

Amer Sports Corporation

 INTERIM REPORT  
 October 25, 2012 at 1:00 pm

## Amer Sports Corporation Interim Report January–September 2012

### JULY–SEPTEMBER 2012

- Net sales totaled EUR 601.9 million (July–September 2011: EUR 559.2 million). In local currencies, net sales increased by 2%. Strong growth in Apparel (+27%), Sports Instruments (+24%) and Fitness (+10%) was offset by a decline in Winter Sports Equipment (-15%).
- Gross margin was 45.3% (45.3%).
- EBIT was EUR 80.8 million (74.4).
- Earnings per share were EUR 0.47 (0.45).
- Net cash flow after investing activities improved EUR 12.3 million and was EUR -78.1 million (-90.4).
- Amer Sports is starting a restructuring program in order to sustain growth and to drive further scale and synergies. The program is estimated to deliver an annual cost saving of EUR 20 million once fully executed by the end of 2014 (please see page 9).
- Outlook for 2012 is unchanged.

### JANUARY–SEPTEMBER 2012

- Net sales were EUR 1,445.5 million (January–September 2011: EUR 1,323.9 million). In local currencies, net sales increased by 4%.
- Gross margin rose to 44.4% (43.9%).
- EBIT was EUR 90.0 million (89.2).
- Earnings per share were EUR 0.43 (0.46).
- Net cash flow after investing activities was EUR -24.9 million (-70.4).
- Gearing was 70% (55%). The increase was due to the redemption of the hybrid bond in March (impact 12 percentage points).

### OUTLOOK FOR 2012

In 2012, Amer Sports' net sales in local currencies are expected to increase from 2011 in line with the company's annual 5% growth target. Amer Sports 2012 EBIT excluding non-recurring items is expected to be approximately at the level of 2011.

The outlook is based on an unchanged view on Winter Sports Equipment, Apparel and Footwear, and ongoing improvement in Sports Instruments and Fitness.

### KEY FIGURES

EUR million	7–9/ 2012	7–9/ 2011	Ch %	Ch %*)	1–9/ 2012	1–9/ 2011	Ch %	Ch %*)	2011
Net sales	601.9	559.2	8	2	1,445.5	1,323.9	9	4	1,880.8
Gross profit	272.9	253.4	8	2	641.7	581.5	10	5	817.4
Gross profit %	45.3	45.3			44.4	43.9			43.5
EBIT	80.8	74.4	9	2	90.0	89.2	1	-7	135.5
EBIT %	13.4	13.3			6.2	6.7			7.2
Financing income and expenses	-6.2	-5.3			-20.4	-14.4			-20.5
Earnings before taxes	74.6	69.1			69.6	74.8			115.0
Net result	55.9	55.3			52.2	59.8			90.9
Earnings per share, EUR	0.47	0.45			0.43	0.46			0.71
Net cash flow after investing activities	-78.1	-90.4			-24.9	-70.4			-21.4
Equity ratio, % at period end					39.7	44.0			45.6
Gearing, % at period end					70	55			47

Personnel at period end	7,280	7,107	2	7,061
Average rates used, EUR/USD	1.28	1.41		1.39
*) Change in local currencies				

**HEIKKI TAKALA, PRESIDENT AND CEO:**

"Our Q3 sales were driven by strong on-going momentum in Apparel (27% growth), as well as continuous improvement in Suunto (+24%), Fitness (10%), Tennis (+8%) and Cycling (+7%). As expected, Winter Sports Equipment declined in line with the previously communicated low pre-orders, despite our strengthened market position.

The external trading environment is admittedly quite challenging, but we have successfully continued to execute our strategic programs with extra focus on working capital management and especially the health of our inventories. We have also continued to invest into the long-term strategic programs, like expansion in China and Russia, own retail and softgoods. Now the majority of the new capabilities are starting to be in place. In order to sustain the growth, and to drive further scale and synergies, we're also starting a group-wide restructuring program.

I'm overall pleased by our progress, especially as we have been able to largely mitigate the Winter Sports Equipment decline and the challenging trading environment. We are progressing well in our strategic glidepath, and we continue executing with confidence."

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**TELEPHONE CONFERENCE**

An English-language conference call for investors and analysts will be held today at 3:00 pm Finnish time. To participate in the call, please dial +44 (0)20 3450 9987 (UK/international dial-in number). The conference can also be followed at [www.amersports.com](http://www.amersports.com). A recorded version and a transcript will be available later at the same web address. The replay number of the call is +44 (0)20 3427 0598, and the access code 6426572.

## INTERIM REPORT

### NET SALES AND EBIT JULY–SEPTEMBER 2012

Amer Sports' net sales in July–September 2012 were EUR 601.9 million (July–September 2011: 559.2). Net sales increased by 2% in local currencies.

#### Net sales by business segment

EUR million	7–9/ 2012	7–9/ 2011	Change %	Change %*)	% of sales 7–9/2012	% of sales 7–9/2011	2011
Winter and Outdoor	411.0	395.7	4	-1	68	71	1,137.6
Ball Sports	121.9	106.7	14	4	20	19	511.0
Fitness	69.0	56.8	21	10	12	10	232.2
Total	601.9	559.2	8	2	100	100	1,880.8

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	7–9/ 2012	7–9/ 2011	Change %	Change %*)	% of sales 7–9/2012	% of sales 7–9/2011	2011
EMEA	297.6	300.0	-1	-2	50	54	917.6
Americas	236.2	203.8	16	4	39	36	742.1
Asia Pacific	68.1	55.4	23	12	11	10	221.1
Total	601.9	559.2	8	2	100	100	1,880.8

\*) In local currencies

Gross margin was 45.3% (45.3).

Group EBIT was EUR 80.8 million (74.4). Increased sales volumes contributed approximately EUR 5 million to EBIT. Operating expenses increased by approximately EUR 7 million, which was offset by foreign exchange gains.

#### EBIT by business segment

EUR million	7–9/ 2012	7–9/ 2011	2011
Winter and Outdoor	86.8	79.3	118.5
Ball Sports	-2.6	-1.1	25.0
Fitness	4.2	2.8	10.3
Headquarters*)	-7.6	-6.6	-18.3
Total	80.8	74.4	135.5

\*) Headquarters segment consists of Group administration, shared services functions, other non-operational income and expenses and fair valuation of share-based compensations. In the third quarter of 2012, segment operating loss increased by EUR 1.0 million due to increased operational expenses and change in fair valuation of share-based compensations and other adjustments.

Net financial expenses were EUR 6.3 million (5.3) including net interest expenses of EUR 6.3 million (4.6). Net foreign exchange losses were EUR 0.5 million (0.6). Earnings before taxes totaled EUR 74.6 million (69.1) and taxes were EUR 18.7 million (13.8). Earnings per share were EUR 0.47 (0.45).

### NET SALES AND EBIT JANUARY–SEPTEMBER 2012

Amer Sports' net sales in January–September 2012 were EUR 1,445.5 million (January–September 2011: EUR 1,323.9 million). Comparable net sales increased by 4% in local currencies.

#### Net sales by business segment

EUR million	1–9/ 2012	1–9/ 2011	Change %	Change %*)	% of sales 1–9/2012	% of sales 1–9/2011	2011
Winter and Outdoor	818.4	762.6	7	4	57	58	1,137.6
Ball Sports	442.0	402.0	10	3	30	30	511.0
Fitness	185.1	159.3	16	7	13	12	232.2
Total	1,445.5	1,323.9	9	4	100	100	1,880.8

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	1–9/ 2012	1–9/ 2011	Change %	Change %*)	% of sales 1–9/2012	% of sales 1–9/2011	2011
EMEA	657.4	643.8	2	1	46	49	917.6
Americas	609.3	536.7	14	4	42	40	742.1
Asia Pacific	178.8	143.4	25	15	12	11	221.1
Total	1,445.5	1,323.9	9	4	100	100	1,880.8

\*) In local currencies

Gross margin was 44.4% (43.9).

Group EBIT was EUR 90.0 million (89.2). In local currencies, increased sales volumes contributed approximately EUR 23 million to EBIT, while higher gross margins contributed approximately EUR 8 million. Operating expenses increased by approximately EUR 39 million, driven by continuous investments into future growth with focus on softgoods, sales coverage, emerging markets, and own retail. Other income and expenses and currencies impacted positively by approximately EUR 9 million on EBIT.

#### EBIT by business segment

EUR million	1–9/ 2012	1–9/ 2011	2011
Winter and Outdoor	72.1	73.5	118.5
Ball Sports	27.0	25.7	25.0
Fitness	9.1	5.8	10.3
Headquarters*)	-18.2	-15.8	-18.3
Total	90.0	89.2	135.5

\*) Headquarters segment consists of Group administration, shared services functions, other non-operational income and expenses and fair valuation of share-based compensations. In January–September 2012, segment operating loss increased by EUR 2.4 million due to increased operational expenses and change in fair valuation of share-based compensations and other adjustments.

Net financial expenses totaled EUR 20.4 million (14.4) including net interest expenses of EUR 18.5 million (13.8). Net foreign exchange losses totaled EUR 0.3 million (0.5). Earnings before taxes totaled EUR 69.6 million (74.8) and taxes were EUR 17.4 million (15.0). Earnings per share were EUR 0.43 (0.46).

#### CASH FLOW AND FINANCING

Net cash flow after investing activities (free cash flow) in January–September was EUR -24.9 million (-70.4). Working capital in total increased by EUR 79.9 million (132.1). Inventories increased by EUR 40.9 million (86.2) and receivables by EUR 19.4 million (51.9) and payables decreased by EUR 19.6 million (increase 6.0).

At the end of September, net debt amounted to EUR 539.3 million (December 31, 2011: 391.6). The increase was due to redemption of a hybrid bond of EUR 60.0 million and its interests of EUR 7.2 million, dividends of EUR 38.9 (36.4) million and foreign exchange derivatives used in hedging. The hybrid bond was issued on March 12, 2009 and redeemed on March 12, 2012.

Interest-bearing liabilities amounted to EUR 660.8 million (December 31, 2011: 470.4) consisting of short-term debt of EUR 246.0 million and long-term debt of EUR 414.8 million. The average interest rate on the Group's interest-bearing liabilities was 3.4% (December 31, 2011: 3.6).

Short-term debt consists mainly of repayments of long-term loans of EUR 12.4 million (December 31, 2011: 23.4) and commercial papers of EUR 229.1 (194.2). The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 121.5 million (December 31, 2011: 78.8).

In 2011, Amer Sports signed a syndicated loan that consists of a EUR 200 million revolving credit facility. In June 2012, Amer Sports signed a 5-year EUR 40 million committed revolving credit facility with Pohjola Bank. Amer Sports had not used any of the revolving credit facility or the EUR 40 million committed revolving credit facility of Pohjola Bank at the end of the review period. The credit facilities will be used for general corporate purposes.

In March 2012, Amer Sports issued two euro denominated bonds. The amount of EUR 150 million was launched and placed on the following terms: EUR 50 million floating rate notes due March 6, 2014; and EUR 100 million fixed 4.125% notes due March 15, 2016. The bonds were listed on the NASDAQ OMX Helsinki Ltd on July 27, 2012. In April 2012, Amer Sports signed a 3-year EUR 20 million term loan with Unicredit Bank Austria AG. The proceeds of the bonds and term loan have been used for repayment of debt and general corporate purposes.

The equity ratio at the end of September was 39.7% (December 31, 2011: 45.6) and gearing was 70% (December 31, 2011: 47).

#### **CAPITAL EXPENDITURE AND INVESTMENTS**

The Group's capital expenditure totaled EUR 30.4 million (28.9). Depreciation totaled EUR 30.1 million (26.0). The whole year capital expenditure is expected to be approximately EUR 50 million (51.4).

## BUSINESS SEGMENT REVIEWS

### WINTER AND OUTDOOR

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
Net sales									
Winter Sports Equipment	163.7	185.4	-12	-15	221.8	243.4	-9	-12	448.4
Footwear	92.9	90.7	2	0	253.7	236.7	7	5	287.7
Apparel	95.0	69.5	37	27	171.6	125.8	36	29	191.6
Cycling	31.3	28.7	9	7	97.2	91.0	7	5	120.5
Sports Instruments	28.1	21.4	31	24	74.1	65.7	13	16**	89.4
Net sales, total	411.0	395.7	4	-1	818.4	762.6	7	4	1,137.6
EBIT	86.8	79.3	9		72.1	73.5	-2		118.5
Personnel at period end					4,765	4,663	2		4,590

\*) Change in local currencies

\*\*\*) Underlying growth excluding the businesses divested in 2011

In July–September, Winter and Outdoor's net sales were EUR 411.0 million (395.7), and were at last year's level in local currencies.

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
EMEA	252.3	260.2	-3	-4	508.6	509.4	0	-1	751.3
Americas	118.5	101.6	17	4	210.5	175.5	20	10	253.4
Asia Pacific	40.2	33.9	19	10	99.3	77.7	28	18	132.9
Total	411.0	395.7	4	-1	818.4	762.6	7	4	1,137.6

\*) Change in local currencies

In July–September, EBIT was EUR 86.8 million (79.3). Higher gross margins contributed approximately EUR 6 million to the EBIT growth. Operating expenses increased by approximately EUR 8 million, which was offset by foreign exchange gains.

#### Winter Sports Equipment

In July–September, Winter Sports Equipment's net sales were EUR 163.7 million (185.4), a decrease of 15% in local currencies due to lower pre-orders (down by 13%) and later deliveries compared to 2011.

#### Footwear

In July–September, Footwear's net sales were EUR 92.9 million (90.7), and were at last year's level in local currencies due to customer de-stocking in Europe, which represents 75% of Footwear's annual net sales (2011). Sales in Russia, Americas and Asia Pacific continued to increase.

#### Apparel

In July–September, Apparel's net sales were EUR 95.0 million (69.5), an increase of 27% in local currencies. Growth came from both main brands, Salomon and Arc'teryx. The third quarter is traditionally the Apparel business' biggest quarter of the year.

#### Cycling

In July–September, Cycling's net sales were EUR 31.3 million (28.7), an increase of 7% in local currencies. Especially Rider Equipment continued to grow (helmets, apparel and footwear).

#### Sports Instruments

In July–September, Sports Instruments' net sales were EUR 28.1 million (21.4), an increase of 24% in local currencies. The growth was supported by strengthened distribution together with strong sales of the Suunto GPS watch, which was launched during the first quarter 2012.

## BALL SPORTS

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
Net sales									
Individual Ball Sports	72.1	61.6	17	8	257.0	231.1	11	5	283.0
Team Sports	49.8	45.1	10	-1	185.0	170.9	8	0	228.0
Net sales, total	121.9	106.7	14	4	442.0	402.0	10	3	511.0
EBIT	-2.6	-1.1			27.0	25.7	5		25.0
Personnel at period end					1,593	1,620	-2		1,631

\*) Change in local currencies

In July–September, Ball Sports' net sales were EUR 121.9 million (106.7), an increase of 4% in local currencies. Growth was achieved throughout the Ball Sports business with the exception of baseball bats, which decreased as trade was de-stocking their inventories.

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
EMEA	23.9	23.9	0	-3	99.5	96.2	3	2	113.4
Americas	77.8	67.7	15	3	280.4	255.9	10	1	331.0
Asia Pacific	20.2	15.1	34	20	62.1	49.9	24	14	66.6
Total	121.9	106.7	14	4	442.0	402.0	10	3	511.0

\*) Change in local currencies

In July–September, EBIT was EUR -2.6 million (-1.1). The decrease in EBIT was driven by a decline in margins in baseball.

### Individual Ball Sports

In July–September, Individual Ball Sports' net sales were EUR 72.1 million (61.6), an increase of 8% in local currencies. Sales of both Racquet Sports and Golf grew. From a regional perspective, Individual Ball Sports grew in Asia Pacific and the Americas but declined slightly in EMEA.

### Team Sports

In July–September, Team Sports' net sales were EUR 49.8 million (45.1), and were at last year's level in local currencies.

## FITNESS

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
Net sales	69.0	56.8	21	10	185.1	159.3	16	7	232.2
EBIT	4.2	2.8	50		9.1	5.8	57		10.3
Personnel at period end					796	750	6		749

\*) Change in local currencies

In July–September, Fitness' net sales were EUR 69.0 million (56.8), an increase of 10% in local currencies. Geographically, sales were up especially in EMEA due to investments into sales and distribution.

The commercial business (clubs and institutions) was up by 9% in local currencies. Consumer business (home use) was up by 28%.

EUR million	7-9/ 2012	7-9/ 2011	Ch %	Ch %*)	1-9/ 2012	1-9/ 2011	Ch %	Ch %*)	2011
EMEA	21.4	15.9	35	28	49.3	38.2	29	24	52.9
Americas	39.9	34.5	16	3	118.4	105.3	12	3	157.7
Asia Pacific	7.7	6.4	20	6	17.4	15.8	10	-1	21.6
Total	69.0	56.8	21	10	185.1	159.3	16	7	232.2

\*) Change in local currencies

In July–September, EBIT was EUR 4.2 million (2.8). The increase was driven by higher sales volumes.

### PERSONNEL

At the end of September, the number of Group employees was 7,280 (December 31, 2011: 7,061). The increase came mainly from personnel working in sales and distribution. The increase in Headquarters and shared services was due to establishing a shared financial service center in the EMEA region, which will bring scale and synergy benefits.

	September 30, 2012	September 30, 2011	December 31, 2011
Winter and Outdoor	4,765	4,663	4,590
Ball Sports	1,593	1,620	1,631
Fitness	796	750	749
Headquarters and shared services	126	74	91
Total	7,280	7,107	7,061

	September 30, 2012	September 30, 2011	December 31, 2011
EMEA	4,269	4,258	4,185
Americas	2,339	2,289	2,312
Asia Pacific	672	560	564
Total	7,280	7,107	7,061

### SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on September 30, 2012 and the number of shares was 118,517,285.

#### Authorizations

The Annual General Meeting held on March 8, 2012 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the company's own shares ("Repurchase Authorization"). The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on the Nasdaq OMX Helsinki at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of the Nasdaq OMX Helsinki and Euroclear Finland Ltd. The Repurchase Authorization is valid 18 months from the decision of the Annual General Meeting.

Amer Sports Board of Directors decided on January 31, 2012 to utilize the authorization given by the Annual General Meeting held on March 10, 2011 to cancel a total of 3,000,000 own shares held by the company, which equates to approximately 2.5% of the registered number of shares. The cancellation did not affect the company's share capital.

Based on the Board of Directors' decision, a total of 280,029 Amer Sports shares were transferred on March 8, 2012 to the personnel involved in the company's Performance Share Plan 2010 and the Restricted Stock Plan 2010. The shares were transferred from the shares owned by Amer Sports Corporation.



At the end of September, Amer Sports held a total of 738,505 shares of Amer Sports Corporation. The number of own shares corresponds to 0.62% (0.83) of all Amer Sports shares. A total of 6,409 shares granted as share-based incentives were returned to Amer Sports in July–September in accordance with the terms of the incentive plan as employment ended.

#### **Trading in shares**

In January–September, a total of 52.8 million (57.4) Amer Sports shares with a value totaling EUR 513.5 million (570.7) were traded on the NASDAQ OMX Helsinki Ltd in the review period. The average daily volume in January–September 2012 was 279,145 shares (301,976).

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange on September 30, 2012 was EUR 10.12 (9.49). Shares registered a high of EUR 11.00 (11.97) and a low of EUR 8.39 (7.52) during the review period. The average share price was EUR 9.73 (9.95). On September 30, 2012, the company had a market capitalization of EUR 1,191.9 million (1,122.0), excluding own shares.

Amer Sports Corporation had 15,734 registered shareholders (15,911) at the end of September 2012. Outside Finland, ownership and nominee registrations represented 41.7% (49.3%) of the company's shares.

#### **DECISIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Documentation and press releases relating to the resolutions approved by the Amer Sports Corporation Annual General Meeting held on March 8, 2012 are available on the company's website at [www.amersports.com/investors](http://www.amersports.com/investors).

#### **GROUP-WIDE RESTRUCTURING PROGRAM TO BE STARTED**

Amer Sports is starting a restructuring program to drive further scale and synergies and cost efficiencies, as well as to sustain growth through resource allocation especially into softgoods and expansion markets and channels. The program is estimated to deliver an annual cost saving of EUR 20 million once fully executed by the end of 2014. The program contributes to reaching the Group's long term profitability target of 10% EBIT.

The restructuring program is Group-wide, and focused on the following key areas:

- Driving further scale and synergies and decreasing complexity and duplication in all business areas, regions, functions, sites and platforms
- Further reducing weather dependency in Winter Sports Equipment through reduction of fixed operating costs, following the operational model restructuring program started in 2010, which is now completed
- Resource allocation to support growth in softgoods as well as expansion markets and channels.

Further details on the restructuring program and the non-recurring expenses related to the program will be announced in connection with the fourth-quarter results announcement.

#### **SIGNIFICANT RISKS AND UNCERTAINTIES**

Amer Sports' business is balanced by its broad portfolio of sports and brands, as well as its presence in all major markets. Short-term risks for Amer Sports are particularly associated with the late and mild winter in season 2011/12 and its impact on Winter Sports Equipment, with consumer demand development in North America, Europe and Japan, with labor and raw material price inflation, especially in China, and with Amer Sports' ability to manufacture, source and deliver products on a timely basis.

Further information on the company's business risks and uncertainty factors is available on the company's web site at [www.amersports.com/investors](http://www.amersports.com/investors).

**OUTLOOK FOR 2012**

In 2012, Amer Sports' net sales in local currencies are expected to increase from 2011 in line with the company's annual 5% growth target. Amer Sports 2012 EBIT excluding non-recurring items is expected to be approximately at the level of 2011.

The outlook is based on an unchanged view on Winter Sports Equipment, Apparel and Footwear, and ongoing improvement in Sports Instruments and Fitness.

**Outlook given in the interim report on August 2, 2012**

In 2012, Amer Sports' net sales in local currencies are expected to increase from 2011 in line with the company's annual 5% growth target.

For the full year, Apparel net sales growth is estimated to be over 20%. In Footwear, sales growth is estimated to be approximately 5% due to retailers' inventory reduction. In Apparel and Footwear, the company no longer provides semi-annual pre-order figures as Amer Sports considers that these are not a reliable indicator of the future growth. In Winter Sports Equipment, Amer Sports has gained market shares and strengthened its market position but pre-orders for the season 2012/13 are down by 13% due to the late and mild winter in the previous season.

Amer Sports is continuously driving synergies and scale and continues to invest into future growth with focus on softgoods, sales coverage, emerging markets, and own retail. These investments support Amer Sports' sales and gross margin improvement but require up-front operational expenses. Amer Sports 2012 EBIT excluding non-recurring items is expected to be approximately at the level of 2011 despite the uncertainty in the winter sports market and the ongoing investments into the future growth.

## TABLES

The notes are an integral part of consolidated interim financial information.

Unaudited  
EUR million

### CONSOLIDATED RESULTS

	7-9/ 2012	7-9/ 2011	Change %	1-9/ 2012	1-9/ 2011	Change %	2011
<b>NET SALES</b>	601.9	559.2	8	1,445.5	1,323.9	9	1,880.8
Cost of goods sold	-329.0	-305.8		-803.8	-742.4		-1,063.4
<b>GROSS PROFIT</b>	272.9	253.4	8	641.7	581.5	10	817.4
License income	1.6	2.0		5.5	6.4		8.7
Other operating income	1.6	1.4		4.7	2.8		5.4
R&D expenses	-17.7	-14.4		-51.5	-43.6		-64.2
Selling and marketing expenses	-130.1	-117.5		-380.7	-337.6		-475.9
Administrative and other expenses	-47.5	-50.5		-129.7	-120.3		-155.9
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	80.8	74.4	9	90.0	89.2	1	135.5
% of net sales	13.4	13.3		6.2	6.7		7.2
Financing income and expenses	-6.2	-5.3		-20.4	-14.4		-20.5
<b>EARNINGS BEFORE TAXES</b>	74.6	69.1		69.6	74.8		115.0
Taxes	-18.7	-13.8		-17.4	-15.0		-24.1
<b>NET RESULT</b>	55.9	55.3		52.2	59.8		90.9

Attributable to:

Equity holders of the parent company	55.9	55.2		52.2	59.7		90.8
Non-controlling interests	-	0.1		-	0.1		0.1

Earnings per share, EUR	0.47	0.45		0.43	0.46		0.71
Earnings per share, diluted, EUR	0.47	0.45		0.43	0.46		0.71

Adjusted average number of shares in issue less own shares, million				117.7	120.5		119.9
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Adjusted average number of shares in issue less own shares, diluted, million				118.1	120.9		120.1
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Equity per share, EUR				6.50	6.64		7.03
ROCE, % *)				12.2	13.7		13.2
ROE, %				8.7	10.1		11.2

Average rates used: EUR 1.00 = USD	1.2478	1.4144		1.2809	1.4068		1.3926
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\*) 12 months' rolling average

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	2011
Net result	55.9	55.3	52.2	59.8	90.9
<b>Other comprehensive income</b>					
Translation differences	-7.7	21.2	1.0	-4.8	7.7
Cash flow hedges	-11.4	17.3	-15.4	10.6	17.3
Income tax related to cash flow hedges	3.0	-4.5	4.0	-2.8	-4.5
Other comprehensive income, net of tax	-16.1	34.0	-10.4	3.0	20.5
Total comprehensive income	39.8	89.3	41.8	62.8	111.4

**Total comprehensive income attributable to:**

Equity holders of the parent company	39.8	89.2	41.8	62.7	111.3
Non-controlling interests	-	0.1	-	0.1	0.1

**NET SALES BY BUSINESS SEGMENT**

	7-9/ 2012	7-9/ 2011	Change %	1-9/ 2012	1-9/ 2011	Change %	2011
Winter and Outdoor	411.0	395.7	4	818.4	762.6	7	1,137.6
Ball Sports	121.9	106.7	14	442.0	402.0	10	511.0
Fitness	69.0	56.8	21	185.1	159.3	16	232.2
Total	601.9	559.2	8	1,445.5	1,323.9	9	1,880.8

**GEOGRAPHIC BREAKDOWN OF NET SALES**

	7-9/ 2012	7-9/ 2011	Change %	1-9/ 2012	1-9/ 2011	Change %	2011
EMEA	297.6	300.0	-1	657.4	643.8	2	917.6
Americas	236.2	203.8	16	609.3	536.7	14	742.1
Asia Pacific	68.1	55.4	23	178.8	143.4	25	221.1
Total	601.9	559.2	8	1,445.5	1,323.9	9	1,880.8

**EBIT BY BUSINESS SEGMENT**

	7-9/ 2012	7-9/ 2011	Change %	1-9/ 2012	1-9/ 2011	Change %	2011
Winter and Outdoor	86.8	79.3	9	72.1	73.5	-2	118.5
Ball Sports	-2.6	-1.1		27.0	25.7	5	25.0
Fitness	4.2	2.8	50	9.1	5.8	57	10.3
Headquarters	-7.6	-6.6		-18.2	-15.8		-18.3
Total	80.8	74.4	9	90.0	89.2	1	135.5

**CONSOLIDATED CASH FLOW STATEMENT**

Note	7-9/ 2012	7-9/ 2011	1-9/ 2012	1-9/ 2011	2011
Earnings before interest and taxes	80.8	74.4	90.0	89.2	135.5
Adjustments to cash flow from operating activities and depreciation	13.5	8.4	29.8	26.9	37.9
Change in working capital	-162.3	-154.6	-79.9	-132.1	-97.6
Cash flow from operating activities before financing items and taxes	-68.0	-71.8	39.9	-16.0	75.8
Interest paid and received	-2.6	-1.2	-17.6	-13.3	-20.5
Income taxes paid and received	-9.5	-7.7	-25.3	-18.0	-24.7
Net cash flow from operating activities	-80.1	-80.7	-3.0	-47.3	30.6
Acquired operations	-	-	-	-	-6.5
Sold operations	-	-	1.1	5.3	5.3
Acquired non-controlling interests	-	-	-3.7	-	-
Capital expenditure on non-current tangible and intangible assets	-8.7	-9.9	-30.4	-28.9	-51.4
Proceeds from sale of tangible non-current assets	10.7	0.2	11.1	0.5	0.6
Net cash flow from investing activities	2.0	-9.7	-21.9	-23.1	-52.0
Net cash flow after investing activities (free cash flow)	-78.1	-90.4	-24.9	-70.4	-21.4
Repurchase of own shares	-	-18.0	-	-27.2	-36.7
Hybrid bond	4	-	-67.2	-7.2	-7.2
Dividends paid	5	-	-38.9	-36.4	-36.4
Change in debt and other financing items	-17.1	137.3	173.4	132.3	94.9
Net cash flow from financing activities	-17.1	119.3	67.3	61.5	14.6
Cash and cash equivalents on July 1/January 1	216.7	46.0	78.8	84.7	84.7
Translation differences	-	0.7	0.3	-0.2	0.9
Change in cash and cash equivalents	-95.2	28.9	42.4	-8.9	-6.8
Cash and cash equivalents on September 30/December 31	121.5	75.6	121.5	75.6	78.8

**CONSOLIDATED BALANCE SHEET**

Note	September 30, 2012	September 30, 2011	December 31, 2011	
<b>Assets</b>				
Goodwill	292.8	285.0	295.7	
Other intangible non-current assets	210.2	205.7	214.5	
Tangible non-current assets	155.7	146.3	157.8	
Other non-current assets	100.4	98.8	99.6	
Inventories and work in progress	403.5	384.6	359.7	
Receivables	645.3	590.5	611.9	
Cash and cash equivalents	121.5	75.6	78.8	
Total assets	2	1,929.4	1,786.5	1,818.0
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	765.6	786.1	829.4	

Long-term interest-bearing liabilities	414.8	330.0	251.4
Other long-term liabilities	23.5	20.4	22.7
Current interest-bearing liabilities	246.0	174.7	219.0
Other current liabilities	450.0	446.5	463.1
Provisions	29.5	28.8	32.4
<b>Total shareholders' equity and liabilities</b>	<b>1,929.4</b>	<b>1,786.5</b>	<b>1,818.0</b>
Equity ratio, %	39.7	44.0	45.6
Gearing, %	70	55	47
EUR 1.00 = USD	1.2930	1.3503	1.2939

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital	Pre-mi-um fund	Fund for own shares	Trans-lation diffe-rences	Fair value and other reserves	Invested unre-stricted equity reserve	Hybrid bond	Retain-ed earnings	Total
Balance at Jan. 1, 2011		292.2	12.1	-5.6	-34.3	-5.6	151.5	60.0	317.3	787.6
Other comprehensive income:										
Translation differences					-4.8					-4.8
Cash flow hedges						10.6				10.6
Income tax related to cash flow hedges						-2.8				-2.8
Net result									59.7	59.7
Total comprehensive income					-4.8	7.8			59.7	62.7
Transactions with owners:										
Repurchase of own shares				-29.7						-29.7
Share-based incentive programs				5.4					1.0	6.4
Interest on hybrid bond									-7.2	-7.2
Dividend distribution	5								-36.3	-36.3
Balance at Sep. 30,		292.2	12.1	-29.9	-39.1	2.2	151.5	60.0	334.5	783.5

2011										
Balance at Jan. 1, 2012		292.2	12.1	-36.9	-26.6	7.2	151.5	60.0	367.3	826.8
Other comprehensive income:										
Translation differences					1.0					1.0
Cash flow hedges						-15.4				-15.4
Income tax related to cash flow hedges						4.0				4.0
Net result									52.2	52.2
Total comprehensive income					1.0	-11.4			52.2	41.8
Transactions with owners:										
Cancellation of own shares				27.2					-27.2	0.0
Share-based incentive programs				2.6			2.9		-2.4	3.1
Hybrid bond	4							-60.0	-7.2	-67.2
Dividend distribution	5								-38.9	-38.9
Balance at Sep. 30, 2012		292.2	12.1	-7.1	-25.6	-4.2	154.4	-	343.8	765.6

	Note	Non-controlling interests	Total shareholders' equity
Balance at Jan. 1, 2011		2.6	790.2
Other comprehensive income:			
Translation differences			-4.8
Cash flow			10.6

hedges			
Income tax related to cash flow hedges			-2.8
Net result	0.1		59.8
Total comprehensive income	0.1		62.8
Transactions with owners:			
Repurchase of own shares			-29.7
Share-based incentive programs			6.4
Interest on hybrid bond			-7.2
Dividend distribution	5	-0.1	-36.4
<hr/>			
Balance at Sep.30, 2011	2.6		786.1
Balance at Jan. 1, 2012	2.6		829.4
Other comprehensive income:			
Translation differences			1.0
Cash flow hedges			-15.4
Income tax related to cash flow hedges			4.0
Net result			52.2
Total comprehensive income			41.8
Transactions with owners:			
Share-based incentive programs			3.1



Hybrid bond	4	-67.2
Dividend distribution	5	-38.9
Other change		-2.6
		-2.6
Balance at Sep. 30, 2012	-	765.6

**QUARTERLY BREAKDOWN OF NET SALES AND EBIT**

	Q3/ 2012	Q2/ 2012	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011	Q4/ 2010
<b>NET SALES</b>								
Winter and Outdoor	411.0	150.9	256.5	375.0	395.7	133.4	233.5	416.5
Ball Sports	121.9	146.5	173.6	109.0	106.7	136.3	159.0	107.3
Fitness	69.0	56.4	59.7	72.9	56.8	45.9	56.6	59.6
Total	601.9	353.8	489.8	556.9	559.2	315.6	449.1	583.4

	Q3/ 2012	Q2/ 2012	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011	Q4/ 2010
<b>EBIT</b>								
Winter and Outdoor	86.8	-25.4	10.7	45.0	79.3	-15.1	9.3	51.2
Ball Sports	-2.6	9.7	19.9	-0.7	-1.1	9.1	17.7	-5.4
Fitness	4.2	1.0	3.9	4.5	2.8	-0.3	3.3	2.0
Headquarters	-7.6	-5.1	-5.5	-2.5	-6.6	-4.6	-4.6	0.6
Total	80.8	-19.8	29.0	46.3	74.4	-10.9	25.7	48.4

**THE NOTES TO THE FINANCIAL STATEMENTS**
**1. ACCOUNTING POLICIES**

The interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and in compliance with IFRS standards and interpretations in force as at January 1, 2012, as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2011 have also been applied in the preparation of the interim financial information, with the changes mentioned below.

The relative proportion of the estimated tax charge for the full financial year has been charged against the result for the period.

**Standards, interpretations and amendments adopted from the beginning of 2012:**

The following new standards, interpretations and amendments have been adopted when applicable: IFRS 7 (amendment) and IFRS 12 (amendment) and the annual improvements. The amendments did not have any material impact on the consolidated financial statements.

**2. SEGMENT INFORMATION**

Amer Sports has three business segments: Winter and Outdoor, Ball Sports and Fitness.

The accounting policies for segment reporting do not differ from the Group's accounting policies. The decisions concerning assessing the performance of segments and allocation of resources to the segments are based on segments' net sales and earnings before interest and taxes. The chief operating decision maker of Amer Sports is the Executive Board.

There were no intersegment business operations during the reported periods.

	Net sales	Earnings before interest and taxes	Financing income and expenses	Earnings before taxes	Assets
<b>1-9/2012</b>					
Winter and Outdoor	818.4	72.1			1,027.1
Ball Sports	442.0	27.0			365.4
Fitness	185.1	9.1			246.5
Segments, total	1,445.5	108.2			1,639.0
Unallocated items*)		-18.2	-20.4		290.4
Group total	1,445.5	90.0	-20.4	69.6	1,929.4
<b>1-9/2011</b>					
Winter and Outdoor	762.6	73.5			983.5
Ball Sports	402.0	25.7			355.0
Fitness	159.3	5.8			231.5
Segments, total	1,323.9	105.0			1,570.0
Unallocated items*)		-15.8	-14.4		216.5
Group total	1,323.9	89.2	-14.4	74.8	1,786.5
<b>1-12/2011</b>					
Winter and Outdoor	1,137.6	118.5			960.0
Ball Sports	511.0	25.0			384.4
Fitness	232.2	10.3			253.8
Segments, total	1,880.8	153.8			1,598.2
Unallocated items*)		-18.3	-20.5		219.8
Group total	1,880.8	135.5	-20.5	115.0	1,818.0

\*) Earnings before interest and taxes include income and expenses of corporate headquarters.

#### GEOGRAPHIC BREAKDOWN OF NET SALES

	1-9/ 2012	1-9/ 2011	2011
EMEA	657.4	643.8	917.6
Americas	609.3	536.7	742.1
Asia Pacific	178.8	143.4	221.1
Total	1,445.5	1,323.9	1,880.8

#### 3. DERIVATIVE FINANCIAL INSTRUMENTS

	September 30, 2012	September 30, 2011	December 31, 2011
Nominal value			
Foreign exchange derivatives	953.9	721.7	922.6
Interest rate swaps	100.0	144.1	50.0
Cross currency swaps	59.2	54.0	56.1
Fair value			
Foreign exchange derivatives	10.6	5.4	2.0
Interest rate swaps	-4.3	-3.7	-3.1
Cross currency swaps	0.7	0.3	0.5

#### 4. HYBRID BOND

On March 12, 2012 Amer Sports redeemed the EUR 60 million hybrid bond issued on March 12, 2009.

**5. DIVIDENDS**

Dividends distributed in March 2012 by Amer Sports to its shareholders and minority shareholders of its subsidiaries amounted to EUR 38.9 million relating to the year ending on December 31, 2011 (2011: 36.4). Dividends distributed to the shareholders of Amer Sports Corporation were EUR 0.33 per share and in total EUR 38.9 million (2011: EUR 0.30 per share and in total EUR 36.3 million).

**6. CONTINGENT LIABILITIES AND SECURED ASSETS**

	September 30, 2012	September 30, 2011	December 31, 2011
Guarantees	23.6	20.3	21.4
Liabilities for leasing and rental agreements	128.2	115.8	123.2
Other liabilities	30.8	28.3	33.8

There are no guarantees or contingencies given for the management of the company, the shareholders or the associated companies.

**7. ONGOING LITIGATIONS**

The Group has extensive international operations and is involved in a number of legal proceedings, including product liability suits. The Group does not expect the outcome of any legal proceedings currently pending to have materially adverse effect upon its consolidated results or financial position.

**8. SEASONALITY**

Although Amer Sports operates in a number of sporting goods segments during all four seasons, its business is subject to seasonal fluctuations. Historically, the third and fourth quarters of a financial year have been the strongest quarters for Amer Sports in terms of both net sales and profitability, mainly because sales of winter sports equipment ahead of the winter season typically take place during the third and fourth quarters. The summer season for ball sports balances seasonality to a certain extent, as the strongest quarters for the Ball Sports segment are the first and second quarters. Usually the net cash flow from operating activities is very strong in the first quarter when the income from winter sports equipment realizes. Especially during the third quarter, the net cash flow from operating activities is tied up in working capital.

All forecasts and estimates presented in this report are based on the management's current judgment of the economic environment. The actual results may differ significantly.

**AMER SPORTS CORPORATION**  
**Board of Directors**