

Amer Sports Corporation

**INTERIM REPORT**  
 April 23, 2015 at 1:00 pm

## Amer Sports Corporation Interim Report January–March 2015

### JANUARY–MARCH 2015

- Net sales EUR 575.9 million (501.5). In local currencies, net sales increased by 5% driven particularly by Apparel and Footwear.
- Gross margin 45.9% (44.3%).
- EBIT excluding non-recurring items (NRI) EUR 33.6 million (20.6).
- Earnings per share excluding NRI EUR 0.16 (0.07).
- Net cash flow after investing activities EUR 43.0 million (44.2).
- The operative improvement was further boosted by currencies.
- Outlook for 2015 unchanged.
- In March, Amer Sports announced the acquisition of a leading American baseball brand, Louisville Slugger. The acquisition had no impact on January-March 2015 financials. The acquisition was finalized on April 22.

### OUTLOOK FOR 2015

In 2015, Amer Sports net sales in local currencies is expected to increase and EBIT margin excluding non-recurring items to improve from 2014, despite challenging market conditions. The company will continue to focus on apparel and footwear growth, consumer-driven product and marketing innovation, commercial expansion and operational excellence.

### KEY FIGURES

EUR million	1–3/2015	1–3/2014	2014
Net sales	575.9	501.5	2,228.7
Gross profit	264.2	222.3	979.0
Gross profit %	45.9	44.3	43.9
EBIT excluding NRI	33.6	20.6	168.3
EBIT % excluding NRI	5.8	4.1	7.6
NRI*)	-1.4	-	-54.2
EBIT total	32.2	20.6	114.1
EBIT %	5.6	4.1	5.1
Financing income and expenses	-8.3	-9.2	-37.1
Earnings before taxes	23.9	11.4	77.0
Net result	17.2	8.2	55.4
Earnings per share excluding NRI, EUR	0.16	0.07	0.80
Net cash flow after investing activities	43.0	44.2	53.5
Equity ratio, % at period end	39.2	40.5	38.8
Net debt/equity at period end	0.51	0.58	0.50
Personnel at period end	7,650	7,370	7,630
Average rates used, EUR/USD	1.13	1.37	1.33

\*) *Non-recurring items (NRI) are exceptional transactions that are not related to normal business operations. The most common non-recurring items are capital gains, exceptional write-downs, provisions for planned restructuring and penalties. Non-recurring items are normally specified individually if they have a material impact on EBIT.*

### HEIKKI TAKALA, PRESIDENT AND CEO:

We started 2015 with solid growth and profit improvement, further boosted by currencies. The growth was particularly strong in Apparel and Footwear as well as in Sports Instruments, and the improved winter conditions drove re-orders in Winter Sports Equipment. In Fitness we declined mainly due to moving from third-party dealer model to in-house sales in the USA, resulting in de-stocking of the current dealer inventories.

Our Ball Sports recovery continues. Whilst total sales declined behind our new distribution strategy, we delivered solid growth across the focus growth areas, especially performance tennis and baseball, and we continued to improve gross margins and EBIT toward our mid-term targets. To accelerate profitable growth in baseball and softball, we announced the acquisition of Louisville Slugger, which makes us the global leader in baseball and softball equipment. The acquisition supports our strategic glidepath and confirms that we have progressed to a level where we can accelerate beyond organic growth, and we have the balance sheet strength to do so. Importantly, we still prefer organic growth and expansion, as we see significant potential to further leverage our current portfolio.

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**TELEPHONE CONFERENCE**

An English-language conference call for investors and analysts will be held at 3:00 p.m. Finnish time. To participate in the conference call, please call +44 (0)20 3427 1908 (UK/international dial-in number), confirmation code 3869951. The conference can also be followed live via [www.amersports.com](http://www.amersports.com) or <http://edge.media-server.com/m/p/yv8a5yrf>.

A replay of the conference call and a transcript will be available later at the same internet address. The replay number is +44 (0)20 3427 0598, passcode 3869951#.

**SECOND QUARTER RESULTS BULLETIN**

Amer Sports will publish its Q2/2015 results bulletin on Wednesday, July 29, 2015 at approximately 1:00 pm Finnish time.

**DISTRIBUTION**

NASDAQ OMX Helsinki, main media, [www.amersports.com](http://www.amersports.com)

**AMER SPORTS**

Amer Sports ([www.amersports.com](http://www.amersports.com)) is a sporting goods company with internationally recognized brands including Salomon, Wilson, Atomic, Arc'teryx, Mavic, Suunto and Precor. The company's technically advanced sports equipment, footwear and apparel improve performance and increase the enjoyment of sports and outdoor activities. The Group's business is balanced by its broad portfolio of sports and products and a presence in all major markets. Amer Sports shares are listed on the NASDAQ Helsinki stock exchange (AMEAS).

## Interim Report January–March 2015

### NET SALES AND EBIT

Amer Sports' net sales in January–March 2015 were EUR 575.9 million (January–March 2014: 501.5). Net sales increased by 5% in local currencies. The growth took place in Apparel (+22%), Winter Sports Equipment (+17%), Footwear (+13%) and in Sports Instruments (+10%). Cycling was at last year's level. Ball Sports and Fitness declined by 5%.

#### Net sales by business segment

EUR million	1–3/ 2015	1–3/ 2014	Change %	Change %*)	% of sales 2015	2014
Outdoor	341.9	287.5	19	14	59	1,371.2
Ball Sports	164.1	150.7	9	-5	29	536.7
Fitness	69.9	63.3	10	-5	12	320.8
Total	575.9	501.5	15	5	100	2,228.7

\*) Change in local currencies

#### Geographic breakdown of net sales

EUR million	1–3/ 2015	1–3/ 2014	Change %	Change %*)	% of sales 2015	2014
EMEA	270.6	249.1	9	8	47	1,064.0
Americas	230.2	189.2	22	2	40	874.3
Asia Pacific	75.1	63.2	19	6	13	290.4
Total	575.9	501.5	15	5	100	2,228.7

\*) Change in local currencies

Gross margin was 45.9% (44.3) driven by Individual Ball Sports and Apparel.

EBIT excluding non-recurring items was EUR 33.6 million (20.6). Non-recurring items were EUR 1.4 million related to the restructuring program announced in July 2014. Increased sales in local currencies contributed to EBIT by approximately EUR 13 million and improved gross margin by approximately EUR 9 million. Operating expenses increased by approximately EUR 11 million. Other income and expenses and currencies had a positive impact of EUR 2 million on EBIT.

#### EBIT excluding non-recurring items by business segment

EUR million	1–3/ 2015	1–3/ 2014	Change %	2014
Outdoor	21.4	9.5	125	125.6
Ball Sports	18.3	13.2	39	35.9
Fitness	1.3	3.4	-62	29.7
Headquarters*)	-7.4	-5.5		-22.9
EBIT excluding non-recurring items	33.6	20.6	63	168.3
Non-recurring items	-1.4	-		-54.2
EBIT total	32.2	20.6	56	114.1

\*) Headquarters segment consists of Group administration, shared services functions, other non-operational income and expenses and fair valuation of share-based compensations.

Net financial expenses totaled EUR 8.3 million (9.2), including net interest expenses of EUR 6.8 million (6.3). Net foreign exchange losses were EUR 1.1 million (2.3). Other financing expenses were EUR 0.4 million (0.6). Earnings before taxes totaled EUR 23.9 million (11.4) and taxes were EUR 6.7 million (3.2). Earnings per share excluding NRI were EUR 0.16 (0.07). Earnings per share were EUR 0.15 (0.07).

### CASH FLOW AND FINANCING

Net cash flow after investing activities (free cash flow) was EUR 43.0 million (44.2) in January–March. Working capital decreased by EUR 28.0 million (34.4). Inventories decreased by EUR 18.3 million (8.5) and receivables by EUR 96.1 million (106.9). Payables decreased by EUR 86.4 million (81.0).

At the end of March, the Group's net debt amounted to EUR 445.2 million (March 31, 2014: 422.2).

Interest-bearing liabilities amounted to EUR 699.5 million (March 31, 2014: 581.5) consisting of short-term debt of EUR 300.0 million and long-term debt of EUR 399.5 million. The average interest rate on the Group's interest-bearing liabilities was 3.4% (March 31, 2014: 3.9%).

Short-term debt consists mainly of repayments of long-term loans of EUR 252.9 million (March 31, 2014: 12.4). At the end of March Amer Sports had not issued any commercial papers in the Finnish market (March 31, 2014: 0). The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 254.3 million (March 31, 2014: 159.3).

Amer Sports had not used its EUR 150 million committed revolving credit facility at the end of the review period.

The equity ratio at the end of the March was 39.2% (March 31, 2014: 40.5) and net debt/equity was 0.51 (March 31, 2014: 0.58).

In January, Amer Sports issued Schuldschein agreements with a total value of EUR 100 million. The loan period is five years and the loans have both fixed (EUR 15 million) and floating (EUR 85 million) rate tranches.

### CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 9.4 million (7.2). Depreciation totaled EUR 11.9 million (11.7). Capital expenditure for the whole year is expected to be approximately EUR 55 million (51.6).

### BUSINESS SEGMENT REVIEWS

#### OUTDOOR

EUR million	1–3/2015	1–3/2014	Change %	Change %*)	2014
Net sales					
Footwear	133.1	113.7	17	13	391.9
Apparel	91.9	70.9	30	22	328.5
Winter Sports Equipment	46.1	38.0	21	17	386.7
Cycling	40.4	39.0	4	1	138.5
Sports Instruments	30.4	25.9	17	10	125.6
Net sales, total	341.9	287.5	19	14	1,371.2
EBIT excluding NRI	21.4	9.5	125		125.6
EBIT % excluding NRI	6.3	3.3			9.2
NRI	-1.4	-			-24.1
EBIT total	20.0	9.5	111		101.5
Personnel at period end	4,933	4,743	4		4,966

\*) Change in local currencies

Outdoor (previously Winter and Outdoor) net sales in the review period were EUR 341.9 million (287.5), an increase of 14% in local currencies.

EUR million	1-3/2015	1-3/2014	Change %	Change %*)	2014
EMEA	218.4	194.1	13	12	872.9
Americas	77.6	55.8	39	22	322.5
Asia Pacific	45.9	37.6	22	10	175.8
Total	341.9	287.5	19	14	1,371.2

\*) Change in local currencies

EBIT excluding NRI was EUR 21.4 million (9.5). Increased sales in local currencies contributed to EBIT by approximately EUR 19 million and improved gross margin by approximately EUR 4 million. Operating expenses increased by approximately EUR 12 million. Other income and expenses and currencies had a positive impact of EUR 1 million on EBIT.

#### Footwear

Footwear's net sales were EUR 133.1 million (113.7), and grew by 13% in local currencies. Growth was generated across all channels.

#### Apparel

Apparel's net sales were EUR 91.9 million (70.9), up by 22% in local currencies. Growth was generated across all channels and geographical regions.

#### Winter Sports Equipment

Winter Sports Equipment's net sales were EUR 46.1 million (38.0), up by 17% in local currencies due to a strong end of the season.

#### Cycling

Cycling's net sales were EUR 40.4 million (39.0), at last year's level in local currencies.

#### Sports Instruments

Sports Instruments' net sales were EUR 30.4 million (25.9), up by 10% in local currencies.

### BALL SPORTS

EUR million	1-3/2015	1-3/2014	Change %	Change %*)	2014
Net sales					
Individual Ball Sports	88.7	85.4	4	-6	290.4
Team Sports	75.4	65.3	15	-4	246.3
Net sales, total	164.1	150.7	9	-5	536.7
EBIT excluding NRI	18.3	13.2	39		35.9
EBIT % excluding NRI	11.2	8.8			6.7
NRI	-	-			-27.8
EBIT total	18.3	13.2	39		8.1
Personnel at period end	1,550	1,543	0		1,537

\*) Change in local currencies

Ball Sports' net sales were EUR 164.1 million (150.7). In local currencies, net sales were down by 5% mainly due to the clean-up of unprofitable sales as part of the restructuring announced in 2014 with the objective to re-ignite profitable growth in Ball Sports.

EUR million	1-3/2015	1-3/2014	Change %	Change %*)	2014
EMEA	37.1	39.3	-5	-7	113.3
Americas	107.2	93.9	14	-5	351.5
Asia Pacific	19.8	17.5	13	0	71.9

Total	164.1	150.7	9	-5	536.7
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\*) *Change in local currencies*

Ball Sports' EBIT excluding NRI was EUR 18.3 million (13.2). Improved gross margin had a positive impact of approximately EUR 5 million whilst decreased sales in local currencies had a negative impact of approximately EUR 3 million on EBIT. Operating expenses decreased by approximately EUR 1 million. Other income and expenses and currencies had a positive impact of approximately EUR 2 million on EBIT.

### Individual Ball Sports

Individual Ball Sports' net sales were EUR 88.7 million (85.4), a decrease of 6% in local currencies. Performance tennis rackets delivered double-digit growth, offset by the decline in the sales of lower price point products.

### Team Sports

Team Sports' net sales were EUR 75.4 million (65.3). In local currencies, net sales decreased by 4% due to the cleaning up of low-margin sales.

In March, Amer Sports announced the acquisition of Louisville Slugger, a market leading baseball brand. The acquisition is a logical step in Amer Sports strategy to re-ignite growth in Ball Sports. Baseball is one of Ball Sports' chosen strategic growth areas, which already includes two leading brands, Wilson and DeMarini. The acquisition enhances Ball Sports' product portfolio and offers important operational scale and synergy benefits. The acquisition had no impact on January-March financials. The acquisition was finalized on April 22.

### FITNESS

EUR million	1-3/2015	1-3/2014	Change %	Change %*)	2014
Net sales	69.9	63.3	10	-5	320.8
EBIT excluding NRI	1.3	3.4	-62		29.7
EBIT % excluding NRI	1.9	5.4			9.3
NRI	-	-			-1.8
EBIT total	1.3	3.4			27.9
Personnel at period end	955	910	5		932

\*) *Change in local currencies*

Fitness' net sales were EUR 69.9 million (63.3). In local currencies, net sales were down by 5%. The decline was mainly due to moving from third-party dealer model to in-house sales in the USA, resulting in de-stocking of the current dealer inventories.

EUR million	1-3/2015	1-3/2014	Change %	Change %*)	2014
EMEA	15.1	15.7	-4	-10	77.8
Americas	45.4	39.5	15	-5	200.3
Asia Pacific	9.4	8.1	16	2	42.7
Total	69.9	63.3	10	-5	320.8

\*) *Change in local currencies*

EBIT excluding NRI was EUR 1.3 million (3.4) mainly due to slightly decreased gross margin.

### PERSONNEL

At the end of March, the number of Group employees was 7,650 (December 31, 2014: 7,630).

	March 31, 2015	March 31, 2014	Change %	December 31, 2014
Outdoor	4,933	4,743	4	4,966
Ball Sports	1,550	1,543	0	1,537
Fitness	955	910	5	932
Headquarters and shared services	212	174	22	195
<b>Total</b>	<b>7,650</b>	<b>7,370</b>	<b>4</b>	<b>7,630</b>

	March 31, 2015	March 31, 2014	Change %	December 31, 2014
EMEA	4,111	4,139	-1	4,141
Americas	2,703	2,462	10	2,662
Asia Pacific	836	769	9	827
<b>Total</b>	<b>7,650</b>	<b>7,370</b>	<b>4</b>	<b>7,630</b>

### CHANGES IN GROUP MANAGEMENT

In March, Mr. Vincent Wauters, General Manager of Arc'teryx Inc., was appointed President of Amer Sports Apparel business and a member of Amer Sports Executive Board. Andy Towne, previously President of Apparel, left Amer Sports at the same time.

### SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on March 31, 2015 and the number of shares was 118,517,285.

#### Authorizations

The Annual General Meeting held on March 12, 2015 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase Authorization"). The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by NASDAQ OMX 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 the NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization is valid eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 12, 2015 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company. 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 own shares to the Company for free. The authorization is valid until 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 until fourteen (14) months from the date of the decision of the Annual General Meeting.

The Annual General Meeting held on March 6, 2014 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase Authorization"). The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by NASDAQ OMX 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 the NASDAQ OMX 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 6, 2014 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 own shares to the Company for free. 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.

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

#### **Own shares**

At the end of March, Amer Sports held a total of 1,131,756 shares (572,699) of Amer Sports Corporation. The number of own shares corresponds to 0.95% (0.48) of all Amer Sports shares.

In March, a total of 290 596 Amer Sports shares were transferred to the personnel participating in the Performance Share Plan 2010, Performance Share Plan 2013 and Restricted Stock Plan 2013 incentive programs.

A total of 4 923 shares granted as share-based incentives were returned to Amer Sports during the review period.

#### **Trading in shares**

A total of 22.4 million (28.2) Amer Sports shares with a value totaling EUR 415.4 million (427.4) were traded on the NASDAQ OMX Helsinki Ltd in the review period. Share turnover was 19.1% (24.0%) (as a proportion of the average number of shares, excluding own shares). The average daily volume in January–March 2015 was 361,478 shares (455,582).

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange on March 31, 2015 was EUR 20.00 (15.42). Shares registered a high of EUR 20.59 (16.58) and a low of EUR 15.37 (13.76) during the review period. The average share price was EUR 18.53 (15.13). On March 31, 2015, the company had a market capitalization of EUR 2,347.7 million (1,818.7), excluding own shares.

At the end of March, Amer Sports Corporation had 17,526 registered shareholders (17,116). Ownership outside of Finland and nominee registrations represented 48.3% (46.3) of the company's shares.

#### **CHANGES IN GROUP STRUCTURE**

In March, Amer Sports acquired global brand, sales and innovation rights to a leading American baseball brand, Louisville Slugger from Hillerich & Bradsby Co. (H&B). Louisville Slugger, one of the most well-known brands in baseball globally, reported annual sales of USD 75 million in 2014. The acquisition price is USD 70 million in an all-cash transaction. The acquisition impact is expected to be neutral to Amer Sports EBIT margin excluding non-recurring items in 2015 and accretive as of 2016. The acquisition had no impact on January-March financials. The acquisition was finalized on April 22.

In March, Amer Sports divested Nikita and Bonfire brands to CRN Pte Ltd. The combined net sales of Nikita and Bonfire in 2014 was EUR 9.8 million. The divestment has no material impact on Amer Sports' financial results.

#### **DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS**



At the Amer Sports Corporation Annual General Meeting held on March 12, 2015, the following resolutions were approved:

**Adoption of the annual accounts**

The Annual General Meeting (AGM) approved Amer Sports' financial statements for 2014.

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

The AGM resolved to distribute a dividend of EUR 0.45 per share to be paid for the financial year ended December 31, 2014. The dividend was paid to shareholders who were registered on the list of shareholders maintained by Euroclear Finland Ltd as of March 16, 2015, which was the record date for the dividend payment. The dividend was paid on April 1, 2015.

**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 2014.

**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 2016 remains unchanged from 2014 and be as follows: Chairman EUR 100,000, Vice Chairman EUR 60,000 and other members EUR 50,000 each. No extra remuneration is paid for attending meetings of the Board of Directors or meetings of the Committees of the Board of Directors. Of the annual remuneration, 40% is paid in the form of the Company's shares and 60% in cash. 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 eight (8).

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

The AGM re-elected Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Hannu Ryöppönen, Bruno Sälzer, Anssi Vanjoki and Indra Åsander as members of the Board of Directors and elected Lisbeth Valther Pallesen as a new member of the Board of Directors. The Board of Directors' term of service will run until the close of the 2016 Annual General Meeting.

**Resolution on the remuneration of the auditor**

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

**Election of auditor**

The AGM elected 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 non-restricted equity through trading on regulated market organized by NASDAQ OMX 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 the NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd.

The Repurchase Authorization is valid 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 own shares to the Company for free.

The authorization is valid until 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 until 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 unanimously appointed Anssi Vanjoki as Chairman and Ilkka Brotherus as Vice Chairman. The Board appointed from among its members the following members to the Committees:

- Compensation and HR Committee: Indra Åsander, Chairman, Ilkka Brotherus, Bruno Sälzer and Anssi Vanjoki
- Nomination Committee: Ilkka Brotherus, Chairman, Martin Burkhalter and Anssi Vanjoki
- Audit Committee: Hannu Ryöppönen, Chairman, Martin Burkhalter, Christian Fischer and Lisbeth Valther Pallesen

#### **RESTRUCTURING PROGRAM TO FURTHER ACCELERATE PROFITABLE LONG-TERM GROWTH TOWARDS 2020**

Following the successful completion of the restructuring announced in 2012, Amer Sports moved into the next phase of restructuring in July 2014. The primary objectives are to re-ignite profitable growth in Ball Sports and to further accelerate Amer Sports' growth towards 2020 especially in Apparel and Footwear, Business to Consumer, and digital products and services. The program will help to drive further scale and synergies across the Group and it will enable re-allocation of resources into the focus acceleration areas.

The restructuring will be executed by the end of the first half of 2016. Non-recurring expenses of EUR 1.4 million were recorded in January-March 2015 and the remaining expenses of approximately EUR 4.5 million will be recorded in April-June 2015.

#### **MATERIAL EVENTS AFTER THE FINANCIAL PERIOD**

In April, Amer Sports Corporation issued Schuldschein (certificate of indebtedness) loan agreements with a total value of EUR 40 million and USD 85 million. The loan periods are five and seven years and the loans have both fixed and floating rate tranches.

#### **SIGNIFICANT SHORT-TERM 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.

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

**DIVIDEND POLICY**

In March, Amer Sports introduced a dividend policy. The company's dividend policy is to provide a sustainable, steadily increasing dividend reflecting the company's earnings performance. With good performance in the businesses, and improving profitability and cash flow, the company can simultaneously distribute an attractive dividend, implement focused growth projects and act on strategic opportunities.

**OUTLOOK FOR 2015**

In 2015, Amer Sports net sales in local currencies is expected to increase and EBIT margin excluding non-recurring items to improve from 2014, despite challenging market conditions. The company will continue to focus on apparel and footwear growth, consumer-driven product and marketing innovation, commercial expansion and operational excellence.

## TABLES

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

Unaudited

EUR million

### CONSOLIDATED RESULTS

	1-3/ 2015	1-3/ 2014	Change %	2014
<b>NET SALES</b>	575.9	501.5	15	2,228.7
Cost of goods sold	-311.7	-279.2		-1,249.7
<b>GROSS PROFIT</b>	264.2	222.3	19	979.0
License income	1.4	1.0		6.2
Other operating income	0.5	1.4		5.5
R&D expenses	-17.7	-19.0		-76.2
Selling and marketing expenses	-159.8	-140.6		-569.5
Administrative and other expenses	-55.0	-44.5		-176.7
Non-recurring expenses	-1.4	-		-54.2
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	32.2	20.6	56	114.1
% of net sales	5.6	4.1		5.1
Financing income and expenses	-8.3	-9.2		-37.1
<b>EARNINGS BEFORE TAXES</b>	23.9	11.4	110	77.0
Taxes	-6.7	-3.2		-21.6
<b>NET RESULT</b>	17.2	8.2	110	55.4

Attributable to:

Equity holders of the parent company	17.2	8.2	55.4
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Earnings per share, EUR	0.15	0.07	0.47
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Earnings per share, diluted, EUR	0.15	0.07	0.47
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Adjusted average number of shares in issue less own shares, million	117.2	117.6	117.7
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Adjusted average number of shares in issue less own shares, diluted, million	117.6	118.0	118.3
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Equity per share, EUR	7.47	6.19	7.20
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ROCE, % *)	10.9	13.6	10.0
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ROE, %	8.0	4.4	6.9
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Average rates used: EUR 1.00 = USD	1.1335	1.3681	1.3308
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\*) 12 months' rolling average

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/ 2015	1-3/ 2014	2014
Net result	17.2	8.2	55.4

#### Other comprehensive income

Items that will not be reclassified to  
profit or loss

Remeasurement effects of postemployment benefit plans	-2.3	-2.0	-25.7
Income tax related to remeasurement effects	0.5	0.7	8.5
Items that may be reclassified to profit or loss			
Translation differences	33.0	-0.3	44.9
Cash flow hedges	41.7	3.2	66.5
Income tax related to cash flow hedges	-10.4	-0.8	-16.6
Other comprehensive income, net of tax	62.5	0.8	77.6
Total comprehensive income	79.7	9.0	133.0

**Total comprehensive income attributable to:**

Equity holders of the parent company	79.7	9.0	133.0
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**NET SALES BY BUSINESS SEGMENT**

	1-3/ 2015	1-3/ 2014	Change %	2014
Outdoor	341.9	287.5	19	1,371.2
Ball Sports	164.1	150.7	9	536.7
Fitness	69.9	63.3	10	320.8
Total	575.9	501.5	15	2,228.7

**GEOGRAPHIC BREAKDOWN OF NET SALES**

	1-3/ 2015	1-3/ 2014	Change %	2014
EMEA	270.6	249.1	9	1,064.0
Americas	230.2	189.2	22	874.3
Asia Pacific	75.1	63.2	19	290.4
Total	575.9	501.5	15	2,228.7

**EBIT BY BUSINESS SEGMENT**

	1-3/ 2015	1-3/ 2014	Change %	2014
Outdoor	20.0	9.5	111	101.5
Ball Sports	18.3	13.2	39	8.1
Fitness	1.3	3.4	-62	27.9
Headquarters	-7.4	-5.5		-23.4
Total	32.2	20.6	56	114.1

**CONSOLIDATED CASH FLOW STATEMENT**

	Note	1-3/ 2015	1-3/ 2014	2014
Earnings before interest and taxes		32.2	20.6	114.1
Adjustments to cash flow from operating activities and depreciation		10.8	11.4	59.3
Change in working capital		28.0	34.4	-20.3
Cash flow from operating activities before financing items and taxes		71.0	66.4	153.1
Interest paid and received		-8.5	-7.3	-22.2

Income taxes paid and received	-10.1	-7.8	-26.1
Net cash flow from operating activities	52.4	51.3	104.8
Capital expenditure on non-current tangible and intangible assets	-9.4	-7.2	-51.6
Proceeds from sale of tangible non-current assets	0.0	0.1	0.3
Net cash flow from investing activities	-9.4	-7.1	-51.3
Net cash flow after investing activities (free cash flow)	43.0	44.2	53.5
Repurchase of own shares	-	-	-13.1
Dividends paid	3	-	-47.2
Change in debt and other financing items	-33.3	-155.0	-23.2
Net cash flow from financing activities	-33.3	-155.0	-83.5
Cash and cash equivalents on January 1	240.2	270.0	270.0
Translation differences	4.4	0.1	0.2
Change in cash and cash equivalents	9.7	-110.8	-30.0
Cash and cash equivalents on March 31/December 31	254.3	159.3	240.2

#### CONSOLIDATED BALANCE SHEET

	Note	March 31, 2015	March 31, 2014	December 31, 2014
<b>Assets</b>				
Goodwill		328.7	281.6	305.0
Other intangible non-current assets		210.0	203.5	204.7
Tangible non-current assets		178.2	165.2	174.0
Other non-current assets		139.6	101.8	123.3
Inventories and work in progress		417.7	344.4	413.2
Receivables		707.9	546.8	709.7
Cash and cash equivalents		254.3	159.3	240.2
Assets held for sale		-	-	3.5
Total assets	2	2,236.4	1,802.6	2,173.6
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		876.4	730.5	842.8
Long-term interest-bearing liabilities		399.5	518.2	390.3
Other long-term liabilities		132.7	64.3	101.9
Current interest-bearing liabilities		300.0	63.3	269.0
Other current liabilities		494.3	398.3	533.3
Provisions		33.5	28.0	36.3
Total shareholders' equity and liabilities		2,236.4	1,802.6	2,173.6
Equity ratio, %		39.2	40.5	38.8
Gearing, %		51	58	50
EUR 1.00 = USD		1.0856	1.3759	1.2141

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

Note	Share	Pre-	Fund	Trans-	Fair	Re-	Invested	Retai-	Total
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	capital	mi- um fund	for own sha- res	lation diffe- rences	value and other reser- ves	mea- sure- ments	unrest- ricted equity reserve	ned ear- nings reserve	
Balance at Jan. 1, 2014	292.2	12.1	-11.1	-59.8	-8.3	-19.4	156.7	398.9	761.3
Other comprehensive income:									
Translation differences				-0.3					-0.3
Cash flow hedges					3.2				3.2
Income tax related to OCI					-0.8	0.7			-0.1
Re-measurement effects of post-employment benefit plans						-2.0			-2.0
Net result								8.2	8.2
Total comprehensive income				-0.3	2.4	-1.3		8.2	9.0
Transactions with owners:									
Share-based incentive programs			3.9				6.4	-2.9	7.4
Dividend distribution	3							-47.2	-47.2
Balance at	292.2	12.1	-7.2	-60.1	-5.9	-20.7	163.1	357.0	730.5

March 31, 2014										
Balance at Jan. 1, 2015	292.2	12.1	-20.2	-14.9	41.6	-36.6	163.1	405.5	842.8	
Other comprehensive income:										
Translation differences				33.0					33.0	
Cash flow hedges					41.7				41.7	
Income tax related to OCI					-10.4	0.5			-9.9	
Re-measurement effects of post-employment benefit plans						-2.3			-2.3	
Net result								17.2	17.2	
Total comprehensive income				33.0	31.3	-1.8		17.2	79.7	
Transactions with owners:										
Share-based incentive programs			3.2				5.6	-2.2	6.6	
Dividend distribution	3							-52.8	-52.8	
Balance at March	292.2	12.1	-17.0	18.1	72.9	-38.4	168.7	367.7	876.3	



31,  
2015

#### QUARTERLY BREAKDOWN OF NET SALES AND EBIT

	Q1/ 2015	Q4/ 2014	Q3/ 2014	Q2/ 2014	Q1/ 2014	Q4/ 2013	Q3/ 2013	Q2/ 2013
<b>NET SALES</b>								
Outdoor	341.9	456.7	452.2	174.8	287.5	433.7	420.6	168.7
Ball Sports	164.1	136.9	112.9	136.2	150.7	126.1	116.7	144.2
Fitness	69.9	111.7	80.7	65.1	63.3	97.6	71.6	64.3
Total	575.9	705.3	645.8	376.1	501.5	657.4	608.9	377.2

	Q1/ 2015	Q4/ 2014	Q3/ 2014	Q2/ 2014	Q1/ 2014	Q4/ 2013	Q3/ 2013	Q2/ 2013
<b>EBIT</b>								
Outdoor	20.0	41.3	72.7	-22.0	9.5	52.5	87.4	-27.1
Ball Sports	18.3	-6.2	-4.0	5.1	13.2	3.9	-2.1	7.8
Fitness	1.3	13.1	7.3	4.1	3.4	14.3	6.2	4.3
Headquarters	-7.4	5.2	-6.7	-6.0	-5.5	-6.0	-9.0	-3.7
Total	32.2	43.0	69.3	-18.8	20.6	64.7	82.5	-18.7

#### 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, 2015, as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2014 have also been applied in the preparation of the interim financial information.

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

##### 2. SEGMENT INFORMATION

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

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

There were no intersegment business operations during the reported periods.

	Net sales	Earnings before interest and taxes	Financing income and expenses	Earnings before taxes	Assets
<b>1-3/2015</b>					
Outdoor	341.9	20.0			953.5
Ball Sports	164.1	18.3			430.1
Fitness	69.9	1.3			311.8
Segments, total	575.9	39.6			1,695.4
Unallocated items*)		-7.4	-8.3		541.0
Group total	575.9	32.2	-8.3	23.9	2,236.4
<b>1-3/2014</b>					
Outdoor	287.5	9.5			814.6

Ball Sports	150.7	13.2		411.6	
Fitness	63.3	3.4		249.5	
Segments, total	501.5	26.1		1,475.7	
Unallocated items*)		-5.5	-9.2	326.9	
Group total	501.5	20.6	-9.2	11.4	1,802.6

### 1-12/2014

Outdoor	1,371.2	101.5		1,029.1	
Ball Sports	536.7	8.1		370.0	
Fitness	320.8	27.9		311.5	
Segments, total	2,228.7	137.5		1,710.6	
Unallocated items*)		-23.4	-37.1	463.0	
Group total	2,228.7	114.1	-37.1	77.0	2,173.6

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

### GEOGRAPHICAL BREAKDOWN OF NET SALES

	1-3/ 2015	1-3/ 2014	2014
EMEA	270.6	249.1	1,064.0
Americas	230.2	189.2	874.3
Asia Pacific	75.1	63.2	290.4
Total	575.9	501.5	2,228.7

### 3. DIVIDENDS

Relating to the year ending on December 31, 2014, the dividends distributed to the shareholders of Amer Sports Corporation were EUR 0.45 per share and amounted in total to EUR 52.8 million (2013: 0.40 per share, in total 47.2 million). The dividends were paid out in April 2015.

### 4. CONTINGENT LIABILITIES AND SECURED ASSETS

	March 31, 2015	March 31, 2014	December 31, 2014
Guarantees	26.6	21.4	24.2
Liabilities for leasing and rental agreements	151.2	163.5	148.1
Other liabilities	77.1	74.8	71.4

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

realizes. Especially during the third quarter, the net cash flow from operating activities is tied up in working capital.

## 7. DERIVATIVE FINANCIAL INSTRUMENTS AND AVAILABLE-FOR-SALE FINANCIAL ASSETS 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. Available-for-sale financial assets 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.

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

	<b>Financial assets/liabilities at fair value through income statement</b>	<b>Derivative financial instruments used in hedge accounting</b>	<b>Available- for-sale financial assets</b>
<b>March 31, 2015</b>			
Non-current financial assets			
Other non-current financial assets			0.4
Foreign exchange derivatives		26.8	
Interest rate derivatives and cross currency swaps	3.9	0.4	
Current financial assets			
Foreign exchange	13.9	91.1	

derivatives

Long-term financial liabilities

Foreign exchange derivatives 3.5

Interest rate derivatives and cross currency swaps 14.1 6.6

Current financial liabilities

Foreign exchange derivatives 25.8 17.1

Interest rate derivatives and cross currency swaps 0.4 2.3

Nominal value of foreign

exchange derivatives 542.2 972.5

Nominal value of interest rate derivatives 40.0 313.4

Nominal value of cross currency swaps 135.2

	<b>Financial assets/liabilities at fair value through income statement</b>	<b>Derivative financial instruments used in hedge accounting</b>	<b>Available- for-sale financial assets</b>
<b>March 31, 2014</b>			
Non-current financial assets			
Other non-current financial assets			0.4
Foreign exchange derivatives	0.0	0.3	
Interest rate derivatives and cross currency swaps	4.0	2.0	
Current financial assets			
Foreign exchange derivatives	4.7	4.5	
Long-term financial liabilities			
Foreign exchange derivatives		1.0	
Interest rate derivatives and cross currency swaps	5.3	4.7	
Current financial liabilities			
Foreign exchange derivatives	4.7	8.9	
Interest rate derivatives and cross currency swaps	0.3	0.0	
Nominal value of foreign exchange derivatives	417.7	668.0	
Nominal value of interest rate derivatives	140.0	194.5	

Nominal value of cross currency swaps		151.6	
	<b>Financial assets/liabilities at fair value through income statement</b>	<b>Derivative financial instruments used in hedge accounting</b>	<b>Available-for-sale financial assets</b>
<b>December 31, 2014</b>			
Non-current financial assets			
Other non-current financial assets			0.3
Foreign exchange derivatives		17.0	
Interest rate derivatives and cross currency swaps	4.9	0.5	
Current financial assets			
Foreign exchange derivatives	4.5	45.4	
Long-term financial liabilities			
Foreign exchange derivatives		0.6	
Interest rate derivatives and cross currency swaps	15.9	5.9	
Current financial liabilities			
Foreign exchange derivatives	11.5	4.4	
Interest rate derivatives and cross currency swaps	0.4	1.5	
Nominal value of foreign exchange derivatives	505.2	901.4	
Nominal value of interest rate derivatives	90.0	226.5	
Nominal value of cross currency swaps		133.1	

## 8. ACQUIRED AND DIVESTED OPERATIONS

In March 2015, Amer Sports announced the acquisition of a leading American baseball brand, Louisville Slugger. The acquisition had no impact on January-March 2015 financials. The acquisition was finalized on April 22.

In March 2015, Amer Sports divested Nikita and Bonfire brands to CRN Pte Ltd. The combined net sales of Nikita and Bonfire in 2014 was EUR 9.8 million. The divestment has no material impact on Amer Sports' financial results.

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