AMER SPORTS FINANCIAL STATEMENTS

2011

AMER SPORTS

“2011 WAS A GOOD YEAR FOR AMER SPORTS AND WE REACHED AN ALL-TIME HIGH IN BOTH SALES AND OPERATING PROFIT. LOOKING AT OUR BUSINESS AREAS, APPAREL, FOOTWEAR, CYCLING AND TEAM SPORTS DELIVERED RECORD SALES.”

(SEE PAGE 2)

The Investor Relations 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.

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CEO'S REVIEW

ON A PATH OF SUSTAINABLE, PROFITABLE GROWTH

Following a strong performance in 2010 we continued to generate positive momentum throughout 2011. Net sales increased by 9%, operating profit was up by 26%, and almost all of our businesses and geographical regions continued to progress towards their specific targets. We made good progress in our five strategic priorities and we can see that the strategy we announced in 2010 is proving to work. Today we are stronger and better focused, and the company portfolio is increasingly balanced with softgoods, i.e. footwear and apparel, soon representing 30% of Group sales.

2011 – A RECORD YEAR

2011 was a good year for Amer Sports and we reached an all-time high in both sales and operating profit. Looking at our business areas, Apparel, Footwear, Cycling and Team Sports delivered record sales.

Geographically we had record sales in EMEA and Asia Pacific, which grew by 8% and 4%, respectively. We continued to accelerate the growth in our new expansion markets of Russia, China and Latin America, and these markets now account for 7% of the Group's net sales, compared to 5% a year earlier.

Our performance in Asia Pacific is actually better than it appears, given the hit we took in Japan due to the earthquake and tsunami in March. We remain committed to driving sustainable, long-term business in Japan and already now, our business in the country continues to make a strong recovery from the disaster.

PROGRESS IN THE FIVE STRATEGIC CORNERSTONES

In 2010, we announced Amer Sports' five strategic priorities. In 2011, our focus was increasingly on execution with good progress in the priorities.

CLEAR PORTFOLIO ROLES AND SYNERGIES, INTEGRATED COMPANY

Every part of Amer Sports has a clear role within our portfolio and a specific approach to scale and synergies. In 2011, all of our business units, with the temporary exception of tennis, continued to progress towards their specific targets in line with their portfolio roles. For example, the target of Fitness and Sports Instruments is to improve profitability, and that's what they did. Correspondingly, the target for Footwear and Apparel is to grow faster, and they delivered against this target.

As for scale and synergies, we continued the creation of category-based operations, which we now have in place in Apparel, Footwear, Winter Sports Equipment and the Active Protection category. This model is already giving us benefits in supplier management, customer relations, R&D and back-office functions.

GROW FASTER IN SOFTGOODS

I'm especially pleased with the progress in our objective to grow faster in softgoods. Growth in softgoods accelerated in 2010 and this progress continued throughout 2011, driven by geographical and channel expansion. In Apparel and Footwear, we are continuing to build the culture and capabilities needed to reach our long-term targets. We are now at our first milestone of EUR 500 million in softgoods sales, up from EUR 300 million just three years ago, and we believe we have significant upside potential with the ambition of reaching EUR 1 billion in softgoods sales.

WIN WITH CONSUMERS

We're becoming a more consumer-centric company with improved brand management capabilities. In 2011, we established regional consumer marketing operations in Shanghai for Asia and in Portland for the Americas in order to improve our brands' local consumer understanding and relevance.

In the business units, our approach is to put the consumer "in the middle" and fulfill his or her needs in the chosen activity holistically, covering the entire activity. For example, we now focus on playing tennis instead of rackets, and skiing instead of skis. This approach gives us significant growth opportunities as we continue to grow the core business (e.g. in Winter Sports Equipment skis, boots, and bindings), whilst adding new business through logical adjacencies (e.g. helmets, body protection, goggles, and skiwear).

WIN IN GO TO MARKET

We continued to make good progress in our commercial expansion both in our established and new markets and channels.

Geographically, the vast majority of our countries showed positive growth, benefiting from strong improvements in distribution with increased number of doors, i.e. stores where our products are being sold, and product categories per door, in-store excellence and progress in working with our key accounts. We have placed increased focus on Russia, China, and Latin America, which were up by 42%, 37% and 40%, respectively, though still from a small base.

On new channels, we continued to make strong progress in Business to Consumer, with an additional 20 brand stores and an expansion of our ecommerce platform.

OPERATIONAL EXCELLENCE

In 2011, our key focus was on improving customer service and we made sustainable improvements across the company through tight Order Book management, improved Key Performance Indicator (KPI) tracking and by building Sales and Operations Planning (S&OP) systems and capabilities. Also, we have continued to invest into production flexibility in Winter Sports Equipment to improve gross margins and to reduce dependency in weather conditions. To support this, we balanced our Winter Sports Equipment production between Austria and Bulgaria where we invested in world-class ski-making capacity, which has been up and running since April 2011.

REACHING THE LONG-TERM FINANCIAL TARGETS

In 2011, we continued to drive the company towards our long-term financial targets.

– 9% growth in 2011 exceeded the annual 5% target for the second year in a row;
– Operating profit was up by 26%, and EBIT margin was up by one percentage point to 7.2%, making steady progress towards our long-term EBIT target of at least 10% of net sales;
– Free cash flow was negative due to higher working capital in Winter Sports Equipment and higher order book in softgoods. The long-term financial target is to have annual free cash flow equal to net profit;
– Net Debt/EBITDA was 2.3, well within our balance sheet ratio target of 3 or less. Importantly, we have our mid-term refinancing needs covered.

IMPROVEMENT NEEDS

As we strive to become a high-performance company, we continue to recognize opportunities we must capitalize on:

1. FASTER GROWTH IN OUR NEW EXPANSION MARKETS

Last year we stated that we need to grow faster in selected new geographical markets. In 2011, the growth in Russia, China, and Latin America was 40% on average, which is encouraging. However, the total revenue contribution still remains moderate. We will continue investing in resources to deliver further growth in these areas as we see that we have untapped growth potential there.

2. LEARNING FOR THE FUTURE: ACTION SPORTS

Our portfolio is strong, but we do see further opportunities to better meet the needs of the younger consumer. Action Sports is a large and dynamic market driven by young people who skate, surf, and snowboard, or who are inspired by these activities and by the lifestyle. This market is becoming one of the key focus areas for us, and in December 2011 we acquired Nikita, a snowboarding-inspired Action Sports apparel brand which focuses on young female consumers. Nikita complements our existing Salomon snowboarding and Bonfire snowboard apparel brands and gives us further strength in our softgoods business.

2012 – CONTINUOUSLY IMPROVING THE PERFORMANCE

2011 was a good year with strong development and improvement, in line with our strategic glidepath.

In 2012, we will continue to execute our strategy. Admittedly, as always, we do have some challenges: the Winter Sports Equipment market is under some pressure due to the late start of the winter season in key markets, and the economical environment remains cloudy. But encouragingly, despite these challenges, we are continuing to improve our performance and I'm excited about the opportunities we have ahead of us.

Heikki Takala
PRESIDENT AND CEO

BOARD OF DIRECTORS' REPORT

In 2011, there was good development in the sporting goods market and outdoor softgoods in particular continued the strong growth. However, the impacts of the uncertainty in the macro-economic conditions started to be visible in the sporting goods market towards the year end. In December, the industry was also adversely impacted by the slow start of the winter season 2011/12 due to the warm weather in key markets.

Amer Sports continued to execute its strategic improvement programs and to sustain profitable growth guided by the company's long-term financial targets. During the year, the company invested especially into category based operations, sales and distribution including geographic expansion, customer service, and own retail.

NET SALES AND EBIT IN 2011

Amer Sports' net sales in 2011 were EUR 1,880.8 million (2010: 1,740.4). Net sales increased by 9% in local currencies, particularly due to sales growth in Footwear, up by 31%, Apparel, up by 22%, Fitness, up by 17%, Cycling, up by 14% and Team Sports, up by 11%. In local currencies, EMEA increased by 8%, the Americas by 12% and Asia Pacific by 4%. The Group's long-term target is to deliver organic, currency-neutral annual growth of 5%.

Gross margin was 43.5% (42.6). The improvement was mainly a result of the growth in own retail in Apparel and operational efficiency improvements in Fitness and Winter Sports Equipment.

Group EBIT was EUR 135.5 million (107.9, excluding non-recurring items). Increased sales volumes contributed approximately EUR 67 million to EBIT growth, higher gross margins approximately EUR 15 million and changes in foreign exchange rates approximately EUR -5 million. Operating expenses increased by approximately EUR 49 million, driven by volume growth related sales and distribution costs, marketing, and research and development.

EBIT margin improved by 1.0 percentage point and was 7.2% (6.2, excluding non-recurring items). The Group's long-term target is to have EBIT of at least 10% of net sales.

EBIT EXCLUDING NON-RECURRING ITEMS BY BUSINESS SEGMENT

EUR million	2011	2010	Change, %
Winter and Outdoor	**118.5**	96.9	**22**
Ball Sports	**25.0**	32.2	**-22**
Fitness	**10.3**	2.7	
Headquarters*)	**-18.3**	-23.9	
EBIT excluding non-recurring items	**135.5**	107.9	**26**
Non-recurring items	**-**	-11.1	
EBIT total	**135.5**	96.8	**40**

*) Headquarters segment consists of Group administration, shared service functions, other non-operational income and expenses and fair valuation of share-based compensations. In 2011, segment operating loss decreased by EUR 5.6 million due to decreased net operational expenses of EUR 2.4 million and a change in fair valuation of share-based compensations and other adjustments of EUR 3.2 million.

Net financial expenses totaled EUR 20.5 million (21.3) which include net interest expenses of EUR 19.9 million (17.9). Net foreign exchange gains were EUR 0.7 million (losses 2.3). Earnings before taxes totaled EUR 115.0 million (75.5) and taxes were EUR -24.1 million (-6.6) resulting a tax rate of 21%. Earnings per share were EUR 0.71 (0.52).

NET SALES BY BUSINESS SEGMENT

EUR million	2011	2010	Change, %	Change, %*)	% of sales 2011	% of sales 2010
Winter and Outdoor	**1,137.6**	1,015.0	**12**	12	**61**	58
Ball Sports	**511.0**	520.6	**-2**	0	**27**	30
Fitness	**232.2**	204.8	**13**	17	**12**	12
Total	**1,880.8**	1,740.4	**8**	9	**100**	100

GEOGRAPHIC BREAKDOWN OF NET SALES

EUR million	2011	2010	Change, %	Change, %*)	% of sales 2011	% of sales 2010
EMEA	**917.6**	845.7	**9**	8	**49**	48
Americas	**742.1**	687.9	**8**	12	**39**	40
Asia Pacific	**221.1**	206.8	**7**	4	**12**	12
Total	**1,880.8**	1,740.4	**8**	9	**100**	100

*) Comparable sales in local currencies

OUTLOOKS GIVEN FOR 2011

In its financial statements for 2010, it was stated that Amer Sports expects its 2011 net sales to increase from 2010 and EBIT to improve. A more detailed view of the outlook was provided in the interim reports published in April and August.

Increased visibility allowed a further revision of the guidance given and in the January-September interim report, the company estimated its full-year net sales in local currencies to grow by approximately 9% and EBIT margin excluding non-recurring items to improve by approximately one percentage point from 2010.

CASH FLOW AND FINANCING

In 2011, net cash flow after investing activities (free cash flow) was EUR -21.4 million (50.1). Compared to the end of 2010, inventories increased by EUR 57.6 million due to the higher order book and inventories in softgoods and low in-season deliveries in Winter Sports Equipment. Receivables increased by EUR 55.8 million. The increase was mainly in Winter Sports Equipment. Amer Sports' long-term financial target is to have annual free cash flow equal to net profit.

At the end of 2011, the Group's net debt amounted to EUR 391.6 million (294.8). The increase was due to negative net cash flow of EUR 21.4 million, share buy-backs of EUR 36.7 million and dividends of EUR 36.4 million. Amer Sports' long-term financial target for the balance sheet structure is the year-end Net Debt / EBITDA ratio to be 3 or less. At the end of 2011, the ratio was 2.3 (2.2).

Interest-bearing liabilities amounted to EUR 470.4 million (379.5) consisting of short-term debt of EUR 219.0 million and long-term debt of EUR 251.4 million. The average interest rate on the Group's interest-bearing liabilities was 3.6% (4.4).The EUR 60 million hybrid bond is accounted as equity.

Short-term debt consists mainly of repayments of long-term loans of EUR 23.4 million (97.0) and commercial papers of EUR 194.2 (0.0) which Amer Sports had issued in the Finnish market to fund seasonally high working capital. The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 78.8 million (84.7).

In April, Amer Sports issued a SEK 500 million floating rate bond with a loan period of five years targeted at Nordic institutional investors.

In November, Amer Sports signed a new committed revolving credit facility of EUR 200 million refinancing the previous credit facility signed in 2005. Amer Sports had not used the credit facility at the end of 2011.

The equity ratio at the end of the year was 45.6% (47.8%) and gearing was 47% (37%).

The Group's most significant transaction risk arises from the US dollar. Amer Sports is a net buyer of USD due to sourcing operations in Asia. The next 12 month EUR/USD net flow is expected to be USD 270 million. Weakening of the euro against the US dollar has therefore a negative impact on the company's EBIT, with a delay due to hedging.

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%. A longer hedging horizon together with higher hedge ratio is applied in Winter and Outdoor. At the end of 2011, the Group had hedged 80% of the 2012 EUR/USD net cash flow at an average EUR/USD rate of 1.38. This covers over 80% of spring/summer 2012 and half of the fall/winter 2012 USD purchases in Apparel and Footwear where the EUR/USD exposure is the highest.

Because Amer Sports' consolidated financial statements are presented in euros, Amer Sports is 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, GBP, CAD and JPY, with net flows varying from EUR 45 million to EUR 55 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 AND INVESTMENTS

The Group's capital expenditure totaled EUR 51.4 (39.9) million. The increase is mainly due to investments into the operational efficiency program in Winter Sports Equipment. Depreciation totaled EUR 35.8 million (35.8).

Cash flow from acquisition was EUR -6.5 million (0.0) and from divestments EUR 5.3 million (0.0).

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 seven R&D and design sites globally serving different business areas as well as increasingly collaborating across units. A total of EUR 64.2 million was invested in research and development in 2011, accounting for 9.2% of all operating expenses (2010: EUR 57.4 million, 8.8% of operating expenses; 2009: EUR 52.0 million, 9.0% of operating expenses). Winter and Outdoor's share of the R&D expenditure was 66%, while Ball Sports accounted for 13% and Fitness for 21%.

On December 31, 2011, 583 (514) 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 ecommerce.

Amer Sports' strategic priorities include strengthening the consumer understanding and consumer relevance (Win with Consumers) and strengthening the Group's commercial fundamentals through sales and distribution (Win in Go to Market).

In Winning with Consumers, Amer Sports established in 2011 regional consumer marketing operations in Shanghai for Asia and in Portland for the Americas to improve the brands' local consumer understanding and relevance.

In Winning in Go to Market, the focus was on expanding the distribution footprint both in developed and new expansion markets as well as growing in own retail and ecommerce. During the year, Amer Sports made several investments in its sales and distribution organization: it developed specific distribution tracking metrics, expanded its sales force to increase market coverage, developed its trade and co-marketing programs with retailers and distributors to drive broader coverage across the product portfolio and restructured its processes to proactively identify areas of joint benefits from collaboration across product portfolio. In the new expansion markets of Russia, China and Latin America, the growth was significant and in 2011, these markets accounted for 7% (5) of the Group's net sales.

At the end of 2011, Amer Sports had 172 (150) brand stores. The majority of the stores are operated by local, independent partners. In 2011, Amer Sports strengthened its ecommerce. Of the brands, Salomon, Suunto and Arc'teryx are selling on-line in selected countries.

On December 31, 2011, the Amer Sports shared sales network covered 33 countries. 2,454 (2,205) persons were employed in sales and distribution activities, representing approximately 35% (33) of the total number of people employed by Amer Sports. 560 (510) persons were employed in marketing activities.

SUPPLY CHAIN MANAGEMENT

Reliable, efficient and timely supply chain management is an important element in Amer Sports' strategy. In 2011, the main focus was to lead step change in customer service excellence.

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. Approximately 10% of Amer Sports' production value is in the Americas, 30% in EMEA and 60% in Asia Pacific, with China representing approximately 30% of the total.

Amer Sports manufactures approximately 20% of its products itself and approximately 15% is produced by partially outsourced vendors. Of Amer Sports' total production value, approximately 65% is outsourced. This includes manufacturing in all Racquet Sports and Golf products, 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' People Strategy is designed to support the company's strategy, strategic business initiatives and focus areas. The People Strategy goals in 2011 were as follows:

- Build capabilities and nourish engagement
- Enhance strong performance culture and coaching leadership
- Leverage strong HR partnership

In 2011, Amer Sports developed its talent management model further to enhance organizational capability building and talent rotation. A special program was established to build capabilities in Amer Sports sales force.

Employee engagement survey, which measures employee engagement and job satisfaction, showed an improvement of all survey items since the previous survey conducted in 2009. On the basis of the survey, 80% of the respondents are extremely satisfied with Amer Sports as a place to work. The response rate was 90%.

On December 31, 2011, the number of Group employees was 7,061 (December 31, 2010: 6,645; December 31, 2009: 6,331). The increase came mainly from personnel working in sales and distribution. The average number of personnel in 2011 was 6,921 (2010: 6,545; 2009: 6,362). At the end of 2011, men represented 62% (2010: 62%; 2009: 62%) of Amer Sports employees and women 38% (2010: 38%; 2009: 38%).

Salaries, incentives and other related costs paid in 2011 totaled EUR 358.7 million (2010: 336.4; 2009: 301.5). The Amer Sports' reward system is based on performance focusing on team and individual accountability. Basic pay is supplemented by performance-based bonus schemes and long-term incentive programs.

	December 31, 2011	December 31, 2010	Change, %
Winter and Outdoor	**4,590**	4,293	**7**
Ball Sports	**1,631**	1,590	**3**
Fitness	**749**	691	**8**
Headquarters and shared services	**91**	71	**28**
Total	**7,061**	6,645	**6**

	December 31, 2011	December 31, 2010	Change, %
EMEA	**4,185**	3,903	**7**
Americas	**2,312**	2,214	**4**
Asia Pacific	**564**	528	**7**
Total	**7,061**	6,645	**6**

	December 31, 2011	December 31, 2010	Change, %
Manufacturing and sourcing	**2,588**	2,579	**0**
Sales and distribution	**2,454**	2,205	**11**
Support functions and shared services	**876**	837	**5**
R&D	**583**	514	**13**
Marketing	**560**	510	**10**
Total	**7,061**	6,645	**6**

SOCIAL RESPONSIBILITY

Amer Sports is committed to implementing 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, social responsibility, and environment. The audit process includes factory visits and training sessions with factory management to assist them in meeting the company standards. All new suppliers are audited before an order can be placed.

In 2011, the company participated for the first time in Carbon Disclosure Project (CDP) and positioned globally in the mid-range level.

BUSINESS SEGMENT REVIEWS

WINTER AND OUTDOOR

EUR million	2011	2010	Change, %	Change, %*)
Net sales				
Winter Sports Equipment	**448.4**	438.4	**2**	2
Footwear	**287.7**	219.6	**31**	31
Apparel	**191.6**	156.6	**22**	22
Cycling	**120.5**	106.4	**13**	14
Sports Instruments	**89.4**	94.0	**-5**	-4
Net sales, total	**1,137.6**	1,015.0	**12**	12
EBIT excluding non-recurring items	**118.5**	96.9	**22**	
EBIT % excluding non-recurring items	**10.4**	9.5		
Non-recurring items	**-**	-10.0		
EBIT total	**118.5**	86.9	**36**	
Personnel, Dec 31	**4,590**	4,293	**7**	

*) Comparable sales in local currencies

In 2011, Winter and Outdoor's net sales were EUR 1,137.6 million (1,015.0), an increase of 12% in local currencies. Net sales growth was driven by Footwear, with an increase of 31%, supported by Apparel, up by 22%, and Cycling, up by 14%. EMEA, the largest geographical area of Winter and Outdoor, increased by 9%, the Americas by 23% and Asia Pacific by 10%.

EUR million	2011	2010	Change, %	Change, %*)
EMEA	**751.3**	687.2	**9**	9
Americas	**253.4**	211.3	**20**	23
Asia Pacific	**132.9**	116.5	**14**	10
Total	**1,137.6**	1,015.0	**12**	12

*) Comparable sales in local currencies

In 2011, EBIT was EUR 118.5 million (96.9, excluding non-recurring items). Increased sales volumes contributed approximately EUR 53 million to the EBIT growth while higher gross margins contributed approximately EUR 18 million. Operating expenses increased by approximately EUR 48 million due to sales and distribution costs (all in local currencies).

Winter Sports Equipment

In 2011, Winter Sports Equipment's net sales totaled EUR 448.4 million (438.3) and were up by 2% in local currencies. The biggest product categories were alpine ski equipment, representing 75% of net sales, cross country 16%, and snowboards 9%. Net sales of alpine ski equipment increased in local currencies by 2% and cross country ski equipment by 6%, and snowboards decreased by 5%. In 2011, 67% of the Winter Sports Equipment business area's net sales were derived from EMEA, 20% from the Americas, and 13% from Asia Pacific. Net sales increased in the Americas by 23% and in Asia Pacific by 3%, and decreased in EMEA by 4%. At the end of the year, in-season order intake was adversely impacted by the warm early season weather in key markets.

The operational efficiency program which started in 2010 continued to deliver increased margins and improved customer service throughout 2011. The main focus areas during the year were to increase flexibility by match supply to demand as well as to increase standardization by reducing the number of stock-keeping units.

Footwear

In 2011, Footwear's net sales were EUR 287.7 million (219.6) and were up by 31% in local currencies. The growth came from all product segments. EMEA represented 80% of global sales, followed by the Americas with 16%, and Asia Pacific with 4%. Net sales increased in EMEA by 26%, in the Americas by 56% and in Asia Pacific by 4%. Pre-orders for spring/summer 2012 are up by 14%.

Apparel

In 2011, Apparel's net sales totaled EUR 191.6 million (156.6) and were up by 22% in local currencies. EMEA was 49% of global sales, the Americas 38%, and Asia Pacific 13%. Net sales increased in EMEA by 15%, in the Americas by 26% and in Asia Pacific by 47%. Pre-orders for spring/summer 2012 are up by 28%.

Cycling

In 2011, Cycling's net sales were EUR 120.5 million (106.4) and were up by 14% in local currencies. Rims, wheels and pedals represented 83% of net sales, and cycling apparel and footwear 17%. Net sales of rims, wheels and pedals increased in local currencies by 11% and cycling apparel and footwear by 24%. Cycling's net sales by geographical region was as follows: EMEA 64%, Asia Pacific 19%, and the Americas 17%. Net sales increased in EMEA by 18% and in the Americas by 26% and decreased in Asia Pacific by 9%.

Sports Instruments

In 2011, Sports Instruments' net sales totaled EUR 89.4 million (94.0) and declined by 4% in local currencies. Underlying sales excluding the divested businesses increased by 6%. The biggest product categories were outdoor products, representing 47% of net sales, diving instruments 22% and training 20%. Outdoor products sales grew by 13% and diving instruments by 5%. The distribution of net sales by geographical region was as follows: EMEA 45%, Asia Pacific 31% and the Americas 24%. Net sales increased in Asia Pacific by 6%, were at previous year's level in EMEA and decreased in the Americas by 16%.

In line with Suunto's new focused strategy, Amer Sports sold the diving suit company Fitz-Wright Holdings Ltd. to Huish Acquisition LLC in April 2011. In June 2011, Amer Sports sold TackTick Ltd to Raymarine, a subsidiary of the Flir Group. TackTick offers wireless solar powered instruments for the marine market. The divestments had no material impact on Amer Sports' financial results.

BALL SPORTS

EUR million	2011	2010	Change, %	Change, %*)
Net sales				
Racquet Sports	**213.8**	232.5	**-8**	-7
Team Sports	**228.0**	212.1	**7**	11
Golf	**69.2**	76.0	**-9**	-7
Net sales, total	**511.0**	520.6	**-2**	0
EBIT excluding non-recurring items	**25.0**	32.2	**-22**	
EBIT % excluding non-recurring items	**4.9**	6.2		
Non-recurring items	**-**	-2.7		
EBIT total	**25.0**	29.5	**-15**	
Personnel, Dec 31	**1,631**	1,590	**3**	

*) Comparable sales in local currencies

In 2011, Ball Sports' net sales were EUR 511.0 million (520.6) and were at previous year's level in local currencies. Racquet Sports sales were down by 7% as the global tennis market declined and Japan was hit by the earthquake and tsunami in March. Team Sports continued its good performance and its net sales in local currencies increased by 11%.

Geographically, Ball Sports' sales increased in the Americas by 3% in local currencies, were stable in EMEA and declined by 9% in Asia Pacific.

EUR million	2011	2010	Change, %	Change, %*)
EMEA	**113.4**	114.0	**-1**	-1
Americas	**331.0**	334.4	**-1**	3
Asia Pacific	**66.6**	72.2	**-8**	-9
Total	**511.0**	520.6	**-2**	0

*) Comparable sales in local currencies

In 2011, EBIT was EUR 25.0 million (32.2, excluding non-recurring items) and declined by EUR 7 million due to lower gross margins.

Racquet Sports

In 2011, Racquet Sports' net sales were EUR 213.8 million (232.5) and declined by 7% in local currencies. The Americas accounted for 41% of the net sales, EMEA 37% and Asia Pacific 22%. In local currencies, EMEA remained at previous year's level, Asia Pacific declined by 13% and the Americas declined by 7%. The decline in the Americas was driven by the United States, where the tennis racket market is estimated to have declined by 10% (source: Tennis Industry Association, TIA). The decline in Asia Pacific was driven by the aftermath of the earthquake and tsunami in Japan.

The biggest product categories were tennis rackets, representing 37% of net sales, and tennis balls 24%. Net sales of tennis rackets declined by 18% and sales of tennis balls grew by 5%. Tennis apparel achieved accelerated growth, an increase of 33% in local currencies.

Team Sports

In 2011, Team Sports' net sales were EUR 228.0 million (212.1) and were up by 11% in local currencies driven mainly by baseball. The breakdown of Team Sports sales by region was as follows: the Americas 93%, EMEA 2% and Asia Pacific 5%. In local currencies, the Americas grew by 11%, EMEA by 20% and Asia Pacific by 6%.

The biggest product categories were American footballs, representing 22% of net sales, baseball and softball bats with 19%, basketballs with 19%, and baseballs and gloves with 17%.

Golf

In 2011, Golf's net sales were EUR 69.2 million (76.0) and declined by 7% in local currencies.

FITNESS

EUR million	2011	2010	Change, %	Change, %*)
Net sales	**232.2**	204.8	**13**	17
EBIT excluding non-recurring items	**10.3**	2.7		
EBIT % excluding non-recurring items	**4.4**	1.3		
Non-recurring items	**-**	-2.3		
EBIT total	**10.3**	0.4		
Personnel, Dec 31	**749**	691	**8**	

*) Comparable sales in local currencies

In 2011, Fitness' net sales were EUR 232.2 million (204.8) and increased by 17% in local currencies. Geographically, the Americas accounted for 68% of the net sales, EMEA 23% and Asia Pacific 9%. In local currencies, the Americas increased by 16%, EMEA by 19% and Asia Pacific by 19%.

The commercial business (clubs and institutions) represented 87% (89%) of Fitness' net sales while consumer (home use) was 13% (11%). Commercial business was up by 15% in local currencies due to new products and strengthened distribution. Consumer business was up by 34% as a result of improved distribution in retail and online channels.

In 2011, Fitness' EBIT was EUR 10.3 million (2.7, excluding non-recurring items). Increased sales volumes contributed approximately EUR 12 million to the EBIT growth while higher gross margins contributed approximately EUR 5 million. Operating expenses increased by approximately EUR 10 million mainly due to increased sales and distribution costs (all in local currencies).

EUR million	2011	2010	Change, %	Change, %*)
EMEA	**52.9**	44.5	**19**	19
Americas	**157.7**	142.2	**11**	16
Asia Pacific	**21.6**	18.1	**19**	19
Total	**232.2**	204.8	**13**	17

*) Comparable sales in local currencies

CHANGES IN GROUP STRUCTURE

Amer Sports sold the diving suit company Fitz-Wright Holdings Ltd. to Huish Acquisition LLC in April 2011. In June 2011, Amer Sports sold TackTick Ltd to Raymarine. TackTick offers wireless solar powered instruments for the marine market. The annual net sales of these businesses were approximately EUR 12 million.

Amer Sports acquired Nikita ehf, a snowboarding-inspired Action Sports apparel brand which focuses on female consumers, in December 2011. The annual net sales of Nikita are approximately EUR 8 million.

The transactions had no material impact on Amer Sports' 2011 financial results or balance sheet.

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 verified 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 January 1, 2011, Jussi Siitonen, Senior Vice President, Finance, was appointed to the position of Chief Financial Officer (CFO) and also became a member of the Amer Sports Executive Board.

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

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, 2011 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 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 was 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.

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 share-based incentive plans 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.

Amer Sports Board of Directors decided on August 15, 2011 to utilize the authorization given by the Annual General Meeting held on March 10, 2011 to repurchase Amer Sports shares. The repurchases were completed on November 24, 2011. The company repurchased a total of 3,000,000 own shares at an average price of EUR 9.18.

In 2011, Amer Sports acquired a total of 4 million own shares as follows:

Time	Amount	Total value, EUR	Purchase price (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
Aug. 23–Nov. 24, 2011	3,000,000	27,529,811.75	9.18	10.00 and 8.14

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.

Amer Sports held 4,012,125 (342,963) of its own shares at the end of 2011. Amer Sports Corporation owns 4,000,000 shares and Amer Sports International Oy 12,125 shares. The number of own shares corresponds to 3.30% (0.28) of all Amer Sports shares.

TRADING IN SHARES

In 2011, a total of 76.9 million (55.2) Amer Sports shares with a value totaling EUR 752.5 million (475.0) were traded on the NASDAQ OMX Helsinki Ltd. Share turnover was 64.2% (45.5) (expressed as a proportion of the average number of shares, excluding own shares). The average daily volume in 2011 was 303,975 shares (218,941).

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange on December 31, 2011 was EUR 9.00 (10.43). The share price declined 14% during the year while OMX Helsinki Cap index declined by 28%. Shares registered a high of EUR 11.97 (10.70) and a low of EUR 7.52 (6.82). The average share price was EUR 9.78 (8.61). On December 31, 2011, the company had a market capitalization of EUR 1,057.5 million (1,263.8), excluding own shares.

In addition to NASDAQ OMX Helsinki, Amer Sports shares were traded on several alternative market places, for example at Chi-X, BATS and Turquoise. In 2011, a total of 17.4 million Amer Sports shares were traded on alternative market places, or approximately 18% of the total amount of traded shares.

At the end of December, Amer Sports Corporation had 15,351 registered shareholders (15,400). Ownership outside of Finland and nominee registrations represented 48.7% (51.3) of the company's shares. Public sector entities owned 14.3% (13.2), households 12.1% (12.4), financial and insurance corporations 11.5% (13.1), non-profit institutions 7.6% (7.5), private companies 2.5% (2.2), and Amer Sports 3.30% (0.28).

MAJOR SHAREHOLDERS, DECEMBER 31, 2011
(DOES NOT INCLUDE NOMINEE REGISTRATIONS NOR SHARES HELD BY THE COMPANY)

		Shares	% of shares and votes
1.	Varma Mutual Pension Insurance Company	7,030,680	5.79
2.	Maa- ja Vesitekniikan Tuki ry.	5,000,000	4.11
3.	Ilmarinen Mutual Pension Insurance Company	4,333,460	3.57
4.	Tapiola Mutual Pension Insurance Company	2,863,091	2.36
5.	Brotherus Ilkka	2,685,573	2.21
6.	Mandatum Life Insurance Company Limited	2,361,721	1.94
7.	Odin Norden	1,830,442	1.51
8.	OP-Delta Fund	1,495,000	1.23
9.	The State Pension Fund	1,372,000	1.13
10.	Nordea Fennia Fund	960,000	0.79

NOTIFICATION OF CHANGE IN SHAREHOLDING UNDER THE FINNISH SECURITIES MARKET ACT

On February 2, 2011, Amer Sports Corporation received information to the effect that the Governance for Owners LLP's share capital and voting rights of Amer Sports had fallen below 5% on February 1, 2011.

On October 27, 2011, Amer Sports Corporation received information to the effect that the owners of institutional investors and funds, who have given full discretion over their investments to Silchester International Investors LLP, had fallen below 10% on October 25, 2011. At the time of the notification, Silchester International Investors LLP owned 12,109,051 shares, representing 9.96% of Amer Sports Corporation's share capital and voting rights.

On November 30, 2011, Amer Sports Corporation received information to the effect that Varma Mutual Pension Insurance Company's share capital and voting rights of Amer Sports had exceeded 5% on November 29, 2011. At the time of the notification, Varma Mutual Pension Insurance Company owned 6,305,214 shares, representing 5.19% 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, 2011

	Shares	Circle of acquaintances and controlled corporations
Board of Directors		
Anssi Vanjoki	30,590	0
Ilkka Brotherus	2,685,573	20,850
Martin Burkhalter	8,677	0
Christian Fischer	8,677	0
Hannu Ryöppönen	6,961	0
Bruno Sälzer	8,677	0
Pirjo Väliaho	10,888	0
Executive Board		
Heikki Takala	66,760	0
Paul Byrne	16,663	0
Chris Considine	23,992	0
Mike Dowse	12,244	0
Victor Duran	11,577	0
Matt Gold	10,262	0
Terhi Heikkinen	14,631	0
Antti Jääskeläinen	14,703	0
Bernard Millaud	20,610	0
Mikko Moilanen	13,596	0
Jean-Marc Pambet	24,007	0
Michael Schineis	26,486	0
Jussi Siitonen	12,136	300
Andy Towne	960	0
Vincent Wauters	41,264	0
Michael White	8,168	0
Total	3,078,102	21,150
% of shares	2.5	0.02
Including circle of acquaintances and controlled corporations	3,099,252	
% of shares	2.6	

During the year, the Group had two cash-based long-term incentive plans and three share-based incentive plans for Group key personnel. The incentive plans are described in the notes to the financial statements.

RESOLUTIONS OF THE GENERAL MEETINGS OF SHAREHOLDERS

At the Amer Sports Corporation Annual General Meeting held on March 10, 2011, the following resolutions were approved:

ADOPTION OF THE ANNUAL ACCOUNTS

The Annual General Meeting (AGM) approved Amer Sports Corporation's financial statements for 2010.

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 0.30 per share for the financial year ended December 31, 2010. The dividend was paid on March 22, 2011.

RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY

The AGM granted the members of the Board of Directors and the company's President and CEO Heikki Takala and Acting President and CEO Pekka Paalanne (January 1 – March 31, 2010) a discharge from liability for the financial year 2010.

RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

It was approved that the annual remuneration payable to the members of the Board of Directors be as follows: Chairman EUR 100,000, Vice Chairman EUR 60,000, and other members EUR 50,000. Remuneration is not 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 being paid in the form of the company's shares and 60% in cash.

RESOLUTION ON THE NUMBER OF THE MEMBERS OF THE BOARD OF DIRECTORS

The AGM confirmed that the number of the 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 Board of Directors. The Board of Directors' term of service will run until the close of the 2012 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 Authorized Public Accountants PricewaterhouseCoopers Oy to act as auditor of the company. The auditor in charge of the audit was elected to be Jouko Malinen, Authorized Public Accountant.

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 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.

BOARD OF DIRECTORS WORKING ARRANGEMENTS

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

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 consumer demand development in North America, Europe and Japan, with labor and raw material price inflation, especially in China, and with Amer

Sports' ability to manufacture, source and deliver products on a timely basis.

For example, the following risks could 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 a number of companies in most of the product categories. There cannot be any assurances 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 1/4 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.
- Labor 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 labor and raw material costs can have a negative impact on product costs.
- Amer Sports' most important production facilities are the Winter Sports Equipment's factories in Austria and Bulgaria, Precor's factory in the United States, and the Suunto's 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.
- Growing the number of Amer Sports' own retail stores requires 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.
- Losing a significant client would affect Amer Sports' sales. However, this risk is limited because Amer Sports' client base is diversified.
- 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 the countries in which 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 proportion 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 programs 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 2012

In 2012, Amer Sports will continue to invest into executing its long-term strategy and sustaining profitable growth.

Amer Sports expects broad-based improvement across business areas in 2012. In Winter Sports Equipment, the slow start of the 2011/12 season due to the warm weather in key markets is expected to have an adverse impact on the 2012 pre-orders. Apparel and Footwear pre-orders for spring/summer are up by 28% and 14%, respectively. Overall, Amer Sports' 2012 net sales in local currencies are expected to increase from 2011.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF EARNINGS

The parent company's distributable earnings amount to EUR 302,804,109.00 of which the net result for the period is EUR -23,571,703.99.

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

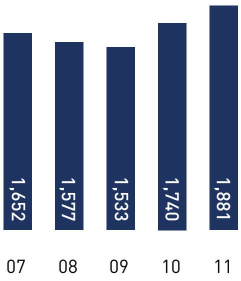
- A dividend of EUR 0.33 per share, totaling EUR 40,100,704.05 to be paid to shareholders
- EUR 262,703,404.95 to be carried forward in distributable earnings
- Totaling EUR 302,804,109.00

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.

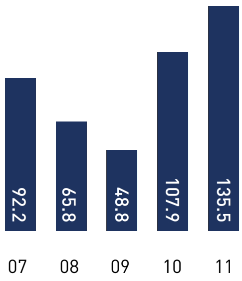
AMER SPORTS CORPORATION
Board of Directors

NET SALES, EUR million

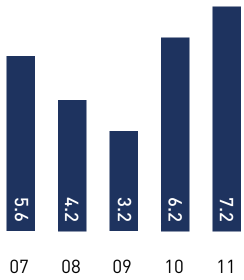


Target: delivering organic, currency-neutral annual growth of 5%

EBIT EXCLUDING NON-RECURRING ITEMS, EUR million

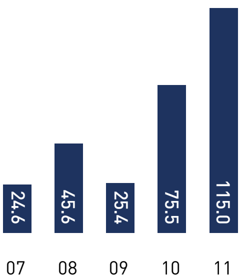


EBIT MARGIN, EXCLUDING NON-RECURRING ITEMS

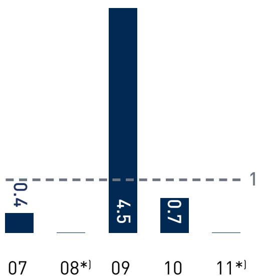


Target: EBIT of at least 10% of net sales

EARNINGS BEFORE TAXES, EUR million

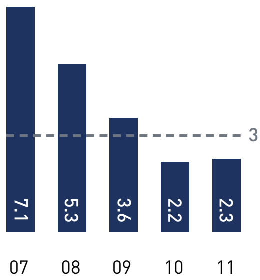


FREE CASH FLOW/ NET PROFIT



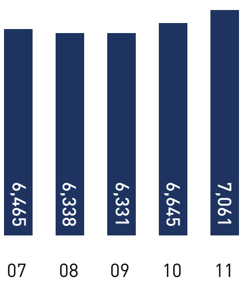
*) Negative
Target: annual free cash flow equal to net profit

NET DEBT/EBITDA



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

EMPLOYEES AT YEAR END



PERSONNEL BY BUSINESS SEGMENT

	At year end		Average	
	2011	**2010**	**2011**	**2010**
Winter and Outdoor	**4,590**	4,293	**4,488**	4,204
Ball Sports	**1,631**	1,590	**1,631**	1,589
Fitness	**749**	691	**728**	684
Headquarters and shared services	**91**	71	**74**	68
Total	**7,061**	6,645	**6,921**	6,545

PERSONNEL BY COUNTRY

	At year end	
	2011	**2010**
USA	**1,548**	1,460
France	**1,098**	1,003
Austria	**867**	844
Bulgaria	**683**	619
Canada	**625**	602
Finland	**403**	391
Germany	**357**	294
China	**211**	194
UK	**190**	201
Russia	**153**	110
Japan	**147**	139
Mexico	**87**	86
Switzerland	**72**	69
Taiwan	**66**	61
Italy	**64**	57
Spain	**61**	59
Poland	**61**	41
Brazil	**52**	66
Other countries	**316**	349
Total	**7,061**	6,645

QUARTERLY NET SALES

	I	**II**	**III**	**IV**	**I**	**II**	**III**	**IV**
EUR million	**2011**	**2011**	**2011**	**2011**	**2010**	**2010**	**2010**	**2010**
Winter and Outdoor	**233.5**	**133.4**	**395.7**	**375.0**	181.7	116.5	300.3	416.5
Ball Sports	**159.0**	**136.3**	**106.7**	**109.0**	145.4	153.9	114.0	107.3
Fitness	**56.6**	**45.9**	**56.8**	**72.9**	45.5	47.1	52.6	59.6
Total	**449.1**	**315.6**	**559.2**	**556.9**	372.6	317.5	466.9	583.4

QUARTERLY EBIT

	I	**II**	**III**	**IV**	**I**	**II**	**III**	**IV**
EUR million	**2011**	**2011**	**2011**	**2011**	**2010**	**2010**	**2010**	**2010**
Winter and Outdoor	**9.3**	**-15.1**	**79.3**	**45.0**	1.7	-24.2	58.2	51.2
Ball Sports	**17.7**	**9.1**	**-1.1**	**-0.7**	14.4	17.0	3.5	-5.4
Fitness	**3.3**	**-0.3**	**2.8**	**4.5**	-0.7	-3.7	2.8	2.0
Headquarters	**-4.6**	**-4.6**	**-6.6**	**-2.5**	-5.9	-6.0	-8.7	0.6
Total	**25.7**	**-10.9**	**74.4**	**46.3**	9.5	-16.9	55.8	48.4

FIVE-YEAR REVIEW

EUR million	2011	Change, %	2010	2009	2008	2007
Net sales	**1,880.8**	**8**	1,740.4	1,533.4	1,576.6	1,652.0
Depreciation	**35.8**		35.8	35.0	38.2	33.9
Research and development expenses	**64.2**	**12**	57.4	52.0	55.6	57.7
% of net sales	**3**		3	3	4	3
EBIT	**135.5**	**40**	96.8	43.8	78.9	49.5
% of net sales	**7**		6	3	5	3
Net financing expenses	**-20.5**		-21.3	-18.4	-33.3	-24.9
% of net sales	**1**		1	1	2	2
Earnings before taxes	**115.0**	**52**	75.5	25.4	45.6	24.6
% of net sales	**6**		4	2	3	1
Taxes	**24.1**		6.6	-6.0	11.6	6.1
Net result attributable to equity holders of the parent company	**90.8**	**32**	68.8	31.3	33.9	18.1
Capital expenditure and acquisitions	**57.9**	**45**	39.9	42.5	45.6	58.3
% of net sales	**3**		2	3	3	4
Divestments	**5.9**	**-40**	9.9	1.4	31.0	5.7
Non-current assets	**767.6**	**4**	741.6	693.0	688.0	682.6
Inventories	**359.7**	**19**	302.1	234.6	346.0	299.2
Current receivables	**611.9**	**16**	525.4	475.4	555.8	594.7
Cash and cash equivalents	**78.8**	**-7**	84.7	121.6	72.1	68.0
Shareholders' equity	**829.4**	**5**	790.2	735.3	508.1	509.7
Interest-bearing liabilities	**470.4**	**24**	379.5	404.1	687.7	656.2
Interest-free liabilities	**518.2**	**7**	484.1	385.2	466.1	478.6
Balance sheet total	**1,818.0**	**10**	1,653.8	1,524.6	1,661.9	1,644.5
Return on investment (ROI), %	**11.3**		8.5	3.8	7.3	4.5
Return on shareholders' equity (ROE), %	**11.2**		9.0	5.0	6.7	3.5
Equity ratio, %	**46**		48	48	31	31
Debt to equity ratio	**0.6**		0.5	0.6	1.4	1.3
Gearing, %	**47**		37	38	121	115
Free cash flow/net profit	**-**		0.7	4.5	-0.1	0.4
Net debt/EBITDA	**2.3**		2.2	3.6	5.3	7.1
Average personnel	**6,921**	**6**	6,545	6,362	6,285	6,582

Calculation of key indicators, see page 46

SHARE CAPITAL AND PER SHARE DATA

EUR million	2011	2010	2009	2008	2007
Share capital	**292.5**	292.2	292.2	292.2	289.3
Number of shares in issue, million	**121.5**	121.5	121.5	73.1	72.3
Adjusted number of shares in issue, million [1]	**121.5**	121.5	121.5	93.5	92.4
Adjusted number of shares in issue less own shares, million [1]	**117.5**	121.2	121.2	93.0	91.9
Adjusted average number of shares in issue less own shares, million [1]	**119.9**	121.2	97.7	92.7	92.1
Share issues					
Share issue, net	**-**	-	151.5 [2]	-	-
Directed issue	**-**	-	-	2.9	2.5
Earnings per share, continuing operations, EUR [1]	**0.71**	0.52	0.28	0.37	0.20
Earnings per share, diluted, continuing operations, EUR [1]	**0.71**	0.52	0.28	0.37	0.20
Equity per share, EUR [1]	**7.03**	6.50	6.05	5.44	5.51
Total dividends	**40.1** [3]	36.3	19.4	11.6	36.3
Dividend per share, EUR [1]	**0.33** [3]	0.30	0.16	0.13	0.39
Dividend % of earnings	**44** [3]	53	62	34	201
Effective yield, %	**3.7** [3]	2.9	2.3	3.0	2.7
P/E ratio	**12.6**	19.9	25.4	11.4	74.0
Market capitalization	**1,057.5**	1,263.8	848.3	389.7	1,329.1
Share value, EUR					
Par value	**4.00**	4.00	4.00	4.00	4.00
Share price low [1]	**7.52**	6.82	3.67	3.83	12.13
Share price high [1]	**11.97**	10.70	7.19	14.86	16.81
Average share price [1]	**9.78**	8.61	6.45	9.06	13.58
Share price at closing date [1]	**9.00**	10.43	7.00	4.19	14.46
Trading volume	**752.5**	475.0	458.3	1,172.5	2,817.9
1,000s	**76,906**	55,173	71,036	101,259	162,204
%	**64**	45	76	140	225
Number of shareholders	**15,351**	15,400	13,342	12,320	12,280

[1] The share-based key indicators of years 2007–2008 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 2011

Calculation of key indicators, see page 46

SHARES/SHAREHOLDER AS OF DECEMBER 31, 2011

Shares	Share-holders	% of share-holders	Shares	% of shares
1–100	3,204	20.9	187,040	0.2
101–1,000	8,855	57.7	3,799,617	3.1
1,001–10,000	3,012	19.6	7,658,785	6.3
10,001–100,000	221	1.4	5,927,451	4.9
Over 100,000	59	0.4	99,932,267	82.2
Own shares held by the company			4,012,125	3.3
Total	15,351	100.0	121,517,285	100.0
of which nominee registered	14	0.1	55,305,671	45.5

SECTORS AS OF DECEMBER 31, 2011

	%
Outside Finland and nominee registrations	48.7
Public sector entities	14.3
Households	12.1
Financial and insurance corporations	11.5
Non-profit institutions	7.6
Private companies	2.5
Own shares held by the company	3.3
Total	100.0

CONSOLIDATED INCOME STATEMENT

EUR million	Note	2011	2010
NET SALES		**1,880.8**	1,740.4
Cost of goods sold	7	**-1,063.4**	-998.4
GROSS PROFIT		**817.4**	742.0
License income		**8.7**	9.5
Other operating income	4	**5.4**	12.4
R&D expenses	7	**-64.2**	-57.4
Selling and marketing expenses	7	**-475.9**	-443.1
Administrative and other expenses	7, 8, 9	**-155.9**	-166.6
EARNINGS BEFORE INTEREST AND TAXES	5, 6, 7	**135.5**	96.8
% of net sales		**7.2**	5.6
Financing income	10	**0.8**	0.6
Financing expenses	10	**-21.3**	-21.9
Financing income and expenses		**-20.5**	-21.3
EARNINGS BEFORE TAXES		**115.0**	75.5
Taxes	11	**-24.1**	-6.6
NET RESULT		**90.9**	68.9
Attributable to:			
Equity holders of the parent company		**90.8**	68.8
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		**0.71**	0.52
Diluted		**0.71**	0.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	2011	2010
Net result		**90.9**	68.9
Other comprehensive income			
Translation differences		**7.7**	28.7
Cash flow hedges	26	**17.3**	-0.2
Income tax related to cash flow hedges	26	**-4.5**	0.0
Other comprehensive income, net of tax		**20.5**	28.5
TOTAL COMPREHENSIVE INCOME		**111.4**	97.4
Total comprehensive income attributable to:			
Equity holders of the parent company		**111.3**	97.3
Non-controlling interests		**0.1**	0.1

The notes are an integral part of consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	2011	2010
NET CASH FLOW FROM OPERATING ACTIVITIES			
Earnings before interest and taxes		**135.5**	96.8
Depreciation		**35.8**	35.8
Adjustments to cash flow from operating activities	22	**2.1**	-7.5
Cash flow from operating activities before change in working capital		**173.4**	125.1
Increase (-) or decrease (+) in inventories		**-57.5**	-53.6
Increase (-) or decrease (+) in trade and other current receivables		**-63.8**	-26.0
Increase (+) or decrease (-) in interest-free current liabilities		**23.7**	60.8
Change in working capital		**-97.6**	-18.8
Cash flow from operating activities before financing items and taxes		**75.8**	106.3
Interest paid		**-21.1**	-14.9
Interest received		**0.6**	0.6
Income taxes paid and received		**-24.7**	-11.9
Financing items and taxes		**-45.2**	-26.2
Total net cash flow from operating activities		**30.6**	80.1
NET CASH FLOW FROM INVESTING ACTIVITIES			
Acquired operations	3	**-6.5**	-
Sold operations	3	**5.3**	-
Capital expenditure on non-current tangible assets		**-44.1**	-31.1
Capital expenditure on non-current intangible assets		**-7.3**	-8.8
Proceeds from sale of tangible non-current assets		**0.6**	9.9
Net cash flow from investing activities		**-52.0**	-30.0
NET CASH FLOW AFTER INVESTING ACTIVITIES (FREE CASH FLOW)		**-21.4**	50.1
NET CASH FLOW FROM FINANCING ACTIVITIES			
Repurchase of own shares		**-36.7**	-
Change in short-term borrowings		**193.4**	-111.7
Withdrawals of long-term borrowings		**73.5**	180.0
Repayments of long-term borrowings		**-174.5**	-117.0
Interest on hybrid bond		**-7.2**	-7.2
Dividends paid *)		**-36.4**	-19.5
Other financing items **)		**2.5**	-15.6
Net cash flow from financing activities		**14.6**	-91.0
CHANGE IN CASH AND CASH EQUIVALENTS		**-6.8**	-40.9
Cash and cash equivalents			
Cash and cash equivalents at year end		**78.8**	84.7
Translation differences		**0.9**	4.0
Cash and cash equivalents at year beginning		**84.7**	121.6
Change in cash and cash equivalents		**-6.8**	-40.9

*) Dividends paid also include the dividend distributed to minority shareholders (2011: EUR 0.1 million, 2010: EUR 0.1 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

ASSETS

EUR million	Note	2011	2010
NON-CURRENT ASSETS	13		
Intangible rights		**194.3**	191.8
Goodwill		**295.7**	286.7
Other intangible assets		**20.2**	22.4
Land and water		**15.1**	15.0
Buildings and constructions		**48.5**	47.2
Machinery and equipment		**81.4**	70.9
Other tangible assets		**1.4**	0.8
Advances paid and construction in progress		**11.4**	6.3
Available-for-sale financial assets	14	**0.6**	0.7
Deferred tax assets	15	**95.6**	97.8
Other non-current receivables		**3.4**	2.0
TOTAL NON-CURRENT ASSETS		**767.6**	741.6
CURRENT ASSETS			
INVENTORIES	16		
Raw materials and consumables		**41.6**	45.8
Work in progress		**11.3**	10.8
Finished goods		**306.8**	245.5
		359.7	302.1
RECEIVABLES			
Accounts receivable	16	**518.4**	462.6
Loans receivable		**0.1**	0.2
Current tax assets		**13.0**	8.6
Prepaid expenses and other receivables	17	**80.4**	54.0
		611.9	525.4
CASH AND CASH EQUIVALENTS	14	**78.8**	84.7
TOTAL CURRENT ASSETS		**1,050.4**	912.2
TOTAL ASSETS	28	**1,818.0**	1,653.8

The notes are an integral part of consolidated financial information.

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Note	2011	2010
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		**-36.9**	-5.6
Translation differences		**-26.6**	-34.3
Fair value and other reserves	26	**7.2**	-5.6
Invested unrestricted equity reserve		**151.5**	151.5
Hybrid bond	29	**60.0**	60.0
Retained earnings		**276.5**	248.5
Net result		**90.8**	68.8
TOTAL		**826.8**	787.6
NON-CONTROLLING INTERESTS		**2.6**	2.6
TOTAL SHAREHOLDERS' EQUITY		**829.4**	790.2
LIABILITIES			
LONG-TERM LIABILITIES			
Bonds	19	**236.1**	180.0
Loans from financial institutions	19	**0.9**	77.5
Pension loans	19	**14.3**	20.0
Other interest-bearing liabilities	19	**0.1**	1.2
Deferred tax liabilities	15	**6.4**	8.3
Other interest-free liabilities		**16.3**	11.3
Provisions	21	**2.9**	3.3
		277.0	301.6
CURRENT LIABILITIES			
Interest-bearing liabilities	19	**219.0**	100.8
Accounts payable		**200.3**	181.8
Accrued liabilities	20	**240.3**	232.6
Current tax liabilities		**22.5**	20.2
Provisions	21	**29.5**	26.6
		711.6	562.0
TOTAL LIABILITIES	28	**988.6**	863.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,818.0**	1,653.8

The notes are an integral part of consolidated financial information.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the parent company										
EUR million	**Share capital**	**Premium fund**	**Fund for own shares**	**Translation differences**	**Fair value and other reserves**	**Invested unrestricted equity reserve**	**Hybrid bond**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total shareholders' equity**
Balance at January 1, 2010	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
Interest on 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
Other comprehensive income:											
Translation differences				7.7					7.7		7.7
Cash flow hedges					17.3				17.3		17.3
Income tax related to cash flow hedges					-4.5				-4.5		-4.5
Net result								90.8	90.8	0.1	90.9
Total comprehensive income				7.7	12.8			90.8	111.3	0.1	111.4
Transactions with owners:											
Repurchase of own shares			-31.3						-31.3		-31.3
Share-based incentive program								0.8	0.8		0.8
Dividend distribution								-36.3	-36.3	-0.1	-36.4
Interest on hybrid bond *)								-5.3	-5.3		-5.3
Balance at December 31, 2011	292.2	12.1	-36.9	-26.6	7.2	151.5	60.0	367.3	826.8	2.6	829.4

*) 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's shared sales network covers 33 countries. The Group's main market areas are the United States and Europe.

These financial statements were authorized for issue by the Board of Directors on January 31, 2012.

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, 2011. 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, amendments and interpretations as of January 1, 2011 which did not have material impact on the Group's financial statements:

- IFRS 3 (amendment): Transition requirements for contingent consideration, measurement of non-controlling interests and share-based rewards
- IFRS 7 (amendment): Financial instruments: disclosures
- 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 instrument
- Small changes to various standards or interpretations as part of the annual improvements to IFRS project.

The following amendments that will come into force in 2012 are expected not to have any material effect on the consolidated financial statements, as currently estimated by the Group:

- IFRS 7 (amendment): Financial instruments: disclosures – derecognition
- IFRS 12 (amendment): Income taxes – deferred tax

The following standards and amendments will be adopted in 2013 or later (subject to EU endorsement):

- IFRS 9: Financial instruments
- IFRS 10: Consolidated financial statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of interests in other entities
- IFRS 13: Fair value measurement
- IAS 1 (amendment): Presentation of financial statement – other comprehensive income
- IAS 19 (amendment): Employee benefits
- IAS 27 (revised 2011): Separate financial statements
- IAS 28 (revised 2011): Associates and joint ventures
- IAS 32 (amendment): Offsetting financial assets and financial liabilities
- IFRS 7 (amendment): Financial instruments: disclosures – offsetting financial assets and financial liabilities

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**	
	2011	**2010**	**12/11**	**12/10**
USD	**1.39**	1.33	**1.29**	1.34
CAD	**1.38**	1.37	**1.32**	1.33
JPY	**111.10**	116.70	**100.20**	108.65
GBP	**0.87**	0.86	**0.84**	0.86

*) 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 2011 or 2010.

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 and sales, 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 and shares granted on the basis of share-based incentive plans 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 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 4.5 million as of December 31, 2011.

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, 2011 amounted to EUR 3.9 million and for the deferred cash long-term incentive programs EUR 2.7 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. As of December 31, 2011, the company has recognized net deferred tax assets of EUR 89.2 million 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, 2011, the amount of goodwill and other non-current intangible assets with indefinite useful lives tested for impairment amounted to EUR 292.4 million and EUR 183.7 million, respectively. No impairment losses were recognised in 2011 or 2010. 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, 2011, the amount of inventories on balance sheet amounted to EUR 359.7 million. Value of inventories has been decreased by EUR 26.5 million for the year ended December 31, 2011 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, 2011, the amount of accounts receivable on balance sheet amounted to EUR 518.4 million and impairment losses of accounts receivable amounted to EUR 24.4 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, 2011, the amount of provisions on balance sheet was EUR 32.4 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 2011 and 2010. 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

2011

EUR million	Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
Net sales	1,137.6	511.0	232.2	1,880.8	-	1,880.8
EBIT	118.5	25.0	10.3	153.8	-18.3	135.5
% of net sales	10.4	4.9	4.4	8.2	-	7.2
Financing income and expenses					-20.5	-20.5
Earnings before taxes						115.0
Goodwill and intangible assets with indefinite useful lives	228.3	104.0	150.3	482.6	-	482.6
Other assets	731.7	280.4	103.5	1,115.6	219.8	1,335.4
Liabilities	265.0	141.6	56.2	462.8	525.8	988.6
Capital expenditure	36.6	7.4	5.9	49.9	1.5	51.4
Depreciation	22.1	8.7	4.5	35.3	0.5	35.8
Cash flow from operating activities before financing items and taxes	56.5	27.2	6.8	90.5	-14.7	75.8

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

Geographical segments

2011

EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	742.1	917.6	221.1	-	-	1,880.8
Assets	477.6	673.0	114.7	-120.5	673.2	1,818.0
Capital expenditure	11.8	37.1	2.5	-	-	51.4

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

3. ACQUIRED AND DIVESTED BUSINESSES

There were no significant business acquisitions or company divestments in 2011 and 2010.

In line with Suunto's strategy to focus on outdoor and diving instruments, Amer Sports sold the diving suit company Fitz-Wright Holdings Ltd. to Huish Acquisition LLC in April 2011.

In June 2011, Amer Sports sold TackTick Ltd to Raymarine, a subsidiary of the Flir Group. TackTick offers wireless solar powered instruments for the marine market.

Total sales price of these two divested operations was EUR 5.3 million. Annual net sales of Fitz-Wright and TackTick were EUR 12.2 million in 2010.

Amer Sports acquired Nikita ehf, a snowboarding inspired action sports apparel brand which focuses on female consumers, on December 16, 2011. Annual net sales of Nikita is approximately EUR 8 million. Total purchase consideration was EUR 6.5 million, out of which EUR 1.6 million was allocated to Nikita's trademark and EUR 3.3 million to goodwill. The acquisition of Nikita enables Amer Sports to enter and invest into new business category where it had no strong presence in the past. As Nikita's closing accounts at the date of the business combination have not been completed, the purchase price allocation is a draft and it will be finalized in 2012.

The above transactions had no material impact on Amer Sports 2011 financial results or balance sheet.

4. OTHER OPERATING INCOME

EUR million	2011	2010
Rental return on real estate	**2.0**	1.7
Gain on sale of non-current assets *)	**0.2**	8.3
Changes in the fair value of foreign exchange contracts not used in hedge accounting	**0.0**	0.0
Other	**3.2**	2.4
Total	**5.4**	12.4

*) 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	2011	2010
Wages and salaries	**285.4**	268.0
Social expenditure		
Pensions – defined contribution plans	**8.5**	9.1
Pensions – defined benefit plans	**2.8**	1.3
Other social security	**62.0**	58.0
Total	**358.7**	336.4

In countries where social expenditure paid to the 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 66% (74%) of the Group's total value. In addition to USA, the Group has defined benefit pension plans in France, Switzerland and UK. 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	2011	2010
Present value of funded obligations	**114.7**	101.0
Fair value of plan assets	**-79.6**	-77.4
Deficit/(surplus)	**35.1**	23.6
Unrecognized actuarial gains (+) and losses (-)	**-30.6**	-18.6
Net liability in the balance sheet at December 31	**4.5**	5.0

Net liability in the balance sheet:

EUR million	2011	2010
Assets	**4.4**	4.4
Liabilities	**8.9**	9.4
Net liability at December 31	**4.5**	5.0

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	2011	2010
Current service cost	**2.0**	1.9
Interest cost	**5.5**	5.7
Expected return on plan assets	**-5.7**	-5.4
Settlements and curtailments	**0.0**	-1.0
Recognised actuarial gains (-) and losses (+)	**1.0**	0.1
Total, included in personnel expenses	**2.8**	1.3

Amounts recognized in the income statement per function:

EUR million	2011	2010
Cost of goods sold	**0.0**	0.0
Selling and marketing	**1.3**	1.1
Administration	**1.5**	0.2
Total	**2.8**	1.3
The actual return on plan assets	**0.1**	7.6

Movements in the present value of obligations:

EUR million	2011	2010
Present value of obligations at January 1	**101.0**	87.5
Current service cost	**2.0**	1.9
Interest cost	**5.5**	5.7
Actuarial gains (-) and losses (+)	**7.1**	9.6
Unrecognised past service cost	**0.0**	1.2
Settlements and curtailments	**-1.0**	-6.4
Translation differences	**2.9**	5.1
Benefits paid	**-2.8**	-3.6
Present value of obligations at December 31	**114.7**	101.0

Movements in the fair value of plan assets:

EUR million	2011	2010
Fair value of plan assets at January 1	**77.4**	70.3
Expected return of plan assets	**5.7**	5.4
Actuarial gains (-) and losses (+)	**-5.4**	2.2
Settlements	**0.0**	-3.8
Contributions paid by the employer	**2.5**	2.1
Translation differences	**2.2**	4.8
Benefits paid	**-2.8**	-3.6
Fair value of plan assets at December 31	**79.6**	77.4

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

%	2011	2010
Equity	**40**	42
Bonds	**52**	48
Other	**8**	10
Total	**100**	100

Principal actuarial assumptions:

	2011		2010	
%	USA	Europe	USA	Europe
Discount rate	**5.2–5.5**	**2.4–5.4**	5.7–6.0	2.5–5.7
Expected return on plan assets	**8.0**	**2.5–6.4**	8.0	2.5–6.6
Future salary increases	**4.0**	**1.0–3.0**	4.0	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	2011	2010
Present value of obligations	**114.7**	101.0
Fair value of plan assets	**79.6**	77.4
Surplus (+) / Deficit (-)	**-35.1**	-23.6
Experience adjustments on plan assets	**-5.1**	2.4

The Group expects to contribute EUR 4.3 million to its defined benefit pension plans in 2012.

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation and amortization by asset type

EUR million	2011	2010
Intangible rights	**4.3**	7.2
Other intangible assets	**7.3**	4.0
Buildings and constructions	**3.6**	3.6
Machinery and equipment	**20.6**	21.0
Total	**35.8**	35.8

Depreciation, amortization and impairment losses by function

EUR million	2011	2010
Cost of goods sold	**10.4**	9.8
Research and development	**1.4**	1.6
Selling and marketing	**6.6**	5.9
Administration and other expenses	**17.4**	18.5
Total	**35.8**	35.8

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 amortization.

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 Gear, Cycling, Sports Instruments, Racquet Sports, Team Sports, Golf, and Fitness.

The impairment tests were calculated during the fourth quarter of 2011 on budgeted 2012 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 11.45%–13.06% pre-tax (11.65%); equal to 9.02%–9.12% post-tax (8.60%). The main components of the discount rate were:

	2011	2010
Risk Free Interest Rate	**2.70%**	3.04%
Equity Market Risk Premium	**6.70%**	5.52%
Asset Beta (Unlevered Beta)	**0.93**	0.97
Debt Risk Premium	**1.98%**	2.75 %
Tax Rate	**26%–35%**	26%–35%

The main change to discount rate arised from revised asset beta calculation. In 2010, the asset beta was calculated against OMXHCap index and in 2011, it was calculated from a peer group analysis 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 2011	Goodwill 2010	Intangible rights with indefinite useful lives 2011	Intangible rights with indefinite useful lives 2010
Winter and Outdoor					
Winter Sports Equipment	11.5	**11.7**	11.7	**85.0**	84.6
Salomon Apparel and Footwear	11.7	**-**	-	**64.1**	63.7
Arc'teryx Apparel and Gear	13.1	**-**	-	**9.0**	8.9
Cycling	11.9	**-**	-	**23.3**	23.3
Sports Instruments	11.9	**28.7**	28.9	**-**	-
Ball Sports					
Racquet Sports	12.9	**59.5**	57.6	**-**	-
Team Sports	12.9	**44.5**	43.1	**-**	-
Fitness					
Fitness	12.7	**148.0**	145.4	**2.3**	2.2
Total	12.1	**292.4**	286.7	**183.7**	182.7

In 2011 and 2010, 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 2011.

	-2%	-1%	Growth	1%	2%
-2%	0	0	0	0	0
-1%	0	0	0	0	0
Rate	1	0	0	0	0
1%	23	9	0	0	0
2%	43	29	17	0	0

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. 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 2011.

	-2%	-1%	Growth	1%	2%
2%	0	0	0	0	0
1%	0	0	0	0	0
EBIT-%	0	0	0	0	0
-1%	23	12	2	0	0
-2%	61	52	42	33	22

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	2011	2010
Statutory audit	**1.8**	1.8
Tax consulting	**0.4**	0.5
Other services	**0.3**	0.2
Total	**2.5**	2.5

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. In some arrangements, the reward is payable only in cash.

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 the 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 were as of April 2011, and 50 percent will be as of April 2012. Rewards from the restricted stock plan correspond to a maximum value of approximately 400,000 shares. At the end of 2011, the 17 key employees covered by the restricted stock plan had originally received a total of 87,922 shares.

Restricted stock plan has been measured at fair value 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 2010

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. Rewards from the plan for the earning period 2010 was 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 from the plan for the earning period 2011 will be based on Group's EBIT and net sales. Potential rewards 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. By the end of 2011, as a reward for meeting this condition, 40,698 shares were transferred to key personnel participating in the performance share plan.

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 December 31, 2012, on December 31, 2013 and on December 31, 2014 respectively. 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. By the end of 2011, in relation to the earning period 2010, 210,140 shares were transferred to key personnel participating in the performance share plan.

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 2011, 57 key employees were covered by the performance share plan for earning period 2010 and 61 key employees by the performance share plan for the earning period 2011.

Performance share plan has been measured at fair value 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. The cash payment accrued relating to shares not yet conveyed has been revalued at the share market price prevailing on the closing date.

Restricted stock plan 2010

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 December 31, 2012, December 31, 2013 and on December 31, 2014 respectively. 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. By the end of 2011 and in relation to earning period 2010, 80,000 shares were transferred to key employees participating in the restricted stock plan.

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 2011, 19 key executives were covered by the restricted stock plan for the earning period 2010 and 25 key executives by restricted stock plan for the earning period 2011.

Restricted stock plan has been measured at fair value 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. The cash payment accrued relating to shares not yet conveyed has been revalued at the share market price prevailing on the closing date.

Deferred cash long-term incentive plans

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 2011, 73 members in management roles at subsidiaries were within the scope of the program for 2008–2010 and 112 key employees were 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:

	Restricted stock plan 2007				Performance share and restricted stock plans 2010	
	2010	**2009**	**2008**	**2007**	**2011**	**2010**
Grant date	-	Sep. 17, 2009	Apr. 29/Aug. 6, 2008	June 30, 2007	Feb. 4/March 14, 2011	March 31, 2010
Number of instruments granted	-	67,536	8,500	104,100	397,800/12,198	408,700
Fair value at grant date, EUR	-	5.62	11.35/9.56	18.31	9.83/8.75	8.75
Vesting period, years	-	1–3	2–4	3–5	3	3
Returned shares	38,063	9,800	-	-	-	-
Fair value per instrument at grant date, EUR	-	3.30	11.35/9.56	18.31	9.83/8.75	8.75

EUR million	**2011**	**2010**
Expense of share-based incentive schemes recognized in earnings	**3.9**	2.7
Accrual of cash component of share-based incentive schemes	**1.0**	0.9
Expense of deferred cash long-term incentive plans recognized in earnings	**2.7**	1.2
Accrual of deferred cash long-term incentive plans	**9.1**	7.2

10. FINANCING INCOME AND EXPENSES

EUR million	2011	2010
Interest income	**0.6**	0.6
Exchange rate gains	**0.7**	-
Interest expenses	**-20.5**	-18.6
Change in fair value of derivative instruments not used in hedge accounting	**-0.8**	-0.2
Exchange rate losses	**-**	-2.3
Other financing expenses	**-0.5**	-0.8
Uneffectiveness of cash flow hedges	**0.0**	0.0
Total	**-20.5**	-21.3

11. INCOME TAXES

EUR million	2011	2010
Current taxes	**26.0**	27.9
Taxes for prior periods	**0.0**	3.0
Deferred taxes	**-1.9**	-24.3
Total	**24.1**	6.6

EUR million	2011	2010
Current taxes:		
EMEA	**7.9**	18.8
Americas	**8.0**	3.4
Asia Pacific	**10.1**	8.7
Total	**26.0**	30.9
Thereof for prior periods	**0.0**	3.0
Deferred taxes	**-1.9**	-24.3
Total	**24.1**	6.6

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

EUR million	2011	2010
Taxes at local rates applicable to earnings in countries concerned	**28.4**	12.6
Taxes for prior periods	**0.0**	3.0
Deductible goodwill amortization	**0.0**	-3.5
Tax credits	**-1.8**	-6.4
Other	**-2.5**	0.9
Taxes recognized in the income statement	**24.1**	6.6
Effective tax rate, %	**21**	9

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

12. EARNINGS PER SHARE

	2011	2010
Net result attributable to equity holders of the parent company, EUR million	**90.8**	68.8
Interest expenses of hybrid bond, net of tax, EUR million	**-5.3**	-5.3
Net result for the calculation of earnings per share, EUR million	**85.5**	63.5
Weighted average number of shares outstanding during the period (1,000 pcs)	**119,858**	121,184
Earnings per share, EUR	**0.71**	0.52
Weighted average number of shares outstanding during the period, diluted (1,000 pcs)	**120,146**	121,184
Earnings per share, diluted, EUR	**0.71**	0.52

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, 2011	246.5	375.9	32.5	15.0	114.8	294.6	0.8	5.7
Additions	0.2	-	7.1	-	2.9	25.1	0.8	15.3
Company acquisitions	3.2	3.3	-	-	0.0	0.2	-	-
Company divestments and disposals	-1.0	-0.2	0.0	0.0	-1.0	-6.6	-0.2	0.0
Transfers	-18.3	0.0	14.6	-	1.4	-2.3	-	-9.6
Translation differences	1.2	7.8	0.8	0.1	1.2	2.5	0.0	0.0
Balance, December 31, 2011	231.8	386.8	55.0	15.1	119.3	313.5	1.4	11.4
Accumulated depreciation and impairment losses, January 1, 2011	54.7	89.2	10.1	0.0	67.6	223.7	-	-0.6
Depreciation and impairment losses during the period	4.3	-	7.3	-	3.6	20.6	-	-
Company divestments and disposals	-0.4	-	0.0	-	-0.9	-6.0	-	0.0
Transfers	-21.3	-	16.7	-	-0.3	-8.7	-	0.6
Translation differences	0.2	1.9	0.7	-	0.8	2.5	-	-
Balance, December 31, 2011	37.5	91.1	34.8	0.0	70.8	232.1	-	0.0
Balance sheet value, December 31, 2011	194.3	295.7	20.2	15.1	48.5	81.4	1.4	11.4
Carrying amount of finance leases included	-	-	-	-	0.0	0.8	-	-

Accumulated impairment losses of goodwill at January 1, 2011 totaled EUR 15.0 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, 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.

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

Available-for-sale financial assets, EUR 0.6 million, consist in their entirety of shares in unlisted companies. They are measured at fair value.

Cash and cash equivalents, EUR 78.8 million, include cash in hand, EUR 49.6 million, deposits held at call with banks, EUR 19.2 million, and short-term investments in commercial papers, EUR 10.0 million.

15. RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES

EUR million	Jan 1, 2011	Charge in income statement	Translation differences	Charged to equity	Acquired and sold operations	Dec 31, 2011
Deferred tax assets:						
Provisions	17.1	8.1	0.3	-	0.7	26.2
Carryforward of unused tax losses	64.7	1.0	0.5	-	-	66.2
Employee benefits	8.6	0.6	0.2	-	-	9.4
Impairment	13.4	-9.6	0.3	-	-	4.1
Other temporary differences	27.3	-13.2	0.4	-	-	14.5
Total	131.1	-13.1	1.7	-	0.7	120.4
Deferred tax liabilities:						
Fair value adjustments	-13.8	13.8	0.0	-	-0.1	-0.1
Depreciation differences	-20.9	-3.3	0.0	-	-	-24.2
Other temporary differences	-6.9	4.5	0.0	-4.5	-	-6.9
Total	-41.6	15.0	0.0	-4.5	-0.1	-31.2
Net deferred tax assets	89.5	1.9	1.7	-4.5	0.6	89.2
Deferred taxes recognized in the balance sheet at December 31, 2011:						
Deferred tax assets						95.6
Deferred tax liabilities						6.4

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

At December 31, 2011 there were unused tax losses carried forward and other temporary differences of EUR 30.2 million (24.0) for which no deferred tax assets were recognized. The unrecognized deferred tax assets at December 31, 2011 totaled EUR 8.7 million (5.9).

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	2011	2010
Impairment losses of accounts receivable	**24.4**	29.3
Net realizable value valuation provision	**26.5**	24.0

Aging analysis of accounts receivable and amounts recognized as impairment losses

EUR million	2011	Impairment losses	Net 2011	2010	Impairment losses	Net 2010
Undue accounts receivable	**444.5**	**-**	**444.5**	411.3	-	411.3
Accounts receivable 1–30 days overdue	**47.0**	**-**	**47.0**	37.2	-	37.2
Accounts receivable 31–60 days overdue	**18.9**	**-3.9**	**15.0**	11.5	-4.0	7.5
Accounts receivable 61–90 days overdue	**7.9**	**-0.7**	**7.2**	5.0	-1.4	3.6
Accounts receivable 91–120 days overdue	**5.7**	**-1.0**	**4.7**	5.1	-2.2	2.9
Accounts receivable more than 120 days overdue	**18.8**	**-18.8**	**-**	21.8	-21.7	0.1
Total	**542.8**	**-24.4**	**518.4**	491.9	-29.3	462.6

17. PREPAID EXPENSES AND OTHER RECEIVABLES

EUR million	2011	2010
Prepaid interest	**5.1**	1.8
Prepaid advertising and promotion	**1.7**	2.5
Other tax receivables	**6.9**	5.8
Accrued employee benefits	**4.9**	4.6
Derivative instruments	**19.8**	8.3
Other receivables	**42.0**	31.0
Total	**80.4**	54.0

18. SHAREHOLDERS' EQUITY

EUR million	Number of shares	Share capital	Premium fund	Invested unrestricted equity reserve
January 1, 2010	121,517,285	292.2	12.1	151.5
December 31, 2010	121,517,285	292.2	12.1	151.5
December 31, 2011	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 (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, 2011: EUR 36.9 million or 4,012,125 pcs; Dec 31, 2010: EUR 5.6 million or 342,963 pcs). At Dec 31, 2011 Amer Sports Corporation held 4,000,000 own shares (0) and its fully owned subsidiary Amer Sports International Oy 12,125 shares (342,963).

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.

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 0.33 (0.30) per share. Total dividends amount to EUR 40.1 million (36.3).

19. INTEREST-BEARING LIABILITIES

Interest-bearing long-term liabilities

	Outstanding	Repayments					
EUR million	Dec. 31, 2011	2012	2013	2014	2015	2016	2017 and after
Bonds	236.1	-	30.0	-	150.0	56.1	0.0
Loans from financial institutions	0.9	-	0.6	0.2	0.1	-	0.0
Pension loans	20.0	5.7	5.7	5.7	2.9	-	0.0
Other long-term liabilities	17.8	17.7	0.0	0.0	0.0	0.0	0.1
Total	274.8	23.4	36.3	5.9	152.9	56.1	0.1

	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

Interest-bearing current liabilities

EUR million	2011	2010
Commercial papers	**194.2**	-
Current repayments of long-term loans	**23.4**	97.0
Other interest-bearing current liabilities	**1.4**	3.8
Total	**219.0**	100.8

Interest-bearing liabilities at fair value

	2011		2010	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	**236.1**	**230.8**	255.0	251.7
Loans from financial institutions	**0.9**	**0.9**	93.8	93.8
Pension loans	**20.0**	**21.0**	25.7	27.0
Commercial papers	**194.2**	**194.2**	-	-
Other interest-bearing liabilities	**19.2**	**19.2**	5.0	5.0
Total	**470.4**	**466.1**	379.5	377.5

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	2011	2010
Finance lease liabilities are due as follows:		
Not later than one year	**0.4**	0.4
Later than one year but not later than five years	**0.6**	0.5
Total minimum lease payments	**1.0**	0.9

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

20. ACCRUED LIABILITIES

EUR million	2011	2010
Accrued personnel costs	**100.3**	96.2
Accrued discounts and rebates	**24.8**	23.2
Accrued interest	**9.0**	6.3
Accrued rent	**5.7**	6.1
Accrued advertising and promotion	**11.1**	10.0
Value added tax	**11.2**	12.4
Forward contract payables	**18.5**	17.4
Other accrued liabilities	**59.7**	61.0
Total	**240.3**	232.6

21. PROVISIONS

EUR million	Product warranty	Restruc-turing	Environ-mental	Other	Total
Balance at January 1, 2011	20.4	4.8	0.7	4.0	29.9
Translation differences	0.2	0.0	0.0	0.1	0.3
Provisions made during the year	17.1	0.4	0.0	3.1	20.6
Provisions used during the year	-13.0	-1.0	0.0	-1.3	-15.3
Unused provisions reversed during the year	-2.3	-0.6	-	-0.2	-3.1
Balance at December 31, 2011	22.4	3.6	0.7	5.7	32.4

Current provisions	29.5
Long-term provisions	2.9
Total	32.4

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 1.4 million at the 2011 period end.

Of the total restructuring provision of EUR 3.6 million at the period end, EUR 3.1 million is related to the past restructuring of the Winter Sports Equipment business area due to personnel cuts. EUR 0.5 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	2011	2010
Share-based incentive schemes	**1.1**	0.5
Gains and losses on sale of non-current assets	**1.0**	-8.0
Total	**2.1**	-7.5

23. OPERATING LEASE COMMITMENTS

EUR million	2011	2010
The future minimum payments of non-cancellable operating leases:		
Not later than one year	**31.6**	30.5
Later than one year but not later than five years	**76.0**	69.1
Later than five years	**15.6**	23.6
Total	**123.2**	123.2
Total rent expense of non-cancellable operating leases recognized in the income statement	**29.9**	25.6

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

24. CONTINGENT LIABILITIES

EUR million	2011	2010
Guarantees	**21.4**	14.1
Other contingent liabilities	**33.8**	18.7

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.

Ongoing litigations

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

25. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2011

	Group holding, %	Book value in the parent company balance sheet, EUR million
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	
Amer Sports Finance Oy, Helsinki, Finland	100	508.8
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 European Center AG, Cham, Switzerland	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 Financial Shared Service Sp. z o.o., Krakow, Poland	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	
Nikita ehf, Reykjavik, Iceland	100	
Nikita Clothing Australia, pty., ldt., Brookvale, Australia	100	
Nikita Clothing USA, Inc., California, USA	100	
Nikita Germany GmbH, Hamburg, Germany	100	
Recta AG, Biel, Switzerland	100	
Suunto Benelux B.V., Tholen, The Netherlands	60	

	Group holding, %	Book value in the parent company balance sheet, EUR million
Amer Sports Company, Chicago, USA	100	
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 Holding S.A.S., Villefontaine, France	100	
Amer Sports France S.A.S., Villefontaine, France	100	
Salomon S.A., Annecy, France	100	
Mavic S.A.S., Annecy, France	100	
Salomon Canada Sports Ltd, Ontario, Canada	100	
Salomon Romania Srl, Timisoara, Romania	100	
Amer Sports SA, Hagendorn, Switzerland	100	
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	
Non-operating companies		0.0
Total		706.6

26. HEDGE RESERVE OF CASH FLOW HEDGES

EUR million	
Balance at January 1, 2011	-5.6
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	-4.1
Hedging of interest cash flows	-0.5
Gains and losses recognized in the income statement	
Hedging of operating cash flows	12.9
Hedging of interest cash flows	0.0
Deferred taxes	4.5
Balance at December 31, 2011	7.2
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

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	2011	2010
Salaries and remuneration of the Board of Directors	**0.4**	0.3
Salaries and remuneration of the Executive Board (excluding President and CEO)	**8.1**	4.9
Salaries and remuneration of the President and CEO	**1.6**	1.9
Total	**10.1**	7.1

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.

In 2011 EUR 0.3 million (0.3) of the salaries and remuneration paid to the President and CEO 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 2,760,043 Amer Sports shares as of December 31, 2011 (December 31, 2010: 2,745,306), or 2.3% (2.3%) of the outstanding shares and votes.

Amer Sports Executive Board (including the President and CEO) owned a total of 318,059 Amer Sports shares on December 31, 2011 (Dec. 31, 2010: 171,443), representing 0.3% (0.1%) of the shares and votes.

Incentive plans 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			2.2	0.6		2.8	2.8
Derivative financial instruments							
Foreign exchange derivatives		1.2				1.2	1.2
Interest rate derivatives and cross currency swaps	0.7					0.7	0.7
CURRENT FINANCIAL ASSETS							
Accounts receivable			518.4			518.4	518.4
Loans receivable			0.2			0.2	0.2
Other non-interest yielding receivables *)			49.3			49.3	49.3
Derivative financial instruments							
Foreign exchange derivatives	0.6	18.5				19.1	19.1
Cash and cash equivalents			78.8			78.8	78.8
Balance sheet values by category at December 31, 2011	1.3	19.7	648.9	0.6		670.5	670.5
LONG-TERM FINANCIAL LIABILITIES							
Long-term interest-bearing liabilities					251.4	251.4	247.1
Other long-term liabilities					13.0	13.0	13.0
Derivative financial instruments							
Foreign exchange derivatives		0.0				0.0	0.0
Interest rate derivatives and cross currency swaps		3.3				3.3	3.3
CURRENT FINANCIAL LIABILITIES							
Current interest-bearing liabilities					219.0	219.0	219.0
Accounts payable					200.5	200.5	200.5
Other current liabilities **)					199.3	199.3	199.3
Derivative financial instruments							
Foreign exchange derivatives	12.3	6.2				18.5	18.5
Balance sheet values by category at December 31, 2011	12.3	9.5			883.2	905.0	900.7

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	2011	2010
*) Other non-interest yielding receivables		
Prepaid expenses and other receivables	**80.4**	54.0
./. Other tax receivables	**6.9**	5.8
./. Derivative financial instruments	**19.8**	8.3
./. Prepaid expenses related to defined benefit pension plans in USA	**4.4**	4.4
	49.3	35.5
**) Other current liabilities		
Accrued liabilities	**240.3**	232.6
./. Other tax liabilities	**13.6**	15.0
./. Derivative financial instruments	**18.5**	17.4
./. Accrued liabilities related to defined benefit pension plans	**8.9**	9.4
	199.3	190.8

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2011:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss		1.3		1.3
Derivatives used for hedging		19.7		19.7
Available-for-sale financial assets		0.6		0.6
Total		21.6		21.6
Liabilities				
Financial liabilities at fair value through profit or loss		12.3		12.3
Derivatives used for hedging		9.5		9.5
Total		21.8		21.8

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, 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

29. FINANCIAL RISK MANAGEMENT

Amer Sports is exposed to 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. Amer Sports Treasury follows and monitors risks constantly and does not allow any material deviations from the Treasury Policy. The Board of Directors reviews the financial risks annually.

Funding risk

Amer Sports aims to use different sources of funding. The focus has been shifted to debt transactions taken directly from domestic and/or international debt capital markets. Amer Sports 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 has a LMA (Loan Market Association) documentation in its new committed revolving credit facility, 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 has a cyclical need for working capital that also defines the level of liquidity for the Group. Typically, the highest level of working capital has been reached in the third quarter when the short-term debt is tied up in inventories and accounts receivable. The main sources of liquidity are operational cash flow and short-term debt. Amer Sports has a Finnish commercial paper program of EUR 500 million, for the purpose of raising short-term debt.

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, commercial papers or certificates of deposits within agreed limits.

At the end of 2011 Amer Sports had no drawings under the new EUR 200 million committed revolving credit facility.

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.

Maturity analysis for financial liabilities based on their contractual maturity

	Dec. 31, 2011							
EUR million	Nominal value	Available	Total	2012	2013	2014	2015	2016 and after
Loans from financial institutions								
Repayments	0.9		0.9	0.0	0.6	0.2	0.1	
Interest	0.0		0.0	0.0	0.0	0.0	0.0	
Bonds								
Repayments	236.1		236.1		30.0		150.0	56.1
Interest	47.0		47.0	12.5	11.5	10.7	10.9	1.4
Pension loans								
Repayments	20.0		20.0	5.7	5.7	5.7	2.9	
Interest	1.7		1.7	0.8	0.5	0.3	0.1	
Commercial papers								
Repayments	194.2		194.2	194.2				
Interest	0.8		0.8	0.8				
Other interest-bearing liabilities								
Repayments	19.2		19.2	19.1	0.0	0.0	0.0	0.1
Interest	0.8		0.8	0.8	0.0	0.0	0.0	0.0
Other interest-free liabilities								
Repayments	6.4		6.4	6.4				
Total								
Repayments	476.8		476.8	225.4	36.3	5.9	153.0	56.2
Interest	50.3		50.3	14.9	12.0	11.0	11.0	1.4
Financial guarantee contracts		5.9	5.9	5.9				
Committed revolving credit facility		200.0	200.0					200.0
Derivative liabilities								
Foreign exchange derivatives under hedge accounting	396.4		396.4	377.1	19.3			
Other foreign exchange derivatives	521.3		521.3	521.3				
Interest rate swaps under hedge accounting	3.1		3.1					3.1
Derivative assets								
Foreign exchange derivatives under hedge accounting	411.2		411.2	401.3	9.9			
Other foreign exchange derivatives	511.4		511.4	511.4				
Cross currency swaps	0.5		0.5					0.5

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 facility		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				

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.

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

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, 2011					Dec. 31, 2010				
EUR million	**USD**	**JPY**	**CAD**	**CHF**	**GBP**	**USD**	**JPY**	**CAD**	**CHF**	**GBP**
Interest-bearing external receivables	4.3	-	0.9	-	-	2.6	-	2.6	-	-
Interest-bearing inter-company receivables	155.8	29.3	50.5	-	-	149.8	22.3	31.3	-	-
External receivables	18.8	0.0	-21.0	2.5	0.8	10.7	0.0	-12.2	1.2	-1.0
Inter-company receivables	6.1	2.1	2.5	2.5	3.6	3.0	1.7	2.1	3.8	3.3
Interest-bearing external liabilities	-	-	-	-	-	-74.8	-	-	-	-
Interest-bearing inter-company liabilities	-	-	-	-11.7	-2.4	-	-	-11.9	-4.3	-4.3
External payables	-50.7	-0.1	1.4	-0.3	1.2	-38.8	-0.1	1.9	-0.2	0.4
Inter-company payables	-7.8	0.0	0.8	-0.2	-0.1	-5.1	-0.4	-0.1	-0.2	1.4
Foreign exchange derivatives	89.9	-69.4	-84.8	-49.3	-49.1	162.1	-64.7	-46.3	-48.7	-29.2

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	-22.2	0.6
JPY	2.7	1.1
CAD	3.3	1.7
CHF	4.6	1.0
GBP	2.3	2.3

The following table presents the corresponding sensitivities at the balance sheet date in 2010:

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
GBP	1.3	1.7

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 2012 (EUR million):

USD	CHF	GBP	JPY	CAD	SEK	RUB	OTHER
319	-53	-53	-42	-47	-34	-28	-62

The following table sets out the hedging of Amer Sports' cash flows as at December 31, 2011 (EUR million):

USD	CHF	GBP	JPY	CAD	SEK	RUB	OTHER
251	-58	-47	-38	-34	-35	-13	-26

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 per currency pair in the entity. 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 2011, there were no outstanding equity hedges.

Interest risk

Amer Sports' interest risk arises from the reprising 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, 2011, the duration was approximately 17 months and 58% of the debt portfolio was fixed rated. Amer Sports manages its interest rate position by using interest rate derivatives, typically interest rate swaps.

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. The sensitivity is calculated to interest bearing liabilities.

EUR million	Position	2011
Shareholders' equity	50.0	2.1
Income statement	216.3	-2.0

In 2010, 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	2010
Shareholders' equity	149.8	2.2
Income statement	-6.0	0.0

The effective interest rate of the total debt including interest rate hedges was 5.2%. The interest rate was 4.7% on bonds, 1.0% on syndicated loans, 4.8% on pension loans and 1.8% on commercial papers.

The average interest rate of the Group's interest bearing debt including interest rate derivatives and facility fees was 3.6% (Dec 31, 2010: 4.4%). After foreign exchange derivatives, that hedge the inter-company debt, the average interest rate was 4.6% (Dec 31, 2010: 4.6%).

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 customary 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 2% of total accounts receivable and the largest 20 combined total about 21%. At the end of year 2011 the actual payment time for the outstanding sales was 78 days.

Amer Sports has agreed a global credit insurance program to support sales activities. In 2012 major part of European and Asian businesses are covered by the credit insurance. 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, 2011	Balance sheet value or fair value Dec. 31, 2010
Long-term financial assets		
Long-term interest-bearing receivables	**-**	-
Other long-term financial assets	**2.8**	1.6
Derivative contracts		
Foreign exchange derivatives	**1.2**	1.1
Interest rate and cross currency swap derivatives	**0.7**	-
Short-term financial assets		
Accounts receivable	**518.4**	462.6
Loans receivable	**0.2**	0.2
Other interest-free receivables	**49.3**	35.5
Derivative contracts		
Foreign exchange derivatives	**19.1**	8.3
Interest rate derivatives	**-**	0.0
Cash and cash equivalents	**78.8**	84.7

Interest fixing periods

	Dec. 31, 2011								Dec. 31, 2010	
EUR million	**0–3 mo**	**4–6 mo**	**7–9 mo**	**10–12 mo**	**1–2 yr**	**2–3 yr**	**over 3 yr**	**Total**	**0–1 yr**	**over 1 yr**
Debt	-269.4	-19.4		-2.8	-20.3	-5.7	-152.8	-470.4	-182.3	-197.2
Cash and cash equivalents	78.8							78.8	84.7	
Interest rate swaps	50.0						-50.0	0.0	56.1	-56.1
Net	-140.6	-19.4	-	-2.8	-20.3	-5.7	-202.8	-391.6	-41.5	-253.3

(+ = Assets, - = Debt)

Derivative financial instruments

	Dec. 31, 2011					Dec. 31, 2010	
EUR million	**Nominal value**	**Fair value**	**2012**	**2013**	**2014 and after**	**Nominal value**	**Fair value**
Hedge accounting-related							
Foreign exchange derivatives hedging cash flows from operations	411.2	11.6	382.0	29.2		349.0	-4.6
Interest rate swaps hedging interest cash flow	50.0	-3.1			50.0	149.8	-2.8
Interest cash flow of cross currency swaps	56.1	-0.2			56.1	-	-
Other derivative contracts							
Foreign exchange derivatives	511.4	-9.6	511.4			329.1	-4.5
Interest rate swaps						20.0	0.0
Foreign exchange difference of cross currency swaps		0.7				-	-

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.

Amer Sports long-term financial targets are currency neutral net sales growth of 5%, EBIT target 10% of net sales and annual free cash flow equal to net profit. The balance sheet target is to have a 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' committed revolving credit facility includes a financial covenant where Amer Sports' consolidated gearing cannot exceed 100 percent, excluding the impact of any goodwill or intangible rights impairment. The credit facilities include also typical representations and warranties and 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.

Amer Sports issued a SEK 500 million bond targeted at domestic and international investors and signed a EUR 200 million committed revolving credit facility agreement with its main banking partners. The loan syndicate ensures long-term financing needs in the coming years.

Amer Sports has in its balance sheet a EUR 60 million hybrid bond that has no maturity. The company may call the bond after three years, the first time being 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.

EUR million	Dec. 31, 2011	Dec. 31, 2010
Interest-bearing liabilities	**470.4**	379.5
Cash and cash equivalents	**78.8**	84.7
Net debt	**391.6**	294.8
Total shareholders' equity	**829.4**	790.2
Gearing, %	**47**	37
EBITDA	**171.3**	132.6
Net debt/EBITDA	**2.3**	2.2

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	2011	2010
Other operating income	**15.2**	17.0
EXPENSES		
Personnel expenses	**7.1**	10.0
Depreciation	**0.5**	0.4
Other expenses	**13.1**	12.5
Total expenses	**20.7**	22.9
EARNINGS BEFORE INTEREST AND TAXES	**-5.5**	-5.9
Financing income	**30.5**	17.6
Financing expenses	**-54.5**	-32.1
Financing income and expenses	**-24.0**	-14.5
EARNINGS BEFORE EXTRAORDINARY ITEMS	**-29.5**	-20.4
Extraordinary items	**-**	31.3
EARNINGS BEFORE APPROPRIATIONS AND TAXES	**-29.5**	10.9
Appropriations	**0.1**	0.0
Taxes	**5.9**	-
NET RESULT	**-23.5**	10.9

PARENT COMPANY BALANCE SHEET

ASSETS

EUR million	2011	2010
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Intangible rights	**0.3**	0.5
TANGIBLE ASSETS		
Land and water	**0.8**	0.8
Buildings and constructions	**0.9**	0.9
Machinery and equipment	**0.7**	0.8
Other tangible assets	**0.4**	0.6
Construction in progress	**1.1**	-
	3.9	3.1
OTHER NON-CURRENT INVESTMENTS		
Investments in subsidiaries	**706.6**	972.5
Receivables from subsidiaries	**1.1**	1.1
Other bonds and shares	**0.6**	0.6
	708.3	974.2
TOTAL NON-CURRENT ASSETS	**712.5**	977.8
CURRENT ASSETS		
RECEIVABLES		
Long-term		
Deferred tax assets	**6.3**	-
Short-term		
Accounts receivable	**0.0**	0.1
Receivables from subsidiaries	**844.5**	640.3
Other receivables	**0.2**	0.5
Prepaid expenses	**6.9**	7.0
	857.9	647.9
MARKETABLE SECURITIES		
Other securities	**10.0**	3.0
CASH AND CASH EQUIVALENTS	**30.8**	38.4
TOTAL CURRENT ASSETS	**898.7**	689.3
TOTAL ASSETS	**1,611.2**	1,667.1

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	2011	2010
SHAREHOLDERS' EQUITY		
Share capital	**292.2**	292.2
Premium fund	**12.1**	12.1
Invested unrestricted equity reserve	**161.8**	161.8
Retained earnings	**164.5**	226.7
Net result	**-23.5**	10.9
TOTAL SHAREHOLDERS' EQUITY	**607.1**	703.7
ACCUMULATED APPROPRIATIONS		
Accumulated depreciation in excess of plan	**0.2**	0.3
LIABILITIES		
LONG-TERM LIABILITIES		
Bonds	**236.1**	180.0
Loans from financial institutions	**-**	58.6
Pension loans	**14.3**	20.0
Other liabilities	**60.0**	60.0
	310.4	318.6
CURRENT LIABILITIES		
Bonds	**-**	75.0
Other interest-bearing liabilities	**200.5**	23.5
Accounts payable	**0.3**	0.8
Payables to subsidiaries	**475.8**	529.3
Other current liabilities	**0.1**	0.1
Accrued liabilities	**16.8**	15.8
	693.5	644.5
TOTAL LIABILITIES	**1,003.9**	963.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,611.2**	1,667.1

PARENT COMPANY CASH FLOW STATEMENT

EUR million	2011	2010
NET CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	**-5.5**	-5.9
Depreciation	**0.5**	0.4
Adjustments to cash flow from operating activities	**0.0**	-0.5
Cash flow from operating activities before change in working capital	**-5.0**	-6.0
Increase (-) or decrease (+) in trade and other current recivables	**3.2**	-14.8
Increase (+) or decrease (-) in interest-free current liabilities	**-2.6**	0.0
Change in working capital	**0.6**	-14.8
Cash flow from operating activities before financing items and taxes	**-4.4**	-20.8
Interest paid	**-27.4**	-21.6
Interest received	**0.5**	0.3
Income taxes paid	**-1.0**	-
Financing items and taxes	**-27.9**	-21.3
Total net cash flow from operating activities	**-32.3**	-42.1
NET CASH FLOW FROM INVESTING ACTIVITIES		
Company acquisitions	**-**	-74.9
Company divestments	**264.0**	323.7
Capital expenditure	**-1.3**	-0.3
Proceeds from sale of tangible non-current assets	**0.1**	1.1
Net cash flow from investing activities	**262.8**	249.6
NET CASH FLOW FROM FINANCING ACTIVITIES		
Repurchase of own shares	**-36.7**	-
Change in short-term borrowings	**134.6**	-228.4
Withdrawals of long-term borrowings	**56.1**	180.0
Repayments of long-term borrowings	**-155.6**	-5.7
Change in current receivables	**-228.1**	-199.7
Dividends paid	**-36.3**	-19.4
Group contribution received	**31.3**	21.0
Other financing items *)	**3.6**	6.0
Net cash flow from financing activities	**-231.1**	-246.2
CHANGE IN CASH AND CASH EQUIVALENTS	**-0.6**	-38.7
Cash and cash equivalents		
Cash and cash equivalents at year end	**40.8**	41.4
Cash and cash equivalents at year beginning	**41.4**	80.1
Change in cash and cash equivalents	**-0.6**	-38.7

*) 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 may include foreign exchange forward contracts and options, forward rate agreements, interest rate swaps and cross-currency swaps. Foreign exchange forward contracts and options 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. Cross-currency swaps are used to hedge against changes in value of foreign currency denominated receivables and liabilities and against the interest rate risk.

Foreign exchange forward contracts and options 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. The exchange rate difference of cross-currency swaps is recognized in the income statement and the interest rate differential is periodized in the 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 cost of 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, assessed or returned taxes for prior periods as well as deferred taxes calculated on temporary differences between the book and tax base of assets.

Deferred tax assets and liabilities

Deferred tax assets or liabilities are calculated on temporary differences between the book and tax base of assets in accordance with the future tax rate confirmed at the end of the financial period. A deferred tax asset is recognized up to the estimated probable amount. It is presented under the long-term receivables and was recognized for the first time in the financial year 2011.

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

Helsinki, Finland, January 31 , 2012

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

AUDITOR'S 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 for the year ended December 31, 2011. 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 or 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, January 31, 2012

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jouko Malinen
Authorised Public Accountant

AMER SPORTS 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 verified 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 and in addition 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 a year

3. Supervise management of the Company's financial administra tion, 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.

2011

In addition to its normal duties, the Board of Directors focused on monitoring the implementation of the strategic priorities and development of the new long- term financial targets set for the Company in 2010.

The Annual General Meeting of shareholders held on March 10, 2011 elected seven members to the Amer Sports Board of Directors. Board members re-elected were Anssi Vanjoki, Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Hannu Ryöppönen, Bruno Sälzer, and Pirjo Väliaho. Anssi Vanjoki was re-elected as chairman and Ilkka Brotherus was re-elected as vice chairman of the Board of Directors.

The Board of Directors convened 11 times during the calendar year 2011 and the attendance rate of directors at meetings of the Board of Directors was 90%. Board of Directors commissioned a third party to review and analyse the Board's performance, director competencies, composition and working practices. Results of this review were incorporated into the Board of Directors' performance improvement plans.

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. Vice President of Legal Affairs acts as a secretary to the Audit Committee. 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.

2011

In addition to its normal duties the Audit Committee reviewed the design and implementation projects for financial shared services. It also approved the new Internal Controls charter and long-term internal control implementation plan.

On March 10, 2011 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 2011 and the meeting attendance rate was 100%. Composition of the Audit Committee during the period of January 1, 2011–March 10, 2011 was the same as after March 10, 2011.

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.

2011

On March 10, 2011 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 two (2) times in 2011 and the meeting attendance rate was 88%. Composition of the Compensation Committee during the period of January 1, 2011–March 10, 2011 was the same as after March 10, 2011.

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.

2011

On March 10, 2011 the Board of Directors elected Ilkka Brotherus (chairman), Anssi Vanjoki, and Martin Burkhalter as members of the Nomination Committee. The Nomination Committee convened five (5) times in 2011 and the meeting attendance rate was 100%. Composition of the Nomination Committee during the period of January 1, 2011–March 10, 2011 was the same as after March 10, 2011.

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

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

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.

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

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.

The risk management process is embedded in the business management 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, Fitness and Headquarters. 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 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. 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. 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. 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

Amer Sports' business segments/areas, sales and supply chain organizations and support functions are responsible for aligning the Group's risk management priorities and strategies with Amer Sports 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.

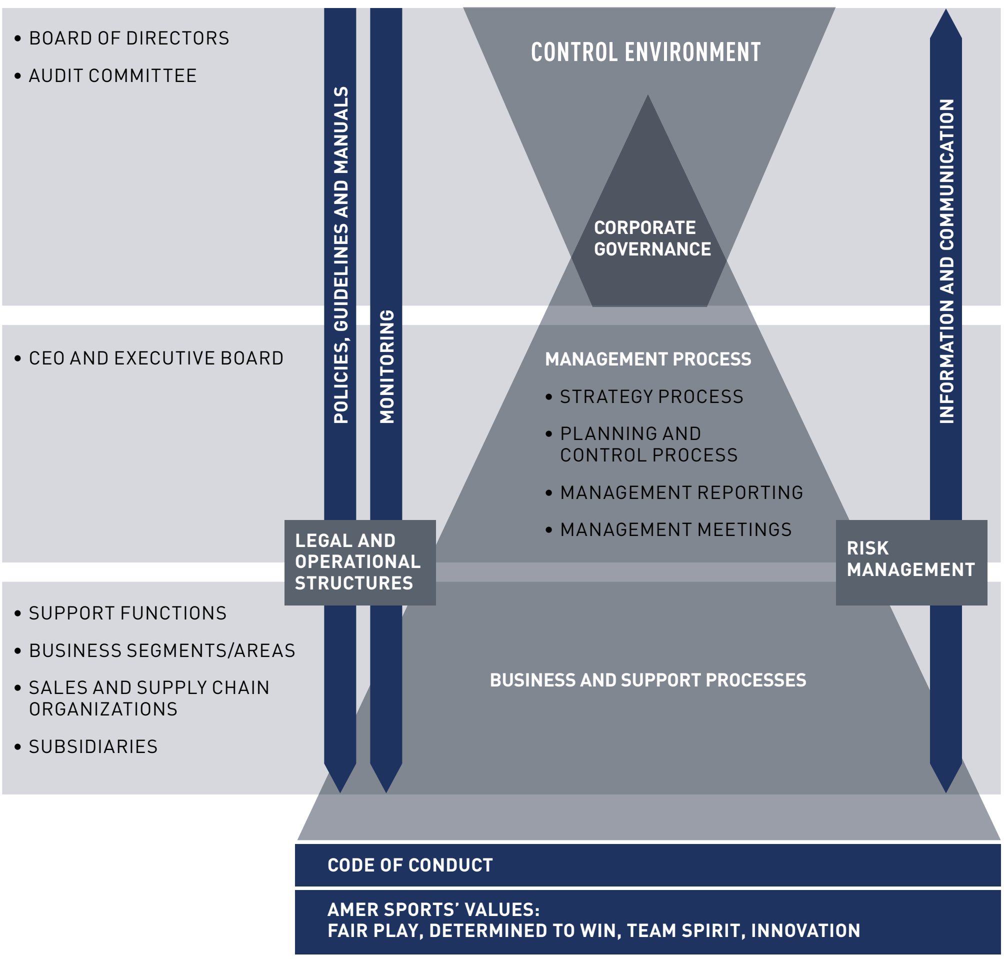
The Amer Sports' Treasury function monitors implementation of the company's Financial Risk Management Policy within business segments/areas and subsidiaries.

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 harmonizes and clarifies 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.

AMER SPORTS INTERNAL CONTROL FRAMEWORK



2011

During 2011 the specific Internal Control Policy for retail was implemented in support of the growing own retail business. The development of a more automated and efficient control environment utilizing built in system controls in the ERP system continued.

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 all 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.

Monitoring

The performance of Amer Sports' companies is reviewed regularly at different organizational levels. Representatives of Amer Sports' Finance function 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.

2011

The Audit Committee approved the Internal Control Charter which stipulates the mission and scope of work of the new Group Internal Control function. The Group Internal Control function, according to an agreed plan, visits the company's businesses to perform operational reviews and monitor compliance with internal control procedures, policies and guidelines.

Internal Audit

Amer Sports does not have a separate internal audit function. The Audit Committee and Amer Sports' Finance function define one or more audit themes over and above the statutory auditing requirements. Such themes are agreed for each year and findings reported to the Audit Committee and Amer Sports' management.

2011

Amer Sports' Group Internal Control function analyzed the efficiency and adequacy of internal controls in the Group's operations and evaluated the governance, internal control and risk management processes in the company's businesses. The Group Internal Control periodically report to the Audit Committee and CFO.

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 a recommendation for 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 Amer Sports' auditor, and to representatives of Amer Sports' Finance function.

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 presents a summary of the annual audit in person in the Board of Directors meeting at which the financial statements for the fiscal year are discussed. Auditors are invited to each of the Audit Committee's meetings and provide updates on how the Group audit is progressing and other findings.

2011

In 2011, 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, 2011




FROM LEFT: ANSSI VANJOKI, ILKKA BROTHERUS, MARTIN BURKHALTER, CHRISTIAN FISCHER

ANSSI VANJOKI
Independent of the Company and significant shareholders. Individual Multicontributor, RKBS Oy. Master of Science degree in Economics. **Primary work experience:** Executive Vice President and General Manager of the Mobile Solutions Unit of Nokia Corporation 2010–2011. 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, Free Drop Innovations Oy and Valkee Ltd.

ILKKA BROTHERUS
Independent of the Company and significant shareholders. Owner, Managing Director of 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 1981–1986. **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 Chairman 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, Managing Director of Accelate, Business Launch and Expansion GmbH, Founder, 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.

FROM LEFT: HANNU RYÖPPÖNEN, BRUNO SÄLZER, PIRJO VÄLIAHO

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/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 Vice Chairman of the Board of Directors of Rautaruukki Corporation. Member of the Board of Directors of Neste Oil Corporation, Novo Nordisk A/S, Korsnäs Ab, Tiimari Oyj, 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.

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

EXECUTIVE BOARD

DECEMBER 31, 2011




FROM LEFT: HEIKKI TAKALA, PAUL BYRNE, CHRIS CONSIDINE, MIKE DOWSE

HEIKKI TAKALA

President and CEO

Born 1966, Finnish nationality. Executive Board member since 2010. Procter & Gamble, 1992–2010, several Leadership positions in Brand Management, Marketing, Sales, and Commercial Strategy at Country, Region, and Global level. 14 years of international experience, last 7 years in Switzerland. Master of Science degree in International Business, Helsinki School of Economics and ESADE, Barcelona, Spain.

PAUL BYRNE

President of Fitness

Born 1951, American nationality. Executive Board member since 2002. Precor Incorporated, Vice President, Sales and Marketing, 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. Executive Board member since 2002. Wilson Team Sports, President, 2003–2005, General Manager, 1994–2003 and Director, Sales/ Promotion, 1991–1993. BA degree, Miami University, USA.

MIKE DOWSE

General Manager, the Americas

Born 1966, American nationality. Executive Board member since 2010. Amer Sports Winter and Outdoor Americas, President and General Manager, 2006–2010. Suunto, Vice President, North America, 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. Executive Board member since 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. 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. Executive Board member since 2010. Amer Sports Japan, General Manager, 2002–2006. Joined Wilson Sporting Goods in 1992. BA degree, Pomona College, Claremont, California, USA.

TERHI HEIKKINEN

Senior Vice President, Human Resources

Born 1964, Finnish nationality. Executive Board member 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. M. Sc. (Econ.) degree, University of Tampere, Finland.

ANTTI JÄÄSKELÄINEN

Chief Development Officer

Born 1972, Finnish nationality. Executive Board member since 2009. Stora Enso 2004–2009, Senior Vice President, Biorefining & Bioenergy (Sweden), Senior Vice President, Head of Group Strategy (UK), and Vice President, Corporate Strategy & Investments. McKinsey & Company, Engagement Manager, Associate, 2002–2004. Nokia Italia S.p.A, Business Operations Manager, 1999–2001 and System Marketing and Sales, 1998–1999. Enso Group, Financial Analyst, 1996–1998. MBA, INSEAD, France. M.Sc. (Econ.), Helsinki School of Economics, Finland. M.Sc. (Eng.), Helsinki University of Technology, Finland.








FROM TOP LEFT: VICTOR DURAN, MATT GOLD, TERHI HEIKKINEN, ANTTI JÄÄSKELÄINEN, BERNARD MILLAUD, MIKKO MOILANEN, JEAN-MARC PAMBET, MICHAEL SCHINEIS

BERNARD MILLAUD

President of Cycling and Mavic SAS

Born 1958, French nationality. Executive Board member since 2009. President of Salomon SAS, Mavic and Winter Sports (Salomon), 2007–2009. Mavic, General Manager, 2002–2007. Salomon, Winter Sports General Manager, 1998–2002. Various positions in Salomon Winter Sport, 1988–1998. Ecole Polytechnique, France.

MIKKO MOILANEN

President of Sports Instruments and Suunto

Born 1965, Finnish nationality. Executive Board member since 2010. Nokia 1992–2009 in various international executive and senior manager positions in R&D, product creation, program and portfolio management as well as demand supply network management and strategy. ASIC Design House Smartech Oy, Design Engineer and Project Manager, 1989–1992. M.Sc. (EE) degree, Microelectronics and Digital Signal Processing, Tampere University of Technology, Finland.

JEAN-MARC PAMBET

President of Footwear and Salomon SAS

Born 1959, French nationality. Executive Board member since 2009. Salomon Apparel and Footwear, President, 2007–2010 and General Manager, 2002–2007. Salomon EMEA, General Manager, 1996–2002. Salomon France, Country Manager, 1990–1996. Eurequip Paris, Consulting, 1983–1985. Board of Directors (member) of the European Outdoor Group (EOG) since 2009. Degree from the Ecole HEC Paris, France.

MICHAEL SCHINEIS

President of Winter Sports Equipment

Born 1958, German nationality. Executive Board member since 2002. Salomon Germany, General Manager, 1993–1996. CONTOP (advertising agency), member of management team, 1989–1993. Member of the “Beirat für Wissenschaft und Forschung des Landes Salzburg” and of the Advisory Board of Bulthaup GmbH & Co. KG. MBA degree, PhD (Dr.rer.pol.), Germany.




FROM LEFT: JUSSI SIITONEN, ANDY TOWNE, VINCENT WAUTERS, MICHAEL WHITE

JUSSI SIITONEN

CFO

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

ANDY TOWNE

President of Apparel

Born 1966, British nationality. Executive Board member 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. MA, BA (Hons) degrees, Land Economy, Cambridge University.

VINCENT WAUTERS

Senior Vice President, Supply Chain and Information Technology

Born 1972, Belgian nationality. Executive Board member 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. Executive Board member since 2010. Amer Sports 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 and 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, 2011, resolved that the Chairman of the Board of Directors shall be paid an annual remuneration of EUR 100,000, the Vice Chairman an annual remuneration of EUR 60,000 and other members of the Board of Directors an annual remuneration of EUR 50,000.

According to the resolution of the Annual General Meeting of shareholders of Amer Sports, 40 percent of the annual remuneration of 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.

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

On June 17, 2011, the members of the Board of Directors together received annual remuneration totaling EUR 410,000, of which EUR 246,047.95 was paid in cash. Simultaneously, the members of the Board of Directors received the following numbers of shares: Hannu Ryöppönen, 1,797 shares; Ilkka Brotherus, 2,157 shares; Martin Burkhalter, 1,797 shares; Christian Fischer, 1,797 shares; Bruno Sälzer, 1,797 shares; Anssi Vanjoki, 3,595 shares; and Pirjo Väliaho, 1,797 shares.

Remuneration of the Board of Directors at December 31, 2011

	Euros	Shares
Ilkka Brotherus	60,000	2,157
Martin Burkhalter	50,000	1,797
Christian Fischer	50,000	1,797
Hannu Ryöppönen	50,000	1,797
Bruno Sälzer	50,000	1,797
Anssi Vanjoki	100,000	3,595
Pirjo Väliaho	50,000	1,797
Total	410,000	14,737

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

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.

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.

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. 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 April 1, 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.

SALARIES, BENEFITS AND INCENTIVES PAID DURING 2011

Salaries, benefits and other compensation paid to the President and CEO and the members of the Executive Board in 2011 totaled EUR 9.7 million. In 2011, total compensation paid to the President and CEO Heikki Takala amounted to EUR 1.6 million. Salaries, benefits and other compensation paid to the other members of the Executive Board totaled EUR 8.1 million, of which incentives totaled EUR 2.3 million. No separate compensation is paid to the members of the Executive Board for their participation in any management bodies.

Salaries, benefits and other compensation paid at December 31, 2011

Euros	Salaries and compensation	Incentive	Total
President and CEO	1,003,609	581,999	1,585,608
Members of the Executive Board	5,723,723	2,348,585	8,072,308
Total	6,727,332	2,930,584	9,657,916

Shareholding at December 31, 2011

Pcs	Members of the Board of Directors	President and CEO	Executive Board	Total
Shares	2,760,043	66,760	251,299	3,078,102

LONG-TERM REMUNERATION PROGRAMS

Cash-based Long-term Incentive Plans and Share-Based Incentive Plans

CASH-BASED LONG-TERM INCENTIVE PLANS

Deferred Cash Long-term Incentive 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 2011, 73 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. At the end of 2011, 112 key employees in the organization were within the scope of this program.

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 were as of April 2011, and 50 percent will be 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 2011, the 17 key employees covered by the share-based incentive plan had originally received a total of 52,750 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 2011, Amer Sports International Oy owned 12,125 shares, including the shares that had been returned to Amer Sports International Oy during 2011 by persons who no longer participate in the plan. On March 14, 2011, 330 838 shares owned by Amer Sports International Oy were used as reward payment to participants in Performance Share Plan 2010 and Restricted Stock Plan 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 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 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 was based on the Group's Earnings Before Interest and Taxes (EBIT) and potential rewards for the earning period 2010–2012 was based on the Group's Total Shareholder Return (TSR). Potential rewards from the plan for the earning period 2011 will be based on the Group's Earnings Before Interest and Taxes (EBIT) and Net Sales and potential rewards for the earning period 2011–2013 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. By the end of 2011, as a reward for meeting this condition, 40,698 shares were transferred to key personnel participating in the Performance Share Plan.

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 December 31, 2012, on December 31, 2013 and on December 31, 2014 respectively. 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. By the end of 2011, in relation to the earning period 2010, 210,140 shares were transferred to key personnel participating in the Performance Share Plan.

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 2011, 57 key players were covered by the Performance Share Plan for earning period 2010 and 61 key players by the Performance Share Plan for the earning period 2011.

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 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 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 December 31, 2012, December 31, 2013 and on December 31, 2014 respectively. 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.

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.

By the end of 2011 and in relation to earning period 2010, 80,000 shares were transferred to key players participating in the Restricted Stock Plan.

The Restricted Stock Plan is directed at approximately 30 people, including the members of the Executive Board. At the end of 2011, 19 key executives were covered by the Restricted Stock Plan for the earning period 2010 and 25 key executives by Restricted Stock Plan for the earning period 2011.

INFORMATION FOR INVESTORS

ANNUAL GENERAL MEETING
The Amer Sports Corporation Annual General Meeting will start at 2 pm on Thursday, March 8, 2012 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 0.33 per share be paid for 2011, representing a dividend ratio of 44%. A dividend of EUR 0.30 per share was paid for 2010.

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 2012
- for the January–March period: Friday, April 27
- for the January–June period: Thursday, August 2
- for the January–September period: Thursday, October 25

SILENT PERIOD
Prior to the publication of the company's financial statements bulleting and interim reports, Amer Sports observes a silent period that starts immediately after the closing of the accounts. During the silent period, Amer Sports' top management and Investor Relations do not meet with the representatives of capital markets or financial media, nor comment on issues related to the company's financial situation or general outlook. If an event occurring during the silent period requires immediate disclosure, Amer Sports will disclose the information without delay in compliance with disclosure rules and may also comment on the event concerned.

The silent period will start from closing of the accounts until the quarterly results are made public as follows:
- Start of the silent period: January 1, April 1, July 1, and October 1.
- End of the silent period: The results of the each respective quarter are made public.

The closed window rule for Amer Sports' insiders enters into force and ends at the same time as the silent period. Insiders are not allowed to trade in the company's securities during the closed window period.

INVESTOR SERVICES AVAILABLE VIA THE INTERNET
The Investor Relations 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.

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 RELATIONS CONTACT INFORMATION
Päivi Antola, Director, Corporate Communications and IR, 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
- Number of shares, December 31, 2011: 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
- OMX Helsinki 25
- NASDAQ OMX Nordic Consumer Goods Industry

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
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.

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