

Mascot Bidco Oy
Stock Exchange Release

February 8, 2019 at 3:00 p.m. (EET)

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO CANADA, JAPAN, AUSTRALIA OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

Mascot Bidco Oy Supplements in Connection with the Publication of the 2018 Financial Statements Bulletin of Amer Sports Corporation its Tender Offer Document Relating to the Voluntary Recommended Public Cash Tender Offer for the Shares in Amer Sports Corporation

Mascot Bidco Oy (the “**Offeror**”) has on December 20, 2018 commenced a voluntary public cash tender offer recommended by the Board of Directors of Amer Sports Corporation (“**Amer Sports**”) to purchase all the issued and outstanding shares in Amer Sports that are not held by Amer Sports or any of its subsidiaries (the “**Tender Offer**”). The acceptance period of the Tender Offer commenced on December 20, 2018 at 9:30 a.m. (Finnish time) and will expire on February 28, 2019 at 4:00 p.m. (Finnish time) (the “**Offer Period**”). The Offeror has reserved the right to extend the Offer Period in accordance with the terms and conditions of the Tender Offer.

ANTA Sports Products Limited (“**ANTA Sports**”), FV Fund (an investment vehicle managed by FountainVest Partners), Anamered Investments (an investment vehicle owned by Mr. Chip Wilson) and Tencent (which will invest through Tencent SPV as a limited partner in FV Fund) form an Investor Consortium for the purposes of the Tender Offer, which indirectly will own 100 percent of Mascot Bidco Oy upon completion of the Tender Offer.

The Finnish Financial Supervisory Authority has today approved a supplement to the tender offer document relating to the Tender Offer (the “**Supplement Document**”). The Supplement Document relates to the financial statements bulletin published by Amer Sports Corporation on February 7, 2019 for the financial year ended December 31, 2018 (the “**Financial Statements Bulletin**”), which the Offeror supplements the tender offer document with. The Supplement Document has been attached as Annex 1 to this release and the Financial Statements Bulletin as Annex 2. In addition, the Financial Statements Bulletin has been included as Annex D to the tender offer document.

The tender offer document is available with the Supplement Document from February 8, 2019 onwards at Nasdaq Helsinki, Fabianinkatu 14, FI-00130 Helsinki, Finland. The electronic version of the tender offer document is available with the Supplement Document in Finnish from February 8, 2019 onwards online at http://ir.anta.com/en/news_amer.php, <https://www.amersports.com/sijoittajat/ostotarjous> and www.nordea.fi/osakkeet, and in English from February 8, 2019 onwards online at http://ir.anta.com/en/news_amer.php, <https://www.amersports.com/investors/tender-offer> and www.nordea.fi/equities.

Annex 1: Supplement Document

Annex 2: Financial Statements Bulletin of Amer Sports Corporation

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Forward-Looking Statements

This stock exchange release contains statements that, to the extent they are not historical facts, constitute "forward-looking statements". Forward-looking statements include statements concerning plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, business strategy and the trends in the industries and the political and legal environment and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes", "intends", "may", "will" or "should" or, in each case, their negative or variations on comparable terminology. By their very nature, forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, investors are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this stock exchange release.

Information for U.S. Shareholders

The Tender Offer is being made for the securities of Amer Sports, a public limited liability company incorporated under Finnish law, and is subject to Finnish disclosure and procedural requirements, which are different from those of the United States of America. The Tender Offer will be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the requirements of Finnish law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the Exchange Act, and in accordance with normal Finnish practice, the Offeror and its affiliates or its

broker and its broker's affiliates (acting as agents or on behalf of the Offeror or its affiliates, as applicable) may from time to time after the date of this stock exchange release, and other than pursuant to the Tender Offer, directly or indirectly purchase, or arrange to purchase shares of Amer Sports or any securities that are convertible into, exchangeable for or exercisable for shares of Amer Sports. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the price offered in the Tender Offer. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Amer Sports of such information. No purchases will be made outside of the Tender Offer in the United States of America by or on behalf of the Offeror or its affiliates. In addition, the financial advisors to the Offeror may also engage in ordinary course trading activities in securities of Amer Sports, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Amer Sports shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Amer Sports shares is urged to consult his independent professional advisor regarding the tax consequences of accepting the Tender Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has (a) approved or disapproved the Tender Offer, (b) passed upon the merits or fairness of the Tender Offer, or (c) passed upon the adequacy or accuracy of the disclosure in this stock exchange release. Any representation to the contrary is a criminal offence in the United States.

American Depositary Shares and American Depositary Receipts

Amer Sports has in place an ADR program in respect of its shares. The Tender Offer will not be made for the ADSs, nor for the ADRs. However, the Tender Offer will be made for the shares underlying the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depositary regarding the tender of shares that are represented by ADSs.

THIS STOCK EXCHANGE RELEASE MAY NOT BE RELEASED OR OTHERWISE DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO CANADA, JAPAN, AUSTRALIA OR SOUTH AFRICA OR IN ANY OTHER JURISDICTION IN WHICH THE TENDER OFFER WOULD BE PROHIBITED BY APPLICABLE LAW.

THIS STOCK EXCHANGE RELEASE IS NOT A TENDER OFFER DOCUMENT AND AS SUCH DOES NOT CONSTITUTE AN OFFER OR INVITATION TO MAKE A SALES OFFER. IN PARTICULAR, THIS STOCK EXCHANGE RELEASE IS NOT AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL ANY SECURITIES DESCRIBED HEREIN, AND IS NOT AN EXTENSION OF THE TENDER OFFER, IN CANADA, JAPAN, AUSTRALIA OR SOUTH AFRICA. INVESTORS SHALL ACCEPT THE TENDER OFFER FOR THE SHARES ONLY ON THE BASIS OF THE INFORMATION PROVIDED IN A TENDER OFFER DOCUMENT. OFFERS WILL NOT BE MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE EITHER THE TENDER OFFER OR ACCEPTANCE THEREOF IS PROHIBITED BY APPLICABLE LAW OR WHERE ANY TENDER OFFER DOCUMENT OR REGISTRATION OR OTHER REQUIREMENTS WOULD APPLY IN ADDITION TO THOSE UNDERTAKEN IN FINLAND.

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND, WHEN PUBLISHED, THE TENDER OFFER DOCUMENT AND RELATED ACCEPTANCE FORMS WILL NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

Other matters

Goldman Sachs International, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Amer Sports and no one else in connection with the Tender Offer and the matters set out in this announcement, and will not be responsible to anyone other than Amer Sports for providing the protections afforded to clients of Goldman Sachs International, or for giving advice in connection with the Tender Offer or any matter or arrangement referred to in this announcement.

Citigroup Global Markets Asia Limited, an entity organized and regulated in Hong Kong, is acting exclusively for its clients and no one else in connection with the Tender Offer and the matters set out in this announcement, and will not be responsible to anyone other than its clients for providing the protections afforded to its clients, or for giving advice in connection with the Tender Offer or any matter or arrangement referred to in this announcement.

ANNEX 1

SUPPLEMENT DOCUMENT TO MASCOT BIDCO OY'S TENDER OFFER DOCUMENT DATED 19 DECEMBER 2018 RELATING TO THE VOLUNTARY PUBLIC CASH TENDER OFFER FOR ALL ISSUED AND OUTSTANDING SHARES IN AMER SPORTS CORPORATION

February 8, 2019

THE TENDER OFFER IS NOT BEING MADE DIRECTLY OR INDIRECTLY IN ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW AND THIS TENDER OFFER DOCUMENT AND RELATED ACCEPTANCE FORMS ARE NOT AND MAY NOT BE DISTRIBUTED, FORWARDED OR TRANSMITTED INTO OR FROM ANY JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW BY ANY MEANS WHATSOEVER INCLUDING, WITHOUT LIMITATION, MAIL, FACSIMILE TRANSMISSION, E-MAIL OR TELEPHONE. IN PARTICULAR, THE TENDER OFFER IS NOT MADE IN AND THIS TENDER OFFER DOCUMENT MUST UNDER NO CIRCUMSTANCES BE DISTRIBUTED INTO CANADA, JAPAN, AUSTRALIA OR SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE PROHIBITED BY APPLICABLE LAW.

Mascot Bidco Oy (the "**Offeror**") supplements the tender offer document dated December 19, 2018 (the "**Tender Offer Document**") in accordance with Chapter 11, Section 11, Subsection 4 of the Finnish Securities Markets Act (746/2012, *fi*: arvopaperimarkkinalaki) with the following information of this document (the "**Supplement Document**"):

Amer Sports Corporation published its financial statements bulletin for the financial year ended December 31, 2018 ("**Financial Statements Bulletin**") on February 7, 2019. The Offeror supplements Sections 5.9 and 5.10 of the Tender Offer Document with the Financial Statements Bulletin, which is added as Annex D to the Tender Offer Document.

The Tender Offer Document together with this supplement is available from February 8, 2019 at Nasdaq Helsinki, Fabianinkatu 14, FI-00130 Helsinki, Finland. The electronic version of the tender offer document is available with this supplement in Finnish from February 8, 2019 onwards online at http://ir.anta.com/en/news_amer.php, <https://www.amersports.com/sijoittajat/ostotarjous> and www.nordea.fi/osakkeet, and in English from February 8, 2019 onwards online at http://ir.anta.com/en/news_amer.php, <https://www.amersports.com/investors/tender-offer> and www.nordea.fi/equities.

The Finnish Financial Supervisory Authority has approved the Finnish language version of this supplement but is not responsible for the accuracy of the information presented therein. The decision number of such approval is FIN-FSA 1/02.05.05/2019.

Information for U.S. Shareholders

The Tender Offer is being made for the securities of Amer Sports, a public limited company incorporated under Finnish law, and is subject to Finnish disclosure and procedural requirements, which are different from those of the United States of America. The Tender Offer will be made in the United States of America in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the applicable rules and regulations promulgated thereunder, including Regulation 14E (subject to any exemptions or relief therefrom, if applicable) and otherwise in accordance with the requirements of Finnish law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to the Tender Offer timetable, settlement procedures, withdrawal, waiver of conditions and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.

To the extent permissible under applicable laws and regulations, including Rule 14e-5 under the Exchange Act, and in accordance with normal Finnish practice, the Offeror and its affiliates or its

broker and its broker's affiliates (acting as agents or on behalf of the Offeror or its affiliates, as applicable) may from time to time other than pursuant to the Tender Offer, directly or indirectly purchase, or arrange to purchase shares in Amer Sports or any securities that are convertible into, exchangeable for or exercisable for shares in Amer Sports. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the price offered in the Tender Offer. To the extent information about such purchases or arrangements to purchase is made public in Finland, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Amer Sports of such information. No purchases will be made outside of the Tender Offer in the United States of America by or on behalf of the Offeror or its affiliates. In addition, the financial advisors and lead managers to the Offeror may also engage in ordinary course trading activities in securities of Amer Sports, which may include purchases or arrangements to purchase such securities. To the extent required in Finland, any information about such purchases will be made public in Finland in the manner required by Finnish law.

The receipt of cash pursuant to the Tender Offer by a U.S. holder of Amer Sports shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of Amer Sports shares is urged to consult their independent professional advisor regarding the tax consequences of accepting the Tender Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has (a) approved or disapproved the Tender Offer, (b) passed upon the merits or fairness of the Tender Offer, or (c) passed upon the adequacy or accuracy of the disclosure in the Tender Offer Document. Any representation to the contrary is a criminal offence in the United States.

ANNEX 2

Amer Sports Corporation
FINANCIAL STATEMENTS
February 7, 2019 at 1:00 p.m.

Amer Sports Corporation Financial Statements Bulletin 2018

NET SALES AND EBIT OCTOBER-DECEMBER 2018

On 5th September 2018, as part of the strategy update, Amer Sports announced a decision to place its Cycling business under strategic review. Following the decision, the company has started a formal process to actively find a potential buyer for the asset. As required by the reporting standards, all income and expenses of the Cycling business are reported as discontinued operations for 2018 and comparative figures for 2017 are adjusted accordingly. Balance sheet items related to Cycling business are reported under assets and liabilities held-for-sale as of September 2018 onwards.

The comparative figures have been restated in accordance with IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments.

Amer Sports' net sales in October-December 2018 were EUR 874.2 million (October-December 2017: 786.0). In local currencies, net sales increased by 10%. Organic growth was 5%.

Net sales by operating segment (continuing operations)

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	% of sales 10-12/2018	% of sales 10-12/2017
Outdoor	574.0	504.1	14	13	66	64
Ball Sports	167.7	163.0	3	1	19	21
Fitness	132.5	118.9	11	9	15	15
Total	874.2	786.0	11	10	100	100

*) In local currencies

Geographic breakdown of net sales (continuing operations)

EUR million	10-12 2018	10-12/ 2017	Change %	Change %*)	% of sales 10-12/2018	% of sales 10-12/2017
EMEA	396.3	360.2	10	11	45	46
Americas	359.8	314.7	14	11	41	40
Asia Pacific	118.1	111.1	6	5	14	14
Total	874.2	786.0	11	10	100	100

*) In local currencies

Gross margin excl. items affecting comparability (IAC) was 44.6% (44.4).

EBIT excl. IAC was EUR 96.7 million (98.1). Items affecting comparability were EUR -12.9 million (-5.4). Increased sales in local currencies had a positive impact on EBIT of approximately EUR 36 million and increased gross margin had a positive impact of approximately EUR 1 million. Operating expenses increased by approximately EUR 37 million. Other income and expenses and currencies had a negative impact on EBIT of approximately EUR 1 million. EBIT was EUR 83.8 million (92.7).

EBIT excluding IAC by operating segment (continuing operations)

EUR million	10-12/2018	10-12/2017	Change %
Outdoor	86.6	81.4	6
Ball Sports	11.2	13.8	-19
Fitness	10.6	12.4	-15

Headquarters*)	-11.7	-9.5	
EBIT excl. IAC	96.7	98.1	-1
IAC	-12.9	-5.4	
EBIT total	83.8	92.7	-10

*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

Reconciliation of EBIT excluding IAC (continuing operations)

EUR million	10-12/2018	10-12/2017
EBIT excl. IAC	96.7	98.1
Items affecting comparability		
Class action lawsuit settlement on Suunto dive computers sold in the USA since 2006	-5.5	-
Restructuring program 2016 expansion and write-downs	-	-4.5
Acquisition related accounting adjustments	-	-0.9
Advisory cost related to M&A activities	-7.4	-
EBIT	83.8	92.7

Reconciliation of Net result excluding IAC by income statement line item (continuing operations)

	10-12/2018		
	IFRS	IAC	Income statement excl. IAC
NET SALES	874.2	-	874.2
Cost of goods sold	-484.7	-	-484.7
License income	1.9	-	1.9
Other operating income	4.0	-	4.0
Research and development expenses	-30.1	-	-30.1
Selling and marketing expenses	-213.5	-	-213.5
Administrative and other expenses	-68.0	-12.9	-55.1
EBIT	83.8	-12.9	96.7
Financing income and expenses	-16.2	-	-16.2
EARNINGS BEFORE TAXES	67.6	-12.9	80.5
NET RESULT	51.0	-9.6	60.6

	10-12/2017		
	IFRS	IAC	Income statement excl. IAC
NET SALES	786.0	-	786.0
Cost of goods sold	-438.0	-0.8	-437.2
License income	1.6	-	1.6
Other operating income	2.7	-	2.7
Research and development expenses	-25.3	-0.4	-24.9
Selling and marketing expenses	-187.7	-4.2	-183.5
Administrative and other expenses	-46.6	-	-46.6
EBIT	92.7	-5.4	98.1
Financing income and expenses	-6.3	-	-6.3
EARNINGS BEFORE TAXES	86.4	-5.4	91.8
Taxes			
Write-down of deferred tax assets	-10.4	-10.4	-

due to US federal tax rate reduction			
Other current and deferred taxes	-24.3	1.9	-26.2
NET RESULT	51.7	-13.9	65.6

Items affecting comparability (IAC) are material items or transactions, which are relevant for understanding the underlying operational financial performance of Amer Sports when comparing profit of the current period with previous periods. These items can include, but are not limited to, capital gains and losses on business disposals, acquisition and disposal-related costs, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view.

Net financial expenses totaled EUR 16.2 million (6.3), including net interest expenses of EUR 10.6 million (8.5). Net foreign exchange losses were EUR 0.9 million (gains 1.8). Other financing expenses were EUR 4.7 million (income 0.4), including EUR 5.0 million non-cash expense of discounted impact of long-term trade receivables. Earnings before taxes totaled EUR 67.6 million (86.4) and taxes were EUR -16.6 million (-34.7). Earnings per share excl. IAC were EUR 0.53 (0.57). Earnings per share were EUR 0.44 (0.44).

FINANCIAL RESULTS 2018

On 5th September 2018, as part of the strategy update, Amer Sports announced a decision to place its Cycling business under strategic review. Following the decision, the company has started a formal process to actively find a potential buyer for the asset. As required by the reporting standards, all income and expenses of the Cycling business are reported as discontinued operations for 2018 and comparative figures for 2017 are adjusted accordingly. Balance sheet items related to Cycling business are reported under assets and liabilities held-for-sale as of September 2018 onwards.

The comparative figures have been restated in accordance with IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments.

2018 was yet another year of record sales for Amer Sports, despite continued challenging wholesale trading environment. Consumer demand for Amer Sports brands continued to be high, and the company grew at strong double-digit rate in the strategic priority areas Apparel, own retail, e-commerce, and China. These were also the main drivers of profitability improvement. 2018 represented the 9th consecutive year of growth and broad-based improvement.

NET SALES AND EBIT IN 2018

Amer Sports' net sales in 2018 were EUR 2,678.2 million (2017: EUR 2,574.6 million). Net sales increased by 7% in local currencies. Organic growth was 4%.

The Group's financial net sales target is annual mid-single digit organic, currency-neutral growth.

Net sales by operating segment (continuing operations)

EUR million	2018	2017	Change %	Change %*)	% of sales 2018	% of sales 2017
Outdoor	1,661.3	1,540.0	8	10	62	60
Ball Sports	638.1	659.0	-3	1	24	26
Fitness	378.8	375.6	1	4	14	14
Total	2,678.2	2,574.6	4	7	100	100

*) In local currencies

Geographic breakdown of net sales (continuing operations)

EUR million	2018	2017	Change %	Change %*)	% of sales 2018	% of sales 2017
EMEA	1,162.6	1,087.6	7	8	43	42

Americas	1,123.8	1,122.2	0	4	42	44
Asia Pacific	391.8	364.8	7	10	15	14
Total	2,678.2	2,574.6	4	7	100	100

*) In local currencies

Gross margin excl. IAC was 45.6% (45.1), driven by improvement in channel mix and higher share of full-price sales.

EBIT excl. IAC was EUR 231.2 million (214.4). Items affecting comparability were EUR -22.3 million (-44.9). Increased sales in local currencies had a positive impact on EBIT of approximately EUR 76 million and increased gross margin had a positive impact of approximately EUR 12 million. Operating expenses increased by approximately EUR 72 million in local currencies. Other income and expenses and currencies had a positive impact of approximately EUR 1 million on EBIT. EBIT was EUR 208.9 million (169.5).

EBIT as a percentage of sales excl. IAC was 8.6% (8.3). The Group's financial profit target is to have annual EBIT growth (excl. IAC) ahead of net sales growth.

EBIT excluding IAC by operating segment (continuing operations)

EUR million	2018	2017	Change %
Outdoor	205.4	178.4	15
Ball Sports	44.8	45.2	-1
Fitness	11.9	20.1	-41
Headquarters*)	-30.9	-29.3	
EBIT excl. IAC	231.2	214.4	8
IAC	-22.3	-44.9	
EBIT total	208.9	169.5	23

*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

Reconciliation of EBIT excluding IAC (continuing operations)

	2018	2017
EBIT excl. IAC	231.2	214.4
Items affecting comparability		
Class action lawsuit settlement on Suunto		
dive computers sold in the USA since 2006	-5.5	-
Restructuring program 2016	-	-8.5
Restructuring program 2016 expansion and		
write-downs	-4.1	-35.5
Acquisition related accounting adjustments	-	-0.9
Advisory cost related to M&A activities	-12.7	-
EBIT	208.9	169.5

Reconciliation of EBIT excluding IAC by income statement line item (continuing operations)

1-12/2018		Income statement excl. IAC
IFRS	IAC	

NET SALES	2,678.2	-	2,678.2
Cost of goods sold	-1,457.2	-	-1,457.2
License income	5.4	-	5.4
Other operating income	7.4	-	7.4
Research and development expenses	-96.5	-1.5	-95.0
Selling and marketing expenses	-725.4	-2.6	-722.8
Administrative and other expenses	-203.0	-18.2	-184.8
EBIT	208.9	-22.3	231.2
Financing income and expenses	-42.2	-	-42.2
EARNINGS BEFORE TAXES	166.7	-22.3	189.0
NET RESULT	124.9	-16.7	141.6

1-12/2017			
	IFRS	IAC	Income statement excl. IAC
NET SALES	2,574.6	-	2,574.6
Cost of goods sold	-1,422.2	-7.9	-1,414.3
License income	5.5	-	5.5
Other operating income	6.2	0.6	5.6
Research and development expenses	-111.4	-18.7	-92.7
Selling and marketing expenses	-710.5	-18.3	-692.2
Administrative and other expenses	-172.7	-0.6	-172.1
EBIT	169.5	-44.9	214.4
Financing income and expenses	-26.6	-	-26.6
EARNINGS BEFORE TAXES	142.9	-44.9	187.8
Taxes			
Write-down of deferred tax assets due to US federal tax rate reduction	-10.4	-10.4	-
Other current and deferred taxes	-38.7	12.2	-50.9
NET RESULT	93.8	-43.1	136.9

Items affecting comparability (IAC) are material items or transactions, which are relevant for understanding the underlying operational financial performance of Amer Sports when comparing profit of the current period with previous periods. These items can include, but are not limited to, capital gains and losses on business disposals, acquisition and disposal-related costs, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view.

Net financial expenses totaled EUR 42.2 million (26.6), including net interest expenses of EUR 35.0 million (31.5). Net foreign exchange losses were EUR 2.9 million (gains 1.6). Other net financing expenses were EUR 4.3 million (income 3.3) including EUR 5.0 million non-cash expense of discounted impact of long-term trade receivables. Earnings before taxes totaled EUR 166.7 million (142.9) and taxes were EUR -41.8 million (-49.1). Earnings per share excl. IAC were EUR 1.23 (1.18). Earnings per share were EUR 1.08 (0.80).

OUTLOOK GIVEN FOR 2018

In Amer Sports financial statements for 2017, the company published the following outlook for the year:

In 2018, Amer Sports' net sales in local currencies as well as EBIT excl. IAC are expected to increase from 2017. Due to ongoing wholesale market uncertainties, the quarterly growth and improvement are expected to be uneven. The company will prioritize sustainable, profitable growth, focusing on its five strategic priorities

(Apparel and Footwear, Direct to Consumer, China, US, and Connected Devices and Services) whilst continuing its consumer-led transformation.

CASH FLOW AND FINANCING

In 2018, free cash flow was EUR 34.9 million (161.3). Compared to the end of 2017, inventories increased by EUR 82.1 million (decrease 2.6). Receivables increased by EUR 18.1 million (39.7). Payables increased by EUR 35.5 million (83.7). The Group's financial cash flow target is to have annual free cash flow / net profit of at least 80%. In 2018, free cash flow / net profit was 28% (172).

At the end of 2018, the Group's net debt was EUR 756.6 million (460.7). The Group's financial balance sheet target is to have year-end net debt / EBITDA ratio of three or less. At the end of 2018, the year-end net debt / EBITDA ratio excl. IAC was 2.5 (2.0).

Amer Sports financed the acquisition of Peak Performance on June 29, 2018 by a new short-term debt of EUR 180.0 million for bridge financing and using the existing cash reserves.

Interest-bearing liabilities amounted to EUR 1,006.2 million (819.1) consisting of short-term debt of EUR 213.6 million and long-term debt of EUR 792.6 million. The average interest rate on the Group's interest-bearing liabilities was 1.7% (2.5).

Short-term debt consists mainly of repayments of term loans (EUR 50.4 million) and commercial papers (EUR 159.9 million) that Amer Sports had issued in the Finnish market (December 31, 2017: -). The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 249.6 million (358.4).

Amer Sports had not used any of its EUR 200 million committed revolving credit facility at the end of the review period.

Net Debt/ LTM EBITDA excl. IAC was 2.49 (1.64) and net debt/equity was 0.82 (0.52), both increased due to the acquisition of Peak Performance.

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 24 months EUR/USD net flow - subject to hedging policy - is expected to be approximately USD 924 million. In general, the weakening of the euro against the US dollar therefore has a negative impact on the company's EBIT, with a delay due to hedging.

Amer Sports' hedging policy covers the foreign exchange transaction risks up to 12–24 months forward. Hedging tenors of currency pairs vary due to costs related to hedging. At the end of 2018, the Group had fully hedged the 2019 EUR/USD expected net cash flow at an average EUR/USD rate of 1.21 and 20% of the 2020 EUR/USD expected net cash flow at an average EUR/USD rate of 1.19.

Amer Sports' consolidated financial statements are presented in euros, and therefore the company is subject to currency translation risk when currency dominated result is converted into euros. In addition to USD, other significant transaction risks are in CAD, GBP and SEK. Combining the yearly 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.

CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 85.6 (83.6) million. Depreciation totaled EUR 69.9 million (65.3) and write-down of intangible assets was EUR 2.5 million (16.7). In 2019, capital expenditure is expected to be approximately 3.0-3.5% of net sales.

RESEARCH AND DEVELOPMENT

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

In 2018, the Group accelerated the widespread integration of its new consumer-driven innovation model and design process which drives best practices and cross-learning across the brands. The renewal of Amer Sports R&D and creative processes concentrates on exploring unmet consumer needs as well as elevates the design capabilities to meet changing and growing consumer demands.

In 2018, several exciting consumer concepts were launched, including innovative solutions in Winter Sports Equipment from Atomic and Salomon, new consumer segment product expansions at Suunto, and new design evolutions in footwear and apparel focusing on emerging consumer trends and global market shifts.

The Group has seven R&D and design sites serving the business areas globally. In 2018, R&D expenses excl. IAC were EUR 95.0 million, accounting for 9.5% of all operating expenses (2017: 92.7, 9.7% of operating expenses; 2016: 95.2, 9.5%). Outdoor accounted for 72% of the R&D expenditure, Ball Sports for 15% and Fitness for 13%.

On December 31, 2018, 823 persons were employed in the company's R&D and digital platforms development, representing approximately 9% of the total number of people employed by Amer Sports (2017: 794, 9%).

SALES AND MARKETING

Amer Sports is a leader in sports with a unique portfolio of iconic brands. The products are sold directly to consumers through brand stores, factory outlets, and e-commerce and through trade customers in sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors.

The consumer's digital habits are transforming the purchase journey. Amer Sports therefore strives to ensure the consumer finds its brands when they research online and that the company engages and activates the consumer in the digital world. In 2018, the online search results and digital share-of-shelf for Amer Sports brands were higher than ever before. Millions of new consumers opted into the Amer Sports database (+50% versus 2017) and almost 90 million visited Amer Sports' websites, providing ever more opportunities for the company to engage with consumers and provide them with opportunities to attend an event, try products or visit quality trade partners' stores or online shopping sites. User experience and consumer satisfaction ratings improved across all brands. Amer Sports strives to improve the consumer experience further.

In 2018, Amer Sports Direct-to-Consumer net sales were EUR 328.8 million (2017: EUR 254.1 million). Organic growth in local currencies was 19%, of which e-commerce growth was 24% and own retail growth was 14%. Same-store retail sales growth was 7%.

At the end of 2018, Amer Sports had 364 (288) branded retail stores. Amer Sports focuses geographically on epicenters and on providing the consumer with a compelling experience. Over half the stores are operated directly by Amer Sports with just under half the stores operated by local, independent partners. 80% of the stores are full price and 20% are outlets. During the year, 40 new branded stores were opened and 42 were closed. In addition, 78 Peak Performance stores were added to the store fleet. Geographically, the retail store footprint is balanced, with approximately one third in each of Europe, Asia Pacific and the Americas.

In e-commerce, Amer Sports strongly increased its presence, improving traffic through greater availability and through data analysis and digital marketing. Conversion improved thanks to heightened consumer services such as sizing guides, user-generated content and cross-merchandising. At the end of 2018, the number of Amer Sports e-commerce stores was 100 (86).

Sales and distribution expenses excl. IAC in 2018 were EUR 454.0 million (434.9), 17% of sales (17). Advertising, promotion and marketing expenses in 2018 were EUR 268.8 million (257.3), 10% (10) of sales.

On December 31, 2018, the Amer Sports own sales organization covered 34 countries. 4,137 (3,575) persons were employed in sales and distribution activities, representing 44% (42) of the total number of people employed by Amer Sports. 790 (719) persons were employed in marketing, representing 8% (8) of the total number of people employed by Amer Sports.

SUPPLY CHAIN MANAGEMENT

In supply chain management, the main focus areas in 2018 were customer service, cost of goods reduction, and sustainable complexity reduction as well as working capital efficiencies and omnichannel-readiness.

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 22% of Amer Sports' production value is generated in China, 38% elsewhere in Asia Pacific, 28% in EMEA and 12% in the Americas.

Amer Sports manufactures approximately 24% of its products itself, and another 12% is produced in the hybrid factories. Approximately 64% of Amer Sports' total production value is outsourced. This includes the manufacturing of all racket sports and golf products, most team sports products and most of the apparel and footwear products.

Amer Sports' most important own production facilities are located in Bulgaria, Austria, France, Finland, Canada and the United States. In addition, Amer Sports has major hybrid factories in Eastern Europe, where ownership is shared with local subcontractors.

HUMAN RESOURCES

In 2018, Amer Sports maintained a strong focus on building and scaling capabilities to support profitable growth, in particular the acceleration areas Softgoods, China, Direct to Consumer, and USA. The company continued to evolve the Go to Market organization and to integrate and scale the supply chain and distribution operations. Further, productivity remained a focus area to free up resources for investment into renewal.

In 2018, the average number of Group employees was 9,096 (2017: 8,631; 2016: 8,439). At the end of 2018, the number of employees was 9,489 (2017: 8,607; 2016: 8,526). The growth is due to the acquisition of Peak Performance and the expansion of Amer Sports' own retail store fleet.

At the end of 2018, 59% of Group employees were male (2017: 60%, 2016: 61%) and 41% female (2017: 40%, 2016: 39%).

Salaries, incentives and other related costs in 2018 totaled EUR 538.5 million (2017: 522.9; 2016: 507.6). Average cost per employee decreased.

Personnel

	December 31, 2018	December 31, 2017	Change %
EMEA	4,879	4,259	15
Americas	3,678	3,458	6
Asia Pacific	932	890	5
Total	9,489	8,607	10

	December 31, 2018	December 31, 2017	Change %
Manufacturing and sourcing	2,729	2,540	7
Sales and distribution	4,137	3,575	16
Support functions/shared services	1,010	979	3
R&D and digital platforms	823	794	4
Marketing	790	719	10
Total	9,489	8,607	10

NON-FINANCIAL INFORMATION

Amer Sports will publish a non-financial information statement for 2018, and it is issued separately from the Board of Directors' report. The statement contains information on social and employee matters, respect for human rights, environmental matters, and anti-corruption and bribery matters.

OPERATING SEGMENT REVIEWS

OUTDOOR (continuing operations)

EUR million	10-12/ 2018	10-12/ 2017	Ch %	Ch %*)	2018	2017	Ch %	Ch %*)
Net sales								
Footwear	93.5	99.6	-6	-6	469.5	500.8	-6	-4
Apparel	205.8	144.1	43	41	585.5	482.3	21	25
Winter Sports Equipment	227.8	214.6	6	6	446.3	415.2	7	8
Sports Instruments	46.9	45.8	2	2	160.0	141.7	13	14
Net sales, total	574.0	504.1	14	13	1,661.3	1,540.0	8	10
EBIT excl. IAC	86.6	81.4	6		205.4	178.4	15	
EBIT % excl. IAC	15.1	16.1			12.4	11.6		

*) Change in local currencies

In 2018, Outdoor net sales were EUR 1,661.3 million (1,540.0), an increase of 10% in local currencies driven by the acquisition of Peak Performance. Organic growth was 4%. Own retail and e-commerce continued to perform well. Strong growth in Asia Pacific continued driven by China and Japan.

In April, Amer Sports announced the acquisition of Peak Performance, an iconic Swedish sports fashion brand.

Apparel growth was 25%, driven by Peak Performance and Arc'teryx. Footwear sales declined by 4% due to the consolidation of the global distribution footprint. Winter Sports Equipment sales increased by 8% driven by continued strong momentum in all brands, geographical regions, product categories and the OEM business. Sports Instruments sales increased by 14% driven by product portfolio and channel expansion.

In October–December, Outdoor net sales totaled EUR 574.0 million (504.1), an increase of 13% in local currencies. Organic growth was 5%. Apparel grew by 41% driven by Arc'teryx and Peak Performance. Footwear declined by 6%. Winter Sports Equipment sales grew by 6%. Sports Instruments sales grew by 2%.

Geographic breakdown of net sales (continuing operations)

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	2018	2017	Change %	Change %*)
EMEA	344.6	306.4	12	13	967.9	882.1	10	11
Americas	149.8	124.8	20	17	438.5	431.7	2	5
Asia Pacific	79.6	72.9	9	8	254.9	226.2	13	15
Total	574.0	504.1	14	13	1,661.3	1,540.0	8	10

*) Change in local currencies

In 2018, Outdoor EBIT excl. IAC was EUR 205.4 million (178.4). Increased sales in local currencies had a positive impact on EBIT of approximately EUR 71 million and increased gross margin a positive impact of approximately EUR 16 million. Operating expenses increased by approximately EUR 60 million.

In October–December, EBIT excl. IAC was EUR 86.6 million (81.4). Increased sales in local currencies had a positive impact of approximately EUR 31 million on EBIT while increased gross margin had a positive impact of approximately EUR 6 million. Operating expenses increased by approximately EUR 31 million. Other income and expenses and currencies had a negative impact of approximately EUR 1 million on EBIT.

BALL SPORTS

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	2018	2017	Change %	Change %*)
Net sales								
Individual Ball Sports	59.4	62.5	-5	-6	278.3	296.9	-6	-3
Team Sports	108.3	100.5	8	5	359.8	362.1	-1	4
Net sales, total	167.7	163.0	3	1	638.1	659.0	-3	1
EBIT excl. IAC	11.2	13.8	-19		44.8	45.2	-1	
EBIT % excl. IAC	6.7	8.5			7.0	6.9		

*) Change in local currencies

In 2018, Ball Sports' net sales were EUR 638.1 million (659.0). In local currencies, net sales increased by 1%. The Baseball segment grew 11%. The baseball bat business grew 27%, offset by a 4% decline in Racquet Sports and Team Inflates.

In October–December, Ball Sports' net sales totaled EUR 167.7 million (163.0). In local currencies, net sales increased by 1%.

Geographic breakdown of net sales

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	2018	2017	Change %	Change %*)
EMEA	20.4	24.0	-15	-15	110.0	117.3	-6	-5
Americas	128.3	117.9	9	6	455.4	463.6	-2	3
Asia Pacific	19.0	21.1	-10	-11	72.7	78.1	-7	-3
Total	167.7	163.0	3	1	638.1	659.0	-3	1

*) Change in local currencies

In 2018, Ball Sports EBIT excl. IAC was EUR 44.8 million (45.2). Increased sales in local currencies contributed to EBIT by approximately EUR 2 million and higher gross margin had a positive impact of approximately EUR 3 million. Operating expenses increased by approximately EUR 4 million. Other income and expenses and currencies had a negative impact of approximately EUR 1 million on EBIT.

In October–December, Ball Sports' EBIT excl. IAC was EUR 11.2 million (13.8). Lower gross margin had a negative impact of approximately EUR 1 million. Operating expenses increased by approximately EUR 3 million. Other income and expenses and currencies had a positive impact of approximately EUR 2 million on EBIT.

FITNESS

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	2018	2017	Change %	Change %*)
Net sales	132.5	118.9	11	9	378.8	375.6	1	4
EBIT excl. IAC	10.6	12.4	-15		11.9	20.1	-41	
EBIT % excl. IAC	8.0	10.4			3.1	5.4		

*) Change in local currencies

In 2018, Fitness net sales were EUR 378.8 million (375.6). In local currencies, net sales increased by 4%.

In October-December, Fitness' net sales were EUR 132.5 million (118.9) and increased by 9% in local currencies driven by strong sales in budget club customer segment.

Geographic breakdown of net sales

EUR million	10-12/ 2018	10-12/ 2017	Change %	Change %*)	2018	2017	Change %	Change %*)
EMEA	31.3	29.8	5	5	84.7	88.2	-4	-3
Americas	81.7	72.0	13	10	229.9	226.9	1	5
Asia Pacific	19.5	17.1	14	13	64.2	60.5	6	9
Total	132.5	118.9	11	9	378.8	375.6	1	4

*) Change in local currencies

In 2018, Fitness EBIT excl. IAC was EUR 11.9 million (20.1). Increased sales in local currencies had a positive impact of approximately EUR 5 million on EBIT while declined gross margin had a negative impact of approximately EUR 9 million. Operating expenses increased by approximately EUR 3 million. Other income and expenses and currencies had a negative impact of approximately EUR 1 million on EBIT.

In October–December, Fitness EBIT excl. IAC was EUR 10.6 million (12.4). Increased sales in local currencies had a positive impact of approximately EUR 4 million on EBIT while declined gross margin had a negative impact of approximately EUR 3 million. Operating expenses increased by approximately EUR 1 million. Other income and expenses and currencies had a negative impact of approximately EUR 2 million on EBIT.

CORPORATE GOVERNANCE

In its decision making and administration, Amer Sports Corporation applies the Finnish Limited Liability Companies Act, the Finnish Securities Markets Act and the rules issued by Nasdaq Helsinki Ltd, Amer Sports' Articles of Association, and the Finnish Corporate Governance Code 2015 for listed companies. Amer Sports complies with the code without exceptions. The code is published at www.cgfinland.fi.

Corporate Governance Statement has been prepared pursuant to the Finnish Corporate Governance Code 2015 for listed companies and the Securities Markets Act (Chapter 7, Section 7) and it is issued separately from the Board of Directors' report. The Audit Committee of the Board of Directors has reviewed the Corporate Governance Statement and the auditor Ernst & Young Oy has verified that the Statement has been issued and that the description of the main features of the internal control and risk management systems relating to the financial reporting process is consistent with the financial statements.

SHARES AND SHAREHOLDERS

In February 2018, the Board of Directors of Amer Sports Corporation resolved to cancel 2,000,000 of the company's own shares held by the company. The cancellation was registered with the Finnish Trade Register on February 20, 2018. The cancellation did not affect the company's share capital.

The company's share capital totaled EUR 292,182,204 on December 31, 2018 and the number of shares was 116,517,285.

Authorizations

The Annual General Meeting held on March 8, 2018 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 unrestricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization is valid for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 8, 2018 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue shares to the Company itself without payment. The authorization is valid for two (2) years from the date of the decision of the Annual General Meeting, except that the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes is valid for fourteen (14) months from the date of the decision of the Annual General Meeting.

The Annual General Meeting held on March 9, 2017 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 unrestricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization was valid for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 9, 2017 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue shares to the Company itself without payment. The authorization was valid for two (2) years from the date of the decision of the Annual General Meeting, except that the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes was valid for fourteen (14) months from the date of the decision of the Annual General Meeting. The new authorization to the Board of Directors to decide on the share issue granted by the Annual General Meeting held on March 8, 2018 superseded the authorization granted on March 9, 2017.

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

Own shares

In October 2017, Amer Sports Board of Directors decided to continue to utilize the authorization given by the Annual General Meeting held on March 9, 2017 to repurchase Amer Sports shares. The repurchases started on October 30, 2017 and ended on January 9, 2018. In January, the company repurchased a total of 190,000 shares at an average price of EUR 22.61. The total number of repurchased shares corresponded to 0.16% of all shares.

In March 2018, a total of 200,071 Amer Sports shares were transferred to the personnel participating in the Performance Share Plan 2013, Performance Share Plan 2016 and Restricted Stock Plan 2016 incentive programs.

A total of 12,087 shares granted as share-based incentives were returned to Amer Sports during the review period.

At the end of December, Amer Sports held a total of 1,296,540 shares (3,294,524) of Amer Sports Corporation. The number of own shares corresponds to 1.1% (2.8) of all Amer Sports shares.

Trading in shares

In 2018, a total of 94.2 million (113.9) Amer Sports shares with a value totaling EUR 2,743.6 million (2,521.3) were traded on Nasdaq Helsinki. Share turnover was 81.8% (97.6) (as a proportion of the average number of shares, excluding own shares). The average daily volume in 2018 was 376,693 shares (453,814).

In addition to Nasdaq Helsinki, Amer Sports shares were traded on the biggest alternative exchanges as follows: 39.2 million on Chi-X (38.4 million), 24.6 million on BATS (14.9 million) and 10.1 million on Turquoise (12.8 million).

The closing price of the Amer Sports Corporation share on the Nasdaq Helsinki stock exchange in 2018 was EUR 38.37 (2017: 23.09). Shares registered a high of EUR 38.73 (26.36) and a low of EUR 21.00 (19.81). The average share price was EUR 29.13 (22.13). At the end of December, the company had a market capitalization of EUR 4,421.0 million (2,660.5), excluding own shares.

At the end of December, Amer Sports Corporation had 20,859 registered shareholders (25,904). Ownership outside of Finland and nominee registrations represented 56.9% (48.4) of the company's shares. Public sector entities owned 12.4% (14.3), financial and insurance corporations 9.5% (12.0), households 11.6% (13.0), non-profit institutions 6.6% (7.1), private companies 1.9% (2.4) and Amer Sports 1.1% (2.8).

Major shareholders, December 31, 2018 (does not include nominee registrations nor shares held by the company)

	Shares	% of shares
1. Keva	5,188,420	4.45
2. Maa-ja vesiteknikan Tuki r.y.	5,000,000	4.29
3. Ilmarinen Mutual Pension Insurance Company	3,255,000	2.79
4. Mandatum Life Insurance Company Ltd.	2,727,146	2.34
5. Brotherus Ilkka Johannes	2,695,777	2.31
6. Varma Mutual Pension Insurance Company	2,588,951	2.22
7. Elo Mutual Pension Insurance Company	1,400,000	1.20
8. Nordea Nordic Fund	1,003,167	0.86
9. Nordea Pro Finland Fund	864,181	0.74
10. The State Pension Fund	750,000	0.64

NOTIFICATIONS OF CHANGE IN SHAREHOLDING UNDER THE FINNISH SECURITIES MARKET ACT

Amer Sports Corporation received a notification from AXA S.A. (city and country of residence: Paris, France) on May 24, 2018, in accordance with the Finnish Securities Markets Act Chapter 9, Section 5. According to the notification, the proportion of AXA S.A. of the total number of Amer Sports Corporation's shares and voting rights increased above five (5) per cent on May 21, 2018.

Amer Sports Corporation received a notification from AXA S.A. (city and country of residence: Paris, France) on June 6, 2018, in accordance with the Finnish Securities Markets Act Chapter 9, Section 5. According to the notification, the proportion of AXA S.A. of the total number of Amer Sports Corporation's shares and voting rights decreased below five (5) per cent on June 1, 2018.

Amer Sports Corporation received a notification from AXA S.A. (city and country of residence: Paris, France) on September 14, 2018, in accordance with the Finnish Securities Markets Act Chapter 9, Section 5. According to the notification, the total proportion of AXA S.A. of the total number of Amer Sports Corporation's shares and voting rights decreased below five (5) per cent on September 12, 2018.

Amer Sports Corporation received a notification from AXA S.A. (city and country of residence: Paris, France) on December 19, 2018, in accordance with the Finnish Securities Markets Act Chapter 9, Section 5. According to the notification, the total proportion of AXA S.A. of the total number of Amer Sports Corporation's shares decreased below five (5) per cent on December 14, 2018.

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

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, 2018

Shareholder	Shares	Controlled corporations
Board of Directors		
Bruno Sälzer	80,365	
Manel Adell	2,101	18,230
Ilkka Brotherus	2,695,777	500,000
Petri Kokko	959	
Tamara Minick-Scokalo	2,101	
Hannu Ryöppönen	29,722	
Lisbeth Valther	3,855	
Executive Board		
Heikki Takala	215,920	
Rob Barker	39,909	
Michael Dowse	49,198	
Jon Hoerauf	4,631	
Sebastian Lund	6,513	
Heikki Norta	13,841	
Jean-Marc Pambet	79,618	
Michael Schineis	70,570	
Jussi Siitonen	85,786	
Michael White	69,850	
TOTAL	3,450,716	518,230
% of shares	3.0	0.4
Including controlled corporations		
	3,968,946	
% of shares	3.4	

During the year, the Group had four share-based incentive plans for Group key personnel.

DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS

At the Amer Sports Corporation Annual General Meeting held on March 8, 2018, the following resolutions were approved:

Adoption of the annual accounts and consolidated annual accounts

The Annual General Meeting (AGM) approved Amer Sports annual accounts and consolidated annual accounts for the financial year ended December 31, 2017.

Resolution on use of the profit shown on the balance sheet and the capital repayment

The AGM resolved that a capital repayment of EUR 0.70 per share was paid to shareholders. The capital repayment was paid from the invested unrestricted equity fund. The capital repayment was paid to a shareholder who was registered in the shareholders' register of the Company maintained by Euroclear Finland Ltd on the record date for the capital repayment March 12, 2018. The capital repayment was paid on March 29, 2018. The AGM resolved that no dividend was paid from the retained earnings.

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 Company's President and CEO a discharge from liability for the financial year 2017.

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

The AGM resolved that the annual remuneration payable to the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2019 be

as follows: Chairman EUR 120,000, Vice Chairman EUR 70,000 and other members EUR 60,000 each. No extra remuneration is paid for attending the meetings of the Board of Directors or meetings of the Committees of the Board of Directors. Of the annual remuneration, 40% is paid in the form of the Company's shares and 60% in cash. A member of the Board of Directors is not permitted to sell or transfer any of these shares during the term of his or her Board membership. However, this limitation is only valid for a maximum of five years after the acquisition of the shares.

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 Manel Adell, Ilkka Brotherus, Tamara Minick-Scokalo, Hannu Ryöppönen, Bruno Sälzer and Lisbeth Valther as members of the Board of Directors and elected Petri Kokko as a new member of the Board of Directors.

The Board of Directors' term of service will run until the close of the 2019 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 re-elected Authorized Public Accountants Ernst & Young Oy to act as auditor of the Company.

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 unrestricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition.

The shares shall be repurchased and paid for in accordance with the rules of Nasdaq Helsinki Ltd and Euroclear Finland Ltd.

The Repurchase Authorization is valid for eighteen (18) months from the decision of the Annual General Meeting.

Authorizing the Board of Directors to decide on the share issue

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

By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue shares to the Company itself without payment.

The authorization is valid for two (2) years from the date of the decision of the Annual General Meeting, except that the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes is valid for fourteen (14) months from the date of the decision of the Annual General Meeting.

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

At its organizing meeting following the Annual General Meeting, Amer Sports Corporation's Board of Directors appointed Bruno Sälzer as Chairman and Ilkka Brotherus as Vice Chairman.

The Board appointed from among its members the following members to the Committees:

- Compensation and HR Committee: Lisbeth Valther (Chairman), Manel Adell, Tamara Minick-Scokalo, Ilkka Brotherus
- Nomination Committee: Bruno Sälzer (Chairman), Ilkka Brotherus, Hannu Ryöppönen
- Audit Committee: Hannu Ryöppönen (Chairman), Lisbeth Valther, Bruno Sälzer, Petri Kokko

CHANGES IN GROUP STRUCTURE

In April, Amer Sports Corporation announced the acquisition of all the shares and related businesses of Peak Performance AB from the Danish fashion company IC Group. The acquisition was completed on June 29, 2018. Based in Stockholm, Sweden, Peak Performance is a leading premium sports fashion brand with net sales of approximately EUR 145 million and EBIT of approx. EUR 16.5 million in the last 12 months. The final acquisition price was DKK 1,831 million (EUR 245.8 million). Peak Performance net sales in July-December were EUR 84.1 million and EBIT excl. IAC was EUR 15.2 million.

CHANGES IN GROUP MANAGEMENT

In June, in conjunction with the acquisition of Peak Performance, Amer Sports established a new Apparel Category structure with a dedicated leadership to enable faster growth and scale & synergy across the apparel brands Arc'teryx, Salomon, and Peak Performance. **Jon Hoerauf**, General Manager Arc'teryx, was appointed President Amer Sports Apparel Category, and member of Amer Sports Executive Board.

RESTRUCTURING AS FURTHER ENABLER FOR TRANSFORMATION AND PRODUCTIVITY

In February 2017, Amer Sports expanded the cost restructuring program initiated in August 2016, with the objective to reduce operating expenses worth approximately 100 EBIT margin basis points by the end of 2018, with full impact of approximately EUR 30 million annually from 2019 onwards. Restructuring expenses and write-downs for continuing operations were EUR 39.8 million (pre-tax, reported under "Items affecting comparability"), of which EUR 35.5 million was recognized during the second half of 2017 and the remaining balance of EUR 4.3 million was recognized in April-June 2018. In 2017, the cash flow impact was EUR 13.1 million, and the impact in 2018 was EUR 3.9 million. The first part of the restructuring program announced in August 2016 has been successfully completed.

TENDER OFFER

On September 11, Amer Sports disclosed that it had received a non-binding preliminary indication of interest from a consortium comprising ANTA Sports Products Limited and the private equity firm FountainVest Partners to acquire the entire share capital of Amer Sports for a cash consideration of EUR 40.00 per share.

On December 7, Amer Sports disclosed that Mascot Bidco Oy, an Investor Consortium including ANTA Sports, FV Fund and Anamerad Investments, and Amer Sports signed a Combination Agreement under which Mascot Bidco Oy will make a voluntary recommended cash Tender Offer for all of the issued and outstanding shares in Amer Sports, excluding shares held by Amer Sports and its subsidiaries. ANTA Sports, FV Fund, Anamerad Investments and Tencent (which will invest through Tencent SPV as a limited partner in FV Fund) form an Investor Consortium for the purposes of the Tender Offer, which indirectly will own 100 percent of Mascot Bidco Oy upon completion of the Tender Offer.

On December 19, Amer Sports disclosed that Mascot Bidco Oy commences the voluntary recommended public cash tender offer for all the issued and outstanding shares in Amer Sports Corporation. The acceptance period for the Tender Offer commenced on December 20, 2018 at 9:30 a.m. (Finnish time) and expires on February 28, 2019 at 4:00 p.m. (Finnish time). The Offeror has the right to extend the Offer Period in accordance with the terms and conditions of the Tender Offer.

SIGNIFICANT EVENTS AFTER THE REVIEW PERIOD

EXTRAORDINARY MEETING OF SHAREHOLDERS

At the Amer Sports Corporation Extraordinary General Meeting held on January 23, 2019, the following resolutions were approved:

Resolution on the amendment of the Articles of Association of the Company

The Extraordinary General Meeting resolved to remove Article 11 (titled “Redemption of shares”), concerning a shareholder’s obligation to redeem shares, from the Articles of Association of the Company. In addition, it was decided to update the numbering of the Articles of Association as required by the removal stated above (Article 12 shall become Article 11).

Resolution on the right of the current members of the Board of Directors to accept the tender offer for their shares

The Extraordinary General Meeting resolved to grant to the current members of the Board of Directors a right to accept the voluntary public cash tender offer by Mascot Bidco Oy for the shares in the Company held by them and to sell such shares despite transfer restrictions that concern the members of the Board of Directors resolved by previous General Meetings of the Company.

SIGNIFICANT RISKS AND UNCERTAINTIES

Amer Sports’ business is balanced by its broad portfolio of sports and brands, the increasing share of apparel and footwear in the company portfolio as well as the company’s presence in all major markets. Short-term risks for Amer Sports are particularly associated with general economic conditions and consumer demand development, the ability to compete successfully against existing or new competitors and the ability to identify and respond to constantly shifting trends, to leverage technology advancements and to develop new and appealing products.

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 and macroeconomic and sociopolitical conditions. Economic downturns may increase trade customers’ payment problems and Amer Sports may be forced to write-off accounts receivables.
- The sporting goods industry is highly competitive and includes many global, regional and national companies. Although Amer Sports has no competitors that challenge it across all of its product categories, it 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.
- Global trade tensions and UK’s possible withdrawal from the European Union (Brexit) may pose risks for Amer Sports. Uncertainties in trade policies and tariff changes may expose Amer Sports businesses with added and increased costs. In addition, Brexit may have implications, not only on the UK operations of the Amer Sports, but for the Group in increased market volatility, changes in standards, regulations and customs procedures causing disruptions in the supply chain and adding administrative tasks. Amer Sports is taking steps to assess and reduce the impact of possible changes.
- Amer Sports’ success is dependent on its ability to identify and respond to constantly shifting trends in consumer demand, to leverage advancements in technologies and to develop new and appealing products.
- Trade customers are developing new business models, keeping less inventories and requesting consignment stock arrangement. New demands from trade customers may increase Amer Sports’ costs without generating additional revenue. Retailers may quickly change their product offering and de-list Amer Sports brands and/or products if not satisfied with service, products and/or trade terms.
- Growing the number of Amer Sports’ own retail stores requires up-front investments. 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 the company’s omnichannel strategy could have a negative impact on the company’s sales and profitability.
- Amer Sports extensively utilizes information technology and ICT services in its operations. This may expose Amer Sports to information security violations, misuse of systems and/or data, viruses, malware and to such malfunctions, which can result in system failures or disruptions in processes and therefore have a material and adverse effect on the company’s operations. Roles and responsibilities have been

defined to manage IT security risks to ensure that adequate security is inbuilt within the IT management processes according to security policies, principles and best practices. A number of security controls have been implemented to strengthen the protection of confidential and/or personal information and to facilitate compliance with international regulations.

- 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. Product quality issues could harm Amer Sports' reputation and, as a result, could have an adverse effect on its sales and profitability.
- A characteristic feature of the sporting goods industry is the need to protect intellectual property rights and disputes connected with them. 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 the competitive position of Amer Sports. The material impacts on Amer Sports' financial position arising from pending litigation are assessed regularly.
- Amer Sports' most important production facilities are Winter Sports Equipment factories in Austria and Bulgaria, Fitness and Ball Sports factories in the United States, an Apparel factory in Canada, and a Sports Instruments factory in Finland. In addition, Amer Sports has major factories in Eastern Europe, which are owned by subcontractors. The 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 and its subcontractors use steel, aluminum, rubber and oil-based materials and components in the manufacturing and must obtain adequate supplies of these raw materials from the markets in competition with other users of such materials. Significant fluctuations in raw material prices may impact margins. Labor costs are increasing in Asia, especially in China where Amer Sports sources a significant share of its products.
- 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 policies such as Company Code of Conduct and Ethical Policy for suppliers, and established processes to monitor the working conditions with third party auditors in Asia, it 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 can be adversely affected by unusual or severe weather conditions. For example, sales of winter sports equipment is affected by snow conditions in particular in Europe and North America.
- Foreign exchange risk consists of transaction risk and translation risk. Due to geographical distribution of Amer Sports' operations, especially due to sourcing from Asia, most significant currency risks arise from the US dollar and, to lesser extent, from Canadian dollar, British pound and Swedish krona. Amer Sports uses hedging instruments to mitigate the impact of exchange rate fluctuations.

OUTLOOK FOR 2019

In 2019, Amer Sports' net sales in local currencies as well as EBIT excl. IAC are expected to increase from 2018. The company will prioritize sustainable, profitable growth, focusing on its strategic priorities in Apparel and Footwear, Direct to Consumer, China, and USA, whilst continuing its consumer-led transformation.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF EARNINGS

Due to the terms and conditions of the ongoing tender offer for all the shares in Amer Sports Corporation, the Board of Directors proposes that at this time no dividend shall be distributed to shareholders and the profit for the year will be transferred to retained earnings. The parent company's distributable earnings amount to EUR 192,368,852.23 of which the net result for the period is EUR -10,100,810.33.

TABLES

The figures presented in the tables are based on the Group's audited financial statements, and it has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU. The notes are an integral part of consolidated financial information.

On 5th September, as part of the strategy update, Amer Sports announced a decision to place its Cycling business under strategic review. Following the decision, the company is assessing market interest for its Cycling asset and has started a formal process to actively find a potential buyer for the asset. As required by the reporting standards, all income and expenses of the Cycling business are reported as discontinued operations for 2018 and comparative figures for 2017 are adjusted accordingly. Balance sheet items related to Cycling business are reported under assets and liabilities held-for-sale as of September 2018 onwards.

The comparative figures for 2017 have been restated in accordance with IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments.

EUR million

CONSOLIDATED RESULTS

	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
NET SALES	874.2	786.0	11	2,678.2	2,574.6	4
Cost of goods sold	-484.7	-438.0		-1,457.2	-1,422.2	
License income	1.9	1.6		5.4	5.5	
Other operating income	4.0	2.7		7.4	6.2	
Research and development expenses	-30.1	-25.3		-96.5	-111.4	
Selling and marketing expenses	-213.5	-187.7		-725.4	-710.5	
Administrative and other expenses	-68.0	-46.6		-203.0	-172.7	
EARNINGS BEFORE INTEREST AND TAXES	83.8	92.7		208.9	169.5	
% of net sales	9.6	11.8		7.8	6.6	
Financing income and expenses	-16.2	-6.3		-42.2	-26.6	
EARNINGS BEFORE TAXES	67.6	86.4		166.7	142.9	
Taxes	-16.6	-34.7		-41.8	-49.1	
NET RESULT FROM CONTINUING OPERATIONS	51.0	51.7		124.9	93.8	
Losses from discontinued operations	-72.8	-0.8		-77.4	-0.9	
NET RESULT	-21.8	50.9		47.5	92.9	
Attributable to:						
Equity holders of the parent company	-21.8	50.9		47.5	92.9	
Earnings per share from continuing operations, EUR	0.44	0.44		1.08	0.80	
Earnings per share from continuing operations, diluted, EUR	0.44	0.44		1.08	0.80	
Earnings per share from continuing and discontinued operations, EUR	-0.19	0.44		0.41	0.80	
Earnings per share from continuing and discontinued operations, diluted, EUR	-0.19	0.43		0.41	0.79	
Adjusted average number of shares in issue less own shares, million				115.2	116.7	
Adjusted average number of shares in issue less own shares, diluted, million				116.0	117.2	

Equity per share, EUR	7.99	7.70
ROCE, % *)	8.0	11.6
ROE from continuing operations, %	13.8	9.9
ROE from continuing and discontinued operations, %	5.3	9.8

Average rates used: EUR 1.00 = USD 1.1417 1.1770 1.1818 1.1286

*) 12 months' rolling average

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Net result	-21.8	50.9	47.5	92.9
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement effects of postemployment benefit plans	-3.8	8.5	-0.8	2.2
Income tax related to remeasurement effects	0.7	-2.7	0.2	-0.5
Items that may be reclassified to profit or loss				
Translation differences	16.0	1.5	26.8	-28.0
Cash flow hedges	8.4	-0.3	52.7	-68.4
Income tax related to cash flow hedges	-1.7	0.0	-10.5	13.6
Other comprehensive income, net of tax	19.6	7.0	68.4	-81.1
Total comprehensive income	-2.2	57.9	115.9	11.8

Total comprehensive income attributable to:

Equity holders of the parent company	-2.2	57.9	115.9	11.8
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NET SALES BY OPERATING SEGMENT (continuing operations)

	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Outdoor	574.0	504.1	14	1,661.3	1,540.0	8
Ball Sports	167.7	163.0	3	638.1	659.0	-3
Fitness	132.5	118.9	11	378.8	375.6	1
Total	874.2	786.0	11	2,678.2	2,574.6	4

GEOGRAPHIC BREAKDOWN OF NET SALES (continuing operations)

	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
EMEA	396.3	360.2	10	1,162.6	1,087.6	7
Americas	359.8	314.7	14	1,123.8	1,122.2	0
Asia Pacific	118.1	111.1	6	391.8	364.8	7
Total	874.2	786.0	11	2,678.2	2,574.6	4

EBIT EXCLUDING ITEMS AFFECTING COMPARABILITY (IAC) BY OPERATING SEGMENT (continuing operations)

	10-12/ 2018	10-12/ 2017	Change %	1-12/ 2018	1-12/ 2017	Change %
Outdoor	86.6	81.4	6	205.4	178.4	15

Ball Sports	11.2	13.8	-19	44.8	45.2	-1
Fitness	10.6	12.4	-15	11.9	20.1	-41
Headquarters*)	-11.7	-9.5		-30.9	-29.3	
EBIT excluding IAC	96.7	98.1	-1	231.2	214.4	8
IAC	-12.9	-5.4		-22.3	-44.9	
EBIT	83.8	92.7	-10	208.9	169.5	23

*) The Headquarters consists of Group digital service development, administration, shared services, other non-operational income and expenses, and fair valuation of share-based compensations.

CONSOLIDATED CASH FLOW STATEMENT

	Note	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Earnings before interest and taxes from continuing operations		83.8	92.7	208.9	169.5
Earnings before interest and taxes from discontinued operations		-76.5	-1.7	-82.6	-1.7
Adjustments to cash flow from operating activities and depreciation		76.5	16.4	136.2	84.5
Change in working capital		157.4	93.3	-64.7	46.6
Cash flow from operating activities before financing items and taxes		241.2	200.7	197.8	298.9
Interest paid and received		-4.0	-7.5	-31.0	-28.0
Income taxes paid and received		-12.9	-8.9	-40.2	-29.9
Net cash flow from operating activities		224.3	184.3	126.6	241.0
Acquired operations		-3.8	-	-245.2	-2.3
Capital expenditure on non-current tangible and intangible assets		-33.5	-33.9	-87.6	-83.6
Proceeds from sale of tangible non-current assets		-0.1	-0.1	0.2	0.8
Net cash flow from investing activities		-37.4	-34.0	-332.6	-85.1
Repurchase of own shares		-	-29.6	-4.3	-53.1
Capital repayment	3	-	-	-80.7	-72.7
Change in debt and other financing items		-136.4	8.5	183.4	-30.3
Net cash flow from financing activities		-136.4	-21.1	98.4	-156.1
Cash and cash equivalents on October 1/January 1		199.4	229.3	358.4	364.0
Translation differences		0.7	-0.1	-0.2	-5.4
Change in cash and cash equivalents		50.5	129.2	-107.6	-0.2
Cash and cash equivalents on December 31		250.6	358.4	250.6	358.4
Free cash flow *)		187.7	156.2	34.9	161.3

*) Cash flow from operating activities – net capital expenditures – change in restricted cash
Net capital expenditure = total capital expenditure less proceeds from sale of assets

CONSOLIDATED BALANCE SHEET

	Note	December 31, 2018	December 31, 2017
Assets			
Goodwill		439.2	344.3
Other intangible non-current assets		436.8	304.9
Tangible non-current assets		239.9	228.0

Other non-current assets		119.3	112.5
Inventories and work in progress		546.9	481.3
Current tax receivables		23.2	18.5
Other receivables		779.5	754.2
Cash and cash equivalents		249.6	358.4
Assets held for sale		69.0	-
Total assets	2	2,903.4	2,602.1

Shareholders' equity and liabilities

Shareholders' equity		920.1	885.4
Long-term interest-bearing liabilities		792.6	632.8
Other long-term liabilities		186.6	135.3
Current interest-bearing liabilities		213.6	186.3
Current tax liabilities		44.8	48.0
Other current liabilities		666.0	668.3
Provisions		45.2	46.0
Liabilities held for sale		34.5	-
Total shareholders' equity and liabilities		2,903.4	2,602.1

EUR 1.00 = USD		1.1450	1.1993
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital	Premium fund	Fund for own shares	Translation differences	Fair value and other reserves	Other OCI items	Re-measurements	Invested unrestricted equity reserve	Retained earnings	Total
Balance at January 1, 2018		292.2	12.1	-66.8	5.1	-27.0	-0.5	-45.5	90.4	625.4	885.4
Other comprehensive income:											
Translation differences					26.8						26.8
Cash flow and fair value hedges						51.6	1.1				52.7
Income tax related to OCI						-10.3	-0.2	0.2			-10.3
Remeasurement effects of postemployment benefit plans								-0.8			-0.8
Net result										47.5	47.5
Total comprehensive income					26.8	41.3	0.9	-0.6		47.5	115.9
Transactions with owners:											
Repurchased own shares				-4.3							-4.3
Cancellation of shares				39.3						-39.3	-
Share-based incentive program				4.0						-0.2	3.8
Capital repayment	3								-80.7		-80.7
Balance at December 31, 2018		292.2	12.1	-27.8	31.9	14.3	0.4	-46.1	9.7	633.4	920.1

24 (40)

							Restated			Restated	
	Note	Share capital	Premium fund	Fund for own shares	Translation differences	Fair value and other reserves	Other OCI items	Re-measurements	Invested unrestricted equity reserve	Retained earnings	Total
Balance at January 1, 2017		292.2	12.1	-15.5	33.1	27.8	0.0	-47.2	163.1	537.5	1,003.1
Change in accounting principles (IFRS 9)							-0.8			0.8	0.0
Change in accounting principles (IFRS 15)										-2.2	-2.2
Other comprehensive income:											
Translation differences					-28.0						-28.0
Cash flow and fair value hedges						-68.4	0.4			-0.4	-68.4
Income tax related to OCI						13.6	-0.1	-0.5		0.1	13.1
Remeasurement effects of postemployment benefit plans								2.2			2.2
Net result, restated with IFRS 15 impact										92.9	92.9
Total comprehensive income					-28.0	-54.8	0.3	1.7		92.6	11.8
Transactions with owners:											
Repurchased own shares				-53.1							-53.1
Share-based incentive program				1.8						0.5	2.3
Capital repayment	3								-72.7		-72.7
Other										-3.8	-3.8
Balance at December 31, 2017		292.2	12.1	-66.8	5.1	-27.0	-0.5	-45.5	90.4	625.4	885.4

QUARTERLY BREAKDOWN OF NET SALES AND EBIT EXCLUDING IAC (continuing operations)

NET SALES	Q4/ 2018	Q3/ 2018	Q2/ 2018	Q1/ 2018	Q4/ 2017	Q3/ 2017	Q2/ 2017	Q1/ 2017
Outdoor	574.0	522.0	216.2	349.1	504.1	468.9	210.1	356.9
Ball Sports	167.7	147.2	159.0	164.2	163.0	141.2	169.8	185.0
Fitness	132.5	88.0	79.9	78.4	118.9	87.8	84.4	84.5
Total	874.2	757.2	455.1	591.7	786.0	697.9	464.3	626.4

EBIT	Q4/ 2018	Q3/ 2018	Q2/ 2018	Q1/ 2018	Q4/ 2017	Q3/ 2017	Q2/ 2017	Q1/ 2017
Outdoor	86.6	113.0	-27.9	33.7	81.4	99.8	-28.5	25.7
Ball Sports	11.2	7.7	11.0	14.9	13.8	6.3	9.3	15.8
Fitness	10.6	1.2	0.0	0.1	12.4	4.5	2.5	0.7
Headquarters	-11.7	-5.1	-5.8	-8.3	-9.5	-6.8	-5.2	-7.8
EBIT excluding IAC	96.7	116.8	-22.7	40.4	98.1	103.8	-21.9	34.4
IAC	-12.9	-5.1	-4.3	-	-5.4	-34.0	1.1	-6.6
EBIT	83.8	111.7	-27.0	40.4	92.7	69.8	-20.8	27.8

THE NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting and in compliance with IFRS standards and interpretations in force as at January 1, 2018 as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2017 have also been applied in the preparation of the interim financial information.

From January 1, 2018 Amer Sports has adopted the new standards IFRS 9 'Financial instruments' and IFRS 15 'Revenue from Contracts with Customers'.

The new standard **IFRS 9 Financial instruments** gives guidance on the classification, measurement and impairment of the financial assets as well as general hedge accounting and derecognition of financial instruments. IFRS 9 replaced the standard IAS 39. Amer Sports has adopted the new standard by applying it retrospectively from January 1, 2018. The key impacts arising from the adoption of the new standard were:

(I) Changes in the classification of financial assets and liabilities

Under IFRS 9, financial assets and liabilities are measured at fair value through profit or loss, amortised cost or at fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets, and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessments of Amer Sports business model and whether the contractual cash flows on the instruments are solely comprised of principal and interest were made on the date of the initial application 1.1.2018.

Amer Sports reclassified its non-current and current financial assets under IFRS 9. The non-current financial assets, which were previously classified as 'Available-for-sale financial assets', were reclassified to 'Financial assets at fair value through OCI'. The other non-current financial assets were reclassified as 'Financial assets measured at amortised cost' replacing the previous classification 'Loans and other receivables'. The hold-to-collect accounts receivables, other non-interest yielding receivables, cash in hand and short term deposits were classified as 'Financial assets measured at amortised cost' instead of the previous classification of 'Loans and other receivables'. The available-for-sale factoring receivables, promissory notes and investments on money market funds were classified as 'Financial assets at fair value through OCI', previously classified as 'Loans and other receivables'. The changes in the classification did not have any impact on the recognition or measurement of Amer Sports financial assets.

IFRS 9 did not bring any changes to Amer Sports previous classification and measurement of financial liabilities.

The table of the classifications under IFRS 9 versus IAS 39 is disclosed in the Note 11 in this interim report.

(II) Impairment of financial assets

The impairment model under IFRS 9 requires the recognition of the impairment provisions based on ECLs (Expected Credit Losses) instead of on the incurred credit losses under IAS 39. Amer Sports applied the provision matrix as a practical expedient for measuring ECLs on trade receivables, contract assets and lease receivables with no significant financing component. The credit loss allowance was measured at an amount equal to the lifetime expected credit losses. The ECL model is forward-looking and the expected default rates are based on the realized credit losses in the past. The lifetime ECL allowances were calculated using the gross carrying amounts of the outstanding trade receivables and the expected default rates. The change in the impairment model under IFRS 9 did not have any material impact on Amer Sports financial statements.

(III) Hedge accounting

The hedge accounting model under IFRS 9 simplifies the hedge accounting and aligns the hedge accounting more closely with the risk management strategy and objectives. IFRS 9 allows derivatives that hedge non-financial components of a price risk and that are separately identifiable and measurable to be designated in a hedge relationship for that risk component only. Under IAS 39 non-financial components were prohibited from being designated as hedged items. Amer Sports has not used these options. IFRS 9 allows the time value of options to be excluded from the designation of a hedging instrument and accounted for as a cost of hedging. The fair value changes in the time value of options were recognized in Other comprehensive income. They are reclassified from equity to profit and loss in the same period or periods during which the expected future cash flows impact the profit and loss. This reduces the volatility in the income statements compared to IAS 39. As a result of this reclassification, the opening balance of retained earnings 1.1.2017 increased by EUR 0.8 million being fully offset by the adjustment of the new equity class 'Other OCI items' leaving no impact on the total shareholders' equity. Under IFRS 9 the retrospective effectiveness testing as under IAS 39 is removed. The ineffectiveness of the hedges previously used by Amer Sports was very minor or non-existent.

The impact from the reclassification of the time value of options from the profit and loss to the Other OCI items is included in the restated 2017 figures in this interim report.

The standard **IFRS 15 Revenue from contracts with customers** outlines the accounting requirements for when and how much to recognize revenue from the sale of goods and rendering of services based on a new five-step framework. Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer when the control transfers to the customer either over time or at a point in time. IFRS 15 supersedes IAS 11 Construction contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs and related interpretations. Amer Sports adopted the standard using the full retrospective approach. The accumulated effect of the retrospective application is recognized by adjusting the opening balance of the retained earnings for the earliest comparative period presented, which for Amer Sports is the financial period beginning on January 1, 2017. The key impacts arising from the adoption of the new standard were:

(I) Principal vs. agent consideration

Amer Sports provides freight services in all its operating segments and installation services in its Fitness segment. Previously the revenue from both the freight and installation services have been netted against the related expenses. As Amer Sports has the primary responsibility of providing the freight and/or installation service towards the customer, choosing the pricing of the service, and using third party service providers only to deliver the services, Amer Sports acts as a principal. As a result, both freight and installation revenue as well as the related expenses are recognized as gross amounts. This leads to increased net sales fully offset by increased cost of goods sold leaving no impact on EBIT.

(II) Transfer of control

As a result of more detailed requirements from IFRS 15 with respect to the transfer of control, Amer Sports has harmonized and sharpened its accounting principles and practices. The impact of this harmonization in the consolidated financial statements is not material.

III) Other IFRS 15 areas

The other identified IFRS 15 areas that are applicable to Amer Sports business are trade discounts, customer sales with right of return, customer loyalty campaigns, gift card breakage and extended payment terms. The impact of these adjustments on the consolidated income statement was not material.

Amer Sports has restated the 2017 figures and disclosed them in a separate transition document (stock exchange release dated April 13, 2018), which is available on www.amersports.com. The restated figures for the financial year 2017 are used in this interim report.

The new standard **IFRS 16 Leases** replaces the current standard IAS 17 Leases as well as IFRIC 4 Determining whether an Arrangement contains a lease and other related interpretations. IFRS 16 sets out the principles for the recognition and measurement of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting of finance leases under IAS 17. At the commencement date of a lease, a lessee will recognise a lease liability and an asset representing the right of use of the underlying asset during the lease term. The lessee is required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The lessee is also required to remeasure the lease liability upon the occurrence of certain events, e.g. a change in the lease term. The lessee recognizes the amount of the remeasurement of the lease liability in general as an adjustment to the right-of-use asset.

Amer Sports will adopt the new standard IFRS 16 from the annual period beginning on January 1, 2019 using the modified retrospective method. The comparison information for the prior periods is not therefore restated. Amer Sports elects to apply the standard to contracts that were previously identified as leases under IAS 17 and IFRIC 4. Amer Sports will therefore not apply the standard to contracts that were not previously identified as containing a lease under IAS 17 and IFRIC 4. Amer Sports elects to use the exemptions proposed by the standard on lease contracts for which the lease term is shorter than 12 months as of the date of the initial application January 1, 2019, and on lease contracts for which the underlying asset is of low value (e.g. laptops, mobile phones).

Amer Sports recognizes the lease liability measured at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate the date of initial application January 1, 2019. The right-of-use asset is measured on transition on a lease-by-lease basis by measuring the asset at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments recognized immediately before the date of initial application.

Amer Sports operating lease contracts consist mainly of cars and real estates (e.g. retail stores, offices, warehouses).

Amer Sports estimates that the standard has significant implications on the recognition of the lease expenses, non-current assets, interest-bearing liabilities as well as on the key financial ratios. Due to the great volume of the lease contracts and related liabilities Amer Sports expects to report significant increases in ROU assets and leasing liabilities. The off-balance sheet operating lease commitments as of December 31, 2018 were EUR 238.6 million for the continuing operations. The number of agreements recognized in the balance sheet under IFRS 16 may differ from the number of agreements recognized as operating lease commitments as the concept of agreements disclosed as lease commitments is somewhat different from the concept used in IFRS 16. Due to the adoption of IFRS 16 Amer Sports operating profit will improve as according to the standard the accounting of lease expenses will change and a portion of the lease expenses under IAS 17 will be reported as interest expenses under IFRS 16.

In 2017 Amer Sports has collected data of the existing lease contracts, evaluated potential tools for creating the journal entries according to IFRS 16 and created account structures in the ERP systems. During 2018 Amer Sports implemented the selected lease accounting tool, designed the lease accounting processes, posting logic and user manuals as well as organized group-wide trainings.

Other new and revised IFRS and IAS standards, amendments and interpretations that are issued but not yet effective are not expected to have any material impact in the Group's financial statements.

2. SEGMENT INFORMATION (continuing operations)

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

The accounting policies for segment reporting do not differ from the Group's accounting policies. However, 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 excluding items affecting comparability (EBIT excluding IAC). The chief operating decision maker of Amer Sports is President and CEO, who is assisted by the Executive Board.

There were no intersegment business operations during the reported periods.

	Net sales	EBIT	Financing income and expenses	Earnings before taxes	Assets
1-12/2018					
Outdoor	1,661.3	205.4			1,450.2
Ball Sports	638.1	44.8			546.1
Fitness	378.8	11.9			366.7
Segments, total	2,678.2	262.1			2,363.0
IAC		-22.3			
Headquarters		-30.9	-42.2		471.4
Total					2,834.4
Assets held for sale					69.0
Group total	2,678.2	208.9	-42.2	166.7	2,903.4
1-12/2017					
Outdoor	1,540.0	178.4			1,193.9
Ball Sports	659.0	45.2			489.8
Fitness	375.6	20.1			351.1
Segments, total	2,574.6	243.7			2,034.8
IAC		-44.9			
Headquarters		-29.3	-26.6		567.3
Group total	2,574.6	169.5	-26.6	142.9	2,602.1

NET SALES (continuing operations)

	1-12/2018	1-12/2017
Footwear	469.5	500.8
Apparel	585.5	482.3
Winter Sports Equipment	446.3	415.2
Sports Instruments	160.0	141.7
Outdoor	1,661.3	1,540.0
Individual Ball Sports	278.3	296.9
Team Sports	359.8	362.1
Ball Sports	638.1	659.0
Fitness	378.8	375.6
Total	2,678.2	2,574.6

GEOGRAPHIC BREAKDOWN OF NET SALES (continuing operations)

	1-12/2018	1-12/2017
EMEA	1,162.6	1,087.6
Americas	1,123.8	1,122.2

Asia Pacific	391.8	364.8
Total	2,678.2	2,574.6

REVENUE STREAMS (continuing operations)

	1-12/2018	1-12/2017
Sale of products and services	2,678.2	2,574.6
Licence income	5.4	5.5
Other operating income	7.4	6.2
Total	2,691.0	2,586.3

3. CAPITAL REPAYMENT

Relating to the year ending on December 31, 2017, the capital repayment distributed to the shareholders of Amer Sports Corporation was EUR 0.70 per share and amounted in total to EUR 80.7 million (2017: capital repayment 0.62 per share, in total 72.7 million). The capital repayment was paid out in March 2018.

4. CONTINGENT LIABILITIES AND SECURED ASSETS

	December 31, 2018	December 31, 2017
Guarantees	46.5	35.8
Liabilities for leasing and rental agreements	241.0	231.9
Other liabilities	60.8	72.5

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

5. 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.

6. SEASONALITY

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

7. DERIVATIVE FINANCIAL INSTRUMENTS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI MEASURED AT FAIR VALUE

The fair values of financial assets and liabilities whose fair value is recognized through income statement and derivative financial instruments used in hedge accounting are presented in the following table. All derivatives are classified as Level 2 instruments whose fair value is determined by using valuation techniques from observable market data. Financial assets at fair value through OCI are classified as Level 3 instruments and valued by using valuation techniques without any observable market data.

The company's derivative financial instruments may include foreign exchange forward contracts and options, interest rate swaps and interest rate options and cross-currency swaps. Foreign exchange forward contracts and options are used to hedge against changes in the value of receivables, liabilities and future cash flows denominated in a foreign currency and interest rate swaps and interest rate options 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.

Derivative financial instruments are initially and subsequently recognized at fair value. Fair values of foreign currency denominated derivatives are measured by recognizing the exchange rate difference by using the closing rates quoted by the European Central Bank on the reporting date. The future cash flows related to forward contract's interest rate differential are discounted with the relevant market interest rate yield curves on the reporting date and compared with initial interest rate differential. The time value of foreign exchange options is measured using commonly known option pricing models. The expected future cash flows of the interest rate swaps and cross currency swaps are discounted with the market interest yield curves of the currencies concerned. Interest rate options are valued by using commonly known option pricing models. The accrued interest of forward contracts, interest rate swaps and cross currency swaps are periodized over the duration of the instruments on a net basis.

The counterparty risk of the company hasn't materially changed and hence has no material effect on the valuation of the company's derivative instruments.

Financial assets at fair value through OCI are Level 3 instruments whose exact fair values can't be reliably measured. The fair values of financial assets at fair value through OCI are presented at bookkeeping value or a lower value if they are impaired. The fair values do not materially deviate from the bookkeeping value.

December 31, 2018	Financial assets/liabilities at fair value through profit and loss	Derivative financial instruments used in hedge accounting	Financial assets at fair value through OCI
Non-current financial assets			
Other non-current financial assets			0.9
Foreign exchange derivatives		2.6	
Interest rate derivatives and cross currency swaps	7.2		
Current financial assets			
Foreign exchange derivatives	5.4	27.1	
Interest rate derivatives and cross currency swaps		0.5	
Long-term financial liabilities			
Foreign exchange derivatives		1.6	
Interest rate derivatives and cross currency swaps	4.9	2.2	
Current financial liabilities			
Foreign exchange derivatives	6.0	8.0	
Interest rate derivatives and cross currency swaps	1.1		
Nominal value of foreign exchange derivatives	574.3	1,477.1	
Nominal value of interest rate derivatives	106.8	483.0	

December 31, 2017	Financial assets/liabilities at fair value through profit and loss	Derivative financial instruments used in hedge accounting	Financial assets at fair value through OCI
Non-current financial assets			
Other non-current financial assets			0.4
Foreign exchange derivatives		1.6	
Interest rate derivatives and cross currency swaps	10.1		
Current financial assets			
Foreign exchange derivatives	11.0	14.4	
Interest rate derivatives and cross currency swaps	2.2		
Long-term financial liabilities			
Foreign exchange derivatives		3.8	
Interest rate derivatives and cross currency swaps	9.6	1.6	
Current financial liabilities			
Foreign exchange derivatives	2.3	44.3	
Interest rate derivatives and cross currency swaps	13.5	0.7	
Nominal value of foreign exchange derivatives	764.8	1,358.1	
Nominal value of interest rate derivatives	185.0	226.7	
Nominal value of cross currency swaps		76.2	

8. ACQUIRED BUSINESSES

2018

In April 2018, Amer Sports Corporation announced the acquisition of all the shares and related businesses of Peak Performance AB from the Danish fashion company IC Group. The acquisition was completed on June 29, 2018. Based in Stockholm, Sweden, Peak Performance is a leading premium sports fashion brand with net sales of approximately EUR 145 million and EBIT of approx. EUR 16.5 million in the last 12 months. The final acquisition price was DKK 1,831 million (EUR 245.8 million). Peak Performance net sales in July-December were EUR 84.1 million and EBIT excl. IAC was EUR 15.2 million.

Peak Performance has a strong presence in the North and Central European markets, and the brand is also highly recognized outside of Europe. The acquisition accelerates Amer Sports' Softgoods business and enables faster growth and scale & synergy across the apparel brands Arc'teryx, Salomon and Peak Performance.

The fair value of the acquired net assets of Peak Performance was EUR 245.8 million. EUR 159.0 million of the fair value was allocated to the marketing related non-current intangible assets and EUR 5.1. million to customer relationships which are amortized in 10 years. EUR 102.3 million of the fair value was allocated to goodwill. The purchase price allocation was finalized during Q4 2018.

The following fair values of the assets and liabilities of Peak Performance have been consolidated into Amer Sports balance sheet from the acquisition date.

EUR million	Fair value
Intangible non-current assets	164.1
Goodwill	102.3
Other non-current assets	9.6
Inventories	17.7
Accounts receivables and other current assets	19.7
Cash	0.6
TOTAL ASSETS	314.0
Deferred tax liabilities	33.8
Interest-free liabilities	34.4
TOTAL LIABILITIES	68.2
NET ASSETS	245.8
Purchase price	245.8

Analysis of the cash flows on the acquisition

EUR million	Fair value
Purchase price	245.8
Peak Performance cash	-0.6
Transaction costs	2.7
Net cash flow on acquisition	247.9

2017

On March 29, 2017 Amer Sports acquired the iconic US ski brand Armada with annual net sales of approximately USD 10 million. The acquisition included the Armada brand, Armada-branded products, as well as intellectual property and distribution rights. The transaction value was USD 4.1 million, of which USD 2.5 million was settled with cash. Armada has been integrated into Amer Sports Winter Sports Equipment business unit. According to the purchase price allocation the fair value of acquired net assets was EUR 4.4 million resulting in a gain of EUR 0.6 million. EUR 2.2 million of the fair value was allocated to Armada trademark, which is amortized in 10 years.

The acquisition had no material impact on Amer Sports 2017 financial results.

9. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

On 5th September, as part of the strategy update, Amer Sports announced a decision to place its Cycling business under strategic review. Following the decision, the company is assessing market interest for its Cycling asset and has started a formal process to actively find a potential buyer for the asset. As required by the reporting standards, all income and expenses of the Cycling business are reported as discontinued operations for 2018 and comparative figures for 2017 are adjusted accordingly. Balance sheet items related to Cycling business are reported under assets and liabilities held-for-sale as of September 2018 onwards.

The result of the Cycling business is shown as discontinued operations in the consolidated income statement:

10-12/	10-12/	1-12/	1-12/
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	2018	2017	2018	2017
Net sales	27.0	33.7	113.8	134.6
Cost of goods sold	-22.3	-20.8	-76.8	-80.8
License income	0.1	0.1	0.1	0.2
Other operating income	-	0.3	0.4	0.8
Operating and other expenses	-13.5	-15.1	-52.3	-56.6
Impairment loss recognized on the remeasurement to fair value less costs to sell	-67.8	-	-67.8	-
Earnings before interest and taxes	-76.5	-1.8	-82.6	-1.8
Financing income and expenses	0.1	0.1	-0.2	0.4
Earnings before taxes	-76.4	-1.7	-82.8	-1.4
Taxes	3.6	0.9	5.4	0.5
Net result	-72.8	-0.8	-77.4	-0.9
Earnings per share from discontinued operations, EUR	-0.63	-0.01	-0.67	-0.01
Earnings per share from discontinued operations, diluted, EUR	-0.63	-0.01	-0.67	-0.01

The following assets and liabilities were reported as assets and liabilities held for sale:

	December 31, 2018
Intangible rights	5.5
Tangible non-current assets	2.8
Other non-current assets	6.6
Inventories	36.3
Other receivables	16.8
Cash	1.0
Total assets held for sale	69.0
Long-term interest-free liabilities	4.8
Current interest-free liabilities	29.7
Total liabilities held for sale	34.5
Net assets held for sale	34.5

10. FORMULAS AND BRIDGE CALCULATIONS OF KEY INDICATORS

Amer Sports uses Alternative Performance Measures (APMs) in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA). APMs are reported in addition to, but not substituting, the performance measures reported in accordance with IFRS. APMs are derived from the performance measures reported in accordance with IFRS by adjusting them by Items Affecting Comparability (IAC). Amer Sports presents APMs to reflect the underlying business performance and to enhance comparability between financial periods.

For Amer Sports the key financial ratios to monitor and manage capital structure of the company are Net debt/LTM EBITDA excl. IAC and Net debt/Equity. These will be reported on quarterly basis and reporting of Equity ratio and Gearing will be discontinued.

As required by the reporting standards, all income and expenses of the Cycling business are reported as discontinued operations for 2018 and comparative figures for 2017 are adjusted accordingly. Balance sheet items related to Cycling business are reported under assets and liabilities held-for-sale as of September 2018 onwards.

EBIT excluding IAC (continuing operations):

EBIT + IAC

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
EBIT	83.8	92.7	208.9	169.5
IAC	12.9	5.4	22.3	44.9
EBIT excluding IAC	96.7	98.1	231.2	214.4

EBIT % excluding IAC (continuing operations):

100 x $\frac{\text{EBIT} + \text{IAC}}{\text{Net Sales}}$

ITEMS AFFECTING COMPARABILITY (IAC) are material items or transactions, which are relevant for understanding the underlying operational financial performance of Amer Sports when comparing profit of the current period with previous periods. These items can include, but are not limited to, capital gains and losses on business disposals, acquisition and disposal related costs, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view.

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Class action lawsuit settlement on Suunto dive computers sold in the USA since 2006	5.5	-	5.5	-
Restructuring program 2016	-	-	-	8.5
Restructuring program 2016 expansion and write-downs	-	4.5	4.1	35.5
Acquisition related accounting adjustments	-	0.9	-	0.9
Advisory cost related to Peak Performance acquisition and other structural changes	7.4	-	12.7	-
Items affecting comparability total	12.9	5.4	22.3	44.9

EARNINGS PER SHARE excluding IAC (continuing operations):

Net result excluding IAC attributable to equity holders of the parent company

Average number of shares adjusted for the bonus element of share issues

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Net result	51.0	51.7	124.9	93.8
IAC	12.9	5.4	22.3	44.9
Tax effect of IAC	-3.2	-1.9	-5.6	-12.2
Write-down of deferred tax assets due to US federal tax rate reduction	-	10.4	-	10.4
Net result excluding IAC	60.7	65.6	141.6	136.9

EBITDA (continuing operations):

EBIT + Depreciations and amortizations

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
EBIT	83.8	92.7	208.9	169.5
Depreciations and amortizations	20.1	15.7	72.4	65.3

EBITDA	103.9	108.4	281.3	234.8
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EBITDA excluding IAC (continuing operations):

EBIT excluding IAC + Depreciations and amortizations

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
EBIT	83.8	92.7	208.9	169.5
IAC	12.9	5.4	22.3	44.9
Depreciations and amortization	20.1	15.7	72.4	65.3
EBITDA excl. IAC	116.8	113.8	303.6	279.7

NET DEBT (continuing operations):

Long-term and current Interest-bearing liabilities – cash and cash equivalents

	December 31, 2018	December 31, 2017
Long-term interest-bearing liabilities	792.6	632.8
Current interest-bearing liabilities	213.6	186.3
Cash and cash equivalents	-249.6	-358.4
NET DEBT	756.6	460.7

NET DEBT/ LTM EBITDA excl. IAC (continuing operations):

100 x $\frac{\text{Net Debt}}{12 \text{ months' rolling EBIT excl. IAC} + 12 \text{ months' rolling depreciations and amortizations}}$

NET DEBT/EQUITY (continuing operations):

Long-term and current interest-bearing liabilities – cash and cash equivalents
Shareholders' equity

FREE CASH FLOW:

Cash flow from operating activities – net capital expenditures – change in restricted cash

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
Cash flow from operating activities	224.3	184.3	126.6	241.0
Net capital expenditures	-37.4	-34.0	-87.4	-82.8
Restricted cash	0.8	5.9	-4.3	3.1
FREE CASH FLOW	187.7	156.2	34.9	161.3

NET CAPITAL EXPENDITURE:

Total capital expenditure on non-current tangible and intangible assets - proceeds from sale of assets

	10-12/ 2018	10-12/ 2017	1-12/ 2018	1-12/ 2017
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Total capital expenditure on non-current tangible and intangible assets	-33.5	-33.9	-87.6	-83.6
Proceeds from sale of assets	-0.1	-0.1	0.2	0.8
NET CAPITAL EXPENDITURE	-37.4	-34.0	-87.4	-82.8

11. CLASSIFICATIONS UNDER IAS 39 AND IFRS 9

EUR million	Classification under IAS 39	Classification under IFRS 9	Carrying amount by category at 1.1.2018 under IAS 39 ¹⁾	Carrying amount by category at 1.1.2018 under IFRS 9 ¹⁾
NON-CURRENT FINANCIAL ASSETS				
Other non-current financial assets	Loans and other receivables	Financial assets measured at amortized cost	4.5	4.5
Other non-current financial assets	Available for sale financial assets	Financial assets at fair value through OCI	0.4	0.4
Derivative financial instruments				
Foreign exchange derivatives	Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	-	-
Foreign exchange derivatives	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	1.6	1.6
Interest rate derivatives and cross currency swaps	Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	10.1	10.1
Interest rate derivatives and cross currency swaps	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	-	-
CURRENT FINANCIAL ASSETS				
Hold-to-collect accounts receivable	Loans and other receivables	Financial assets measured at amortized cost	551.4	551.4
Available for sale factoring receivables	Loans and other receivables	Financial assets at fair value through OCI	37.7	37.7
Other non-interest yielding receivables	Loans and other receivables	Financial assets measured at	86.0	86.0

Promissory notes	Loans and other receivables	amortized cost Financial assets at fair value through OCI	11.7	11.7
Derivative financial instruments				
Foreign exchange derivatives	Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	11.0	11.0
Foreign exchange derivatives	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	14.4	14.4
Interest rate derivatives and cross currency swaps	Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	2.2	2.2
Interest rate derivatives and cross currency swaps	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	-	-
Cash and cash equivalents, commercial papers and deposits	Loans and other receivables	Financial assets measured at amortized cost	328.4	328.4
Investments on money market funds	Loans and other receivables	Financial assets at fair value through OCI	30.0	30.0
LONG-TERM FINANCIAL LIABILITIES				
Long-term interest-bearing liabilities	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost	632.8	632.8
Other long-term liabilities	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost	28.6	28.6
Derivative financial instruments				
Foreign exchange derivatives	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through profit and loss	-	-
Foreign exchange derivatives	Derivative financial	Derivative financial	3.8	3.8

39 (40)

	instruments used in hedge accounting	instruments used in hedge accounting		
Interest rate derivatives and cross currency swaps	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through profit and loss	9.6	9.6
Interest rate derivatives and cross currency swaps	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	1.6	1.6
CURRENT FINANCIAL LIABILITIES				
Current interest-bearing liabilities	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost	186.3	186.3
Accounts payable	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost	315.0	315.0
Other current liabilities	Financial liabilities measured at amortized cost	Financial liabilities measured at amortized cost	245.1	245.1
Derivative financial instruments				
Foreign exchange derivatives	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through profit and loss	2.3	2.3
Foreign exchange derivatives	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	44.3	44.3
Interest rate derivatives and cross currency swaps	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through profit and loss	13.5	13.5
Interest rate derivatives and cross currency swaps	Derivative financial instruments used in hedge accounting	Derivative financial instruments used in hedge accounting	0.7	0.7

¹⁾ Restated according to IFRS15

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

AMER SPORTS CORPORATION

Board of Directors