

Amer Sports Corporation

INTERIM REPORT

August 4, 2011 at 1:00 pm

## Amer Sports Corporation Interim Report January–June 2011: Currency-neutral growth continued in the second quarter, with improved profitability

### APRIL–JUNE 2011

- Net sales totaled EUR 315.6 million (April–June 2010: EUR 317.5 million). In local currencies, comparable net sales increased by 6%.
- EBIT was EUR -10.9 million (-16.9).
- Earnings per share were EUR -0.12 (-0.15).
- Net cash flow after investing activities was EUR -67.1 million (-10.0).
- Next season pre-orders in Winter Sports Equipment are up by approximately 5% compared to last year. In Footwear, fall/winter pre-orders are up by approximately 30% and in Apparel by 23% compared to 2010.

### JANUARY–JUNE 2011

- Net sales were EUR 764.7 million (January–June 2010: EUR 690.1 million). In local currencies, comparable net sales increased by 9%.
- EBIT was EUR 14.8 million (-7.4).
- Earnings per share were EUR 0.01 (-0.16).
- Net cash flow after investing activities was EUR 20.0 million (83.9).
- Gearing was 45% (December 31, 2010: 37%).

### OUTLOOK AND GUIDANCE 2011

Amer Sports' strategic development programs continue to contribute positively to the Group performance in 2011 and the company will continue to invest into executing the new strategy and sustaining profitable growth. In Footwear and Apparel, fall/winter pre-orders are indicating that the strong momentum will continue. In Winter Sports Equipment, solid improvement in pre-orders together with operational efficiency measures is expected to have a positive impact on the full-year profitability.

In 2011, Amer Sports expects its full-year net sales in local currencies to grow at a similar rate as in the first half of the year and EBIT margin excluding non-recurring items to improve by approximately one percentage point from 2010.

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
Net sales	315.6	317.5	-1	6	764.7	690.1	11	9	1,740.4
Gross profit	133.5	135.7	-2		328.1	294.9	11		742.0
Gross profit %	42.3	42.7			42.9	42.7			42.6
EBIT excluding non-recurring items	-10.9	-16.9			14.8	-7.4			107.9
EBIT % excluding non-recurring items	-3.5	-5.3			1.9	-1.1			6.2
Non-recurring items**)	-	-			-	-			-11.1
EBIT total	-10.9	-16.9			14.8	-7.4			96.8
EBIT %	-3.5	-5.3			1.9	-1.1			5.6
Financing income and expenses	-4.8	-4.3			-9.1	-13.4			-21.3
Earnings before taxes	-15.7	-21.2			5.7	-20.8			75.5
Net result	-12.6	-16.9			4.5	-16.6			68.9
Earnings per share, EUR	-0.12	-0.15			0.01	-0.16			0.52
Net cash flow after investing activities	-67.1	-10.0			20.0	83.9			50.1

Equity ratio, % at period end	47.8	46.2	47.8
Gearing, % at period end	45	34	37
Personnel at period end	6,985	6,448	6,645
Average rates used, EUR/USD	1.44	1.28	1.40
		1.33	1.33

*\*) Change in local currencies*

*\*\*) Non-recurring items are exceptional transactions that are not related to normal business operations.*

*The most common non-recurring items are capital gains, exceptional write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally specified individually if they have material impact on EBIT.*

#### **HEIKKI TAKALA, PRESIDENT AND CEO:**

"The second quarter is typically a low season for Amer Sports as focus is mostly on order intake. The pre-orders for the fall/winter season are strong and our full-year outlook is solid.

Our 6% currency-neutral sales growth in the second quarter was broad-based with highest growth rates in Footwear, Apparel and Cycling. Ball Sports was challenging, with Team Sports growth offset by Racquet Sports and Golf which were adversely impacted by the poor spring weather conditions especially in North-America, and tennis further impacted by the disaster in Japan. Our Fitness business continued to strengthen: sales were up and profitability continued to improve.

The overall higher order book together with earlier production of winter sports equipment to ensure improved customer service resulted in a lower cash flow in the second quarter compared to last year.

Looking forward, raw material cost increases remain a challenge and we are continuing our mitigation actions to safeguard the 2010 gross margin level. We continue executing our strategic improvement programs, and we will further invest to ensure we have strong building blocks in place for a profitable future growth. Key focus areas remain creation of the Category Based Operations with focus on softgoods, Go to Market improvement, Geographic expansion, Customer Service, and Direct to Consumer."

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#### **TELEPHONE CONFERENCE**

An English-language telephone conference call for investors and analysts will be held today, August 4, 2011 at 3:00 pm Finnish time. To participate in the conference call, please call +44 (0)20 7136 2050 (UK/international dial-in number), confirmation code 4084818. The conference can also be followed from a direct transmission on the internet, at [www.amersports.com](http://www.amersports.com). A recorded version and transcript will later be available at the same address. The replay number is +44 (0)20 7111 1244, and the access code 4084818#.

#### **THIRD QUARTER INTERIM REPORT**

Amer Sports will publish its third quarter interim report on Thursday, October 27, 2011 at approximately 1:00 pm Finnish time.

#### **CAPITAL MARKETS DAY**

Amer Sports is hosting a Capital Markets Day for analysts and portfolio managers on September 1, 2011 in Helsinki, Finland.

## INTERIM REPORT

### NET SALES AND EBIT APRIL–JUNE 2011

Amer Sports' net sales in April–June 2011 totaled EUR 315.6 million (April–June 2010: EUR 317.5 million). Comparable net sales increased by 6% in local currencies. Except for Racquet Sports and Golf, all business areas exceeded the Group's average growth rate of 6%. In local currencies, EMEA increased by 10% and the Americas by 7%, and Asia Pacific decreased by 7%.

#### Net sales by business segment

EUR million	4-6/ 2011	4-6/ 2010	Change %	Change %*)	% of sales 4-6/2011	% of sales 4-6/2010	2010
Winter and Outdoor	133.4	116.5	15	18	42	37	1,015.0
Ball Sports	136.3	153.9	-11	-4	43	48	520.6
Fitness	45.9	47.1	-3	9	15	15	204.8
Total	315.6	317.5	-1	6	100	100	1,740.4

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	4-6/ 2011	4-6/ 2010	Change %	Change %*)	% of sales 4-6/2011	% of sales 4-6/2010	2010
Americas	146.5	153.2	-4	7	46	48	687.9
EMEA	129.7	120.8	7	10	41	38	845.7
Asia Pacific	39.4	43.5	-9	-7	13	14	206.8
Total	315.6	317.5	-1	6	100	100	1,740.4

\*) In local currencies

Group EBIT was EUR -10.9 million (-16.9). In local currencies, increased sales volumes contributed EUR 6.3 million to EBIT growth, partly offset by EUR -1.9 million due to lower gross margins. The gross margin declined to 42.3% from 42.7% in April–June 2010 due to Racquet Sports. Operating expenses decreased by EUR 2.4 million.

#### EBIT by business segment

EUR million	4-6/ 2011	4-6/ 2010	Change %	2010
Winter and Outdoor	-15.1	-24.2	96.9	
Ball Sports	9.1	17.0	-46	32.2
Fitness	-0.3	-3.7		2.7
Headquarters	-4.6	-6.0		-23.9
EBIT excluding non-recurring items	-10.9	-16.9		107.9
Non-recurring items	-	-		-11.1
EBIT total	-10.9	-16.9		96.8

Net financial expenses totaled EUR 4.8 million (4.3) including net interest expenses of EUR 4.8 million (3.9). Net foreign exchange loss totaled EUR 0.5 million (0.4 losses). Earnings before taxes totaled EUR -15.7 million (-21.2) and taxes were positive EUR 3.1 million (positive 4.3). Earnings per share were EUR -0.12 (-0.15).

### NET SALES AND EBIT JANUARY–JUNE 2011

Amer Sports' net sales in January–June 2011 were EUR 764.7 million (January–June 2010: EUR 690.1 million). Comparable net sales increased by 9% in local currencies, particularly due to sales growth in Footwear, Apparel, Team Sports, and Fitness. In local currencies, EMEA increased by 13% and the Americas by 8%, and Asia Pacific declined by 2% due to the aftermath of the earthquake and tsunami in Japan.

#### Net sales by business segment

EUR million	1–6/ 2011	1–6/ 2010	Change %	Change %*)	% of sales 1–6/2011	% of sales 1–6/2010	2010
Winter and Outdoor	366.9	298.2	23	19	48	43	1,015.0
Ball Sports	295.3	299.3	-1	-1	39	43	520.6
Fitness	102.5	92.6	11	12	13	14	204.8
Total	764.7	690.1	11	9	100	100	1,740.4

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	1–6/ 2011	1–6/ 2010	Change %	Change %*)	% of sales 1–6/2011	% of sales 1–6/2010	2010
Americas	332.9	311.5	7	8	44	45	687.9
EMEA	343.8	293.0	17	13	45	43	845.7
Asia Pacific	88.0	85.6	3	-2	11	12	206.8
Total	764.7	690.1	11	9	100	100	1,740.4

\*) In local currencies

Group EBIT was EUR 14.8 million (-7.4). In local currencies, increased sales volumes contributed EUR 35.1 million to EBIT growth, while higher gross margins contributed EUR 1.0 million. Operating expenses increased by EUR 17.8 million, driven by increased sales and distribution costs. Operating expenses as a percentage of net sales were 41.7% (44.7%).

#### EBIT by business segment

EUR million	1–6/ 2011	1–6/ 2010	Change %	2010
Winter and Outdoor	-5.8	-22.5	96.9	
Ball Sports	26.8	31.4	-15	32.2
Fitness	3.0	-4.4		2.7
Headquarters	-9.2	-11.9		-23.9
EBIT excluding non-recurring items	14.8	-7.4		107.9
Non-recurring items	-	-		-11.1
EBIT total	14.8	-7.4		96.8

Net financial expenses totaled EUR 9.1 million (13.4) including net interest expenses of EUR 9.2 million (7.1). Net foreign exchange gains totaled EUR 0.1 million (6.3 losses). Earnings before taxes totaled EUR 5.7 million (-20.8) and taxes totaled EUR -1.2 million (positive 4.2). Earnings per share were EUR 0.01 (-0.16).

#### CASH FLOW AND FINANCING

Net cash flow after investing activities (free cash flow) in January–June was EUR 20.0 million (83.9). The lower cash flow is mainly due to the overall higher order book together with earlier production of winter sports equipment to ensure improved customer service. Working capital decreased by EUR 22.5 million which is EUR 63.9 million less than a year ago.

Net cash flow from investing activities was EUR -13.4 million (-10.3). In March the company paid dividend of EUR 36.4 million (19.5), hybrid interest of EUR 7.2 million (7.2) and purchased own shares by EUR 9.2 million (0.0).

At the end of June, the Group's net debt amounted to EUR 324.8 million (December 31, 2010: 294.8).

Interest-bearing liabilities amounted to EUR 370.8 million (December 31, 2010: 379.5) and consisted of short-term debt of EUR 44.1 million and long-term debt of EUR 326.7 million. The average interest rate on the Group's interest-bearing liabilities was 4.4% (4.4%).

Short-term debt includes repayments of long-term loans totaling EUR 20.7 million (December 31, 2010: 97.0). Amer Sports has a commercial paper program of EUR 500 million. At the end of the review period, Amer Sports had issued EUR 21.9 million commercial papers in the Finnish markets.

Cash and cash equivalents totaled EUR 46.0 million (December 31, 2010: 84.7).

The loan syndicate signed in 2005 consists of a revolving credit facility and a term loan of USD 100 million. In June 2011, Amer Sports cut the original EUR 325 million revolving credit facility down to EUR 225 million. Amer Sports had not used any of the revolving credit facility at the end of the review period.

In April, Amer Sports Corporation issued a SEK 500 million floating rate bond with a loan period of five years targeted at Nordic institutional investors. The bond is listed on the NASDAQ OMX Helsinki Ltd stock exchange.

The equity ratio at the end of June was 47.8% (December 31, 2010: 47.8%) and gearing was 45% (December 31, 2010: 37%).

### CAPITAL EXPENDITURE

Capital expenditure totaled EUR 19.0 million (11.5). Depreciation totaled EUR 17.7 million (18.2). The full-year capital expenditure is expected to be approximately EUR 50 million (39.9). The increase is mainly due to investments in the operational efficiency program in Winter Sports Equipment.

### BUSINESS SEGMENT REVIEWS

#### WINTER AND OUTDOOR

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
Net sales									
Winter Sports									
Equipment	11.1	10.2	9	3	58.0	52.5	10	5	438.4
Footwear	54.9	42.7	29	32	146.0	105.3	39	33	219.6
Apparel	17.4	14.9	17	27	56.3	43.3	30	27	156.6
Cycling	27.9	25.1	11	17	62.3	54.4	15	12	106.4
Sports Instruments	22.1	23.6	-6	-4	44.3	42.7	4	1	94.0
Net sales, total	133.4	116.5	15	18	366.9	298.2	23	19	1,015.0
EBIT excluding									
non-recurring items	-15.1	-24.2			-5.8	-22.5			96.9
EBIT % excluding									
non-recurring items	-11.3	-20.8			-1.6	-7.5			9.5
Non-recurring items	-	-			-	-			-10.0
EBIT total	-15.1	-24.2			-5.8	-22.5			86.9
Personnel, period end					4,507	4,125	9		4,293

\*) Change in local currencies

In April–June, Winter and Outdoor's net sales totaled EUR 133.4 million (116.5), representing an increase of 18% in local currencies. Net sales growth was driven by Footwear, Apparel, and Cycling.

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
	2011	2010	2011	2010	2011	2010	2011	2010	
Americas	29.9	25.0	20	30	73.9	56.4	31	29	211.3
EMEA	85.7	74.1	16	18	249.2	203.0	23	18	687.2
Asia Pacific	17.8	17.4	2	3	43.8	38.8	13	6	116.5
Total	133.4	116.5	15	18	366.9	298.2	23	19	1,015.0

\*) Change in local currencies

In April–June, EBIT was EUR -15.1 million (-24.2) driven by increased sales volumes.

### **Winter Sports Equipment**

In April–June, Winter Sports Equipment net sales totaled EUR 11.1 million (10.2), representing an increase of 3% in local currencies. The second quarter is seasonally low in Winter Sports Equipment as all focus is on order intake. Compared to last year, pre-orders for the next season are up by approximately 5% with highest growth in cross-country skiing.

### **Footwear**

In April–June, Footwear net sales totaled EUR 54.9 million (42.7), representing an increase of 32% in local currencies. Growth came from hiking and trail running in all geographical regions. Fall/winter pre-orders are up by approximately 30%.

### **Apparel**

In April–June, Apparel net sales totaled EUR 17.4 million (14.9), representing an increase of 27% in local currencies. Fall/winter pre-orders are up by approximately 23%.

### **Cycling**

In April–June, Cycling net sales totaled EUR 27.9 million (25.1), an increase of 17% in local currencies. The strongest growth was in wheels and cycling shoes. Sales were up in all geographical regions.

### **Sports Instruments**

In April–June, Sports Instruments net sales totaled EUR 22.1 million (23.6). Underlying growth was 10% (excluding divested businesses). Sales of outdoor instruments continued growing at a double-digit rate.

In line with Suunto's strategy to focus on outdoor and diving instruments, Amer Sports sold TackTick Ltd to Raymarine, a subsidiary of the Flir Group, in June 2011. TackTick offers wireless solar powered instruments for the marine market. The divestment had no material impact on Amer Sports financial result.

**BALL SPORTS**

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
<b>Net sales</b>									
Racquet Sports	58.5	70.9	-17	-12	125.6	135.2	-7	-8	232.5
Team Sports	54.5	55.7	-2	8	125.8	116.5	8	9	212.1
Golf	23.3	27.3	-15	-10	43.9	47.6	-8	-7	76.0
Net sales, total	136.3	153.9	-11	-4	295.3	299.3	-1	-1	520.6
<b>EBIT excluding non-recurring items</b>									
EBIT % excluding non-recurring items	9.1	17.0	-46		26.8	31.4	-15		32.2
Non-recurring items	6.7	11.0			9.1	10.5			6.2
EBIT total	9.1	17.0	-46		26.8	31.4	-15		29.5
Personnel, period end					1,686	1,581	7		1,590

\*) Change in local currencies

In April–June, Ball Sports' net sales totaled EUR 136.3 million (153.9), representing a decrease of 4% in local currencies. The decline was mainly driven by the soft tennis market as well as the aftermath of the earthquake and tsunami in Japan negatively impacting Racquet Sports sales. Team Sports continued its good performance and net sales in local currencies increased by 8%.

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
Americas	85.8	96.9	-11	-2	188.2	189.8	-1	1	334.4
EMEA	33.0	36.1	-9	-7	72.3	71.1	2	-1	114.0
Asia Pacific	17.5	20.9	-17	-14	34.8	38.4	-10	-13	72.2
Total	136.3	153.9	-11	-4	295.3	299.3	-1	-1	520.6

\*) Change in local currencies

EBIT was EUR 9.1 million in April–June (17.0). The decline was due to lower sales volumes, impact EUR -3.2 million, and lower gross margins, impact EUR -4.1 million. The gross margins were negatively impacted by the unfavorable development in Racquet Sports, especially in Japan.

**Racquet Sports**

In April–June, Racquet Sports net sales totaled EUR 58.5 million (70.9), representing a decrease of 12% in local currencies. Racquet Sports was adversely impacted by the overall soft tennis market and by the earthquake and tsunami in Japan.

**Team Sports**

Team Sports net sales in April–June totaled EUR 54.5 million (55.7), an increase of 8% in local currencies. The growth in Team Sports was driven by the two largest product categories for the quarter with bats increasing by 36% and American footballs by 6%.

**Golf**

In April–June, Golf net sales totaled EUR 23.3 million (27.3), a decrease of 10% in local currencies. The golf market conditions remained challenging in the Americas as a result of declining rounds played driven by poor weather conditions.

### FITNESS

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
Net sales	45.9	47.1	-3	9	102.5	92.6	11	12	204.8
EBIT excluding non-recurring items	-0.3	-3.7			3.0	-4.4			2.7
EBIT % excluding non-recurring items	-0.7	-7.9			2.9	-4.8			1.3
Non-recurring items	-	-			-	-			-2.3
EBIT total	-0.3	-3.7			3.0	-4.4			0.4
Personnel, period end					720	667	8		691

\*) Change in local currencies

In April–June, Fitness' net sales totaled EUR 45.9 million (47.1), an increase of 9% in local currencies.

EUR million	4-6/ 2011	4-6/ 2010	Ch %	Ch %*)	1-6/ 2011	1-6/ 2010	Ch %	Ch %*)	2010
Americas	30.8	31.3	-2	14	70.8	65.3	8	12	142.2
EMEA	11.0	10.6	4	9	22.3	18.9	18	16	44.5
Asia Pacific	4.1	5.2	-21	-12	9.4	8.4	12	14	18.1
Total	45.9	47.1	-3	9	102.5	92.6	11	12	204.8

\*) Change in local currencies

The commercial business (clubs and institutions) sales were up by 11% in April–June. In the North American fitness market, the commercial business started to show some early signs of recovery during 2010 and the market continued to improve through the first half of 2011.

Fitness' EBIT was EUR -0.3 million (-3.7) in April–June. In local currencies, increased sales volumes contributed EUR 0.9 million to EBIT growth while higher gross margins contributed EUR 1.8 million.

### PERSONNEL

At the end of June 2011, Group employees totaled 6,985 (December 31, 2010: 6,645). The number of employees increased mainly due to strengthening the sales and distribution.

	June 30, 2011	June 30, 2010	Change %	Dec 31, 2010
Winter and Outdoor	4,507	4,125	9	4,293
Ball Sports	1,686	1,581	7	1,590
Fitness	720	667	8	691
Headquarters	72	75	-4	71
Total	6,985	6,448	8	6,645

	June 30, 2011	June 30, 2010	Change %	Dec 31, 2010
EMEA	4,204	3,783	11	3,903
Americas	2,233	2,157	4	2,214
Asia Pacific	548	508	8	528
Total	6,985	6,448	8	6,645

## SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on June 30, 2011 and the number of shares was 121,517,285.

### Authorizations

The Annual General Meeting held on March 10, 2011 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the company's own shares ("Repurchase Authorization"). The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through public trading on the NASDAQ OMX Helsinki at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of the NASDAQ OMX Helsinki and Euroclear Finland Ltd. The Repurchase Authorization is valid 18 months from the decision of the Annual General Meeting.

The Annual General Meeting held 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 decision by the Annual General Meeting.

In the Annual General meeting in 2010, 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 for two (2) years from the date of the decision of the Annual General Meeting.

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

### Trading in shares

In January–June, a total of 36.5 million (26.8) Amer Sports shares with a value totaling EUR 373.3 million (217.4) were traded on the NASDAQ OMX Helsinki Ltd stock exchange. The average daily trading volume in January–June 2011 was 294,548 shares (217,864).

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange on June 30, 2011 was EUR 11.46 (7.76). The Amer Sports Corporation shares registered a high of EUR 11.97 (9.10) and a low of EUR 8.43 (6.82) during the review period. The average share price was EUR 10.22 (8.11). On June 30, 2011, excluding own shares, the company had a market capitalization of EUR 1,381.0 million (940.3).

Amer Sports Corporation had 16,429 registered shareholders (13,421) at the end of June, 2011. Outside Finland, ownership and nominee registrations represented 49.8% (50.1%) of the company's shares.

### Own shares

Based on the authorization given by the AGM on March 10, 2010, the Amer Sports Board of Directors decided on February 15, 2011 to initiate a share repurchase program in order to implement a share-based incentive plan for 2011 and 2012 for the Group's key personnel. Repurchases on the NASDAQ OMX Helsinki Ltd stock exchange began on February 23, 2011 and ended on March 24, 2011. One (1) million shares were acquired during this period.

Time	Amount	Total value, EUR	Purchase price (on average), EUR	Purchase price (high and low), EUR
Feb. 23–March 24, 2011	1,000,000	9,212,051.46	9.21	9.81 and 8.43

On March 15, 2011, a total of 330,838 Amer Sports shares were transferred to the personnel involved in the company's Performance Share Plan 2010 and the Restricted Stock Plan 2010. The shares were transferred from the shares owned by Amer Sports International Oy.

On June 30, 2011, Amer Sports International Oy held a total of 12,125 Amer Sports Corporation shares, while Amer Sports Corporation held a total of 1,000,000 Amer Sports Corporation shares. The number of own shares held corresponds to 0.83% of all Amer Sports Corporation shares.

**DECISIONS BY THE AMER SPORTS CORPORATION ANNUAL GENERAL MEETING**  
Documentation and press releases relating to the resolutions approved by the Amer Sports Corporation Annual General Meeting held on March 10, 2011 are available on the company's website at [www.amersports.com/investors](http://www.amersports.com/investors).

### **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 labor and raw material price inflation, especially in China; with Amer Sports' ability to manufacture, source and deliver products on a timely basis; and with the development of consumer demand in North America, Europe and Japan. The effects of the earthquake and tsunami in Japan are estimated to have a negative impact on sales.

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

### **OUTLOOK FOR 2011**

Amer Sports' strategic development programs continue to contribute positively to the Group performance in 2011 and the company will continue to invest into executing the new strategy and sustaining profitable growth. In Footwear and Apparel, fall/winter pre-orders are indicating that the strong momentum will continue. In Winter Sports Equipment, solid improvement in pre-orders together with operational efficiency measures is expected to have a positive impact on the full-year profitability.

In 2011, Amer Sports expects its full-year net sales in local currencies to grow at a similar rate as in the first half of the year and EBIT margin excluding non-recurring items to improve by approximately one percentage point from 2010.

### **Outlook given in the Interim Report January–March 2011 on April 28**

Amer Sports' strategic development programs continue to contribute positively to the Group performance in 2011 and the company will continue investing into executing the new strategy and sustaining the growth. In Footwear and Apparel, fall/winter pre-orders are indicating that the strong momentum will continue. In Winter Sports Equipment, Amer Sports' operational efficiency measures are expected to have a positive impact on the full-year profitability. The sporting goods market is estimated to continue to grow modestly in 2011, with sports specific and regional differences.

In 2011, Amer Sports expects its net sales to continue to clearly exceed the Group's long-term financial target of 5% annual currency-neutral growth. EBIT margin excluding non-recurring items is expected to improve from the level of 2010 (2010 net sales EUR 1,740 million, EBIT margin excluding non-recurring items 6.2%).

## TABLES

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

Unaudited  
EUR million

### CONSOLIDATED RESULTS

	4-6/ 2011	4-6/ 2010	Change %	1-6/ 2011	1-6/ 2010	Change %	2010
<b>NET SALES</b>	315.6	317.5	-1	764.7	690.1	11	1,740.4
Cost of goods sold	-182.1	-181.8		-436.6	-395.2		-998.4
<b>GROSS PROFIT</b>	133.5	135.7	-2	328.1	294.9	11	742.0
License income	2.1	2.1		4.4	4.4		9.5
Other operating income	0.9	1.4		1.4	2.2		12.4
R&D expenses	-14.0	-14.5		-29.2	-28.2		-57.4
Selling and marketing expenses	-103.1	-104.6		-220.1	-207.3		-443.1
Administrative and other expenses	-30.3	-37.0		-69.8	-73.4		-166.6
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	-10.9	-16.9		14.8	-7.4		96.8
% of net sales							5.6
Financing income and expenses	-4.8	-4.3		-9.1	-13.4		-21.3
<b>EARNINGS BEFORE TAXES</b>	-15.7	-21.2		5.7	-20.8		75.5
Taxes	3.1	4.3		-1.2	4.2		-6.6
<b>NET RESULT</b>	-12.6	-16.9		4.5	-16.6		68.9

Attributable to:

Equity holders of the parent company	-12.6	-16.9	4.5	-16.6	68.8
Non-controlling interests	0.0	0.0	0.0	0.0	0.1
Earnings per share, EUR	-0.12	-0.15	0.01	-0.16	0.52
Earnings per share, diluted, EUR	-0.12	-0.15	0.01	-0.16	0.52
Adjusted average number of shares in issue less own shares, million			120.8	121.2	121.2
Adjusted average number of shares in issue less own shares, diluted, million			120.8	121.2	121.2
Equity per share, EUR			5.93	6.14	6.50
ROCE, % *)			12.2	7.6	10.0
ROE, %			1.2	-4.5	9.0
Average rates used:					
EUR 1.00 = USD	1.4399	1.2833	1.4030	1.3340	1.3289
*) 12 months' rolling average					

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	2010
Net result	-12.6	-16.9	4.5	-16.6	68.9
<b>Other comprehensive income</b>					
Translation differences	-8.2	23.1	-26.0	42.6	28.7
Cash flow hedges	-2.5	5.4	-6.7	9.7	-0.2
Income tax related to cash flow hedges	0.6	-1.4	1.7	-2.5	0.0
Other comprehensive income, net of tax	-10.1	27.1	-31.0	49.8	28.5
Total comprehensive income	-22.7	10.2	-26.5	33.2	97.4

**Total comprehensive income  
attributable to:**

Equity holders of the parent company	-22.7	10.2	-26.5	33.2	97.3
Non-controlling interests	0.0	0.0	0.0	0.0	0.1

**NET SALES BY BUSINESS SEGMENT**

	4-6/ 2011	4-6/ 2010	Change %	1-6/ 2011	1-6/ 2010	Change %	2010
Winter and Outdoor	133.4	116.5	15	366.9	298.2	23	1,015.0
Ball Sports	136.3	153.9	-11	295.3	299.3	-1	520.6
Fitness	45.9	47.1	-3	102.5	92.6	11	204.8
Total	315.6	317.5	-1	764.7	690.1	11	1,740.4

**EBIT BY BUSINESS SEGMENT**

	4-6/ 2011	4-6/ 2010	Change %	1-6/ 2011	1-6/ 2010	Change %	2010
Winter and Outdoor	-15.1	-24.2		-5.8	-22.5		86.9
Ball Sports	9.1	17.0	-46	26.8	31.4	-15	29.5
Fitness	-0.3	-3.7		3.0	-4.4		0.4
Headquarters	-4.6	-6.0		-9.2	-11.9		-20.0
Total	-10.9	-16.9		14.8	-7.4		96.8

**GEOGRAPHIC BREAKDOWN OF NET SALES**

	4-6/ 2011	4-6/ 2010	Change %	1-6/ 2011	1-6/ 2010	Change %	2010
Americas	146.5	153.2	-4	332.9	311.5	7	687.9
EMEA	129.7	120.8	7	343.8	293.0	17	845.7
Asia Pacific	39.4	43.5	-9	88.0	85.6	3	206.8
Total	315.6	317.5	-1	764.7	690.1	11	1,740.4

**CONSOLIDATED CASH FLOW STATEMENT**

	Note	4-6/2011	4-6/2010	1-6/2011	1-6/2010	2010
Earnings before interest and taxes		-10.9	-16.9	14.8	-7.4	96.8
Adjustments to cash flow from operating activities and depreciation		13.0	9.4	18.5	18.4	28.3
Change in working capital		-50.9	3.1	22.5	86.4	-18.8
Cash flow from operating activities before financing items and taxes		-48.8	-4.4	55.8	97.4	106.3
Interest paid and received		-10.9	-6.9	-12.1	-7.5	-14.3
Income taxes paid and received		-3.1	6.8	-10.3	4.3	-11.9
Net cash flow from operating activities		-62.8	-4.5	33.4	94.2	80.1
Sold operations		5.3	-	5.3	-	-
Capital expenditure on non-current tangible and intangible assets		-9.7	-6.4	-19.0	-11.5	-39.9
Proceeds from sale of tangible non-current assets		0.1	0.9	0.3	1.2	9.9
Net cash flow from investing activities		-4.3	-5.5	-13.4	-10.3	-30.0
Net cash flow after investing activities (free cash flow)		-67.1	-10.0	20.0	83.9	50.1
Repurchase of own shares		-	-	-9.2	-	-
Interest on hybrid bond		-	-	-7.2	-7.2	-7.2
Dividends paid	4	-	-	-36.4	-19.5	-19.5
Change in debt and other financing items		-5.2	143.1	-5.0	3.4	-64.3
Net cash flow from financing activities		-5.2	143.1	-57.8	-23.3	-91.0
Cash and cash equivalents on April 1/January 1		118.1	50.7	84.7	121.6	121.6
Translation differences		0.2	2.1	-0.9	3.7	4.0
Change in cash and cash equivalents		-72.3	133.1	-37.8	60.6	-40.9
Cash and cash equivalents on June 30/December 31		46.0	185.9	46.0	185.9	84.7

**CONSOLIDATED BALANCE SHEET**

	Note	June 30, 2011	June 30, 2010	December 31, 2010
<b>Assets</b>				
Goodwill		272.6	302.5	286.7
Other intangible non-current assets		205.7	213.1	214.2
Tangible non-current assets		140.5	139.9	140.2
Other non-current assets		99.6	72.6	100.5
Inventories and work in progress		389.4	328.7	302.1
Receivables		347.4	371.7	525.4
Cash and cash equivalents		46.0	185.9	84.7
Total assets	2	1,501.2	1,614.4	1,653.8
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		717.1	746.4	790.2
Long-term interest-bearing liabilities		326.7	317.2	278.7
Other long-term liabilities		18.4	18.6	19.6
Current interest-bearing liabilities		44.1	122.9	100.8

Other current liabilities	367.3	379.9	434.6
Provisions	27.6	29.4	29.9
<b>Total shareholders' equity and liabilities</b>	<b>1,501.2</b>	<b>1,614.4</b>	<b>1,653.8</b>
Equity ratio, %	47.8	46.2	47.8
Gearing, %	45	34	37
EUR 1.00 = USD	1.4488	1.2294	1.3362

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Note	Sh- are capi- tal	Pre- mi- um fund	Fund for own sha- res	Trans- lation diffe- ren- ces	Fair value and other reser- ves	Inves- ted unre- stricted equity reserve	Hybrid bond	Retai- ned ear- nings	Total
Balance at										
Jan. 1, 2010		292.2	12.1	-5.6	-63.0	-5.4	151.5	60.0	290.9	732.7
Other compre- hensive income:										
Translation differences					42.6					42.6
Cash flow hedges						9.7				9.7
Income tax related to cash flow hedges							-2.5			-2.5
Net result								-16.6	-16.6	
Total com- prehensive income					42.6	7.2		-16.6	33.2	
Transact- ions with owners:										
Dividend distribution	4							-19.4	-19.4	
Interest on hybrid bond								-2.6	-2.6	
Balance at										
June 30, 2010		292.2	12.1	-5.6	-20.4	1.8	151.5	60.0	252.3	743.9
Balance at										
Jan. 1, 2011		292.2	12.1	-5.6	-34.3	-5.6	151.5	60.0	317.3	787.6
Other compre- hensive income:										
Translation differences					-26.0					-26.0

									15 (19)
Cash flow hedges					-6.7				-6.7
Income tax related to cash flow hedges					1.7				1.7
Net result						4.5		4.5	
Total comprehensive income				-26.0		-5.0		4.5	-26.5
Transactions with owners:									
Repurchase of own shares				-9.2					-9.2
Share-based incentive programs				5.4			0.8	6.2	
Dividend distribution	4						-36.3	-36.3	
Interest on hybrid bond							-7.2	-7.2	
<b>Balance at June 30, 2011</b>	<b>292.2</b>	<b>12.1</b>	<b>-9.4</b>	<b>-60.3</b>	<b>-10.6</b>	<b>151.5</b>	<b>60.0</b>	<b>279.1</b>	<b>714.6</b>

	Note	Non-controlling interests	Total shareholders' equity
Balance at Jan. 1, 2010		2.6	735.3
Other comprehensive income:			
Translation differences			42.6
Cash flow hedges			9.7
Income tax related to cash flow hedges			-2.5
Net result			-16.6
Total comprehensive income			33.2
Transactions with owners:			
Dividend	4	-0.1	-19.5

distribution		
Interest on		
hybrid		
bond	<u>-2.6</u>	
Balance at		
June 30, 2010	2.5	746.4
Balance at		
Jan. 1, 2011	2.6	790.2
Other		
compre-		
hensive		
income:		
Translation		
differences		-26.0
Cash flow		
hedges		-6.7
Income tax		
related to		
cash flow		
hedges		1.7
Net result		4.5
Total		
com-		
prehensive		
income	<u>-26.5</u>	
Transact-		
ions with		
owners:		
Repurch-		
ase of		
own		
shares		-9.2
Share-		
based		
incentive		
programs		6.2
Dividend		
distribution	4	-0.1
Interest on		-36.4
hybrid		
bond		<u>-7.2</u>
Balance at		
June 30, 2011	2.5	717.1

**QUARTERLY BREAKDOWN OF NET SALES AND EBIT**

<b>NET SALES</b>	<b>Q2/</b>	<b>Q1/</b>	<b>Q4/</b>	<b>Q3/</b>	<b>Q2/</b>	<b>Q1/</b>	<b>Q4/</b>	<b>Q3/</b>
	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
Winter and Outdoor	133.4	233.5	416.5	300.3	116.5	181.7	329.2	262.4
Ball Sports	136.3	159.0	107.3	114.0	153.9	145.4	94.7	103.4
Fitness	45.9	56.6	59.6	52.6	47.1	45.5	58.9	44.8
<b>Total</b>	<b>315.6</b>	<b>449.1</b>	<b>583.4</b>	<b>466.9</b>	<b>317.5</b>	<b>372.6</b>	<b>482.8</b>	<b>410.6</b>

<b>EBIT</b>	<b>Q2/</b>	<b>Q1/</b>	<b>Q4/</b>	<b>Q3/</b>	<b>Q2/</b>	<b>Q1/</b>	<b>Q4/</b>	<b>Q3/</b>
	<b>2011</b>	<b>2011</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
Winter and Outdoor	-15.1	9.3	51.2	58.2	-24.2	1.7	42.5	44.1
Ball Sports	9.1	17.7	-5.4	3.5	17.0	14.4	2.2	2.4
Fitness	-0.3	3.3	2.0	2.8	-3.7	-0.7	-0.5	-1.4
Headquarters	-4.6	-4.6	0.6	-8.7	-6.0	-5.9	-4.8	-4.4
<b>Total</b>	<b>-10.9</b>	<b>25.7</b>	<b>48.4</b>	<b>55.8</b>	<b>-16.9</b>	<b>9.5</b>	<b>39.4</b>	<b>40.7</b>

**THE NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and in compliance with IFRS standards and interpretations in force as at January 1, 2011, as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2010 have also been applied in the preparation of the interim financial information, with the changes mentioned below.

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

**Standards, interpretations and amendments adopted from the beginning of 2011:**

The following new standards, interpretations and amendments have been adopted when applicable: IFRS 1 (amendment), IAS 24 (amendment), IAS 32 (amendment), IFRIC 14 (amendment) and IFRIC 19 and the annual improvements. The amendments or interpretations did not have any material impact on the consolidated financial statements.

**2. SEGMENT INFORMATION**

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

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

There were no intersegment business operations during the reported periods.

	Net sales	Earnings before interest and taxes	Financing income and expenses	Earnings before taxes	Assets
<b>1-6/2011</b>					
Winter and Outdoor	366.9	-5.8			742.5
Ball Sports	295.3	26.8			363.3
Fitness	102.5	3.0			210.8
Segments, total	764.7	24.0			1,316.6
Unallocated items*)		-9.2	-9.1		184.6
Group total	764.7	14.8	-9.1	5.7	1,501.2
<b>1-6/2010</b>					
Winter and Outdoor	298.2	-22.5			662.0
Ball Sports	299.3	31.4			404.2
Fitness	92.6	-4.4			226.9
Segments, total	690.1	4.5			1,293.1
Unallocated items*)		-11.9	-13.4		321.3
Group total	690.1	-7.4	-13.4	-20.8	1,614.4
<b>2010</b>					
Winter and Outdoor	1,015.0	86.9			848.7
Ball Sports	520.6	29.5			365.8
Fitness	204.8	0.4			229.1
Segments, total	1,740.4	116.8			1,443.6
Unallocated items*)		-20.0	-21.3		210.2
Group total	1,740.4	96.8	-21.3	75.5	1,653.8

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

#### GEOGRAPHIC BREAKDOWN OF NET SALES

	1-6/ 2011	1-6/ 2010	2010
Americas	332.9	311.5	687.9
EMEA	343.8	293.0	845.7
Asia Pacific	88.0	85.6	206.8
Total	764.7	690.1	1,740.4

#### 3. DERIVATIVE FINANCIAL INSTRUMENTS

	June 30, 2011	June 30, 2010	December 31, 2010
Nominal value			
Foreign exchange forward contracts	664.0	578.0	678.1
Interest rate swaps	139.0	297.7	169.8
Cross currency swaps	55.6	-	-
Fair value			
Foreign exchange forward contracts	-7.9	-3.3	-9.1
Interest rate swaps	-2.1	-5.4	-2.8
Cross currency swaps	0.4	-	-

#### 4. DIVIDENDS

Dividends distributed in March 2011 by Amer Sports to its shareholders and minority shareholders of its subsidiaries amounted to EUR 36.4 million relating to the year ending on December 31, 2010 (2010: 19.5). Dividends distributed to the shareholders of Amer Sports

Corporation were EUR 0.30 per share and in total EUR 36.3 million (2010: EUR 0.16 per share and in total EUR 19.4 million).

## 5. CONTINGENT LIABILITIES AND SECURED ASSETS

	June 30, 2011	June 30, 2010	December 31, 2010
Guarantees	13.2	12.8	14.1
Liabilities for leasing and rental agreements	115.4	122.2	123.2
Other liabilities	19.6	32.3	18.7

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

## 6. SEASONALITY

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

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

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