

## Results for first half of 2004/2005 - November 24, 2004

### Net attributable profit €3m

The Managing Board has examined the group's situation as at 30 September 2004 and approved the accounts at that date prior to transmitting them to the meeting of the Supervisory Board on 23 November.

€m	1st half 2004/5	1st half 2003/4	Change %	Full year 2003/4
<b>Consolidated sales</b>	<b>(1) 199.1</b>	<b>199.9</b>	<b>-0.4%</b>	<b>478.6</b>
Production stored/accounted as fixed asset	24.1	16.6		4.1
Total activity	223.2	216.5	+3.1%	482.7
Gross operating profit	18.9	21.9	-13.3%	50.4
Operating profit	9.5	14.5	-34.5%	24.5
Financial income	(3.4)	1.0		(7.7)
Exceptional items	0.1	0.2		(2.8)
Tax and goodwill amortisation	(2.0)	(4.7)		(4.5)
Consolidated net profit	4.2	11.0	-61.8%	9.3
<b>Net profit (Group share)</b>	<b>3.0</b>	<b>9.9</b>	<b>-69.6%</b>	<b>7.2</b>
Attributable earnings per share, €	0.24	0.8		0.58
(1) €206.3 m at constant exchange rates (+3.2%)				

Net profit for the first half shows a significant fall compared with 2003/2004, partly because of a tendency for customers to defer taking deliveries to the second half, accentuated this year by the change in the group's scope of consolidation in Japan (with the start-up of a distribution subsidiary), and partly because of the deterioration in exchange rates and the sharp downturn of the market in in-line skating.

### Sales and activity

Sales for the first six months amounted to €199.1m, down 0.4% at current exchange rates but up 3.2% on a constant exchange rate basis. Including the increase in the amount of production put into stock or accounted as a fixed asset, activity was up 3.1%.

In winter sports equipment, first half sales were down because of the postponement to the second half of some delivery requests and of a large part of the Japanese subsidiary's sales. The season has begun favourably in Europe and America, with early snow cover. The snowboard business remains difficult but the group is strengthening its position in the Alpine sector, particularly in France where the Rossignol and Dynastar brands continue to achieve steady growth. Note too that cross-country skiing is doing well and showing strong growth in basic stock orders, particularly in boots. The textile division is continuing its international development, once again confirming our expectation that it will achieve two-figure growth.

In golf, sales for the first ten months are already in excess of total 2003 sales. Order books are benefiting from the launch of new ranges of clubs, underpinned by the exceptionally good results achieved in competition.

In-line skating is disappointing in very tough market conditions in the main areas where it is practised (America, Asia and Europe). Sales for the year will be well down, rather than up as initially expected.

### The results

On the basis of activity of €223.2m, up €6.7m or 3.1%, gross operating profit came to €18.9m compared with €21.9m for the first half of 2003/2004, a fall of 13.3%. This was due in particular to the unfavourable exchange rates already mentioned at the start of the year.

With less favourable write-backs against provisions too, operating profit was down from €14.5m to €9.5m, a €5m fall. As a percentage of sales the operating margin was 4.8% compared with 7.2% for the first half of 2003/2004.

Financial income was mainly impacted by less favourable exchange differences than in the previous year. There was a negative balance of €3.4m after interest charges of €3.5m, compared with a positive balance of €1m a year ago after interest charges of €3.2m.

Exceptional items showed a positive balance of €0.1m, similar to last year's at the same stage.

Consolidated net profit came to €4.2m after a €1.9m provision for income tax. This compares with a net profit of €11m a year ago. Group share amounted to €3.0m compared with €9.9m at 30 September 2003.

### Comment on the results

The results for the first half of 2004/2005 reflect the negative effect of:

- deteriorating exchange parities, with an impact on the results in excess of €6m;
- the start-up of business in the Japanese subsidiary, which meant that sales were deferred to the second half and intra-group margins on the stocks held by the subsidiary at 30 September were cancelled. The total effect was to reduce first half profits by €4m;
- the deferral of a growing share of deliveries of winter sports equipment to the second half at the request of our customers, a trend that has become more marked than in previous seasons;
- the poor performance of in-line skating in a world market that is estimated to be down by some 40%.

Prospects for the group's main businesses are in line with those previously announced:

- sales by the golf business were up by 27.8% at 30 September on a constant exchange rate basis, underpinned by the historic successes of our competitors on the PGA tour, with a total of 17 victories including nine by Vijay Singh, who now ranks as No 1 in the world classification and tops the money list. We expect sales for the full year to be up by around 20% for the year as a whole;
- the consolidation of our position as leader in the market for winter sports equipment, with satisfactory order books in Europe and North America and with margins equivalent to or better than last year.
- continuing development in the textile business.

Because of the seasonal nature of our business, the company would like to remind you that the results for the six months to 30 September do not reflect the results expected for the full year.

Bearing this in mind, the group confirms its target of achieving 5% sales growth at constant exchange rates in the year to March 2005. However, the consolidated profit will be reduced by the persisting weakness of the dollar and the poor performance in in-line skating. These two factors alone are expected to reduce the group's profit-earning capacity by some €3m for the year.

#### Launch of the GOLD 100 plan

A broadly-based action plan baptised Gold 100 has been launched inside the group so as to ensure profitable and lasting growth over the next three years. The plan's targets are:

- profitable development of the golf and indoor/outdoor textile businesses,
- an improvement in operating profit,
- the strengthening of our position as leader in winter sports equipment,
- a reduction in the group's net borrowings.

The Executive Committee is responsible for coordinating this improvement plan, providing leadership to across-the-group working parties in all strategic areas.