FIGURES 2010

AMER SPORTS FINANCIAL STATEMENTS

AMER SPORTS

"2010 WAS A YEAR OF SOLID IMPROVEMENT FOR AMER SPORTS. OUR STRENGTHENING FINANCIAL PERFORMANCE WAS SUPPORTED BY A BETTER ECONOMIC ENVIRONMENT AND FAVORABLE SNOW CONDITIONS, BUT MOST NOTABLY WE MADE SUSTAINABLE IMPROVEMENTS ACROSS OUR OWN PROGRAMS."

(SEE PAGE 2)

The investor section of the Amer Sports website contains, among other investor information, a share monitor, Amer Sports' largest shareholders, a list of company insiders and their holdings, presentations and report archives as well as consensus estimates. Read more about Amer Sports as an investment at: www.amersports.com/investors.

CONTENT

CEO'S REVIEW

REIGNITING PROFITABLE GROWTH

2010 was a year of solid improvement for Amer Sports. Our strengthening financial performance was supported by a better economic environment and favorable snow conditions, but most notably we made sustainable improvements across our own programs. We improved performance basically across all business units, regions, and countries. Overall, I am pleased with the progress made, especially as it will continue to benefit us in the years to come.

Since I started at Amer Sports in April 2010, we engaged ourselves in a Company strategy renewal. We reviewed what is working and what is not, what would be the right targets for the Company, and how we should move forward in order to reach these objectives.

NEW STRATEGIC PRIORITIES AND LONG-TERM FINANCIAL TARGETS

In September we announced the new strategic priorities for Amer Sports, which emphasize:

- clear roles for each business unit within the Group portfolio, and a targeted integration approach to drive synergies and scale across brands and business units;
- faster growth in softgoods, i.e. apparel and footwear;
- excellence in consumer-centric product creation and brand marketing ("Win with Consumers");
- strengthening commercial fundamentals and geographical expansion through sales and channel management ("Win in Go to Market"); and
- operational excellence.

We also announced new long-term financial targets, which drive profitable growth with an increased focus on strong cash flow and ensure that a sound balance sheet is maintained.

For each business unit, business area, country and region we have a clear set of targets and programs for delivering these renewed goals. Our structure, capabilities and incentives are geared at ensuring we succeed in reaching our targets.

2010 WAS A GOOD YEAR FOR AMER SPORTS

In 2010, we reached several important, yet still early, milestones.

To support our growth objectives within softgoods and other selected categories, we have moved to category-based development in Winter Sports Equipment, footwear, and apparel across brands to drive synergies in our R&D capabilities and product line management, sourcing and manufacturing. This category approach offers scale and expertise that we did not access before when working on a brand-by-brand basis.

Our second strategic pillar is faster growth in softgoods, where we have significantly accelerated our geographical and channel expansion, particularly in footwear. The results have been encouraging as we witnessed 26% full year growth in 2010, with an increased tempo towards the year end. In Apparel, we made important capability increases which are expected to fuel future acceleration.

We have also made progress in our "Win with Consumers" priority, and now have a marketing and brand structure in place to increase local consumer understanding and build our brand equities. In the strategic priority "Win in Go to Market", we have increased our commercial focus by appointing the sales region leaders to the Amer Sports Executive Board, and by significantly strengthening

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our sales and distribution organization. In 2010, we also developed Go to Market key performance indicators such as the number of distribution points, and continued to expand both our geographical and channel presence, as evidenced by the opening of 30 new brand stores and outlets. We also continue to explore new avenues for future growth with our first e-commerce pilot store.

While we took clear actions to "Win with Consumers" and "Win in Go to Market" in 2010, we simultaneously continued improving our operational excellence. We accelerated inventory turnover rates further by 19 days compared to 2009 and our global product range complexity reduction program cut stock-keeping units by 20% compared to the previous year.

IMPROVEMENT NEED: FASTER GROWTH IN APPAREL AND IN EMERGING MARKETS, REDUCED FIXED COST BASE IN WINTER SPORTS EQUIPMENT

As we strive to create a better performing company, we recognize both the challenges we must overcome and the opportunities we must capitalize on:

Year-on-year growth of 26% in 2010 demonstrates that we have a successful business model in Footwear. In Apparel, the 6% annual growth in 2010 was satisfactory, but we believe there are ample opportunities for further improvement. Our Apparel business is now under new leadership, and we look forward to accelerated growth in 2011. The 25% increase in net sales in the fourth quarter of the year clearly indicates that we are already on our way.

Historically, our financial success in Winter Sports Equipment has been too dependent on weather conditions. Today we are relentlessly improving our operational model to reduce the fixed cost base in order to deliver appropriate profitability even in challenging weather conditions. The program will deliver sustainable cost benefits already in 2011.

Emerging markets continue to offer us untapped growth potential. In 2010, we grew our business by 40% in Russia, but total revenue contribution from emerging markets remains moderate. We will continue to pursue programs to accelerate growth not only in Russia, but also increasingly in selected other emerging markets.

2011 - YEAR OF GO TO MARKET

We are focused on making sustainable and long-term improvements and we have a clearly defined and prioritized plan for reaching our goals. We have nominated 2011 as the year of "Win in Go to Market", and we will give special attention to customer service and driving the commercial expansion both in established and emerging markets and channels. Beyond 2011 we will increasingly benefit from the new operating model centered on category-based scale and synergies.

I am encouraged by our recent progress and excited about the opportunities we have in the company. We have reignited profitable growth at Amer Sports and we are now working to further improve our performance towards our long-term targets, guided by our strategic choices.

Heikki Takala
PRESIDENT AND CEO

BOARD OF DIRECTORS' REPORT

In 2010, consumer confidence improved due to stronger global economic conditions and the sporting goods market began to recover after a couple of years of a declining trend. However, there were significant regional and sports area differences. Strong development in the winter sports equipment market was driven by good snow conditions.

NET SALES AND EBIT IN JANUARY–DECEMBER 2010

Amer Sports net sales in 2010 totaled EUR 1,740.4 million (1,533.4), an increase of 13% compared to 2009. Net sales increased by 8% in local currencies, particularly due to sales growth in Winter Sports Equipment and Footwear. In local currencies, EMEA increased by 13%, the Americas by 4% and Asia Pacific by 4%. The Group's long-term target is to deliver organic, currency-neutral annual growth of 5%.

Group EBIT excluding non-recurring items was EUR 107.9 million (48.8). EBIT margin was 6.2%, excluding non-recurring items. The Group's long-term target is to have EBIT of at least 10% of net sales.

Increased sales volumes contributed EUR 52.5 million to the EBIT growth, while higher gross margins contributed EUR 39.1 million. Operating expenses increased by EUR 41.1 million, driven by volume growth related sales and distribution costs, marketing as well as organization incentives linked to the improved Group performance. The Group also invested in the new business structure and key recruitments, particularly in category-based operations in footwear and apparel and in business to consumer. Operating expenses as a percentage of net sales were at previous year's level.

Including non-recurring items, EBIT was EUR 96.8 million (43.8). Non-recurring items were related to capital gains, restructuring, write-downs and a solved import duties dispute in Brazil.

EBIT EXCLUDING NON-RECURRING ITEMS BY BUSINESS SEGMENT

EUR million	2010	2009	Change, %	Change, % *)
Winter and Outdoor	96.9	46.5	108	85
Ball Sports	32.2	23.5	37	35
Fitness	2.7	-2.5		
Headquarters	-23.9	-18.7		
EBIT excluding non-recurring items	107.9	48.8		
Non-recurring items	-11.1	-5.0		
EBIT, total	96.8	43.8	121	94

*) In local currencies

Net financial expenses totaled EUR 21.3 million (18.4). This figure includes net interest expenses of EUR 17.9 million (23.6) and unrealized net foreign exchange losses totaling EUR 2.3 million (gains of EUR 6.2 million). Earnings before taxes totaled EUR 75.5 million (25.4) and taxes totaled EUR -6.6 million (positive 6.0). Earnings per share were EUR 0.52 (0.28). Excluding non-recurring items, earnings per share were EUR 0.59 (0.31).

In its financial statements for 2009, Amer Sports stated the company's key priority to be improving profitability through gross margin improvements with continued tight control over costs. A more detailed view of the outlook was provided in the January-March interim report in which an estimate was given that the 2010 EBIT margin would improve to mid-single-digit level. Increased visibility allowed further revisions to this forecast during the year and guidance given in the January-September interim report estimated full year net sales to be approximately EUR 1.7 billion and EBIT margin approximately 6% excluding non-recurring items while the actual figures were net sales EUR 1,740 million and EBIT margin 6.2%.

NET SALES BY BUSINESS SEGMENT

EUR million	2010	2009	Change, %	Change, % *)	% of sales 2010	% of sales 2009
Winter and Outdoor	1,015.0	862.6	18	12	58	56
Ball Sports	520.6	476.7	9	3	30	31
Fitness	204.8	194.1	6	1	12	13
Total	1,740.4	1,533.4	13	8	100	100

*) In local currencies

GEOGRAPHIC BREAKDOWN OF NET SALES

EUR million	2010	2009	Change, %	Change, % *)	% of sales 2010	% of sales 2009
Americas	687.9	620.5	11	4	40	40
EMEA	845.7	735.0	15	13	48	48
Asia Pacific	206.8	177.9	16	4	12	12
Total	1,740.4	1,533.4	13	8	100	100

*) In local currencies

CASH FLOW AND FINANCING

In 2010, net cash flow after investing activities (free cash flow) was EUR 50.1 million (140.5). The exceptionally strong cash flow in 2009 was a result of special interventions in working capital management. Compared to the end of 2009, inventories increased by EUR 53.6 million (in local currencies) and are now closer to their sustainable levels. Receivables increased by EUR 26.0 million (in local currencies) due to the strong sales in the fourth quarter. Amer Sports' long-term financial target is to have annual free cash flow equal to net profit: in 2010, free cash flow was EUR 50.1 million and net profit EUR 68.9 million.

At the end of 2010, the Group's net debt amounted to EUR 294.8 million (282.5). Amer Sports' long-term financial target for the balance sheet structure is the year-end Net Debt / EBITDA ratio to be of 3 or less. At the end of 2010, the ratio was 2.2.

Interest-bearing liabilities amounted to EUR 379.5 million (404.1) consisting of short-term debt of EUR 100.8 million and long-term debt of EUR 278.7 million. The average interest rate on the Group's interest-bearing liabilities was 4.4% (3.3%).The EUR 60 million hybrid bond is accounted as equity.

Short-term debt consists of repayments of long-term loans of EUR 97.0 million (5.8). At the end of 2010 Amer Sports had not issued commercial papers in Finnish markets. At the end of 2009 the issued amount was EUR 112.3 million. The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 84.7 million (121.6).

The loan syndicate signed in 2005 consists of a EUR 325 million revolving credit facility and a term loan of USD 100 million. Amer Sports had not used any of the revolving credit facility at the end of 2010.

In June 2010, Amer Sports Corporation issued a EUR 150 million bond targeted at domestic and international investors. The five-year bond has an annual fixed rate of 5.375%.

In November 2010, Amer Sports Corporation issued a EUR 30 million Schuldschein type of a promissory note targeted at international investors. This three year note has both fixed and floating rate tranches.

The equity ratio at the end of the year was 47.8% (48.2%) and gearing was 37% (38%).

The Group's most significant transaction risk arises from the US dollar. Amer Sports is a net buyer of USD because purchases related sourcing operations in Asia are USD denominated. The next 12 month EUR/USD net flow is over USD 250 million. Weakening of the US dollar against euro has therefore a positive impact on the company's EBIT, with a delay due to the hedges.

Amer Sports' hedging policy covers the transaction risk up to 12–18 months forward. Depending on the business area and its characteristics, hedge ratios are between 80–120% or 30–70%. Longer hedging horizon together with higher hedge ratio is applied in Winter and Outdoor. Currently the hedge levels are close to the maximums. At the end of 2010, the Group had hedged 82% of the 2011 EUR/USD net cash flow at EUR/USD rate of 1.33. This covers all spring/summer 2011 and most of the fall/winter 2011 USD purchases in Apparel and Footwear, where the EUR/USD exposure is the biggest.

Because Amer Sports' consolidated financial statements are presented in euros, Amer Sports is also subject to currency translation risk when currency dominated result is converted into euros. Combining the transaction risk and translation risks of the EBIT, Amer Sports is a net buyer of USD. In all other currencies the company is a net seller. The most significant currencies after USD are CHF, JPY, CAD and GBP, net flows varying from EUR 30 million to EUR 50 million.

A more detailed report on the Group's financial risks and how they are managed can be found in the notes to the financial statements.

CAPITAL EXPENDITURE

Group's capital expenditure totaled EUR 39.9 (39.5) million. Depreciation totaled EUR 35.8 million (35.0).

RESEARCH AND DEVELOPMENT

Amer Sports' strategy emphasizes excellence in consumer-centric product creation. Through continuous research and development, Amer Sports seeks to develop new and better sporting goods that appeal to consumers and its trade customers.

The Group has eight R&D centers globally serving different business areas as well as increasingly collaborating across units. A total of EUR 57.4 million (52.0) was invested in research and development in 2010, accounting for 8.8% of all operating expenses (2009: EUR 52.0 million, 9.0% of operating expenses; 2008: EUR 55.6 million, 9.6% of operating expenses). Winter and Outdoor's share of the R&D expenditure was 63%, while Ball Sports accounted for 14%, and Fitness for 23%.

On December 31, 2010, 514 (487) persons were employed in the company's research and development activities, approximately 8% (8%) of the total number of people employed by Amer Sports.

SALES AND MARKETING

Amer Sports sells its products to trade customers (including sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors) and directly to consumers through brand stores, factory outlets, and via the Internet.

One of Amer Sports five strategic priorities is strengthening the Group's commercial fundamentals through sales and distribution (go to market). The focus is on expanding the distribution footprint both in developed and emerging markets as well as growth in own retail and e-commerce. Amer Sports sales organization's key objective is to achieve steadily-increasing sales by expanding distribution in terms of the number of doors and categories per door.

On December 31, 2010, Amer Sports had sales offices in 24 countries. A total of 2,175 (2,064) persons were employed in sales and distribution activities, representing approximately 33% (32%) of the total number of people employed by Amer Sports.

During the year, the Group established a Group level marketing function and made significant investments in establishing the marketing structure and organization. The marketing organization's key objectives are to drive local consumer understanding and local relevancy and to build the company's brand equities.

SUPPLY CHAIN MANAGEMENT

Supply chain management encompasses all of Amer Sports' business functions from product development to product manufacturing and outbound logistics. Reliable, efficient and timely supply chain management is an important element in Amer Sports' strategy.

Tight management of working capital continued in 2010. During the year, the Group also launched a global program to reduce complexity in its product range and initiated a major operational efficiency program in Winter Sports Equipment.

To gain operational efficiencies and cost savings, Amer Sports is constantly reviewing both its make or buy strategy and the company's global production and sourcing footprint. At the end of 2010, approximately 20% of Amer Sports' production value was in the Americas, 30% in EMEA and 50% in Asia, with China representing approximately 35%. At the end of the year, the Asian sourcing function employed 223 (230) persons in the region.

Of Amer Sports' total production value, approximately 70% was being outsourced at the end of 2010. This figure includes manufacturing in all racquet sports and golf, most team sports products and most of the apparel and footwear. The manufacturing of products and components for a variety of winter sports equipment, cycling, sports instruments and fitness equipment has also been outsourced.

Amer Sports most important own production facilities are located in Austria, France, Finland, Canada, Bulgaria, and the United States.

HUMAN RESOURCES

Amer Sports' Human Resources function is a strong business partner supporting the company's use of people processes and tools as well as ensuring the professional and effective management of employee relations.

The Amer Sports' People Strategy is designed to support the company's corporate strategy, strategic business initiatives and focus areas. People Strategy goals in 2010 were as follows:

- strengthening the Amer Sports great leadership and talent management;
- enhancing the company's strong performance culture and ensuring global consistency in performance management;
- nourishing engagement; and
- leveraging strong partnership in HR.

In 2010, Amer Sports developed its talent management model further to better focus on successor planning and building the leadership pipeline. The Group also began work on enhancing internal mobility.

On December 31, 2010, the number of Group employees was 6,597 (December 31, 2009: 6,331; December 31, 2008: 6,338). The increase was mainly manufacturing personnel in Winter Sports Equipment and personnel working in own retail. The average number of personnel in 2010 was 6,497 (2009: 6,362; 2008: 6,285). At the end of 2010, men represented 62% (2009: 62%; 2008: 58%) of Amer Sports employees and women 38% (2009: 38%; 2008: 42%).

Salaries, incentives and other related costs paid in 2010 totaled EUR 336.4 million (2009: 301.5; 2008: 294.7). The Amer Sports' reward system is based on performance focusing on team and individual accountability. Basic pay is supplemented by performance-based bonus-schemes, which cover a large share of Group employees. The target of the company's annual incentive programs is to ensure that the personnel has the possibility to be rewarded for the work they perform in their area of responsibility whilst ensuring the company is achieving its financial targets.

Amer Sports launched two new share-based incentive programs at the beginning of 2010. The aim is to offer rewards for long-term company performance whilst also ensuring that key personnel remain within the company.

	Dec 31, 2010	Dec 31, 2009	Change, %
Winter and Outdoor	4,252	3,940	8
Ball Sports	1,590	1,586	0
Fitness	691	737	-6
Headquarters	64	68	-1
Personnel, total	6,597	6,331	4

	Dec 31, 2010	Dec 31, 2009	Change, %
EMEA	3,855	3,590	7
Americas	2,214	2,195	1
Asia Pacific	528	546	-3
Personnel, total	6,597	6,331	4

	Dec 31, 2010	Dec 31, 2009	Change, %
Manufacturing and sourcing	2,579	2,456	5
Sales and distribution	2,175	2,064	5
Support functions	837	877	-5
R&D	514	487	6
Marketing	492	447	10
Personnel, total	6,597	6,331	4

SOCIAL RESPONSIBILITY

Amer Sports is committed to implement its business strategy in an ethically and socially responsible manner, striving to improve its performance and to meet the company's economic, social, and environmental goals as defined in the Amer Sports code of conduct.

All Amer Sports suppliers are required to meet the Group's standards for ethical operations, which are based on International Labor Organization (ILO) and SA8000 standards and the United Nations Universal Declaration of Human Rights.

Amer Sports has a third party audit program to help sourcing partners comply with industry standards, regulations, and Amer Sports' expectations in regards to quality, health and safety, and environment and social responsibility. Coordinated out of Amer Sports sourcing office in Hong Kong, the audit process includes factory visits and training sessions with factory management to assist them in meeting the company standards. Every new supplier is required to be audited before an order can be placed.

BUSINESS SEGMENT REVIEWS

WINTER AND OUTDOOR

EUR million	2010	2009	Change, %	Change, % *)
Net sales				
Winter Sports				
Equipment	438.4	371.7	18	12
Footwear	219.6	169.0	30	26
Apparel	156.6	135.7	15	6
Cycling	106.4	100.4	6	5
Sports Instruments	94.0	85.8	10	4
Net sales, total	1,015.0	862.6	18	12
EBIT excluding non-recurring items	96.9	46.5	108	85
EBIT % excluding non-recurring items	10	5		
Non-recurring items	-10.0	0.0		
EBIT, total	86.9	46.5	87	66
Personnel, Dec 31	4,252	3,940	8	

*) In local currencies

In 2010, Winter and Outdoor's net sales totaled EUR 1,015.0 million (862.6), an increase of 12% in local currencies. Net sales growth was driven by Winter Sports Equipment and Footwear. Geographically, the strongest growth was in EMEA.

EUR million	2010	2009	Change, %	Change, % *)
Americas	211.3	181.1	17	6
EMEA	687.2	585.4	17	15
Asia Pacific	116.5	96.1	21	8
Net sales, total	1,015.0	862.6	18	12

*) In local currencies

In 2010, EBIT excluding non-recurring items more than doubled and was EUR 96.9 million (46.5). Increased sales volumes contributed EUR 46.3 million to the EBIT growth while higher gross margins contributed EUR 29.5 million. Operating expenses increased by EUR 33.8 million (all in local currencies). Operating expenses as a percentage of net sales were at previous year's level.

Winter Sports Equipment

In 2010, Winter Sports Equipment net sales totaled EUR 438.4 million (371.7) and were up by 12% in local currencies. The biggest product categories were alpine ski equipment, representing 75% of net sales, cross country ski equipment 15%, and snowboard equipment 10%. Net sales of alpine ski increased in local currencies by 9%, cross country increased by 41% and snowboards by 4%. In 2010, 70% of the Winter Sports Equipment business area's net sales were derived from EMEA, 18% from the Americas, and 12% from Asia Pacific.

During the year, a major operational efficiency program was started at Winter Sports Equipment.

Footwear

In 2010, Footwear net sales totaled EUR 219.6 million (169.0) and were up by 26% in local currencies. The growth came from all product categories. EMEA continued to be the largest region representing 83% of global sales, followed by the Americas with 14%, and Asia Pacific with 3%. The demand was particularly strong in Germany and Austria.

Apparel

In 2010, Apparel net sales totaled EUR 156.6 million (135.7) and were up by 6% in local currencies. The breakdown of Apparel net sales by geographical region was as follows: EMEA 52%, the Americas 37%, and Asia Pacific 11%.

Cycling

In 2010, Cycling net sales totaled EUR 106.4 million (100.4) and were up by 5% in local currencies. Rims and wheels represented 82% of net sales, and cycling apparel and footwear 15%. Net sales of rims and wheels increased in local currencies by 4%, and cycling apparel and footwear by 14%. The breakdown of Cycling net sales by geographical region was as follows: EMEA 65%, Asia Pacific 19%, and the Americas 16%. The strongest growth was in the UK and in the USA.

Sports Instruments

In 2010, Sports Instruments net sales totaled EUR 94.0 million (85.8) and were up by 4% in local currencies. The biggest product categories were outdoor products, representing 41% of net sales, diving instruments 20% and training 20%. Outdoor products sales continued to grow and increased by 14%. In diving and training instruments, sales were at previous year's level. The breakdown of net sales by geographical region was as follows: EMEA 49%, Asia Pacific 20% and the Americas 31%.

BALL SPORTS

EUR million	2010	2009	Change, %	Change, % *)
Net sales				
Racquet Sports	232.5	222.7	4	-1
Team Sports	212.1	187.3	13	8
Golf	76.0	66.7	14	7
Net sales, total	520.6	476.7	9	3
EBIT excluding non-recurring items	32.2	23.5	37	35
EBIT % excluding non-recurring items	6	5		
Non-recurring items	-2.7	0.0		
EBIT, total	29.5	23.5	26	23
Personnel, Dec 31	1,590	1,586	1	

*) In local currencies

In 2010, Ball Sports' net sales totaled EUR 520.6 million (476.7), an increase of 3% in local currencies. Growth in Team Sports and Golf was offset by slightly declining sales of low/mid price point rackets in Racquet Sports. Sales increased in the Americas by 6%, were stable in EMEA and declined by 3% in Asia Pacific mainly due to the soft tennis market in Japan.

EUR million	2010	2009	Change, %	Change, % *)
Americas	334.4	298.7	12	6
EMEA	114.0	111.5	2	0
Asia Pacific	72.2	66.5	9	-3
Net sales, total	520.6	476.7	9	3

*) In local currencies

In 2010, EBIT excluding non-recurring items was EUR 32.2 million (23.5), an increase of 37%. Higher gross margins contributed EUR 8.8 million to the EBIT growth and increased sales volumes contributed EUR 6.9 million. The improvement in the gross margin is the outcome of a better sales mix. Operating expenses increased by EUR 5.3 million. Operating expenses as a percentage of net sales were at previous year's level.

Racquet Sports

In 2010, Racquet Sports net sales totaled EUR 232.5 million (222.7) and were at previous year's level in local currencies. In local currencies, the Americas and EMEA were at previous year's level and Asia Pacific was down by 6%. The decline in Asia Pacific was due to the soft tennis market in Japan. The Americas accounted for 43% of net sales, EMEA for 35% and Asia Pacific for 22%.

The biggest product categories were tennis rackets, representing 41% of net sales, and tennis balls 22%. Net sales of tennis rackets and tennis balls were at previous year's level. Sales of performance rackets increased while sales of low/mid price point rackets decreased.

Team Sports

In 2010, Team Sports net sales totaled EUR 212.1 million (187.3) and were 8% up in local currencies. The breakdown of Team Sports sales by geographical region was as follows: the Americas 93%, EMEA 2% and Asia Pacific 5%. In local currencies, Asia Pacific grew by 21%, the Americas by 7%, and EMEA was at previous year's level.

The biggest product categories were American footballs, representing 21% of net sales, baseballs and gloves with 19%, baseball and softball bats with 19%, and basketballs with 15%. The strongest growth in 2010 was in baseball and softball bats (22%), basketballs (10%) and ball gloves (10%) (in local currencies).

Golf

In 2010, Golf net sales totaled EUR 76.0 million (66.7) and were up by 7% in local currencies. EBIT was negative. The breakdown of sales by geographical region was: the Americas 49%, EMEA 40% and Asia Pacific 11%. In local currencies, the Americas increased by 18% and EMEA by 3%, while Asia Pacific fell by 13 %. The biggest product categories were clubs, representing 56% of net sales, and balls 30%. Net sales of balls increased in local currencies by 26% and clubs by 2%.

FITNESS

EUR million	2010	2009	Change, %	Change, % *)
Net sales	204.8	194.1	6	1
EBIT excluding non-recurring items	2.7	-2.5		
EBIT % excluding non-recurring items	1			
Non-recurring items	-2.3	-5.0		
EBIT, total	0.4	-7.5		
Personnel, Dec 31	691	737	-6	

*) In local currencies

In 2010, Fitness' net sales totaled EUR 204.8 million (194.1), and were at previous year's level in local currencies. Geographically, growth in EMEA and Asia Pacific compensated the decline in the Americas. Net sales was negatively impacted by EUR 4.5 million due to an adjustment in revenue recognition of sale of extended warranties.

In 2010, commercial business (clubs and institutions) represented 89% of Fitness' net sales while consumer (home use) was 11%. Commercial business was up by 2% in local currencies while consumer business fell by 10%. Commercial business started to show some early signs of recovery during 2010. Sales of premium consumer equipment for home use continued to be sluggish.

In 2010, Fitness' EBIT excluding non-recurring items was EUR 2.7 million (-2.5). Operating expenses were EUR 4.0 million lower compared to 2009 (in local currencies).

EUR million	2010	2009	Change, %	Change, % *)
Americas	142.2	140.7	1	-4
EMEA	44.5	38.1	17	14
Asia Pacific	18.1	15.3	18	9
Net sales, total	204.8	194.1	6	1

*) In local currencies

DIVESTMENTS

Amer Sports divested its unused manufacturing site in Rumilly, France in October 2010. The transaction price totaled EUR 8 million, resulting in a capital gain of EUR 7.4 million reported as a non-recurring item.

CORPORATE GOVERNANCE STATEMENT

In its decision making and administration, Amer Sports applies the Finnish Companies Act, the Finnish Securities Markets Act and the rules issued by the NASDAQ OMX Helsinki Stock Exchange, Amer Sports' Articles of Association, and the Finnish Corporate Governance Code 2010 for listed companies. Amer Sports complies with the code without exceptions.

The Amer Sports Corporate Governance statement has been issued as a separate report on the company's web site. It has been prepared pursuant to Recommendation 54 of the Finnish Corporate Governance Code 2010 for listed companies and the Securities Markets Act (Chapter 2, Section 6). Amer Sports' auditors have checked that the statement has been issued and that the description of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with Amer Sports' financial statements.

CHANGES IN TOP MANAGEMENT

On December 22, 2009, the Amer Sports Board of Directors appointed Heikki Takala as Amer Sports' President and CEO with effect from April 1, 2010. Pekka Paalanne, Executive Vice President and Deputy to the President and CEO, was acting President and CEO from December 22, 2009, until March 31, 2010.

Amer Sports appointed Mikko Moilanen President of Suunto Oy starting on March 17, 2010. At the same time, Juha Pinomaa, the previous President of Suunto Oy, resigned from the company at his own request.

Amer Sports appointed Andy Towne to the position of President of Apparel with effect from October 11, 2010. Mr Towne is also a member of the Executive Board. Jean-Marc Pambet, previously President of Apparel and Footwear, continues as President of Footwear as well as President of Salomon.

Amer Sports also appointed the regional general managers of the sales and channel management members of Amer Sports Executive Board, starting on October 15, 2010. The new Executive Board members are Michael White, General Manager EMEA; Mike Dowse, General Manager Americas, and Matt Gold, General Manager Asia Pacific. SVP, Sales and Channel Management Thomas Ehrnrooth left the company on October 15, 2010.

Jussi Siitonen, Senior Vice President, Finance, was appointed to the position of Chief Financial Officer (CFO) on January 1, 2011 as the previous holder of the position, Executive Vice President Pekka Paalanne, retired at the end of 2010. Mr Siitonen also became a member of the Amer Sports Executive Board on January 1, 2011.

Victor Duran, Senior Vice President, Marketing and Business to Consumer, became a member of the Amer Sports Executive Board on January 1, 2011.

All members of the Executive Board report to Heikki Takala, Amer Sports' President and CEO.

Additional details concerning members of the Amer Sports' Executive Board can be found at: www.amersports.com/about. Information on related parties can be found in the notes to the financial statements.

SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on December 31, 2010 and the number of shares was 121,517,285. Each share entitles the holder to one vote at the company's general meeting.

AUTHORIZATIONS

The Annual General Meeting on March 10, 2010 authorized the Board of Directors to decide on the repurchase of a maximum of 7,000,000 of the company's own shares. The repurchase authorization is valid for 18 months from the date of the Annual General Meeting's decision.

The Board of Directors was also authorized to decide on issuing new shares and/or conveying the company's own shares held by the company as follows: 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 to issue 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 it does not revoke the share issue authorization given by the Annual General Meeting on March 5, 2009.

The Annual General Meeting on March 5, 2009 authorized the Board of Directors to decide on issuing new shares on the following terms and conditions: new shares may be issued and the company's own shares held by the company may be conveyed against payment to the company's shareholders in proportion to their current shareholdings in the company. The Board of Directors is entitled to decide on issuing a maximum of 7,000,000 new shares. The subscription price of the new shares shall be recorded under the invested non-restricted equity fund. The authorization to issue shares is valid until two (2) years from the date of the decision of the Annual General Meeting.

To date these authorizations have not been used.

Apart from the above, the Board of Directors has no current authorization to issue shares, convertible bonds or warrant programs.

TRADING IN SHARES

In 2010, a total of 55.2 million (71.0) Amer Sports shares with a value totaling EUR 475.0 million (458.3) were traded on the NASDAQ OMX Helsinki Ltd. Share turnover was 45.4% (76.4%) (expressed as a proportion of the average number of shares, excluding own shares). The average daily volume in 2010 was 218,941 shares (283,014).

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange on December 30, 2010 was EUR 10.43 (7.00). The share price rose 49% during the year while OMX Helsinki Cap index rose 25%. Shares registered a high of EUR 10.70 (7.19) and a low of EUR 6.82 (3.67). The average share price was EUR 8.61 (6.45). On December 31, 2010, the company had a market capitalization of EUR 1,263.8 million (848.3), excluding own shares.

At the end of December, Amer Sports Corporation had 15,400 registered shareholders (13,342). Outside Finland, ownership and nominee registrations represented 51.3% (52.6%) of the company's shares. Public sector entities owned 13.2% (12.5), households 12.4% (12.4), financial and insurance corporations 13.1% (11.7), non-profit institutions 7.5% (8.2), and private companies 2.2% (2.3).

MAJOR SHAREHOLDERS, DECEMBER 31, 2010 (DOES NOT INCLUDE NOMINEE REGISTRATIONS)

		Shares	% of shares and votes
1	Ilmarinen Mutual Pension Insurance Company	5,740,464	4.72
2	Varma Mutual Pension Insurance Company	5,341,678	4.40
3	Maa- ja Vesitekniikan Tuki ry.	5,000,000	4.11
4	Brotherus Ilkka	2,683,416	2.21
5	Mandatum Life Insurance Company Limited	2,247,559	1.85
6	Tapiola Mutual Pension Insurance Company	1,827,091	1.50
7	Odin Norden	1,687,632	1.39
8	OP-Delta Fund	1,550,000	1.28
9	The State Pension Fund	1,433,104	1.18
10	OP-Finland Value Fund	1,382,117	1.14

Amer Sports held 342,963 (334,900) of its own shares at the end of 2010, all of them owned by Amer Sports International Oy. The number of own shares corresponds to 0.28% of all Amer Sports shares. A total of 38,063 shares granted as share-based incentives were returned to Amer Sports International Oy in 2010 in accordance with the terms of the incentive plan as employment ended. In addition, Amer Sports International Oy transferred 30,000 shares to Heikki Takala, Amer Sports' President and CEO as part of his remuneration in April, 2010.

NOTIFICATIONS OF CHANGE IN SHAREHOLDING UNDER THE FINNISH SECURITIES MARKET ACT

In November 3, 2010, Amer Sports Corporation received information to the effect that on November 1, 2010, Silchester International Investors Limited ("Silchester Limited") transferred its regulated business to Silchester International Investors LLP ("Silchester LLP"). This notification was therefore triggered by the change in the legal structure of the investment management firm on November 1, 2010 rather than trading activity in the underlying shares. Owners of institutional investors and funds, who have given full discretion over their investments to Silchester LLP, owned 19,307,292 shares, which represented 15.89% of Amer Sports Corporation's share capital and voting rights on November 1, 2010.

In December 15, 2010, Amer Sports Corporation received information to the effect that the share capital and voting rights of owners of institutional investors and funds, who have given full discretion over their investments to Silchester LLP, had fallen below 15%. At the moment of the notification, Silchester LLP owned 18,133,818 shares, which represented 14.92% of Amer Sports Corporation's share capital and voting rights.

DISCLOSURE OF CONTROL

Amer Sports' Board of Directors is not aware of any natural or legal persons who have control over the company or has information on these persons' portion of the voting rights of the shares and of the total number of shares.

AGREEMENTS AND ARRANGEMENTS RELATING TO SHAREHOLDINGS AND THE USE OF VOTING RIGHTS

The Amer Sports' Board of Directors is not aware of any agreements or arrangements concerning the ownership of the company's shares and the use of their voting rights.

SHAREHOLDINGS OF BOARD OF DIRECTORS AND EXECUTIVE BOARD ON DECEMBER 31, 2010

	Shares	Circle of acquaintances and controlled corporations
Board of Directors		
Anssi Vanjoki	26,995	
Ilkka Brotherus	2,683,416	10,250
Martin Burkhalter	6,880	
Christian Fischer	6,880	
Hannu Ryöppönen	5,164	14,175
Bruno Sälzer	6,880	
Pirjo Väliaho	9,091	
Executive Board		
Heikki Takala	32,900	
Pekka Paalanne	53,350	
Paul Byrne	1,282	
Chris Considine	8,521	
Mike Dowse	6,665	
Matt Gold	6,685	
Terhi Heikkinen	1,400	
Antti Jääskeläinen	1,500	
Bernard Millaud	8,243	
Mikko Moilanen	1,300	
Jean-Marc Pambet	8,155	
Michael Schineis	11,193	
Andrew Towne	0	
Vincent Wauters	25,690	
Michael White	4,559	
Total	2,916,749	
% of shares	2.4	
Including circle of acquaintances and controlled corporations	2,941,174	
% of shares	2.4	

During the year, the Group had three share-based incentive arrangements for Group key personnel. The share-based incentive arrangements are described in the notes to the financial statements.

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 were 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 Väliaho, 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 the notice to 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 AGM approved that the 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 to issue 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.

Amer Sports Board of Directors did not use its authorizations during 2010.

BOARD OF DIRECTORS

At its organizing meeting immediately following the Annual General Meeting, Amer Sports Corporation's Board of Directors 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 Väliaho (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.

In 2010, the Board of Directors had 12 meetings, the Compensation Committee 5 meetings, the Nomination Committee 5 meetings and the Audit Committee 5 meetings.

OTHER EVENTS DURING THE REVIEW PERIOD

According to information received by Amer Sports Corporation on November 9, 2010, the two private individuals who brought claims for damages against Amer Sports Corporation in 2005 in connection with its discontinued tobacco business had withdrawn their petition for leave to appeal and their appeal in the Supreme Court. The judgment passed by the Helsinki Court of Appeal on May 31, 2010 will thus be the final ruling on the matter. The Court of Appeal dismissed all claims for damages against Amer Sports Corporation. The Court of Appeal did not amend the judgments passed in the matter by Helsinki District Court in 2008, where all claims made by the claimants had also been dismissed.

The case concerned claims for damages brought by two private individuals, whereby they claimed damages and legal costs jointly and severally from Amer Sports Corporation and its subsidiary Amerintie 1 Oy (previously Amer-Tupakka Oy) and another tobacco manufacturer.

Amer Sports fully divested the tobacco business in March 2004.

AMER SPORTS STRATEGY AND FINANCIAL TARGETS

In September 2010, Amer Sports announced new strategic priorities and long-term Group financial targets. The strategy defines internal financial as well as synergy and scale targets for each unit in the Group portfolio. Group strategy emphasizes faster growth in softgoods, i.e. apparel and footwear, excellence in consumer-centric product creation and brand marketing (winning with consumers), and the strengthening of commercial fundamentals through the development of sales and distribution (winning in go to market). Operational excellence continues to be a key cornerstone. The new financial targets put the focus on profitable growth and strong cash flow.

The new long-term financial targets are:

- Growth: Delivering organic, currency-neutral annual growth of 5%.
- Profitability: EBIT of at least 10% of net sales.
- Cash flow: Annual free cash flow equal to net profit.
- Balance sheet structure: Year-end Net Debt / EBITDA ratio of 3 or less.

The cash flow target has been set to synchronize working capital management with targeted growth and profitability. The Net Debt / EBITDA ratio has been set to optimize balance sheet structure.

The strategic cornerstones of Amer Sports' development are as follows:

- Clear portfolio roles and business synergies
- Faster growth in softgoods
- Winning with consumers
- Winning in go to market
- Operational excellence

All business units are being developed with clear portfolio roles. Each unit has specific growth and profitability targets with a clearly-assigned role in creating scale and synergy for the company. Most group synergies lie within the Ball Sports, Winter Sports Equipment, Apparel and Footwear businesses which are the focus of the Group's integration and synergistic development efforts.

Amer Sports is pursuing faster growth in softgoods by moving to category-based development across brands. This will build scale in softgoods sourcing, R&D, design and product line management. To ensure local relevance and winning with consumers, the Group will establish a set-up for local consumer insight and reinforcing global marketing capabilities. Expanding the Group's distribution footprint in both developed and emerging markets while also achieving growth in own retail and e-commerce are the focus of winning in go to market. The Group will continue to drive operational excellence, the tight management of working capital and the improvement of gross margins.

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 product costs and Amer Sports' ability to manufacture, source and deliver products on a timely basis as well as consumer demand development in North America, Europe and Japan.

For example, the following risks can potentially have an impact on the company's development:

- The sporting goods industry is subject to risks related to consumer demand in various parts of the world. Amer Sports is particularly dependent on general economic conditions and consumer demand in North America, Europe and Japan.
- The sporting goods industry is highly competitive and includes many regional, national and global companies. Although Amer Sports has no competitors that challenge it across of all of its product categories, the company faces competition from number of companies in most of the product categories. There cannot be assurance that additional competitors will not enter Amer Sports' existing markets or that Amer Sports will be able to compete successfully against existing or new competitors.
- Sales of winter sports equipment are affected by snow conditions. Winter sports equipment represents 25% of Amer Sports' sales.
- A large part of Amer Sports' production is outsourced. Amer Sports is constantly reviewing the global production and sourcing footprint to gain operational efficiencies and cost savings. Although the business areas audit their subcontractors regularly, possible delivery problems or breaches of contract by subcontractors may have an impact on Amer Sports' operations.
- Labour costs are expected to increase in Asia where Amer Sports sources a significant portion of its products. Amer Sports uses steel, rubber, and oil-based raw materials and components in its products and must obtain adequate supplies of these raw materials from the markets in competition with the other users of such materials. Increases in labour and raw material costs can have a negative impact on product costs.
- Amer Sports' most important production facilities are the Winter Sports Equipment factories in Austria and Bulgaria, Fitness' factory in the United States, and the Sports Instruments' factory in Finland. In addition, Amer Sports has major factories in Eastern Europe, which are owned by subcontractors. Amer Sports' most important distribution centers are located in Germany, Austria, the United States, and France. Any unexpected production or delivery breaks in these units would have a negative impact on the company's business.
- Amer Sports' success is dependent on its ability to identify and respond to constantly shifting trends in consumer demand, its ability to leverage advancements in technologies and to develop new and appealing products. Sales of Amer Sports' products may be negatively affected if it is not successful in introducing innovative products in response to changes in consumer preferences, technology and industry trends.
- Losing a significant client would affect Amer Sports' sales. However, this risk is limited because Amer Sports' client base is diversified.
- Growing the number of Amer Sports' own retail stores require up-front investment. In addition, the maintenance of the stores and the personnel employed in own retail create more fixed costs than distribution to trade customers. A failure to execute Amer Sports' retail growth plan as part of Amer Sports' multi-channel sales strategy could have a negative impact on Amer Sports' results.
- Despite extensive testing of its products before market launch, the company cannot completely rule out the risk of product recalls and legal actions related to product liability. Amer Sports has standard insurance cover against the financial consequences of product recalls and product liability cases. Product quality issues could harm Amer Sports' reputation and, as a result, could have an adverse effect on its sales.
- A characteristic feature of the sporting goods industry is the need to protect intellectual property rights (IPR) and disputes connected with them. Amer Sports' success depends in part on its ability to protect its innovations, trademarks and other IPR from unauthorized use by others through obtaining relevant protection in countries where it operates and to enforce its' IPRs. Any litigation to defend against claims or infringement could result in substantial costs and diversion of resources and could negatively affect results of operations or competitive position of Amer Sports. The material impacts on Amer Sports' financial position and operational result arising from pending litigation affecting the business areas and decisions of the authorities are assessed regularly, and current estimates are presented publicly when necessary.
- Amer Sports sources a significant portion of its products from subcontractors located throughout Asia, which exposes it to the political, economic, and regulatory conditions in that area, and to a variety of local business and labor practice issues. Although Amer Sports has third party audit program in Asia, Amer Sports cannot fully control its subcontractors' actions. The violation of labor laws, regulations or standards by Amer Sports' subcontractors, or the divergence of those subcontractors' labor practices from those generally accepted as ethical in the European Union or the international community, could have a material adverse effect on Amer Sports' public image and the reputation of its brands.
- Amer Sports relies on data communications to operate its business, and it is in the process of integrating its IT platform globally and implementing further applications to better control its supply chain. System failures and service interruptions may occur as the result of a number of factors. Any of these factors could have a material adverse affect on Amer Sports' business.
- Financial risks are described under "Cash flow and financing".

OUTLOOK FOR 2011

Amer Sports' strategic development programs are expected to continue to contribute positively to the Group performance in 2011. The sporting goods market is estimated to continue the recovery started in 2010, with regional and sports specific differences. In Footwear and Apparel, spring/summer pre-orders are indicating that the 2010 strong momentum will continue.

Overall, Amer Sports expects its 2011 net sales to increase from 2010 and EBIT to improve.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF EARNINGS

The parent company's unrestricted shareholders' equity amounts to EUR 237,631,572.60, of which the net result for the period is EUR 10,922,127.80.

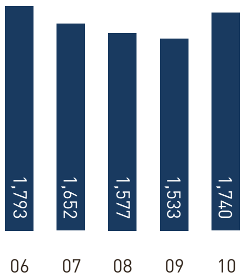
The Board of Directors proposes to the Annual General Meeting that the distributable earnings be used as follows:

- A dividend of EUR 0.30 per share, totaling EUR 36,455,185.50 to be paid to shareholders
- EUR 201,176,387.10 to be carried forward in unrestricted shareholders' equity
- Totaling EUR 237,631,572.60

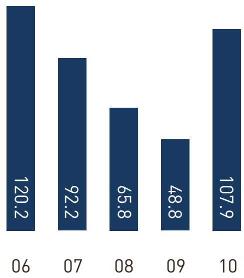
No dividend will be paid for own shares held by the company.

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

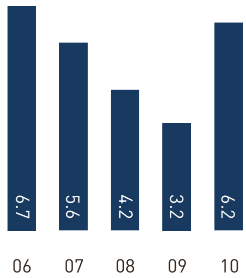
NET SALES, EUR MILLION



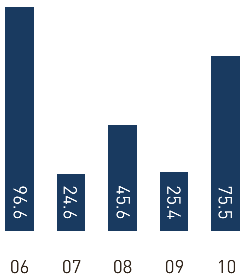
EBIT EXCLUDING NON-RECURRING ITEMS, EUR MILLION



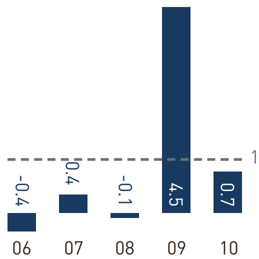
EBIT MARGIN, EXCLUDING NON-RECURRING ITEMS



EARNINGS BEFORE TAXES, EUR MILLION

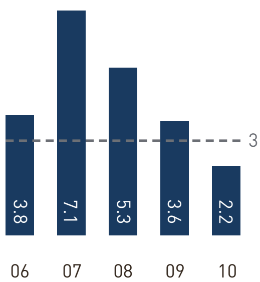


FREE CASH FLOW/NET PROFIT



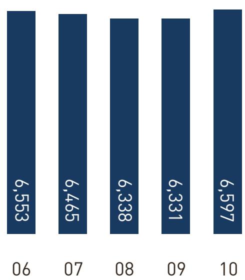
Target: annual free cash flow equal to net profit

NET DEBT/EBITDA



Target: year end net debt/ EBITDA ratio 3 or less

EMPLOYEES AT YEAR END



PERSONNEL BY BUSINESS SEGMENT

	At year end		Average	
	2010	2009	2010	2009
Winter and Outdoor	4,252	3,940	4,143	3,906
Ball Sports	1,590	1,586	1,589	1,665
Fitness	691	737	694	720
Headquarters	64	68	71	71
Total	6,597	6,331	6,497	6,362

PERSONNEL BY COUNTRY

	At year end	
	2010	2009
USA	1,460	1,503
France	1,003	970
Austria	844	795
Bulgaria	619	464
Canada	602	554
Finland	391	377
Germany	294	302
UK	201	195
China	194	183
Japan	139	164
Russia	110	65
Mexico	86	83
Malta	68	65
Brazil	66	55
Taiwan	61	68
Spain	59	58
Italy	57	53
Australia	53	52
Other countries	290	325
Total	6,597	6,331

QUARTERLY NET SALES

	I	II	III	IV	I	II	III	IV
EUR million	2010	2010	2010	2010	2009	2009	2009	2009
Winter and Outdoor	181.7	116.5	300.3	416.5	164.4	106.6	262.4	329.2
Ball Sports	145.4	153.9	114.0	107.3	142.9	135.7	103.4	94.7
Fitness	45.5	47.1	52.6	59.6	48.0	42.4	44.8	58.9
Total	372.6	317.5	466.9	583.4	355.3	284.7	410.6	482.8

QUARTERLY EBIT

	I	II	III	IV	I	II	III	IV
EUR million	2010	2010	2010	2010	2009	2009	2009	2009
Winter and Outdoor	1.7	-24.2	58.2	51.2	-10.9	-29.2	44.1	42.5
Ball Sports	14.4	17.0	3.5	-5.4	11.5	7.4	2.4	2.2
Fitness	-0.7	-3.7	2.8	2.0	-3.4	-2.2	-1.4	-0.5
Headquarters	-5.9	-6.0	-8.7	0.6	-4.1	-5.4	-4.4	-4.8
Total	9.5	-16.9	55.8	48.4	-6.9	-29.4	40.7	39.4

FIVE-YEAR REVIEW (IFRS)

EUR million	2010	Change, %	2009	2008	2007	2006
Net sales	1,740.4	13	1,533.4	1,576.6	1,652.0	1,792.7
Depreciation	35.8	2	35.0	38.2	33.9	32.2
Research and development expenses	57.4	10	52.0	55.6	57.7	58.5
% of net sales	3		3	4	3	3
EBIT	96.8	121	43.8	78.9	49.5	120.2
% of net sales	6		3	5	3	7
Net financing expenses	-21.3		-18.4	-33.3	-24.9	-23.6
% of net sales	1		1	2	2	1
Earnings before taxes	75.5	197	25.4	45.6	24.6	96.6
% of net sales	4		2	3	1	5
Taxes	6.6		-6.0	11.6	6.1	26.1
Net result attributable to equity holders of the parent company	68.8	120	31.3	33.9	18.1	70.3
Capital expenditure and acquisitions	39.9	-6	42.5	45.6	58.3	74.7
% of net sales	2		3	3	4	4
Divestments	9.9		1.4	31.0	5.7	2.8
Non-current assets	741.6	7	693.0	688.0	682.6	674.5
Inventories	302.1	29	234.6	346.0	299.2	290.4
Current receivables	525.4	11	475.4	555.8	594.7	647.1
Cash and cash equivalents	84.7	-30	121.6	72.1	68.0	45.5
Shareholders' equity	790.2	7	735.3	508.1	509.7	556.1
Interest-bearing liabilities	379.5	-6	404.1	687.7	656.2	630.9
Interest-free liabilities	484.1	26	385.2	466.1	478.6	470.5
Balance sheet total	1,653.8	8	1,524.6	1,661.9	1,644.5	1,657.5
Return on investment (ROI), %	8.5		3.8	7.3	4.5	11.0
Return on shareholders' equity (ROE), %	9.0		5.0	6.7	3.5	12.9
Equity ratio, %	48		48	31	31	34
Debt to equity ratio	0.5		0.6	1.4	1.3	1.1
Gearing, %	37		38	121	115	105
Free cash flow/net profit	0.7		4.5	-0.1	0.4	-0.4
Net debt/EBITDA	2.2		3.6	5.3	7.1	3.8
Average personnel	6,497	2	6,362	6,285	6,582	6,786

Calculation of key indicators, see page 48.

SHARE CAPITAL AND PER SHARE DATA

EUR million	2010	2009	2008	2007	2006
Share capital	292.2	292.2	292.2	289.3	286.8
Number of shares in issue, million	121.5	121.5	73.1	72.3	71.7
Adjusted number of shares in issue, million [1]	121.5	121.5	93.5	92.4	91.7
Adjusted number of shares in issue less own shares, million [1]	121.2	121.2	93.0	91.9	91.7
Adjusted average number of shares in issue less own shares, million [1]	121.2	97.7	92.7	92.1	91.4
Share issues					
Share issue, net	-	151.5 [2]	-	-	-
Targeted share issue	-	-	2.9	2.5	0.9
Earnings per share, continuing operations, EUR [1]	0.52	0.28	0.37	0.20	0.77
Earnings per share, diluted, continuing operations, EUR [1]	0.52	0.28	0.37	0.20	0.76
Equity per share, EUR [1]	6.50	6.05	5.44	5.51	6.03
Total dividends	36.5 [3]	19.4	11.6	36.3	36.0
Dividend per share, EUR [1]	0.30 [3]	0.16	0.13	0.39	0.39
Dividend % of earnings	53 [3]	62	34	201	51
Effective yield, %	2.9 [3]	2.3	3.0	2.7	3.0
P/E ratio	19.9	25.4	11.4	74.0	17.0
Market capitalization	1,263.8	848.3	389.7	1,329.1	1,195.9
Share value, EUR					
Par value	4.00	4.00	4.00	4.00	4.00
Share price low [1]	6.82	3.67	3.83	12.13	11.54
Share price high [1]	10.70	7.19	14.86	16.81	14.86
Average share price [1]	8.61	6.45	9.06	13.58	13.16
Share price at closing date [1]	10.43	7.00	4.19	14.46	13.04
Trading volume	475.0	458.3	1,172.5	2,817.9	1,115.2
1,000s	55,173	71,036	101,259	162,204	66,251
%	45	76	140	225	93
Number of shareholders	15,400	13,342	12,320	12,280	14,351

[1] The share-based key indicators of years 2006–2008 have been adjusted for the impact of the share issue in 2009.
[2] Gross proceeds of EUR 160.0 million less expenses EUR 8.5 million
[3] Proposal of the Board of Directors for 2010

Calculation of key indicators, see page 48

SHARES/SHAREHOLDER AS OF DECEMBER 31, 2010

Shares	Share-holders	% of share-holders	Shares	% of shares
1–100	3,026	19.6	178,316	0.1
101–1,000	8,963	58.2	3,872,281	3.2
1,001–10,000	3,146	20.4	7,930,634	6.5
10,001–100,000	195	1.3	5,319,037	4.4
Over 100,000	58	0.4	45,349,434	37.3
Nominee registered	12	0.1	58,524,620	48.2
Own shares held by the company			342,963	0.3
Total	15,400	100.0	121,517,285	100.0

SECTORS AS OF DECEMBER 31, 2010

	%
Outside Finland and nominee registrations	51.3
Public sector entities	13.2
Financial and insurance corporations	13.1
Households	12.4
Non-profit institutions	7.5
Private companies	2.2
Own shares held by the company	0.3
Total	100.0

CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Note	2010	2009
NET SALES		1,740.4	1,533.4
Cost of goods sold	7	-998.4	-913.4
GROSS PROFIT		742.0	620.0
License income		9.5	8.2
Other operating income	4	12.4	4.6
R&D expenses	7	-57.4	-52.0
Selling and marketing expenses	7	-443.1	-398.6
Administrative and other expenses	7, 8, 9	-166.6	-138.4
EARNINGS BEFORE INTEREST AND TAXES	5, 6, 7	96.8	43.8
% of net sales		5.6	2.9
Financing income	10	0.6	7.1
Financing expenses	10	-21.9	-25.5
Financing income and expenses		-21.3	-18.4
EARNINGS BEFORE TAXES		75.5	25.4
Taxes	11	-6.6	6.0
NET RESULT		68.9	31.4
Attributable to:			
Equity holders of the parent company		68.8	31.3
Non-controlling interests		0.1	0.1
Earnings per share of the net result attributable to equity holders of the parent company, EUR	12		
Undiluted		0.52	0.28
Diluted		0.52	0.28

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2010	2009
Net result		68.9	31.4
Other comprehensive income			
Translation differences		28.7	-0.5
Cash flow hedges	26	-0.2	1.1
Income tax related to cash flow hedges	26	0.0	-0.3
Other comprehensive income, net of tax		28.5	0.3
TOTAL COMPREHENSIVE INCOME		97.4	31.7
Total comprehensive income attributable to:			
Equity holders of the parent company		97.3	31.6
Non-controlling interests		0.1	0.1

The notes are an integral part of consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT (IFRS)

EUR million	Note	2010	2009
NET CASH FLOW FROM OPERATING ACTIVITIES			
Earnings before interest and taxes		96.8	43.8
Depreciation		35.8	35.0
Adjustments to cash flow from operating activities	22	-7.5	-0.4
Cash flow from operating activities before change in working capital		125.1	78.4
Increase (-) or decrease (+) in inventories		-53.6	111.2
Increase (-) or decrease (+) in trade and other current receivables		-26.0	73.9
Increase (+) or decrease (-) in interest-free current liabilities		60.8	-48.4
Change in working capital		-18.8	136.7
Cash flow from operating activities before financing items and taxes		106.3	215.1
Interest paid		-14.9	-21.6
Interest received		0.6	0.7
Income taxes paid and received		-11.9	-12.6
Financing items and taxes		-26.2	-33.5
Total net cash flow from operating activities		80.1	181.6
NET CASH FLOW FROM INVESTING ACTIVITIES			
Acquired operations	3	-	-3.0
Capital expenditure on non-current tangible assets		-31.1	-28.4
Capital expenditure on non-current intangible assets		-8.8	-11.1
Proceeds from sale of tangible non-current assets		9.9	1.4
Interest received from non-current receivables		-	0.0
Net cash flow from investing activities		-30.0	-41.1
NET CASH FLOW AFTER INVESTING ACTIVITIES (FREE CASH FLOW)		50.1	140.5
NET CASH FLOW FROM FINANCING ACTIVITIES			
Share issue, net	18	-	151.5
Change in short-term borrowings		-111.7	-58.4
Withdrawals of long-term borrowings		180.0	-
Repayments of long-term borrowings		-117.0	-225.2
Interest on hybrid bond		-7.2	-
Dividends paid *)		-19.5	-11.8
Hybrid bond	29	-	60.0
Other financing items **)		-15.6	-7.3
Net cash flow from financing activities		-91.0	-91.2
CHANGE IN CASH AND CASH EQUIVALENTS		-40.9	49.3
Cash and cash equivalents			
Cash and cash equivalents at year end		84.7	121.6
Translation differences		4.0	0.2
Cash and cash equivalents at year beginning		121.6	72.1
Change in cash and cash equivalents		-40.9	49.3

*) Dividends paid also include the dividend distributed to minority shareholders (2010: EUR 0.1 million, 2009: EUR 0.2 million).
**) 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.

The notes are an integral part of consolidated financial information.

CONSOLIDATED BALANCE SHEET (IFRS)

ASSETS

EUR million	Note	2010	2009
NON-CURRENT ASSETS	13		
Intangible rights		191.8	192.9
Goodwill		286.7	273.6
Other intangible assets		22.4	17.2
Land and water		15.0	15.2
Buildings and constructions		47.2	47.6
Machinery and equipment		70.9	66.6
Other tangible assets		0.8	0.7
Advances paid and construction in progress		6.3	4.9
Available-for-sale financial assets	14	0.7	0.8
Deferred tax assets	15	97.8	71.9
Other non-current receivables		2.0	1.6
TOTAL NON-CURRENT ASSETS		741.6	693.0
CURRENT ASSETS			
INVENTORIES	16		
Raw materials and consumables		45.8	37.7
Work in progress		10.8	6.4
Finished goods		245.5	190.5
		302.1	234.6
RECEIVABLES			
Accounts receivable	16	462.6	401.2
Loans receivable		0.2	0.3
Current tax assets		8.6	15.1
Prepaid expenses and other receivables	17	54.0	58.8
		525.4	475.4
CASH AND CASH EQUIVALENTS	14	84.7	121.6
TOTAL CURRENT ASSETS		912.2	831.6
TOTAL ASSETS	28	1,653.8	1,524.6

The notes are an integral part of consolidated financial information.

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Note	2010	2009
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	18		
Share capital		292.2	292.2
Premium fund		12.1	12.1
Fund for own shares		-5.6	-5.6
Translation differences		-34.3	-63.0
Fair value and other reserves	26	-5.6	-5.4
Invested unrestricted equity reserve		151.5	151.5
Hybrid bond	29	60.0	60.0
Retained earnings		248.5	259.6
Net result		68.8	31.3
TOTAL		787.6	732.7
NON-CONTROLLING INTERESTS		2.6	2.6
TOTAL SHAREHOLDERS' EQUITY		790.2	735.3
LIABILITIES			
LONG-TERM LIABILITIES			
Bonds	19	180.0	75.0
Loans from financial institutions	19	77.5	179.6
Pension loans	19	20.0	25.7
Other interest-bearing liabilities	19	1.2	2.5
Deferred tax liabilities	15	8.3	7.8
Other interest-free liabilities		11.3	6.6
Provisions	21	3.3	10.3
		301.6	307.5
CURRENT LIABILITIES			
Interest-bearing liabilities	19	100.8	121.3
Accounts payable		181.8	135.9
Accrued liabilities	20	232.6	196.3
Current tax liabilities		20.2	7.8
Provisions	21	26.6	20.5
		562.0	481.8
TOTAL LIABILITIES	28	863.6	789.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,653.8	1,524.6

The notes are an integral part of consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

EUR million	Attributable to equity holders of the parent company										
	Share capital	Premium fund	Fund for own shares	Trans-lation differ-ences	Fair value and other reserves	Invested unre-stricted equity reserve	Hybrid bond	Retained earnings	Total	Non-control-ling interests	Total share-holders' equity
Balance at January 1, 2009	292.2	12.1	-5.7	-62.5	-6.2	-	-	275.6	505.5	2.6	508.1
Other comprehensive income:											
Translation differences				-0.5					-0.5		-0.5
Cash flow hedges					1.1				1.1		1.1
Income tax related to cash flow hedges					-0.3				-0.3		-0.3
Net result								31.3	31.3	0.1	31.4
Total comprehensive income				-0.5	0.8			31.3	31.6	0.1	31.7
Transactions with owners:											
Share issue						160.0			160.0		160.0
Transaction costs of share issue						-8.5			-8.5		-8.5
Dividend distribution								-11.6	-11.6	-0.2	-11.8
Reissuance of own shares			0.1						0.1		0.1
Hybrid bond *)							60.0	-4.4	55.6		55.6
Other change in non-controlling interests										0.1	0.1
Balance at December 31, 2009	292.2	12.1	-5.6	-63.0	-5.4	151.5	60.0	290.9	732.7	2.6	735.3
Other comprehensive income:											
Translation differences				28.7					28.7		28.7
Cash flow hedges					-0.2				-0.2		-0.2
Income tax related to cash flow hedges					0.0				0.0		0.0
Net result								68.8	68.8	0.1	68.9
Total comprehensive income				28.7	-0.2			68.8	97.3	0.1	97.4
Transactions with owners:											
Share-based incentive program								0.5	0.5		0.5
Dividend distribution								-19.4	-19.4	-0.1	-19.5
Hybrid bond *)								-5.3	-5.3		-5.3
Other change								-18.2	-18.2		-18.2
Balance at December 31, 2010	292.2	12.1	-5.6	-34.3	-5.6	151.5	60.0	317.3	787.6	2.6	790.2

*) Paid interest net of tax

Note 18 provides additional information on shareholders' equity, note 26 on the fair value and other reserves and note 15 on the taxes charged to shareholders' equity.

The notes are an integral part of consolidated financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, apparel and footwear 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, Suunto and Arc'teryx.

The Group has its own operations in 29 countries and its main market areas are the United States and Europe.

These financial statements were authorized for issue by the Board of Directors on February 3, 2011.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards approved for use in the EU (IFRS), observing the IAS and IFRS standards and SIC and IFRIC interpretations in force as of December 31, 2010. In the Finnish Accounting Act and the provisions issued under it, International Financial Reporting Standards refer to standards approved for use in the EU in accordance with the procedure laid down in the EU regulation (EC) No 1606/2002, and their interpretations.

The Group has applied the following new and revised standards as of January 1, 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. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

The following new and amended standards and interpretations that came into effect in 2010 did not have material impact on the Group's financial statements:

- IFRS 2 (amendment): "Share-based payment - Group Cash-settled Share-based Payment Transactions" clarifies that an entity that receives goods or services from its suppliers must apply IFRS 2 even though the entity has no obligation to make the required share-based cash payments.
- IFRS 3: "Business combinations". Among other things the amendments include a requirement to expense all transaction costs and they affect the value of goodwill recognized in business combinations. In accordance with the transitional provisions of the standard, business combinations with an acquisition date prior to the effective date of the standard are not adjusted.
- IFRIC 9 and IAS 39 (amendment): "Reassessment of Embedded Derivatives" on reclassification
- IFRIC 12: "Service Concession Arrangements"
- IFRIC 15: "Agreements for the Construction of Real Estate"
- IFRIC 16 (amendment): "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 17: "Distribution of Non-cash Assets to Owners"
- IFRIC 18: "Transfers of Assets from Customers"
- Small changes to various standards or interpretations as part of the annual improvements to IFRS project.

The following amendments and interpretations that will come into force in 2011 are expected not to have any material effect on the consolidated financial statements, as currently estimated by the Group:

- IAS 24 (revised): "Related Party Disclosures"
- IAS 32 (amendment): "Financial Instruments: Presentation": Classification of Rights Issues
- IFRIC 14 (amendment): Prepayments of a Minimum Funding Requirement
- IFRIC 19: "Extinguishing Financial Liabilities with Equity Instruments"

The following standards, interpretations and amendments will be adopted in 2012 or later (not yet approved for use in the EU):

- IFRS 9: "Financial instruments: Financial Assets – Classification and Measurement". The standard represents the first milestone in the IASB's planned replacement of IAS 39 "Financial Instruments: Recognition and Measurement". It addresses classification and measurement of financial assets. The standard will probably have impacts on accounting for financial assets in the Group.
- IFRS 9: "Financial instruments: Financial Liabilities – Classification and Measurement". The second part of IFRS 9 complements the previously issued IFRS 9 on classification and measurement of financial assets to include guidance on financial liabilities. The accounting and presentation for financial liabilities shall remain the same except for those financial liabilities for which fair value option is applied.
- IFRS 7 (amendment): "Financial instruments: Disclosures". The amendment adds disclosure requirements related to risk exposures derived from transferred assets.

The consolidated financial statements are presented in millions of euros and have been prepared under the historical cost convention with the exception of available-for-sale financial assets, share based payments, financial assets and liabilities measured at fair value through profit and loss as well as derivative financial instruments at fair value.

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 the subsidiary as well as associated 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 subsidiaries are included up to the date when control has been relinquished.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Direct costs are expensed as incurred. 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 tested for impairment at least once a year by means of a cash flow analysis (see impairment of assets below). Impairment losses are booked in the income statement.

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

Associated companies are accounted for using the equity method. The Group's share of the results of associated companies is included in the consolidated income statement. The Group's share of the post-acquisition accumulated net assets of associated companies is added to the acquisition cost of associated 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 closing 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 translation of the net investment in foreign operations are booked to translation differences in other comprehensive income. Inter-company long-term capital loans that are not expected to be repaid are considered part of the company's net investment in the foreign operation and are treated similarly.

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

	Income statement *)		Balance sheet	
	2010	2009	12/10	12/09
USD	1.33	1.39	1.34	1.44
CAD	1.37	1.59	1.33	1.51
JPY	116.70	130.17	108.65	133.16
GBP	0.86	0.89	0.86	0.89

*) Calculated average of the monthly average rates

Group companies record transactions in foreign currencies 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 closing rate of exchange in effect on the balance sheet date.

Foreign exchange gains and losses related to operational transactions are presented in the EBIT. 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 prepaid expenses and other receivables or accrued liabilities or for maturities over 12 months after the end of the reporting period, in other non-current receivables or other interest-free 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, except for when they are associated with hedging the cash flow from operating activities, in which case they are recorded in other operating income and expenses. Forward contracts are measured at fair value using the closing rates quoted by the European Central Bank on the reporting date. The original interest rate differential on forward contracts is recorded as a credit or charge to earnings.

The Group applies hedge accounting to forward contracts that hedge material cash flows from operating activities and to interest rate swaps hedging against the interest risks associated with floating rate loans. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, in accordance with IAS 39, is recognized in the fair value and other reserves under shareholders' equity. Any ineffective component, however, will be immediately recognized as a credit or charge to earnings. The cumulative change in gains or losses for the effective hedges is transferred to the income statement for the period when the hedged item is recorded in the income statement.

When a hedging instrument expires, is sold, or if the hedge does not meet the requirements set for hedge accounting under IAS 39, any cumulative gain or loss recorded in equity remains in equity until the forecast transaction is recorded in the income statement. When a forecast cash flow is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recorded in financing income and expenses in the income statement in the case of an interest rate hedge and in other operating income and expenses in the case of an operating cash flow hedge.

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 foreign operations with derivatives. Fair value hedging is not applied.

Measurement of financial assets

In accordance with IAS 39: "Financial Instruments: Recognition and Measurement", financial assets are categorized as:

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

Financial assets at fair value through profit or loss are financial assets held for trading. Changes in fair value are booked as a credit or charge to earnings in financing income and expenses. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, except for maturities over 12 months after the end of the reporting period.

Held-to-maturity investments and loans granted by the company are carried at amortized cost using the effective interest rate method. Held-to-maturity investments are valued at cost and are included in current assets, except for maturities over 12 months after the end of the reporting period. At the end of the financial year, the Group did not possess any held-to-maturity investments.

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accounts receivable are carried at the original invoiced amount less impairment losses and credits for returns. Impairment losses are recognized case by case 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.

Available-for-sale financial assets 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 asset is sold or its value has been impaired such that an impairment loss must be recognized. Available-for-sale financial assets whose fair value cannot be determined reliably are measured at cost or a lower value if they are impaired. Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets are recognized on the settlement date. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On each closing date, the Group assesses whether there is objective evidence for the impairment of a financial asset item or class. A significant or prolonged decline in the fair value of a financial asset below its cost is seen as an evidence that the assets are impaired. The impairment loss is recorded as a charge to earnings in financing items. Impairment losses are not reversed through financing items.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks as well as readily realizable marketable securities (maturity less than three months).

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. Financial liabilities are classified as current liabilities unless they mature over 12 months after the balance sheet date, in which case they are included in long-term liabilities. The amounts drawn under the revolving credit facility are included in loans from financial institutions.

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 Amer Sports trademarks. In addition, license income includes royalty payments obtained from other companies when they utilize manufacturing technology patents owned by Amer Sports. License income based on fixed license agreements is recognized evenly throughout the financial year. License income determined by sales volumes is recognized during the financial year as the licensee generates sales revenue.

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 salaries and wages, materials, 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 unless there is certainty that material economic benefits are gained from them in the future. Research and development expenses have not been capitalized during the year 2010 or 2009.

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, sales and 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. Under defined contribution based plans, such as the Finnish TyEL employment pension system, the Group's contributions are recorded as an expense in the period to which they relate. In defined benefit plans, the pension expenses recognized in the income statement are determined using the projected unit credit method which calculates the present value of the obligation and the related service costs. The pension liability is measured by calculating the present value of future pension obligations, discounted using the market yield on high quality corporate bonds or government bonds in countries where there is no deep market in such bonds. Actuarial gains and losses that exceed the greater of 10% of the defined benefit obligation or 10% of the fair value of plan assets are recognized in the income statement over the average remaining service period of the employees.

Share-based payment

The Group key employees have been granted several share-based incentive schemes where the rewards are settled either as equity instruments or in cash. The rewards are measured at fair value at the time of granting using generally accepted valuation models and recognized as expenses in the income statement in even installments over the vesting period of the rights. Cash-settled share-based payment transactions and the change in fair value are recognized as expenses over the vesting period. The income effect of the arrangements is presented as employee benefits in the income statement.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes is a net amount which is derived from net sales by deducting the cost of goods sold and the R & D, selling, marketing, administrative and other expenses and adding license income and other operating income. Foreign exchange differences related to operational transactions are presented in the EBIT whilst other foreign exchange differences are recorded as financing income and expenses.

Non-current assets held for sale and discontinued operations

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

Discontinued operations refer to 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.

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 business acquisitions. 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. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

Earnings per share

The undiluted earnings per share are calculated by dividing the net result for the financial year less interest on the hybrid bond (net of tax) 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.

The effect of share issues on previous years' earnings per share is taken into account by using a share issue ratio.

Government grants

Government grants are recorded as adjustments to expenses in the financial period they are received, 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. Other intangible assets include for example software licenses. Patents and software licenses are recognized in the balance sheet at cost and amortized on a straight-line basis during a useful life of from three to fifteen years. Trademarks with indefinite useful lives are not amortized, but tested for impairment on an annual basis (see impairment of assets below).

Tangible non-current assets

Tangible non-current assets are stated at cost less accumulated depreciation and any impairment losses (see impairment of assets below).

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

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

Land and water are 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 assets other 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 other intangible rights with indefinite useful lives is always determined via their cash flow-based values in use (impairment tests of these items are more closely clarified in note 7).

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 rates and on generally used standard risk premiums (the key assumptions of the discount rate are presented more closely in note 7).

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.

Lease agreements

Lease agreements relating to tangible assets, in which the Group retains a significant part of the ownership risks and rewards, are classified as finance lease agreements. A finance lease agreement is recorded on the balance sheet at the lower of the asset's fair value or the present value of minimum lease payments, and it is depreciated. 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 material 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.

Shareholders' equity

An equity instrument is recorded in the shareholders' equity if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

The subscription proceeds from share issues are booked to invested unrestricted equity reserve to the extent that they are not, in accordance with a shareholders' resolution, booked to the share capital. The transaction costs of the share issues are charged to retained earnings net of tax.

The hybrid bond is treated as equity. It is unsecured and subordinated to all senior debt. The hybrid bond does not confer shareholders' rights, nor does it dilute the holdings of shareholders. The company is obliged to pay interest on hybrid bond only if it distributes dividend for the financial period. Interest expenses are debited directly to retained earnings on cash basis net of tax. In the calculation of earnings per share, interest expenses of the hybrid bond have been included in the earnings for the period.

The acquisition cost of repurchased own shares is charged to equity until the shares are cancelled or reissued.

Any dividend proposed by the Board of the Directors is not deducted from distributable shareholders' equity until approved at the Annual General Meeting.

Provisions

Obligations arising as the consequence of a past event, which are legal or which the company has an actual 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. Long-term provisions are discounted.

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 impairment of goodwill and other asset items, such as trademarks, property, plant and equipment, inventories and accounts receivable; provisions for reorganization, warranty and legal proceedings; evaluation of pension liabilities and share-based payments schemes as well as the future utilization of deferred tax assets. Actual results may differ from these estimates. Any changes in the estimates and assumptions are recognized in the period in which the estimate or assumption is revised.

Critical accounting estimates and assumptions

PENSION PLANS

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (or income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Amer Sports determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions (see note 6).

Net liability recognized for defined benefit pension plans was EUR 5.0 million as of December 31, 2010.

SHARE-BASED PAYMENT

The Group key employees have been granted several share-based incentive schemes where the rewards are settled either as equity instruments or in cash. The rewards are measured at fair value at the time of granting using generally accepted valuation models and periodized as expenses in the income statement in even installments over the vesting period of the rights. Cash-settled share-based payment transactions and the change in fair value are periodized as expenses over the vesting period. The income effect of the arrangements is presented as employee benefits in the income statement.

Expenses recognized for the share-based incentive schemes for the year ended December 31, 2010 amounted to EUR 2.7 million and for the deferred cash long-term incentive programs EUR 1.2 million.

INCOME TAXES

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. The company has recognized EUR 89.5 million as of December 31, 2010 net deferred tax assets on tax loss carry forwards and other temporary differences. The Group is also subject to income taxes in various jurisdictions. Judgment is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group anticipates questions arising in tax audits and recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 assets having an indefinite useful life are nevertheless assessed at least once a year. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. As of December 31, 2010, the amount of goodwill and other non-current intangible assets with indefinite useful lives on balance sheet amounted to EUR 286.7 million and EUR 182.7 million, respectively. No impairment losses were recognised in 2010 or 2009. Management estimates, used assumptions as well as sensitivity analyses are presented in note 7.

Critical judgments in applying accounting policies

INVENTORIES

The Group periodically reviews its inventories for excess amounts, obsolescence and declines in market value below cost and records an allowance against the inventory balance for any such declines. These reviews require management to estimate future demand for products. If the future demand for Group's products was weaker than anticipated or the market conditions deteriorated, the value of inventories would likely have to be written down. As of December 31, 2010, the amount of inventories on balance sheet amounted to EUR 302.1 million. Value of inventories has been decreased by EUR 24.0 million for the year ended December 31, 2010 to correspond to its net realizable value.

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. The estimates are based on a systematic, on-going review and evaluation performed as part of the credit-risk evaluation process. As part of this evaluation, the Group takes into account the history of collections, the size and composition of the receivable balances and current economic events and conditions. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment losses may be recognized in future periods. As of December 31, 2010, the amount of accounts receivable on balance sheet amounted to EUR 462.6 million and impairment losses of accounts receivable amounted to EUR 29.3 million.

PROVISIONS

Provisions are recognized on the balance sheet when there is a legal or actual obligation for the company to settle an obligation arising as the consequence of a past event that is considered certain or likely to occur. 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. The provisions recognized represents management's best estimate of the present value of the future costs assumed to be incurred. The actual costs may differ from the estimated. As of December 31, 2010, the amount of provisions on balance sheet amounted to EUR 29.9 million.

2. SEGMENT INFORMATION

Amer Sports has three business segments:

- Winter and Outdoor: manufacturer and supplier of winter sports equipment, apparel, footwear, cycling components and sports instruments
- Ball Sports: manufacturer and supplier of racquet and team sports equipment and golf equipment
- Fitness: manufacturer and supplier of fitness equipment

The business segments are based on the Group's organizational structure and management reporting. 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 the Group is the Executive Board.

The accounting policies for segment reporting do not differ from the Group's accounting policies. There were no intersegment business operations in 2010 and 2009. In the income statement, line items after EBIT have not been allocated to the segments.

The assets and liabilities of the business segments include only items directly connected to the business as well as the goodwill and non-current intangible assets with indefinite useful lives related to them. Unallocated items relating to EBIT include income and expenses of corporate headquarters.

The Group's geographical segments are the Americas (North, South and Central America), 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. Net sales of the geographical segments are presented according to customers' location and assets according to where the assets are located. Goodwill and intangible assets with indefinite useful lives are not allocated to the geographical areas.

Business segments

2010

EUR million	Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
Net sales	1,015.0	520.6	204.8	1,740.4	-	1,740.4
EBIT	86.9	29.5	0.4	116.8	-20.0	96.8
% of net sales	8.6	5.7	0.2	6.7	-	5.6
Financing income and expenses					-21.3	-21.3
Earnings before taxes						75.5
Goodwill and intangible assets with indefinite useful lives	221.2	100.7	147.6	469.5	-	469.5
Other assets	627.5	265.1	81.5	974.1	210.2	1,184.3
Liabilities	256.1	133.3	41.8	431.2	432.4	863.6
Capital expenditure	31.1	4.9	3.6	39.6	0.3	39.9
Depreciation	21.1	9.3	5.0	35.4	0.4	35.8
Cash flow from operating activities before financing items and taxes	108.1	29.0	-7.3	129.8	-23.5	106.3

2009

EUR million	Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
Net sales	862.6	476.7	194.1	1,533.4	-	1,533.4
EBIT	46.5	23.5	-7.5	62.5	-18.7	43.8
% of net sales	5.4	4.9		4.1	-	2.9
Financing income and expenses					-18.4	-18.4
Earnings before taxes						25.4
Goodwill and intangible assets with indefinite useful lives	218.3	93.4	141.6	453.3	-	453.3
Other assets	548.0	227.3	70.9	846.2	225.1	1,071.3
Liabilities	184.5	122.3	39.8	346.6	442.7	789.3
Capital expenditure	23.2	9.0	7.0	39.2	0.3	39.5
Depreciation	21.6	8.0	5.0	34.6	0.4	35.0
Cash flow from operating activities before financing items and taxes	118.4	86.0	24.2	228.6	-13.5	215.1

Geographical segments

2010

EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	687.9	845.7	206.8	-	-	1,740.4
Assets	401.0	662.6	95.7	-149.3	643.8	1,653.8
Capital expenditure	6.8	31.0	2.1	-	-	39.9

2009

EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	620.5	735.0	177.9	-	-	1,533.4
Assets	342.5	509.3	75.9	-68.4	665.3	1,524.6
Capital expenditure	10.1	25.0	4.4	-	-	39.5

3. ACQUIRED AND DIVESTED BUSINESSES

There were no significant business acquisitions or company divestments in 2010 and 2009.

In February 2009, Amer Sports acquired Tacktick Limited for EUR 1.1 million. Tacktick specializes in wireless marine sensors, instruments, and displays. Of the purchase price EUR 0.9 million was allocated to Tacktick's technological innovations and distribution channels and EUR 0.2 million to goodwill.

4. OTHER OPERATING INCOME

EUR million	2010	2009
Rental return on real estate	1.7	1.0
Gain on sale of non-current assets *)	8.3	0.4
Changes in the fair value of foreign exchange contracts not used in hedge accounting	0.0	0.1
Other	2.4	3.1
Total	12.4	4.6

*) Amer Sports sold its manufacturing site in France in October 2010 for EUR 8 million. As a result of the transaction, the Group booked a capital gain of EUR 7.4 million.

5. EMPLOYEE BENEFITS

EUR million	2010	2009
Wages and salaries	268.0	237.1
Social expenditure		
Pensions – defined contribution plans	9.1	7.0
Pensions – defined benefit plans	1.3	4.3
Other social security	58.0	53.0
Total	336.4	301.4

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.

Salaries and other compensation of the management are presented in note 27.

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. (USA) whose present value of funded obligations is 74% (60%) of the Group's total value. In addition to USA, the Group has defined benefit pension plans in France, Switzerland, UK and Finland. These are handled via pension funds or pension companies whose assets are not included in 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 TyEL 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	2010	2009
Present value of funded obligations	101.0	87.5
Fair value of plan assets	-77.4	-70.3
Deficit/(surplus)	23.6	17.2
Unrecognized actuarial gains (+) and losses (-)	-18.6	-11.6
Net liability in the balance sheet at December 31	5.0	5.6
Net liability in the balance sheet:		
Assets	4.4	3.7
Liabilities	9.4	9.3
Net liability at December 31	5.0	5.6

The amounts related to defined benefit pension plans are included in the balance sheet in prepaid expenses and accrued liabilities.

Amounts recognized in the income statement:

EUR million	2010	2009
Current service cost	1.9	1.9
Interest cost	5.7	5.1
Expected return on plan assets	-5.4	-4.3
Settlements and curtailments	-1.0	-
Recognised actuarial gains (-) and losses (+)	0.1	1.6
Total, included in personnel expenses	1.3	4.3

Amounts recognized in the income statement per function:

EUR million	2010	2009
Cost of goods sold	0.0	0.2
Selling and marketing	1.1	1.4
Administration	0.2	2.7
Total	1.3	4.3
The actual return on plan assets	7.6	11.7

Movements in the present value of obligations:

EUR million	2010	2009
Present value of obligations at January 1	87.5	83.3
Current service cost	1.9	1.9
Interest cost	5.7	5.1
Actuarial gains (-) and losses (+)	9.6	1.6
Unrecognised past service cost	1.2	-
Settlements and curtailments	-6.4	-
Translation differences	5.1	-0.9
Benefits paid	-3.6	-3.5
Present value of obligations at December 31	101.0	87.5

Movements in the fair value of plan assets:

EUR million	2010	2009
Fair value of plan assets at January 1	70.3	60.7
Expected return of plan assets	5.4	4.3
Actuarial gains (-) and losses (+)	2.2	7.0
Settlements	-3.8	-
Contributions paid by the employer	2.1	2.3
Translation differences	4.8	-0.5
Benefits paid	-3.6	-3.5
Fair value of plan assets at December 31	77.4	70.3

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

%	2010	2009
Equity	42	61
Bonds	48	34
Other	10	5
Total	100	100

Principal actuarial assumptions:

	2010		2009	
%	USA	Europe	USA	Europe
Discount rate	5.7–6.0	2.5–5.7	6.9–7.1	3.0–6.8
Expected return on plan assets	8.0	2.5–6.6	8.0	3.0–6.5
Future salary increases	4.0	1.0–3.0	4.5	1.0–3.0

When assessing the long-term expected returns on plan assets, the expected or targeted allocation of asset categories is considered. The expected returns reflect the long-term (20 years in the USA) realized returns in various markets and are not expected to be modified frequently.

Amounts for the current period and previous year:

EUR million	2010	2009
Present value of obligations	101.0	87.5
Fair value of plan assets	77.4	70.3
Surplus (+) / Deficit (-)	-23.6	-17.2
Experience adjustments on plan assets	2.4	6.4

The Group expects to contribute EUR 1.2 million to its defined benefit pension plans in 2011.

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation and amortization by asset type

EUR million	2010	2009
Intangible rights	7.2	7.3
Other intangible assets	4.0	2.5
Buildings and constructions	3.6	3.6
Machinery and equipment	21.0	21.6
Total	35.8	35.0

Depreciation, amortization and impairment losses by function

EUR million	2010	2009
Cost of goods sold	9.8	10.8
Research and development	1.6	1.6
Selling and marketing	5.9	5.8
Administration and other expenses	18.5	16.8
Total	35.8	35.0

Amer Sports brands are well known and established in their respective markets. Products sold under these brands have been available to customers for a long period of time (e.g. Salomon 60 years, Mavic over 100 years) and they have been used by top athletes for decades. Amer Sports focuses on brand awareness and on the quality and performance of the products sold under those brands. Management believes that these brands will continue to generate positive cash flows indefinitely, therefore these brands are not subject to amortisation.

Impairment tests of goodwill and other intangible rights with indefinite useful lives, such as trademarks, are performed when the management has identified indications of impairment or once a year when business areas' plans for the next three years are approved by the management in the last quarter.

Goodwill is monitored by management at Cash Generating Unit ("CGU") level, the level at which it and other intangible assets with indefinite lives are tested for impairment. The CGUs in Amer Sports are the following: Winter Sports Equipment, Salomon Apparel and Footwear, Arc'teryx Apparel and Footwear, Cycling, Sports Instruments, Racquet Sports, Team Sports, Golf, and Fitness.

The impairment tests were calculated during the fourth quarter of 2010 on budgeted 2011 opening balances by comparing the carrying amount of the asset being tested to its recoverable amount. Recoverable amount is the higher of value-in-use ("VIU") and fair value less cost of selling. If the VIU indicates impairment, the fair value less cost to sell is calculated in order to determine recoverable amount. The value-in-use has been calculated using a discounted cash flow model method for each CGU based on the following assumptions:

- A five-year future period was used after which a perpetuity value was defined.
- First year is based on the approved budget and the next two years on the business areas' detailed business plans. The expected growth for the fourth and fifth year is zero.
- The perpetuity value is derived from a combination of estimate period and actual results using the Gordon model. The default perpetuity growth is 2% which is in line with the management's view on long-term inflation which is no

growth in real terms. In some cases, where management expects well above average growth after the estimate period, the growth rate may rise to 5%.

- Current cost structure is to remain unchanged.
- Discount rate is determined separately for North-American and European businesses and it has varied on the range of 11.20%–12.35% pre-tax (10.25%); equal to 8.62%–8.79% post-tax (7.69%). The main components of the discount rate were:

	2010	2009
Risk Free Interest Rate	3.04%	4.00%
Equity Market Risk Premium	5.52%	5.00%
Asset Beta (Unlevered Beta)	0.97	0.55
Debt Risk Premium	2.75%	3.00%
Tax Rate	26%–35%	26%–35%

The main change to discount rate arised from revised asset beta calculation. In 2009, the asset beta was calculated from a peer group analysis and in 2010, it is calculated against OMXHCap index which better describes Amer Sports' genuine market risk.

Goodwill and other intangible rights with indefinite useful lives have been allocated to CGUs as described in the table below. The table also sets out the discount rates used per CGU.

EUR million	Pre-tax discount rate, %	Goodwill 2010	Goodwill 2009	Intangible rights with indefinite useful lives 2010	Intangible rights with indefinite useful lives 2009
Winter and Outdoor					
Winter Sports Equipment	11.3	11.7	11.7	84.6	83.6
Salomon Apparel and Footwear	11.3	-	-	63.7	62.9
Arc'teryx Apparel and Footwear	12.4	-	-	8.9	7.9
Cycling	11.3	-	-	23.3	23.3
Sports Instruments	11.2	28.9	28.9	-	-
Ball Sports					
Racquet Sports	12.3	57.6	53.4	-	-
Team Sports	12.3	43.1	40.0	-	-
Fitness					
Fitness	12.1	145.4	139.6	2.2	2.0
Total	11.7	286.7	273.6	182.7	179.7

In 2010 and 2009, the value-in-use of goodwill and other intangible rights with indefinite useful lives of all CGUs exceeded their carrying amounts. The table below summarizes how a +/- 1–2%-point change in discount rate and/or in perpetuity growth would impact on the result of the impairment test at the Group level in 2010.

	-2%	-1%	Growth	1%	2%
-2%	0	0	0	0	0
-1%	0	0	0	0	0
Rate	22	7	0	0	0
1%	40	28	14	0	0
2%	55	46	35	21	2

The sensitivities on impairment due to the discount rate or the terminal growth change as shown above are from Fitness CGU only. The management believes that the long-term profitability of the Fitness business segment will improve as the general economic situation has now begun to improve. Other CGU's do not show any impairment in the sensitivity analysis.

The table below summarizes how a +/- 1–2%-point change in growth rate and/or in profitability in the 5 year estimate period would impact on the result of the impairment test at the Group level in 2010.

	-2%	-1%	Growth	1%	2%
2%	0	0	0	0	0
1%	0	0	0	0	0
EBIT-%	7	0	0	0	0
-1%	43	34	25	16	7
-2%	79	71	64	56	47

The sensitivities on impairment due to the growth rate or profitability change as shown above are from Fitness CGU only. Other CGU's do not show any impairment in the sensitivity analysis.

The results of the value-in-use calculations have been analyzed against the valuation reports prepared by industry analysts in various investment banks. The analysis shows that the results are well in line with the analysts' average estimates.

8. COMPENSATION OF AUDITORS

EUR million	2010	2009
Statutory audit	1.8	1.8
Tax consulting	0.5	0.3
Other services	0.2	1.0
Total	2.5	3.1

9. SHARE-BASED PAYMENT

During the year, the Group has had several share-based incentive arrangements which are targeted to Group key personnel. These have been accounted for in accordance with IFRS 2. According to the terms of the arrangements, the Group key employees are granted shares and a cash payment covering taxes and tax-related costs arising from the reward.

Share-based incentive plan

On January 14, 2007, the Board of Directors resolved to establish a share-based incentive plan for Amer Sports' key employees. In order to participate in the plan, each key employee was required to purchase shares up to the amount corresponding to one-half of the reward that was allocated to him/her. The plan's rewards were paid in 2008 partially as shares and partially in cash. The cash payment covered taxes and tax-related costs arising from the reward. Of the shares rewarded to employees under the plan, 25 percent were transferable as of April 2010, 25 percent will be as of April 2011, and 50 percent as of April 2012. The rewards from the share-based incentive plan corresponded to a maximum value of approximately 400,000 shares. At the end of 2010, 19 key employees were covered by the share-based incentive plan and they have originally received in total 72,350 shares.

On March 3, 2009, the Board of Directors decided to transfer the shares used for the Group's key personnel's share-based incentive plan to its fully-owned subsidiary, Amer Sports International Oy for allocation to key employees in the future. As at financial year end 2010, Amer Sports International Oy owned 342,963 shares including the shares that have been returned to Amer Sports International Oy during 2009 and 2010, by persons who no longer participate in the plan and excluding the shares that were granted to the Group President and CEO under his executive agreement. Of the shares owned by Amer Sports International Oy, 97,963 shares are available for allocation to key employees at the end of 2010.

In October 2009, Amer Sports organised a share issue, in conjunction with which the company decided to grant the persons included in the share-based incentive scheme the right to subscribe that number of shares that the key personnel in the scheme were entitled to subscribe on the basis of the terms and conditions of the rights issue, a total of 67,536 shares. The additional benefit accrued to the employees as the result of the shares issued was recognized at the fair value of the grant date, EUR 3.30 per new share, and that benefit will be amortized over the vesting period. The fair value of the additional benefit was determined by deducting from the fair value of the issued new shares the portion that the employees should have received in order to avoid a situation where the fair value of the shares already in their possession on the basis of the share-based incentive scheme would have been diluted as a result of the share issue.

Share-based incentive scheme granted for the management has been measured at fair value, applying the share market price at grant date. The cash payment intented to cover the tax consequences has been calculated using the share market price on the date of conveying the shares.

Performance share plan

The performance share plan 2010 includes six earning periods, the calendar years 2010, 2011 and 2012 and calendar years 2010–2012, 2011–2013 and 2012–2014. The Board of Directors will decide on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Potential rewards from the plan for the earning period 2010 will be based on the Group's EBIT and potential rewards for the earning period 2010–2012 will be based on the Group's total shareholder return. Potential rewards for the earning period 2011 will be based on Group's EBIT and net sales. Potential rewards from the plan for the earning period 2011–2013 will be based on Group's total shareholder return.

A prerequisite for participation by key personnel in the plan and for receiving rewards on the basis of the plan is that they must acquire company shares. Participants in the plan will be entitled to receive shares as a reward for meeting this condition.

Potential rewards from the earning periods will be paid partly in company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs, which arise from any rewards to key personnel. Shares awarded in connection with the earning periods 2010, 2011 and 2012 may not be transferred during the restriction periods, which will end on 31 December 2012, on 31 December 2013 and on 31 December 2014 respectively. Members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person´s annual gross salary.

The performance share plan is directed at approximately 60 people, including the members of the Group Executive Board. At the end of 2010, 59 key employees were covered by the performance share plan. The amount of net rewards to be paid on the basis of the performance share plan will be a maximum total of 1,000,000 Amer Sports Corporation shares.

Restricted stock plan

The restricted stock plan includes three earning periods, calendar years 2010, 2011 and 2012. Potential rewards will be based on continuation of employment. Potential rewards from the earning periods will be paid partly as the company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs incurring as a result of receiving a reward. Shares may not be transferred during the restriction periods, which will end on 31 December 2012, 31 December 2013 and on 31 December 2014 respectively. The members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

The restricted stock plan is directed at approximately 30 people, including the members of the Group Executive Board. At the end of 2010, 20 key executives were covered by the restricted stock plan. The amount of net rewards to be paid on the basis of the restricted stock plan will be a maximum total of 270,000 Amer Sports Corporation shares.

Deferred cash long-term incentive programs

Deferred cash long-term incentive programs seeks to elicit commitment from key executives. The programs encourage the achievement of the annual targets and long-term shareholder value. The results are tied to the two-year or three-year trend in shareholder value. The rewards are payable in cash in the same currency as the salary and the payments are subject to taxes and other deductions under applicable laws. At the end of 2010, 88 members in management tasks at subsidiaries came within the scope of the program for 2005–2007 and 2008–2010 and 120 members within the scope of the program for 2011–2013.

The key conditions and assumptions used in the determination of the fair value of the arrangements are presented in the table below:

	Share-based incentive scheme 2010	2009	2008	2007	Share and stock plans 2010
Grant date	-	Sep 17, 2009	Apr 29/Aug 6, 2008	June 30, 2007	March 31, 2010
Number of instruments granted	-	67,536	8,500	104,100	408,700
Share price at grant date, EUR	-	5.62	11.35/9.56	18.31	8.74
Vesting period, years	-	1-3	2-4	3-5	3
Returned shares	38,063	9,800	-	-	-
Fair value per instrument at grant date, EUR	-	3.30	11.35/9.56	18.31	8.74

EUR million	2010	2009
Expense of share-based incentive schemes recognized in earnings	2.7	0.8
Accrual of share-based incentive schemes	0.9	-
Expense of deferred cash long-term incentive programs recognized in earnings	1.2	2.2
Accrual of deferred cash long-term incentive programs	7.2	6.2

Warrant Programs

Fair values of the warrant schemes at grant date were recognized by using the trinomial model. The warrant programs of 2004 and 2007 ended on 2009. Granting of the 2007C schemes' warrants to the Group's management was dependent on meeting the financial objectives. As these targets were not met in 2009, no expenses in accordance with IFRS 2 were recognized.

	2010		2009	
	Weighted average exercise price, EUR/share	Number of warrants (1,000 pcs)	Weighted average exercise price, EUR/share	Number of warrants (1,000 pcs)
Outstanding at the beginning of the period	0.00	0.0	13.19	358.6
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-13.19	-358.6
Outstanding at the end of the period	0.00	0.0	0.00	0.0
Exercisable at the end of the period	0.00	0.0	0.00	0.0

10. FINANCING INCOME AND EXPENSES

EUR million	2010	2009
Interest income	0.6	0.7
Exchange rate gains	-	6.2
Interest expenses	-18.6	-24.3
Change in fair value of derivative instruments not used in hedge accounting	0.0	0.0
Exchange rate losses	-2.3	-
Other financing expenses	-0.8	-1.2
Net gain on non-qualifying cash flow hedges	-0.2	0.2
Total	-21.3	-18.4

11. INCOME TAXES

EUR million	2010	2009
Current taxes	27.9	4.4
Taxes for prior periods	3.0	0.2
Deferred taxes	-24.3	-10.6
Total	6.6	-6.0

EUR million	2010	2009
Current taxes:		
EMEA	18.8	5.8
Americas	3.4	-8.7
Asia Pacific	8.7	7.5
Total	30.9	4.6
Thereof for prior periods	3.0	0.2
Deferred taxes	-24.3	-10.6
Total	6.6	-6.0

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

EUR million	2010	2009
Taxes at local rates applicable to earnings in countries concerned	12.6	1.8
Taxes for prior periods	3.0	0.2
Deductible goodwill amortization	-3.5	-1.7
Tax credits	-6.4	-1.0
Other	0.9	-5.3
Taxes recognized in the income statement	6.6	-6.0
Effective tax rate, %	9	-

The reconciliation of deferred tax assets and liabilities is presented in note 15.

12. EARNINGS PER SHARE

	2010	2009
Net result attributable to equity holders of the parent company, EUR million	68.8	31.3
Interest expenses of hybrid bond, net of tax, EUR million	-5.3	-4.4
Net result for the calculation of earnings per share, EUR million	63.5	26.9
Weighted average number of shares outstanding during the period (1,000 pcs)	121,184	97,672
Earnings per share, EUR	0.52	0.28
Weighted average number of shares outstanding during the period, adjusted for the dilutive effect of warrants (1,000 pcs)	121,184	97,672
Earnings per share, diluted, EUR	0.52	0.28

13. 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, 2010	241.7	358.6	23.1	15.2	144.8	284.9	0.7	4.9
Additions	0.6	-	8.2	-	2.1	19.0	-	10.0
Company acquisitions	-	-	-	-	0.0	0.0	-	-
Company divestments and disposals	0.0	-	0.0	-0.5	-25.0	-4.2	-	-0.5
Transfers	0.4	-	0.0	-	-11.0	-8.5	-	-8.8
Translation differences	3.8	17.3	1.2	0.3	3.9	3.4	0.1	0.1
Balance, December 31, 2010	246.5	375.9	32.5	15.0	114.8	294.6	0.8	5.7
Accumulated depreciation and impairment losses, January 1, 2010	48.8	85.0	5.9	0.0	97.2	218.3	-	0.0
Depreciation and impairment losses during the period	7.2	-	4.0	-	3.6	21.0	-	-
Company divestments and disposals	0.0	-	0.0	-	-24.7	-3.9	-	-0.6
Transfers	-1.8	-	0.0	-	-11.2	-12.1	-	0.0
Translation differences	0.5	4.2	0.2	-	2.7	0.4	-	-
Balance, December 31, 2010	54.7	89.2	10.1	0.0	67.6	223.7	-	-0.6
Balance sheet value, December 31, 2010	191.8	286.7	22.4	15.0	47.2	70.9	0.8	6.3
Carrying amount of finance leases included	-	-	-	-	0.0	0.8	-	-

Accumulated impairment losses of goodwill at January 1, 2010 totaled EUR 13.9 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, 2009	240.2	366.2	12.9	15.3	147.4	333.3	0.7	6.8
Additions	0.9	-	10.3	-	2.1	15.7	-	10.5
Company acquisitions	1.4	0.2	-	-	0.0	0.2	-	-
Company divestments and disposals	0.0	-	0.0	-	-0.8	-4.5	-	-0.3
Transfers	-0.8	-	0.3	-	-2.7	-58.4	0.0	-12.1
Translation differences	0.0	-7.8	-0.4	-0.1	-1.2	-1.4	0.0	0.0
Balance, December 31, 2009	241.7	358.6	23.1	15.2	144.8	284.9	0.7	4.9
Accumulated depreciation and impairment losses, January 1, 2009	42.2	86.9	3.4	0.0	99.1	269.1	-	0.0
Depreciation and impairment losses during the period	7.3	-	2.5	-	3.6	21.6	-	-
Company divestments and disposals	0.0	-	0.0	-	-0.6	-4.3	-	-
Transfers	-0.7	-	0.0	-	-4.1	-66.7	-	-
Translation differences	0.0	-1.9	0.0	-	-0.8	-1.4	-	-
Balance, December 31, 2009	48.8	85.0	5.9	0.0	97.2	218.3	-	0.0
Balance sheet value, December 31, 2009	192.9	273.6	17.2	15.2	47.6	66.6	0.7	4.9
Carrying amount of finance leases included	-	-	-	-	0.0	0.7	-	-

Accumulated impairment losses of goodwill at January 1, 2009 totaled EUR 14.4 million.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND CASH AND CASH EQUIVALENTS

Available-for-sale financial assets, EUR 0.7 million, consist in their entirety of shares in unlisted companies.They are measured at fair value.

Cash and cash equivalents, EUR 84.7 million, include cash in hand, EUR 50.9 million, deposits held at call with banks, EUR 30.7 million, and short term investments in commercial papers, EUR 3.1 million.

15. RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES

EUR million	Jan. 1, 2010	Charge in income statement	Translation differences	Charged to equity	Dec 31, 2010
Deferred tax assets:					
Provisions	21.6	-4.7	0.2	-	17.1
Carryforward of unused tax losses	49.8	15.1	-0.2	-	64.7
Employee benefits	1.8	6.6	0.2	-	8.6
Impairment	13.5	-0.1	-	-	13.4
Other temporary differences	14.8	12.4	0.1	-	27.3
Total	101.5	29.3	0.3	-	131.1
Deferred tax liabilities:					
Fair value adjustments	-14.6	0.7	0.1	-	-13.8
Depreciation differences	-0.6	-20.4	0.1	-	-20.9
Other temporary differences	-22.2	14.7	0.6	-	-6.9
Total	-37.4	-5.0	0.8	-	-41.6
Net deferred tax assets	64.1	24.3	1.1	-	89.5
Deferred taxes recognized in the balance sheet at December 31, 2010:					
Deferred tax assets					97.8
Deferred tax liabilities					8.3

EUR million	Jan. 1, 2009	Charge in income statement	Translation differences	Charged to equity	Acquired operations	Dec 31, 2009
Deferred tax assets:						
Provisions	18.8	2.9	-0.1	-	-	21.6
Carryforward of unused tax losses	43.7	6.2	-0.1	-	-	49.8
Pensions	2.6	-0.7	-0.1	-	-	1.8
Impairment	8.2	5.6	-	-0.3	-	13.5
Other temporary differences	4.3	10.6	-0.1	-	-	14.8
Total	77.6	24.6	-0.4	-0.3	-	101.5
Deferred tax liabilities:						
Fair value adjustments	-10.3	-4.0	-0.1	-	-0.2	-14.6
Depreciation differences	-0.8	0.3	-0.1	-	-	-0.6
Other temporary differences	-13.2	-8.8	-0.2	-	-	-22.2
Total	-24.3	-12.5	-0.4	-	-0.2	-37.4
Net deferred tax assets	53.3	12.1	-0.8	-0.3	-0.2	64.1
Tax effect of the interest expense adjustment of the hybrid bond		-1.5				
Deferred taxes in income statement		10.6				
Deferred taxes recognized in the balance sheet at December 31, 2009:						
Deferred tax assets						71.9
Deferred tax liabilities						7.8

At December 31, 2010 there were unused tax losses carried forward and other temporary differences of EUR 24.0 million (90.8) for which no deferred tax assets were recognized. The unrecognized deferred tax assets at December 31, 2010 totaled EUR 5.9 million (27.7).

The unrecognized deferred tax assets relate almost entirely to evergreen losses. No deferred tax asset has been recognized since the utilization of losses in full in the near future is not probable or the losses have been created in countries where the possibilities for their utilization are limited.

No deferred tax liabilities of the retained earnings of foreign subsidiaries have been recognized. The distribution of dividend from the subsidiaries is under control of the Group and no plans that could lead to income tax consequences are probable in the near future.

16. VALUATION PROVISIONS OF INVENTORIES AND ACCOUNTS RECEIVABLE

EUR million	2010	2009
Impairment losses of accounts receivable	29.3	29.3
Net realizable value valuation provision	24.0	23.8

Aging analysis of accounts receivable and amounts recognized as impairment losses

EUR million	2010	Impairment losses	Net 2010	2009	Impairment losses	Net 2009
Undue accounts receivable	411.3	-	411.3	336.0	-	336.0
Accounts receivable 1–30 days overdue	37.2	-	37.2	29.8	-	29.8
Accounts receivable 31–60 days overdue	11.5	-4.0	7.5	12.5	-2.4	10.1
Accounts receivable 61–90 days overdue	5.0	-1.4	3.6	4.9	-1.6	3.3
Accounts receivable 91–120 days overdue	5.1	-2.2	2.9	5.6	-0.8	4.8
Accounts receivable more than 120 days overdue	21.8	-21.7	0.1	41.7	-24.5	17.2
Total	491.9	-29.3	462.6	430.5	-29.3	401.2

17. PREPAID EXPENSES AND OTHER RECEIVABLES

EUR million	2010	2009
Prepaid interest	1.8	1.3
Prepaid advertising and promotion	2.5	3.1
Other tax receivables	5.8	3.3
Accrued employee benefits	4.6	4.1
Derivative instruments	8.3	8.0
Other receivables	31.0	39.0
Total	54.0	58.8

18. SHAREHOLDERS' EQUITY

EUR million	Number of shares	Share capital	Premium fund	Invested unrestricted equity reserve
January 1, 2009	73,045,551	292.2	12.1	-
Share issue, net	48,471,734			151.5
December 31, 2009	121,517,285	292.2	12.1	151.5
December 31, 2010	121,517,285	292.2	12.1	151.5

The articles of association of Amer Sports Corporation does not restrict the number of shares that can be issued.

Premium fund

The premium fund is used for recognizing the payments for share subscriptions received in excess of the par value of (EUR 4.00 per share) before the 2009 share issue.

Fund for own shares

Fund for own shares includes the cost of own shares held by the Group (Dec 31, 2009: EUR 5.6 million or 334,900 pcs, Dec 31, 2010: EUR 5.6 million or 342,963 pcs).

Translation differences

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

Fair value and other reserves

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

Invested unrestricted equity reserve

Invested unrestricted equity reserve contains the subscription proceeds from a share issue to the extent that it is not, in accordance with an explicit decision of the shareholders, booked to the share capital.

In October 2009, Amer Sports undertook a rights offering where every three subscription rights entitled the holder to subscribe for two new shares. The subscription price was EUR 3.30. As a result of the share issue, 48,471,734 new shares were subscribed for. The gross proceeds raised were EUR 160.0 million and the net proceeds amounted to EUR 151.5 million.

Hybrid bond

Hybrid bond is discussed in note 29 under "Capital management".

Amount of dividends proposed

Dividend proposed by the Board of Directors for the financial year is EUR 0.30 (0.16) per share. Total dividends amount to EUR 36.5 million (19.4).

19. INTEREST-BEARING LIABILITIES

Interest-bearing long-term liabilities

	Outstanding	Repayments					
EUR million	Dec 31, 2010	2011	2012	2013	2014	2015	2016 and after
Bonds	255.0	75.0	-	30.0	-	150.0	-
Loans from financial institutions	93.8	16.3	59.2	0.1	-	-	18.2
Pension loans	25.7	5.7	5.7	5.7	5.7	2.9	-
Other long-term liabilities	1.2	0.0	1.1	0.0	0.0	0.0	0.1
Total	375.7	97.0	66.0	35.8	5.7	152.9	18.3

	Outstanding	Repayments					
EUR million	Dec 31, 2009	2010	2011	2012	2013	2014	2015 and after
Bonds	75.0	-	75.0	-	-	-	-
Loans from financial institutions	179.6	0.1	15.1	164.4	-	-	-
Pension loans	31.5	5.7	5.7	5.7	5.7	5.7	3.0
Other long-term liabilities	2.5	0.0	1.0	0.0	1.4	0.0	0.1
Total	288.6	5.8	96.8	170.1	7.1	5.7	3.1

Interest-bearing current liabilities

EUR million	2010	2009
Loans from financial institutions	-	0.0
Commercial papers	-	112.3
Current repayments of long-term loans	97.0	5.8
Other interest-bearing current liabilities	3.8	3.2
Total	100.8	121.3

Interest-bearing liabilities at fair value

	2010		2009	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	255.0	251.7	75.0	75.0
Loans from financial institutions	93.8	93.8	179.6	179.6
Pension loans	25.7	27.0	31.5	33.0
Commercial papers	-	-	112.3	112.3
Other interest-bearing liabilities	5.0	5.0	5.7	5.7
Total	379.5	377.5	404.1	405.6

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

Finance lease liabilities

EUR million	2010	2009
Finance lease liabilities are due as follows:		
Not later than one year	0.4	0.6
Later than one year but not later than five years	0.5	0.6
Total minimum lease payments	0.9	1.2

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

20. ACCRUED LIABILITIES

EUR million	2010	2009
Accrued personnel costs	96.2	81.1
Accrued interest	6.3	8.0
Accrued rent	6.1	5.9
Accrued advertising and promotion	10.0	12.1
Value added tax	12.4	4.8
Forward contract payables	17.4	10.5
Other accrued liabilities	84.2	73.9
Total	232.6	196.3

21. PROVISIONS

EUR million	Product warranty	Restruc-turing	Environ-mental	Other	Total
Balance at January 1, 2010	17.9	9.0	0.7	3.2	30.8
Translation differences	1.6	0.2	-	0.4	2.2
Provisions made during the year	17.1	1.7	0.0	1.7	20.5
Provisions used during the year	-12.8	-4.2	0.0	-0.6	-17.6
Unused provisions reversed during the year	-3.4	-1.9	-	-0.7	-6.0
Balance at December 31, 2010	20.4	4.8	0.7	4.0	29.9

Current provisions	26.6
Long-term provisions	3.3
Total	29.9

The most important regular provisions are due to the repair or replacement of products during their warranty period. In material terms warranty provisions are realized in the following year. In Fitness business some extended warranty periods are granted to customers. Extended warranties expected to realise after one year are presented under long-term provisions and they were EUR 1.6 million at the 2010 period end.

Of the total restructuring provision of EUR 4.8 million at the period end, EUR 3.4 million is related to the past restructuring of the Winter Sports Equipment business area due to personnel cuts. EUR 0.7 million of this is long-term.

The Group has long-term environmental provisions in USA.

Other provisions include e.g. buyback provisions of Fitness business and provisions for claims against group companies.

Long-term provisions are discounted.

22. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR million	2010	2009
Share-based incentive schemes	0.5	0.0
Gains and losses on sale of non-current assets	-8.0	-0.4
Total	-7.5	-0.4

23. OPERATING LEASE COMMITMENTS

EUR million	2010	2009
The future minimum payments of non-cancellable operating leases:		
Not later than one year	30.5	24.4
Later than one year but not later than five years	69.1	61.8
Later than five years	23.6	30.7
Total	123.2	116.9
Total rent expense of non-cancellable operating leases recognized in the income statement	25.6	22.0

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

24. CONTINGENT LIABILITIES

EUR million	2010	2009
Guarantees	14.1	10.5
Other contingent liabilities	18.7	30.0

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 associated companies.

25. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2010

	Group holding, %	Book value in the parent company balance sheet, EUR million
Amer Sports Company, Chicago, USA	100	235.8
Albany Sports Co., Wilmington, USA	100	
Bonfire Snowboarding, Inc., Portland, USA	100	
ClubCom Holding Company, Inc., Wilmington, USA	100	
Mavic, Inc., Haverhill, USA	100	
Precor Incorporated, Woodinville, USA	100	
Amer Sports Winter & Outdoor Company, Ogden, USA	100	
Atomic Ski USA, Inc., Ogden, 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 Japan, Inc., Tokyo, Japan	100	
Amer Sports Korea, Ltd., Seoul, Korea	100	
Amer Sports Malaysia Sdn Bhd, Shah Alam, Malaysia	100	
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, Garching, Germany	100	62.3
Amer Sports Czech Republic s.r.o., Prague, Czech Republic	100	
Amer Sports Deutschland GmbH, Garching, Germany	100	
Amer Sports Europe Services GmbH, Garching, Germany	100	
Amer Sports Spain, S.A., Barcelona, Spain	100	
Amer Sports UK Limited, Frimley, UK	100	
Precor Products Limited, Frimley, UK	100	
Tacktick Limited, Frimley, 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	
Mavic S.A.S., Annecy, France	100	
Salomon Canada Sports Ltd, Ontario, Canada	100	
Salomon Romania Srl, Timisoara, Romania	100	

	Group holding, %	Book value in the parent company balance sheet, EUR million
Amer Sports International Oy, Helsinki, Finland	100	67.1
Amernet Holding B.V., Rotterdam, The Netherlands	100	
Amer Sports Asia Services Limited, Hong Kong, China	100	
Amer Sports Canada Inc., Belleville, Ontario, Canada	100	
Amer Sports HK Limited, Hong Kong, China	100	
Amer Sports Shanghai Trading Ltd, Shanghai, China	100	
Amer Sports Holding GmbH, Altenmarkt, Austria	100	
Amer Sports Austria GmbH, Bergheim bei Salzburg, Austria	100	
Amer Sports Bulgaria EOOD, Chepelare, Bulgaria	100	
Amer Sports Italia S.p.A., Nervesa della Battaglia, Italy	100	
Amer Sports Luxembourg S.a r.l., Luxembourg	100	
Amer Sports Finance S.P.R.L., Brussels, Belgium	100	
Amer Sports Sverige AB, Borås, Sweden	100	
Amer Sports Poland Sp. z o.o., Krakow, Poland	100	
Atomic Austria GmbH, Altenmarkt, Austria	95	
Amer Sports Danmark A.p.S., Kokkedal, Denmark	100	
ZAO Amer Sports, Moscow, Russia	100	
Amer Sports Norge A/S, Sandvika, Norway	100	
Amer Sports Sourcing Ltd, Hong Kong, China	100	
Amer Sports Sourcing (Shenzhen) Limited, Shenzhen, 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	
Recta AG, Biel, Switzerland	100	
Suunto Benelux B.V., Tholen, The Netherlands	60	
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
Suunto Oy, Vantaa, Finland	100	65.4
Amerb Oy, Helsinki, Finland	100	
Amerc Oy, Helsinki, Finland	100	
Varpat Patentverwertungs AG, Littau, Switzerland	100	2.0
Non-operating companies		0.0
Total		972.5

26. HEDGE RESERVE OF CASH FLOW HEDGES

EUR million	
Balance at January 1, 2010	-5.4
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	-6.2
Hedging of interest cash flows	2.9
Gains and losses recognized in the income statement	
Hedging of operating cash flows	3.0
Hedging of interest cash flows	0.0
Deferred taxes	0.1
Balance at December 31, 2010	-5.6
Balance at January 1, 2009	-6.2
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	4.0
Hedging of interest cash flows	1.9
Gains and losses recognized in the income statement	
Hedging of operating cash flows	-5.4
Hedging of interest cash flows	0.0
Deferred taxes	0.3
Balance at December 31, 2009	-5.4

27. RELATED PARTY TRANSACTIONS

Related parties include the parent company, subsidiaries (note 25), the Board of Directors and the Amer Sports Executive Board.

Key management includes Board of Directors and Executive Board. Salaries and remuneration paid or payable to key management is shown below:

EUR million	2010	2009
Salaries and remuneration of the Board of Directors	0.3	0.3
Salaries and remuneration of the Executive Board (excluding President and CEOs)	4.9	3.2
Salaries and remuneration of the President and CEOs	1.9	2.4
Total	7.1	5.9

40% of the annual remuneration to the Board of Directors is paid in shares and 60% in cash.

Members of the Board of Directors do not have contractual retirement benefits with the company.

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. Both the company and the President and CEO must provide six months' notice to terminate the President and CEO's employment contract. Should the company give the President and CEO notice of termination, the company must pay severance payment equal to twelve months of total annual gross salary. The President and CEO participates in the standard local statutory pension system and may retire at the age of 65.

The salaries and remuneration of the President and CEO in 2009 include the severance payment of EUR 1.5 million made to the previous President and CEO Roger Talermo, which equates to 24 months' fixed salary. In 2010 EUR 0.3 million of the salaries and remuneration paid to the President and CEOs was paid in shares.

No loans have been granted to the Group's management.

Shares held by management

Amer Sports Board of Directors held a total of 2,745,306 Amer Sports shares as of December 31, 2010 (December 31, 2009: 2,730,545), or 2.3% (2.3%) of the outstanding shares and votes. Amer Sports Executive Board (including the President and CEO) owned a total of 171,443 Amer Sports shares on December 31, 2010 (Dec 31, 2009: 135,741), representing 0.1% (0.1%) of the shares and votes.

The share-based incentive plan, the performance share plan and the restricted stock plan are described in note 9. The members of the company's Board of Directors are not included in the Group's incentive plans.

28. BALANCE SHEET VALUES OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORIES

EUR million	Financial assets/ liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Carrying amount by balance sheet item	Fair value
NON-CURRENT FINANCIAL ASSETS							
Other non-current financial assets			0.9	0.7		1.6	1.6
Derivative financial instruments							
Foreign exchange derivatives		1.1				1.1	1.1
CURRENT FINANCIAL ASSETS							
Accounts receivable			462.6			462.6	462.6
Loans receivable			0.2			0.2	0.2
Other non-interest yielding receivables *)			35.5			35.5	35.5
Derivative financial instruments							
Foreign exchange derivatives	5.2	3.1				8.3	8.3
Cash and cash equivalents			84.7			84.7	84.7
Balance sheet values by category at December 31, 2010	5.2	4.2	583.9	0.7		594.0	594.0
LONG-TERM FINANCIAL LIABILITIES							
Long-term interest-bearing liabilities					278.7	278.7	276.8
Other long-term liabilities					9.5	9.5	9.5
Derivative financial instruments							
Foreign exchange derivatives		0.2				0.2	0.2
Interest rate derivatives		1.6				1.6	1.6
CURRENT FINANCIAL LIABILITIES							
Current interest-bearing liabilities					100.8	100.8	100.8
Accounts payable					181.8	181.8	181.8
Other current liabilities **)					190.8	190.8	190.8
Derivative financial instruments							
Foreign exchange derivatives	7.6	8.6				16.2	16.2
Interest rate derivatives	0.0	1.2				1.2	1.2
Balance sheet values by category at December 31, 2010	7.6	11.6			761.6	780.8	778.9

EUR million	Financial assets/ liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Carrying amount by balance sheet item	Fair value
NON-CURRENT FINANCIAL ASSETS							
Other non-current financial assets			1.6	0.8		2.4	2.4
Derivative financial instruments							
Foreign exchange derivatives		0.0				0.0	0.0
CURRENT FINANCIAL ASSETS							
Accounts receivable			401.2			401.2	401.2
Loans receivable			0.3			0.3	0.3
Other non-interest yielding receivables *)			43.9			43.9	43.9
Derivative financial instruments							
Foreign exchange derivatives	6.0	1.9				7.9	7.9
Interest rate derivatives		0.1				0.1	0.1
Cash and cash equivalents			121.6			121.6	121.6
Balance sheet values by category at December 31, 2009	6.0	2.0	568.6	0.8		577.4	577.4
LONG-TERM FINANCIAL LIABILITIES							
Long-term interest-bearing liabilities					282.8	282.8	284.4
Other long-term liabilities					3.4	3.4	3.4
Derivative financial instruments							
Interest rate derivatives		3.2				3.2	3.2
CURRENT FINANCIAL LIABILITIES							
Current interest-bearing liabilities					121.3	121.3	121.3
Accounts payable					135.9	135.9	135.9
Other current liabilities **)					170.9	170.9	170.9
Derivative financial instruments							
Foreign exchange derivatives	4.5	3.5				8.0	8.0
Interest rate derivatives		2.5				2.5	2.5
Balance sheet values by category at December 31, 2009	4.5	9.2			714.3	728.0	729.6

EUR million	2010	2009
*) Other non-interest yielding receivables		
Prepaid expenses and other receivables	54.0	58.8
./. Other tax receivables	5.8	3.3
./. Derivative financial instruments	8.3	7.9
./. Prepaid expenses related to defined benefit pension plans in USA	4.4	3.7
	35.5	43.9
**) Other current liabilities		
Accrued liabilities	232.6	196.3
./. Other tax liabilities	15.0	5.6
./. Derivative financial instruments	17.4	10.5
./. Accrued liabilities related to defined benefit pension plans	9.4	9.3
	190.8	170.9

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2010:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss		5.2		5.2
Derivatives used for hedging		4.2		4.2
Available-for-sale financial assets		0.7		0.7
Total		10.1		10.1
Liabilities				
Financial liabilities at fair value through profit or loss		7.6		7.6
Derivatives used for hedging		11.6		11.6
Total		19.2		19.2

Level 1 instruments are traded in active markets with quoted prices. Level 2 instruments are, for example, over-the-counter derivatives and the fair value is determined by using valuation techniques from observable market data. Level 3 instruments are valued by using valuation techniques without any observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2009:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss		6.0		6.0
Derivatives used for hedging		2.0		2.0
Available-for-sale financial assets		0.8		0.8
Total		8.8		8.8
Liabilities				
Financial liabilities at fair value through profit or loss		4.5		4.5
Derivatives used for hedging		9.2		9.2
Total		13.7		13.7

29. FINANCIAL RISK MANAGEMENT

Amer Sports is having customary financial risks relating to its global businesses such as funding and liquidity risks, foreign exchange and interest rate risks, counterparty and credit risks. Financial risk management is centralized within Amer Sports Treasury that is also acting as an in-house bank providing financial services for subsidiaries. Risk management is governed by the Treasury Policy approved by the Board of Directors. The Policy includes principles and risk limits relating to debt structure, counterparties, bank relations and interest rate and foreign exchange risk management. Written guidelines have been set to manage operational risks. Treasury follows and monitors risks constantly and not allowing any material deviations. The Board of Directors reviews the financial risks once in a year.

Funding risk

Amer Sports aims to use different sources in funding. The focus will shift to debt transactions taken directly from domestic and/or international debt capital markets. It is still upholding long and trustworthy relations with its core relationship banks by acquiring advisory, cash management and foreign exchange services from those banks.

Amer Sports is having a standard LMA (Loan Market Association) documentation in its 2005 Loan Syndicate including typical representations and warranties, general undertakings, events of default and covenants. It does not recognize any material threat or risk that it may breach any of its obligations arising from the loan documentation or the financial covenant.

Liquidity risk

Amer Sports is having a cyclical working capital and it is the biggest factor defining the need for liquidity. Typically, the highest level of working capital has been reached in the third quarter when the cash and short-term debt are tied up in inventories and accounts receivable. The main sources of liquidity have been operational cash flow and short-term debt. Amer Sports is having EUR 500 million commercial paper program for its working capital needs, but due to improved cash flow and recent long-term debt transactions it has no outstanding commercial papers as of December 31, 2010.

The rolling 20 days cash flow forecast is the base tool for short term liquidity planning and the global cash pooling manages the actual funding within the company. Global liquidity is transferred daily to Amer Sports master accounts and placed in bank deposits or certificates of deposits within agreed limits.

The table on the following page is a breakdown of the Group's non-derivative financial liabilities and net-settled derivatives in their contractual maturities. Amounts drawn in the Loan Syndicate are presented maturing in 2012 as it is the final expiry of that credit facility. At the end of 2010 Amer Sports had no drawings from the credit facility.

At the end of the financial period Amer Sports has reclassified a perpetual loan of Atomic Austria GmbH from the equity to the loans from financial institutions.

Maturity analysis for financial liabilities based on their contractual maturity

EUR million	Dec 31, 2010 Nominal value	Available	Total	2011	2012	2013	2014	2015 and after
Loans from financial institutions								
Repayments	93.8		93.8	16.3	59.2	0.1		18.2
Interest	4.8		4.8	1.4	1.3	0.7	0.7	0.7
Bonds								
Repayments	255.0		255.0	75.0		30.0		150.0
Interest	45.1		45.1	9.9	9.3	9.5	8.2	8.2
Pension loans								
Repayments	25.7		25.7	5.7	5.7	5.7	5.7	2.9
Interest	2.7		2.7	1.0	0.8	0.5	0.3	0.1
Other interest-bearing liabilities								
Repayments	5.0		5.0	3.8	1.1	0.0	0.0	0.1
Interest	0.2		0.2	0.2	0.0	0.0	0.0	0.0
Other interest-free liabilities								
Repayments	6.3		6.3	6.3				
Total								
Repayments	385.8		385.8	107.1	66.0	35.8	5.7	171.2
Interest	52.8		52.8	12.5	11.4	10.7	9.2	9.0
Financial guarantee contracts		5.0	5.0	5.0				
Committed revolving credit facilities		325.0	325.0		70.7	254.3		
Derivative liabilities								
Foreign exchange derivatives under hedge accounting	353.6		353.6	321.4	32.2			
Other foreign exchange derivatives	334.0		334.0	334.0				
Interest rate swaps under hedge accounting	2.8		2.8	1.6	1.2			
Derivative assets								
Foreign exchange derivatives under hedge accounting	349.0		349.0	337.0	12.0			
Other foreign exchange derivatives	329.1		329.1	329.1				

EUR million	Dec 31, 2009 Nominal value	Available	Total	2010	2011	2012	2013	2014 and after
Loans from financial institutions								
Repayments	179.6		179.6	0.1	15.1	164.4		
Interest	6.3		6.3	2.1	2.9	1.3		
Bonds								
Repayments	75.0		75.0		75.0			
Interest	2.1		2.1	1.2	0.9			
Pension loans								
Repayments	31.5		31.5	5.7	5.7	5.7	5.7	8.7
Interest	4.0		4.0	1.3	1.0	0.8	0.5	0.4
Other interest-bearing liabilities								
Repayments	5.7		5.7	3.3	1.0			1.4
Interest	0.2		0.2	0.1	0.0	0.0	0.0	0.1
Other interest-free liabilities								
Repayments	2.1		2.1	2.1				
Commercial papers								
Repayments	112.3		112.3	112.3				
Interest	0.7		0.7	0.7				
Total								
Repayments	406.2		406.2	123.5	96.8	170.1	5.7	10.1
Interest	13.3		13.3	5.4	4.8	2.1	0.5	0.5
Financial guarantee contracts		3.6	3.6	3.6				
Committed revolving credit facilities		385.0	385.0	60.0	70.7	254.3		
Derivative liabilities								
Foreign exchange derivatives under hedge accounting	217.6		217.6	217.6				
Other foreign exchange derivatives	286.2		286.2	286.2				
Interest rate swaps under hedge accounting	144.4		5.7	4.8	0.9			
Other interest rate derivatives	100.0		0.3	0.3				
Derivative assets								
Foreign exchange derivatives under hedge accounting	216.1		216.1	214.5	1.6			
Other foreign exchange derivatives	286.6		286.6	286.6				
Interest rate swaps under hedge accounting	60.0		0.3		0.3			

Currency risk

Transaction risk arises from foreign currency denominated receivables and liabilities, cash flow estimates in foreign currencies and derivatives. Translation risk relates to the foreign currency denominated earnings when they are translated to euro. Amer Sports is having operations in all major currency areas, and its sales are diversified in 19 currencies. On the business unit level transaction risk arises when the unit sells in its home currency, but the cost base is in foreign currencies or sells or buys goods in foreign currencies. Efficient risk management is eliminating material uncertainties relating to foreign exchange rates.

At the end of the year, Amer Sports' currency position, in accordance with IFRS 7, consisted of inter-company and external interest-free and interest-bearing currency denominated receivables and liabilities and foreign exchange derivatives. Foreign exchange derivatives include both balance sheet and cash flow hedges.

Geography of businesses has led to the most significant currencies being US dollar, Japanese yen, Canadian dollar and Swiss franc. The significance of US dollar is emphasized by its dominant role in the global procurement. In 2010, the growth in Apparel and Footwear has even elevated its meaning to Amer Sports.

Balance sheet risks have been managed by financing subsidiaries in their home currencies. The risks have been concentrated on the centralized distribution and purchasing units that invoice the subsidiaries in their respective home currencies. The parent company's balance sheet risk arises from internal and external receivables and liabilities in foreign currencies.

The following table sets out the IFRS 7-compliant foreign exchange position at the balance sheet date:

	Dec 31, 2010				Dec 31, 2009			
EUR million	**USD**	**JPY**	**CAD**	**CHF**	**USD**	**JPY**	**CAD**	**CHF**
Interest-bearing external receivables	2.6	-	2.6	-	8.3	-	-	-
Interest-bearing inter-company receivables	149.8	22.3	31.3	-11.9	177.9	21.0	24.1	1.8
External receivables	10.7	0.0	-12.2	1.2	8.0	0.0	-7.2	5.0
Inter-company receivables	3.0	1.7	2.1	3.8	1.6	2.3	1.2	2.2
Interest-bearing external liabilities	-74.8	-	-	-	-69.4	-	-	-
External payables	-38.8	-0.1	1.9	-0.2	-25.4	-0.1	1.1	-0.8
Inter-company payables	-5.1	-0.4	-0.1	-0.2	-2.5	0.1	0.0	-1.9
Foreign exchange derivatives	162.1	-64.7	-46.3	-48.7	-18.0	-50.2	-38.4	-46.4

The table below presents the sensitivity of shareholders' equity and the income statement at the balance sheet date to the strengthening of the euro by 10%, provided other factors were to remain unchanged. The weakening of the euro by 10% would cause a similar change in the opposite direction:

EUR million	Shareholders' equity	Income statement
USD	-22.3	1.4
JPY	2.6	1.6
CAD	2.2	-0.2
CHF	4.0	1.6

The following table presents the corresponding sensitivities at the balance sheet date in 2009:

EUR million	Shareholders' equity	Income statement
USD	-8.9	0.9
JPY	2.0	0.7
CAD	1.2	0.7
CHF	2.8	1.2

Earnings sensitivity before taxes is influenced by changes in the fair value of derivative instruments not used in hedge accounting and on-balance sheet hedging derivative instruments as well as changes in the value of on-balance sheet currency-denominated loans and receivables. Shareholders' equity is affected by changes in the fair value of derivative instruments used in hedge accounting recognized under the hedge reserve.

The following table sets out Amer Sports' estimated main cash flow risks in the following currencies for 2011 (EUR million):

EUR	USD	CHF	JPY	GBP	CAD	RUB	SEK	OTHER
13	283	-54	-50	-47	-28	-27	-20	-69

The following table sets out the hedging of Amer Sports' cash flows as at December 31, 2010 (EUR million):

EUR	USD	CHF	JPY	GBP	CAD	RUB	SEK	OTHER
-3	241	-60	-42	-32	-11	-29	-9	-54

The strengthening of the euro against the USD typically improves Amer Sports' result of operations. The strengthening of the euro against the other foreign currencies typically weakens Amer Sports' result of operations. A significant share of the US dollar denominated procurement cost risk is eliminated against the US dollar denominated operating result. Due to the growth of the business that is dependent on sourcing from Asia, the US dollar procurement exceeded the US dollar denominated operating result remarkably.

According to the hedging policy, the transaction risk arising from subsidiaries' business operations is hedged up to 12–18 months. In practice, the hedge ratios are higher for closer months than for later months. The hedge ratio is maintained between 30% and 70%, except in Winter and Outdoor, where the ratio is 80–120% due to business characteristics. The hedged cash flow is expected to be realized during the following 12 months. Amer Sports hedges only annual cash flows or other exposures with a value of over EUR 3.0 million.

The company applies hedge accounting for annual cash flows with a counter value of over EUR 10 million. It monitors hedge ratios daily and tests effectiveness at three-month intervals. The effectiveness of forward contracts is tested by using spot rates.

According to its Treasury Policy, Amer Sports may hedge 0 to 50% of subsidiaries' equity. At the end of 2010, there were no outstanding equity hedges.

Interest risk

Amer Sports' interest risk arises from the repricing of floating rate debt or when raising a new floating rate debt. It is also affected by the fair value risk of its fixed rate debt. "Duration" and "Fixed to Floating ratio" have been used in controlling the interest rate position. Duration is calculated by using the interest reprising date of the financing item. As of December 31, 2010, the duration was approximately 19 months and the debt portfolio was fully fixed rated. Amer Sports manages its interest rate position by using interest rate derivatives, typically interest rate swaps and futures.

The sensitivity of the income statement contains changes in interest expenses for the next 12 months due to an increase/decrease of 1% in market interest rates, provided that other factors remain unchanged.

Shareholders' equity is effected by a change in the market value of the hedge accounting interest rate swaps. The change is booked to the hedge reserve.

The below table illustrates the sensitivity of shareholders' equity and income statement to an increase of 1% in interest rates, provided that other factors remain unchanged:

EUR million	Position	2010
Shareholders' equity	149.8	2.2
Income statement	-6.0	0.0

In 2009, the sensitivity of the shareholders' equity and income statement to an increase of 1% interest rates, provided that other factors remain unchanged, was:

EUR million	Position	2009
Shareholders' equity	204.4	3.9
Income statement	63.0	-1.2

The effective interest rate of the total debt including interest rate hedges was 5.5%. The interest rate was 3.3% on bonds, 1.3% on syndicated loans, 4.7% on pension loans and 1.9% on commercial papers.

The average interest rate of the Group's interest bearing liabilities including interest rate derivatives and facility fees was 4.4% (Dec 31, 2009: 3.3%). After foreign exchange derivatives, that hedge the inter-company debt, the average interest rate was 4.6% (Dec 31, 2009: 3.5%).

Amer Sports applies hedge accounting to interest rate derivatives whenever it is applicable. Non-hedge accounting derivatives are measured at fair value and the result is recognized in the financing items.

Credit risk

The company is exposed to credit risk through its 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 22%. At the end of year 2010 the actual payment time for the outstanding sales was 77 days.

Amer Sports is having a regional credit insurance program to support sales activities. In certain countries sale of receivables has been used, but the volume of it is insignificant on the Group level.

The Company assumes limited repurchase obligations through its fitness related financial leasing agreements.

Excess liquidity is placed either in bank deposits within banks that Amer Sports has outstanding debt or in high-quality money market instruments within the approved limits.

The credit risk arising from derivatives is negligible. The risk is minimized by limiting the number of counterparties, their shares of the total portfolio and by monitoring the credit standings and their outstanding liability to Amer Sports.

The following table sets out the balance sheet values or fair values of financial assets, which represent the maximum amount of the credit risk at balance sheet dates:

EUR million	Balance sheet value or fair value Dec 31, 2010	Balance sheet value or fair value Dec 31, 2009
Long-term financial assets		
Long-term interest-bearing receivables	-	-
Other long-term financial assets	1.6	2.4
Derivative contracts		
Foreign exchange derivatives	1.1	0.0
Short-term financial assets		
Accounts receivable	462.6	401.2
Loans receivable	0.2	0.3
Other interest-free receivables	35.5	43.9
Derivative contracts		
Foreign exchange derivatives	8.3	7.9
Interest rate derivatives	0.0	0.1
Cash and cash equivalents	84.7	121.6

Interest fixing periods

	Dec 31, 2010							Dec 31, 2009	
EUR million	0–3 mo	4–6 mo	7–9 mo	10–12 mo	1–2 yr	2–3 yr	over 3 yr	0–1 yr	over 1 yr
Debt	-79.6	-97.0		-5.7	-6.9	-19.2	-171.1	-375.9	-28.2
Cash and cash equivalents	84.7							121.6	
Forward rate agreements								0.0	
Interest rate swaps	95.0	-0.2		-38.7	-56.1			135.0	-135.0
Net	100.1	-97.2	-	-44.4	-63.0	-19.2	-171.1	-119.3	-163.2

(+ = Assets, - = Debt)

Derivative financial instruments

	Dec 31, 2010					Dec 31, 2009	
EUR million	Nominal value	Fair value	2011	2012	2013 and after	Nominal value	Fair value
Hedge accounting-related							
Foreign exchange forward contracts hedging cash flows from operations	349.0	-4.6	304.8	44.2		216.1	-1.7
Interest rate swaps hedging interest cash flow	149.8	-2.8	93.7	56.1		204.4	-5.6
Other derivative contracts							
Foreign exchange forward contracts	329.1	-4.5	329.1			286.6	0.6
Interest rate swaps or forward rate agreements	20.0	0.0	20.0			100.0	-0.1

Capital management

The Group's capital management aims at the optimal capital structure that ensures the normal short-term and long-term operational requirements of business. The Group aims to utilize its balance sheet actively, yet without taking too high financial risks.

In September 2010 Amer Sports published new long term financial targets which are currency neutral net sales growth of 5%, EBIT target 10% of net sales and annual free cash flow equal to net profit. For balance sheet structure, the long term financial target is to have the year-end Net Debt / EBITDA ratio of 3 or less.

Net Debt / EBITDA illustrates how Amer Sports can generate operational cash flow to serve its debt. Also, it shows required profitability level against the outstanding debt and therefore makes it possible to link business specific targets to Group's balance sheet structure. It creates a dynamic key performance indicator combining balance sheet structure and profitability target setting.

Amer Sports' credit facilities include a financial covenant, according to which Amer Sports' consolidated gearing cannot exceed 150 percent, excluding the impact of any goodwill or intangible rights impairment. The credit facilities include certain other customary covenants, a negative pledge, representations and warranties and customary events of default. Amer Sports does not foresee any risks to a breach in the financial covenant in the next financial year given the current business environment and current level of gearing.

Amer Sports issued two long term loans in 2010, a EUR 150 million bond on June 4, 2010 targeted at domestic and international investors and on November 26, 2010 a EUR 30 million Schuldschein type of promissory note targeted at international investors. These two loans reduce Amer Sports' long-term debt refinancing needs in the coming years.

In 2009 Amer Sports made two major capital management measures, hybrid bond issuance and rights offering.

In March, Amer Sports 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 first time being therefore in March 2012. 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 provide shareholders' rights and it does not dilute the holdings of shareholders.

In October, as part of Amer Sports' measures to improve its balance sheet, the company undertook a rights offering. Amer Sports raised gross proceeds of approximately EUR 160 million in the rights offering. The proceeds from the rights offering have been used to strengthen the financial position of Amer Sports and to improve the company's operational and strategic flexibility. As a result of the rights offering, the number of Amer Sports' shares increased by 48,471,734 to 121,517,285 shares. The total net proceeds of the rights offering amounted to EUR 151.5 million.

EUR million	Dec 31, 2010	Dec 31, 2009
Interest-bearing liabilities	379.5	404.1
Cash and cash equivalents	84.7	121.6
Net debt	294.8	282.5
Total shareholders' equity	790.2	735.3
Gearing, %	37	38
EBITDA	132.6	78.8
Net debt / EBITDA	2.2	3.6

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, %:

$$100 \times \frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Shareholders' equity}}$$

FREE CASH FLOW/NET PROFIT:

$$\frac{\text{Free cash flow}}{\text{Net result}}$$

NET DEBT/EBITDA:

$$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{EBIT + depreciation}}$$

1) Excluding non-controlling 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

The calculation of key indicators excludes the company's own shares.

PARENT COMPANY INCOME STATEMENT

EUR million	2010	2009
Other operating income	17.0	10.0
EXPENSES		
Personnel expenses	10.0	8.1
Depreciation	0.4	0.4
Other expenses	12.5	10.5
Total expenses	22.9	19.0
EARNINGS BEFORE INTEREST AND TAXES	-5.9	-9.1
Financing income	17.6	13.6
Financing expenses	-32.1	-53.5
Financing income and expenses	-14.5	-39.9
EARNINGS BEFORE EXTRAORDINARY ITEMS	-20.4	-49.0
Extraordinary items	31.3	21.0
NET RESULT	10.9	-28.0

PARENT COMPANY BALANCE SHEET

ASSETS

EUR million	2010	2009
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Intangible rights	0.5	0.6
TANGIBLE ASSETS		
Land and water	0.8	1.2
Buildings and constructions	0.9	1.0
Machinery and equipment	0.8	0.7
Other tangible assets	0.6	0.6
	3.1	3.5
OTHER NON-CURRENT INVESTMENTS		
Investments in subsidiaries	972.5	1,221.4
Receivables from subsidiaries	1.1	0.9
Other bonds and shares	0.6	1.9
	974.2	1,224.2
TOTAL NON-CURRENT ASSETS	977.8	1,228.3
CURRENT ASSETS		
RECEIVABLES		
Accounts receivable	0.1	0.0
Receivables from subsidiaries	640.3	397.9
Other receivables	0.5	0.6
Prepaid expenses	7.0	8.6
	647.9	407.1
MARKETABLE SECURITIES		
Other securities	3.0	8.0
CASH AND CASH EQUIVALENTS	38.4	72.1
TOTAL CURRENT ASSETS	689.3	487.2
TOTAL ASSETS	1,667.1	1,715.5

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	2010	2009
SHAREHOLDERS' EQUITY		
Share capital	292.2	292.2
Premium fund	12.1	12.1
Invested unrestricted equity reserve	161.8	161.8
Retained earnings	226.7	274.0
Net result	10.9	-28.0
TOTAL SHAREHOLDERS' EQUITY	703.7	712.1
ACCUMULATED APPROPRIATIONS		
Accumulated depreciation in excess of plan	0.3	0.3
PROVISION FOR CONTINGENT LOSSES		
Provision for pension liability	0.0	0.1
LIABILITIES		
LONG-TERM LIABILITIES		
Bonds	180.0	75.0
Loans from financial institutions	58.6	69.4
Pension loans	20.0	25.7
Other liabilities	60.0	60.0
	318.6	230.1
CURRENT LIABILITIES		
Bonds	75.0	-
Other interest-bearing liabilities	23.5	228.5
Accounts payable	0.8	0.9
Payables to subsidiaries	529.3	531.7
Other current liabilities	0.1	0.3
Accrued liabilities	15.8	11.5
	644.5	772.9
TOTAL LIABILITIES	963.1	1,003.0
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,667.1	1,715.5

PARENT COMPANY CASH FLOW STATEMENT

EUR million	2010	2009
NET CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	-5.9	-9.1
Depreciation	0.4	0.4
Adjustments to cash flow from operating activities	-0.5	0.0
Cash flow from operating activities before change in working capital	-6.0	-8.7
Increase (-) or decrease (+) in trade and other current recivables	-14.8	2.0
Increase (+) or decrease (-) in interest-free current liabilities	0.0	3.1
Change in working capital	-14.8	5.1
Cash flow from operating activities before financing items and taxes	-20.8	-3.6
Interest paid	-21.6	-27.3
Interest received	0.3	0.2
Income taxes paid	-	-0.4
Financing items and taxes	-21.3	-27.5
Total net cash flow from operating activities	-42.1	-31.1
NET CASH FLOW FROM INVESTING ACTIVITIES		
Company acquisitions	-74.9	-3.5
Company divestments	323.7	-
Capital expenditure	-0.3	-0.3
Proceeds from sale of tangible non-current assets	1.1	0.0
Dividend received from non-current receivables	0.0	0.0
Net cash flow from investing activities	249.6	-3.8
NET CASH FLOW FROM FINANCING ACTIVITIES		
Share issue, net *)	-	151.5
Reissuance of own shares	-	1.8
Change in short-term borrowings	-228.4	-173.1
Withdrawals of long-term borrowings	180.0	60.0
Repayments of long-term borrowings	-5.7	-81.1
Change in current receivables	-199.7	121.5
Dividends paid	-19.4	-11.6
Group contribution received	21.0	32.5
Other financing items **)	6.0	-22.2
Net cash flow from financing activities	-246.2	79.3
CHANGE IN CASH AND CASH EQUIVALENTS	-38.7	44.4
Cash and cash equivalents		
Cash and cash equivalents at year end	41.4	80.1
Cash and cash equivalents at year beginning	80.1	35.7
Change in cash and cash equivalents	-38.7	44.4

*) Gross proceeds of EUR 160.0 million less expenses EUR 8.5 million.
**) Including, for example, cash flow from hedging intercompany balance sheet items.

PARENT COMPANY ACCOUNTING POLICIES

The parent company's financial statements are prepared in accordance with Finnish law. The results are reported in euros using the historical cost convention. The financial statements are presented excluding the notes to the financial statements.

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 closing 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.

Intangible and tangible non-current assets

Non-current assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis in order to write down the cost or revalued amounts of assets to their residual values 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 and water are not depreciated.

Shareholders' equity

An equity instrument is recorded in the shareholders' equity if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

The subscription proceeds from share issues are booked to invested unrestricted equity reserve to the extent that they are not, in accordance with a shareholders' resolution, booked to the share capital. The transaction costs of the share issues are charged to financing expenses.

Hybrid bond is treated as liabilities. It is unsecured and subordinated to all senior debt. The hybrid bond does not confer shareholders' rights, nor does it dilute the holdings of shareholders. Interest expenses for the hybrid bond have been accrued on the basis of its coupon rate and are debited to financing expenses. The company is obliged to pay interest on hybrid bond only if it distributes dividend for the financial period.

The acquisition cost of repurchased own shares is charged to equity until the shares are cancelled or reissued.

Any dividend proposed by the Board of the Directors is not deducted from distributable shareholders' equity until approved at the Annual General Meeting.

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.

Share-based payment

The share-based incentive schemes granted to key employees of the parent company are posted as personnel expenses in the income statement.

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.

BOARD OF DIRECTORS' REPORT'S AND FINANCIAL STATEMENTS' SIGNATURES

Helsinki, Finland, February 3 , 2011

Anssi Vanjoki	Ilkka Brotherus	Martin Burkhalter
Christian Fischer	Hannu Ryöppönen	Bruno Sälzer
Pirjo Väliaho	Heikki Takala President and CEO	

AUDITORS' REPORT

TO THE ANNUAL GENERAL MEETING 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 Oyj for the year ended 31 December, 2010. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other Opinions

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, Finland, February 3, 2011

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jouko Malinen
Authorised Public Accountant

CORPORATE GOVERNANCE STATEMENT

GENERAL

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of Amer Sports Corporation (hereinafter referred to as "Amer Sports" or "the company") responsibility for the control and management of Amer Sports is divided between the General Meeting of shareholders, the Board of Directors and the President and CEO. Shareholders participate in the control and management of Amer Sports through resolutions passed at General Meetings of shareholders, which are generally convened upon notice given by the Board of Directors. In addition, General Meetings of shareholders are held when requested in writing by an auditor of Amer Sports or by shareholders representing at least one-tenth of all the outstanding shares of the company.

Amer Sports' shares are listed on the NASDAQ OMX Helsinki Stock Exchange. In addition, Amer Sports has a Level I ADR program. The ADRs are traded over-the-counter in the United States. Two depositary receipts are equivalent to one Amer Sports share.

CORPORATE GOVERNANCE

In its decision making and administration, Amer Sports applies the Finnish Companies Act, the Finnish Securities Markets Act and the rules issued by the NASDAQ OMX Helsinki Stock Exchange, Amer Sports' Articles of Association, and the Finnish Corporate Governance Code 2010 for listed companies. Amer Sports complies with the code without exceptions. The code is published at: www.cgfinland.fi.

This Corporate Governance Statement has been prepared pursuant to Recommendation 54 of the Finnish Corporate Governance Code 2010 for listed companies and the Securities Markets Act (Chapter 2, Section 6). This Corporate Governance Statement is issued separately from the Board of Directors' report. The audit committee of the Board of Directors has reviewed this Corporate Governance statement and Amer Sports' auditor, PricewaterhouseCoopers Oy, has checked that the statement has been issued and that the description of the main features of the financial reporting process, internal control and risk management is consistent with the financial statements.

BOARD OF DIRECTORS

COMPOSITION AND TERM OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for duly organizing the administration and operations of Amer Sports. The Annual General Meeting of shareholders ("the AGM") 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. There is no special order of appointment of the directors.

The Board evaluates the independence of its members annually or more often, as may be necessary. Each member of the Board of Directors is obligated to provide the Board of Directors with information sufficient to allow an evaluation of their independence.

THE BOARD OF DIRECTORS' RULES OF PROCEDURE AND MEETING PRACTICES

The Amer Sports Board of Directors approves rules of procedure to govern its work, including a schedule for meetings, on an annual basis. The rules of procedure include the specific themes discussed at each meeting in addition to the standard reporting and discussion items reviewed at each meeting. The rules of procedure also include a schedule of the dates when the Board of Directors will visit the operations of the company and its partners, as well as the annual evaluation of its own performance at the end of the period. Committees established by the Board of Directors assist the Board of Directors in matters that have been assigned to them.

The Board of Directors convenes eight to ten (8–10) times a year according to a predetermined annual meeting schedule. In addition to these meetings, the Board of Directors convenes when necessary. At least once a year, the Board of Directors convenes without representatives of the company's management being in attendance. The President and CEO and the CFO participate in meetings of the Board of Directors and the Vice President of Legal Affairs acts as secretary to the Board. Other Amer Sports executives participate in meetings as necessary.

Meeting documents and other material are delivered to the members of the Board of Directors in advance and all meetings are documented.

THE MAIN DUTIES OF THE BOARD OF DIRECTORS

The duties and responsibilities of the Board of Directors are defined according to the Finnish Companies Act, other applicable legislation, and Amer Sports' Articles of Association. The Board of Directors has general authority in all matters where neither law nor the company's Articles of Association stipulate that a matter should be decided or performed by any other bodies. In addition, the Board of Directors must act in the interests of the company and all shareholders in all circumstances, and direct Amer Sports' operations with a view to generating the maximum enduring added value to shareholders without neglecting other stakeholders.

The main duties of the Board of Directors are to:

1. 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 the strategy and annual budget, and monitor progress towards its achievement
    - Adopt the annual investment plan
    - Decide on significant, strategically-important investments or acquisitions and the sale of assets
    - Review the Corporate Social Responsibility Report

2. Organize 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 service of the President and CEO and his or her immediate subordinates, including possible incentive programs
    - Set the President and CEO's personal targets for each year and monitor their achievement
    - Keep track of succession-related issues in management and the Company's human resources strategy
    - Adopt the duties and responsibilities of the Board of Directors and evaluate the Board's performance once each year

3. Supervise management of the company's financial administration, internal control and risk management
    - Review and approve interim reports, annual financial statements and the report by the Board of Directors as well as related stock exchange releases
    - Hold a meeting with the company's auditors at least once a year
    - Oversee significant risks connected with the company's operations and risk management

4. Prepare matters to be decided on at the AGM
    - Draft the company's dividend payout policy and submit a proposal on the dividend to the AGM
    - Submit other proposals to the AGM

According to the rules of procedure, the chairman of the Board of Directors, in addition to leading the work of the Board of Directors, continuously monitors Amer Sports' operations and development through contact with the President and CEO. Furthermore, the chairman of the Board of Directors represents the company in matters associated with shareholders and ensures that the work of the Board of Directors is evaluated annually, and that the Board of Directors continuously updates and expands its knowledge of Amer Sports' operations.

2010

In addition to its normal duties, the key topics in the Board of Directors' agenda in 2010 included setting new strategic priorities and new long-term financial targets for the company. The new priorities emphasize clear portfolio roles for each unit in the Group portfolio, faster growth in softgoods, i.e. apparel and footwear, excellence in consumer-centric product creation and brand marketing ("Win with Consumers"), strengthening commercial fundamentals through sales and channel management ("Win in Go to Market") and operational excellence.

The Annual General Meeting of shareholders held on March 10, 2010 elected seven members to the Amer Sports Board of Directors. Board members re-elected were Anssi Vanjoki, Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Bruno Sälzer, Hannu Ryöppönen, and Pirjo Väliaho. Anssi Vanjoki was re-elected as chairman and Ilkka Brotherus was elected as vice chairman of the Board of Directors. Composition of the Board of Directors during the period of January 1, 2010–March 10, 2010 was the same as after March 10, 2010.

The Board of Directors convened 12 times during the calendar year 2010 and the attendance rate of directors at meetings of the Board of Directors was 96,4%. On February 4, 2010 the Board of Directors carried out a self-assessment of its performance.

BOARD COMMITTEES

The Board of Directors has established three permanent committees from amongst its members to support its work and has defined the rules of procedure for them. The committee chairmen and members are elected annually. The committees report on their work to the entire Board of Directors on a regular basis. The committees have no independent decision-making power.

AUDIT COMMITTEE

The Board of Directors appoints an Audit Committee to assist it in its task of supervising the company's financial administration. The

Audit Committee comprises a minimum of three members of the Board of Directors. The members must be independent and have the qualifications necessary to perform the duties of the Audit Committee. The Audit Committee meets at least four times per year and maintains regular contact with the company's external auditor. The Audit Committee monitors the reporting of the company's financial statements and the adequacy of internal control and risk management systems. In addition, the Audit Committee monitors the statutory audit process, evaluates the independence of the statutory audit firm, and prepares the recommendation presented to the Annual General Meeting on the election of the auditor.

2010

Having risk management system as one of the key areas to monitor, the Audit Committee put special focus on the significant group IT and financial shared services projects.

On March 10, 2010 the Board of Directors elected Hannu Ryöppönen (chairman), Ilkka Brotherus and Martin Burkhalter as members of the Audit Committee. The Audit Committee convened five (5) times in 2010 and the meeting attendance rate was 93.3%. Composition of the Audit Committee during the period of January 1, 2010–March 10, 2010 was the same as after March 10, 2010.

COMPENSATION COMMITTEE

The Board of Directors appoints a Compensation Committee to ensure good governance in monitoring executive rewards, to recommend Amer Sports' reward philosophy and executive reward programs, to assess pay and performance relationships and to recommend executive pay decisions concerning the President and CEO and his immediate direct reports for approval by Amer Sports' Board of Directors. The Compensation Committee comprises a minimum of three members of the Board of Directors. The chairman of the committee convenes meetings as required, but at least twice a year.

2010

The main tasks of the Compensation Committee in 2010 included finalization of the new long term incentive programs; Performance Share Plan 2010 and Restricted Stock Plan 2010.

On March 10, 2010 the Board of Directors elected Pirjo Väliaho (chairman), Anssi Vanjoki, Christian Fischer, and Bruno Sälzer as members of the Compensation Committee. The Compensation Committee convened five (5) times in 2010 and the meeting attendance rate was 95%. Composition of the Compensation Committee during the period of January 1, 2010–March 10, 2010 was the same as after March 10, 2010.

NOMINATION COMMITTEE

The Board of Directors appoints a Nomination Committee to assist it in its task of ensuring good governance in preparing proposals concerning members of the Board of Directors and their compensation for decision by the General Meeting of shareholders. The Nomination Committee communicates with major shareholders in matters concerning the appointment of the Board of Directors, when such action is appropriate. The Nomination Committee comprises a minimum of three members of the Board of Directors. The chairman of the committee convenes meetings as required, but at least once a year.

2010

On March 10, 2010 the Board of Directors elected Ilkka Brotherus (chairman), Anssi Vanjoki, and Martin Burkhalter as members of the Nomination Committee. The Nomination Committee convened altogether five (5) times in 2010 and the meeting attendance rate was 100%. Composition of the Nomination Committee during the period of January 1, 2010 – March 10, 2010 was the same as after March 10, 2010.

PRESIDENT AND CEO

The Board of Directors nominates the President and CEO, who is responsible for managing Amer Sports in accordance with the Finnish Companies Act and instructions provided by the Board of Directors.

The President and CEO reports to the Board of Directors and keeps the Board of Directors informed about Amer Sports' business, including information about relevant markets and competitors, as well as the Company's financial position and other matters of significance. The President and CEO is also responsible for overseeing the Company's day-to-day administration and ensuring that the financial administration of the Company has been arranged in a reliable manner. The President and CEO is assisted by the Executive Board.

2010

The Executive Vice President and CFO Pekka Paalanne acted as acting President and CEO from December 22, 2009 until March 31, 2010. Heikki Takala was appointed as President and CEO of Amer Sports with effect from April 1, 2010.

HEIKKI TAKALA

President and CEO of Amer Sports since April 1, 2010. Master of Science degree. Born 1966. Finnish nationality. Primary working experience: Commercial Director of Salon Professional Global

Name	Year born	Position	Year of appointment	Nationality
Anssi Vanjoki	1956	Chairman since 2006	2004	Finnish
Ilkka Brotherus	1951	Vice chairman since 2002	2000	Finnish
Martin Burkhalter	1952	Member	2008	Swiss
Christian Fischer	1964	Member	2008	Austrian
Hannu Ryöppönen	1952	Member	2009	Finnish
Bruno Sälzer	1957	Member	2008	German
Pirjo Väliaho	1954	Member	2007	Finnish

Commercial Operations of Procter & Gamble. Several line management positions in region and product line organizations in Procter & Gamble 1992–2010.

PEKKA PAALANNE

Acting President and CEO of Amer Sports from December 22, 2009 until March 31, 2010. Executive Vice President and CFO of Amer Sports from 1997 to December 31, 2010. Bachelor of Science degree in Economics. Born 1950, Finnish nationality. Primary work experience: Senior Vice President of Corporate Control and Information Systems of Kone Corporation 1991–1997. Several executive positions in Kone Corporation 1979–1991.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO THE FINANCIAL REPORTING PROCESS

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Directors of Amer Sports approves and endorses the company's Risk Management Policy. This policy defines the objectives, principles, processes and responsibilities concerning risk management within Amer Sports companies. Identifying and evaluating risks makes it possible to manage them. This identification and evaluation of risks enables adequate and effective internal controls to be established. The process of risk management and the internal controls relating to financial reporting in Amer Sports are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

The risk management process is embedded in the business management and internal control framework in order to support the accomplishment of the company's strategic business targets and financial reporting objectives.

Responsibility for risk management rests with Amer Sports' business segments/areas, sales and supply chain organizations and support functions, all of which report regularly on the main risks connected with their operations to Amer Sports management.

The management of financial risks is centralized within Amer Sports' Treasury function. Guidelines for risk management are set out in the Financial Risk Management Policy, which is approved by the Board of Directors and encompasses the principles and risk limits connected with the company's balance-sheet structure, relationships with financial institutions and other financing risks.

Amer Sports' primary reporting segments are the company's business segments: Winter and Outdoor, Ball Sports, and Fitness. Winter and Outdoor is divided into the following business areas: Winter Sports Equipment, Apparel, Footwear, Cycling and Sports instruments. Ball Sports' business areas are Racquet Sports, Team Sports and Golf. Fitness' business area is Fitness Equipment. The secondary reporting segments are regions: the Americas, EMEA and Asia Pacific. In overseeing the company's operations, the President and CEO and other executives make use of weekly sales reports, monthly financial reports, and regular meetings with the management teams of business segments/areas and regions.

Financial reporting is carried out in a harmonized manner in all Group companies. Amer Sports' accounting policies in both external and internal financial reporting are based on the International Financial Reporting Standards (IFRS). In addition to IFRS, more specific group policies and guidance are provided in Amer Sports' accounting policies manual (Corporate Manual). Amer Sports' Finance function is responsible for maintaining the company's accounting policies and reporting systems, and also performs monitoring to ensure that these reporting policies are followed.

The Group's business segments are responsible for providing their own financial statements. Amer Sports' Finance function provides consolidated financial statements.

Amer Sports is in the process of implementing a Group-wide, unified ERP (Enterprise Resource Planning) system (SAP). This includes a harmonized chart of accounts and structures enabling a more efficient control environment. Amer Sports' Finance function is responsible for monitoring the implementation of SAP rollouts.

The Amer Sports Internal Control and Risk Management framework includes elements from the framework introduced by the Committee of Sponsoring Organizations (COSO). There are five principle components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

Control Environment

Amer Sports' values and code of conduct support and guide the company's operations around the world, providing a foundation for the control environment and setting the standard of conduct for financial reporting.

The Board of Directors has overall responsibility for ensuring that an effective system of internal control and risk management is established. The Audit Committee oversees that risk-management activities are in line with the company's Risk Management Policy and that risk assessments are used to focus internal control activities. The responsibility for maintaining the internal control and risk-management system is delegated to the President and CEO and to the Executive Board.

Risk Assessment

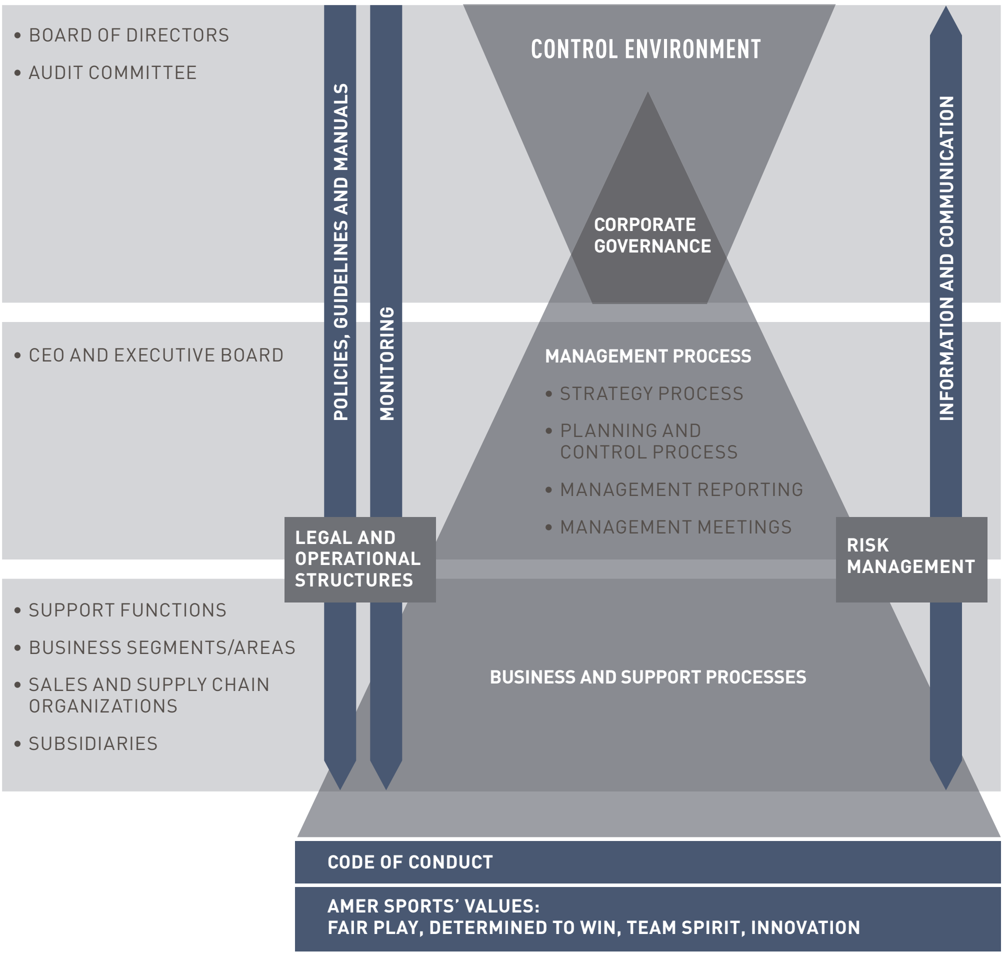
As part of Amer Sports' risk management process, risks related to the business environment and operational and financial risks are identified, assessed and prioritized on an annual basis. Financial reporting priorities are defined by the Amer Sports Finance function to enable the identification and adequate management of risks.

Control Activities

Legal and operational structures are the foundation of Amer Sports' internal controls. As the company's organization is decentralized, it is the responsibility of business segments/areas, sales and supply chain organizations and support functions to align the Group's risk management priorities and strategies with management processes. Amer Sports' support functions issue policies and guidelines for specific areas such as finance, accounting, purchasing, sales, IT, HR and legal compliance. Business segments/areas and sales and supply chain organizations and support functions are responsible for applying these policies and guidelines to achieve efficient and appropriate controls on the basis of their individual circumstances and operational contexts. Risk management and control activities are designed to mitigate identified risks while giving due consideration to the cost and potential effectiveness of control activities.

The Amer Sports' Treasury function monitors implementation of the company's Financial Risk Management Policy within business segments/areas and subsidiaries.

AMER SPORTS INTERNAL CONTROL FRAMEWORK



The Amer Sports Corporate Manual and Internal Control Policy set standards for financial procedures. Financial control activities are designed to prevent, detect, and correct errors and irregularities and include a range of activities such as reporting, authorizations, approvals, reconciliations, and the segregation of duties.

The Amer Sports Internal Control Policy has been designed to act as a practical tool for harmonizing and clarifying rules and procedures by setting and communicating the expected minimum requirements that fall within the remit of internal controls.

Property, loss-of-profits and liability risks arising out of the operations of Amer Sports companies are covered by taking out appropriate insurance policies. In addition to worldwide insurance programs, local policies are used when special legislation-related needs exist.

2010

Two new initiatives were taken during 2010 to develop the Internal Controls. One of the initiatives was to define specific controls necessary for the own retail business and this initiative will result in 2011 in a specific Internal Control Policy for Retail, in order to sufficiently support the growing own retail business. The second initiative was to start piloting of a more automated and efficient control environment by utilizing built in system controls in the ERP system (SAP).

In addition, Amer Sports' code of conduct was developed and approved by the Board of Directors.

Information and Communication

The components of Amer Sports' risk-management and internal control system are described in different manuals, instructions and policies. These are communicated throughout the Group and are stored on the Amer Sports intranet, which is accessible to Company employees.

The Amer Sports Corporate Manual defines, among other items, the planning and control process, reporting and accounting policies, and the role of the Amer Sports Treasury function. Taxation issues are covered in a range of instruction documents and guidelines. The Amer Sports Internal Control Policy provides further clarity and establishes the expected minimum requirements regarding, among others, the authorization matrix, capital expenditure, and credit control policy.

Business segments/areas, sales and supply chain organizations and subsidiaries regularly provide Amer Sports' management with financial and management reports, including analyses of financial performance and potential risks and opportunities. Regular meetings are also held to encourage the sharing of information and best practices in the area of internal controls and risk management.

Monitoring

The performance of Amer Sports' companies is reviewed regularly at different organizational levels. Related reviews are formal and documented. Representatives of Amer Sports' Finance function also regularly visit the company's businesses to carry out operational reviews and monitor internal control procedures.

Risk reporting is integrated into both the Operational Planning and Control Cycle and the Strategic Review Cycle management processes. Amer Sports' business segments/areas, sales and supply chain organizations and support functions report regularly on risk exposures and related mitigation efforts to the relevant management board.

The Board of Directors oversees significant risks connected with Amer Sports' operations and evaluates the effectiveness of risk management activities.

The Risk Management Steering Team is responsible for overall development of the risk management process within Amer Sports, including the facilitation of Group-level risk mapping.

2010

At the Group level, the key focus was in monitoring the gross margin improvement and working capital management programs.

Internal Audit

Amer Sports does not have a separate internal audit function. In order to analyze the operations and processes connected with internal controls, representatives of the Amer Sports' Finance function make regular visits to Group companies to perform operational and financial reviews, and they also monitor compliance with internal control procedures, policies and regulations. The scope and content of the company's external audit reflects the fact that there is no separate internal audit organization. The Audit Committee and Amer Sports' Finance function define one or more audit themes over and above the statutory auditing requirements. Such themes change each year and separate reports regarding them are prepared for the Audit Committee and Amer Sports' management.

2010

Group wide harmonization of internal control practices was performed in 2010.

External Audit

According to the company's Articles of Association, Amer Sports has one auditor, which must be a public accounting firm certified by Finland's Central Chamber of Commerce.

The independent public accountant engaged by Amer Sports is responsible for directing and coordinating audit work within all Amer Sports' companies. The Audit Committee prepares the recommendation that is presented to the Annual General Meeting regarding the election of the auditor. The Annual General Meeting elects the auditor annually and for a period of one year.

Amer Sports' auditor, the presidents of the company's business segments and areas, finance directors, the general manager and the finance managers of selected subsidiaries meet at least once a year. Subsidiary companies' auditors present their audit observations annually to the company in question, to the Amer Sports' auditor, and to representatives of Amer Sports' Finance function. They also report in greater detail to subsidiaries concerning observations made in the course of the audit.

Amer Sports' auditor submits a written report on the audit to the Audit Committee and the Board of Directors at least once a year. The principal auditor participates in the Board of Directors meeting at which the financial statements for the fiscal year are discussed and presents a summary of the annual audit. Auditing personnel are invited to each of the Audit Committee's meetings and provide updates on how the Group audit is progressing and other findings.

2010

In 2010, PricewaterhouseCoopers Oy continued to be Amer Sports' auditor. The principal auditor was Jouko Malinen, who has been the company's principal auditor since 2007.

BOARD OF DIRECTORS

DECEMBER 31, 2010

ANSSI VANJOKI
Independent of the company and significant shareholders. Executive Vice President and General Manager of the Mobile Solutions Unit of Nokia Corporation 2010–2011. Master of Science degree in Economics. **Primary work experience:** Executive Vice President of Markets, Nokia Corporation 2007–2010. Executive Vice President and General Manager of the Multimedia unit of Nokia Corporation 2004–2007. Executive Vice President and General Manager of Nokia Corporation 1998–2004. Executive Vice President of Nokia Mobile Phones and Senior Vice President of Nokia Mobile Phones 1994–1998, and Vice President of Sales of Nokia Mobile Phones 1991–1994. **Other positions of trust:** Member of the Boards of Directors of Koskisen Oy, Sonova Holding AG and Free Drop Innovations Oy.

ILKKA BROTHERUS
Independent of the company and significant shareholders. Owner, Managing Director Sinituote Oy. Master of Science degree in Economics. **Primary work experience:** Deputy Managing Director of Hackman Group 1988–1989, Managing Director of Hackman Housewares Oy 1987–1988, and Managing Director of Havi Oy 1981–196. **Other positions of trust:** Member of the Board of Directors of Sinituote Oy and Oy Erkyte Ab, a member of the Board of Directors of Veho Group Oy Ab, and a member of the Supervisory Board of Tapiola Mutual Pension Insurance Company.

MARTIN BURKHALTER
Independent of the company and significant shareholders. Chief Executive Officer of Vizrt Ltd. Biotechnology and accounting degree. **Primary work experience:** Independent Consultant in Geneva, Switzerland, 2004–2005, Senior Vice President and Managing Director of EMEA Reebok International (France) 2001–2003, and Chief Executive Officer of Intersport International Corporation (IIC) (Switzerland) 1997–2001.

CHRISTIAN FISCHER
Independent of the company and significant shareholders. Founder and Managing Director of Accelate, Business Launch and Expansion GmbH, Managing Director and major shareholder of F&R Multimedia Gmbh. Founder of Security Land Sicherheitsfachmarkt GmbH. MBA degree. **Primary work experience:** Principal in A.T. Kearney Management Consultants (Germany) 1994–1999, and International Brand Management of Henkel AG & Co. KGaA (Germany) in 1993.

HANNU RYÖPPÖNEN
Independent of the company and significant shareholders. Business Administration degree. **Primary work experience:** Deputy Chief Executive Officer of Stora Enso Oyj (Helsinki/London) 2007–2009, Chief Financial Officer of Stora Enso Oyj (Helsinki and London) 2005–2008, Chief Financial Officer of Koninklijke Ahold N.V. (Amsterdam) 2003–2005, Chief Financial Officer of Industri Kapital Group (London) 1999–2003 and Chief Financial Officer of the IKEA Group 1985–1998. **Other positions of trust:** Chairman of the Board of Directors of Altor private equity funds and Tiimari Oyj, and Vice Chairman of the Board of Directors of Rautaruukki Corporation. Member of the Board of Directors of Neste Oil Corporation, Novo Nordisk A/S and Korsnäs Ab, and member of Citigroup's Nordic Advisory Board.

BRUNO SÄLZER
Independent of the company and significant shareholders. Chief Executive Officer of Escada SE, the former Escada AG (Germany). Business Administration degree. **Primary work experience:** Chairman and Chief Executive Officer of Hugo Boss AG (Germany) 2002–2008, Executive Vice Chairman of Hugo Boss AG (Germany) 1998–2002, Member of the Managing Board of Hugo Boss AG (Germany) 1995–1998, Managing Director of Hairdressing International of Hans Schwarzkopf GmbH (Germany) 1993–1995. **Other positions of trust:** Supervisory Board Member of Deichmann SE (Germany).

PIRJO VÄLIAHO
Independent of the company and significant shareholders. Vice President and General Manager of Procter&Gamble (Germany, Austria and Switzerland). Bachelor of Science degree in Economics. **Primary work experience:** Several general management positions with the Gillette Company (VP and General Manager of Gillette Nordic, Central Europe West and Gillette Eastern Europe, and General Manager of Braun Nordic), various Global Strategic Marketing positions in the Braun division of Gillette, and Commercial Marketing positions both in Braun GmbH and in Gillette Company in the United States, Canada, and Finland 1982–2005.







FROM TOP LEFT:
ANSSI VANJOKI
ILKKA BROTHERUS
MARTIN BURKHALTER
CHRISTIAN FISCHER
HANNU RYÖPPÖNEN
BRUNO SÄLZER
PIRJO VÄLIAHO

More information on Amer Sports' Board of Directors can be found at www.amersports.com

EXECUTIVE BOARD

DECEMBER 31, 2010

HEIKKI TAKALA
President and CEO
Born 1966. Finnish nationality. Amer Sports Corporation employee since 2010. Last assignment before joining Amer Sports: Director of Global Commercial Operations, Procter & Gamble Salon Professional in Geneva, Switzerland, 2008–2010. Previously several regional and country line management positions in Procter & Gamble Brand and Commercial management organizations 1992–2008. Master of Science degree in International Business, Helsinki School of Economics and ESADE (Barcelona).

PAUL BYRNE
President of Fitness
Born 1951, American nationality. Precor Incorporated employee since 1985. President of the Fitness business segment since 2002. Vice President, Sales and Marketing, Precor Incorporated, 1985–1999. M.Sc., Syracuse University; BA degree, cum laude with Honors in Biology, Colgate University, USA.

CHRIS CONSIDINE
President of Ball Sports
Born 1960, American nationality. Wilson Sporting Goods Co. employee since 1982. President of Wilson Sporting Goods Co. and the Ball Sports business segment since 2005. 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. BA degree, Miami University, USA.

MIKE DOWSE
General Manager, Americas
Born 1966, American nationality. Amer Sports Corporation employee since 2004. Amer Sports Corporation General Manager, Americas since 2010. President & General Manager, Winter and Outdoor Americas, 2006–2010. Vice President, North America, Suunto, 2004–2006. Nike Inc Director of Tennis Footwear, 2002–2004. Wilson Sporting Goods Various positions in Chicago, Atlanta, Germany, 1989–2002. BS degree, Marketing and Management, University of Portland, USA.

VICTOR DURAN
Senior Vice President, Marketing and Business to Consumer
Born 1966, American nationality. Amer Sports Corporation employee since 2010. Executive Board member since January 1, 2011. HotHouse Consulting, Partner 2008–2010. Zyman Group Consulting, Director, 2006–2008. Caterpillar, Head of Marketing, EMEA, 2001–2005. Procter & Gamble, several line positions, 1994–2001. US Army, Officer, 1989–1992. MBA degree, International Business and Marketing, University of North Carolina, USA. BS degree in Economics, US Military Academy at West Point.

MATT GOLD
General Manager, Asia Pacific
Born 1969, American nationality. Joined Wilson Sporting Goods in 1992. General Manager of Amer Sports Asia Pacific since 2007. General Manager of Amer Sports Japan, 2002–2006. BA degree, Pomona College, Claremont, California, USA.

TERHI HEIKKINEN
Senior Vice President, Human Resources
Born 1964, Finnish nationality. Amer Sports Corporation employee since 2009. Rautaruukki Corporation, Senior Vice President Human Resources 2005–2009. Alma Media Corporation, Executive Vice President Human Resources, 2003–2005. Fujitsu Invia Ltd, Human Resources Director, 2001–2003. Accenture Ltd, Human Resources Director, 1999–2001. Hartwall Plc, Human Resources Manager, 1996–1999. Finland's Post Ltd, Human Resources Manager 1989–1996. Ministry of Trade and Industry, Company Advisor, 1987–1989. M. Sc. (Econ.) degree, University of Tampere, Finland.

ANTTI JÄÄSKELÄINEN
Chief Development Officer
Born 1972, Finnish nationality. Amer Sports Corporation employee since 2009. Senior Vice President, Biorefining & Bioenergy, Stora Enso Ab, Sweden, 2007–2009. Senior Vice President, Head of Group Strategy, Stora Enso International Ltd, UK, 2006–2007. Vice President, Corporate Strategy & Investments, Stora Enso Oyj, 2004–2006. Engagement Manager, Associate, McKinsey & Company, 2002–2004. Business Operations Manager, Nokia Italia S.p.A, 1999–2001. Business Operations Manager, Nokia Networks, System Marketing & Sales, 1998–1999. Financial Analyst, Enso Group, 1996–1998. MBA, INSEAD, France. M.Sc. (Econ.) degree, Helsinki School of Economics, Finland. M.Sc. (Eng.), Helsinki University of Technology, Finland.

FROM TOP LEFT: HEIKKI TAKALA, PAUL BYRNE, CHRIS CONSIDINE, MIKE DOWSE, VICTOR DURAN, MATT GOLD, TERHI HEIKKINEN, ANTTI JÄÄSKELÄINEN, BERNARD MILLAUD, MIKKO MOILANEN, PEKKA PAALANNE, JEAN-MARC PAMBET, MICHAEL SCHINEIS, JUSSI SIITONEN, ANDY TOWNE, VINCENT WAUTERS, MICHAEL WHITE

BERNARD MILLAUD
President of Mavic SAS

Born 1958, French nationality. Amer Sports Corporation employee since 2005. President of Mavic SAS since 2010. 2007–2009 President of Salomon SAS, President of Cycling (Mavic) and President of Winter Sports (Salomon). 2002–2007 Mavic, General Manager. 1998–2002 Salomon, Winter Sports General Manager. 1988–1998 Salomon, various positions in Salomon Winter Sport. 1981–1988 Renault, automotive industry, various positions at Renault and its affiliate SNR Bearings. Ecole Polytechnique.

MIKKO MOILANEN
President of Suunto

Born 1965, Finnish nationality. Suunto Oy employee since 2010. Head of Programs and Operations Management, Focused Business, Nokia 2008–2009. Vice President, Technology, Strategy and Quality, Demand Supply Network Management (DSNM) 2008, Nokia. Vice President, Programs, Software Platforms 2007, Nokia. Vice President, Product Creation Renewal, 2005–2006, Nokia. Director, Product Creation and R&D 2002–2005, Nokia, Vancouver, Canada. Senior Product Program Manager, 1998–2002, Nokia. Digital Convergence Unit Product Program Manager, 1997–1998, Nokia. Mobile Phones/Wireless Data Technology Manager, ASIC and Hardware technologies, 1995–1997, Nokia. Mobile Phones/Wireless Data Integrated Circuits (IC) Group Manager, 1992–1995, Nokia Mobile Phones/Nokia Paging ASIC. Design Engineer and Project Manager, 1989–1992, ASIC Design House Smartech Oy, Tampere Finland. M.Sc. (EE) degree, Microelectronics and Digital Signal Processing, Tampere University of Technology, Finland.

PEKKA PAALANNE
Executive Vice President and Deputy to President and CEO

Born 1950, Finnish nationality. Amer Sports Corporation employee from 1997 to December 31, 2010. Senior Vice President, Corporate Control and Information Systems, Kone Corporation, 1991–1997. Several positions in Kone Corporation, 1979–1991. B.Sc. (Econ.) degree, School of Economics and Business Administration, Finland.

JEAN-MARC PAMBET
President of Footwear and President of Salomon SAS

Born 1959, French nationality. Amer Sports Corporation employee since 2005. President of the Footwear business area and President of Salomon SAS since 2010. 2007–2010 Amer Sports, President of Apparel & Footwear. 2002–2007 General Manager of Salomon Apparel and Footwear. 1996–2002 General Manager of Salomon EMEA. 1990–1996 Country Manager of Salomon France. 1985–1990 various positions within Salomon. 1983–1985 Eurequip Paris, Consulting. Board of Directors (member) of the European Outdoor Group (EOG) since 2009. Degree from the Ecole HEC Paris.

MICHAEL SCHINEIS

President of Winter Sports Equipment

Born 1958, German nationality. President of Winter Sports Equipment since 2007. President of Atomic Austria GmbH since 1996. Member of the "Beirat für Wissenschaft und Forschung des Landes Salzburg" and of the Advisory Board of Bulthaup GmbH & Co. KG. General Manager of Salomon Germany GmbH, 1993–1996. Member of management team of CONTOP (advertising agency), 1989–1993. MBA degree, PhD (Dr.rer.pol.), Germany.

JUSSI SIITONEN

CFO

Born 1969, Finnish nationality. CFO of Amer Sports Corporation and Executive Board member since January 1, 2011. Amer Sports Corporation employee since 2009. Senior Vice President, Finance, Amer Sports Corporation 2009–2010. Senior Vice President, Group Controller, Stora Enso Group, 2008–2009. Senior Vice President, Chief Accounting Officer, Stora Enso Group, 2006–2008. Several finance, controlling and project management positions, Stora Enso Group since 1992. Masters Degree, economics, Helsinki School of Economics, Finland.

ANDY TOWNE

President of Apparel

Born 1966, British nationality. Amer Sports Corporation employee since 2010. Musto Ltd Chief Executive Officer, 2008–2009. Reebok International Ltd, Vice President Marketing & Product Europe, 2004–2007. Helly Hansen Asa, Vice President, Global Marketing & Product, 1998–2003. Adidas UK Ltd. Marketing Director, 1994–1998. Kraft Jacobs Suchard Ltd, Brand Manager, 1991–1994. Saatchi & Saatchi Advertising Ltd, Account Manager, 1988–1990. MA, BA (Hons) degrees, Land Economy, Cambridge University.

VINCENT WAUTERS

Senior Vice President, Supply Chain and Information Technology

Born 1972, Belgian nationality. Amer Sports Corporation employee since 2008. Newell Rubbermaid, Vice President of Supply Chain of Newell Rubbermaid EMEA, 2006–2008; Director of Supply Chain and Customer Service of Sanford Europe, 2004–2006; Officer of Supply Chain Development of Sanford Europe 2002–2004. Amazon.fr, Director of Supply Chain and Catalogue, 2000–2002. Redcats Group, 1997–2000 (corporate high potential executive program), Logistics and Retail Manager of Redoute (UK); Direct Marketing Project Manager of Ellos (Sweden); Product Manager for Movitex (France). Post-Graduate degree in Geo-Politics and Contemporary History ULB, Brussels.

MICHAEL WHITE

General Manager, EMEA

Born 1964, British nationality. Amer Sports Corporation employee since 2005. Amer Sports Corporation, General Manager, EMEA since 2010; General Manager, Europe 2008–2009; General Manager, UK & Ireland 2005–2008. Office Depot, General Manager, France, 2000–2004. ICI Paints, General Manager, France, 1997–2000. French Connection, General Manager, France 1995–1997; Commercial Director, France 1993–1995. Coats Viyella, Sales & Marketing Manager, Ecuador 1992–1993. Marketing Executive, Europe 1990–1991. Management Trainee 1988–1990. MA Hons degree (with distinction), University of St Andrews.

More information on Amer Sports' Executive Board can be found at www.amersports.com

REMUNERATION

The Amer Sports total rewarding principles are closely linked to financial and personal performance. The aim of total rewarding is to drive business success through total reward programs that attract, motivate, reward and retain good and high performers.

REMUNERATION AND OTHER FINANCIAL BENEFITS OF THE BOARD OF DIRECTORS

Pursuant to the Finnish Companies Act, Amer Sports' shareholders determine the amount of compensation to be paid to members of its Board of Directors at the Annual General Meeting of shareholders.

The Annual General Meeting of shareholders of Amer Sports, held on March 10, 2010, resolved that the Chairman of the Board of Directors shall be paid an annual remuneration of EUR 80,000, the Vice Chairman an annual remuneration of EUR 50,000 and other members of the Board of Directors an annual remuneration of EUR 40,000.

According to the resolution of the Annual General Meeting of shareholders of Amer Sports, 40 percent of the annual remuneration budgeted for the members of the Board of Directors, including with respect to the Chairman of the Board of Directors and the Vice Chairman, will be used to acquire Amer Sports shares for the account of each member of the Board of Directors. A member of the Board of Directors is not permitted to sell or transfer any of these shares to any third party during the term of his or her Board membership. However, this limitation is valid for a maximum of five years after the acquisition of the shares.

REMUNERATION OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2010

	Euros	Shares
Ilkka Brotherus	50,000	2,237
Martin Burkhalter	40,000	1,789
Christian Fischer	40,000	1,789
Hannu Ryöppönen	40,000	1,789
Bruno Sälzer	40,000	1,789
Anssi Vanjoki	80,000	3,579
Pirjo Väliaho	40,000	1,789
Total	330,000	14,761

THE NUMBER OF SHARES AND SHARE-RELATED RIGHTS GRANTED TO THE BOARD OF DIRECTORS AS REMUNERATION

On June 17, 2010, the members of the Board of Directors together received annual remuneration totaling EUR 330,000, of which EUR 198,039.63 was paid in cash. Simultaneously, the members of the Board of Directors received the following numbers of shares: Hannu Ryöppönen, 1,789 shares; Ilkka Brotherus, 2,237 shares; Martin Burkhalter, 1,789 shares; Christian Fischer, 1,789 shares; Bruno Sälzer, 1,789 shares; Anssi Vanjoki, 3,579 shares; and Pirjo Väliaho, 1,789 shares.

REMUNERATION OF THE PRESIDENT AND CEO AND OTHER EXECUTIVES AND TOTAL REWARDING PRINCIPLES

The Board of Directors determines the salaries and compensation which is paid to the President and CEO and his immediate subordinates. The Compensation Committee is responsible for preparing the proposals for CEO and his immediate subordinates' salaries and the executive's incentive system. No separate compensation is paid to the members of the Executive Board for their participation in any management bodies. The Amer Sports total rewarding principles are closely linked to financial and personal performance. The aim of total rewarding is to drive business success through total reward programs that attract, motivate, reward and retain good and high performers. Emphasis is also placed on both team and individual accountability. The principles of total rewarding apply to all Amer Sports employees. The individual performance is evaluated during an annual performance discussion and is mutually agreed between the employee and the direct manager. In case of the President and CEO, the performance is evaluated by the Board of Directors. At Amer Sports the components of total rewarding are base pay, benefits, annual incentives and long-term incentives. Base pay forms the basic element of compensation and takes into account particularly the role content and demand of the role. Benefits are part of Amer Sports total rewarding and the principles observed follow local practices. Such local practices consist of taxable and non-taxable benefits.

The purpose of Amer Sports annual incentive programs is to drive the company's growth and profitability and to support the realization of the company's business strategy. Annual incentives reward employees for achieving business success through company's defined financial targets as well as personal accomplishment achieved by reaching individual targets. The weighting of the financial targets of the overall target setting is higher in the executive roles. Participation in an annual incentive program is role-dependent and it covers the most number of employees in any of the incentive programs.

Long-term incentives at Amer Sports have a strategic focus at Group level and concentrate on share-price development. Long-term incentive programs are governed by the Board of Directors. A limited number of executives and key players participate in long-term incentive programs, with all participants being nominated by the President and CEO, reviewed and proposed to the Board of Directors' by Compensation Committee and approved by the Board of Directors.

PENSIONS

Executives in Finland participate in the standard statutory Finnish pension system called TyEL. According to this statutory pension system, base pay, taxable benefits and annual incentives represent pensionable earnings. Executives located outside of Finland participate in the local pension systems that apply in the countries where they are employed. More in the notes to the financial statements.

PRESIDENT AND CEO

Heikki Takala is the President and CEO of Amer Sports from April 1, 2010.The terms and conditions of employment that apply to the company's President and CEO have been approved by the Board of Directors and they are defined in a written executive agreement.

The Board of Directors determines the salaries and compensation which is paid to the President and CEO. The total annual gross salary of Amer Sports President and CEO is EUR 600,000 and he is eligible to participate in Amer Sports Corporation's Executive Annual Incentive program. The President and CEO has received 30,000 Amer Sports shares on 1 April, 2010 and the shares are under transfer restriction until March 31, 2013. The President and CEO is participating in Performance Share Plan 2010 and in Restricted Stock Plan 2010.

The President and CEO participates in the standard local statutory pension system and can retire at the age of 65.

Termination of President and CEO's written executive agreement requires six (6) months' notice on both sides. Should the company terminate the President and CEO's appointment, a severance payment equaling twelve (12) months of total annual gross salary is payable.

LONG-TERM REMUNERATION PROGRAMS

CASH-BASED LONG-TERM INCENTIVE PLANS

Deferred Cash Long-term Incentive 2005–2007 and 2008–2010

This deferred cash long-term incentive program seeks to elicit commitment from key executives. The program encourages the achievement of the annual targets and long-term shareholder value. Its result is tied to three-year trend in shareholder value. The reward is payable in cash in the same currency as a participant's salary and the payments are subject to taxes and other deductions under applicable laws. At the end of 2010, 88 members in management roles at subsidiaries were within the scope of the programs.

Deferred Cash Long-term Incentive 2011–2013

On December 21, 2010, the Board of Directors resolved to establish continuation to the previous deferred cash long-term incentive program, with amended terms and conditions.

This deferred cash long-term incentive program seeks to drive Amer Sports' renewed strategy and long-term target achievement. The program encourages the achievement of the annual targets and long-term shareholder value. Its result is tied to two-year trend in shareholder value. The reward is payable in cash in the same currency as the participant's salary and the payment is subject to taxes and other deductions under applicable laws. This new deferred cash long-term incentive program is targeted at approximately 120 key employees in the organization.

SHARE-BASED INCENTIVE PLANS

Restricted Stock Plan 2007

On January 14, 2007, the Board of Directors resolved to establish a share-based incentive plan for Amer Sports' key employees. In order to participate in the plan, each key employee was required to purchase shares up to an amount corresponding to one-half of the reward that was allocated to him/her. Rewards associated with the plan were paid in 2008 partially as shares and partially in cash. The cash part of the payment covered taxes and tax-related costs arising from the reward. Of the shares rewarded to employees under the plan, 25 percent were transferable as of April 2010, 25 percent will be as of April 2011, and 50 percent as of April 2012. Rewards from the share-based incentive plan correspond to a maximum value of approximately 400,000 shares. At the end of 2010, the 19 key employees covered by the share-based incentive plan had originally received a total of 72,350 shares.

On March 3, 2009, the Board of Directors decided to transfer the shares used in the Group's key personnel share-based incentive plan to its fully-owned subsidiary, Amer Sports International Oy for allocation to key employees in the future. At the end of 2010, Amer Sports International Oy owned 342,963 shares, including the shares that had been returned to Amer Sports International Oy during 2010 by persons who no longer participate in the plan. Of the shares owned by Amer Sports International Oy, 97,963 shares were available for allocation to key employees at the end of 2010.

The terms and conditions of the share-based incentive plan do not contain any provisions regarding the impact of a rights offering on the plan. On September 17, 2009, the Board of Directors resolved to supplement the terms and conditions of the share-based incentive plan to the effect that the subscription rights that will be allocated for the shares rewarded under the plan will be released from the transfer restriction. In addition, the Board of Directors resolved that such released subscription rights shall be used by the participants in the plan to subscribe for offer shares and that the company will pay to the participants in the plan, as salary, an amount corresponding to the subscription price for such offer shares together with any tax obligations arising as a result of such payment. The offer shares subscribed for in the offering are subject to the transfer restrictions on the same terms as shares that have already been re-awarded under the plan. To the extent the subscription of offer shares was not possible due to legal restraints, subscription rights received on the basis of shares that had been re-awarded under the plan were released from the transfer restriction on sale by participants in the plan. Those participants in the plan who were not able to subscribe for offer shares in connection with the offering due to legal restrictions, were re-awarded such additional amounts of shares as was necessary to keep them in a position equivalent to that of other participants in the plan. Such amounts have been determined by the Board of Directors and Amer Sports International Oy has transferred the shares to such participants of the plan. A total of 60,236 additional shares were subscribed to the plan participants in connection with the rights offering and 7,300 shares were transferred to those participants who were not able to subscribe to shares due to legal restraints.

Performance Share Plan 2010

On February 4, 2010, the Board of Directors approved a new share-based incentive plan for the Group's key personnel. The aim of the new plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer key personnel competitive reward plans based on holding the company shares. The plan rewards the key personnel for short-term financial success and at the same time for long-term shareholder value and commitment.

The new Performance Share Plan 2010 includes six earning periods, the calendar years 2010, 2011 and 2012 and calendar years 2010–2012, 2011–2013 and 2012–2014. The Board of Directors will decide on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Potential rewards from the plan for the earning period 2010 will be based on the Group's Earnings Before Interest and Taxes (EBIT) and potential rewards for the earning period 2010–2012 will be based on the Group's Total Shareholder Return (TSR).

A prerequisite for participation by key personnel in the plan and for receiving rewards on the basis of the plan is that they must acquire Company shares. Participants in the plan will be entitled to receive shares as a reward for meeting this condition.

Potential rewards from the earning periods will be paid partly in Company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs, which arise from the reward to key personnel. Shares awarded in connection with the earning periods 2010, 2011 and 2012 may not be transferred during the restriction periods, which will end on 31 December 2012, on 31 December 2013 and on 31 December 2014 respectively. Members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

The Performance Share Plan is directed at approximately 60 people, including the members of the Executive Board. At the end of 2010, 59 key players were covered by the Performance Share Plan. The amount of net rewards to be paid on the basis of the Performance Share Plan will be a maximum total of 1,000,000 Amer Sports Corporation shares.

Restricted Stock Plan 2010

On February 4, 2010, the Board of Directors also approved another new share-based incentive plan for the Group's key personnel. The aim of the new plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them competitive reward plans based on holding the company shares.

The new Restricted Stock Plan includes three earning periods, calendar years 2010, 2011 and 2012. Potential rewards will be based on continuation of employment. Potential rewards from the earning periods will be paid partly as the company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs incurring as a result of receiving a reward. Shares may not be transferred during the restriction periods, which will end on 31 December 2012, 31 December 2013 and on 31 December 2014 respectively. The members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

The Restricted Stock Plan is directed at approximately 30 people, including the members of the Executive Board. At the end of 2010, 19 key executives were covered by the Restricted Stock Plan. The amount of net rewards to be paid on the basis of the Restricted Stock Plan will be a maximum total of 270,000 Amer Sports Corporation shares.

SALARIES, BENEFITS AND INCENTIVES PAID DURING 2010

Salaries, benefits and other compensation paid to the President and CEO and the members of the Executive Board in 2010 totaled EUR 8.0 million. In 2010, total compensation paid to the President and CEO Heikki Takala amounted to EUR 0.7 million. Total compensation paid to the previous President and CEO Roger Talermo amounted to EUR 2.4 million, of which incentives tied to financial targets and other objectives accounted for 0.5 million. Salaries, benefits and other compensation paid to the other members of the Executive Board totaled EUR 4.9 million, of which incentives totaled EUR 1.6 million.

Euros	Salaries and compensation	Incentive	Total
President and CEOs	2,632,492	487,149	3,119,641
Members of the Executive Board *)	3,307,193	1,558,131	4,865,324
Total	5,939,685	2,045 280	7,984,965

*) Mike Dowse, Matt Gold and Michael White became EXB members on October 15, 2010, Mikko Moilanen on March 17, 2010, and Andy Towne on October 11, 2010.

SHAREHOLDING AT DECEMBER 31, 2010

Pcs	Member of the Board of Directors	President and CEO	Executive Board	Total
Shares	2,745,306	32,900	138,543	2,916,749

INFORMATION FOR INVESTORS

GENERAL MEETING OF SHAREHOLDERS

Under the Finnish Companies Act, shareholders exercise their power to decide on corporate matters at General Meetings of shareholders ("General Meeting"). The Annual General Meeting decides matters as defined for the General Meeting in the Finnish Companies Act and the Articles of Association of Amer Sports Corporation. These matters include, amongst other things, the adoption of annual accounts including consolidated annual accounts, decisions regarding use of the profit shown on the balance sheet and the payment of dividends, discharging members of the Board of Directors and the CEO from liability for the financial year, appointing members of the Board of Directors and the company's auditor, and deciding on their remuneration. Pursuant to Amer Sports' Articles of Association, the Annual General Meeting must be held annually before the end of June.

An Extraordinary General Meeting shall be held when considered necessary by the Board of Directors or when requested in writing by the auditor of Amer Sports or by shareholders representing at least one-tenth of all the issued shares of Amer Sports.

Shareholders have the right to bring up matters that fall within the competence of the General Meeting for consideration by the General Meeting if a shareholder notifies the Board of Directors in writing well in advance of the General Meeting so that the matter can be added to the meeting notice.

Under Amer Sports' Articles of Association, the notice to the General Meeting shall be delivered to the shareholders no earlier than three (3) months and no later than twenty-one (21) days prior to the date of the General Meeting, but at least nine (9) days before the record date of the General Meeting, by releasing the notice on the Amer Sports' website and, if so decided by the Board of Directors, by publishing the notice in one newspaper with a substantial circulation as determined by the Board of Directors. To attend and vote at a General Meeting, a shareholder must register at the place and by the date specified in the notice convening the meeting. A shareholder may participate in a General Meeting in person or through proxy representation. The registration period and other practical guidance for shareholders are specified in each notice convening a General Meeting.

Each Amer Sports share entitles its holder to one vote at the General Meeting.

INSIDERS

Amer Sports' insider policy is based on the Guidelines for Insiders published by NASDAQ OMX Helsinki Ltd. and Finland's Securities Market Act. Members of the Board of Directors, Executive Board and the company's auditor are Amer Sports' public insiders.

Persons in charge of Amer Sports finances, results reporting and communications, assistants to top management personnel and principal users of the company's 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.

Insiders may not trade in Amer Sports securities during the 21-day period preceding the publication of an interim report or financial statement bulletin or preliminary information thereon. The closed window ends when the release in question has been published.

Persons who are either party to the preparation of a project or possess knowledge relating to 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, all 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 is also responsible for maintaining the insider register. Amer Sports keeps its insider register within the SIRE system operated by Euroclear Finland Ltd.

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/corporate_governance/insiders.

INVESTOR RELATIONS

The goal of Amer Sports Investor Relations (IR) function is to facilitate effective communication between Amer Sports and the financial community. The Group's top management is actively involved in investor relations and regularly meets with capital market representatives.

In accordance with its Disclosure Policy, Amer Sports is committed to the provision of timely, transparent, consistent and credible information on the company's corporate strategies, financial data and relevant market trends to the capital markets so that all parties in the investment community have equal access to this information.

Banks and brokerage firms which evaluate Amer Sports as an investment are listed on the company website at www.amersports.com/investors/analyst.

INVESTOR RELATIONS CONTACT INFORMATION

Päivi Antola, Director, IR and Financial Communications,
tel. +358 9 7257 8233, paivi.antola@amersports.com,
www.amersports.com/investors

Amer Sports' general e-mail address is amer.communications@amersports.com.

BASIC SHARE INFORMATION

Listed on: NASDAQ OMX Helsinki Ltd
Trading code: AMEAS
Number of shares, December 31, 2010: 121,517,285

ORDER BOOK CODES

- NASDAQ OMX: AMEAS
- Reuters: AMEAS.HE
- Bloomberg: AMEAS.FH
- ADR: AGPDY, 023512205
- ISIN code: FI0009000285

PRIMARY INDEXES

- NASDAQ OMX Helsinki
- OMX Helsinki CAP
- Consumer Discretionary

Further information concerning Amer Sports' shares is posted on the Amer Sports website at www.amersports.com.

PUBLICATIONS AND IMPORTANT DATES

ANNUAL GENERAL MEETING

The Amer Sports Corporation Annual General Meeting will start at 2 pm on Thursday, March 10, 2011 in Mäkelänkatu 91, FI-00610 Helsinki, Finland. To allow the distribution of voting tickets, persons who have registered for the meeting will be welcome from 1.30 pm.

More information on Amer Sports General Meetings can be found at www.amersports.com/investors/corporate_governance/general_meeting.

PAYMENT OF DIVIDEND

The Board of Directors proposes that a dividend of EUR 0.30 per share be paid for 2010, representing a dividend ratio of 53%. A dividend of EUR 0.16 per share was paid for 2009.

PUBLICATIONS

The CEO's review, the report by the Board of Directors and financial statements as well as corporate governance statement are published as a printed document. The same document is also published each year on the www.amersports.com website no later than 21 days prior to the date of the Annual General Meeting. The financial section of the document contains the Group's official audited consolidated financial statements and a summary of the parent company's financial statements.

STOCK EXCHANGE RELEASES

Stock exchange releases are available in Finnish and English immediately after publication at www.amersports.com. Persons wishing to be added to the email distribution list for releases (or removed from it) can find the form for this purpose at www.amersports.com/investors.

Related requests can also be sent to amer.communications@amersports.com.

PUBLICATION DATES FOR INTERIM REPORTS 2011

- for the January–March period: Thursday, April 28
- for the January–June period: Thursday, August 4
- for the January–September period: Thursday, October 27

CHANGE OF ADDRESS

If you are an Amer Sports shareholder and your address has changed or will change, we recommend that you send a written notification of the change to the bank in which your book-entry account is held.

INVESTOR SERVICES AVAILABLE VIA THE INTERNET

The investor section of the Amer Sports website contains, among other investor information, a share monitor, Amer Sports' largest shareholders, a list of company insiders and their holdings, presentations and report archives as well as consensus estimates. Read more about Amer Sports as an investment at: www.amersports.com/investors.

SILENT PERIOD

Amer Sports observes a 21-day silent period prior to the publication of the company's financial statements bulletin and interim reports. During these periods, Amer Sports representatives do not participate in meetings with analysts or investors, or in capital markets events, even when the agendas at these occasions do not include discussions of current company operations or results.

CONTACT INFORMATION

AMER SPORTS CORPORATION
Mäkelänkatu 91
FI-00610 Helsinki
P.O. Box 130
FI-00601 Helsinki
FINLAND
Tel. +358 9 725 7800
Fax: +358 9 7257 8200
www.amersports.com
Domicile: Helsinki
Business ID: 0131505-5

SALOMON
Salomon SAS
Les Croiselets
FR-74996 Annecy
Cedex
FRANCE
Tel. +33 4 5065 4141
Fax: +33 4 5065 4395
www.salomon.com

WILSON
Wilson Sporting Goods Co.
8750 W. Bryn Mawr Avenue
Chicago, IL 60631
USA
Tel. +1 773 714 6400
Fax: +1 773 714 4565
www.wilson.com

ATOMIC
Atomic Austria GmbH
Lackengasse 301
AT-5541 Altenmarkt
AUSTRIA
Tel. +43 6452 3900 0
Fax: +43 6452 3900 120
www.atomicsnow.com

ARC'TERYX
Arc'teryx Equipment Inc.
100-2155 Dollarton Hwy
V7H 3B2 North Vancouver,
British Columbia
CANADA
Tel. +1 604 960 3001
Fax: +1 604 904 3692
www.arcteryx.com

PRECOR
Precor Incorporated
20031 142nd Avenue NE
P.O. Box 7202
Woodinville, WA 98072-4002
USA
Tel. +1 425 486 9292
Fax: +1 425 486 3856
www.precor.com

SUUNTO
Suunto Oy
Valimotie 7
FI-01510 Vantaa
FINLAND
Tel. +358 9 875 870
Fax: +358 9 8758 7300
www.suunto.com

MAVIC SAS
Mavic SAS
Les Croiselets
FR-74996 Annecy
Cedex
FRANCE
Tel. +33 4 5065 7171
Fax: +33 4 5065 7172
www.mavic.com

For information on career possibilities with Amer Sports, please visit: www.amersports.com/careers.

Contact information for the Group is available on the Amer Sports website at www.amersports.com.

E-mail requests for contact information should be sent to: amer.communications@amersports.com.