

Amer Sports Corporation

INTERIM REPORT  
April 29, 2010 at 1:00 pm

## Amer Sports Corporation Interim Report January–March 2010 (IFRS)

- Net sales totaled EUR 372.6 million (355.3), an increase of 5% compared to the first quarter in 2009 in both reported and local currencies.
- EBIT was EUR 9.5 million (-6.9), an improvement of EUR 16.4 million which was primarily the result of higher gross profit margins and increased sales. Most of the improvement was generated in the Winter and Outdoor segment, especially Winter Sports Equipment.
- Strong development in cash flow continued. Net cash flow from operating activities after interest and taxes totaled EUR 98.7 million (64.1).
- Earnings per share were EUR -0.01 (-0.12).
- Updated outlook for 2010: Amer Sports expects the sporting goods market to recover moderately, but with significant regional and sports area specific differences. The group strategy is to drive profitable growth. However, in light of the unpredictable market conditions, Amer Sports continues to focus on improving its profitability through improved gross profit and tight cost control. Strict control over working capital will continue with the notion that improvements similar to previous year are unlikely. Amer Sports expects its 2010 EBIT margin to improve to the mid-single-digit level.

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009
Net sales	372.6	355.3	5	5	1,533.4
Gross profit	159.2	143.8	11	11	620.0
EBIT	9.5	-6.9			43.8
Of net sales, %	2.5				2.9
Financing income and expenses	-9.1	-7.5			-18.4
Earnings before taxes	0.4	-14.4			25.4
Net result	0.3	-10.8			31.4
Earnings per share, EUR	-0.01	-0.12			0.28
Equity per share, EUR	6.07	5.95			6.05
ROCE, %	6.1	7.1			4.3
ROE, %	0.2	-8.1			5.0
Equity ratio, %	52.9	36.9			48.2
Gearing, %	32	95			38
Personnel, period end	6,392	6,293	2		6,331

\*) Change in local currency terms

Share-based key indicators have been adjusted for the impact of the share issue in 2009.

### **Pekka Paalanne, Executive Vice President, CFO (acting President and CEO, Dec 21, 2009–March 31, 2010):**

"We executed well our key priorities in the first quarter. Gross profit percentage was up by more than two points and profitability increased in all segments. At the same time, operating expenses were kept under tight control and we made further gains in managing the working capital.

The Winter and Outdoor segment experienced the most rapid growth during Q1. Profitability in Winter Sports Equipment continued to improve. Excellent product line, good snow conditions and internal measures to improve the profitability had the biggest impact on the development. Driven by strong in-season orders in footwear, progress in Footwear and Apparel was good. Sports Instruments and Cycling also improved compared to the weak Q1/09.

Team Sports grew fastest within the Ball Sports segment, largely due to trade distribution gains achieved in the US. The new BLX line of tennis rackets launched by Racquet Sports during the

Q1 enjoyed a positive reception, but shipments were limited by capacity constraints. Golf sales were at the previous year level in what is seasonally a period of low demand.

Difficult market conditions continued in the Fitness segment. Financing remained tight and fitness clubs continued to be cautious about opening new facilities. Ancillary revenues earned by clubs providing services for their members did however increase during Q1.

We are in a good position to benefit from the expected market recovery, and we expect the favorable development in our profitability to continue during the remainder of the year.”

**For further information, please contact:**

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**TELEPHONE CONFERENCE**

An English-language telephone conference call for investors and analysts will be held on Thursday, April 29 at 3:00 pm Finnish time. To participate in the conference call, please call +44 (0)20 7136 2052 (UK/international dial-in number). The conference can also be followed via a direct transmission on the Internet at [www.amersports.com](http://www.amersports.com). A recorded version will be available later at the same Internet address: replay number +44 (0)20 7111 1244, and access code 3546581#.

Amer Sports Corporation will publish its January-June interim report on Thursday, August 5, 2010.

## INTERIM REPORT JANUARY–MARCH 2010 (IFRS)

Amer Sports net sales totaled EUR 372.6 million (355.3) an increase of 5% compared to Q1/09. Net sales also improved by 5% in local currency terms. The sales trend in the Americas stabilized.

### Net sales by business segment

EUR million	1–3/ 2010	1–3/ 2009	Change %	Change %*)	% of sales 1-3/2010	% of sales 1-3/2009
Winter and Outdoor	181.7	164.4	11	9	49	46
Ball Sports	145.4	142.9	2	3	39	40
Fitness	45.5	48.0	-5	-1	12	14
Total	372.6	355.3	5	5	100	100

\*) In local currency terms

### Geographic breakdown of net sales

EUR million	1–3/ 2010	1–3/ 2009	Change %	Change %*)	% of sales 1-3/2010	% of sales 1-3/2009
Americas	158.3	163.8	-3	0	43	46
EMEA	172.2	156.5	10	8	46	44
Asia Pacific	42.1	35.0	20	16	11	10
Total	372.6	355.3	5	5	100	100

\*) In local currency terms

Group EBIT of EUR 9.5 million improved by EUR 16.4 million with the main contributors being improved gross profit margins of EUR 8.1 million and sales growth of EUR 7.6 million. Winter and Outdoor generated most of the EBIT growth due to significant improvement in Winter Sport Equipment's profitability.

### EBIT by business segment

EUR million	1–3/ 2010	1–3/ 2009	Change %	Change %*)	% of sales 1-3/2010	% of sales 1-3/2009
Winter and Outdoor	1.7	-10.9			1.0	
Ball Sports	14.4	11.5	25	26	9.9	8.0
Fitness	-0.7	-3.4				
Headquarters	-5.9	-4.1				
Total	9.5	-6.9			2.5	

\*) In local currency terms

Net financial expenses totaled EUR 9.1 million (7.5). Net financial expenses included net interest expenses of EUR 3.2 million (8.2) and net foreign exchange losses totaling EUR 5.9 million (gains of EUR 0.7 million), of which EUR 5.8 million were unrealized. Earnings before taxes totaled EUR 0.4 million (-14.4), and earnings per share were EUR -0.01 (-0.12).

### CAPITAL EXPENDITURE

Group capital expenditure on fixed assets totaled EUR 5.1 million (8.7). Depreciation was EUR 9.0 million (8.4).

### CASH FLOW AND FINANCIAL POSITION

Net cash flow from operating activities after interest and taxes was EUR 98.7 million (64.1). The improvement in cash flow reflects improved profitability and a reduction of EUR 7.3 million in taxes paid. Working capital was reduced by EUR 83.3 million from the end of December 2009. Net cash flow from investment activities was EUR -4.8 million (-9.6).

Amer Sports had interest-bearing liabilities totaling EUR 284.1 million at the end of March (Dec 31, 2009: EUR 404.1 million). These consisted of short-term debt totaling EUR 45.3 million and long-term debt totaling EUR 238.8 million. Liquid assets at the end of the first quarter totaled EUR 50.7 million (Dec 31, 2009: EUR 121.6 million), and Group net debt totaled EUR 233.4 million (Dec 31, 2009: EUR 282.5 million). The EUR 60 million hybrid bond is treated as equity. Total unused committed credit facilities available to Amer Sport at the end of March totaled EUR 265.0 million.

Amer Sports has a EUR 325 million committed revolving credit facility which matures on December 1, 2011 and November 30, 2012. EUR 60 million of this credit facility has been used.

Short-term financing is primarily raised via a EUR 500 million domestic commercial paper program, of which EUR 38.7 million had been used by the end of March 2010 (Dec 31, 2009: EUR 112.3 million).

The equity ratio at the end of March was 52.9% (Dec, 31, 2009: 48.2%) and gearing was 32% (Dec 31, 2009: 38%).

## BUSINESS SEGMENT REVIEWS

### WINTER AND OUTDOOR

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009
Net sales					
Winter Sports Equipment	42.3	37.0	14	13	371.7
Apparel and Footwear	91.0	82.5	10	7	304.7
Cycling	29.3	27.2	8	9	100.4
Sports Instruments	19.1	17.7	8	7	85.8
Net sales, total	181.7	164.4	11	9	862.6
EBIT	1.7	-10.9			46.5
Personnel, period end	4,002	3,776	6		3,940

\*) In local currency terms

Winter and Outdoor net sales were 9% up in local currencies and totaled EUR 181.7 million (164.4). Sales increased in all business and geographical areas except in the Americas where sales in local currencies were down by 13%.

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009	% of sales 1-3/2010	% of sales 1-3/2009
Americas	31.4	35.5	-12	-13	181.2	17	21
EMEA	128.9	114.3	13	11	585.3	71	70
Asia Pacific	21.4	14.6	47	43	96.1	12	9
Total net sales	181.7	164.4	11	9	862.6	100	100

\*) In local currency terms

EBIT was positive at EUR 1.7 million (-10.9). The improvement of EUR 12.6 million resulted from higher sales and better gross profits, especially in Winter Sports Equipment.

### Winter Sports Equipment

Winter Sports Equipment net sales were 13% up in local currencies and totaled EUR 42.3 million (37.0). Good snow conditions at the end of the 2009/10 winter season had a positive effect in all key markets. While sales in all product categories were up, cross-country skiing grew fastest especially in central and northern Europe.

### Apparel and Footwear

Supported by strong growth in Europe, Canada and Asia Pacific, Apparel and Footwear net sales were 7% up in local currencies and totaled EUR 91.0 million (82.5). The US market was

still under pressure. Strong in-season orders continued to strengthen Salomon's position in footwear.

### Cycling

Cycling net sales recovered from the low level of the previous year and totaled EUR 29.3 million (27.2), 9% up in local currencies. Dealers were still cautious and postponed deliveries because of the long winter. The negative trend in OEM sales continued.

### Sports Instruments

Sports Instruments net sales totaled EUR 19.1 million (17.7) and were 7% up in local currencies mainly due to increased Outdoor products sales.

### BALL SPORTS

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009
Net sales					
Racquet Sports	64.3	63.9	1	1	222.7
Team Sports	60.8	59.3	3	7	187.3
Golf	20.3	19.7	3	1	66.7
Net sales, total	145.4	142.9	2	3	476.7
EBIT	14.4	11.5	25	26	23.5
Personnel, period end	1,584	1,695	-7		1,586

\*) In local currency terms

Ball Sports net sales totaled EUR 145.4 million (142.9) and were 3% up in local currencies. Growth was driven by Team Sports while sales in both Racquet Sports and Golf remained at last year's level. Growth of 6% in the Americas reflected the positive development in Team Sports.

EUR million	1-3/ 2010	1-3/ 2009	Change %	Change %*)	2009	% of sales 1-3/2010	% of sales 1-3/2009
Americas	92.9	91.2	2	6	298.6	64	64
EMEA	35.0	34.3	2	0	111.6	24	24
Asia Pacific	17.5	17.4	1	-4	66.5	12	12
Total	145.4	142.9	2	3	476.7	100	100

\*) In local currency terms

EBIT was EUR 14.4 million (11.5). The increase is a result of sales growth and higher gross profits. Contributing factors included internal measures and better market conditions in North America.

### Racquet Sports

Racquet Sports net sales totaled EUR 64.3 million (63.9) and were at last year's level in local currencies. Sales in the Americas and EMEA rose by 6% and 5%, respectively. In Asia Pacific, sales declined by 16%, mainly because of weak consumer demand in Japan. The new BLX tennis rackets line launched by Racquet Sports during the first quarter was well received but shipments were limited by capacity constraints.

### Team Sports

Team Sports net sales totaled EUR 60.8 million (59.3) and were 7% up in local currencies. The growth was driven by strong growth in baseball products in the US, Korea and Japan.

### Golf

Golf net sales totaled EUR 20.3 million (19.7) and were at last year's level in local currencies. Overall growth in this area was driven by the US where sales were up 30%. The growth in US sales was driven by trade distribution gains. Sales in EMEA were down by 7% because of the long winter, but recovery in this region is expected in the near future.

## FITNESS

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009
Net sales	45.5	48.0	-5	-1	194.1
EBIT	-0.7	-3.4			-7.5
Personnel, period end	735	751	-2		737

\*) In local currency terms

Fitness net sales remained at last year's level in local currencies, EUR 45.5 million (48.0) due to difficult market conditions in the US.

EUR million	1-3/2010	1-3/2009	Change %	Change %*)	2009	% of sales 1-3/2010	% of sales 1-3/2009
Americas	34.0	37.1	-8	-2	140.7	75	77
EMEA	8.3	7.9	5	4	38.1	18	16
Asia Pacific	3.2	3.0	7	6	15.3	7	7
Total	45.5	48.0	-5	-1	194.1	100	100

\*) In local currency terms

EBIT improved to EUR -0.7 million (-3.4) as a result of improved gross profits and lower operating expenses.

With credit markets continuing to be tight and consumer spending uncertain, most clubs and institutions are still holding off their expansion plans in 2010. Many have chosen to reduce their costs by extending the service life of their existing equipment.

Sales of premium consumer equipment continued to suffer from the broader trend of reduced discretionary spending.

## PERSONNEL

At the end of March 2010, the Group employed 6,392 people (6,293). The Group employed an average of 6,367 people (6,272) during the first quarter.

	March 31,2010	March 31,2009	Change %
Winter and Outdoor	4,002	3,776	6
Ball Sports	1,584	1,695	-7
Fitness	735	751	-2
Headquarters	71	71	0
Total	6,392	6,293	2

	March 31,2010	March 31,2009	Change %
EMEA	3,672	3,421	7
Americas	2,211	2,300	-4
Asia Pacific	509	572	-11
Total	6,392	6,293	2

## CHANGES IN MANAGEMENT

Mr. Heikki Takala was appointed as the President and CEO of Amer Sports with effect from April 1, 2010. Mr. Mikko Moilanen was appointed as President of Suunto Oy with effect from March 17, 2010. Mr. Juha Pinomaa, former President of Suunto Oy, resigned from his position on the same date. Mr Moilanen is also a member of the Amer Sports Executive Board, on which he represents the Sports Instruments business area.

## **SHARES AND SHAREHOLDERS**

The company's paid-up share capital recorded in the Trade Register as of March 31, 2010 was EUR 292,182,204. On March 31, 2010, the company had a market capitalization of EUR 1.059,1 million (362.8), excluding its own shares.

### **Trading in shares**

During the first quarter, a total of 15.0 million (13.6) Amer Sports shares with a value totaling EUR 120.6 million (77.5) were traded on the NASDAQ OMX Helsinki exchange. Share turnover was 12.4% (18.8) (expressed as a proportion of the average number of shares excluding own shares).

At the close of the review period, the last trade in Amer Sports Corporation shares took place at a price of EUR 8.74. The high on the NASDAQ OMX Helsinki exchange for the review period was EUR 8.93, and the low was EUR 6.82. The average share price during the review period was EUR 8.02.

At the end of March, Amer Sports had 13,273 registered shareholders (12,385). Outside Finland, ownership and nominee registrations represented 50.2% (44.5%) of the company's shares. Amer Sports held 334,900 of its own shares, all of them owned by Amer Sports International Oy. The number of own shares corresponds to 0.3% of all Amer Sports shares.

## **RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS**

The following resolutions were approved at the Amer Sports Corporation Annual General Meeting held on March 10, 2010:

### **Adoption of the annual accounts**

The Annual General Meeting (AGM) approved Amer Sports Corporation's financial statements for 2009.

### **Resolution on use of the profit shown on the balance sheet and the payment of dividend**

The AGM resolved to distribute a dividend of EUR 0.16 per share to be paid for the financial year ended December 31, 2009. The dividend was paid to shareholders who are registered on the list of shareholders maintained by Euroclear Finland Ltd as of March 15, 2010, the record date for the dividend payment. The dividend was paid on March 23, 2010.

### **Resolution on the discharge of the members of the Board of Directors and the CEOs from liability**

The AGM granted members of the company's Board of Directors and the company's CEOs a discharge from liability for the financial year 2009.

### **Resolution on the remuneration of the members of the Board of Directors**

The AGM approved that the remuneration payable to the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2011 be unchanged from 2009 and be as follows: Chairman EUR 80,000, Vice Chairman EUR 50,000, and other members EUR 40,000. No extra remuneration is paid for attending meetings of the Board of Directors or meetings of the Committees of the Board of Directors. Of the annual remuneration, 40% is paid in the form of the company's shares and 60% in cash.

### **Resolution on the number of members of the Board of Directors**

The AGM confirmed that the number of members of the Board of Directors is seven (7).

### **Election of members of the Board of Directors**

The AGM re-elected Anssi Vanjoki, Ilkka Brotherus, Pirjo Väliäho, Martin Burkhalter, Christian Fischer, Bruno Sälzer and Hannu Ryöppönen as members of the company's Board of Directors. The Board of Directors' term of service will run until the close of the 2011 Annual General Meeting.



**Resolution on the remuneration of the auditor**

The AGM decided that the auditor's fee will be paid as invoiced.

**Election of auditor**

The AGM elected the Authorised Public Accountants PricewaterhouseCoopers Oy to act as auditor of the company. Jouko Malinen, Authorised Public Accountant, was elected as auditor in charge of the audit.

**Amendment of the Articles of Association**

The AGM approved that the Articles of Association regarding notice for the General Meeting be amended to the following:

"The notice to the General Meeting shall be delivered to the shareholders at the earliest three (3) months and at the latest twenty-one (21) days prior to the General Meeting, however, at the minimum nine (9) days before the record date of the General Meeting, by releasing the notice on the company's website and, if so decided by the Board of Directors, by publishing the notice in one newspaper with a wide circulation determined by the Board of Directors."

The Board of Directors proposes that Section 9 of the Articles of Association regarding the notice to the General Meeting be amended to the following:

"In order to attend a General Meeting, a shareholder shall register his participation with the company in a manner indicated in the notice to convene and by the therein indicated registration date, which date may not be earlier than nine (9) days prior to the meeting."

**Authorizing the Board of Directors to decide on the repurchase of the company's own shares**

The AGM authorized the Board of Directors to decide on the repurchase of a maximum of 7,000,000 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 Ltd and Euroclear Finland Ltd.

The Repurchase Authorization is valid 18 months from the decision of the Annual General Meeting.

**Authorizing the Board of Directors to decide on the issuance of shares and on conveying the company's own shares**

The AGM authorized the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company as follows:

By virtue of the authorization, the Board of Directors is entitled to decide on issuing a maximum of 7,000,000 new shares or on conveying a maximum of 7,000,000 of the company's own shares held by the company. The Board of Directors decides on all the conditions of the issuance of shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes the possibility own shares to the company for free.

The authorization to issue shares and to convey the company's own shares is valid until two (2) years from the date of the decision of the Annual General Meeting and does not revoke the share issue authorization given by the Annual General Meeting on March 5, 2009.



Documentation and press releases relating to the meeting mentioned above are available on the company's website at [www.amersports.com](http://www.amersports.com)

#### **BOARD OF DIRECTORS WORKING ORDER**

At its organizing meeting immediately following the Annual General Meeting, Amer Sports Corporation's Board of Directors unanimously appointed Anssi Vanjoki as Chairman and Ilkka Brotherus as Vice Chairman. The Board appointed from among its members the following members to the Committees:

- Compensation Committee: Pirjo Väliäho, Chairman, Anssi Vanjoki, Bruno Sälzer and Christian Fischer.
- Nomination Committee: Ilkka Brotherus, Chairman, Anssi Vanjoki and Martin Burkhalter.
- Audit Committee: Hannu Ryöppönen, Chairman, Ilkka Brotherus and Martin Burkhalter.

#### **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. Amer Sports Corporation's short-term risks are particularly associated with consumer demand in North America and Europe, subcontractors' ability to manufacture and deliver sourced products on a timely basis and on acceptable terms, and continued successful execution of the company's cost reduction and efficiency improvement measures. Further information on the company's business risks and uncertainty factors is available at the company's web site on [www.amersports.com/investors](http://www.amersports.com/investors)

#### **OUTLOOK 2010**

Amer Sports expects the sporting goods market to recover moderately, but with significant regional and sports area specific differences. The group strategy is to drive profitable growth. However, in light of the unpredictable market conditions, Amer Sports continues to focus on improving its profitability through improved gross profit and tight cost control. Strict control over working capital will continue with the notion that improvements similar to previous year are unlikely. Amer Sports expects its 2010 EBIT margin to improve to the mid-single-digit level.

## TABLES

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

Unaudited  
EUR million

### CONSOLIDATED RESULTS

	1-3/2010	1-3/2009	Change %	2009
<b>NET SALES</b>	372.6	355.3	5	1,533.4
Cost of goods sold	-213.4	-211.5		-913.4
<b>GROSS PROFIT</b>	159.2	143.8	11	620.0
License income	2.3	2.4		8.2
Other operating income	0.8	2.6		4.6
R&D expenses	-13.7	-13.9		-52.0
Selling and marketing expenses	-102.7	-104.8		-398.6
Administrative and other expenses	-36.4	-37.0		-138.4
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	9.5	-6.9		43.8
% of net sales	2.5			2.9
Financing income and expenses	-9.1	-7.5		-18.4
<b>EARNINGS BEFORE TAXES</b>	0.4	-14.4		25.4
Taxes	-0.1	3.6		6.0
<b>NET RESULT</b>	0.3	-10.8		31.4

Attributable to:

Equity holders of the parent company	0.3	-10.8	31.3
Non-controlling interests	0.0	0.0	0.1

Earnings per share, EUR	-0.01	-0.12	0.28
Earnings per share, diluted, EUR	-0.01	-0.12	0.28

Adjusted average number of shares in issue less own shares, million	121.2	93.0	97.7
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Adjusted average number of shares in issue less own shares, diluted, million	121.2	93.0	97.7
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Equity per share, EUR	6.07	5.95	6.05
ROCE, % *)	6.1	7.1	4.3
ROE, %	0.2	-8.1	5.0

Average rates used:			
EUR 1.00 = USD	1.38	1.30	1.39

\*) 12 months' rolling average

Share-based key indicators have been adjusted for the impact of the share issue in 2009.

# STATEMENT OF COMPREHENSIVE INCOME

	1-3/2010	1-3/2009	2009
Net result	0.3	-10.8	31.4
<b>Other comprehensive income</b>			
Translation differences	19.5	8.6	-0.5
Cash flow hedges	4.3	4.0	1.1
Income tax related to cash flow hedges	-1.1	-1.0	-0.3
Other comprehensive income, net of tax	22.7	11.6	0.3
Total comprehensive income	23.0	0.8	31.7

## Total comprehensive income attributable to:

Equity holders of the parent company	23.0	0.8	31.6
Non-controlling interests	0.0	0.0	0.1

# NET SALES BY BUSINESS SEGMENT

	1-3/2010	1-3/2009	Change %	2009
Winter and Outdoor	181.7	164.4	11	862.6
Ball Sports	145.4	142.9	2	476.7
Fitness	45.5	48.0	-5	194.1
Total	372.6	355.3	5	1,533.4

# EBIT BY BUSINESS SEGMENT

	1-3/2010	1-3/2009	Change %	2009
Winter and Outdoor	1.7	-10.9		46.5
Ball Sports	14.4	11.5	25	23.5
Fitness	-0.7	-3.4		-7.5
Headquarters	-5.9	-4.1		-18.7
Total	9.5	-6.9		43.8

# GEOGRAPHIC BREAKDOWN OF NET SALES

	1-3/2010	1-3/2009	Change %	2009
Americas	158.3	163.8	-3	620.5
EMEA	172.2	156.5	10	735.0
Asia Pacific	42.1	35.0	20	177.9
Total	372.6	355.3	5	1,533.4

# CONSOLIDATED CASH FLOW STATEMENT

	Note	1-3/2010	1-3/2009	2009
EBIT		9.5	-6.9	43.8
Adjustments to cash flow from operating activities and depreciation		9.0	8.4	34.6
Change in working capital		83.3	81.9	136.7
Cash flow from operating activities before financing items and taxes		101.8	83.4	215.1
Interest paid and received		-0.6	-9.5	-20.9
Income taxes paid		-2.5	-9.8	-12.6
Net cash flow from operating activities		98.7	64.1	181.6
Acquired operations			-1.2	-3.0
Capital expenditure on non-current tangible and intangible assets		-5.1	-8.7	-39.5
Proceeds from sale of tangible non-current assets		0.3	0.3	1.4
Net cash flow from investing activities		-4.8	-9.6	-41.1
Share issue, net				151.5
Dividends paid	5	-19.5	-11.8	-11.8
Hybrid bond	3	-7.2	60.0	60.0
Change in debt and other financing items		-139.7	-120.3	-290.9
Net cash flow from financing activities		-166.4	-72.1	-91.2
Cash and cash equivalents on January 1		121.6	72.1	72.1
Translation differences		1.6	-0.1	0.2
Change in cash and cash equivalents		-72.5	-17.6	49.3
Cash and cash equivalents on March 31/ December 31		50.7	54.4	121.6

# CONSOLIDATED BALANCE SHEET

	Note	March 31, 2010	March 31, 2009	December 31, 2009
<b>Assets</b>				
Goodwill		286.8	287.3	273.6
Other intangible non-current assets		211.0	211.1	210.1
Tangible non-current assets		136.6	134.5	135.0
Other non-current assets		71.0	61.5	74.3
Inventories and work in progress		239.0	335.5	234.6
Receivables		399.0	424.9	475.4
Cash and cash equivalents		50.7	54.4	121.6
Total assets	2	1,394.1	1,509.2	1,524.6
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	3	737.5	556.8	735.3
Long-term interest-bearing liabilities		238.8	429.7	282.8
Other long-term liabilities		15.6	14.0	14.4
Current interest-bearing liabilities		45.3	151.9	121.3
Other current liabilities		326.6	315.1	340.0
Provisions		30.3	41.7	30.8
Total shareholders' equity and liabilities		1,394.1	1,509.2	1,524.6
Equity ratio, %		52.9	36.9	48.2

Gearing, %  
EUR 1.00 = USD

32  
1.33

95  
1.33

38  
1.44

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

[illegible]



14 (18)

[illegible]

Comprehensive			
income:			
Translation			
differences			19.5
Cash flow			
hedges			4.3
Income tax			
related to			
cash flow			
hedges			-1.1
Net result			0.3
Total			
comprehensive			
income			23.0
Transactions with			
owners:			
Dividend			
distribution	5	-0.1	-19.5
Hybrid			
bond	3		-1.3
Balance at			
March 31,			
2010		2.5	737.5

#### QUARTERLY BREAKDOWN OF NET SALES AND EBIT

	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009	Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008
<b>NET SALES</b>								
Winter and Outdoor	181.7	329.2	262.4	106.6	164.4	326.6	267.6	104.6
Ball Sports	145.4	94.7	103.4	135.7	142.9	110.0	110.6	130.9
Fitness	45.5	58.9	44.8	42.4	48.0	58.7	55.0	49.6
Total	372.6	482.8	410.6	284.7	355.3	495.3	433.2	285.1
	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009	Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008
<b>EBIT</b>								
Winter and Outdoor	1.7	42.5	44.1	-29.2	-10.9	36.7	45.7	-26.7
Ball Sports	14.4	2.2	2.4	7.4	11.5	3.4	6.6	11.3
Fitness	-0.7	-0.5	-1.4	-2.2	-3.4	-2.3	2.8	-0.4
Headquarters	-5.9	-4.8	-4.4	-5.4	-4.1	-2.6	-3.6	8.0
Total	9.5	39.4	40.7	-29.4	-6.9	35.2	51.5	-7.8

#### 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, 2010, as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2009 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 and interpretations adopted from the beginning of 2010:

IAS 27 (revised) "Consolidated and Separate Financial Statements" changed the presentation of the statement of changes in shareholders' equity in accordance with IAS 1: each item of other comprehensive income needs to be disclosed separately in the statement of changes in shareholders' equity.

## 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>1-3/2010</b>					
Winter and Outdoor	181.7	1.7			636.8
Ball Sports	145.4	14.4			378.8
Fitness	45.5	-0.7			215.9
Segments, total	372.6	15.4			1,231.5
Unallocated items*)		-5.9	-9.1		162.6
Group total	372.6	9.5	-9.1	0.4	1,394.1
<b>1-3/2009</b>					
Winter and Outdoor	164.4	-10.9			694.6
Ball Sports	142.9	11.5			426.5
Fitness	48.0	-3.4			230.6
Segments, total	355.3	-2.8			1,351.7
Unallocated items*)		-4.1	-7.5		157.5
Group total	355.3	-6.9	-7.5	-14.4	1,509.2
<b>2009</b>					
Winter and Outdoor	862.6	46.5			766.3
Ball Sports	476.7	23.5			320.7
Fitness	194.1	-7.5			212.5
Segments, total	1,533.4	62.5			1,299.5
Unallocated items*)		-18.7	-18.4		225.1
Group total	1,533.4	43.8	-18.4	25.4	1,524.6

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

### GEOGRAPHIC BREAKDOWN OF NET SALES

	1-3/2010	1-3/2009	2009
Americas	158.3	163.8	620.5
EMEA	172.2	156.5	735.0
Asia Pacific	42.1	35.0	177.9
Total	372.6	355.3	1,533.4

### 3. FINANCIAL LIABILITIES

#### Hybrid bond

In March 2009, Amer Sports Corporation issued a EUR 60 million hybrid bond in order to strengthen the Group's capital structure and to repay existing debt. The coupon rate of the bond is 12.0% per annum. The bond has no maturity but the company may call the bond after three years. The hybrid bond is unsecured and subordinated to all senior debt and is treated as equity in Amer Sports' consolidated financial statements. The hybrid bond does not confer shareholders' rights, nor does it dilute the holdings of shareholders.

### 4. DERIVATIVE FINANCIAL INSTRUMENTS

	March 31, 2010	March 31, 2009	December 31, 2009
Nominal value			
Foreign exchange forward contracts	527.0	678.9	502.8
Forward rate agreements	50.0	0.0	100.0
Interest rate swaps	209.9	225.2	204.4
Fair value			
Foreign exchange forward contracts	-1.3	5.0	-1.1
Forward rate agreements	-0.1	0.0	-0.1
Interest rate swaps	-5.7	-8.3	-5.6

### 5. DIVIDENDS

Dividends distributed by Amer Sports to its shareholders and minority shareholders of its subsidiaries amounted to EUR 19.5 million (2009: 11.8) at the end of March 2010 relating to the year ending on December 31, 2009 (EUR 0.16 / share for shareholders of Amer Sports Corporation, totaling EUR 19.4 million, 2009: 11.6).

### 6. CONTINGENT LIABILITIES AND SECURED ASSETS

	March 31, 2010	March 31, 2009	December 31, 2009
Guarantees	10.8	10.0	10.5
Liabilities for leasing and rental agreements	118.4	113.6	116.9
Other liabilities	35.6	49.3	30.0

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

### 7. 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.

Net sales by Winter Sports Equipment in local currencies totaled EUR 42.3 million (37.0), 13% up on Q1/09. Good snow conditions at the end of the 2009/10 winter season had a positive effect in all key markets.

Net cash flow from operating activities after interest and taxes was EUR 98.7 million (64.1).

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**