious glove line. A custom-tooling of America's greatest glove, the A2K builds on the legendary A2000® patterns with finer materials and even finer attention to detail. The Wilson A2K glove is crafted from premium Pro-Stock Select leather for extended durability and unmatched pocket stability.

Wilson secured a relationship with New York Mets Third Baseman David Wright. Wright uses his own signature glove, the Wilson A2K DW5.

Olympic winner and pitcher Cat Osterman – regarded as one of the world's best fastpitch softball players – signed a multi-year agreement with Wilson.

Using Wilson and DeMarini products exclusively, the Oregon State Beavers won the 2006 Division I College World Series by defeating the University of North Carolina in the best of three game series.

The University of Tampa Baseball team, using Wilson and DeMarini product exclusively, clinched the Division II National Championship from Chicago State in a thrilling 10-inning game, logging a fourth national championship for the program. Tampa finished the season 54–6.

YEAR 2007

Team sports market trends are expected to remain stable. With a strong organized participation infrastructure, Wilson Team Sports is well-positioned to meet the needs of both serious and casual players. Team Sports sales are expected to grow in 2007.

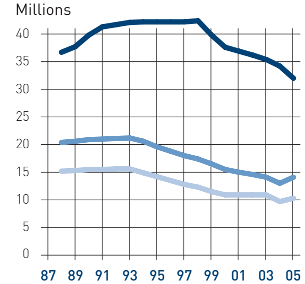
WILSON MARKET SHARES 2006 (2005)

US	
AMERICAN FOOTBALLS	80% (78)
BASKETBALLS	33% (31)
BASEBALL GLOVES	33% (31)
BASEBALLS	25% (23)
BASE/SOFTBALL BATS	19% (17)

WILSON MARKET SHARES 2006 (2005)

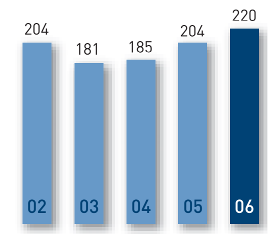
GLOBAL	
AMERICAN FOOTBALLS	80% (78)
BASKETBALLS	21% (20)
BASEBALL GLOVES	20% (19)
BASEBALLS	13% (12)
BASE/SOFTBALL BATS	14% (13)

TEAM SPORTS PARTICIPATION, USA



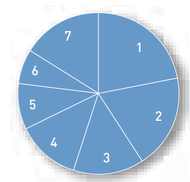
Source: SGMA

TEAM SPORTS NET SALES, EUR MILLION



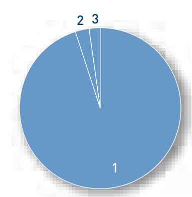
TEAM SPORTS NET SALES

1 AMERICAN FOOTBALLS 22%
2 BASEBALLS AND GLOVES 19%
3 BASE/SOFTBALL BATS 14%
4 BASKETBALLS 13%
5 APPAREL 9%
6 SOCCER 7%
7 OTHER 16%



TEAM SPORTS NET SALES

1 AMERICAS 95%
2 ASIA PACIFIC 3%
3 EMEA 2%



Wilson GOLF

From Gene Sarazen to Arnold Palmer, from Padraig Harrington to a regular Sunday foursome, golfers rely on Wilson Golf to fuel passion, build camaraderie, and create their own legends one round at a time.

The Wilson Golf business is directed from Chicago, in the United States, and it employed 560 people at the end of 2006.

YEAR 2006

In 2006, the wholesale golf equipment business was estimated at 4 billion euros. The golf equipment market remained very competitive, with several large global brands. The growth rate of golf equipment has been slowed by limits and regulations being applied by international golf governing bodies, which limited ability to introduce major innovations in the golf equipment sector.

Golf clubs represent the largest equipment category, accounting for 49% of sales, followed by golf balls, 25% and bags and gloves at 12%. North America is the largest market, accounting for 51% of global sales. Japan is the second-largest market at 28%, followed by Europe at 12%, with the rest of the world making up 9% of global sales.

Sales

Golf's sales fell short of its objectives, especially in Japan, but demand for golf equipment also declined in Europe. Net sales declined by 19% to 114.7 million euros. Sales were expected to decline with a more focused and disciplined strategy in the United States. The profitability gains from the U.S. strategy were offset by challenges in Japan.

OCTOBER

During the closing months of 2006, Ireland's Padraig Harrington played what was maybe some of the best golf of his career. At the end of October, Harrington clinched the European Tour Order of Merit title at the final event of the season in Valderrama, Spain. November saw him defeat Tiger Woods at the Dunlop Phoenix Open after a dramatic final round, including two playoff holes.

Wilson Staff Di7

The new Wilson Staff Di7 is not like other clubs. A lower profile moves the center of gravity down for higher ball flight. A wider sole moves the center of gravity back for greater stability and straighter ball flight. A wider tip-shaft prevents twisting on off-center hits. Together, the complete performance delivered by the new Di7 is unmatched.

Wilson Staff Fifty

A super-soft core that pushes USGA limits for initial velocity. An equally soft cover that combines power with feel. The new Wilson Staff Fifty brings balance to a golfer's game by delivering synergies between rubber core chemistry and ionomer cover blend ratios to yield a soft, 50 compression golf ball with powerful acceleration. Once opposite philosophies, now in perfect harmony.

Wilson Staff W Collection

The new Wilson Staff W Collection offers striking performance and stunning good looks in the most comprehensive line of high performance products available for women today. With its keen eye on detail and beautiful, cohesive presentation, the Wilson Staff W Collection is sure to turn heads both on the course and off.

Achievements

Padraig Harrington, currently ranked No. 7 in the world, won the 2006 Order of Merit as the leading money winner on the European PGA Tour. A victory over Tiger Woods late in the season propelled Padraig to the top of the money list after three 2nd place finishes.

Wilson Staff Tour players Markus Brier and José Manuel Lara recorded their first European tour wins.

The Ci6 beat popular models from the major competitors to earn the "Tester's Top Pick" in the prestigious Club Test 2006 in Golf Magazine, the leading golf publication in the United States.

YEAR 2007

The golf market is expected to remain competitive. The Golf business is expecting to improve its profitability with a more focused premium iron strategy. Wilson has a strong heritage in the premium iron category and a stable of award-winning products.

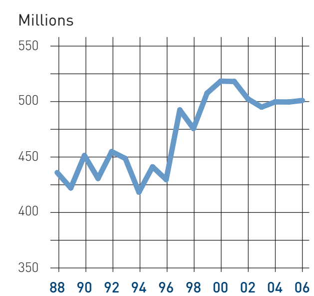
WILSON MARKET SHARES 2006 (2005)

GOLF CLUBS	
GLOBAL	2% (3)
US	2% (3)
EUROPE	7% (7)
JAPAN	1% (2)

WILSON MARKET SHARES 2006 (2005)

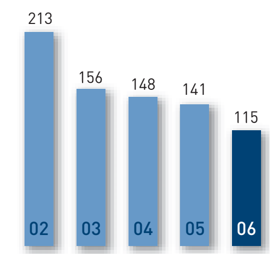
GOLF BALLS	
GLOBAL	3% (4)
US	3% (4)
EUROPE	10% (10)
JAPAN	1% (1)

TOTAL ROUNDS VOLUME, USA



Source: National Golf Foundation

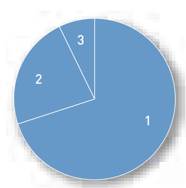
GOLF NET SALES EUR MILLION



GLOBAL MARKET

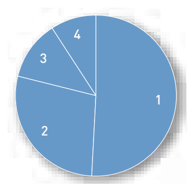
EUR 4 BILLION (WHOLESALE)

1 CLUBS 70%
2 BALLS 23%
3 BAGS AND GLOVES 7%



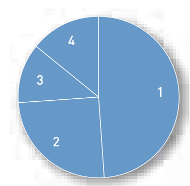
GLOBAL MARKET

1 NORTH AMERICA 51%
2 JAPAN 28%
3 EUROPE 12%
4 OTHER 9%



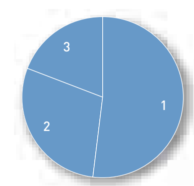
GOLF NET SALES

1 CLUBS 49%
2 BALLS 25%
3 BAGS AND GLOVES 12%
4 OTHER 14%



GOLF NET SALES

1 AMERICAS 52%
2 EMEA 29%
3 ASIA PACIFIC 19%




PRECOR® USA
THE GLOBAL FITNESS
EQUIPMENT LEADER

Precor is a full-line supplier of technically-advanced, premium-quality fitness equipment for the commercial and home markets. Its main products are aerobic exercise equipment, strength-training systems and entertainment systems. Precor is the world's leading manufacturer of elliptical crosstrainers.

The originator of the elliptical crosstrainer, Precor has set the global standard for fluid, natural, low-impact fitness equipment that is "engineered to move the way you move" for 25 years. Today, Precor offers commercial customers a total product portfolio of cardio, strength and entertainment equipment, complemented by innovative technologies that address a fitness facility's business needs. Precor also markets a full line of cardio and strength equipment for the home market.

Precor joined the Amer Sports family of sports equipment brands in 2002. Headquartered near Seattle, in the United States, Precor employed 795 people at the end of 2006. Precor serves its customers through the Amer Sports sales network and its own local dealers and distributors in over 100 counties.

Mission

Precor provides health and fitness products and solutions that inspire passionate customer loyalty.

Vision

Precor's goal is to become the most recognized and respected brand in fitness equipment.

Product categories

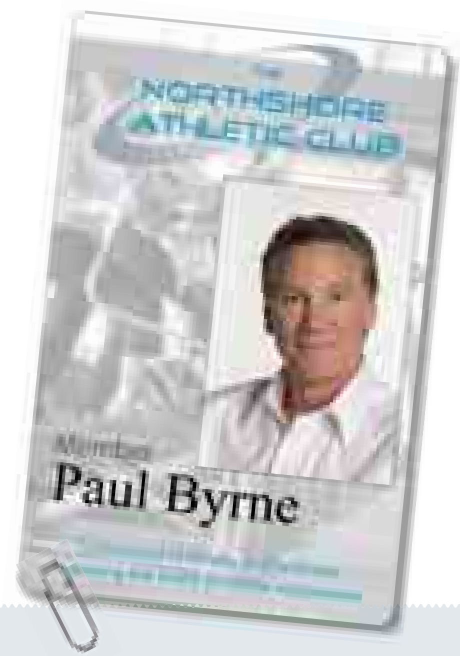
Precor offers a combination of fitness equipment for the commercial and home environment, augmented by entertainment and technology services for commercial markets: elliptical fitness crosstrainers, treadmills, exercise cycles, climbers, strength training equipment and systems as well as technology and entertainment systems and services.

YEAR 2006

In 2006, the world-wide wholesale fitness equipment market was estimated to amount to approximately 4 billion euros (based on Precor management estimates). In North America, approximately 60% of fitness equipment was sold for private home use.

The commercial market, estimated to be 1.1 billion euros of the total market, is divided into 0.6 billion euros in North America and 0.5 billion euros in the rest of the world, with EMEA representing approximately 0.3 billion euros. In EMEA, Precor's fitness equipment sales are highest in the UK, Germany and Italy.

Demand drivers in the fitness equipment industry are: number of health club memberships; capacity of health clubs; number of health clubs vs. number of memberships; and obesity. The majority of cardio users and gym-goers are female, followed by baby boomers and elderly gym members.



PAUL BYRNE, President of Precor

"We are known to be innovators in the fitness equipment industry. We are respected as a company that builds products that people like to use. We are very fluid and rhythmical. We want to help people move beyond, to take their lives to the next level."

PRECOR USA

FITNESS EQUIPMENT

Sales and EBIT

Precor's net sales were up 9% to 275.6 million euros. Of net sales, the Americas generated 77%, EMEA 16% and Asia Pacific 7%. Sales were up 7% in the Americas, 18% in EMEA and 13% in Asia Pacific.

Precor's EBIT increased 12% to 34.8 million euros. Non-recurring quality-related costs weakened earnings by approximately 2 million euros.

Achievements

Precor's sales, particularly to fitness clubs, have continued to grow in North America. Much of Precor's success in commercial markets was drawn from the success of the new Experience line of commercial cardio equipment that integrates Cardio Theater personal viewing screens in equipment displays. Further, Precor is extending its global leadership in entertainment and messaging within fitness clubs, introducing ClubCom in new markets in Europe and Asia.

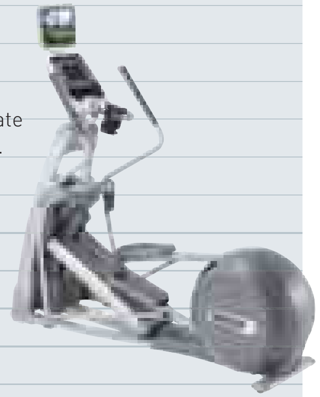
In July, Precor and the Hilton Hotels Corporation signed an extensive agreement to introduce Fitness by Precor facilities in hundreds of hotels belonging to four Hilton chains in the United States.

JULY

Precor signed an extensive cooperation agreement with the Hilton Hotels Corporation. Fitness by Precor facilities will be installed in hotels belonging to Hilton's four chains. Precor will design the interior decor and choose the equipment.

Precor EFX®576i

Precor enhances the club member's experience with the EFX®576i, the first total-body elliptical to offer varied stride motion and seamlessly integrate entertainment into the display. Featuring Precor's patented CrossRamp® and optional Cardio Theater screen, the innovative EFX®576i is the flagship of Precor's popular Experience® cardio line.



Precor S3.23

Training using the Precor S3.23 multi-function home gym ensures all-around muscle development and at the same time improves your balance and coordination. The S3.23 allows for natural and individual motions and focuses training on several muscles and joints, teaching them all how to work together. With the S3.23, strength training can be performed while moving, standing, sitting on an exercise ball, or using the Precor Home Bench.

Precor M9.57

Precor brings the fitness club experience to the home with the new M9.57 low impact treadmill, drawing on the durability, styling and feel of Precor's outstanding new Experience® commercial treadmills. A great choice for high-mileage runners seeking the best in home fitness. This new flagship model features an innovative new drive system introduced with the Experience line, which further enhances subtle speed changes of Precor's Integrated Footplant Technology®.

Precor is adding to its reputation for outstanding service, selected by North American fitness club chain Anytime Fitness as its Best Vendor in any product or service category. Precor was selected through a survey of franchisees that assesses vendor responsiveness, quality, price and follow-up. Anytime Fitness has more than 700 franchise locations in the United States and Canada.

YEAR 2007

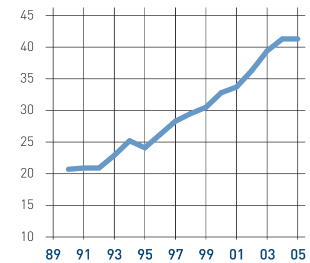
In 2007, Precor is expected again to register above-market growth, driven primarily by marketshare gains in the commercial segment. For the Consumer business, Precor is expected to experience a transitional year, with the introduction of a new portfolio of products that will drive significantly higher growth rates in 2008.

GLOBAL MARKETS (WHOLESALE)*

NORTH AMERICA COMMERCIAL	EUR 0.6 BILLION
INTERNATIONAL COMMERCIAL	EUR 0.5 BILLION
WORLWIDE FITNESS EQUIPMENT MARKET	EUR 4 BILLION

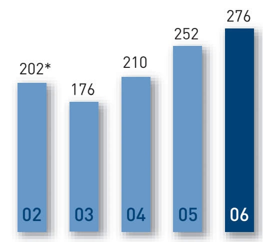
* Converted into euro at average exchange rates over the review year

US HEALTH CLUB MEMBERSHIPS



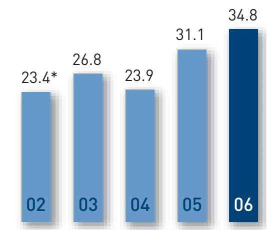
Source: IHRSA

PRECOR NET SALES EUR MILLION



* Pro forma

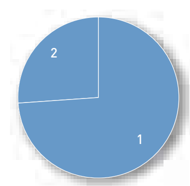
PRECOR EBIT EUR MILLION



* Pro forma

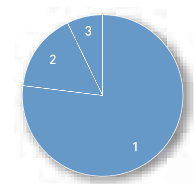
PRECOR NET SALES

1 CLUBS AND INSTITUTIONS 74%
2 HOME USE 26%



PRECOR NET SALES

1 AMERICAS 77%
2 EMEA 16%
3 ASIA PACIFIC 7%




ATOMIC
THE LEADING
MANUFACTURER OF
ALPINE SKIS

Atomic is the world's leading manufacturer of alpine skis. Its sports categories include alpine skiing, cross-country skiing and snowboarding.

Established in 1955, Atomic is the No. 1 global alpine ski brand. Just as our customers do, we worship gliding on snow. Nestled in a valley surrounded by the Austrian mountains, we are known for building the most technologically-advanced ski equipment on the planet. But the passion shared by our engineers and craftsmen isn't confined by that valley. The spirit of Atomic can be found on summits and slopes around the world, wherever people ski our products.

Headquartered in Altenmarkt, Austria, Atomic employed 893 people at the end of 2006. Its dedicated sales network within the Amer Sports organization serves customers in about 60 countries.

Mission

Atomic is a world-wide market and technology leader in all important segments of winter sports activities. We aim to produce premium winter sports equipment utilizing a multi-brand strategy.

Vision

Atomic is the No. 1 alpine ski brand globally. Atomic's goal is to further strengthen its position in other winter sports product categories.

Sports categories

Atomic's product categories include alpine skiing, cross-country skiing, and snowboarding. Atomic manages the following brands: Atomic for alpine skis, nordic skis and snowboards; Dynamic for alpine skis; and Volant for top-of-the-line alpine skis.

YEAR 2006

In 2006 the wholesale global winter sports market was estimated to amount to 1.9 billion euros, with Europe being the largest region representing 63% of global sales, followed by North America, 24% and Japan, 11%. Atomic's global market share in the alpine ski business was approximately 16% in 2006.

The winter sports market is highly seasonal, with the busiest months for deliveries being September and October. Pre-orders are collected during the spring, which creates a need for flexibility to adjust the production mix based on incoming pre-orders.

MICHAEL SCHINEIS, President of Atomic

"Atomic produces the best quality products in our field and we will continue to launch even more innovative products in 2007 in the categories of alpine skis, alpine boots, cross-country skiing and snowboarding.The synergies with our sister company Salomon will strengthen our competitiveness. The Atomic brand will further be supported strongly by top-performing athletes on our international racing teams."

ATOMIC

WINTER SPORTS

Sales and EBIT

Atomic's net sales declined by 4% to 204.8 million euros in 2006. Of net sales, the Americas generated 18%, EMEA 76% and Asia Pacific 6%. Sales declined by 3% in the Americas, 4% in EMEA, and by 13% in Asia Pacific.

The distribution of Asics products, a non-core category for Atomic, ended in Austria, lowering net sales by 11.3 million euros. Exclusive of the effect of Asics, net sales would have been at last year's level.

Atomic's EBIT decreased by 25% and was 16.6 million euros.

The fastest-growing product category was Atomic cross-country products, up 32%. Sales of ski boots increased by 29%. Sales of alpine skis declined by 5%.

Atomic-branded alpine skis are the No. 1 ski brand globally. A total of approximately 820,000 alpine ski pairs were shipped in 2006.

Achievements

The industrial cooperation plans between Atomic and Salomon are progressing as planned. These changes will be carried through during 2007.

Atomic is continuously improving its supply chain management. This enables more flexible production and improved net working capital, also increasing customer satisfaction.

Despite Atomic's strong heritage in alpine skiing, the company has also increased its engagement in Nordic racing. In 2006, Atomic won the overall world cups both in alpine skiing (Benjamin Raich, Austria) and in cross-country skiing (Tobias Angerer, Germany).

In 2006/07, Atomic continues to succeed on the international competition circuit. Skiers using Atomic systems (cross-country skis, boots and bindings) captured more than 40 podium places in cross-country, biathlon and nordic combined.

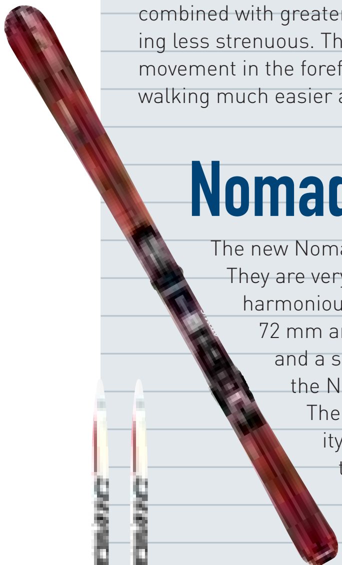
NOVEMBER

The opening race of the alpine skiing World Cup in Levi, Finland, was really an Atomic party. Between men and women racers, Atomic skiers took five of the six available podium places. Benjamin Raich of Austria was happy to celebrate his first win at a World Cup-opening event – and with an especially fine descent.

HOT PRODUCTS

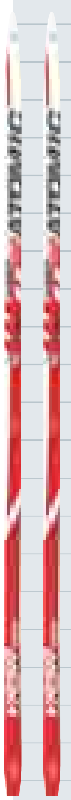
Hawx

Atomic Hawx is a revolutionary new ski boot concept. Hawx is the first boot ever with forefoot flexibility which improves performance, optimizes body position over the ski, improves balance and enables more direct transmission of power for more precise skiing. Improved performance characteristics are combined with greater comfort. Haxw boots make skiing less strenuous. Thanks to the improved freedom of movement in the forefoot area, these boots also make walking much easier and more comfortable.



Nomad with Beta TFC

The new Nomad models are real all-rounders. They are very light, offering optimal rigidity and harmonious flexibility. A width of between 72 mm and 86 mm in the middle of the ski and a side cut for medium curve radii make the Nomad enormously broad-ranging. The Nomad impresses with its versatility, control and performance. The Beta technology makes the ski dynamic, torsion-proof and ensures optimal edge grip and dynamics. The TFC (Torsion Flex Control) system makes the ski soft where necessary for optimal skiing pleasure.



G2

G2 Grip&Glide is Atomic's newly patented technology. "Grip" is for an effortless dynamic kick, and "glide" for excellent gliding properties. A complex core inside the ski ensures an optimal hardness setting. In the previously unique base system, sharp, three-dimensional grip edges bite into all types of snow for a safe but dynamic kick. The large volume which forms under the many small edges ensures additional stability and smoothness. The new technology is used in the Motion, Fitness and Balance cross-country skiing segments.

YEAR 2007

As the year began, temperatures remained higher than usual in Europe, Asia and the Eastern United States. The market for winter sports equipment is expected to fall short of the 2005/06 season both in terms of volume and value due to uncertainty caused by uncommon weather during the 2006/07 winter season.

Atomic's primary goal for 2007 is to improve its profitability. Cooperation with Salomon in all product categories is one way the company is aiming for cost savings and efficiencies.

In order to strengthen its leading position in its key markets and remain a major player in all of its product categories, Atomic has launched new innovative products such as the Hawx boot and Nomad ski.

GLOBAL MARKETS (WHOLESALE)*

ALPINE SKI EQUIPMENT	EUR 1.3 BILLION
CROSS-COUNTRY SKI EQUIPMENT	EUR 0.2 BILLION
SNOWBOARDS	EUR 0.4 BILLION

* Converted into euro at average exchange rates over the review year

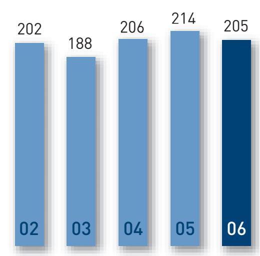
GLOBAL MARKETS 2006 (2005)

EUROPE	63% (62)
NORTH AMERICA	24% (25)
JAPAN	11% (11)
OTHER	2% (2)

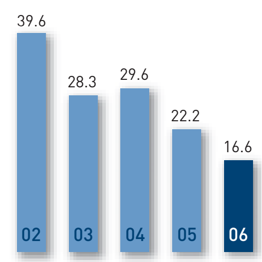
ATOMIC MARKET SHARES 2006 (2005)

ALPINE SKIS	16% (16)
BINDINGS	16% (16)
SKI BOOTS	6% (4)
CROSS-COUNTRY SKI EQUIPMENT	9% (9)
SNOWBOARDS	3% (3)

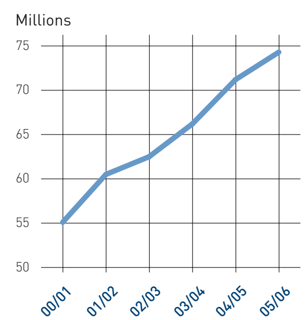
ATOMIC NET SALES EUR MILLION



ATOMIC EBIT EUR MILLION



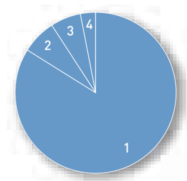
PARTICIPATION, SKIER DAYS IN AUSTRIA



Source: WebMark Seilbahnen - Trendmonitor winter 2005/06

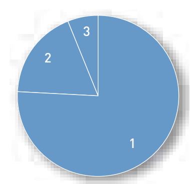
ATOMIC NET SALES

1 ALPINE SKI EQUIPMENT 84%
2 CROSS-COUNTRY 7%
3 SNOWBOARDING 6%
4 OTHER 3%



ATOMIC NET SALES

1 EMEA 76%
2 AMERICA 18%
3 ASIA PACIFIC 6%




SUUNTO
THE MOST DESIRED SPORTS
INSTRUMENT BRAND

Suunto has a passion to create sports instruments that allow you to measure, analyze, understand and improve your performance.

Founded in 1936 and having celebrated its 70th anniversary in 2006, Suunto is a leading designer and manufacturer of sports instruments for diving, mountaineering, hiking, skiing, sailing and golf. True to its roots, Suunto remains the world's largest compass manufacturer. Prized for their design, accuracy and dependability, Suunto sports instruments combine the aesthetics and functionality of watches with sport-specific computers that help athletes at all levels analyze and improve their performance.

Headquartered in Vantaa, Finland, Suunto employed 522 people at the end of 2006. Its dedicated sales network within the Amer Sports organization serves customers in approximately 60 countries.

Mission

Suunto enhances sports experiences by providing accurate and relevant information, inspiring users to reach their full potential.

Vision

Suunto's goal is to be the world's most desired sports instrument brand.

Sports categories

Suunto is the leading manufacturer of sports instruments for a variety of sports, including diving, training, skiing, hiking, sailing and golf. Suunto is the market leader in dive computers. The company's strategy is to focus on sports activities where advanced measurement technology, data processing, and specific algorithms can create significant benefits for active participants.

YEAR 2006

In wristop computers, Suunto's main priority for 2006 was to establish a market position in the heart rate monitor market through the successful launch of the Suunto t-series. This key target was reached as the new t-series was Suunto's growth engine in 2006. Also, outdoor wristop computer sales were significantly up from 2005 after a few stagnant years.

In the diving instruments category, Suunto achieved strong growth, with the new Suunto D6 wrist-sized dive computers as the main growth driver. Along with wristop dive computers, console dive computers also had a favorable year. This was a good achievement as the market conditions in diving were challenging, and some manufacturers reported being significantly off of their previous year's levels.

JUHA PINOMAA, President of Suunto

"For 70 years Suunto has provided accurate, reliable information to people in need of it. Our instruments enable our users to reach their goals more effectively and get more out of their sports experience. Our products are often very critical to the user. Therefore we at Suunto take pride in maintaining the highest quality standards for our products."

SUUNTO

SPORTS INSTRUMENTS

Sales and EBIT

Suunto's net sales increased 13% to 81.3 million euros. Of net sales, the Americas generated 33%, EMEA 55% and Asia Pacific 12%. Sales in the Americas increased 6%, 17% in EMEA, and 18% in Asia Pacific.

Suunto's EBIT amounted to 7.0 million euros (3.4). There was a fire at a supplier's premises in May 2005, and Suunto's result for 2006 includes 2.5 million euros in insurance claims received for the loss of sales margins due to the fire.

Overall, sales of wristop computers increased 33%. The new t-series training line was the key growth contributor.

Sales of Suunto's diving instruments increased 10% with the new Suunto D6 wristop computer as the main growth driver. Sales of diving and water sports suits declined.

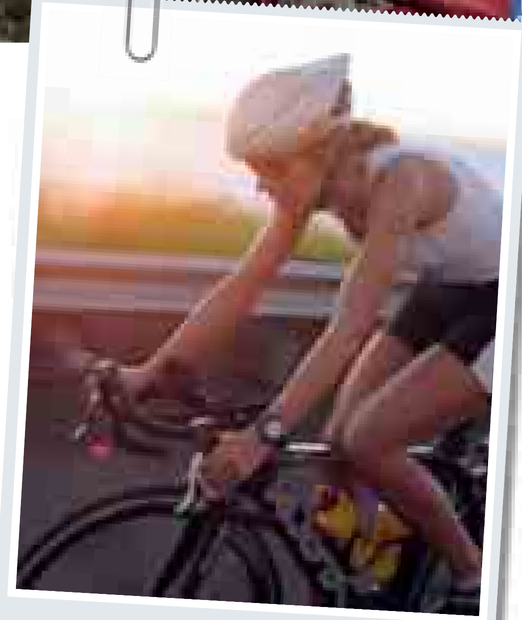
Diving instruments and wristop computers accounted for a total of 72% (66%) of Suunto's net sales.

Achievements

Suunto developed a new training line that helps users achieve fitness and performance goals with intelligent real-time information and advice. The Suunto t-series includes four different heart rate monitors, complementary training analysis PC software, and sports-specific accessories. The new Suunto t-series became available in the fall of 2006.

The Suunto D9 dive computer was nominated for one of the world's most esteemed design awards, the German Design Preis – considered by many influential people in the design industry to be "the prize of prizes."

In October 2006, Suunto and Nokia announced their co-operation on developing Wibree radio technology. Wibree enables a standardized wireless connection between sports electronic devices and mobile internet devices.



JULY

German Andrea Brede won the Frankfurter Sparkasse 2006 IRONMAN European Championship using the Suunto t6. She raced her way to an impressive win in 9:16:17h.

HOT PRODUCTS

Suunto t3 and GPS POD

In July 2006, the new Suunto t3 heart rate monitor and GPS POD combination received the ISPO Outdoor Award at the ISPO Trade Fair in Munich. The ISPO jury praised the Suunto t3 for its broad range of functions and in particular for its usability. With the aid of the Suunto GPS POD, the user can track speed and distance traveled when, for example, skating or cross-country skiing.

Suunto D9 Titanium

In November 2006, Suunto introduced its flagship Suunto D9 dive computer in a brilliant titanium bracelet. Excelling in business, travel and underwater exploration, the Suunto D9 titanium is a full decompression dive computer with air integration and a digital compass.

Suunto X9i & Google Earth

In December 2006, new Google Earth™-compatible PC software for the Suunto X9i wristop GPS was released. The Suunto Track Exporter PC software allows users to export "tracks" from their Suunto X9i wristops to Google Earth, where they can view their adventures anywhere on the globe with real satellite imagery.

In December, the editors of US Outside magazine ranked the Suunto t4 heart rate monitor second in the "O list" of year's most important people, ideas, trends and gear.

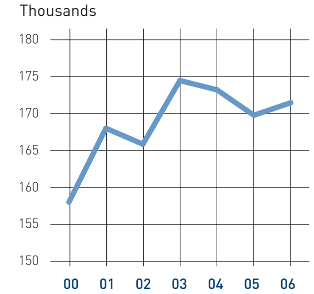
Suunto's co-operation with FIS (International Ski Federation) and Wige-Data continued in Nordic Combined skiing during the 2005/06 season. With the Suunto Team POD and Suunto heart rate belts, the athletes' heart rates and percentage of maximum heart rates were broadcast to international TV viewers.

YEAR 2007

The goal for this year is to continue to strengthen Suunto's core processes and generate growth through the most attractive sports instruments segments.

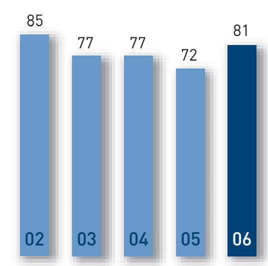
Suunto continues to focus on the training, outdoor and dive instrument categories. Suunto's sales are expected to increase in 2007 thanks to new product launches. This should also raise the company's profitability.

PARTICIPATION U.S. OPEN WATER NEW DIVER CERTIFICATIONS

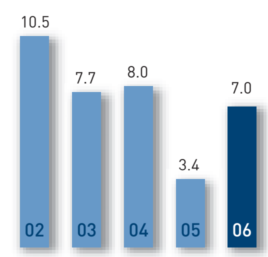


Source: DEMA and company estimates

SUUNTO NET SALES EUR MILLION

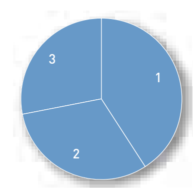


SUUNTO EBIT EUR MILLION



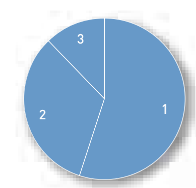
SUUNTO NET SALES

1 WRISTOP COMPUTERS 41%
2 DIVING INSTRUMENTS 31%
3 OTHER 28%



SUUNTO NET SALES

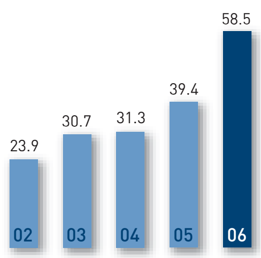
1 EMEA 55%
2 AMERICAS 33%
3 ASIA PACIFIC 12%



DEVELOPING TOMORROW'S PRODUCTS

Research and development hinges on in-depth knowledge of sports and catering to consumer needs. Cooperation with top athletes and raw material suppliers often yield completely new types of solutions in the development of sports equipment. Amer Sports not only keeps abreast of developments but actively pushes the limits, sparking new sports and leisure trends.

R&D EXPENDITURE
EUR MILLION



In 2006, Amer Sports R&D expenditures amounted to 58.5 million euros. Capex amounted to only 2.3% of net sales, whereas in 2006, R&D expenditures amounted to 3.3% of net sales. R&D costs are expensed in the year they are incurred.

Continuous investment in R&D is absolutely critical to our mission of being the undisputed No.1 sports equipment company. Our dedicated, sports-specific R&D program enables our brands to continuously roll out new breakthrough products.

Because of Amer Sports' reputation as a technologically-advanced company, top athletes enjoy collaborating and assisting our in-house experts during the innovation process.

BEST RESULTS AND MOST ENJOYMENT

We are true experts in all of our sports. We set innovation and usability standards in every sport by constantly advancing our products with innovative technologies and outstanding design.

Attention to detail, high quality, functional dependability and a passion to constantly grow our sports elevate the performance of our products.

Performance is the key driver in our development of sports equipment, technical apparel, and footwear. As our products are essential for participation in many sports, the fundamental focus of our product design is functionality, but progressive beauty and coolness are becoming increasingly important. We do not mimic fashion trends. In many cases, our products are in the forefront when new trends are born.

FROM IDEA TO PRODUCT

In-depth knowledge of sports and a deep understanding of different consumer needs are essential parts of our product development processes. New products and ideas are developed and tested with both top athletes and active participants. Even the smallest details can be critical for product performance.

Our in-house R&D staff creates a unique internal network that exchanges ideas and know-how within the group. This enables us to benefit from the cumulative know-how within our units. In addition, Amer Sports R&D experts engage in close-knit and unique cooperation with universities and research groups. Independent scientific research often paves the way for new product innovations.

Working closely with top athletes and coaches has long traditions within our group. For example the Wilson Advisory Staff, which includes respected professional coaches and athletes, was set up in 1922.

As proof of our actions, we are proud to witness the success of our products, whether on the podium or through feedback from happy customers around the world.

The R&D process is never-ending but rewarding as we continue to push the limits by launching new products that outperform our competition.

AWARD-WINNING PRODUCTS

Suunto t3 and GPS POD

Only a week after it was launched, Suunto's new t3 heart rate monitor and GPS POD combination received an ISPO Outdoor Award at the ISPO Trade Fair in Munich. The ISPO jury praised the Suunto t3 particularly for its broad range of functions and usability.

Arc'teryx AC² line of backpacks

Arc'teryx's Advanced Composite Construction line of backpacks has received a veritable wave of awards. The AC² backpack received an ISPO Outdoor Award for Technology and Gear of the Year award from Outside Magazine. Since then, it has also been recognized by magazines such as Backpacker, Men's Health and Vertical.

Precor Cardio Theater

For the third consecutive year, the international fitness industry selected Cardio Theater as the top entertainment supplier in the Nova7 People's Choice awards program sponsored by Fitness Management magazine. Additionally, Cardio Theater won the 2005 Nova7 award.

Wilson Ci6 irons

The Ci6 beat popular models from its main competitors to earn the Tester's Top Pick in the prestigious Club Test 2006 in Golf Magazine. Also, Wilson Staff women's irons and drivers were chosen as Best in Class in their respective product categories in the UK market.

Wilson nCode tennis rackets

Wilson's industry-leading high-performance racket line featuring nano-technology received the Consumer Product Award for Industrial Design at the 2005 Annual Design Review, presented by I.D. magazine.

Wilson W Line tennis rackets

The industry's first comprehensive high-performance line of rackets developed exclusively for women, the Wilson W line was honored at the 2006 I.D. Annual Design Review, presented by I.D. Magazine. The W6 racket also was awarded Tennis Magazine's Editor's Choice Award.

Wilson Women's Wildcard shoe

This extremely popular performance shoe, part of Wilson's comprehensive Evolution line, received Tennis Magazine's Editor's Choice Award. The Wildcard received top marks for comfort, cushioning and design by female players.

Salomon Fusion shoe

Salomon's Fusion shoe was awarded the l'Escarpin de Cristal 2006 in technological innovation for its Seamless Technology concept. The ceremony took place in front of 250 guests representing the French and international footwear industry.

Mavic Wintech HR and Crossmax SX

For the second year in a row, Mavic's products were honored at Eurobike by an expert jury including manufacturers, distributors, media representatives and designers. The two products selected were the new wireless cycle computer Wintech HR and brand new top range Enduro wheelset Crossmax SX.

SEPTEMBER

Mavic employees and the Ksyrium ES at Eurobike in Friedrischafen, Germany. Mavic won a Silver Award for this wheel set. The Ksyrium ES wheelset was designed for toplevel competition cycling. The combination of Maxtal aluminum, carbon fiber and titanium has produced especially lightweight and responsive wheels.

CUSTOMER SERVICE AND SUPPLY CHAIN MANAGEMENT

Our broad portfolio of products makes Amer Sports a major year-round supplier to sports retailers and allows us to foster long-term business relationships. Our comprehensive sales and distribution network enables us to bring new products to market almost simultaneously world-wide.

The Amer Sports international sales and distribution network rests on a solid foundation: global brands with real appeal to consumers; a wide spectrum of sports; close ties to the retailers; and a deep understanding of the local market and customer behavior.

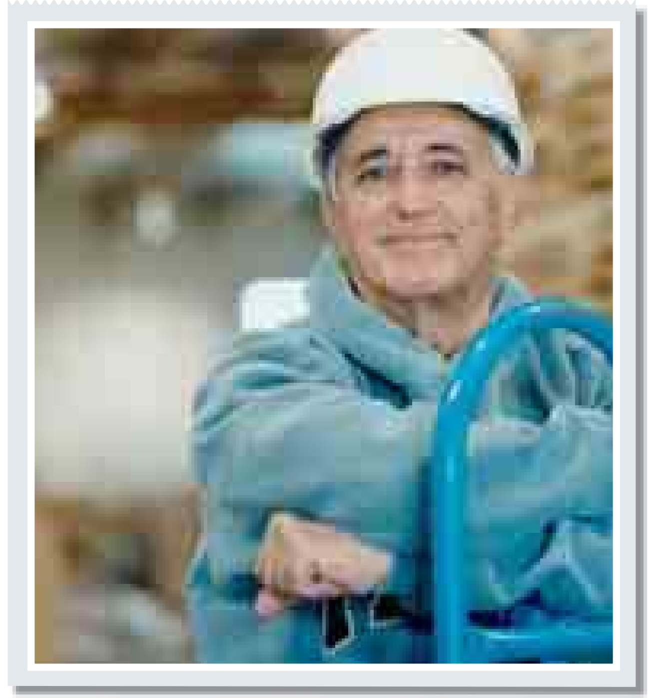
FIRST-CLASS SERVICE

The Amer Sports product portfolio is sold world-wide. Product distribution is primarily handled by Amer Sports sales companies. In small markets, distribution is handled through independent importers and distributors who work closely with individual Amer Sports business areas.

Local Amer Sports sales companies are responsible for the sales and distribution of our products in their own markets. These companies have experience and specialized expertise in every type of sport we participate in. Furthermore, local personnel know their own markets and the preferences of sports enthusiasts in their own territories. This allows them to adapt both product offerings and marketing to the needs and conditions of each market. This market know-how is also leveraged in research and product development in different business segments.

EFFICIENCY AND SERVICE

The integration of Amer Sports and Salomon sales organizations started in 2006. This overhaul seeks to improve service capabilities and efficiency. Until now, both Amer Sports and Salomon have had their own sales companies in all the major sports equipment markets. We are in the process of realigning this structure. The companies will transition to a single local subsidiary model in most countries. Each of these companies will be headed up by a country manager. Back office functions will be consolidated as much as possible. However, the sales staffs handling Atomic and Salomon will be kept separate to ensure our specialist approach. Our sales staff



is experienced and has strong specialized expertise in each respective sport.

THREE LARGE GEOGRAPHICAL SEGMENTS

The Amer Sports Winter and Outdoors North Americas unit was established in the United States in 2006. The sales functions of Salomon, Atomic and Suunto U.S. were integrated into this unit. However, Wilson's and Precor's sales organizations will continue to operate as independent units in the United States. The U.S. is both Wilson's and Precor's home market, thus they have the necessary scale to handle their own sales and marketing.

Our individual sales companies have been grouped into three large geographical segments: Asia Pacific, EMEA (Europe, Middle East and Africa) and Americas, which includes the United States, Canada and Latin America. Asia Pacific is headed up from Tokyo, Japan, EMEA from München, Germany. In the United States, the sales functions of Salomon, Atomic and Suunto will be directed from Odgen, Utah. Precor 's sales organization is managed from Seattle, Woodinville, Washington, and Wilson sales are managed from Chicago, Illinois.

SERVING THE WHOLE SPECTRUM OF SPORTS RETAILERS

Developing our operations in cooperation with our partners is extremely important. It is essential to increase product offerings and offer the right kinds of products and services to our retail customers. Amer Sports experts serve the whole spectrum of retailers from specialist stores to large chains.

The Amer Sports customer base can be divided into three main world-wide groups:

- large retail stores
- sports equipment chains
- specialist stores (e.g. skiing, tennis, golf, outdoor, and diving stores)

All of our customers place a high value on their suppliers' knowledge of the sports equipment market and their expertise in individual sports and categories. Beyond these attributes, reliability, delivery accuracy and speed have become increasingly important competitive advantages for sports equipment suppliers.

GEOGRAPHIC BREAKDOWN OF AMER SPORTS NET SALES

EUR MILLION	2006	PRO FORMA 2005
AMERICAS	815.7	783.3
EMEA	781.8	758.3
ASIA PACIFIC	195.2	190.4
TOTAL	1,792.7	1,732.0

MARCH—APRIL

During the Saab Salomon Transalp Xwing Rally, talented skiers mastered the diverse terrain offered by the most renowned resorts in the world for seven straight days. The athletes completed this grueling but exciting new event format, focused on mountain exploration while seeking checkpoints, from early in the morning till late in the afternoon. The days were full of daily special events such as Freeride, Slopestyle sessions and Giant Slalom.

SEPTEMBER

The annual Amer Sports Communications meeting took place in Chicago, USA. The meeting's goal was to strengthen cooperation between the marketing and communications staffs of Amer Sports, Atomic, Precor, Suunto, Wilson, Salomon, Mavic and Arc'teryx. Altogether 24 communications and marketing professionals from all around the world participated this year.

MAY

Suunto's new t-line series heart rate monitors and accessories were launched internally in Salzburg, Austria. The company's global sales and marketing personnel came together for Suunto's deeper foray into the world of heart rate monitors. A banquet at Salzburg castle was the climax of a day full of presentations and new product introductions.

HUMAN RESOURCES

The heart and soul of the Amer Sports family are the people that create and use our products. We choose to be a company that cares about the whole person and has values that our employees, customers and shareholders can all relate to.

Amer Sports is one of the most profitable sports equipment companies in the world. Our brands and products are well-known and recognized all over the world. We are also determined to hold on to our strong position as a desirable employer.

The ability to contribute both as an individual and as part of a team is essential to our success. At Amer Sports, we strongly believe that our people add value to the business through their motivation, professional competencies and ability to operate in a constantly changing environment. Our successful employees consistently demonstrate a strong work ethic, leading to high performance.

THE AMER SPORTS CULTURE

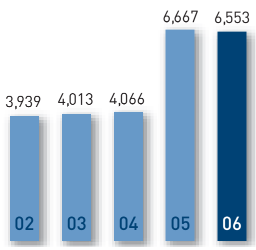
Our values are the basis of our work. The determination to win requires high performance. As we have a family of leading sports brands, one of our key principles is team spirit. Our culture is informal by nature, and open dialog is encouraged. Fair play requires our people to be accountable for following the rules and acting, under all circumstances, on the basis of our values, as well as respecting others both within the corporation and when dealing with external partners.

We encourage our people to always question the ways we do things. We seek to learn from our mistakes and take a proactive approach to our own development and renewal. The ability to stay on top of changes, challenge the status quo, and continue to innovate are central to our daily work.

PERFORMANCE MANAGEMENT

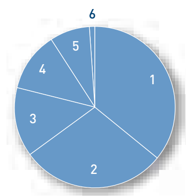
We believe that performance management is a shared responsibility. Our performance management process ensures that the company's strategy is mobilized at the individual level by cascading it from the top to all individuals in the organization. It is our core management process, used by our managers to coach and support their people.

EMPLOYEES AT YEAR END



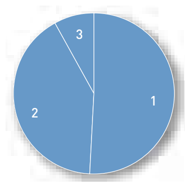
EMPLOYEES BY BUSINESS SEGMENT

1 SALOMON 36%
2 WILSON 29%
3 ATOMIC 14%
4 PRECOR 12%
5 SUUNTO 8%
6 HEADQUARTERS 1%



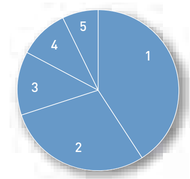
EMPLOYEES BY GEOGRAPHICAL AREA

1 EMEA 51%
2 AMERICAS 41%
3 ASIA PACIFIC 8%



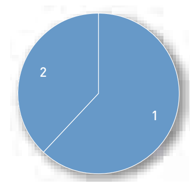
EMPLOYEES BY FUNCTION

1 MANUFACTURING AND SOURCING 40%
2 SALES AND DISTRIBUTION 30%
3 SUPPORT FUNCTIONS 13%
4 R&D 10%
5 MARKETING 7%



EMPLOYEES

1 MEN 62%
2 WOMEN 38%



Performance management at Amer Sports is an on-going dialog between the employee and the manager that requires regular and constructive feedback as well as a formal annual review process.

PROFESSIONAL GROWTH AND DEVELOPMENT

Our leadership is values-based. We expect our leaders to lead by example. We develop leadership talent from within as well as acquire experience from outside our family of brands.

We encourage our people to take a proactive approach to their professional growth and development. We are committed to continuous development of our senior leaders. We have launched a global executive development program with the objectives to expand strategic thinking, enable inspirational leadership and deepen the cohesion within the Amer Sports group.

Furthermore, we recognize the importance of physical well-being and maintaining a balance between work and leisure time for a healthy and gratifying personal and professional life. We provide and support opportunities for learning and professional growth, and we devote considerable effort to the development of current and future leaders.

REWARDING FOR PERFORMANCE

Much like the products we produce, our mission is to provide our employees with the proper environment and tools to succeed and win. We understand that winners will not settle for second-best and want to be rewarded for their performance.

Our reward system is performance-based and supports the implementation of our business strategy; we focus on team and individual accountability in order to motivate our people to set objectives and exceed their personal targets. We actively seek to reward employee performance.

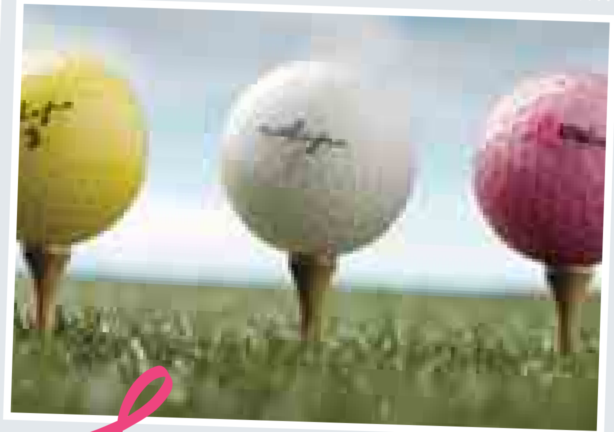
GLOBAL AND LOCAL PRESENCE

We are represented on every continent and in over 33 countries. Our largest numbers of employees are in the United States, France, Austria, Canada, Finland, Germany, Japan and the UK.

We have increased our business presence in Asia and reorganized our operations in the United States. Our operations are committed to conducting business in the international business environment by maintaining a strong local presence and local practices.

BUILDING FOR THE FUTURE

The Amer Sports people strategy is based on our business strategy and the group's long-term objectives. We focus on creating a strong performance management culture at all levels of the organization, including rewards based on performance, strong management and leadership competencies, and ensuring that we have the right people in the right places. Through our people strategy, we seek to ensure that our business will be successful today as well as in the future.



PINK RIBBON

Hope is a line of Wilson tennis and golf equipment specially designed and tailored to suit a woman's game. A portion of the proceeds benefit The Breast Cancer Research Foundation (BCRF) to support their efforts in breast cancer prevention and research. All Hope products feature the BCRF pink ribbon and their packaging includes information on how to prevent breast cancer. Wilson has been the Official Sporting Goods Equipment Sponsor of the BCRF since 1998.

SOCIAL RESPONSIBILITY

We seek to promote healthy lifestyles and sports all around the world. We wish to inspire the world's youth to discover the fun of exercise, helping them stay healthy and active throughout their lives.

Amer Sports implements its business strategy in line with its values – in an ethically acceptable and socially responsible manner, following the principles of sustainable development. We believe this is the only way for Amer Sports to succeed in the long run. Today, the sports equipment industry and the consumer expect companies to meet increasingly high standards of social responsibility.

Each Amer Sports business segment reports to its respective board on the environmental effects of its operations and on matters of social responsibility.

ENVIRONMENTAL RESPONSIBILITY

We continuously seek to improve our performance regarding health, safety, and environmental issues and to reduce the environmental impacts of our operations world-wide. In all of our operations and at every single facility, the baseline requirement is compliance with laws and official regulations and the observance of generally accepted business standards.

All Amer Sports business segments try to foresee their environmental impacts and to minimize energy consumption, waste, and emissions in an economically and technically rational manner. We do not use significant amounts of environmentally hazardous raw materials. Emissions are minimized, and raw materials and products are recycled as far as possible.

Amer Sports also supports the improvement of working conditions and seeks to prevent accidents at all of our locations.

SOCIAL RESPONSIBILITY

Amer Sports and our business segments also seek to operate in a socially responsible manner regarding human rights, working conditions, and child labor, observing current laws, official regulations, and generally accepted principles. The Amer Sports principles concerning human rights and working

conditions are based on international standards defined in ILO (International Labour Organization) Declarations, the UN Universal Declaration of Human Rights, and the Convention of the Rights of the Child.

Amer Sports aims to engage in business only with companies that follow these same principles. Amer Sports business segments purchase finished products, raw materials, and components from suppliers with whom long-term partnerships are sought. The company's sourcing personnel review all new supplier candidates before any contracts are signed. Amer Sports chooses only suppliers that comply with generally-accepted policies on working conditions and do not exploit child labor.

The standardization of supplier undertakings with regard to social responsibility began in 2004 throughout Amer Sports. It is based on parties committing to operating ethically and respecting human rights in accordance with internationally-recognized social and ethical norms. Amer Sports business segments seek to review all their suppliers at least once per year to ensure they operate ethically. In addition, suppliers are required to monitor the ethics of their suppliers' operations. The monitoring of these undertakings will be greatly enhanced when the group's Asian sourcing is fully consolidated in the Hong Kong-based Amer Sports Sourcing Ltd.

CHARITY

Amer Sports supports various charities through its business area operations.

Amer Sports and LiiKe ry, a Finnish non-governmental organization, are developing sports and education in Tanzania. The goal of the cooperation is to develop primary education, gender equity, health, school attendance and increased chances for secondary education through sport in the Mtwara Region of Tanzania. LiiKe will organize Sport, Education and Health Days in nearly 600 schools and local areas in September 2007. Amer Sports will deliver balls for sports activities such as soccer, basketball and volleyball.

Wilson is the Official Sporting Goods Equipment Sponsor of The Breast Cancer Research Foundation (BCRF), a not-for-profit organization whose mission is to achieve prevention and a cure for breast cancer in our lifetime by providing critical funding for innovative clinical and genetic research at leading medical centers world-wide. Annual donations are made through purchases of all Wilson products. In addition, Wilson has developed a line of Hope racket and golf sports equipment and accessories specifically tailored to suit a women's game. A portion of the proceeds from the Hope line also benefits The BCRF.

Since 1947, mountain sports professionals have contributed to the development of Salomon footwear, apparel, equipment and events. To thank them for their contribution, Salomon has decided to support them and/or their families in cases of serious personal difficulties (accident, extended illness, death) through the Salomon Foundation, which was created in March of 1999.

In 2006, Precor introduced Precor Gives, a self-managed corporate philanthropy program in which Precor matches employee charitable contributions dollar-for-dollar. Additionally, Precor supports The Austin Foundation, helping the organization better serve low-income, disadvantaged or disenfranchised youth with health and fitness programs.

ALWAYS REACHING HIGHER

BOARD OF DIRECTORS REPORT AND FINANCIAL STATEMENTS

BOARD OF DIRECTORS REPORT

On the whole, good trends held sway in the sports equipment market in 2006. Amer Sports net sales increased 31% due to Salomon's inclusion in the full-year figures. Net sales increased 4% as compared to 2005 pro forma figure and was EUR 1,792.7 million (EUR 1,732.0 million in 2005). In this report income statement and earnings per share information are compared to 2005 pro forma figures.

Net sales by business segment were as follows: Salomon, 37%, Wilson, 32%, Precor, 15%, Atomic, 11%, and Suunto, 5%. Salomon's sales were up 6%. Sales of Salomon apparel and footwear kept climbing fast, up 18%. Precor's sales grew by 9% and Suunto's by 13%. Wilson's sales remained at the previous year's level. Atomic's net sales were down 4%.

Sales of Salomon winter sports equipment and Atomic stayed at the previous year's level. Sales were weakened by the mild fall season.

The split of net sales by market area was as follows: the Americas (the United States, Canada and Latin America) 45%, EMEA (Europe, Middle East, Africa) 44%, and Asia Pacific 11%. Sales increased 4% in the Americas, 3% in Asia Pacific and 3% in EMEA.

The Group's EBIT amounted to EUR 120.2 million (117.1). EBIT in the comparison year was improved by EUR 5.9 million from the sale of properties.

Earnings before taxes were EUR 96.6 million (93.1) and net result was EUR 70.5 million (62.4). Earnings per share came in at EUR 0.98 (0.87). Net financing expenses amounted to EUR 23.6 million (24.0).

Taxes for the period were EUR 26.1 million (30.7). The company's taxes were reduced by tax credits received in the United States.

CAPITAL EXPENDITURE

The Group's capital expenditure on fixed assets totaled EUR 41.3 million (26.8). The Group's depreciation was EUR 32.2 million (37.0).

RESEARCH AND DEVELOPMENT

EUR 58.5 million (58.6) was invested in research and development, representing 3.3% of net sales. Salomon's share of the R&D spend was 42%, while Wilson accounted for 14%, Precor 21%, Atomic 10% and Suunto 13%.

FINANCIAL POSITION AND CASH FLOW

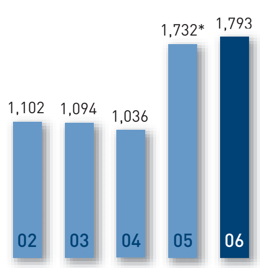
The Group's net debt at the end of the year was EUR 585.4 million (December 31, 2005: EUR 601.0 million).

Cash flow from operating activities after interest and taxes was EUR 45.5 million (96.4). The company's cash flow from operating activities was reduced by EUR 31.7 million due to payments associated with the re-structuring of Salomon's operations in France. Net cash flow from investing activities was EUR –71.9 million (–471.6), including the remaining purchase price paid for the acquisition of Salomon, EUR 33.4 million. The dividend payout amounted to EUR 35.9 million (36.0).

Of the EUR 575 million credit facility agreed upon in December 2005, EUR 165 million and USD 100 million had been drawn at the end of the financial year, and the committed unused portion was EUR 325 million. The credit facility will mature at the end of 2011. Short-term financing is raised with a domestic commercial paper program of EUR 500 million, of which EUR 373.6 million had been used as of December 31, 2006.

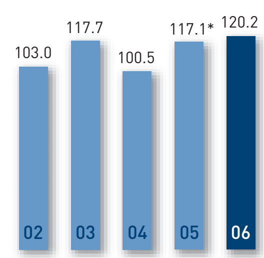
Liquid assets amounted to EUR 45.5 million at the end of the period (December 31, 2005: 48.7). The Company's equity ratio was 33.6% (December 31, 2005: 31.8%) and gearing was 105% (112%).

NET SALES
EUR million



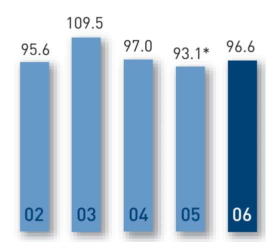
*) Pro forma

EBIT
EUR million



*) Pro forma

EARNINGS BEFORE TAXES
EUR million



*) Pro forma

BUSINESS SEGMENTS REVIEWS

Salomon

The year 2006 was one of significant changes for Salomon. The company completed a major restructuring program in France, and as a result its personnel will be reduced by 370 people. Decisions were also taken to lower product costs and create industrial synergies with Atomic. The integration of Salomon's sales organization into the Amer Sports global sales and distribution team is proceeding as planned.

Salomon achieved its objectives for 2006. The profitability of its winter sports equipment improved, and it racked up significantly higher sales of apparel. Also Mavic's sales increased. Part of Salomon's deliveries slated for September was delayed, rolling over from the third to the fourth quarter. This delay was caused by Salomon's logistics partner not being able to deliver all the products to market on schedule.

Salomon's net sales increased 6%. The breakdown of net sales was as follows: Winter Sports Equipment, 52%, Apparel and Footwear, 32%, and Mavic, 16%. Of net sales, EMEA generated 65%, the Americas 24%, and Asia Pacific 11%. Sales were up 7% in EMEA, 6% in the Americas and 3% in Asia Pacific. Salomon's EBIT grew to EUR 23.6 million (18.1). The good trend in net sales and improved cost control contributed to the improvement in Salomon's earnings. Mavic's result declined, but remained solid.

Net sales of winter sports equipment were at last year's level. Weak winter conditions early in the 2006/2007 season reduced the volume of re-orders received by Salomon. Cross-country skiing experienced the fastest growth of winter sports product groups, with net sales up 19%. Sales of snowboarding equipment remained at the previous year's level while sales of alpine skiing equipment decreased 5%. Net sales of apparel and footwear rose by 18% to EUR 208.0 million. The apparel business posted the fastest sales growth, Salomon increased 40% and Arc'teryx 26%. Bicycle component manufacturer Mavic's net sales increased 9% to EUR 107.8 million.

Wilson

Wilson's net sales remained on a par with the previous year, amounting to EUR 569.6 million. The breakdown of net sales was as follows: Racquet Sports 41%, Team Sports 39%, and Golf 20%. Of net sales, the Americas generated 67%, EMEA 19% and Asia Pacific 14%. Sales growth was 2% in the Americas. In EMEA sales were at last year's level. Sales were down 9% in Asia Pacific. Wilson's EBIT grew by 5% to EUR 54.6 million. Its earnings trend was solid in the United States, but the result weakened in Japan.

The Racquet Sports Division continued to perform well. Its net sales increased 4%. Of the product groups, the best growth was seen in accessories and footwear: footwear, 16% and accessories, 14%. Team Sports' net sales increased 8%. Sales were up on the corresponding period in all key product groups. Sales declined only in uniforms and training equipment. The Golf division fell short of its sales objectives, especially in Japan. Demand for golf equipment also declined in Europe. Also the new distribution strategy focusing on the major customers in the United States cut into net sales of the Golf Division.

Precor

Precor's net sales were up 9%. Of net sales, the Americas generated 77%, EMEA 16% and Asia Pacific 7%. Sales were up 18% in EMEA, 13% in Asia Pacific and 7% in the Americas. Precor's EBIT increased 12% to EUR 34.8 million. Non-recurring quality-related costs weakened earnings by about EUR 2 million. Precor's sales to fitness clubs continued to soar in North America. Precor's success in the fitness club market was heavily driven by the high demand for the new Experience aerobic equipment. Products in this series feature personal Cardio Theater viewing screens.

Atomic

Atomic's operations did not nearly measure up to expectations in Q4 2006. Unfavorable weather in all the main winter sports markets at the end of 2006 reduced the amount of re-orders the company received. During the financial year, Atomic's net sales declined by 4% to EUR 204.8 million. Of net sales, EMEA generated 76%, the Americas 18%, and Asia Pacific 6%. Sales declined by 13% in Asia Pacific, by 4% in EMEA and by 3% in the Americas. The distribution of Asics products, a non-core category for Atomic, ended in Austria, reducing net sales by EUR 11.3 million. Exclusive of the effect of Asics, net sales would have been at last year's level. Atomic's EBIT was EUR 16.6 million (22.2). EBIT in Q4 was EUR 14.8 million (19.0).

Suunto

Suunto's net sales grew by 13%. Of net sales, EMEA generated 55%, the Americas 33%, and Asia Pacific 12%. Sales increased 18% in Asia Pacific, 17% in EMEA and 6% in the Americas. Q4 net sales were up 34%. Suunto's EBIT amounted to EUR 7.0 million (3.4). Suunto's result includes EUR 2.5 million in insurance claims received for the loss of sales margins due to the fire on a supplier's premises in 2005. Sales of wristop computers grew by 33% during the review period. Sales received a particularly strong boost from the good demand for the new Training product series. Sales of Suunto's diving instruments increased 10%, largely thanks to the new Suunto D6 wristop computer. Sales of diving and water sports suits were down. Diving instruments and wristop computers accounted for 72% (66%) of Suunto's net sales.

AMER SPORTS WINTER & OUTDOOR AMERICAS

Amer Sports is centralizing its winter and outdoor businesses in North America under single management. This step is geared towards ensuring a more efficient infrastructure for the sales and business operations of Salomon, Atomic and Suunto.

PERSONNEL

At the end of the year, the Group had 6,553 employees (6,667). The Group had an average of 6,786 employees (4,968) during the 2006 calendar year. The parent company Amer Sports Corporation had 52 employees (53) at year's end and an average of 55 (51) during the year.

	Dec. 31, 2006	Dec. 31, 2005
Salomon	**2,372**	2,607
Wilson	**1,919**	1,914
Precor	**795**	733
Atomic	**893**	833
Suunto	**522**	527
Headquarters	**52**	53
Total	**6,553**	6,667

At the end of the year, 1,957 of the Group's employees worked in the United States, 1,260 in France, 712 in Austria, 608 in Canada, 393 in Finland and 1,623 in other countries.

AMER SPORTS' SHARES AND SHAREHOLDERS

At the close of the financial year, Amer Sports had 14,351 registered shareholders. Non-Finnish national owned 56.0% (54.7%) of the shares.

During the 2006 calendar year, a total of 66.3 million Amer Sports shares were traded on the Helsinki Stock Exchange to a total value of EUR 1,115.2 million. The share turnover was 92.6%. At the turn of the year, 372,886 ADRs were in circulation.

At the close of the year on the Helsinki Stock Exchange, the last trade in Amer Sports Corporation shares was completed at a price of EUR 16.68, representing an increase of 6% during the year. The high for the year on the Helsinki Stock Exchange was EUR 19.00 and the low EUR 14.75. The average share price was EUR 16.83.

At year's end, the Company had a market capitalization of EUR 1,195.9 million (1,124.2).

On January 27, 2006, Franklin Resources Inc. announced that the total number of shares held by the funds and individual investors under its control represented 5.02% of Amer Sports Corporation's share capital and votes. In March, Franklin Resources Inc. announced that its shareholding had declined to 4.99%.

On December 31, 2006, the Company's registered share capital totaled EUR 286,790,496 and the total number of shares was 71,697,624.

2002 warrant program

The highest price of the 2002 warrants on the Helsinki Stock Exchange was EUR 24.99 and the lowest EUR 13.00. In 2006, a total of 0.2 million warrants were traded at a total price of EUR 3.9 million.

15,450 new shares were subscribed for with the 2002 warrants in May-June, 28,950 in June-July, 96,750 in August-September, 20,700 in October and 49,170 in October-November. The increases in share capital were entered in the Trade Register as follows: EUR 61,800 on July 13, EUR 115,800 on September 7, EUR 387,000 on October 19, EUR 82,800 on November 24, and EUR 196,680 on December 19. As a result of the subscriptions, the share capital increased EUR 0.8 million.

In addition, 358,380 shares were subscribed for in November and 28,500 in December. The increases in share capital were entered in the Trade Register as follows: EUR 1,433,520 on January 16, 2007, and EUR 114,000 on February 8, 2007.

2003 warrant program

The highest price of the 2003 warrants on the Helsinki Stock Exchange was EUR 20.99 and the lowest EUR 10.99. In 2006, a total of 0.03 million warrants were traded at a total price of EUR 0.4 million.

In October, 1,494 shares were subscribed for with the 2003 warrants. The increase in share capital – EUR 5,976 – was entered in the Trade Register on December 19.

2004 warrant program

The warrants of the 2004 warrant program for Amer Sports Corporation's key employees were made available for trading on the Main List of the Helsinki Stock Exchange as of January 2, 2007. There are a total of 361,650 warrants. Each warrant entitles its bearer to subscribe for three Amer Sports Corporation shares. The subscription price with the warrants is EUR 13.53 per share. The share subscription period with the warrants began on January 1, 2007 and ends on December 31, 2009. A maximum total of 1,084,950 shares can be subscribed for with the warrants and the share capital can be raised by a maximum of EUR 4,339,800.

At the end of the report year, the Board of Directors had no outstanding authorizations to issue shares.

PARENT COMPANY'S BOARD OF DIRECTORS AND AUDITOR

In accordance with the Nomination Committee's proposal, the Annual General Meeting held on March 15, 2006 confirmed that the number of Amer Sports Corporation's Board members shall be six. Felix Björklund, Ilkka Brotherus, Tuomo Lähdesmäki, Timo Maasilta, Anssi Vanjoki and Roger Talermo (President and CEO) were re-elected as members of the Board of Directors until the end of the 2007 AGM.

At its first meeting immediately following the AGM, the Board of Directors elected Anssi Vanjoki as Chairman and Ilkka Brotherus as Vice Chairman. Anssi Vanjoki (Chairman of the Committee), Felix Björklund and Tuomo Lähdesmäki were elected as members of the Remuneration Committee. Ilkka Brotherus (Chairman of the Committee), Timo Maasilta and Felix Björklund were elected as members of the Nomination Committee. Tuomo Lähdesmäki (Chairman of the Committee), Ilkka Brotherus and Timo Maasilta were elected as members of the Audit Committee.

The AGM elected Authorized Public Accountants PricewaterhouseCoopers Oy to act as the auditor of the Company. The auditor in charge of the audit is Mr Göran Lindell, Authorized Public Accountant.

BUSINESS RISKS AND UNCERTAINTY FACTORS

Amer Sports business is balanced by its broad portfolio of sports and brands as well as its presence in all major markets. For example the following risks can potentially have an impact on the company's development:

- Amer Sports uses steel, rubber and oil-based raw materials and components in its products. Price increases of these materials can have a negative impact on the product cost. Amer Sports typically introduces new products every year, which can, depending on the market situation, offset the impact of material cost increases.

- The United States represents 50% of the world-wide sporting goods market and 40% of Amer Sports sales. There is a correlation between the demand of sporting goods and the development of U.S. retail sales. Therefore, a change in overall U.S. retail sales can have an impact on the Amer Sports business.
- Snow sports represent 30% of Amer Sports sales. Weather conditions can have an impact on Amer Sports results. Historically, however, poor snow conditions in one region are compensated by good snow conditions in another region.
- A change in the euro's value vis-a-vis other currencies has an impact on Amer Sports results. The impact, however, is limited due to the fact that the company's euro-U.S. dollar position is balanced.
- Despite extensive testing of its products before market launch, the company cannot completely rule out the risk that company can face legal action related to product liability. Amer Sports have standard insurance cover against financial consequences of product liability cases. Product liability cases could harm Amer Sports reputation and as a result, could have an adverse effect on its sales.
- Losing a significant client would affect Amer Sports sales. However, this risk is limited because the Amer Sports client base is diversified, with the five largest clients accounting for less than 10% of the company's annual sales.
- Amer Sports operates in highly competitive markets where the market participants often protect their product innovations with patents. Consequently, there can be disputes in relation to intellectual property rights, which are often heard in courts of law.

The integration of Salomon into Amer Sports and the realization of synergies between Salomon and Atomic represent the company's biggest challenges for the next two years.

The Amer Sports risk management policy is described in the corporate governance section, page 106. The financial risks are covered in detail in note 26, on pages 85–86.

OUTLOOK FOR THE FUTURE AND GUIDANCE

Most product groups and markets for sports equipment experienced growth in 2006. Following a solid year, it seems that the growth in the sports equipment industry will level off in 2007. The outlook for winter sports is weakened by the warm early winter in key markets.

Amer Sports net sales in local currencies is expected to remain at last year's level in 2007 due to uncertainty caused by uncommon weather during the 2006/07 winter season. The best sales growth is anticipated from Suunto, Salomon Apparel and Footwear, and Precor. Sales of Salomon Winter Sports Equipment and Atomic sales are expected to decline slightly. Wilson's Racquet Sports and Team Sports are forecast to keep growing steadily, while the primary objective in the Golf Division is to improve profitability.

Amer Sports' earnings are expected to improve in 2007 thanks to factors such as Salomon's turnaround initiative in 2006 and the synergies between Atomic and Salomon. It is estimated that Amer Sports' EBIT will amount to EUR 130–145 million in 2007, with earnings per share coming in at EUR 1.10–1.25. Cash flow from operating activities is expected to improve substantially.

Earnings improvements can be expected from Q3 2007 onwards. It is estimated that Amer Sports Q1 2007 result will fall short of the previous year's figure. The primary reason behind this is the below-normal amount of re-orders received for winter sports equipment in early 2007.

PROPOSED DIVIDEND

Amer Sports seeks to be viewed as a competitive investment that increases shareholder value through a combination of dividends and share price performance. The Company therefore pursues a progressive dividend policy reflecting its results, with the objective of distributing a dividend of at least one third of annual net profits.

The parent company's unrestricted shareholders' equity amounts to EUR 266,484,503.73 of which net result for the period is EUR 14,953,339.67.

The Board of Directors proposes to the Annual General Meeting that the distributable earnings be used as follows:

- A dividend of EUR 0.50 per share, totaling EUR 36,042,252.00, to be paid to shareholders
- EUR 230,442,251.73 to be carried forward in unrestricted shareholders' equity

Totaling EUR 266,484,503.73

There have been no significant changes to the company's financial position since the close of the financial period. The company's financial standing is good and the proposed dividend distribution does not endanger the company's financial standing, according to the Board of Directors.

NET SALES BY BUSINESS SEGMENTS

EUR million	2006	%	Pro forma 2005	Change %
Salomon	661.4	37	623.5	6
Wilson	569.6	32	570.4	0
Precor	275.6	15	252.1	9
Atomic	204.8	11	214.0	–4
Suunto	81.3	5	72.0	13
Total	1,792.7	100	1,732.0	4

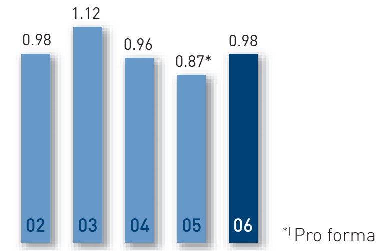
EBIT BY BUSINESS SEGMENTS

EUR million	2006	% of net sales	Pro forma 2005	% of net sales
Salomon	23.6	4	18.1	3
Wilson	54.6	10	52.1	9
Precor	34.8	13	31.1	12
Atomic	16.6	8	22.2	10
Suunto	7.0	9	3.4	5
Headquarters	–16.4	-	–9.8	-
Total	120.2	7	117.1	7

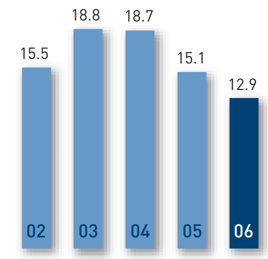
GEOGRAPHIC BREAKDOWN OF NET SALES

EUR million	2006	%	Pro forma 2005	Change %
Americas	815.7	45	783.3	4
EMEA	781.8	44	758.3	3
Asia Pacific	195.2	11	190.4	3
Total	1,792.7	100	1,732.0	4

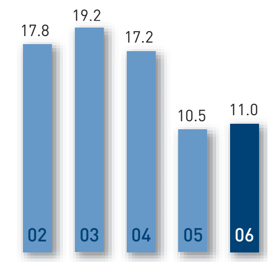
EARNINGS PER SHARE, EUR



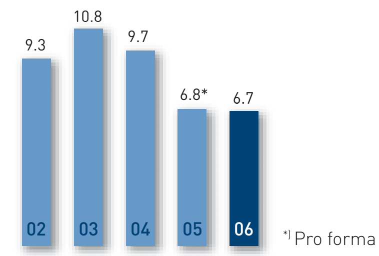
RETURN ON SHAREHOLDERS' EQUITY, %



RETURN ON INVESTMENT, %

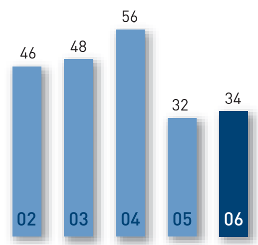


EBIT, % OF NET SALES

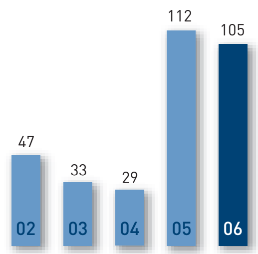


BOARD OF DIRECTORS REPORT

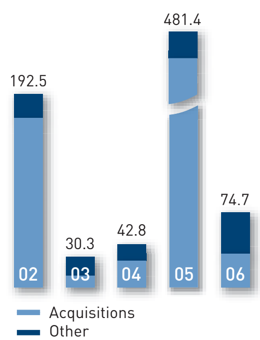
EQUITY RATIO, %



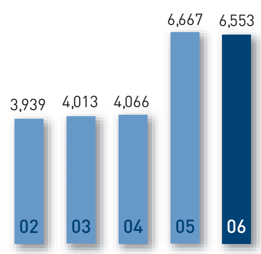
GEARING, %



CAPITAL EXPENDITURE EUR MILLION



PERSONNEL AT YEAR END



PERSONNEL BY BUSINESS SEGMENTS

	At year end		Average	
	2006	2005	**2006**	2005
Salomon	**2,372**	2,607	**2,546**	547
Wilson	**1,919**	1,914	**1,949**	2,021
Precor	**795**	733	**776**	670
Atomic	**893**	833	**935**	906
Suunto	**522**	527	**525**	773
Headquarters	**52**	53	**55**	51
Total	**6,553**	6,667	**6,786**	4,968

PERSONNEL BY COUNTRY

	At year end	
	2006	2005
USA	**1,957**	1,938
France	**1,260**	1,602
Austria	**712**	655
Canada	**608**	603
Finland	**393**	373
Germany	**235**	213
Japan	**189**	182
UK	**184**	188
Italy	**117**	112
Switzerland	**87**	95
Taiwan	**86**	79
Mexico	**84**	101
Romania	**71**	77
Spain	**62**	57
Australia	**60**	60
China	**60**	46
Malta	**55**	55
Brazil	**53**	46
Sweden	**48**	52
Other countries	**232**	133
Total	**6,553**	6,667

QUARTERLY NET SALES

EUR million	I 2006	II 2006	III 2006	IV 2006	I 2005*)	II 2005*)	III 2005*)	IV 2005
Salomon	**123.3**	**76.4**	**179.6**	**282.1**	107.2	71.7	189.4	255.2
Wilson	**178.3**	**159.5**	**120.3**	**111.5**	172.3	152.3	126.1	119.7
Precor	**72.9**	**59.3**	**60.4**	**83.0**	59.0	54.5	57.9	80.7
Atomic	**23.7**	**5.6**	**93.3**	**82.2**	26.5	7.8	93.8	85.9
Suunto	**19.2**	**21.0**	**18.3**	**22.8**	20.0	18.6	16.4	17.0
Net sales total	**417.4**	**321.8**	**471.9**	**581.6**	385.0	304.9	483.6	558.5

*) Pro forma

QUARTERLY EBIT

EUR million	I 2006	II 2006	III 2006	IV 2006	I 2005*)	II 2005*)	III 2005*)	IV 2005*)
Salomon	**–22.4**	**–17.9**	**23.6**	**40.3**	–24.5	–23.3	28.0	37.9
Wilson	**24.3**	**17.2**	**7.9**	**5.2**	26.1	16.2	6.9	2.9
Precor	**12.0**	**4.1**	**6.0**	**12.7**	5.8	4.6	7.1	13.6
Atomic	**–9.4**	**–12.2**	**23.4**	**14.8**	–8.4	–12.1	23.7	19.0
Suunto	**1.1**	**3.7**	**1.0**	**1.2**	1.7	1.5	0.9	–0.7
Headquarters	**–4.0**	**–3.9**	**–4.0**	**–4.5**	–3.7	1.9	–3.1	–4.9
EBIT total	**1.6**	**–9.0**	**57.9**	**69.7**	–3.0	–11.2	63.5	67.8

*) Pro forma

FIVE-YEAR REVIEW

EUR million	2006	Change %	IFRS 2005	2004	2003	FAS*) 2003	2002
Net sales	**1,792.7**	31	1,363.7	1,035.9	1,094.1	1,104.4	1,101.9
Depreciation	**32.2**	60	20.1	16.1	19.7	38.7	34.4
Research and development expenses	**58.5**	48	39.4	31.3	30.7	30.7	23.9
% of net sales	**3**		3	3	3	3	2
EBIT	**120.2**	46	82.3	100.5	117.7	101.3	103.0
% of net sales	**7**		6	10	11	9	9
Net financing expenses	**–23.6**	162	–9.0	–3.5	–8.2	–8.2	–7.4
% of net sales	**1**		1		1	1	1
Earnings before taxes	**96.6**	32	73.3	97.0	109.5	93.1	95.6
% of net sales	**5**		5	9	10	8	9
Taxes	**26.1**		–2.1	28.1	31.0	28.0	26.5
Net result from discontinued operations	**-**		-	14.0	-	-	-
Net result attributable to equity holders of the parent company	**70.3**	–7	75.2	82.6	78.1	64.7	68.5
Capital expenditure and acquisitions	**74.7**	–84	481.4	42.8	30.3	30.3	192.5
% of net sales	**4**		35	4	3	3	17
Divestments	**2.8**	–71	9.6	34.1	6.2	6.2	14.7
Non-current assets	**674.5**	–4	700.9	395.6	414.9	439.2	509.8
Inventories	**290.4**	–4	301.6	154.4	136.9	136.9	156.4
Current receivables	**647.1**	2	635.1	260.0	293.6	309.5	308.2
Liquid funds	**45.5**	–7	48.7	17.0	27.1	27.1	33.1
Non-current assets held for sale	**-**		-	3.5	-	-	-
Shareholders' equity and minority interests	**556.1**	4	536.2	461.3	422.5	472.9	473.4
Interest-bearing liabilities	**630.9**	–3	649.7	150.2	167.7	167.7	243.0
Interest-free liabilities	**470.5**	–6	500.4	219.0	282.3	272.1	291.1
Balance sheet total	**1,657.5**	–2	1,686.3	830.5	872.5	912.7	1,007.5
Return on investment (ROI), %	**11.0**		10.5	17.2	19.2	16.7	17.8
Return on shareholders' equity (ROE), %	**12.9**		15.1	18.7	18.8	14.5	15.5
Equity ratio, %	**34**		32	56	48	50	46
Debt to equity ratio	**1.1**		1.2	0.3	0.4	0.4	0.5
Gearing, %	**105**		112	29	33	31	47
Average personnel	**6,786**	37	4,968	4,174	4,089	4,089	3,827

*) The major difference between IFRS and Finnish Accounting Standards (FAS) that has a bearing on earnings is that goodwill and other non-current intangible assets with indefinite useful lives are not amortized on a straight-line basis under IFRS.

Calculation of key indicators, see page 87

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Note	2006	Pro forma 2005
NET SALES		**1,792.7**	1,732.0
Cost of goods sold		**–1,095.3**	–1,047.6
GROSS PROFIT		**697.4**	684.4
License income		**22.4**	19.8
Other operating income		**7.2**	11.1
R&D expenses		**–58.5**	–58.6
Selling and marketing expenses		**–416.5**	–410.9
Administrative and other expenses		**–131.8**	–128.7
EARNINGS BEFORE INTEREST AND TAXES		**120.2**	117.1
% of net sales		**6.7**	6.8
Financing income and expenses		**–23.6**	–24.0
EARNINGS BEFORE TAXES		**96.6**	93.1
Taxes		**–26.1**	–30.7
NET RESULT		**70.5**	62.4
Attributable to:			
Equity holders of the parent company		**70.3**	62.2
Minority interests		**0.2**	0.2
Earnings per share for the net result attributable to the equity holders of the parent company, EUR	11		
Undiluted		**0.98**	0.87
Diluted		**0.97**	0.86

CONSOLIDATED INCOME STATEMENT (IFRS), COMPARED TO REPORTED LAST YEAR

EUR million	Note	2006	2005
NET SALES		**1,792.7**	1,363.7
Cost of goods sold	7	**–1,095.3**	–817.1
GROSS PROFIT		**697.4**	546.6
License income		**22.4**	16.2
Other operating income	4	**7.2**	10.4
R&D expenses	7	**–58.5**	–39.4
Selling and marketing expenses	7	**–416.5**	–302.6
Administrative and other expenses	7, 8	**–131.8**	–94.3
Non-recurring items related to the Salomon acquisition	3	**-**	–54.6
EARNINGS BEFORE INTEREST AND TAXES	5, 6, 7	**120.2**	82.3
% of net sales		**6.7**	6.0
Financing income and expenses	9	**–23.6**	–9.0
EARNINGS BEFORE TAXES		**96.6**	73.3
Taxes	10	**–26.1**	2.1
NET RESULT		**70.5**	75.4
Attributable to:			
Equity holders of the parent company		**70.3**	75.2
Minority interests		**0.2**	0.2
Earnings per share for the net result attributable to the equity holders of the parent company, EUR	11		
Undiluted		**0.98**	1.05
Diluted		**0.97**	1.04

CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS

EUR million	Note	2006	2005
NON-CURRENT ASSETS	12		
Intangible rights		**208.5**	216.4
Goodwill		**290.3**	311.7
Other intangible assets		**1.4**	0.7
Land and water		**14.2**	14.2
Buildings and constructions		**44.2**	47.8
Machinery and equipment		**52.5**	46.5
Other tangible assets		**1.0**	0.8
Advances paid and construction in progress		**6.9**	4.1
Available-for-sale investments	13	**1.8**	2.0
Deferred tax assets	14	**45.7**	53.9
Other non-current receivables		**8.0**	2.8
TOTAL NON-CURRENT ASSETS		**674.5**	700.9
CURRENT ASSETS			
INVENTORIES	15		
Raw materials and consumables		**51.7**	60.3
Work in progress		**9.8**	9.6
Finished goods		**228.9**	231.7
		290.4	301.6
RECEIVABLES			
Accounts receivable	15	**568.7**	560.0
Loans receivable		**0.2**	0.1
Current tax assets		**12.4**	4.9
Prepaid expenses and other receivables	16	**65.8**	70.1
		647.1	635.1
LIQUID FUNDS	13	**45.5**	48.7
TOTAL CURRENT ASSETS		**983.0**	985.4
ASSETS		**1,657.5**	1,686.3

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Note	2006	2005
SHAREHOLDERS' EQUITY	17		
Share capital		**286.8**	285.9
Premium fund		**6.9**	1.3
Translation differences		**–41.5**	–14.2
Fair value and other reserves	25	**4.2**	–0.6
Retained earnings		**225.8**	185.2
Net result		**70.3**	75.2
TOTAL		**552.5**	532.8
MINORITY INTERESTS		**3.6**	3.4
TOTAL SHAREHOLDERS' EQUITY		**556.1**	536.2
LIABILITIES			
LONG-TERM LIABILITIES			
Loans from financial institutions	18	**240.6**	249.4
Pension loans	18	**1.4**	2.5
Other interest-bearing liabilities	18	**1.9**	4.3
Deferred tax liabilities	14	**13.0**	13.8
Other interest-free liabilities		**5.7**	4.2
		262.6	274.2
CURRENT LIABILITIES			
Interest-bearing liabilities	18	**387.0**	393.5
Accounts payable		**142.9**	157.5
Accrued liabilities	19	**220.1**	196.3
Current tax liabilities		**19.4**	24.5
Provisions	20	**69.4**	104.1
		838.8	875.9
TOTAL LIABILITIES		**1,101.4**	1,150.1
SHAREHOLDERS' EQUITY AND LIABILITIES		**1,657.5**	1,686.3

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

EUR million	Note	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES			
EBIT		**120.2**	82.3
Depreciation		**32.2**	20.1
Adjustments to cash flow from operating activities	21	**0.6**	–1.9
Cash flow from operating activities before change in working capital		**153.0**	100.5
Increase (–) or decrease (+) in inventories		**–4.9**	84.3
Increase (–) or decrease (+) in trade and other current receivables		**–39.8**	–115.7
Increase (+) or decrease (–) in interest-free current liabilities		**–15.4**	58.9
Change in working capital		**–60.1**	27.5
Cash flow from operating activities before financing items and taxes		**92.9**	128.0
Interest paid		**–20.6**	–8.9
Interest received		**0.8**	0.4
Income taxes paid		**–27.6**	–23.1
Financing items and taxes		**–47.4**	–31.6
Total cash flow from operating activities		**45.5**	96.4
CASH FLOW FROM INVESTING ACTIVITIES			
Company acquisitions	3	**–33.4**	–454.6
Capital expenditure		**–41.3**	–26.8
Proceeds from sale of tangible non-current assets		**2.8**	8.0
Proceeds from sale of available-for-sale investments		**-**	1.6
Interest received from non-current receivables		**0.0**	0.2
Cash flow from investing activities		**–71.9**	–471.6
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of shares		**6.5**	0.7
Change in short-term borrowings		**41.5**	222.1
Withdrawals of long-term borrowings		**-**	254.3
Repayments of long-term borrowings		**–1.1**	–25.9
Dividends paid		**–35.9**	–36.0
Other financing items *)		**13.7**	–9.2
Cash flow from financing activities		**24.7**	406.0
CHANGE IN LIQUID FUNDS		**–1.7**	30.8
Liquid funds			
Liquid funds at year end		**45.5**	48.7
Translation differences		**–1.5**	0.9
Liquid funds at year beginning		**48.7**	17.0
Change in liquid funds		**–1.7**	30.8

*) Including, for example, cash flow from hedging intercompany balance sheet items

The above figures cannot be directly traced from the balance sheet due to acquisitions/divestments of subsidiaries and changes in rates of exchange.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

EUR million	Share capital	Premium fund	Translation differences	Fair value and other reserves	Retained earnings	Total	Minority interests	Total share-holders' equity
	Attributable to equity holders of the parent company							
Balance at January 1, 2005	285.7	0.8	–48.4	0.1	219.9	458.1	3.2	461.3
Translation differences			34.2			34.2		34.2
Cash flow hedges				–0.7		–0.7		–0.7
Net income recognized directly in equity			34.2	–0.7		33.5		33.5
Net result					75.2	75.2	0.2	75.4
Total recognized income and expense for the period			34.2	–0.7	75.2	108.7	0.2	108.9
Dividend distribution					–36.0	–36.0		–36.0
Warrants					1.3	1.3		1.3
Warrants exercised	0.2	0.5				0.7		0.7
	0.2	0.5			–34.7	–34.0		–34.0
Balance at December 31, 2005	285.9	1.3	–14.2	–0.6	260.4	532.8	3.4	536.2
Translation differences			–27.3			–27.3		–27.3
Cash flow hedges				4.8		4.8		4.8
Net income recognized directly in equity			–27.3	4.8		–22.5		–22.5
Net result					70.3	70.3	0.2	70.5
Total recognized income and expense for the period			–27.3	4.8	70.3	47.8	0.2	48.0
Dividend distribution					–35.7	–35.7		–35.7
Warrants					1.1	1.1		1.1
Warrants exercised	0.9	5.6				6.5		6.5
	0.9	5.6			–34.6	–28.1		–28.1
Balance at December 31, 2006	286.8	6.9	–41.5	4.2	296.1	552.5	3.6	556.1

Note 17 provides additional information on shareholders' equity, note 25 on the fair value and other reserves and note 14 on the taxes charged to shareholders' equity.

1. ACCOUNTING POLICIES

GENERAL

Amer Sports Corporation is a Finnish public listed company that is domiciled in Helsinki.

Amer Sports Corporation and its subsidiaries ("the Group") manufacture, sell and market sports equipment to the sports equipment trade. The Group's business is founded on its globally recognized brands – the major brands are Wilson, Salomon, Precor, Atomic, Mavic and Suunto.

The Group has its own operations in 33 countries and its main market areas are the United States and Europe.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU, observing the standards and interpretations in force as at December 31, 2006.

As from January 1, 2006, the Group has applied the revisions made to IAS 19 (Employee Benefits). This has only affected the presentation of notes, as the Group has not changed its policy for recognizing actuarial gains and losses.

The changes to IAS 21, IAS 39, IFRS 1, IFRS 4 and IFRS 6 and to interpretations IFRIC 4, IFRIC 5, IFRIC 6, IFRIC 7, IFRIC 8 and IFRIC 9 that came into force after January 1, 2006, are not material to the Group.

IFRS 7, released in 2005, will be adopted in 2007 once the application of this standard becomes mandatory. This standard primarily affects the notes to be disclosed concerning financial instruments.

The consolidated financial statements are presented in millions of euros and are based on historical cost conventions with the exception of available-for-sale investments, financial assets and liabilities measured at fair value through profit and loss as well as derivative financial instruments at fair value.

USE OF PRO FORMA FIGURES

In the consolidated financial statements, the income statement and earnings per share are compared with the pro forma figures for 2005, in which Salomon has been consolidated as from January 1, 2005. The figures do not include non-recurring items related to the Salomon acquisition. The Group's pro forma financing income and expenses for 2005 have been estimated using a capital structure that assumes Salomon had been acquired at the beginning of 2005. Pro forma taxes have been assessed in accordance with ordinary tax rates without the effect of nonrecurring items. Pro forma figures are unaudited.

On April 20, 2006, the Group published a separate stock exchange release on the use of pro forma figures as comparison information.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include all subsidiaries in which the parent company holds directly or indirectly more than half of the votes or otherwise controls as well as affiliated companies in which the Group holds 20–50% of the voting rights or in which it otherwise has considerable influence. Companies acquired during the financial year have been included in the consolidated financial statements from the date when control was obtained. Similarly, divested functions are included up to the date when control has been relinquished.

The consolidated financial statements are prepared according to the historical cost method. The acquisition cost is allocated to assets, liabilities and contingent liabilities on the basis of their fair value at the time of acquisition. The proportion in excess of the fair value constitutes goodwill. Goodwill is not amortized, but its value is measured at least once a year by means of a cash flow-based impairment test (see impairment of assets below). Impairment losses are booked to the income statement.

Inter-company transactions as well as receivables and liabilities are eliminated. Minority interests are presented as a separate item. Minority interests are also shown under shareholders' equity in the balance sheet.

Affiliated companies are consolidated using the equity method. The Group's share of the results of affiliated companies is included in the consolidated income statement. The Group's share of the post-acquisition accumulated net assets of affiliated companies is added to the acquisition cost of affiliated companies and to retained earnings in the consolidated balance sheet.

FOREIGN CURRENCIES

The assets and liabilities of foreign subsidiaries are translated into euros at the average rates of exchange confirmed by the European Central Bank on the balance sheet date. The income statement is translated into euros by consolidating each calendar month separately using the actual daily average rate for the month, whereby the sum of the twelve calendar months represents the whole year. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries are booked to translation differences in consolidated shareholders' equity. Inter-company long-term capital loans are treated similarly. Cumulative translation differences prior to January 1, 2003 are included in retained earnings.

The following exchange rates have been used in the consolidated accounts:

	Income statement*)		Balance sheet	
	2006	2005	**12/06**	12/05
USD	**1.26**	1.24	**1.32**	1.18
CAD	**1.42**	1.51	**1.53**	1.37
JPY	**146.00**	136.87	**156.93**	138.90
GBP	**0.68**	0.68	**0.67**	0.69

*) Calculated average for the monthly average rates

Group companies record transactions in foreign currency at the rate on the transaction date or at an estimated rate sufficiently close to the rate on the transaction date. Assets and liabilities denominated in foreign currencies that are outstanding at the end of the financial year are translated at the average rate of exchange in effect at the balance sheet date.

Foreign exchange gains and losses related to operational transactions are treated as adjustments to sales or cost of goods sold. Exchange rate gains and losses on foreign currency-denominated loans and other receivables and liabilities connected with financing transactions are recorded at their net values as financing income and expenses.

DERIVATIVES AND HEDGE ACCOUNTING

Derivative instruments used to hedge against currency and interest rate risks – such as interest rate swaps, forward contracts and forward rate agreements – are measured at fair value on the day that the Group becomes a party to the contract. Subsequent measurement is also at fair value. Gains and losses from fair value measurement are treated in accordance with the purpose of the derivative financial instrument. The fair value of derivatives is presented in current non-interest-bearing receivables or liabilities.

Changes in the value of derivative instruments not used in hedge accounting are recorded as a credit or charge to earnings in financing income and expenses. Forward contracts are measured at fair value using the fixing rates quoted by the European Central Bank on the closing date. The original interest rate differential on forward contracts is recorded as a credit or charge to earnings. The fair value of forward rate agreements is based on the market prices quoted on the closing date. The fair values of interest rate swaps are calculated as the current value of future cash flows. The interest rate differential on interest rate swaps is amortized to profit or loss over the duration of the swaps.

Operational cash flows are hedged using forward contracts when products are purchased or sold in non-local currencies. The interest rate risks of floating-rate loans are hedged with interest rate swaps. The change in the measurement result of these financial instruments is recognized in the fair value and other reserves under shareholders' equity for those hedges which meet the documentation and effectiveness requirements set for the application of hedge accounting under IAS 39. The cumulative change in gains or losses is transferred to the income statement for the period when the hedged item is recorded in the income statement. If the hedge is not effective, the change in value in the case of interest rate hedges is recorded in financing income and expenses in the income statement and in the case of operating cash flow hedges in other operating income and expenses.

When initiating hedge accounting, the Group documents the correlation between the hedged item and the hedging instruments, as well as the Group's risk management objective and hedge initiation strategy. The Group documents and evaluates the effectiveness of hedges when initiating hedging and on a quarterly basis by examining the degree to which the hedging instrument offsets changes in the fair value and cash flow of the hedged item.

The Group does not hedge the net investment in an independent foreign unit with derivatives.

MEASUREMENT OF FINANCIAL ASSETS

In accordance with IAS 19: Financial Instruments: Recognition and Measurement, financial assets are categorized in:

I. financial assets at fair value through profit or loss
II. held-to-maturity investments
III. loans and receivables
IV. available-for-sale financial assets

Available-for-sale financial assets, such as commercial papers, are measured at their fair value. Changes in fair values are booked as a credit or charge to earnings in financing income and expenses. Purchases and sales of investments are entered in the accounts on the transaction date.

Held-to-maturity investments and loans granted by the Company are carried at amortized cost using the effective interest rate method. Current financial assets are valued at cost.

Available-for-sale investments are measured at their fair value by applying the market prices at the balance sheet date or some other determination of value used by the Company. The change in fair value is presented in fair value and other reserves under shareholders' equity. Fair value changes are transferred from shareholders' equity to the income statement when the investment is sold or its value has been impaired such that an impairment loss must be recognized. Available-for-sale investments whose fair value cannot be determined reliably are measured at cost or a lower value if they are impaired.

On each closing date, the Group assesses whether there is objective evidence for the impairment of a financial asset item or class. The impairment loss is recorded as a credit or charge to earnings in financing items.

REVENUE RECOGNITION

Revenue from the sale of goods is booked when significant risks and rewards connected with ownership of the goods have been transferred to the purchaser. Net sales represent the invoiced value of goods, less value added taxes as well as discounts and adding or subtracting foreign exchange differences.

Revenue obtained from other companies is booked to license income when these companies manufacture or sell products bearing the Amer Sports trademarks. In addition, license income includes royalty payments obtained from other companies when they utilize manufacturing technology patents owned by the Group.

Other operating income comprises rental income, gains on the sale of non-current assets as well as other non-recurring income, such as patent settlements.

COST OF GOODS SOLD

The cost of goods sold includes all the salary and wage, material, procurement and other costs connected with the manufacture and purchase of products.

RESEARCH AND DEVELOPMENT EXPENSES

Expenses connected with the technical development and testing of products as well as royalties for the utilization of non-proprietary manufacturing technology patents are booked to research and development expenses. Research and development expenses are not capitalized owing, notably, to the short life cycle of products.

SALES AND MARKETING EXPENSES

Expenses related to the sales, distribution, marketing and advertising of products are booked to sales and marketing expenses. These include sales inventory, customer service, marketing and sales, media advertising expenses and athlete endorsements.

ADMINISTRATIVE AND OTHER EXPENSES

Administrative and other expenses encompass Group Headquarters' expenses, general administration expenses, as well as minor one-off losses such as losses on disposals of non-current assets.

PENSION PLANS

The Group's pension arrangements comply with the local rules and practices of the countries where Amer Sports operates. Pension expenses based on regularly checked calculations that are prepared by the local authorities or authorized actuaries are recognized as an expense of the financial period. Under defined contribution based plans, such as principally within the Finnish TEL employment pension system, the Group's contributions are recorded as an expense in the period to which they relate. In defined benefit plans, pension expenses are recognized in the income statement, periodizing the regular costs for the employee's years of employment according to annual pension actuarial computations, applying the projected unit credit method. The pension liability is obtained by calculating the present value of future pension contributions, applying the rate on long government treasury bills or similar instruments as the discount rate. Actuarial gains and losses are recognized in the income statement for the employees' average remaining period of service to the extent that they exceed the greater of 10% of the defined benefit obligation or 10% of the fair value of plan assets.

SHARE-BASED PAYMENT

The warrants granted to key employees of the Group are measured at fair value at the time of granting using generally accepted warrant valuation models. The fair values of warrants are periodized as expenses in the income statement in even installments over the vesting period of the rights. The expense determined at the time of granting the warrants is based on an estimate of the number of warrants that it is believed will vest at the end of the vesting period. The contra item in the balance sheet is retained earnings. The Group updates its estimate of the final number of warrants on each closing date. Changes in the estimates are recognized in the income statement.

The cash payments based on exercise of the option warrants are entered in the Company's share capital and share premium fund.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset is categorized as held for sale when the economic benefits gained from it will be accrued primarily from its sale rather than continuous use. Non-current assets held for sale are measured at the lower of carrying amount or fair value less selling costs and disclosed on a separate line in the balance sheet. These assets are not depreciated.

Discontinued operations comprise a significant part of the Company (such as a segment) that it has decided to discontinue. The net result of discontinued operations is disclosed on its own line in the income statement, separately from continuing operations.

BORROWING COSTS

Borrowing costs are recognized as an accrual-based expense. The transaction costs of borrowing are included in the periodized initial cost and are periodized as interest expenses using the effective interest method.

INCOME TAXES

Taxes include the taxes for the financial year calculated on the basis of the result for the period or dividend paid out and in accordance with the tax legislation of each company's local domicile as well as assessed or returned taxes for previous financial periods and the change in deferred taxes.

Deferred tax assets and liabilities are calculated on all temporary differences between the book and tax base of assets in accordance with the tax rate at the balance sheet date or with the future tax rates prevailing when the tax is estimated to be paid. Temporary differences arise from factors such as unused tax losses, depreciation differences, provisions, defined benefit pension plans, the fair valuation of derivative financial instruments, the internal inventory margin as well as measurements to fair value of assets in connection with acquisitions of businesses. The tax effect of undistributed earnings of subsidiaries is recorded as a deferred tax liability if a dividend payout is probable and it will result in tax consequences. A deferred tax asset is recognized as a result of unused tax losses and other temporary differences to the extent that it is probable that they can be utilized in future financial periods.

EARNINGS PER SHARE

The undiluted earnings per share are calculated by dividing the net result for the financial year by the weighted average number of shares outstanding during the financial year. The dilutive effect of warrants is taken into account in calculating diluted earnings per share.

GOVERNMENT GRANTS

Government grants received are entered as adjustments to expenses in the result for the financial period except when they relate to investments, in which case they are deducted from the cost.

INTANGIBLE RIGHTS AND OTHER INTANGIBLE NON-CURRENT ASSETS

Intangible rights comprise trademarks and patents; software licenses, for instance, are included in other intangible assets. Patents and software licenses are recognized in the balance sheet at cost and amortized on a straight-line basis during an expected useful life of from three to fifteen years. Trademarks with indefinite useful lives are not amortized, but an annual cash flow-based impairment test is carried out on them (see impairment of assets below).

TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are stated as the difference between the initial costs and accumulated depreciation less any impairment losses (see impairment of assets below).

Depreciation is calculated on a straight-line basis in order to write off the cost of the tangible assets over their expected useful lives, adjusting for any impairment. The depreciation periods are:

Buildings	25–40 years
Machinery and equipment	3–10 years

Land is not depreciated.

IMPAIRMENT OF ASSETS

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill and other intangible rights having an indefinite useful life are nevertheless assessed at least once a year.

Impairment tests involve measuring the recoverable amount of said asset. The recoverable amount is the higher of the asset's net selling price or cash flow-based value in use. An impairment loss is recognized in the income statement when the carrying amount of an asset is greater than the recoverable amount. Impairment recognized on other assets than goodwill is reversed if a change occurs in the estimates leading to the impairment charge. An impairment loss is reversed to a maximum amount that does not exceed the carrying amount of the asset if an impairment would not have been originally recognized.

The recoverable amount of goodwill and intangible rights with indefinite useful lives is always determined via their cash flow-based values in use. The future cash flows used in impairment calculations are based on budgets and strategic plans for the next three years as approved by the Group's Board of Directors. The cash flow for subsequent years has been estimated conservatively based on the growth assumptions made in the three-year plans.

In the cash flow-based impairment calculations for other intangible rights and property, plant and equipment, only the cash flows for the next five years are recognized, of which the first three are based on the budgets and strategic plans for the next three years as approved by the Group's Board of Directors. In the calculations, the fourth and fifth years are estimated conservatively according to the growth assumptions made in the three-year plans. The residual values used in the calculations are estimates of the probable net selling prices of the asset items.

The discount rate in the calculations is based on the long-term risk-free market interest rate and a generally used standard risk premium.

INVESTMENT PROPERTIES

Investment properties are real estate that is held because of rental income or an appreciation in the property value. Investment properties are measured at cost. The Group does not have major assets that are classified as investment properties.

LEASING

Lease agreements relating to tangible assets, in which the Group bears an essential part of the ownership risks and rewards, are classified as finance lease agreements. A finance lease agreement is entered in the balance sheet at the lower of the asset's fair value or the present value of minimum lease payments, and it is amortized. Lease obligations are included in interest-bearing liabilities. The Group does not have major finance lease agreements. Other leasing payments are treated as rental expenses.

INVENTORIES

Inventories are measured at the lower of cost calculated according to the FIFO principle or the net realizable value. For self-manufactured products, the cost includes direct wage and raw materials costs for the manufacture of the products as well as a portion of the indirect costs of manufacture. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at the original invoiced amount less impairment losses and credits for returns. Impairment losses are recognized case by case and on the basis of historical experience when there is evidence that the receivable cannot be recovered in full, such as due to the payment difficulties or impending bankruptcy of the debtor.

LIQUID FUNDS

Liquid funds comprise cash in hand and deposits held at call with banks as well as other liquid funds such as marketable securities.

FINANCIAL LIABILITIES

Financial liabilities are initially carried at fair value. Transaction costs are included in the original carrying amount of financial liabilities. All financial liabilities are subsequently carried at amortized cost using the effective interest rate method. Used revolving credit facilities are included in current interest-bearing liabilities.

PROVISIONS

Obligations arising as the consequence of a past event, which are legal or which the Company has an obligation to settle and are considered certain or likely to occur, are booked in the income statement under an appropriate expense heading. They are presented in the balance sheet as provisions when it is probable that the resources will be transferred out of the Group but the precise amount or timing is not known. In other cases they are presented as accrued liabilities. The most important regular provisions are due to the repair or replacement of products during the warranty period. These provisions are determined on the basis of historical experience. A provision for reorganization is made when the Group has drawn up a detailed reorganization plan and announced the reorganization.

USE OF ESTIMATES IN THE FINANCIAL STATEMENTS

When preparing the financial statements, the Group's management has to make estimates and assumptions influencing the content of the financial statements and it must exercise its judgment regarding the application of accounting policies. The most important of these estimates and assumptions are related to any impairment of goodwill and other asset items as well as provisions. Actual results may differ from these estimates.

2. SEGMENT INFORMATION

The Group's primary form of segment reporting is according to the business segments. The business segments are based on the Group's organizational structure and reporting. They were revised on January 1, 2006, and the redefined business segments are Salomon, Wilson, Precor, Atomic and Suunto. There were no intersegment business operations in 2005 and 2006.

The assets and liabilities of the business segments include only items directly connected to the business as well as the goodwill related to them. Unallocated items, including Group Headquarters, include tax and finananging items as well as items allocated to the Company as a whole. The average capital employed of the business segments is the 12-month average and it includes only capital employed items directly connected to the business, excluding Group goodwill amounts.

The Group's geographical segments are the Americas, EMEA (Europe, the Middle East and Africa) and Asia Pacific (including Japan and Australia). The definition of these areas is based on their geographical risks as well as the organization of the Group's sales operations. The net sales of the geographical segments are presented according to customers' location and assets according to where the assets are located. Goodwill is not allocated to the geographical areas.

BUSINESS SEGMENTS

2006 EUR million	Salomon	Wilson	Precor	Atomic	Suunto	Business segments total	Unallocated items	Total
Net sales	661.4	569.6	275.6	204.8	81.3	1,792.7	-	1,792.7
EBIT	23.6	54.6	34.8	16.6	7.0	136.6	–16.4	120.2
% of net sales	3.6	9.6	12.6	8.1	8.6	7.6	-	6.7
Average capital employed	210.2	142.2	68.9	100.7	22.8	544.8	459.4	1,004.2
ROCE, %	11.2	38.4	50.6	16.5	30.9	25.1	-	12.0
Goodwill and non-current intangible assets with indefinite useful lives	178.0	102.1	149.8	13.5	29.2	472.6	-	472.6
Other assets	522.3	221.9	109.8	180.6	36.2	1,070.8	114.1	1,184.9
Liabilities	210.8	106.1	53.4	51.2	13.5	435.0	666.4	1,101.4
Capital expenditure	16.6	8.1	5.2	9.4	1.6	40.9	0.4	41.3
Depreciation	15.8	4.2	4.0	5.8	1.6	31.4	0.8	32.2
Cash flow from operating activities before financing items and taxes	4.1	47.4	29.3	22.5	5.7	109.0	–16.1	92.9

2005 EUR million	Salomon	Wilson	Precor	Atomic	Suunto	Business segments total	Unallocated items	Total
Net sales	255.2	570.4	252.1	214.0	72.0	1,363.7	-	1,363.7
EBIT	–16.7	52.1	31.1	22.2	3.4	92.1	–9.8	82.3
% of net sales	-	9.1	12.3	10.4	4.7	6.8	-	6.0
Average capital employed	72.6	141.2	60.8	107.9	22.9	405.4	322.8	728.2
ROCE, %	–23.0	36.9	51.2	20.6	14.8	22.7	-	11.3
Goodwill and non-current intangible assets with indefinite useful lives	181.8	114.0	156.9	13.5	29.1	495.3	-	495.3
Other assets	512.0	229.2	96.1	177.8	29.9	1,045.0	146.0	1,191.0
Liabilities	238.9	114.1	49.6	48.8	9.3	460.7	689.4	1,150.1
Capital expenditure	8.0	3.7	3.9	9.5	1.4	26.5	0.3	26.8
Depreciation	3.9	4.2	3.5	6.0	1.7	19.3	0.8	20.1
Impairment losses	-	1.7	-	-	-	1.7	-	1.7
Provision for restructuring	52.8	3.0	-	-	-	55.8	-	55.8
Cash flow from operating activities before financing items and taxes	32.0	50.4	29.4	23.2	6.5	141.5	–13.5	128.0

GEOGRAPHICAL SEGMENTS

2006 EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	815.7	781.8	195.2	-	-	1,792.7
Assets	406.4	667.6	71.8	–158.6	670.3	1,657.5
Capital expenditure	14.8	25.7	0.8	-	-	41.3

2005 EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	679.9	521.0	162.8	-	-	1,363.7
Assets	430.6	607.0	75.5	–88.8	662.0	1,686.3
Capital expenditure	6.5	18.9	1.1	-	0.3	26.8

3. ACQUIRED BUSINESSES

There were no significant business acquisitions in 2006. The remaining purchase price paid to adidas-Salomon AG in February 2006 for the Salomon acquisition plus the paid professional fees amounted to EUR 33.4 million.

In October 2005, the Group expanded substantially when it acquired the businesses and brands of Salomon from adidas-Salomon AG:

– Salomon: winter sports equipment (alpine skiing, cross-country skiing and snowboarding), inline skates, footwear and apparel
– Mavic: bicycle components
– Bonfire: snowboard apparel
– Arc'teryx: technical outwear
– Cliché: skateboard equipment and apparel

Salomon has been consolidated into the Group's financial figures as of October 1, 2005. Salomon's full-year pro forma net sales for 2005 amounted to EUR 623.5 million and EBIT exclusive of non-recurring items to EUR 18.1 million. Amer Sports full-year pro forma net sales amounted to EUR 1,732.0 million and EBIT excluding non-recurring items related to Salomon was EUR 117.1 million.

The debt-free purchase price was EUR 496.9 million, of which EUR 460.0 million was paid by the end of 2005. Professional fees associated with the acquisition were EUR 5.8 million. The acquisition was financed with debt.

The fair value of acquired net assets was EUR 530.9 million, of which EUR 179.6 million was allocated to the trademarks of Salomon, Mavic and Arc'teryx, and EUR 28.5 million to patented manufacturing technologies. Allocations of the acquisition cost to other intangible assets were not made. The acquisition generated EUR 55.4 million in negative goodwill, which was recognized as income in the 2005 financial period. The negative goodwill was due to the weak development of Salomon's winter sports business in recent years. A reorganization program was introduced to improve the profitability in this line of business, thus a restructuring provision of EUR 52.8 million was recognized in the 2005 financial period. The recognition of the difference between the fair value and initial cost of the purchased inventories reduced EBIT by EUR 57.2 million.

The following assets and liabilities have been booked for the acquired businesses:

EUR million	Net fair values of identifiable assets and liabilities of the acquired businesses 2006	2005	Assets and liabilities immediately before the business combinations 2006	2005
Intangible non-current assets	-	211.0	-	5.2
Tangible non-current assets	-	17.8	-	57.6
Deferred tax assets	-	37.8	-	17.9
Inventories	-	271.5	-	221.7
Receivables	-	234.1	-	234.1
Cash and cash equivalents	-	10.3	-	10.3
Total assets	-	782.5	-	546.8
Interest-bearing liabilities	-	37.5	-	37.5
Deferred tax liabilities	-	33.0	-	0.0
Other interest-free liabilities	-	181.1	-	173.8
Total liabilities	-	251.6	-	211.3
Net assets	-	530.9	-	335.5
Debt-free purchase price	-	496.9		
Professional fees	-	5.8		
Net debt	-	–27.2		
Acquisition cost	-	475.5		
Negative goodwill	-	–55.4		
Purchase price and professional fees paid in cash	**33.4**	464.9		
Cash and cash equivalents of acquired businesses	-	10.3		
Acquisition cost in cash flow statement	**33.4**	454.6		

Impact of the Salomon acquisition on the Group's net result in 2005:

EUR million	Salomon's business operations	Non-recurring items related to the acquisition	Total
Net sales	255.2	-	255.2
Recognition of negative goodwill generated in the acquisition *)	-	55.4	
Recognition of the difference between fair value and initial cost of purchased inventories *)	-	–57.2	
Provision for reorganization *)	-	–52.8	
EBIT	37.9	–54.6	–16.7
Net financing expenses	–4.5	-	–4.5
EBT	33.4	–54.6	–21.2
Current and deferred taxes	–11.7	38.5	26.8
Net result	21.7	–16.1	5.6

*) Non-recurring items related to the Salomon acquisition in the Group's income statement

Recognition of negative goodwill as income has no impact on deferred taxes.

4. OTHER OPERATING INCOME

EUR million	2006	2005
Rental return on real estate	0.5	0.6
Gain on sale of non-current assets	0.5	6.8
Other	6.2	3.0
Total	7.2	10.4

In 2005, a factory property and related company housing in Hyrylä, Finland were sold at a price of EUR 7.0 million. A pre-tax gain of EUR 5.9 million was recognized on the transaction.

5. EMPLOYEE BENEFITS AND RELATED PARTY TRANSACTIONS

EUR million	2006	2005
Wages and salaries	286.6	189.0
Social expenditure		
Pensions - defined contribution plans	6.9	2.0
Pensions - defined benefit plans	0.8	2.9
Other social security	58.9	42.0
Total	353.2	235.9

In countries where social expenditure paid to society cannot be divided between pensions and other social security, the expenses are presented under the heading Other social security.

Related parties include the parent company, subsidiaries (note 24), the Board of Directors and the Amer Sports Executive Board.

Salaries and remuneration of the Board of Directors and the Amer Sports Executive Board	4.9	5.1
of which the salaries and remuneration of the Executive Board	4.7	4.9

With the exception of the President, members of the Board of Directors do not have contractual retirement benefits with the Company. In addition to the President, two Finnish members of the Amer Sports Executive Board have early retirement rights. No loans have been granted to the Group's Board of Directors and management.

Salaries and other compensation of the Board of Directors and management are presented in more detail on pages 105–107 under the section "Salaries and other compensation".

6. PENSIONS

Pension security for Group companies is based on each country's local regulations and practices. The Group's most significant defined benefit pension plan is for Wilson Sporting Goods Co. in USA. Other countries where the Group has defined benefit plans include Switzerland, UK and Finland. These are handled via pension funds or pension companies whose assets are not included in the Group's assets. Contributions to the funds are made in accordance with local regulations. In USA and UK pension funds are closed, and new members are no longer admitted to them. The Group's other pension arrangements, such as the Finnish TEL statutory employment pension, are mainly defined contribution plans.

The net liability recognized in the balance sheet relating to defined benefit pension plans is defined as follows:

EUR million	2006	2005
Present value of funded obligations	86.4	91.0
Fair value of plan assets	–84.9	–82.5
Deficit/(surplus)	1.5	8.5
Unrecognized actuarial gains (–) and losses (+)	1.3	–3.3
Net liability in the balance sheet	2.8	5.2

Movements in the net liability recognized in the balance sheet:

EUR million	2006	2005
Net liability at January 1	5.2	9.1
Expense recognized in the income statement	0.8	2.9
Contributions paid	–3.4	–7.5
Acquired subsidiaries	-	0.3
Translation differences	0.2	0.4
Net liability at December 31	2.8	5.2

Amounts recognized in the income statement:

EUR million	2006	2005
Current service cost	2.1	2.3
Interest cost	4.3	4.9
Expected return on plan assets	–5.7	–5.3
Recognised actuarial gains (–) and losses (+)	0.1	–0.5
Past service cost	0.0	1.5
Total, included in personnel expenses	0.8	2.9

The actual return on plan assets	7.8	5.7

Movements in the present value of obligations:

EUR million	2006	2005
Present value of obligations at January 1	91.0	72.8
Current service cost	2.1	3.8
Interest cost	4.3	4.9
Recognised actuarial gains (–) and losses (+)	–2.0	1.1
Acquired subsidiaries	0.0	4.0
Translation differences	–6.1	8.0
Benefits paid	–2.9	–3.6
Present value of obligations at December 31	86.4	91.0

Movements in the fair value of plan assets:

EUR million	2006	2005
Fair value of plan assets at January 1	82.5	60.8
Expected return on plan assets	5.7	5.3
Recognised actuarial gains (–) and losses (+)	2.1	1.2
Contributions paid	3.4	7.5
Acquired subsidiaries	-	3.7
Translation differences	–5.9	7.6
Benefits paid	–2.9	–3.6
Fair value of plan assets at December 31	84.9	82.5

Major categories of plan assets as a percentage of total plan assets:

%	2006	2005
Equity	64	67
Bonds	32	29
Other	4	4
Total	100	100

Principal actuarial assumptions:

	2006		2005	
%	USA	Europe	USA	Europe
Discount rate	6.1	3.0–5.1	5.5	3.0–5.3
Expected return on plan assets	8.0	2.5–7.3	8.0	2.5–5.4
Future salary increases	4.5	1.0–3.4	4.5	1.0–4.0
Future pension increases	4.0	0.0–2.3	4.0	0.0–2.1

Amounts for the current period and previous year:

EUR million	2006	2005
Present value of obligations	86.4	91.0
Fair value of plan assets	84.9	82.5
Surplus(+)/Deficit(–)	–1.5	–8.5
Experience adjustments on plan assets	2.2	–1.6

The Group expects to contribute EUR 0.8 million to its defined benefit pension plans in 2007.

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

DEPRECIATION AND AMORTIZATION BY ASSET TYPE

EUR million	2006	2005
Intangible rights	10.0	3.5
Other intangible assets	0.2	0.2
Buildings and constructions	4.3	3.6
Machinery and equipment	17.7	12.8
Total	32.2	20.1

IMPAIRMENT LOSSES BY ASSET TYPE

EUR million	2006	2005
Buildings and constructions	-	1.1
Machinery and equipment	-	0.6
Total	-	1.7

Impairment in 2005 is wholly related to the Golf Division's production plant in the United States. The impairment has been booked as other expenses.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES BY FUNCTION

EUR million	2006	2005
Cost of goods sold	11.9	8.6
Research and development	2.4	3.9
Selling and marketing	2.6	2.3
Administration and other expenses	15.3	7.0
Total	32.2	21.8

Impairment tests of goodwill and other intangible rights with indefinite useful lives, such as trademarks, are performed in the last quarter of the year. Tests are carried out at the business area level. Tests are based on the value in use calculations with following assumptions. In connection with budgeting, three-year business plans are prepared. The growth assumption of each business is based on the market and competition conditions prevailing in that business area. After three years, growth is assumed to be one half of the budgeted growth. All business areas operate in global markets. For this reason, the same discount rate has been used for all business areas, where the interest rate for liabilities has been calculated as the weighted average of the interest rates of the Group's key currencies. In 2006, the discount rate before taxes was 9.1% (10.0%). In 2006, the value in use of goodwill and other intangible rights with indefinite useful lives, such as trademarks, of all independent cash generating units clearly exceeded their carrying amount. Based on the management view, no foreseeable change in the assumptions will cause an impairment risk in any of the independent cash generating units.

Brands owned by Amer Sports are well known and established in their respective areas. Products sold under these brands have been available to customers for a long period (Salomon 60 years, Mavic over 100 years) and used by top athletes for decades. Amer Sports strongly focuses on brand awareness and on the quality and performance of the products. The brands create positive cash flow and thus describing their useful lives as indefinite is justified.

The Group's goodwill and non-current intangible assets with indefinite useful lives are allocated to the following businesses:

EUR million	2006 Goodwill	2006 Non-current intangible assets	2005 Goodwill	2005 Non-current intangible assets
Salomon	-	146.1	-	149.0
Mavic	-	23.3	-	23.3
Arc'teryx	-	8.6	-	9.5
Racquet Sports	58.4	-	65.0	-
Team Sports	43.7	-	49.0	-
Precor	147.3	2.5	156.9	-
Atomic	11.7	1.8	11.7	1.8
Suunto	29.2	-	29.1	-
Total	290.3	182.3	311.7	183.6

8. SHARE-BASED PAYMENT

Fair values of warrant schemes granted after November 7, 2002 have been expensed to the Group's income statement in accordance with IFRS 2 (Share-based Payment). Fair values of warrant schemes have been recognized by using the trinomial model. Granting of the 2005 scheme's warrants to the Group's management is dependent on the meeting of long-term financial targets that are set until the end of 2007. The achievement of these targets was not probable at the end of the financial period and therefore no expense in accordance with IFRS 2 has been recognized in the Group's 2005 earnings. The expense recorded in 2006 financial period is wholly related to the 2004 warrant scheme.

General terms and conditions as well as exercise prices of warrant schemes given to the Group's key employees are presented on pages 94–95 and 97.

EUR million	2006	2005
Expense of warrant schemes recognized in earnings	1.1	1.3

Inputs to pricing model:

	2006	2005	Warrant scheme 2004:1	Warrant scheme 2004:2
Grant date	-	-	Apr. 28, 2004	Feb. 3, 2005
Number of warrants granted	-	-	147,001	114,649
Share price at grant date, EUR	-	-	13.57	13.80
Exercise price, EUR	-	-	13.53	13.53
Vesting period, years	-	-	5.7	4.9
Expected volatility	-	-	32	30
Expected dividends	-	-	3.44	3.62
Risk-free interest rate	-	-	3.57	3.10
Departure rate	-	-	0	0
Fair value per warrant at grant date, EUR	-	–	10.54	9.39

Following the 1:2 bonus issue in December 2004, one warrant entitles its bearer to subscribe for three shares.

The expected volatility has been estimated using the daily data on rates during the three years preceding the issue.

	2006 Weighted average exercise price, EUR	2006 Number of warrants (1,000 pcs)	2005 Weighted average exercise price, EUR	2005 Number of warrants (1,000 pcs)
Outstanding at the beginning of the period	12.23	669.4	12.00	576.2
Granted during the period	-	-	13.53	114.6
Forfeited during the period	13.53	–29.3	13.08	–21.4
Expired during the period	12.63	–0.5	-	-
Exercised during the period	-	-	-	-
Outstanding at the end of the period	12.20	639.6	12.23	669.4
Exercisable at the end of the period	11.44	418.7	10.79	269.2

9. FINANCING INCOME AND EXPENSES

EUR million	2006	2005
Interest income	1.2	1.4
Exchange rate gains	0.6	0.2
Interest expenses	–24.7	–10.8
Fair valuation of derivative financial instruments	–0.7	0.2
Net gain on non-qualifying cash flow hedges	0.0	-
Total	–23.6	–9.0

The change in the fair value of derivative contracts is primarily due to the fair valuation of interest rate swaps not included in the hedge accounting.

10. INCOME TAXES

EUR million	2006	2005
Current taxes:		
Finland	5.8	5.5
Austria	0.3	3.2
USA	1.0	11.6
Japan	0.1	4.8
Other countries	10.3	8.3
Total	17.5	33.4
Deferred taxes *)	8.6	–35.5
Total	26.1	–2.1

*) Deferred taxes recognized on non-recurring items related to the Salomon acquisition reduced tax expenses for 2005 by EUR 38.5 million. Note 3 presents the impact of the Salomon acquisition on the Group's financial position and earnings. The reconciliation of deferred tax assets and liabilities is presented in note 14.

Reconciliation between income taxes at local tax rates in different countries and the total tax expense in the income statement:

EUR million	2006	2005
Taxes at local rates applicable to earnings in countries concerned	31.7	25.6
Taxes for prior periods	0.2	–1.7
Deductible goodwill amortization	–1.8	–1.8
Tax credits	–8.4	–6.4
Recognition of negative goodwill generated in the Salomon acquisition	-	–19.4
Other	4.4	1.6
Taxes recognized in the income statement	26.1	–2.1
Effective tax rate, %	27	-

11. EARNINGS PER SHARE

	2006	2005
Net result attributable to equity holders of the parent company, EUR million	70.3	75.2
Net result attributable to equity holders of the parent company, pro forma, EUR million	-	62.2
Weighted average number of shares outstanding during the period (1,000 pcs)	71,523	71,425
Earnings per share, EUR	0.98	1.05
Earnings per share, pro forma, EUR	-	0.87
Weighted average number of shares outstanding during the period, adjusted for the dilutive effect of warrants (1,000 pcs)	72,401	71,974
Earnings per share, diluted, EUR	0.97	1.04
Earnings per share, diluted, pro forma, EUR	-	0.86

12. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

EUR million	Intangible rights	Goodwill	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Initial cost, January 1, 2006	237.0	416.6	1.8	14.3	154.2	343.4	0.8	4.3
Additions	4.1	-	1.0	0.4	1.6	17.5	0.3	16.4
Company divestments and disposals	-	-	-	0.0	–1.9	–13.8	-	0.0
Transfers	1.9	-	–0.1	0.0	0.4	8.3	-	–13.3
Translation differences	–5.7	–34.5	–0.1	–0.4	–4.4	–11.8	–0.1	–0.3
Balance, December 31, 2006	237.3	382.1	2.6	14.3	149.9	343.6	1.0	7.1
Accumulated depreciation and impairment losses, January 1, 2006	20.6	104.9	1.1	0.1	106.4	296.9	-	0.2
Depreciation during the period	10.0	-	0.2	-	4.3	17.7	-	-
Company divestments and disposals	-	-	-	-	–1.6	–11.8	-	-
Transfers	–1.2	0.3	0.1	-	–0.2	–2.1	-	-
Translation differences	–0.6	–13.4	–0.2	0.0	–3.2	–9.6	-	0.0
Balance, December 31, 2006	28.8	91.8	1.2	0.1	105.7	291.1	-	0.2
Balance sheet value, December 31, 2006	208.5	290.3	1.4	14.2	44.2	52.5	1.0	6.9
Carrying amount of finance leases included	-	-	-	1.2	2.4	0.3	0.0	-

Accumulated impairment losses of goodwill at January 1, 2006 totaled EUR 16.9 million.

EUR million	Intangible rights	Goodwill	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
Initial cost, January 1, 2005	7.3	378.1	1.8	13.3	91.3	148.2	0.6	3.5
Additions	3.9	-	0.3	-	0.4	13.3	0.1	8.8
Company acquisitions	224.2	-	0.3	1.2	54.3	169.3	0.1	1.8
Company divestments and disposals	-	-	-	–0.6	–1.3	–10.4	-	–0.8
Transfers	1.2	-	–0.7	0.0	3.3	9.6	-	–9.4
Translation differences	0.4	38.5	0.1	0.4	6.2	13.4	-	0.4
Balance, December 31, 2005	237.0	416.6	1.8	14.3	154.2	343.4	0.8	4.3
Accumulated depreciation and impairment losses, January 1, 2005	3.4	93.9	0.9	0.1	46.9	123.8	-	0.2
Depreciation during the period	3.5	-	0.2	-	3.6	12.8	-	-
Company acquisitions	13.2	-	0.2	-	50.1	158.9	-	-
Company divestments and disposals	-	-	-	-	–0.1	–9.5	-	-
Impairment losses	-	-	-	-	1.1	0.6	-	-
Transfers	0.3	-	–0.3	-	0.8	–1.5	-	-
Translation differences	0.2	11.0	0.1	-	4.0	11.8	-	-
Balance, December 31, 2005	20.6	104.9	1.1	0.1	106.4	296.9	-	0.2
Balance sheet value, December 31, 2005	216.4	311.7	0.7	14.2	47.8	46.5	0.8	4.1
Carrying amount of finance leases included	-	-	-	1.2	1.2	0.3	-	-

Accumulated impairment losses of goodwill at January 1, 2005 totaled EUR 14.7 million.

13. AVAILABLE-FOR-SALE INVESTMENTS AND MARKETABLE SECURITIES

Available-for-sale investments consist in their entirety of shares in unlisted companies. They are measured at cost, because reliable fair values cannot be established or they do not materially differ from their initial costs.

Liquid funds include cash in hand and deposits held at call with banks. The Group did not possess any marketable securities at the end of the financial period.

14. RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES

EUR million	Jan. 1, 2006	Charge in income statement	Translation differences	Charged to equity	Dec. 31, 2006
Deferred tax assets:					
Provisions	40.9	–14.7	0.0	-	26.2
Carryforward of unused tax losses	3.1	11.8	0.0	-	14.9
Pensions	2.6	0.2	0.0	-	2.8
Impairment	17.1	–3.2	0.0	-	13.9
Other temporary diffrences	2.9	1.1	0.0	-	4.0
Total	66.6	–4.8	0.0	-	61.8
Deferred tax liabilities:					
Fair value adjustments	–16.1	2.8	-	1.5	–11.8
Depreciation differences	–2.4	–0.4	0.0	-	–2.8
Other temporary differences	–8.0	–6.2	–0.3	-	–14.5
Total	–26.5	–3.8	–0.3	1.5	–29.1
Net deferred tax assets	40.1	–8.6	–0.3	1.5	32.7

Deferred taxes recognized in the balance sheet at December 31, 2006:

Deferred tax assets	EUR 45.7 million
Deferred tax liabilities	EUR 13.0 million

EUR million	Jan. 1, 2005	Charge in income statement	Translation differences	Acquisitions	Charged to equity	Dec. 31, 2005
Deferred tax assets:						
Provisions	6.9	16.0	0.2	17.8	-	40.9
Carryforward of unused tax losses	5.4	–4.9	0.3	2.3	-	3.1
Pensions	3.8	–2.1	0.2	0.7	-	2.6
Impairment	3.8	–1.2	0.1	14.4	-	17.1
Other temporary diffrences	2.0	0.6	0.1	0.0	0.2	2.9
Total	21.9	8.4	0.9	35.2	0.2	66.6
Deferred tax liabilities:						
Fair value adjustments	-	20.6	-	–36.7	-	–16.1
Depreciation differences	–2.5	0.2	0.0	–0.1	-	–2.4
Other temporary differences	–13.2	6.3	0.0	–1.1	-	–8.0
Total	–15.7	27.1	0.0	–37.9	-	–26.5
Net deferred tax assets	6.2	35.5	0.9	–2.7	0.2	40.1

Deferred taxes recognized in the balance sheet at December 31, 2005:

Deferred tax assets	EUR 53.9 million
Deferred tax liabilities	EUR 13.8 million

At December 31, 2006 there were unused tax losses carried forward and other temporary differences of EUR 29.8 million (2005: EUR 18.1 million) for which no deferred tax asset was recognized. The unrecognized deferred tax assets at December 31, 2006 totaled EUR 9.4 million (2005: EUR 6.1 million).

15. VALUATION PROVISIONS OF INVENTORIES AND ACCOUNTS RECEIVABLE

EUR million	2006	2005
Allowance for doubtful accounts	21.0	21.0
Obsolescence reserve for inventories	39.1	42.4

16. PREPAID EXPENSES AND OTHER RECEIVABLES

EUR million	2006	2005
Prepaid interest	2.4	2.3
Prepaid advertising and promotion	3.6	2.4
Other prepaid expenses	31.3	22.4
Other receivables	28.5	43.0
Total	65.8	70.1

17. SHAREHOLDERS' EQUITY

EUR million	Number of shares	Share capital	Premium fund *)
January 1, 2005	71,419,860	285.7	0.8
Warrants exercised	47,850	0.2	0.5
December 31, 2005	71,467,710	285.9	1.3
Warrants exercised	229,914	0.9	5.6
December 31, 2006	71,697,624	286.8	6.9

*) Also including unregistered share issue (Dec. 31, 2005: EUR 0.1 million; Dec. 31, 2006: EUR 1.6 million)

The section "shares and shareholders" on pages 94–100 provides additional information on numbers of shares and share capital. The Group's warrant schemes are discussed on pages 94–95.

Translation differences

Translation differences comprise the differences arising from the elimination of net investments in non-euro Group units.

Fair value and other reserves

Fair value and other reserves include changes in the fair values of available-for-sale investments and derivative financial instruments used for hedging cash flows.

18. INTEREST-BEARING LIABILITIES

INTEREST-BEARING LONG-TERM LIABILITIES

EUR million	Outstanding Dec. 31, 2006	Repayments 2007	2008	2009	2010	2011	2012 and after
Loans from financial institutions	240.7	0.1	0.1	-	-	240.5	-
Pension loans	2.5	1.1	0.9	0.5	-	-	-
Other long-term debt	3.6	1.7	1.5	0.0	0.0	0.4	-
Total	246.8	2.9	2.5	0.5	0.0	240.9	-

EUR million	Outstanding Dec. 31, 2005	Repayments 2006	2007	2008	2009	2010	2011 and after
Loans from financial institutions	252.8	3.4	-	-	-	249.4	-
Pension loans	3.6	1.1	1.1	1.0	0.4	-	-
Other long-term debt	6.1	1.8	1.8	1.4	1.1	-	-
Total	262.5	6.3	2.9	2.4	1.5	249.4	-

INTEREST-BEARING CURRENT LIABILITIES

EUR million	**2006**	2005
Commercial papers	**373.6**	308.2
Current repayments of long-term loans	**2.9**	6.3
Other interest-bearing current debt	**10.5**	79.0
Total	**387.0**	393.5

INTEREST-BEARING LIABILITIES AT FAIR VALUE

	2006		2005	
EUR million	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Loans from financial institutions	**240.7**	**240.7**	252.8	252.8
Pension loans	**2.5**	**2.5**	3.6	3.7
Commercial papers	**373.6**	**373.6**	308.2	308.2
Other interest-bearing short-term debt	**14.1**	**14.1**	85.1	85.1
Total	**630.9**	**630.9**	649.7	649.8

Fair values have been calculated by discounting future cash flows at market based interest rates at the end of the financial period.

FINANCE LEASE LIABILITIES

EUR million	**2006**	2005
Finance lease liabilities are due as follows:		
Not later than one year	**1.6**	1.5
Later than one year but not later than five years	**1.5**	2.6
Later than five years	**0.4**	0.4
Total minimum payments	**3.5**	4.5

Present value of minimum lease payments is not materially different from their carrying amount.

19. ACCRUED LIABILITIES

EUR million	**2006**	2005
Accrued personnel costs	**88.5**	86.7
Accrued interest	**8.4**	4.7
Accrued rent	**2.3**	1.5
Accrued advertising and promotion	**12.7**	17.7
Value added tax	**11.8**	7.4
Other accrued liabilities	**96.4**	78.3
Total	**220.1**	196.3

20. PROVISIONS

EUR million	Product warranty	Restructuring	Environmental	Other	Total
Balance at January 1, 2006	18.5	75.9	1.4	8.3	104.1
Translation differences	–1.1	–0.5	–0.1	–1.0	–2.7
Provisions made during the year	12.0	-	-	6.4	18.4
Provisions used during the year	–9.5	–33.3	-	–3.2	–46.0
Unused provisions reversed during the year	–0.7	–2.5	-	–1.2	–4.4
Balance at December 31, 2006	19.2	39.6	1.3	9.3	69.4

Current provisions	64.6
Long-term provisions	4.8
Total	69.4

In December 2005, a restructuring provision of EUR 52.8 million associated with Salomon's operations in France was recognized. At the end of 2006, EUR 28.5 million of this was unused.
The most important regular provisions are due to the repair or replacement of products during their warranty period. Environmental provisions are booked in the United States, and other liabilities are not included in the Group's environmental liabilities.

21. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR million	**2006**	2005
Impairment losses	**-**	1.7
Recognition of negative goodwill generated by the Salomon acquisition	**-**	–55.4
Fair value adjustment on purchased inventories in the Salomon acquisition	**-**	57.2
Expensed warrants	**1.1**	1.3
Gains and losses on sale of non-current assets	**–0.5**	–6,8
Other	**-**	0.1
Total	**0.6**	–1.9

22. OPERATING LEASE COMMITMENTS

EUR million	**2006**	2005
The future minimum payments of non-cancellable operating leases:		
Not later than one year	**23.5**	23.1
Later than one year but not later than five years	**47.2**	32.9
Later than five years	**32.3**	4.4
Total	**103.0**	60.4

Total rent expense of non-cancellable operating leases recognized in the income statement	**21.0**	15.9

Other non-cancellable rental agreements are primarily related to the office and production premises rented by the Group.

23. CONTINGENT LIABILITIES

EUR million	**2006**	2005
Charges on assets		
Nominal value of charges on assets	**-**	2.8
Mortgages pledged		
Pension loans covered	**2.3**	3.3
Nominal value of mortgages pledged	**2.6**	3.7
Other group liabilities:		
Nominal value of mortgages pledged	**0.9**	0.9
Total nominal value of mortgages pledged	**3.5**	4.6

Guarantees	**4.3**	7.1
Other contingent liabilities	**50.9**	52.9

Other contingent liabilities are primarily due to long-term endorsement contracts with several professional and other leagues, particularly in the United States, and athlete contracts.

There are no guarantees or contingencies given for the management of the Group, for the shareholders, or for the affiliated companies.

24. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2006

	Group holding, %	Book value, EUR million
Amer Sports Company, Chicago, USA	100	161.0
Athletic Training Equipment Company, Inc., Sparks, USA	100	
Atomic Ski USA, Inc., Amherst, USA	100	
Bonfire Snowboarding, Inc., Portland, USA	100	
ClubCom, Inc., Pittsburgh, USA	100	
Mavic, Inc., Haverhill, USA	100	
Precor Incorporated, Woodinville, USA	100	
Salomon North America, Inc., Portland, USA	100	
Suunto USA Inc., Carlsbad, USA	100	
Wilson Sporting Goods Co., Chicago, USA	100	
Amer Sports Australia Pty Ltd, Braeside, Australia	100	
Amer Sports Brazil LTDA., Sao Paulo, Brazil	100	
Amer Sports Canada Inc., Belleville, Ontario, Canada	100	
Amer Sports Japan, Inc., Tokyo, Japan	100	
Amer Sports Korea, Ltd., Seoul, Korea	100	
Amer Sports Malaysia Sdn Bhd, Shah Alam, Malaysia	100	
Amer Sports Thailand Company Limited, Bangkok, Thailand	49*)	
Grupo Wilson, S.A. de C.V., Mexico City, Mexico	100	
Asesoria Deportiva Especializada, S.A. de C.V., Mexico City, Mexico	100	
Wilson Sporting Goods Co. de Mexico, S.A. de C.V., Mexico City, Mexico	100	
Amer Sports Europe GmbH, Neuried, Germany	100	62.3
Amer Sports Czech Republic s.r.o., Prague, Czech Republic	100	
Amer Sports Deutschland GmbH, Neuried, Germany	100	
Amer Sports Europe Services GmbH, Neuried, Germany	100	
Amer Sports Spain, S.A., Barcelona, Spain	100	
Amer Sports UK Limited, Irvine, UK	100	
Precor Products Limited, Berkshire, UK	100	
Amer Sports Finance Oy, Helsinki, Finland	100	508.8
Amer Sports Holding S.A.S., Villefontaine, France	100	28.0
Amer Sports France S.A.S., Villefontaine, France	100	
Salomon S.A., Annecy, France	100	
Cliché S.A.S., Villeurbanne, France	100	
Salomon Italia S.p.A., Bergamo, Italy	100	
Salomon Nordic AB, Borås, Sweden	100	
Salomon Norge A/S, Sandvika, Norway	100	
Salomon Romania Srl, Timisoara, Romania	100	
Salomon Sangiorgio S.p.A., Maser (Treviso), Italy	100	
Salomon Schweiz AG, Cham, Switzerland	100	
Salomon Sport Finland Oy, Helsinki, Finland	100	
Salomon Österreich GmbH, Viktring, Austria	100	
Amer Sports International Oy, Helsinki, Finland	100	67.1
Amer Sports SA, Hagendorn, Switzerland	100	0.1
Amer Sports Suomi Oy, Helsinki, Finland	100	0.9
Amera Oy, Helsinki, Finland	100	
Amerintie 1 Oy, Helsinki, Finland	100	2.1
Amernet Holding B.V., Rotterdam, The Netherlands	100	172.5
Amer Sports HK Limited, Hong Kong, China	100	
Amer Sports Holding GmbH, Altenmarkt, Austria	100	
Amer Sports Italia S.p.A., Nervesa della Battaglia, Italy	100	
Amer Sports Luxembourg S.á r.l., Luxembourg	100	
Amer Sports Finance S.P.R.L., Brussels, Belgium	100	
Amer Sports Sverige AB, Malmö, Sweden	100	
Amer Sports Poland Sp. z o.o., Krakow, Poland	100	
Atomic Austria GmbH, Altenmarkt, Austria	95	
Salomon Danmark A.p.S., Kokkedal, Denmark	100	
ZAO Amer Sports, Moscow, Russia	100	
Amer Sports Sourcing Ltd, Hong Kong, China	100	
Arc'teryx Equipment, Inc., Vancouver, B.C., Canada	100	
Fitz-Wright Holdings Ltd., Langley, B.C., Canada	100	
Bare Sportswear Corp., Blaine, Washington, USA	100	
Fitz-Wright Company Ltd., Langley, B.C., Canada	100	
FitzWright Europe (Malta) Ltd., Zejtun, Malta	100	
Suunto AG, Biel, Switzerland	100	
Recta AG, Biel, Switzerland	100	
Suunto Benelux B.V., Tholen, The Netherlands	60	
Suunto Oy, Vantaa, Finland	100	65.4
Amerb Oy, Helsinki, Finland	100	
Amerc Oy, Helsinki, Finland	100	
Suunto Software Solutions Oy, Helsinki, Finland	100	
Ursuk Oy, Turku, Finland	60	
Varpat Patentverwertungs AG, Littau, Switzerland	100	2.0
Non-operating companies		0.0
Total		1 070.2

*) 85% of votes

25. HEDGE RESERVE OF CASH FLOW HEDGES

EUR million	
Balance at January 1, 2006	–0.6
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	–2.2
Hedging of interest cash flows	6.3
Gains and losses recognized in the income statement	
Hedging of operating cash flows	2.2
Deferred taxes	–1.5
Balance at December 31, 2006	4.2
Balance at January 1, 2005	0.1
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	–1.9
Hedging of interest cash flows	–0.6
Gains and losses recognized in the income statement	
Hedging of operating cash flows	1.6
Deferred taxes	0.2
Balance at December 31, 2005	–0.6

26. FINANCIAL RISK MANAGEMENT

The global business of Amer Sports involves customary financial risks. Financial risk management is centralized within the Parent Company's Treasury. Risk management is governed by a financial strategy approved by the Board of Directors. This strategy includes principles and risk limits relating to its balance sheet structure, banking relations and risk management. Financial risks are reviewed by the Board of Directors at least once a year. Operational risks are monitored regularly. The Company has a Financial Committee that reviews the major risks and agrees with the business areas on how the financial principles are to be applied.

Treasury is responsible for arranging adequate finance on competitive terms, using equity or debt instruments. Foreign exchange and interest rate risks are managed so that changes in rates do not jeopardize shareholder value, the Company's annual result or the equity ratio. Treasury is not a profit center as such, but various benchmarking methods are nevertheless used to assess its performance.

Treasury is also responsible for Group insurance management. Due to the nature of operations, insurance management focuses on product liability, property damage and business interruption insurance policies.

FINANCIAL STRUCTURE

Amer Sports aims to preserve a balanced financial structure. Excessive loan maturity concentrations are avoided. Funding is raised from various sources, and the Company regularly issues domestic commercial papers. Standard credit documentation seeks to insure the equal treatment of banks and agree on financing under the same terms. Financial costs are optimized in relation to the goals stated for the financial structure and risk management.

Amer Sports' debt is raised through the Parent Company as a rule. The Company builds long-term relationships with providers of finance, enabling it to meet significant new funding requirements.

LIQUIDITY RISK

The cornerstone of the Company's funding is a credit facility amounting to EUR 575 million. The agreement was signed in December 2005. The credit has been extended and will mature in 2011. At the end of the year, EUR 165 million and USD 100 million of the facility had been drawn down, and the undrawn committed credit facility amounted to EUR 325 million.

The Company has a domestic commercial paper program amounting to EUR 500 that is used for working capital purposes. Commercial paper is the Company's main source of short-term funding, with long-term credit facilities ensuring the availability of funding.

Any extra liquidity is placed in short-term investments approved by the Financial Committee. The Company manages main currency liquidity with nine cash pool systems.

Inter-company netting is used in payments between subsidiaries.

CURRENCY RISK

The Company operates in all major currency areas, and it has subsidiaries in 29 countries. Risk management aims to eliminate the foreign exchange risks associated with the Company's balance sheet and to hedge the commercial foreign exchange risks of subsidiaries. The Company utilizes hedge accounting for its commercial risk hedging. The Company monitors its hedge ratio daily and tests its effectiveness at three month intervals. The impact of effective hedges is booked as an adjustment to purchases and sales. The amount of ineffective hedges was not material. As from the beginning of 2007, the policy will change such that the Company will utilize hedge accounting only for major cash flows with a countervalue of over EUR 10 million.

The balance sheet risk is hedged by financing each subsidiary in its home currency. According to its financial strategy, the Company may hedge 0 to 50% of subsidiaries' equity. At the end of 2006 there were no equity hedges outstanding.

The most important business risk arising from currencies is the foreign exchange risk created by cash flows in non-home currencies. This risk arises when a unit sells, in its home currency, goods whose costs are denominated in a foreign currency, or sells goods in a non-home currency.

The breakdown of the total amount of such cash flows (EUR million):

Buy \ Sell	EUR	USD	JPY	SEK	GBP	CAD	CHF	NOK	CZK	AUD	PLN	RUB	DKK
USD	117		26		22	17				7			
EUR		81	26	36	13	19	30	6	8		6	5	4
CAD	3	8		1	2		3	3					

At the turn of the year, the cash flows were hedged as follows (EUR million):

Buy \ Sell	EUR	USD	JPY	SEK	GBP	CAD	CHF	NOK	CZK	AUD	PLN	RUB	DKK
USD	77		8		11	7				3			
EUR		49	10	28	9	9	15	0	5		6	2	0
CAD	2	6		1	2		2	2					

In addition to the aforementioned currency pairs, the Company has small currency-denominated purchases in certain Asian and South American currencies. These cash flows were not hedged during 2006.

The strengthening of the euro weakens the result of operations due to inter-company sales denominated in foreign currencies and the currency-denominated results of subsidiaries. However, a significant share of the USD-denominated purchase cost risk is eliminated against the USD-denominated result of operations.

According to the Company's hedging policy, the units hedge their forecast 12–18 month cash flow with forward contracts.

The hedge ratio is higher for nearby months than for later periods. The hedge ratio of the units is maintained between 30% and 70% of the cash flows forecast for the next 12 months, except for the winter sports business, where the ratio is 80 to 120% due to the nature of the business.

Forward contracts are the main hedging instrument. The spot value of the forward contracts corresponds fully to the change in value of currency-denominated cash flows, which makes the hedges effective. The forward points are booked as interest expenses and income.

The Company's foreign exchange position consists of currency-denominated loans, deposits and off-balance sheet items, of which forward contracts are the most important. The impact of currency movements on the Company's foreign exchange position is booked as a financing item. From time to time, the Company has open positions as allowed in the risk policy. The maximum position in 2006 did not exceed the EUR 25 million limit set by the Board of Directors.

INTEREST RATE RISK

The Company is exposed to interest rate risk when financing the Company's operations with euro or foreign currency-denominated debt. Interest rate derivatives – such as interest rate swaps and forward rate agreements – are utilized to manage and control the cash flow risk caused by interest rate movements. In the hedging of the foreign currency-denominated part of the balance sheet, interest rate differences between currencies are realized as interest expenses or income.

Duration and ratio of fixed rate to floating rate debt are used in the management of the interest rate position. Duration is calculated with the repricing date of the interest period of financing items. At the turn of the year, the duration of financing items was about 1.1 years and fixed rate debt accounted for 49% of total net debt.

On the closing date, the sensitivity of interest expenses to an increase/decrease of one percentage point in interest rates – provided other factors were to remain unchanged – amounted to about EUR 2.5 million over the next 12 months.

The effective interest rate on total net debt in 2006 was 3.6%. The effective interest rate was 4.1% on syndicated loan, 4.5% on pension loans and 3.1% on commercial papers.

The Company applies hedge accounting to interest rate derivatives that meet the criteria for hedge accounting and are directly related to certain loans. Other interest rate derivatives are measured at fair value and the result is recognized in financing items.

CREDIT RISK

The Company is exposed to credit risk through accounts receivable. The Group has a global customer base, and there are no significant risk concentrations. The largest single customer accounts for 3% of total accounts receivable and the largest 20 combined total about 20%. The Company's use of credit insurance and factoring is slight.

Customers in the fitness equipment business often use leasing financing, and the Company takes limited recourse risk for the arrangements through repurchase agreements.

The Company seeks to minimize its cash items. Extra liquidity is placed either in deposits in banks or in high-quality money market instruments within the limits approved by the Financial Committee.

Interest-bearing debt by currency after foreign exchange and interest rate derivatives and facility fees at the end of the financial period:

	Dec. 31, 2006 EUR million	Dec. 31, 2005 EUR million	**Dec. 31, 2006 Interest, %**	Dec. 31, 2005 Interest, %
AUD	**4.6**	4.1	**6.12**	5.82
CAD	**50.8**	50.1	**4.59**	3.49
CHF	**5.6**	4.1	**1.93**	1.18
CZK	**0.1**	1.2	**2.47**	2.53
GBP	**3.0**		**5.06**	
EUR	**322.8**	338.6	**3.55**	2.65
HUF	**0.4**	0.3	**3.55**	6.07
JPY	**21.5**	15.3	**0.36**	0.47
KRW	**4.8**	2.5	**4.04**	4.04
MXN	**8.8**	9.4	**7.57**	8.00
NOK	**0.6**	1.4	**3.74**	2.77
PLN	**4.9**	3.2	**4.00**	4.78
RUB	**2.6**	2.8	**6.80**	7.80
SEK	**7.4**	8.8	**2.97**	1.86
SKK	**0.3**	0.3	**3.55**	3.07
USD	**192.7**	207.7	**5.12**	4.26
Total	**630.9**	649.7	**4.09**	3.29

DERIVATIVE CONTRACTS

EUR million	Dec. 31, 2006 Nominal value	Dec. 31, 2006 Fair value	Maturity structure 2007	Maturity structure 2008	Maturity structure 2009 or later	Dec. 31, 2005 Nominal value	Dec. 31, 2005 Fair value
Hedge accounting-related							
Forward contracts hedging cash flow from operations	289.8	–0.1	289.8	-	-	377.7	–0.2
Interest rate swaps hedging interest cash flow	225.9	5.7	-	-	225.9	234.8	–0.6
Other derivative contracts							
Forward contracts	51.5	4.4	51.5	-	-	26.5	–5.3
Interest rate swaps	-	-	-	-	-	42.4	0.5
Forward rate agreements	275.9	0.2	275.9	-	-	200.0	0.1

MATURITY STRUCTURE

EUR million	Dec. 31, 2006 Drawn	Dec. 31, 2006 Available	Dec. 31, 2006 Total	2007	2008	2009	2010	2011	Dec. 31, 2005 Drawn	Dec. 31, 2005 Available	Dec. 31, 2005 Total
Loans from financial institutions	240.7		240.7	0.1	0.1			240.5	252.8		252.8
Pension loans	2.5		2.5	1.1	0.9	0.5			3.6		3.6
Other interest-bearing debt	14.1		14.1	12.2	1.5			0.4	85.1		85.1
Committed revolving credit facilities	-	325.0	325.0					325.0	-	325.0	325.0
Commercial papers	373.6		373.6	373.6					308.2		308.2
Total	630.9	325.0	955.9	387.0	2.5	0.5	0.0	565.9	649.7	325.0	974.7

INTEREST FIXING PERIODS

EUR million	Dec. 31, 2006 0–3 mo	4–6 mo	7–9 mo	10–12 mo	1–2 yr	2–3 yr	Over 3 yr	Dec. 31, 2005 0–1 yr	Over 1 yr
Debt	–240.8	–317.7	–55.5	–14.0	–2.9			–634.1	–3.3
Cash & deposits	45.5							48.7	
Loan receivables	0.5								0.5
Forward rate agreements	25.0	75.0	–100.0						
Interest rate swaps		225.9					–225.9	234.8	–234.8
Net	–169.8	–16.8	–155.5	–14.0	–2.9	0.0	–225.9	–350.6	–237.6

(+ = assets, – = debt)

FINANCIAL STATEMENTS

CALCULATION OF KEY INDICATORS

EARNINGS PER SHARE:

$$\frac{\text{Net result attributable to equity holders of the parent company}}{\text{Average number of shares adjusted for the bonus element of share issues}}$$

EQUITY PER SHARE:

$$\frac{\text{Shareholders' equity}^{1)}}{\text{Number of shares at year end adjusted for the bonus element of share issues}}$$

DIVIDEND PER SHARE:

$$\frac{\text{Total dividend}}{\text{Number of shares at year end adjusted for the bonus element of share issues}}$$

DIVIDEND % OF EARNINGS:

$$100 \times \frac{\text{Adjusted dividend}}{\text{Net result}}$$

EFFECTIVE YIELD, %:

$$100 \times \frac{\text{Adjusted dividend}}{\text{Adjusted share price at closing date}}$$

P/E RATIO:

$$\frac{\text{Adjusted share price at closing date}}{\text{Earnings per share}}$$

MARKET CAPITALIZATION:

Number of shares at year end multiplied by share price at closing date

RETURN ON CAPITAL EMPLOYED (ROCE), %:

$$100 \times \frac{\text{EBIT}}{\text{Capital employed}^{2)}}$$

RETURN ON INVESTMENT (ROI), %:

$$100 \times \frac{\text{Earnings before taxes + interest and other financing expenses}}{\text{Balance sheet total less interest-free liabilities}^{3)}}$$

RETURN ON SHAREHOLDERS' EQUITY (ROE), %:

$$100 \times \frac{\text{Earnings before taxes - taxes}}{\text{Shareholders' equity}^{4)}}$$

EQUITY RATIO, %:

$$100 \times \frac{\text{Shareholders' equity}}{\text{Balance sheet total less advances received}}$$

DEBT TO EQUITY RATIO:

$$\frac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}}$$

GEARING, %:

$$100 \times \frac{\text{Interest-bearing liabilities - liquid funds}}{\text{Shareholders' equity}}$$

1) Excluding minority interests 2) Non-current assets + working capital excluding receivables and payables relating to interest and taxes, monthly average of the financial period 3) Monthly average of the financial period 4) Average of the financial period

PARENT COMPANY INCOME STATEMENT

EUR million	Note	2006	2005
Other operating income	1	**10.3**	12.3
EXPENSES			
Personnel expenses	2	**6.8**	5.9
Depreciation	3	**0.8**	0.7
Other expenses		**7.8**	7.5
Total expenses		**15.4**	14.1
EARNINGS BEFORE INTEREST AND TAXES		**–5.1**	–1.8
Financing income and expenses	4	**–7.0**	10.9
EARNINGS BEFORE EXTRAORDINARY ITEMS		**–12.1**	9.1
Extraordinary items	5	**30.8**	15.3
EARNINGS BEFORE APPROPRIATIONS AND TAXES		**18.7**	24.4
Appropriations		**0.1**	0.0
Taxes	6	**–3.8**	–4.6
NET RESULT		**15.0**	19.8

PARENT COMPANY BALANCE SHEET

ASSETS

EUR million	Note	2006	2005
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	7		
Intangible rights		**0.5**	0.4
Other intangible assets		**-**	0.1
		0.5	0.5
TANGIBLE ASSETS	7		
Land and water		**1.2**	1.2
Buildings and constructions		**11.4**	12.0
Machinery and equipment		**0.7**	0.6
Other tangible assets		**0.6**	0.6
		13.9	14.4
OTHER NON-CURRENT INVESTMENTS			
Investments in subsidiaries	8	**1,070.2**	954.8
Receivables from subsidiaries		**1.1**	-
Other bonds and shares		**2.6**	2.7
Other non-current receivables		**1.0**	1.0
		1,074.9	958.5
TOTAL NON-CURRENT ASSETS		**1,089.3**	973.4
CURRENT ASSETS			
RECEIVABLES			
Accounts receivable		**0.2**	0.1
Receivables from subsidiaries	9	**401.8**	397.6
Other receivables		**0.3**	0.3
Prepaid expenses	10	**2.6**	2.5
		404.9	400.5
CASH AND CASH EQUIVALENTS		**2.7**	3.6
TOTAL CURRENT ASSETS		**407.6**	404.1
ASSETS		**1,496.9**	1,377.5

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Note	2006	2005
SHAREHOLDERS' EQUITY	11		
Share capital		**286.8**	285.9
Issue of shares		**1.6**	0.0
Premium fund		**5.3**	1.3
Retained earnings		**251.5**	267.5
Net result		**15.0**	19.8
TOTAL SHAREHOLDERS' EQUITY		**560.2**	574.5
ACCUMULATED APPROPRIATIONS			
Accumulated depreciation in excess of plan	12	**0.7**	0.8
PROVISION FOR CONTINGENT LOSSES			
Provision for pension liability		**0.1**	0.1
LIABILITIES			
LONG-TERM LIABILITIES	13		
Loans from financial institutions		**240.5**	249.3
Pension loans		**1.4**	2.3
		241.9	251.6
CURRENT LIABILITIES			
Interest-bearing liabilities	14	**381.2**	341.7
Accounts payable		**0.6**	1.1
Payables to subsidiaries	15	**295.9**	191.3
Other current liabilities		**0.2**	0.2
Accrued liabilities	16	**16.1**	16.2
		694.0	550.5
TOTAL LIABILITIES		**935.9**	802.1
SHAREHOLDERS' EQUITY AND LIABILITIES		**1,496.9**	1,377.5

PARENT COMPANY CASH FLOW STATEMENT

EUR million	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	**–5.1**	–1.8
Depreciation	**0.8**	0.7
Adjustments to cash flow from operating activities	**0.0**	–8.4
Cash flow from operating activities before change in working capital	**–4.3**	–9.5
Increase (–) or decrease (+) in trade and other current receivables	**–0.9**	–2.8
Increase (+) or decrease (–) in interest-free current liabilities	**5.2**	–1.4
Change in working capital	**4.3**	–4.2
Cash flow from operating activities before financing items and taxes	**0.0**	–13.7
Interest paid	**–16.2**	–7.4
Interest received	**0.2**	0.1
Income taxes paid	**–4.6**	–0.2
Financing items and taxes	**–20.6**	–7.5
Total cash flow from operating activities	**–20.6**	–21.2
CASH FLOW FROM INVESTING ACTIVITIES		
Company divestments	**-**	180.4
Company acquisitions	**–111.0**	–535.8
Capital expenditure	**–0.4**	–0.3
Proceeds from sale of tangible non-current assets	**-**	0.8
Proceeds from sale of other non-current investments	**0.2**	1.6
Loans granted	**–1.1**	-
Repayments of loans	**-**	0.6
Interest received from non-current receivables	**0.0**	0.1
Cash flow from investing activities	**–112.3**	–352.6
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	**6.5**	0.7
Change in short-term borrowings	**130.7**	291.0
Withdrawals of long-term borrowings	**-**	249.3
Repayments of long-term borrowings	**–0.9**	–25.9
Change in current receivables	**34.0**	–140.1
Dividends paid	**–35.7**	–35.7
Group contribution paid	**-**	–0.5
Group contribution received	**9.1**	35.3
Other financing items *)	**–11.7**	3.2
Cash flow from financing activities	**132.0**	377.3
CHANGE IN LIQUID FUNDS	**–0.9**	3.5
Liquid funds		
Liquid funds at year end	**2.7**	3.6
Liquid funds at year beginning	**3.6**	0.1
Change in liquid funds	**–0.9**	3.5

*) Including, for example, cash flow from hedging intercompany balance sheet items

PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's financial statements are presented in accordance with Finnish law. The results are reported in euros using the historical cost convention.

FOREIGN CURRENCIES

The Parent Company records foreign currency transactions at the rates of exchange on the transaction date. Assets and liabilities denominated in foreign currencies are translated at the average rate of exchange confirmed by the European Central Bank in effect at the balance sheet date.

Exchange rate gains and losses related to financing operations are reported at their net values as financing income and expenses.

DERIVATIVE INSTRUMENTS

The Company's derivative instruments include foreign exchange forward contracts, forward rate agreements and interest rate swaps. Foreign exchange forward contracts are used to hedge against changes in the value of receivables and liabilities denominated in a foreign currency and the forward rate agreements and interest rate swaps to hedge against the interest rate risk.

Foreign exchange forward contracts are measured at fair value by recognizing the exchange rate difference in the income statement. The original interest rate differential on foreign exchange forward contracts is amortized to profit and loss. Forward rate agreements and interest rate swaps are not measured at fair value, but their fair values are presented in the notes. The fair value of forward rate agreements is based on the market prices quoted on the closing date. The fair values of interest rate swaps are calculated as the current value of future cash flows. The interest rate differential on interest rate swaps is periodized over the duration of the swaps on a net basis in interest expenses.

TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis in order to write off the cost or revalued amounts of assets over their expected useful lives, which are as follows:

Intangible rights and other capitalized expenditure	5–10 years
Buildings	40 years
Machinery and equipment	4–10 years

Land is not depreciated.

PROVISION FOR CONTINGENT LOSSES

Future costs and losses which the company has an obligation to settle and which are certain or likely to occur are disclosed in the income statement under an appropriate expense heading. They are presented in the balance sheet as provisions for contingent losses when the precise amount or timing is not known. In other cases they are presented as accrued liabilities.

LEASING

Leasing payments are treated as rental expenses.

PENSION PLANS

The pension and related fringe benefit arrangements of the Parent Company's employees are administered by a pension insurance company and recorded as determined by actuarial calculations and payments to the insurance company.

A minor part of the cost of supplementary pensions is borne directly by the Parent Company. Annual payments are expensed, and pension liabilities are included in the provision for contingent losses.

TAXES

Taxes include taxes for the period calculated on the basis of the net result for the period as well as assessed or returned taxes for prior periods.

NOTES TO THE PARENT COMPANY INCOME STATEMENT

EUR million	2006	2005
1. OTHER OPERATING INCOME		
Rental return on real estate	0.6	0.7
Gain on sale of non-current assets	0.0	8.5
Management fees	9.7	3.1
Total	10.3	12.3
2. PERSONNEL EXPENSES		
Wages and salaries	5.0	4.7
Social expenditure		
Pensions	1.4	0.8
Other social security	0.4	0.4
Total	6.8	5.9

The wages, salaries, bonuses and retirement benefits of the President and CEO and other members of the Board of Directors are explained on pages 105–107.

3. DEPRECIATION

Depreciation according to plan		
Intangible rights	0.1	0.1
Buildings and constructions	0.6	0.5
Machinery and equipment	0.1	0.1
Total	0.8	0.7

4. FINANCING INCOME AND EXPENSES

Dividends received from subsidiaries	4.4	0.0
Other financing income on non-current receivables	0.1	0.1
Other interest and financing income from subsidiaries	18.5	19.8
Other interest and financing income	0.4	0.9
Exchange rate gains	-	3.4
Value adjustments of receivables from subsidiaries	-	–0.5
Exchange rate losses	–2.8	-
Interest and other financing expenses to subsidiaries	–7.9	–2.1
Other interest and financing expenses	–19.7	–10.7
Total	–7.0	10.9

5. EXTRAORDINARY ITEMS

Group contribution received	30.8	15.1
Cancellation of the write-doan of loan receivables	-	0.2
Total	30.8	15.3

EUR million	2006	2005
6. INCOME TAXES		
Income taxes for the period	–3.8	–4.6
Income taxes on ordinary operations	4.2	–0.6
Income taxes on extraordinary items	–8.0	–4.0
Total	–3.8	–4.6

NOTES TO THE PARENT COMPANY BALANCE SHEET

7. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

EUR million	Intangible rights	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets
Initial cost, January 1, 2006	0.7	0.2	1.2	23.6	2.9	0.6
Additions	0.2	-	-	-	0.2	-
Disposals	-	–0.1	-	0.0	0.0	-
Balance, December 31, 2006	0.9	0.1	1.2	23.6	3.1	0.6
Accumulated depreciation, January 1, 2006	0.3	0.1	-	11.6	2.3	-
Depreciation during the period	0.1	0.0	-	0.6	0.1	-
Balance, December 31, 2006	0.4	0.1	-	12.2	2.4	-
Balance sheet value, December 31, 2006	0.5	-	1.2	11.4	0.7	0.6

EUR million	Intangible rights	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets
Initial cost, January 1, 2005	0.5	0.1	1.8	23.7	2.8	0.6
Additions	0.2	0.1	-	-	0.1	-
Disposals	0.0	0.0	–0.6	–0.1	0.0	-
Balance, December 31, 2005	0.7	0.2	1.2	23.6	2.9	0.6
Accumulated depreciation, January 1, 2005	0.2	0.1	-	11.1	2.2	-
Depreciation during the period	0.1	0.0	-	0.5	0.1	-
Balance, December 31, 2005	0.3	0.1	-	11.6	2.3	-
Balance sheet value, December 31, 2005	0.4	0.1	1.2	12.0	0.6	0.6

8. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2006

See note 24 of consolidated financial statements.

9. RECEIVABLES FROM SUBSIDIARIES

EUR million	**2006**	2005
Accounts receivable	**2.3**	1.9
Loans receivable	**367.0**	385.4
Prepaid expenses	**32.5**	10.3
Total	**401.8**	397.6

10. PREPAID EXPENSES

EUR million	**2006**	2005
Prepaid interest	**1.5**	1.3
Other prepaid expenses	**1.1**	1.2
Total	**2.6**	2.5

12. ACCUMULATED DEPRECIATION IN EXCESS OF PLAN

EUR million	**2006**	2005
Buildings and constructions	**0.6**	0.7
Machinery and equipment	**0.1**	0.1
Total	**0.7**	0.8

13. INTEREST-BEARING LONG-TERM LIABILITIES

	Outstanding			Repayments			
EUR million	Dec. 31, 2006	2007	2008	2009	2010	2011	2012 and after
Loans from financial institutions	240.5	-	-	-	-	240.5	-
Pension loans	2.3	0.9	0.9	0.5	-	-	-
Total	242.8	0.9	0.9	0.5	-	240.5	-

	Outstanding			Repayments			
EUR million	Dec. 31, 2005	2006	2007	2008	2009	2010	2011 and after
Loans from financial institutions	249.3	-	-	-	-	249.3	-
Pension loans	3.3	1.0	0.9	0.9	0.5	-	-
Total	252.6	1.0	0.9	0.9	0.5	249.3	-

11. SHAREHOLDERS' EQUITY

EUR million	Share capital	Share issue	Premium fund	Restricted equity, total	Retained earnings	Total
January 1, 2005	285.7	-	0.8	286.5	303.7	590.2
Warrants exercised	0.2	0.0	0.5	0.7		0.7
Dividend distribution					–35.7	–35.7
Write-down of revaluation					–0.5	–0.5
Net result					19.8	19.8
December 31, 2005	285.9	0.0	1.3	287.2	287.3	574.5
Warrants exercised	0.9	1.6	4.0	6.5		6.5
Dividend distribution					–35.8	–35.8
Net result					15.0	15.0
December 31, 2006	286.8	1.6	5.3	293.7	266.5	560.2

EUR million	2006	2005

14. INTEREST-BEARING CURRENT LIABILITIES

Commercial papers	**373.6**	308.2
Current repayments of long-term loans	**0.9**	1.0
Other interest-bearing current debt	**6.7**	32.5
Total	**381.2**	341.7

15. PAYABLES TO SUBSIDIARIES

Current liabilities	**295.7**	191.2
Accrued liabilities	**0.2**	0.1
Total	**295.9**	191.3

16. ACCRUED LIABILITIES

Accrued personnel costs	**1.8**	1.6
Accrued interest	**8.0**	4.5
Forward contracts' exchange rate differentials	**2.4**	5.3
Other accrued liabilities	**3.9**	4.8
Total	**16.1**	16.2

CONTINGENT LIABILITIES

Mortgages pledged		
Pension loans covered	**2.3**	3.3
Nominal value of mortgages pledged	**2.6**	3.7
Other liabilities		
Nominal value of mortgages pledged	**0.9**	0.9
Total nominal value of mortgages pledged	**3.5**	4.6
Guarantees		
Subsidiaries	**42.3**	23.0
Others	**0.4**	-
Total	**42.7**	23.0
Operating lease commitments		
Not later than one year	**0.1**	0.1
Later than one year but not later than five years	**0.1**	0.1
Total	**0.2**	0.2

There are no guarantees or contingencies given for the management of the Company, for the shareholders, or for the affiliated companies.

EUR million	2006	2005

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal value		
Foreign exchange forward contracts	**770.4**	781.9
Forward rate agreements	**275.9**	200.0
Interest rate swaps	**225.9**	277.2
Fair value		
Foreign exchange forward contracts	**–2.4**	–5.3
Forward rate agreements	**0.2**	0.1
Interest rate swaps	**5.7**	–0.1

SHARES AND SHAREHOLDERS

SHARES AND SHARE CAPITAL

Amer Sports Corporation has one series of shares. The shares have no par value, but the counter book value of each share is EUR 4.00.

According to the Articles of Association, the Company's minimum share capital is EUR 200 million and the maximum share capital EUR 800 million. The Company's paid-in share capital recorded in the Trade Register as of December 31, 2006 was EUR 286,790,496 and the number of shares outstanding was 71,697,624.

The Company's share capital was increased seven times during the year. In total, the Company's number of shares rose by 229,914 new shares and the share capital by EUR 919,656.

The Amer Sports Corporation shares have been registered within the book-entry system that is maintained by Finnish Central Securities Depository Ltd (APK). APK is also the keeper of Amer Sports Corporation's official Shareholder Register.

The right to receive funds distributed by the Company and subscription rights when the Company raises its share capital are held only by parties:

- entered as shareholders in the Shareholder Register on the record date,
- whose right to payment is recorded in the Shareholder Register and in the book-entry account of the shareholder entered in the Shareholder Register, or,
- if the share is nominee-registered, on whose book-entry account the share has been recorded on the record date and whose custodian has been entered as the custodian of the shares in the Shareholder Register on the record date.

REDEMPTION OBLIGATION

A shareholder whose proportional holding of all the Company's shares or whose proportional entitlement to votes conferred by the Company's shares reaches or exceeds 33 1/3% or 50% is obliged on demand by other shareholders to redeem the shares of such shareholders, and securities giving entitlement to them under the Companies Act, in the manner stipulated in the Articles of Association.

LISTINGS

Amer Sports shares are listed on the Helsinki Stock Exchange. In addition, the Company has a Level I American Depositary Receipt (ADR) program on the New York Stock Exchange, which does not entail SEC reporting (the U.S. Securities and Exchange Commission). Two depositary receipts are equivalent to one Amer Sports share.

AUTHORIZATIONS OF THE BOARD OF DIRECTORS

During the report year, the Amer Sports Corporation Board of Directors did not have valid share issue authorizations or an authorization to issue convertible bonds or bonds with equity warrants.

DIVIDEND POLICY AND DIVIDENDS FOR 2006

Amer Sports seeks to be viewed as a competitive investment that increases shareholder value through a combination of dividend payments and share price performance. Amer Sports pursues a progressive dividend policy reflecting the Company's earnings performance, with the aim of distributing a dividend of at least one-third of the annual net result.

Amer Sports Corporation's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.50 per share be paid for fiscal 2006 (2005: EUR 0.50), representing a dividend ratio of 51%. The effective dividend yield is thus 3.0%. On average, dividends of 46% have been paid out during the past five years.

WARRANT PROGRAMS

As of December 31, 2006, Amer Sports had in use four warrant programs for the purpose of strengthening the commitment of the Group's key employees and providing them with an incentive to focus on the long-term and to increase Amer Sports shareholder value.

2002 warrant program

On March 21, 2002, the Annual General Meeting approved a warrant program in which a total of 900,000 warrants were issued. The 2003 Annual General Meeting resolved to reduce the maximum amount of 2002 warrants to 572,500 and to cancel the undistributed 327,500 warrants. The 2004 Annual General Meeting resolved to reduce the maximum amount to 519,100 warrants and to cancel the 53,400 warrants that were in the possession of the Amer Sports subsidiary Amera Oy.

The extraordinary meeting of shareholders on December 13, 2004 passed a resolution that as a consequence of share subscriptions, the Company's shares outstanding can be increased

INCREASES OF SHARE CAPITAL

Warrant programs	EUR	No. of shares	Trade Register date of increases in share capital	Total share capital, EUR	Total no. of shares
2002	69,600	17,400	February 7	285,940,440	71,485,110
2002	61,800	15,450	July 13	286,002,240	71,500,560
2002	115,800	28,950	September 7	286,118,040	71,529,510
2002	387,000	96,750	October 19	286,505,040	71,626,260
2002	82,800	20,700	November 24	286,587,840	71,646,960
2002	196,680	49,170	December 19	286,784,520	71,696,130
2003	5,976	1,494	December 19	286,790,496	71,697,624

by a maximum of 1,557,300 new shares and the share capital by a maximum of EUR 6,229,200. The share subscription price is a third of the subscription price determined in the terms and conditions, or EUR 10.79 per share.

The 2002 warrants were registered within the book-entry system in January 2005. The share subscription period commenced on January 1, 2005 and will end on December 31, 2007. Originally warrants were given to 22 persons. At the end of December 2006, 12 persons were covered by the 2002 warrant program. The stock options related to the year 2002 stock option arrangement were subject to trading on the Helsinki Stock Exchange main list as of January 18, 2005.

2003 warrant program

In the 2003 warrant program, the number of warrants at the start of the program was 550,000, of which 159,999 warrants were granted to key employees of the Group in 2003 by decisions of the Board of Directors in accordance with the terms and conditions of the warrants. The 2004 Annual General Meeting passed a resolution to reduce the maximum amount of the 2003 warrants to 159,999 and to cancel the undistributed 390,001 warrants.

The extraordinary meeting of shareholders on December 13, 2004 passed a resolution that as a consequence of share subscriptions, the Company's shares outstanding can be increased by a maximum of 479,997 new shares and the share capital by a maximum of EUR 1,919,988. The share subscription price is the subscription price defined in the terms and conditions divided by three, or EUR 12.63 per share.

The share subscription period commenced on January 1, 2006, and will end on December 31, 2008. Originally warrants were given to 16 persons. At the end of December 2006, 12 persons were covered by the 2003 warrant program. The stock options related to the year 2003 stock option arrangement were subject to trading on the Helsinki Stock Exchange main list as of January 12, 2006.

2004 warrant program

The 2004 warrant program comprises of 550,000 warrants.

The extraordinary meeting of shareholders on December 13, 2004 passed a resolution that as a consequence of share subscriptions, the Company's shares outstanding can be increased by a maximum of 1,650,000 new shares and the share capital by a maximum of EUR 6,600,000. The share subscription price is a third of the subscription price determined in the terms and conditions, or EUR 13.53 per share.

During the year 2004, 147,001 warrants under the 2004 warrant program were granted to key employees of the Group in accordance with the terms and conditions of the warrants.

On February 3, 2005, Amer Sports Corporation's Board of Directors decided to grant additional warrants under the 2004 program to key employees of the company. The total number of warrants granted to key employees rose to 261,650. The additional warrants were transferred because the growth and profitability targets set by the Board of Directors were achieved. In accordance with the terms and conditions of the warrants, the 188,350 warrants remaining unexercised were automatically cancelled on December 31, 2005.100,000 warrants remain to be used in connection with possible future acquisitions and other M&A arrangements. The remainder of the warrants is in the possession of the Amer Sports subsidiary Amera Oy.

The share subscription period commenced on January 1, 2007, and will end on December 31, 2009. Originally warrants were given to 22 persons. At the end of December 2006, 17 persons were covered by the 2004 warrant program. The stock options related to the year 2004 stock option arrangement were subject to trading on the Helsinki Stock Exchange main list as of January 2, 2007.

2005 warrant program

The 2005 warrant program comprises of 500,000 warrants.

Waiving the pre-emptive subscription right of shareholders, the warrants under the 2005 program are granted to the Group management of Amer Sports Corporation and Amera Oy, a fully-owned subsidiary of Amer Sports Corporation. They will be used as long-term incentives for Group management in 2005-2009 in accordance with the growth and profitability targets set by the Board of Directors. Warrants will be granted to Group management after the publication of the 2007 financial statements.

As a result of the share subscriptions, the share capital of the company may be increased by a maximum of 500,000 shares, corresponding to EUR 2,000,000. The share subscription price is EUR 14.86.

The share subscription period will begin on March 1, 2008, and end on December 31, 2009. At the close of the report year, 10 persons were covered by the 2005 warrant program.

General information on warrants

The issued warrants in question would have corresponded to 4.0% of the Company's shares and votes as of December 31, 2006.

The warrant programs were approved at Amer Sports shareholder meetings in the year when each program started. In Amer Sports' current 2002, 2003 and 2004 warrant programs, one warrant entitles its holder to subscribe for three Amer Sports Corporation shares. In the 2005 warrant program, one warrant can be exercised to subscribe for one Amer Sports Corporation share. The Company's Board of Directors decides on the number of warrants to be issued.

The warrants issued under all the warrant programs may not be transferred to a third party or pledged as security before the beginning of the share subscription period without the consent of the Company's Board of Directors. Warrants will be transferred automatically to Amera Oy in the event that a warrant holder's employment or position with Amer Sports comes to an end before the start of the share subscription period, as set out in detail in the terms and conditions of the warrants. As of December 31, 2006, Amera Oy held 123,550 of the 2004 warrants and 10,000 of the 2003 warrants.

Shares subscribed for on the basis of the warrant programs entitle the shareholder to a dividend for the fiscal year during which the subscription was made. Other shareholder rights commence when the increase in share capital corresponding to the share subscription has been entered in the Trade Register.

The terms and conditions of the warrant programs are posted on the Amer Sports website at www.amersports.com/investors.

SHARES AND WARRANTS HELD BY MANAGEMENT

Amer Sports Board of Directors members held a total of 2,082,435 Amer Sports shares as of December 31, 2006 (December 31, 2005: 2,056,910), or 2.9% (2.9%) of the outstanding shares and votes.

On December 31, 2006, the President and CEO (also a Board member) owned 22,500 Amer Sports shares (Dec. 31, 2005: 15,500). At the end of 2006, the President held 233,650 warrants, entitling him to subscribe for a maximum of 700,950 shares in the Company. Of these106,800 were under the 2002 warrant program, 60,000 under the 2003 warrant program and 66,850 under the 2004 warrant program. As of December 31, 2006, the President's warrants would have corresponded to 1.0% of the Company's shares and votes. Apart from the President, the members of the Company's Board of Directors do not come within the scope of the warrant programs.

Management of Amer Sports (including President and CEO) owned a total of 42,300 Amer Sports shares on December 31, 2006 (Dec. 31, 2005: 32,200), representing 0.06% (0.05%) of the shares and votes. At the end of 2006, management owned a total of 561,367 warrants, entitling them to subscribe for 1,684,101 shares. Of these, 237,050 were from the 2002 warrant program, 120,667 from the 2003 warrant program and 203,650 from the 2004 warrant program. As of December 31, 2006, the warrants held by management would have corresponded to 2.3% of the Company's shares and votes. The Amer Sports management is presented on pages 110–111.

SHARE TURNOVER AND PRICE TREND

During the 2006 calendar year, a total of 66.3 million of the Company's shares were traded on the Helsinki Stock Exchange to a total value of EUR 1,115.2 million. The share turnover was 92.6% in Helsinki. The number of ADR certificates in issue at the turn of the year was 372,886. In 2006, share turnover on the New York Stock Exchange represented only approximately 0.56% of total Amer Sports share turnover.

At the close of the year on the Helsinki Stock Exchange, the last trade in Amer Sports Corporation shares was completed at a price of EUR 16.68, representing a rise of 6.0% during the year. The high for the year on the Helsinki Stock Exchange was EUR 19.00 and the low EUR 14.75. The average share price was EUR 16.83.

The Company had a market capitalization at the end of the year of EUR 1,195.9 million. A total of 0.2 million warrants were traded during 2006, to a total value of EUR 4.3 million.

SHAREHOLDERS

At the close of 2006, Amer Sports Corporation had 14,351 registered shareholders. 56.0% (54.7%) of the shares were owned by foreigners, or a total of 40.2 million. Each nominee register is entered in the Share Register as a single shareholder. Only shares that have been recorded in the Shareholder Register have the right to vote at general meetings of shareholders.

SHAREHOLDER AGREEMENTS

The Company's Board of Directors is not aware of any agreements concerning the ownership of the Company's shares and the use of their voting rights.

NOTIFICATIONS OF CHANGES IN HOLDINGS

In January, Franklin Resources Inc. announced that the total number of shares held by the funds and individual investors under its control represented 5.02% of Amer Sports Corporation's share capital and votes. In March, its holding fell below 5% to 4.99%.

INVESTOR RELATIONS

The objective of Amer Sports investor relations is to provide open and reliable information to investors about the Company's financial position and its outlook for the future. To this end, the Company arranges regular meetings with analysts and investors in all the main markets. Mr Tommy Ilmoni, Vice President of Investor Relations is in charge of investor relations. The Company furthermore arranges annual Capital Market Days offering the most active market participants a chance to hear and meet the Company's management.

Investor relations are handled in accordance with the Finnish Securities Market Act. The information released must be equal for all market participants, and all essential information must be generally available at the same time. The Company observes a 21 day silent period before releasing each set of financial results, and during this time the Company's management does not discuss matters with market participants.

Trading codes:	
HEX:	AMEAS
Reuters:	AMEAS.HE
Bloomberg:	AMEAS.FH
ADR:	AGPDY. 023512205
ISIN:	FI0009000285

Key indices:
OMX Helsinki
OMX Helsinki CAP
OMX Helsinki 25
Consumer Discreationary

WARRANT PROGRAMS

Warrant programs	Year of issue	Number of staff, Dec. 31, 2006	Subscription ratio	Subscription price, EUR	No. of warrants issued	Increase of share capital at the most, euros	Subscription period of shares
2002	2002 and 2003	12	1:3	10.79	519,100	6,229,200	Jan. 1, 2005–Dec. 31, 2007
2003	2003	12	1:3	12.63	159,999	1,919,988	Jan. 1, 2006–Dec. 31, 2008
2004	2004 and 2005	17	1:3	13.53	361,650	4,339,800	Jan. 1, 2007–Dec. 31, 2009
2005	2005	10	1:1	14.86		2,000,000	Mar. 1, 2008–Dec. 31, 2009

MAJOR SHAREHOLDERS AT DECEMBER 31, 2006

	Shares	% of shares and votes
The Land and Water Technology Foundation	3,300,000	4.6
Brotherus Ilkka	2,003,230	2.8
Varma Mutual Pension Insurance Company	1,397,350	1.9
Ilmarinen Mutual Pension Insurance Company	1,334,175	1.9
Odin Norden	1,126,000	1.6
Tapiola Mutual Pension Insurance Company	968,700	1.4
The State Pension Fund	870,000	1.2
Etera Mutual Pension Insurance Company	800,721	1.1
Odin Forvaltning AS/Odin Europa SMB	634,952	0.9
OP-Delta Mutual Fund	577,950	0.8
Odin Forvaltning AS	492,661	0.7
Tapiola General Mutual Insurance Company	401,805	0.6
OP Finland Fund	350,000	0.5
Finnish Cultural Foundation	350,000	0.5
Amer Cultural Foundation	297,771	0.4
Tapiola Mutual Life Assurance Company	271,310	0.4
Mutual Fund Evli Select	247,744	0.3
Pension Fund Polaris	236,615	0.3
Nordea Fennia Fund	235,770	0.3
Sampo Finnish Equity Fund	232,050	0.3
Nominee registrations	37,725,401	52.6

SHAREHOLDINGS AND WARRANTS OF INSIDERS AT DECEMBER 31, 2006

	Shares	2002 warrants	2003 warrants	2004 warrants
Board of Directors *)				
Anssi Vanjoki, Chairman	5,286	-	-	-
Ilkka Brotherus, Vice Chairman	2,003,230	-	-	-
Felix Björklund	36,923	-	-	-
Tuomo Lähdesmäki	8,423	-	-	-
Timo Maasilta	6,073	-	-	-
Roger Talermo, President and CEO	22,500	106,800	60,000	66,850
Management				
Max Alfthan, Communications	1,200	8,000	8,000	11,150
Eero Alperi, Supply Chain Development	3,000	14,000	6,000	5,950
Chistel Berghäll, Human Resources	350	0	0	5,950
Paul Byrne, President, Precor	0	20,000	0	17,850
Chris Considine, President, Wilson	0	0	10,000	17,850
Jean-Luc Diard, President, Salomon	0	0	0	0
Thomas Henkel, Information Technology	0	0	0	0
Tommy Ilmoni, Investor Relations	1,000	0	0	0
Kari Kauniskangas, Sales & Distribution	1,650	15,000	6,667	22,300
Heikki Koponen, Legal Affairs **)	0	0	0	5,950
Pekka Paalanne, Finance	12,300	32,600	16,000	26,000
Juha Pinomaa, President, Suunto	0	0	0	0
Michael Schineis, President, Atomic	0	33,400	10,000	17,850
Kai Tihilä, Business Planning & Control	300	7,250	4,000	5,950
Auditor				
Göran Lindell	0	-	-	-
TOTAL	2,102,235	237,050	120,667	203,650

*) The members of the Board of Directors, excluding the President and CEO, are not covered by the warrant programs.

**) The employment contract was terminated in January 19, 2007.

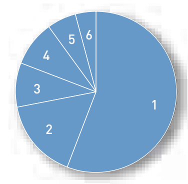
FINANCIAL STATEMENTS

NUMBER OF SHARES PER SHAREHOLDER AT DECEMBER 31, 2006

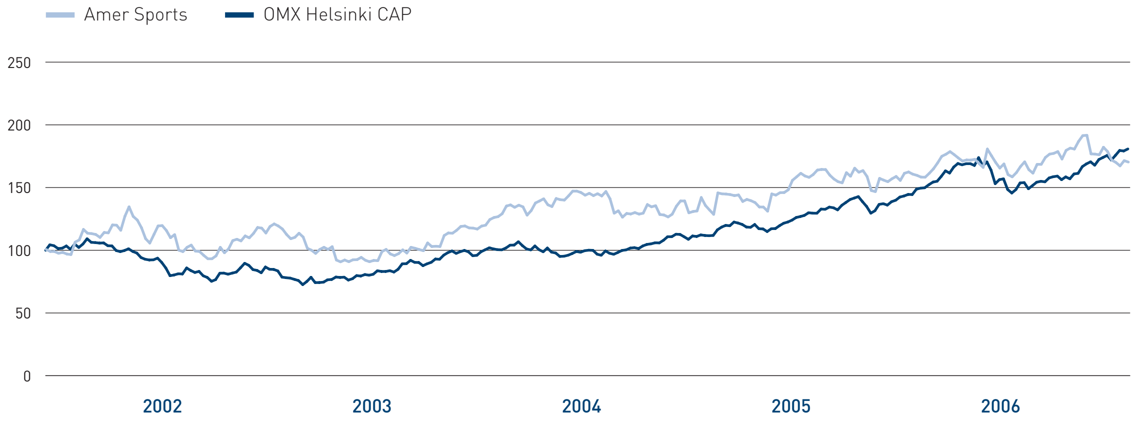
	Shareholders	% of share-holders	Shares	% of shares
1–100	3,098	21.6	181,235	0.3
101–1,000	8,645	60.2	3,520,014	4.9
1,001–10,000	2,372	16.5	6,106,893	8.5
10,001–100,000	184	1.3	5,204,987	7.3
over 100,000	38	0.3	18,959,094	26.4
Nominee registrations	14	0.1	37,725,401	52.6
Total	14,351	100.0	71,697,624	100.0

SHAREHOLDING IN AMER SPORTS CORPORATION DEC. 31, 2006

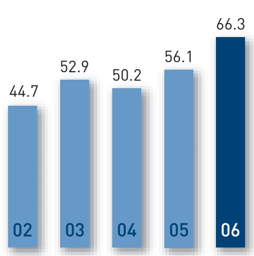
1	OUTSIDE FINLAND AND NOMINEES	56%
2	HOUSEHOLDS	16%
3	NON-PROFIT ORGANIZATIONS	9%
4	BANKS AND INSURANCE COMPANIES	9%
5	PRIVATE COMPANIES	6%
6	PUBLIC SECTOR ENTITIES	4%



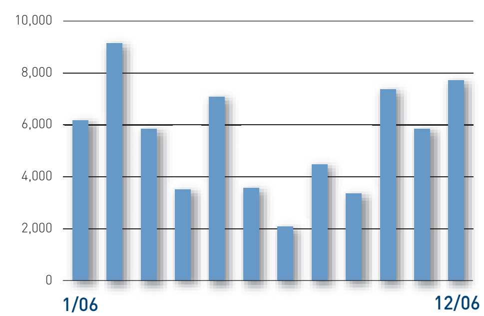
TRENDS OF SHARE PRICES



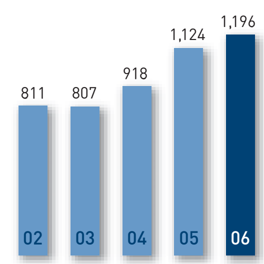
TRADING OF SHARES
million shares



TRADING OF SHARES
1,000 shares



MARKET CAPITALIZATION
DEC. 31, EUR million



For more detailed information please visit www.amersports.com.

SHARE CAPITAL AND PER SHARE DATA

	IFRS				FAS	
EUR million	**2006**	2005	2004	2003	2003	2002
Share capital	**286.8**	285.9	285.7	97.8	97.8	96.8
Number of shares in issue, million	**71.7**	71.5	71.4	73.4	73.4	72.6
Adjusted number of shares in issue less own shares, million	**71.7**	71.5	71.4	70.5	70.5	69.6
Adjusted average number of shares in issue less own shares, million	**71.5**	71.4	71.1	70.0	70.0	69.6
Share issues						
Bonus issue	**-**	-	190.5	-	-	-
Targeted share issue	**0.9**	0.2	1.3	1.0	1.0	0.3
Decrease of share capital	**-**	-	3.9	-	-	-
Earnings per share, continuing operations, EUR	**0.98**	1.05	0.96	1.12	0.92	0.98
Earnings per share, continuing operations, diluted, EUR	**0.97**	1.04	0.96	1.11	0.92	0.97
Earnings per share, discontinued operations, EUR	**-**	-	0.20	-	-	-
Earnings per share, discontinued operations, diluted, EUR	**-**	-	0.20	-	-	-
Equity per share, EUR	**7.71**	7.46	6.41	5.95	6.31	6.39
Total dividends	**36.0** [1]	35.7	35.7	33.0	33.0	32.6
Dividend per share, EUR	**0.50** [1]	0.50	0.50	0.47	0.47	0.47
Dividend % of earnings	**51** [1]	48	43	42	51	48
Effective yield, %	**3.0** [1]	3.2	3.9	4.1	3.9	4.0
P/E ratio	**17.0**	14.9	11.1	10.3	12.4	11.8
Market capitalization	**1,195.9**	1,124.2	917.7	806.7	806.7	810.6
Share value, EUR						
Counter book value	**4.00**	4.00	4.00	4.00	4.00	4.00
Share price low	**14.75**	12.32	11.49	8.68	8.68	8.61
Share price high	**19.00**	17.09	14.82	12.17	12.17	13.33
Average share price	**16.83**	14.65	13.06	10.02	10.02	10.49
Share price at closing date	**16.68**	15.73	12.85	11.45	11.45	11.63
Trading volume	**1,115.2**	822.1	656.1	530.7	530.7	469.5
1,000s	**66,251**	56,119	50,232	52,872	52,872	44,709
%	**93**	79	71	75	75	62
Number of shareholders	**14,351**	14,588	13,493	12,314	12,314	10,689

[1] Proposal of the Board of Directors for 2006

The comparison figures for 2002–2003 have been adjusted for the December 2004 bonus issue.
Calculation of key indicators, see page 87.

BOARD OF DIRECTORS REPORT'S AND FINANCIAL STATEMENTS' SIGNATURES

Helsinki, February 13, 2007

Anssi Vanjoki	Ilkka Brotherus	Felix Björklund
Tuomo Lähdesmäki	Timo Maasilta	Roger Talermo President and CEO

AUDITORS' REPORT

TO THE SHAREHOLDERS OF AMER SPORTS CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Amer Sports Corporation for the period 1.1.–31.12.2006. The Board of Directors and the President and CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors and the parent company's financial statements and administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the President and CEO of the parent company have complied with the rules of the Companies' Act.

CONSOLIDATED FINANCIAL STATEMENTS

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

PARENT COMPANY'S FINANCIAL STATEMENTS, REPORT OF THE BOARD OF DIRECTORS AND ADMINISTRATION

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies' Act.

Helsinki, 13 February 2007

PricewaterhouseCoopers Oy
Authorised Public Accountants

Göran Lindell
Authorised Public Accountant

CORPORATE GOVERNANCE

The keystones of Amer Sports Corporation's corporate governance are high-caliber administration, transparency and effective communications. The company observes the recommendations on corporate governance of listed companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries EK.

Amer Sports is listed on the Helsinki Stock Exchange and is therefore subject to Finnish corporate governance recommendations. The purpose of these recommendations is to harmonize the practices of listed companies and the information provided to shareholders, as well as improve the transparency of their operations and their quality of disclosure.

GENERAL MEETING

Amer Sports Corporation's highest power of authority is exercised by the company's shareholders at the General Meeting, which is convened by the company's Board of Directors. Shareholders can exercise their right to make decisions concerning the company at a properly-convened General Meeting by either being present themselves or through authorized representatives.

In addition to the matters specified as being the business of Annual General Meetings, as set forth in the Finnish Companies Act, a shareholder can submit a written request to the Amer Sports Board of Directors that a certain matter be dealt with at the General Meeting. The written request must be submitted to the Board of Directors early enough that the matter can be included in the Notice of Meeting. The Board of Directors must convene a General Meeting without delay to deliberate on a certain matter if requested by the auditor or a shareholder or shareholders owning at least 10% of all the company shares.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The duties and responsibilities of the Amer Sports Board of Directors are defined on the basis of the Finnish Companies Act and other applicable legislation. The Board of Directors has general authority in all such matters that the law or the Articles of Association do not stipulate to be decided or performed by other bodies. The Board of Directors is responsible for attending to the administration of the company and duly organizing its operations. The Board of Directors must act in the company's interests in all circumstances. The Board of Directors has set as its goal guiding the company's operations with a view to generating maximum enduring added value to shareholders without neglecting other interest groups.

The Board of Directors draws up an annual plan and each year assesses its own activities by carrying out an internal self-appraisal. All matters of wide-ranging importance for the company's operations are dealt with by the Board of Directors.

A decision of the Board of Directors must be supported by more than half of the members present. When voting is split, the Chairman has the deciding vote.

The Board of Directors convenes at least once a year when representatives of the company's management are not in attendance.

The major tasks of the Board of Directors are to:

Direct Amer Sports business operations and strategies

- Confirm the company's strategy and ensure that it is up to date
- Confirm the business plan on the basis of its strategy, annual budget and monitor its achievement
- Adopt the annual investment plan
- Decide on significant, strategically important investments or acquisitions and the sale of assets

Organization of Amer Sports administration and functions
- Appoint and dismiss the President and CEO
- Appoint and dismiss the immediate subordinates of the President and CEO
- Decide on the terms of employment of the President and CEO and his immediate subordinates, including incentive reward programs, if any
- Set the CEO's personal targets for each year and monitor their achievement
- Keep track of issues related to succession in management
- Adopt the duties and responsibilities of the Board and evaluate its performance once a year

Supervision of financial administration and risk management
- Approve interim reports, annual reports and financial statements
- Hold a meeting with the company's auditors at least once a year
- Supervise significant risks connected with the company's operations and risk management

Preparation of matters to be decided on at an Annual General Meeting
- Draft the company's dividend payout policy and submit a proposal on the dividend to the General Meeting
- Submit other proposals to the General Meeting

The Board of Directors prepares an annual plan that always extends until the subsequent Annual General Meeting, which includes:
- the schedule of meetings
- the major issues to be discussed at each meeting
- the schedule of the dates when the Board members are to familiarize themselves with the operations of the company and its partners, as well as
- the annual evaluation of its own performance at the end of the period

Chairman of the Board

According to Board procedures, the Chairman of the Board, in addition to leading the work of the Board, continuously monitors the Group's operations and development through contact with the President and CEO. The Chairman of the Board ensures that the work of the Board is evaluated annually, and that the Board continuously updates and deepens its knowledge of the Group's operations.

In 2006 Anssi Vanjoki acted as Chairman and Ilkka Brotherus as Vice Chairman of the Board.

BOARD COMMITTEES

The Board of Directors has set three permanent committees from amongst its members and has defined rules of procedure for them. The committees report on their work to the entire Board of Directors on a regular basis.

Nomination Committee

The Nomination Committee prepares proposals on Board members and their compensation for discussion by the Board of Directors and presentation for a resolution of the Annual General Meeting. The Chairman of the Nomination Committee discusses the proposals with the largest shareholders. The Nomination Committee comprises three non-executive members of the Board of Directors. In 2006 they were: Ilkka Brotherus (Chairman of the Committee), Timo Maasilta and Felix Björklund. The Committee convened five times in 2006. The attendance rate of members at meetings was 100% in 2006.

Compensation Committee

The task of the Compensation Committee is to prepare proposals for decisions on the compensation and reward system for members of the Amer Sports top management. The Compensation Committee comprises of three non-executive Directors: Anssi Vanjoki (Chairman of the Committee), Felix Björklund and Tuomo Lähdesmäki. The Committee convened three times in 2006. The attendance rate of members at meetings was 100% in 2006.

Audit Committee

The task of the Audit Committee is to assist the Board of Directors in the monitoring of the reporting and accounting processes. In order to fulfill its task, the committee assesses compliance with laws and regulations and supervises the company's financial situation. "Reporting" refers to financial statements, interim reports and monthly profit-and-loss reporting. The committee evaluates the adequacy and appropriateness of internal control and risk management. The committee prepares the auditor selection decision that is made at the General Meeting of the parent company and maintains contact with the auditor. Three non-executive Directors sit on the Audit Committee. In 2006 they were: Tuomo Lähdesmäki (Chairman of the Committee), Ilkka Brotherus and Timo Maasilta. The Committee convened four times in 2006. The attendance rate of members at meetings was 91.7% in 2006.

ELECTION AND TERMS OF OFFICE OF BOARD MEMBERS

The Board of Directors is responsible for duly organizing the administration and operations of Amer Sports. The Annual General Meeting elects a minimum of five and a maximum of seven Directors for a term of one year. A person who has reached the age of 66 at the time of election may not become a member of the Board of Directors. Terms of office are not otherwise restricted. The Board of Directors elects from among its number a Chairman and a Vice Chairman.

The Board's Nomination Committee prepares a proposal on the members of the Board. The composition of the Board must be in line with the company's size, market position and industry, and the Directors must have the requisite expertise concerning Amer Sports' line of business and international operations.

The members of the Board of Directors for the 2006 term of office were Anssi Vanjoki (Chairman), Ilkka Brotherus (Vice Chairman), Felix Björklund, Tuomo Lähdesmäki, Timo Maasilta and Roger Talermo (President and CEO). Of the six members for the term of office, one was the Amer Sports President and CEO and the other five members were non-executive expert members who were not employed by the company. Senior Vice President & CFO Pekka Paalanne acted as secretary to the Board. Members of the Board of Directors are presented in more detail on pages 108–109.

The Board of Directors meets once a month as a rule. In 2006, the Board of Directors convened 13 times. While most meetings of the Board were held at Amer Sports headquarters in Helsinki, some meetings were arranged elsewhere in connection with visits by the Directors to familiarize themselves with the operations of Amer Sports. The attendance rate of Directors at meetings of the Board was 98.9% in 2006.

MANAGEMENT DUTIES AND RESPONSIBILITIES

President and CEO

The Board nominates the President and CEO, who is in charge of managing Amer Sports in accordance with the Finnish Companies Act and instructions provided by the Board. Roger Talermo has served as President and CEO since 1996 and as a Board member since 1996. Senior Vice President and CFO Pekka Paalanne acts as deputy to the President and CEO.

The President and CEO reports to the Board and keeps the Board informed about the Amer Sports business environment – including the markets and Amer Sports competitors – as well as the financial position of Amer Sports and other significant matters. The President and CEO implements the decisions made by the Board and its committees. The President and CEO guides and supervises the operations of Amer Sports and its business segments.

Executive Team

Amer Sports Executive Team, together with the headquarters management, assists and supports the President and CEO. The Executive Team comprises of the President and CEO along with Pekka Paalanne, Senior Vice President & CFO, Max Alfthan, Senior Vice President, Corporate Communications, and Kari Kauniskangas, Senior Vice President, Sales & Distribution. The Executive Team meets whenever requested or required.

Executive Board

The Amer Sports Executive Board comprises of the Executive Team and the Presidents of the business segments. In addition to the Amer Sports President, who is the Chairman, there are eight other Executive Board members, who are presented on pages 110–111. The Executive Board meets three times a year. Its task is to insure that the Group's strategy is implemented consistently across all business areas.

Business Segment Boards

Each business segment – Salomon, Wilson, Precor, Atomic and Suunto – has a Board of Directors, which comprises of Amer Sports President and CEO Roger Talermo, Amer Sports CFO Pekka Paalanne, and the President of the business in question. The Business Segment Boards are responsible for both strategic and operational management. The specific responsibilities of the Segment Boards are defined by the Amer Sports President and CEO. The Business Segment Boards meet on average six times a year.

AUDIT

PricewaterhouseCoopers is generally responsible for auditing the Group companies worldwide. The independent public accountants of Amer Sports Corporation, PricewaterhouseCoopers Oy, are in charge of directing and coordinating the audit work for the entire Group. The principal auditor is Göran Lindell, Authorized Public Accountant. The Annual General Meeting elects Amer Sports' auditor annually for a one year period.

The scope and content of the audit reflects the fact that Amer Sports does not have a separate internal audit organization. The auditors examine the efficiency of the company's systems, internal control, reporting and accounting. The Audit Committee and the Group's financial management, together with the auditors, determine one or more audit themes over and above the statutory auditing requirements. The themes change each year, and separate reports on them are prepared for Group management. This insures that Amer Sports operations are efficient and profitable, that information is reliable, and that the relevant rules and operating principles are observed.

Amer Sports Corporation's auditors, the Presidents of the business areas, and the Presidents and CFOs of the largest subsidiaries meet together at least once a year. The President and the CFO of each subsidiary meet with the local auditor at least twice a year.

The auditors of subsidiaries present their audit observations annually to the company in question, to the auditors of Amer Sports Corporation, and to the Group's financial management. In addition, they report in greater detail to the subsidiaries concerning observations made in the course of the audit.

The auditors submit a written report on their audit to the Board of Directors once a year. The principal auditor takes part in the Board of Directors meeting at which the financial statements for the fiscal year are discussed and presents a summary of the year's audit.

SALARIES AND OTHER COMPENSATION

Board of Directors Compensation

The Annual General Meeting passes a resolution on the compensation paid to members of the Board of Directors each year. The Annual General Meeting held in March 2006 resolved to set the annual emolument of the Chairman of the Board at EUR 50,000, the Vice Chairman at EUR 40,000 and the emoluments of other members at EUR 30,000. The emoluments of Board members consist of a 40% component paid in Amer Sports' shares and 60% in cash. A member of the Board of Directors is not allowed to sell or transfer said shares during his or her directorship. The restriction on sale and transfer is nevertheless in effect for a maximum of five years from the acquisition of the shares. Additional compensation is not paid for meetings or work as a committee member.

In 2006, the members of the Board of Directors were paid total compensation of EUR 0.18 million, of which EUR 0.108 million was in cash. The following shares were transferred: Anssi Vanjoki, 1,157 shares, Ilkka Brotherus, 926 shares, Felix Björklund, 694 shares, Tuomo Lähdesmäki, 694 shares and Timo Maasilta, 694 shares. The President and CEO is not paid an emolument for his work as a member of the Board.

Management salaries and compensation

The salaries and compensation paid to the President and his immediate subordinates are decided by the Board of Directors. The Board's Compensation Committee is responsible for preparing proposals to the incentive system. No separate compensation is paid to management members for their participation in management bodies.

In 2006, the management incentive system consisted of the following components:

- An annual incentive system for key employees, which is tied to achievement of a unit's business strategy and annual plan. The purpose of the annual incentive system is to drive the company's growth and profitability and to support the realization of company strategy. The annual incentive system is the most extensive incentive system in terms of personnel covered.
- Long-term incentive programs for key employees
  - Warrant programs designed to support the achievement of long-term strategic objectives and to build shareholder value. The number of people in management and expert tasks within the parent company and its subsidiaries who came within the scope of warrants at the end of 2006 was 12 under the 2002 program, 12 under the 2003 program, 17 under the 2004 program and 10 under the 2005 program. The 2005 warrant program seeks to provide long-term incentives for corporate management in 2005–2009 in accordance with the growth and profitability targets set by the Board of Directors. The warrants, if any, will be granted to corporate management after the publication of 2007 financial statements.
  - A deferred cash incentive program that seeks to elicit commitment from key employees. The program encourages the achievement of the annual plan. Its result is tied to the three-year trend in shareholder value. In 2006, 94 members in management tasks at subsidiaries came within the scope of the program.

The salaries, benefits and other compensation paid to the members of the Amer Sports Board of Directors, the President and CEO and the Executive Board amounted to approximately EUR 4.92 million in 2006. Total compensation paid to the President and CEO in 2006 was EUR 1.04 million, of which incentives tied to profits and other objectives accounted for EUR 0.3 million. Salaries, benefits and other compensation paid to the other members of the Amer Sports Executive Board totaled EUR 3.7 million, of which incentives amounted to EUR 1.2 million.

The Amer Sports warrant programs for the years 2002, 2003, 2004 and 2005 are presented on pages 94–95. At the end of 2006, the President and CEO held warrants entitling him to a total of 700,950 shares. Of these, 320,400 were under the 2002 warrant program, 180,000 under the 2003 program and 200,550 under the 2004 program. Apart from the President, the members of the Amer Sports Board of Directors do not come within the scope of the warrant programs.

CEO's executive agreement

The terms and conditions of the President and CEO's employment are defined in a written executive agreement that has been approved by the Board of Directors. Under the agreement, the

President can take early retirement at the age of 60, with pension payable at a 60 percent salary rate. The other Board of Directors members do not have pension agreements with the company.

The President and CEO's period of notice is six months on both the company's and the President's side. Should Amer Sports give the President notice, he is to be paid salary for the duration of the notice period and severance pay of 24 months' fixed salary. The other Board members do not have a notice period and do not receive severance pay.

Compensation of auditors

In 2006, Amer Sports paid PricewaterhouseCoopers total fees of approximately EUR 2.1 million worldwide. Approximately EUR 1.8 million of this sum was for the statutory audit. About EUR 0.3 million was spent on other services.

FINANCIAL REPORTING

Amer Sports prepares its financial statements and interim reports in accordance with International Financial Reporting Standards (IFRS) and publishes them in Finnish and English.

Amer Sports' primary reporting segments are its business segments: Salomon, Wilson, Precor, Atomic and Suunto. Salomon is divided into the following business areas: Winter Sports Equipment, Apparel and Footwear, and Mavic. Wilson's business areas are Racquet Sports, Team Sports, and Golf. Net sales figures are reported for these business areas. Geographical segments are secondary reporting segments: the Americas (including Latin America), EMEA (Europe, the Middle East, Africa) and Asia (including Japan and Australia).

In overseeing the operations of the business areas, the President and CEO and other Group management make use of weekly sales reports, monthly financial reports, and regular meetings with the business segments.

At all meetings of the Board of Directors, the company's management deliberates on the financial surveys of the business operations of both Amer Sports and the reporting segments.

RISK MANAGEMENT

Once a year, the Board of Directors analyzes risks connected with Amer Sports' operations.

Responsibility for the risk management related to line operations rests with the Amer Sports' business areas, which report regularly on the main risks connected with their operations to the business area's Board of Directors.

The property, loss-of-profits and liability risks arising from Amer Sports' operations are covered by taking out the appropriate insurance policies. In addition to worldwide insurance programs, local policies are used to supplement cover, for example, when there are special legislation-related needs.

The management of financial risks is centralized within the parent company's Group Treasury function. The guidelines for risk management are set out in the financing strategy, which is approved by the Board of Directors and encompasses the principles and risk limits connected with the balance sheet structure, relations with finance providers and other financing risks. In addition, corporate headquarters has a financing group that monitors implementation of the financing strategy. Amer Sports' treasury management agrees with the business areas and subsidiaries on application of financing principles. The management of financial risks is presented in greater detail on pages 85–86.

A large part of Amer Sports' production is outsourced. The business areas use a number of different suppliers, and strive to establish long-term cooperation with them. The aim is to minimize the supply, quality and price risks associated with purchasing. The business areas audit major and new suppliers before undertaking cooperation with them and continue to do so regularly thereafter.

The most important of Amer Sports' own production facilities are the Atomic factory in Austria, Precor's factory in the United States, the Suunto factory in Finland as well as Salomon's factory in France. In addition, Salomon has major factories in Romania that are owned by subcontractors and whose production equipment and inventories are owned by Salomon.

In addition, Amer Sports' most important distribution centers are located in Germany, Austria, the United States and France.

The main raw materials used in production are steel, various plastic products, carbon fiber, rubber, leather and various high-quality fabrics.

A characteristic feature of the sporting goods industry is the need to protect intellectual property rights and disputes connected with them. The material impacts on Amer Sports' financial position and operational result arising from the business areas' pending litigation and decisions of the authorities are assessed regularly and current estimates are presented publicly when necessary.

INSIDERS

Amer Sports' insider policy is based on the Guidelines for Insiders of the Helsinki Stock Exchange and the Securities Market Act, as amended on July 1, 2005.

The members of the Board of Directors, the President and CEO and the Vice President as well as the auditors are Amer Sports public insiders. Furthermore, members of management are also public insiders. They are presented on page 111.

Persons who are in charge of Amer Sports finances, results reporting and communications as well as senior management's secretaries and the principal users of the IT system are included in the company-specific register of insider holdings. Similarly, other persons who are responsible for key company operations and regularly receive insider information in the course of their duties are included in the company-specific register of insider holdings.

If a person has inside information, they may not issue commissions concerning the purchase, sale, etc. of Amer Sports securities or directly or indirectly advise another person in such transactions. An insider may not trade in Amer Sports securities during the 21 days that precede the publication of an interim or annual report.

Insider policy also includes provisions prohibiting the temporary trade of shares. Persons who are party to the preparation of a project or are aware of a confidential project which, when implemented, is likely to have a substantial impact on the value of the Amer Sports securities, are project-specific insiders. Similarly, any persons outside the company who in the course of their duties or otherwise acquire the aforementioned information are included in the project-specific register of insider holdings. Amer Sports defines on a case-by-case basis the projects under preparation that are subject to insider rules.

The Amer Sports Vice President of Legal Affairs acts as the insider compliance officer and is responsible for the due disclosure of information on insider matters. The Vice President of Legal Affairs also sees to the maintenance of the insider register. Amer Sports keeps its insider register within the SIRE system operated by Finnish Central Securities Depository Ltd.

Amer Sports insider policy is made available to employees in the corporate internet. The list of public insiders as well as their shareholdings in the company can be found on the Amer Sports website at www.amersports.com/investors.

INFORMATION AND COMMUNICATION

Amer Sports has information and communication channels that ensure that instructions and manuals are available to those who need access to them, and that information about news and updates is communicated within the Group.

SALARIES, BENEFITS AND INCENTIVES IN 2006

EUR	Salaries and compensation	Incentives	Total
Members of the Board of Directors *)**)			
Anssi Vanjoki	50,000		
Ilkka Brotherus	40,000		
Felix Björklund	30,000		
Tuomo Lähdesmäki	30,000		
Timo Maasilta	30,000		
President and CEO Roger Talermo **)	692,782	345,210	1,037,992
Other members of the Executive Board ***)	2,547,494	1,188,641	3,736,135

*) Members of the Board of Directors are not paid incentives.

**) The emoluments of Board members consist of a 40% component paid in Amer Sports' shares and 60% in cash. The President and CEO is not paid an emolument and fees for serving as member of the board.

***) Members of the Executive Board Roger Talermo, Pekka Paalanne and Kari Kauniskangas have an early retirement agreement.

SHAREHOLDING AND WARRANTS AT DECEMBER 31, 2006

Pcs	Members of the Board of Directors	President and CEO	Other management	Total
Shares	2,059,935	22,500	19,800	2,102,235
Warrants 2002	-	106,800	130,250	237,050
Warrants 2003	-	60,000	60,667	120,667
Warrants 2004	-	66,850	136,800	203,650
Warrants 2005	-	-	-	-

The shareholdings and warrants owned by the Board of Directors and the management at December 31, 2006 are presented on page 98. The terms of the warrant programs are presented in greater detail on pages 94–95.

From left to right: Timo Maasilta. Felix Björklund, Ilkka Brotherus, Anssi Vanjoki, Roger Talermo and Tuomo Lähdesmäki.

BOARD OF DIRECTORS

Chairman
Anssi Vanjoki, born 1956

- Board member since 2004. Chairman since 2006.
- Chairman of the Compensation Committee.
- Executive Vice President & General Manager, Multimedia, Nokia Corporation. Member of the Nokia Group Executive Board, Nokia Corporation. Board member of Koskisen Oy.
- Executive Vice President, Nokia Mobile Phones, 1998–2003. Senior Vice President, Nokia Mobile Phones, Europe and Africa, 1994–1998. Vice President, Sales, Nokia Mobile Phones, 1991–1994. Several positions at 3M Corporation, 1980–1991.
- Education: M.Sc. (Econ.).
- Shareholding: 5,286 Amer Sports shares.

Vice Chairman
Ilkka Brotherus, born 1951

- Board member since 2000. Vice Chairman since 2002.
- Chairman of the Nomination Committee and Member of the Audit Committee.
- Managing Director of Sinituote Oy.
- Chairman of the Board of Finndomo Group. Board member of Veho Group Oy Ab. Supervisory board member of Tapiola Mutual Pension Insurance Company.
- Deputy Managing Director of Hackman Group, 1988–1989. Managing Director of Hackman Housewares Oy, 1987–1988. Managing Director of Havi Oy, 1981–1986. Marketing and management positions with Mestarikustannus Oy, 1977–1980.
- Education: M.Sc. (Econ.).
- Shareholding: 2,003,230 Amer Sports shares.

Felix Björklund, born 1943

- Board member since 1999.
- Member of the Compensation Committee and the Nomination Committee.
- Nordic Capital, Industrial Advisor.
- Chairman of the Boards of Factorix Oy and Lamor Technics Oy. Board member of Marioff Corporation Oy, Oy Snellman Ab, Paloheimo Oy and Lamor Group Ltd.
- Managing Director of Oy Karl Fazer Ab, 1992–1998. Management positions with IBM Europe, 1989–1991. Managing Director of IBM Finland, 1978–1988. Sales and management positions with IBM Finland and Sweden, 1966–1977.
- Education: B.Sc. (Econ.).
- Shareholding: 36,923 Amer Sports shares.

Timo Maasilta, born 1954

- Board member since 1986.
- Member of the Audit Committee and the Nomination Committee.
- Managing Director and Chairman of the Board, The Land and Water Technology Foundation. Managing Director of Tukinvest Oy. Board member of Tukinvest Oy. Chairman of the Board of Tuen Kiinteistöt Oy.
- Specialist positions with Vesi-Pekka Oy in Libya and in Finland, 1980–1984. Water engineer with Helsinki Water District, 1979–1980.
- Education: M.Sc. (Eng.).
- Shareholding: 6,073 Amer Sports shares.

Tuomo Lähdesmäki, born 1957

- Board member since 2000.
- Chairman of the Audit Committee and Member of the Compensation Committee.
- Boardman Oy, Senior Partner.
- Chairman of the Boards of Aspocomp Group Oyj and Turku University Foundation. Board member of Citycon Oyj, Scanfil Oyj, Metsä Tissue Corporation and VTI Technologies Oy.
- Managing Director of Elcoteq Network Oyj, 1997–2001. Managing Director of Leiras Oy, 1991–1997. Management positions with Swatch Telecommunications, 1990–1991. Management and specialist positions with Nokia Corporation, 1983–1989.
- Education: M.Sc. (Eng.), MBA.
- Shareholding: 8,423 Amer Sports shares.

Roger Talermo, born 1955

- Board member since 1996.
- President & CEO, Amer Sports Corporation since 1996.
- President of the Finnish Olympic Committee since 2004.
- President & CEO of Atomic, 1995–1996. General Manager of Salomon North Europe, 1993–1995. CEO/Chairman of Taylor Made Golf Company Inc, 1991–1993. Commercial Director of Salomon S.A., 1988–1991.
- Education: M.Sc. (Econ.).
- Shareholding: 22,500 Amer Sports shares.
- 2002 warrants: 106,800; 2003 warrants: 60,000; 2004 warrants: 66,850

Shareholdings as of December 31, 2006

From left to right Juha Pinomaa, Pekka Paalanne, Paul Byrne, Michael Schineis, Roger Talermo, Max Alfthan, Jean-Luc Diard, Kari Kauniskangas and Chris Considine

AMER SPORTS EXECUTIVE BOARD

Roger Talermo, President and CEO

- Born 1955.
- Company employee since 1995.
- Chairman of Amer Sports Executive Board.
- Member of Amer Sports Board of Directors since 1996.
- President of the Finnish Olympic Committee since 2004.
- President & CEO of Atomic, 1995–1996. General Manager of Salomon North Europe, 1993–1995. CEO/Chairman of Taylor Made Golf Company Inc, 1991–1993. Commercial Director of Salomon S.A., 1988–1991.
- Education: M.Sc. (Econ.), Swedish School of Economics and Business Administration, Finland.
- Shares: 22,500
- 2002 warrants: 106,800; 2003 warrants: 60,000; 2004 warrants: 66,850.

Pekka Paalanne, Senior Vice President and CFO

- Born 1950.
- Company employee since 1997.
- Main responsibilities: deputy to the President & CEO, Finance, Treasury, Human Resources, Corporate Counsel, Investor Relations, Information Systems, Supply Chain Development.
- Senior Vice President, Corporate Control and Information Systems, Kone Corporation, 1991–1997. Several positions in Kone Corporation, 1979–1991.
- Education: B.sc. (Econ.), School of Economics and Business Administration, Finland.
- Shares: 12,300
- 2002 warrants: 32,600; 2003 warrants: 16,000; 2004 warrants: 26,000

Max Alfthan, Senior Vice President, Communications

- Born 1961.
- Company employee since 2001.
- Main responsibilities: internal and external communications, brand management.
- Board member of Tradeka Corporation.
- Managing Director and Partner, Lowe Brindfors & Partners, 1998–2001. Marketing Director, Sinebrychoff, 1994–1998. Marketing Manager, Sinebrychoff 1989–1994. Marketing Manager, Philip Morris, 1987–1989.
- Education: M.Sc. (Econ.), Swedish School of Economics and Business Administration, Finland.
- Shares: 1,200
- 2002 warrants: 8,000; 2003 warrants: 8,000; 2004 warrants:11,150

Kari Kauniskangas, Senior Vice President, Sales & Distribution

- Born 1962.
- Company employee since 1984.
- Main responsibilities: Amer Sports world-wide subsidiary and distribution network, customer relations.
- President/General Manager, Amer Sports Europe, 2000–2003. Interim General Manager, Amer Sports Europe, 1999–2000. Various positions, Wilson Sporting Goods, 1991–1999. Various positions in Amer Group Ltd, 1984–1991.
- Education: M.Sc (Econ), Finland.
- Shares: 1,650
- 2002 warrants: 15,000; 2003 warrants: 6,667; 2004 warrants: 22,300

BUSINESS SEGMENTS

Jean-Luc Diard, President of Salomon

- Born 1957.
- Company employee since 1982.
- Brand Director Salomon, Head of Softgoods and Head of new projects, Salomon Design Center USA, 1996–1998. Head of Salomon alpine boots, snowboard and inline skates, 1994–1997. Head of Salomon alpine boots, 1992–1993. Marketing Director Salomon Winter Sports, 1990–1992. Marketing Director Salomon Ski, 1985-1990. Marketing Manager Salomon Austria, 1983–1984.
- Education: Ecole Superieure de Commerce de Paris business school, France.
- Shares: 0
- Warrants: 0

Chris Considine, President of Wilson

- Born 1960.
- Company employee since 1982.
- President, Wilson Team Sports, 2003–2005. General Manager, Wilson Team Sports, 1994–2003. Director, Sales/Promotion Wilson Team Sports, 1991–1993. Various positions in Wilson Team Sports, 1982–1991.
- Education: Miami University (political science), USA.
- Shares: 0
- 2003 warrants: 10,000; 2004 warrants: 17,850

Paul Byrne, President of Precor

- Born 1951.
- Company employee since 1985.
- Vice President, Sales and Marketing, 1985–1999.
- Education: M.Sc., Syracuse University; BA with Honors, Colgate University, USA.
- Shares: 0
- 2002 warrants: 20,000; 2004 warrants: 17,850

Michael Schineis, President of Atomic

- Born 1958.
- Company employee since 1996.
- President of Atomic Austria GmbH since 1996.
- Member of the "Beirat für Wissenschaft und Forschung des Landes Salzburg". Member of the Board of Bulthaup GmbH & Co.KG.
- General Manager Germany of Salomon GmbH, 1993-1996. Member of management team of CONTOP (advertising agency), 1989-1993.
- Education: MBA Econ. PhD (Dr.rer.pol.), Germany.
- Shares: 0
- 2002 warrants: 33,400; 2003 warrants: 10,000; 2004 warrants: 17,850

Juha Pinomaa, President of Suunto

- Born 1961.
- Company employee since 2005.
- Vice President, Entry Business Line, Mobile Phones Business Group, Nokia, 2004–2005. Director, Product Marketing & Business Development, Mobile Entry Business Unit, Nokia, 2002–2003. Various positions in Nokia Mobile Phones 1988–2001.
- Education: MBA (Finance), Wharton Business School, University of Pennsylvania, USA. M.Sc. (Industrial Management), Helsinki University of Technology, Finland.
- Shares: 0
- Warrants: 0

OTHER EXECUTIVES AT AMER SPORTS HEADQUARTERS

Eero Alperi, Supply Chain Development

- Shares: 3,000
- Warrants: 2002: 14,000, 2003: 6,000, 2004: 5,950

Christel Berghäll, Human Resources

- Shares: 350
- Warrants: 2004: 5,950

Thomas Henkel, Information Technology

- Shares: 0
- Warrants: 0

Tommy Ilmoni, Investor Relations

- Shares: 1,000
- Warrants: 0

Kai Tihilä, Business Planning & Control

- Shares: 300
- Warrants: 2002: 7,250, 2003: 4,000, 2004: 5,950

Shareholdings as of December 31, 2006.

INFORMATION FOR INVESTORS

ANNUAL GENERAL MEETING

Date and time: Thursday, March 8, 2007 at 2:00 p.m.
Venue: Amer Sports Corporation Headquarters,
Mäkelänkatu 91, Helsinki.

Shareholders who have been entered in Amer Sports Corporation's shareholder register, administered by Finnish Central Securities Depository Ltd, no later than February 26, 2007, have the right to attend the Annual General Meeting. Instructions for submitting notice of attendance will be given in the convocation to the Annual General Meeting, which will be sent to shareholders, and on the company's website at www.amersports.com.

Shareholders can exercise their right to make decisions concerning the company at a properly-convened General Meeting by either being present themselves or through authorized representatives.

In addition to the matters specified as being the business of Annual General Meetings, as set forth in the Finnish Companies Act, a shareholder can submit a written request to the Amer Sports Board of Directors that a certain matter be dealt with at the General Meeting. The written request must be submitted to the Board of Directors early enough that the matter can be included in the Notice of Meeting. The Board of Directors must convene a General Meeting without delay to deliberate on a certain matter if requested by the auditor or a shareholder or shareholders owning at least 10% of all the company shares.

PAYMENT OF DIVIDEND

The Board of Directors proposes that a dividend of 0.50 euros per share be paid for 2006, representing a dividend ratio of 51%. A dividend of 0.50 euros per share was paid for 2005.

FINANCIAL REPORTS

Amer Sports publishes its annual and interim reports in both Finnish and English. The publications can be ordered from:

Amer Sports Corporation, Communications,
P.O. Box 130, FI-00601 Helsinki, Finland
Tel. +358 9 7257 8309
Fax +358 9 791 385
amer.communications@amersports.com

The annual and interim reports as well as stock exchange releases are available on the company's website at www.amersports.com.

PUBLICATION DATES FOR 2007

February 13	Financial results for 2006
March	Annual report
April 25	Interim report January–March
May 24–25	Capital Markets Days
August 9	Interim report January–June
October 24	Interim report January–September

SILENT PERIOD

Amer Sports observes a three-week silent period before releasing each set of financial results. During this time, the company's management does not discuss matters with market participants.

INVESTMENT ANALYSTS

The following companies, among others, published investment analyses and research on Amer Sports during 2006:

ABG Sundal Collier
ABN Amro
Carnegie
Danske Bank
Deutsche Bank
Evli Bank
eQ Bank
FIM Securities
Handelsbanken
Kaupthing Bank Oyj
Mandatum Securities
Merrill Lynch
Opstock Securities
SEB Enskilda
Standard & Poor's
Öhman

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www.suunto.com

The contact information for the Group's locations is kept up-to-date on the Amer Sports website at www.amersports.com. The contact information for importers can be found on the websites of the business areas. Contact information can also be requested by telephone +358 9 7257 8309, by fax +358 9 791 385, or by e-mail at amer.communications@amersports.com.

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