

Amer Sports Corporation

INTERIM REPORT  
October 20, 2016 at 1:00 p.m.

## Amer Sports Corporation Interim Report January-September 2016

### JULY-SEPTEMBER 2016

- Net sales EUR 736.8 million (July-September 2015: 713.7). In local currencies, net sales increased by 4%. Organic growth was 4%. Growth was solid in EMEA and China, whilst the US market continued to be challenging.
- Gross margin 48.0% (47.0).
- EBIT excluding items affecting comparability (IAC) EUR 106.5 million (103.5). Items affecting comparability were EUR -2.4 million (0.0).
- Earnings per share excl. IAC EUR 0.62 (0.59). Earnings per share were EUR 0.60 (0.59).
- Free cash flow EUR -66.9 million (-92.2).
- Outlook for 2016 unchanged.

### JANUARY-SEPTEMBER 2016

- Net sales EUR 1,849.7 million (January-September 2015: 1,750.7). In local currencies, net sales increased by 7%. Organic growth was 6%.
- Gross margin 46.9% (45.9).
- EBIT excluding items affecting comparability EUR 140.4 million (128.1). Items affecting comparability were EUR -8.7 million (-8.0).
- Earnings per share excl. IAC EUR 0.73 (0.63). Earnings per share were EUR 0.67 (0.58).
- Free cash flow EUR -88.4 million (-37.7).

### OUTLOOK

In 2016, Amer Sports net sales in local currencies are expected to increase and EBIT margin excluding items affecting comparability to improve from 2015, despite challenging market conditions. The company will focus on growing the core business and accelerating in five prioritized areas: Apparel and Footwear, US, China, Business to Consumer, as well as digitally connected devices and services.

### IMPACT OF NEW ESMA GUIDELINES

*New ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) are effective for the financial year 2016. Amer Sports presents APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q1 2016, Amer Sports relabels the previously referenced "excluding non-recurring items" with "excluding items affecting comparability" (IAC). Operating segments' EBIT is reported excluding IAC. Items affecting comparability and APMs used by Amer Sports are defined in note 10 of this report.*

### KEY FIGURES

EUR million	7-9/2016	7-9/2015	1-9/2016	1-9/2015	2015
Net sales	736.8	713.7	1,849.7	1,750.7	2,534.4
Gross profit	353.3	335.2	868.4	802.9	1,145.9
Gross profit %	48.0	47.0	46.9	45.9	45.2
EBITDA excl. IAC*)	122.3	116.9	185.1	164.7	263.2
EBIT excl. IAC	106.5	103.5	140.4	128.1	212.1
EBIT % excl. IAC	14.5	14.5	7.6	7.3	8.4
IAC**)	-2.4	-	-8.7	-8.0	-8.0
EBIT	104.1	103.5	131.7	120.1	204.1
EBIT %	14.1	14.5	7.1	6.9	8.1
Financing income and expenses	-8.0	-7.7	-23.9	-25.4	-36.1
Earnings before taxes	96.1	95.8	107.8	94.7	168.0

Net result	70.5	69.1	79.0	68.3	121.6
Earnings per share excl. IAC, EUR	0.62	0.59	0.73	0.63	1.09
Free cash flow***)	-66.9	-92.2	-88.4	-37.7	121.7
Equity ratio, % at period end			35.3	36.6	37.2
Net debt/equity at period end			0.73	0.70	0.48
Personnel at period end			8,554	7,981	7,954
Average rates used, EUR/USD	1.12	1.11	1.12	1.12	1.11

\*) EBITDA excl. IAC = EBIT excluding items affecting comparability and depreciation and amortization

\*\* ) Items affecting comparability are material items or transactions, which are relevant for understanding the 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, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share on annual basis.

\*\*\*) Cash flow from operating activities - net capital expenditures – change in restricted cash (Net capital expenditures: Total capital expenditure less proceeds from sale of assets).

#### HEIKKI TAKALA, PRESIDENT AND CEO:

We delivered another quarter of solid improvement despite a challenging trading environment especially in the US following the retailer bankruptcies earlier in the year. The growth was driven by our strategic acceleration priorities, especially Apparel, Business to Consumer, China, and Connected Devices. In Winter Sports Equipment the quarter was good as deliveries peaked earlier compared to 2015. In Fitness we started to produce our new product ranges, but the topline impact is expected in Q4 and increasingly in H1 2017.

As announced in August, we focus on accelerating our organic growth with a robust pipeline of building blocks to reach EUR 3.5 billion sales by 2020. The market landscape is changing, and we will pace our growth accordingly. We are confident that our strategies are right, we stay the course and focus on executing with excellence and agility.

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#### TELEPHONE CONFERENCE

A conference call for investors and analysts will be held at 3:00 p.m. Finnish time. To participate, please call +44(0)20 3427 1906 or +49(0)69 2222 10619, confirmation code 9912166. The conference can also be followed live via [www.amersports.com](http://www.amersports.com) or <http://edge.media-server.com/m/p/xry4o9k8>. A replay of the conference call and a transcript will be available later at the same internet address. The replay numbers are +44(0)20 3427 0598 and +49(0)69 2222 2236, passcode 9912166.

#### FINANCIAL STATEMENTS BULLETIN 2016

Amer Sports will publish its financial statements bulletin 2016 on Thursday, February 9, 2017 at approximately 1:00 p.m. Finnish time.

#### INVESTOR RELATIONS NEWSLETTER

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#### DISTRIBUTION

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#### 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-September 2016

### NET SALES AND EBIT JULY–SEPTEMBER 2016

Amer Sports' net sales in July-September 2016 were EUR 736.8 million (July-September 2015: 713.7). Net sales increased by 4% in local currencies, driven by Outdoor. Also organic growth was 4%. The US sporting goods market was adversely impacted by the retail bankruptcies earlier in the year.

#### Net sales by operating segment

EUR million	7-9/ 2016	7-9/ 2015	Change %	Change %*)	% of sales 7-9/2016	% of sales 7-9/2015	2015
Outdoor	505.7	476.6	6	6	69	67	1,530.1
Ball Sports	147.0	147.8	-1	0	20	21	647.0
Fitness	84.1	89.3	-6	-4	11	12	357.3
Total	736.8	713.7	3	4	100	100	2,534.4

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	7-9/ 2016	7-9/ 2015	Change %	Change %*)	% of sales 7-9/2016	% of sales 7-9/2015	2015
EMEA	334.7	319.3	5	7	46	45	1,114.7
Americas	304.6	302.0	1	1	41	42	1,070.1
Asia Pacific	97.5	92.4	6	3	13	13	349.6
Total	736.8	713.7	3	4	100	100	2,534.4

\*) In local currencies

Gross margin was 48.0% (47.0).

EBIT excluding items affecting comparability (IAC) was EUR 106.5 million (103.5). Items affecting comparability were EUR -2.4 million due to the restructuring program announced in August 2016. Increased sales in local currencies contributed to EBIT by approximately EUR 13 million and improved gross margin by approximately EUR 7 million. Operating expenses increased by approximately EUR 17 million driven by investments into digital acceleration and own retail. Currencies had a positive impact of approximately EUR 1 million on EBIT.

#### EBIT excluding items affecting comparability by operating segment

EUR million	7-9/2016	7-9/2015	2015
Outdoor	105.5	92.9	161.2
Ball Sports	5.3	8.8	46.6
Fitness	5.4	9.1	31.2
Headquarters*)	-9.7	-7.3	-26.9
EBIT excl. IAC	106.5	103.5	212.1
IAC	-2.4	-	-8.0
EBIT total	104.1	103.5	204.1

\*) 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

EUR million	7-9/2016	7-9/2015	2015
EBIT	104.1	103.5	204.1
Items affecting comparability			

Restructuring program 2014			8.0
Restructuring program 2016	2.4		
EBIT excl. IAC	106.5	103.5	212.1

Net financial expenses totaled EUR 8.0 million (7.7), including net interest expenses of EUR 6.9 million (6.3). Net foreign exchange losses were EUR 0.3 million (1.2). Other financing expenses were EUR 0.8 million (0.2). Earnings before taxes totaled EUR 96.1 million (95.8) and taxes were EUR 25.6 million (26.7). Earnings per share excl. IAC were EUR 0.62 (0.59). Earnings per share were EUR 0.60 (0.59).

#### NET SALES AND EBIT JANUARY–SEPTEMBER 2016

Amer Sports' net sales in January–September 2016 were EUR 1,849.7 million (January–September 2015: EUR 1,750.7 million). Net sales increased by 7% in local currencies, driven by Outdoor. Organic growth was 6%.

#### Net sales by operating segment

EUR million	1–9/ 2016	1–9/ 2015	Change %	Change %*)	% of sales 1–9/2016	% of sales 1–9/2015	2015
Outdoor	1,111.1	1,028.2	8	9	60	59	1,530.1
Ball Sports	499.2	481.3	4	5	27	27	647.0
Fitness	239.4	241.2	-1	1	13	14	357.3
Total	1,849.7	1,750.7	6	7	100	100	2,534.4

\*) In local currencies

#### Geographic breakdown of net sales

EUR million	1–9/ 2016	1–9/ 2015	Change %	Change %*)	% of sales 1–9/2016	% of sales 1–9/2015	2015
EMEA	788.4	757.9	4	6	43	43	1,114.7
Americas	801.5	756.9	6	7	43	43	1,070.1
Asia Pacific	259.8	235.9	10	9	14	14	349.6
Total	1,849.7	1,750.7	6	7	100	100	2,534.4

\*) In local currencies

Gross margin was 46.9% (45.9). The improvement was driven by price increases combined with favorable hedges. The year-to-date improvement in gross margin is expected to be partially diluted toward the year end.

EBIT excluding items affecting comparability was EUR 140.4 million (128.1). Items affecting comparability were EUR -8.7 million due to significant write-down of the receivable balance from a US sporting goods retailer and the restructuring program announced in August 2016. Increased sales in local currencies contributed to EBIT by approximately EUR 55 million and improved gross margin by approximately EUR 18 million. Operating expenses increased by approximately EUR 57 million in local currencies driven by investments into digital acceleration and own retail. Other income and expenses and currencies had a negative impact of approximately EUR 3 million on EBIT. EBIT was EUR 131.7 million (120.1).

#### EBIT excluding items affecting comparability by operating segment

EUR million	1–9/2016	1–9/2015	2015
Outdoor	127.2	95.6	161.2
Ball Sports	32.0	38.4	46.6
Fitness	10.2	15.5	31.2
Headquarters*)	-29.0	-21.4	-26.9
EBIT excl. IAC	140.4	128.1	212.1
IAC	-8.7	-8.0	-8.0
EBIT total	131.7	120.1	204.1

\*) 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

EUR million	1-9/2016	1-9/2015	2015
EBIT	131.7	120.1	204.1
Items affecting comparability			
Restructuring program 2014		8.0	8.0
Restructuring program 2016	8.7		
EBIT excl. IAC	140.4	128.1	212.1

Net financial expenses totaled EUR 23.9 million (25.4), including net interest expenses of EUR 20.6 million (20.6). Net foreign exchange losses were EUR 0.4 million (4.0). Other financing expenses were EUR 2.9 million (0.8). Earnings before taxes totaled EUR 107.8 million (94.7) and taxes were EUR 28.8 million (26.4). Earnings per share excluding IAC were EUR 0.73 (0.63). Earnings per share were EUR 0.67 (0.58).

### CASH FLOW AND FINANCING

Free cash flow was EUR -88.4 million in January–September (-37.7). Working capital increased by EUR 162.2 million (104.3). Inventories increased by EUR 72.3 million (82.4) and receivables increased by EUR 35.6 million (9.8). Payables decreased by EUR 54.3 million (12.1).

At the end of September, the Group's net debt amounted to EUR 666.9 million (September 30, 2015: 616.6).

Interest-bearing liabilities amounted to EUR 911.8 million (September 30, 2015: 833.4) consisting of short-term debt of EUR 76.9 million and long-term debt of EUR 834.9 million. The average interest rate on the Group's interest-bearing liabilities was 2.0% (September 30, 2015: 2.6%).

Short-term debt consists mainly of commercial papers of EUR 74.9 million (September 30, 2015: 49.9), which Amer Sports had issued in the Finnish market. The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 244.9 million (September 30, 2015: 216.8).

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

The equity ratio at the end of September was 35.3% (September 30, 2015: 36.6%) and net debt/equity was 0.73 (September 30, 2015: 0.70).

In March, Amer Sports issued Schuldschein (certificate of indebtedness) loan agreements with a total value of USD 100 million. The loans have both fixed and floating rate tranches and the loan periods are five (5) and seven (7) years.

In April, Amer Sports issued a term loan with a value of EUR 50 million. The floating rate loan has a maturity of five (5) years, but it has an extension option.

In September, Amer Sports issued Schuldschein agreements with a total value of EUR 60 million. The loan period is seven (7) years and the loans have a fixed interest rate.

### CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 67.6 million (42.8). Depreciation totaled EUR 44.7 million (36.6). Capital expenditure for the whole year is expected to be approximately EUR 85 million (77.3). The increase in capital expenditure is mainly due to investments into digital platforms, own retail, and warehouse and production capacity especially in Footwear and Apparel.

### SEGMENT REVIEWS

**OUTDOOR**

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
Net sales									
Footwear	144.6	141.2	2	4	394.1	360.7	9	11	461.2
Apparel	146.3	135.4	8	8	299.6	268.6	12	14	387.2
Winter Sports Equipment	140.5	136.2	3	3	200.0	198.9	1	0	400.2
Cycling	34.3	31.2	10	9	112.0	103.3	8	8	138.5
Sports Instruments	40.0	32.6	23	23	105.4	96.7	9	10	143.0
Net sales, total	505.7	476.6	6	6	1,111.1	1,028.2	8	9	1,530.1
EBIT excl. IAC	105.5	92.9			127.2	95.6			161.2
EBIT % excl. IAC	20.9	19.5			11.4	9.3			10.5
Personnel at period end					5,639	5,112	10		5,084

\*) Change in local currencies

Outdoor net sales in July-September were EUR 505.7 million (476.6), an increase of 6% in local currencies. The growth was driven by Apparel (+8%, +11% excl. divestments), Footwear (+4%) and Sports Instruments (+23%). Cycling grew by 9% due to the acquisition of ENVE Composites LLC (-8% excl. the acquisition). In Winter Sports Equipment, the quarterly cadence in 2016 differs from 2015, with deliveries peaking already in Q3.

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
EMEA	291.7	271.3	8	9	642.6	608.8	6	7	915.9
Americas	149.4	145.2	3	3	306.3	279.7	10	12	398.8
Asia Pacific	64.6	60.1	7	4	162.2	139.7	16	14	215.4
Total	505.7	476.6	6	6	1,111.1	1,028.2	8	9	1,530.1

\*) Change in local currencies

In July-September, Outdoor EBIT excluding IAC was EUR 105.5 million (92.9). Increased sales in local currencies contributed to EBIT by approximately EUR 15 million while higher gross margin had a positive impact of approximately EUR 7 million. Operating expenses increased by approximately EUR 9 million.

**BALL SPORTS**

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
Net sales									
Individual Ball Sports	63.2	70.4	-10	-10	231.9	247.3	-6	-5	315.4
Team Sports	83.8	77.4	8	9	267.3	234.0	14	15	331.6
Net sales, total	147.0	147.8	-1	0	499.2	481.3	4	5	647.0
EBIT excl. IAC	5.3	8.8			32.0	38.4			46.6
EBIT % excl. IAC	3.6	6.0			6.4	8.0			7.2
Personnel at period end					1,743	1,652	6		1,686

\*) Change in local currencies

In July-September, Ball Sports net sales were EUR 147.0 million (147.8). In local currencies, net sales were at previous year's level. Strong Team Sports sales growth was driven by Baseball. The growth was offset by poor market conditions in the Individual Ball Sports segment.

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
EMEA	22.5	25.0	-10	-6	93.4	92.2	1	3	114.4

Americas	106.7	105.3	1	2	350.9	331.3	6	7	453.5
Asia Pacific	17.8	17.5	2	-4	54.9	57.8	-5	-6	79.1
<b>Total</b>	<b>147.0</b>	<b>147.8</b>	<b>-1</b>	<b>0</b>	<b>499.2</b>	<b>481.3</b>	<b>4</b>	<b>5</b>	<b>647.0</b>

\*) Change in local currencies

In July-September, Ball Sports EBIT excluding IAC was EUR 5.3 million (8.8). The decline was due to increased operating expenses.

## FITNESS

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
Net sales	84.1	89.3	-6	-4	239.4	241.2	-1	1	357.3
EBIT excl. IAC	5.4	9.1			10.2	15.5			31.2
EBIT % excl. IAC	6.4	10.2			4.3	6.4			8.7
Personnel at period end					935	993	-6		975

\*) Change in local currencies

In July-September, Fitness net sales were EUR 84.1 million (89.3). In local currencies, net sales decreased by 4%. The new product introductions are expected to accelerate sales as of the fourth quarter of the year, and fully in 2017.

EUR million	7-9/ 2016	7-9/ 2015	Ch %	Ch %*)	1-9/ 2016	1-9/ 2015	Ch %	Ch %*)	2015
EMEA	20.5	23.0	-11	-4	52.4	56.9	-8	-3	84.4
Americas	48.5	51.5	-6	-6	144.3	145.9	-1	-1	217.8
Asia Pacific	15.1	14.8	2	0	42.7	38.4	11	11	55.1
<b>Total</b>	<b>84.1</b>	<b>89.3</b>	<b>-6</b>	<b>-4</b>	<b>239.4</b>	<b>241.2</b>	<b>-1</b>	<b>1</b>	<b>357.3</b>

\*) Change in local currencies

In July-September, Fitness EBIT excluding IAC was EUR 5.4 million (9.1). Decreased sales had a negative impact of approximately EUR 2 million on EBIT. Operating expenses increased by approximately EUR 1 million.

## PERSONNEL

At the end of September, the number of Group employees was 8,554 (December 31, 2015: 7,954). The majority of the increase is related to acceleration in Business to Consumer, as well as the acquisition of ENVE Composites LLC.

	September 30, 2016	September 30, 2015	Change %	December 31, 2015
Outdoor	5,639	5,112	10	5,084
Ball Sports	1,743	1,652	6	1,686
Fitness	935	993	-6	975
Headquarters and shared services	237	224	6	209
<b>Total</b>	<b>8,554</b>	<b>7,981</b>	<b>7</b>	<b>7,954</b>

	September 30, 2016	September 30, 2015	Change %	December 31, 2015
EMEA	4,310	4,239	2	4,154
Americas	3,359	2,890	16	2,942



Asia Pacific	885	852	4	858
Total	8,554	7,981	7	7,954

### CHANGES IN GROUP MANAGEMENT

In January 2016, Amer Sports announced that it is simplifying its structure with President & CEO Heikki Takala assuming direct responsibility for the company's Apparel business unit and the Arc'teryx brand. Mr. Vincent Wauters, President of Apparel and member of the Executive Board, left Amer Sports to pursue his career outside of the company.

In May, Amer Sports announced that Victor Duran, Amer Sports' SVP, Marketing and Business to Consumer and member of the Executive Board, is leaving the company to assume a new position as the CEO of Intersport International Corporation as of January 1, 2017. Michael White, Amer Sports' Chief Sales Officer and General Manager, EMEA and Americas, was appointed Amer Sports Chief Commercial Officer with the responsibility for the company's global Business to Consumer and Go to Market Marketing in addition to his current regional responsibilities. Matt Gold continues to lead the company's APAC region as General Manager and member of the Executive Board, given the strategic importance of the region, especially China. The changes in the Executive Board were effective immediately.

In June, Amer Sports announced that Sebastian Lund has been appointed Amer Sports Chief Human Resources Officer and member of the Executive Board as of October 1, 2016. Terhi Heikkinen, who has been Amer Sports Senior Vice President, Human Resources, and member of the Executive Board, left the company on August 31, 2016.

### SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on September 30, 2016 and the number of shares was 118,517,285.

#### Authorizations

The Annual General Meeting held on March 8, 2016 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 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, 2016 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 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 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 Helsinki and Euroclear Finland Ltd. The Repurchase Authorization was 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 was valid until 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 September, Amer Sports held a total of 968,028 shares (1,172,725) of Amer Sports Corporation. The number of own shares corresponds to 0.82% (0.99) of all Amer Sports shares.

In March, a total of 246,457 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 37,812 shares granted as share-based incentives were returned to Amer Sports during the review period.

#### **Trading in shares**

A total of 58.5 million (59.4) Amer Sports shares with a value totaling EUR 1,490.1 million (1,287.3) were traded on the Nasdaq Helsinki Ltd in the review period. Share turnover was 49.8% (50.7) (as a proportion of the average number of shares, excluding own shares). The average daily volume in January–September 2016 was 307,929 shares (316,089).

In addition to Nasdaq Helsinki, in total approximately 27 million Amer Sports shares were traded on the biggest alternative exchanges (Chi-X, BATS and Turquoise) during the review period.

The closing price of the Amer Sports Corporation share on the Nasdaq Helsinki stock exchange on September 30, 2016 was EUR 27.22 (22.74). Shares registered a high of EUR 28.75 (27.04) and a low of EUR 22.78 (15.37) during the review period. The average share price was EUR 25.47 (21.66). On September 30, 2016, the company had a market capitalization of EUR 3,199.7 million (2,668.4), excluding own shares.

At the end of September, Amer Sports Corporation had 20,197 registered shareholders (17,163). Ownership outside of Finland and nominee registrations represented 51% (50%) of the company's shares.

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

Documentation and stock exchange releases relating to the resolutions approved by the Amer Sports Corporation Annual General Meeting held on March 8, 2016 are available at [www.amersports.com/investors](http://www.amersports.com/investors).

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

In February, Amer Sports announced the acquisition of ENVE Composites LLC, a fast-growing brand in high-end carbon wheels, components, and accessories for road and mountain biking with annual sales of approximately USD 30 million. The acquisition price was USD 50 million in an all-cash transaction. The acquisition was finalized on March 8.

#### **2014 RESTRUCTURING PROGRAM FINALIZED**

The primary objectives of the 2014 restructuring program were to re-ignite profitable growth in Ball Sports and to further accelerate Amer Sports' growth toward 2020, especially in Apparel and Footwear, Business to Consumer, and digital products and services. The program helped to drive further scale and synergies across

the Group and to enable re-allocation of resources into the focus acceleration areas. The restructuring was finalized by the end of the first half of 2016.

### **2020 FINANCIAL TARGETS CONFIRMED, ORGANIC GROWTH GOAL RAISED**

In August 2016, Amer Sports confirmed that it is on the glidepath to deliver the 2020 financial targets introduced in August 2015. The financial targets and acceleration priorities are unchanged, but now supported by further organic acceleration building blocks. Therefore the company now targets to reach EUR 3.5 billion organically, instead of through a combination of organic growth and acquisitions, as announced in 2015.

To support the acceleration, the company pursues continuous productivity improvement. In addition, Amer Sports will start a targeted restructuring to free up operating expenses of approximately EUR 20 million, which will be reallocated to fund the acceleration. Restructuring expenses will be EUR 20-25 million (pre-tax, reported under "Items affecting comparability"), recognized in the second half of 2016 and first half of 2017. The cash flow impact will be approximately EUR 20 million. The restructuring will be implemented by the end of 2017.

### **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).

### **OUTLOOK FOR 2016**

In 2016, Amer Sports net sales in local currencies are expected to increase and EBIT margin excluding items affecting comparability to improve from 2015, despite challenging market conditions. The company will focus on growing the core business and accelerating in five prioritized areas: Apparel and Footwear, US, China, Business to Consumer, as well as digitally connected devices and services.

## TABLES

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

Unaudited

EUR million

### CONSOLIDATED RESULTS

	7-9/ 2016	7-9/ 2015	Change %	1-9/ 2016	1-9/ 2015	Change %	2015
<b>NET SALES</b>	736.8	713.7	3	1,849.7	1,750.7	6	2,534.4
Cost of goods sold	-383.9	-378.5		-981.7	-947.8		-1,388.5
License income	1.4	2.2		4.8	5.1		7.3
Other operating income	4.1	0.8		6.3	2.1		4.8
Research and development expenses	-22.5	-19.8		-67.4	-54.5		-77.7
Selling and marketing expenses	-183.6	-163.3		-531.7	-486.5		-677.5
Administrative and other expenses	-48.2	-51.6		-148.3	-149.0		-198.7
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	104.1	103.5		131.7	120.1		204.1
% of net sales	14.1	14.5		7.1	6.9		8.1
Financing income and expenses	-8.0	-7.7		-23.9	-25.4		-36.1
<b>EARNINGS BEFORE TAXES</b>	96.1	95.8		107.8	94.7		168.0
Taxes	-25.6	-26.7		-28.8	-26.4		-46.4
<b>NET RESULT</b>	70.5	69.1		79.0	68.3		121.6
Attributable to:							
Equity holders of the parent company	70.5	69.1		79.0	68.3		121.6
Earnings per share, EUR	0.60	0.59		0.67	0.58		1.04
Earnings per share, diluted, EUR	0.60	0.59		0.67	0.58		1.03
Adjusted average number of shares in issue less own shares, million				117.5	117.3		117.3
Adjusted average number of shares in issue less own shares, diluted, million				118.0	117.9		117.9
Equity per share, EUR				7.77	7.55		8.09
ROCE, % *)				15.3	15.9		16.1
ROE, %				11.3	10.5		13.6
Average rates used:							
EUR 1.00 = USD	1.1164	1.1102		1.1160	1.1153		1.1111

\*) 12 months' rolling average

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Net result	70.5	69.1	79.0	68.3	121.6

**Other comprehensive income**

Items that will not be reclassified to profit or loss					
Remeasurement effects of postemployment benefit plans	-7.1	17.8	-22.8	9.4	2.9
Income tax related to remeasurement effects	2.3	-6.3	7.1	-3.4	-1.4
Items that may be reclassified to profit or loss					
Translation differences	-4.8	5.2	-1.9	17.8	31.9
Cash flow hedges	-6.4	-6.0	-43.7	2.9	2.7
Income tax related to cash flow hedges	1.3	1.5	8.7	-0.7	-0.5
Other comprehensive income, net of tax	-14.7	12.2	-52.6	26.0	35.6
Total comprehensive income	55.8	81.3	26.4	94.3	157.2

**Total comprehensive income attributable to:**

Equity holders of the parent company	55.8	81.3	26.4	94.3	157.2
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**NET SALES BY OPERATING SEGMENT**

	7-9/ 2016	7-9/ 2015	Change %	1-9/ 2016	1-9/ 2015	Change %	2015
Outdoor	505.7	476.6	6	1,111.1	1,028.2	8	1,530.1
Ball Sports	147.0	147.8	-1	499.2	481.3	4	647.0
Fitness	84.1	89.3	-6	239.4	241.2	-1	357.3
Total	736.8	713.7	3	1,849.7	1,750.7	6	2,534.4

**GEOGRAPHIC BREAKDOWN OF NET SALES**

	7-9/ 2016	7-9/ 2015	Change %	1-9/ 2016	1-9/ 2015	Change %	2015
EMEA	334.7	319.3	5	788.4	757.9	4	1,114.7
Americas	304.6	302.0	1	801.5	756.9	6	1,070.1
Asia Pacific	97.5	92.4	6	259.8	235.9	10	349.6
Total	736.8	713.7	3	1,849.7	1,750.7	6	2,534.4

**EBIT EXCLUDING ITEMS AFFECTING COMPARABILITY (IAC) BY OPERATING SEGMENT**

	7-9/ 2016	7-9/ 2015	Change %	1-9/ 2016	1-9/ 2015	Change %	2015
Outdoor	105.5	92.9	14	127.2	95.6	33	161.2
Ball Sports	5.3	8.8	-40	32.0	38.4	-17	46.6
Fitness	5.4	9.1	-41	10.2	15.5	-34	31.2
Headquarters*)	-9.7	-7.3		-29.0	-21.4		-26.9
EBIT excl. IAC	106.5	103.5	3	140.4	128.1	10	212.1
IAC	-2.4	-		-8.7	-8.0		-8.0
EBIT	104.1	103.5	1	131.7	120.1	10	204.1

\*) 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	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Earnings before interest and taxes		104.1	103.5	131.7	120.1	204.1
Adjustments to cash flow from operating activities and depreciation		15.3	10.7	45.0	30.6	51.5
Change in working capital		-148.4	-182.5	-162.2	-104.3	6.1
Cash flow from operating activities before financing items and taxes		-29.0	-68.3	14.5	46.4	261.7
Interest paid and received		-6.6	-3.1	-21.1	-23.5	-28.2

Income taxes paid and received	-8.6	-2.6	-27.9	-18.2	-22.0
Net cash flow from operating activities	-44.2	-74.0	-34.5	4.7	211.5
Acquired operations	-	-3.5	-42.4	-69.7	-76.3
Divested operations	-	-	-	1.0	1.0
Capital expenditure on non-current tangible and intangible assets	-22.9	-18.4	-67.6	-42.8	-77.3
Proceeds from sale of tangible non-current assets	0.2	0.2	0.6	0.4	0.6
Net cash flow from investing activities	-22.7	-21.7	-109.4	-111.1	-152.0
Dividends paid	3	-	-	-64.7	-52.8
Change in debt and other financing items	81.3	204.6	118.8	134.1	82.9
Net cash flow from financing activities	81.3	204.6	54.3	81.3	30.1
Cash and cash equivalents on July 1/January 1	230.0	109.6	331.4	240.2	240.2
Translation differences	0.5	-1.7	3.1	1.7	1.6
Change in cash and cash equivalents	14.4	108.9	-89.6	-25.1	89.6
Cash and cash equivalents on September 30/December 31	244.9	216.8	244.9	216.8	331.4
Free cash flow *)	-66.9	-92.2	-88.4	-37.7	121.7

\*) 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	September 30, 2016	September 30, 2015	December 31, 2015
<b>Assets</b>				
Goodwill		355.8	342.2	346.2
Other intangible non-current assets		313.8	257.3	282.1
Tangible non-current assets		213.0	201.8	206.7
Other non-current assets		129.5	118.6	128.2
Inventories and work in progress		558.0	511.5	482.0
Current tax receivables		2.7	11.3	12.1
Other receivables		769.3	764.1	767.0
Cash and cash equivalents		244.9	216.8	331.4
Total assets	2	2,587.0	2,423.6	2,555.7
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity		913.7	886.4	949.6
Long-term interest-bearing liabilities		834.9	631.4	634.5
Other long-term liabilities		136.8	95.9	126.7
Current interest-bearing liabilities		76.9	202.0	157.2
Current tax liabilities		28.6	30.5	27.9
Other current liabilities		560.9	545.5	622.9
Provisions		35.2	31.9	36.9
Total shareholders' equity and liabilities		2,587.0	2,423.6	2,555.7
Equity ratio, %		35.3	36.6	37.2
Gearing, %		73	70	48
EUR 1.00 = USD		1.1161	1.1151	1.0887





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16 (25)

Share-based incentive program				2.7					-0.3	2.4
Dividend distribution	3								-64.7	-64.7
Balance at Sep. 30, 2016		292.2	12.1	-15.4	15.1	8.8	-50.8	163.1	488.6	913.7



**QUARTERLY BREAKDOWN OF NET SALES AND EBIT EXCL. IAC**

	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q4/ 2015	Q3/ 2015	Q2/ 2015	Q1/ 2015	Q4/ 2014
<b>NET SALES</b>								
Outdoor	505.7	231.0	374.4	501.9	476.6	209.7	341.9	456.7
Ball Sports	147.0	165.5	186.7	165.7	147.8	169.4	164.1	136.9
Fitness	84.1	80.9	74.4	116.1	89.3	82.0	69.9	111.7
Total	736.8	477.4	635.5	783.7	713.7	461.1	575.9	705.3

	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q4/ 2015	Q3/ 2015	Q2/ 2015	Q1/ 2015	Q4/ 2014
<b>EBIT</b>								
Outdoor	105.5	-16.0	37.7	65.6	92.9	-18.7	21.4	55.0
Ball Sports	5.3	7.7	19.0	8.2	8.8	11.3	18.3	12.5
Fitness	5.4	4.5	0.3	15.7	9.1	5.1	1.3	14.9
Headquarters	-9.7	-8.3	-11.0	-5.5	-7.3	-6.7	-7.4	-4.7
EBIT excl. IAC	106.5	-12.1	46.0	84.0	103.5	-9.0	33.6	77.7
IAC	-2.4	-	-6.3	-	-	-6.6	-1.4	-34.7
EBIT	104.1	-12.1	39.7	84.0	103.5	-15.6	32.2	43.0

**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, 2016 as adopted by the EU. The IFRS recognition and measurement principles as described in the annual financial statements for 2015 have also been applied in the preparation of the interim financial information.

**2. SEGMENT INFORMATION**

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
<b>1-9/2016</b>					
Outdoor	1,111.1	127.2			1,286.5
Ball Sports	499.2	32.0			469.6
Fitness	239.4	10.2			359.2
Segments, total	1,849.7	169.4			2,115.3
IAC		-8.7			
Headquarters		-29.0	-23.9		471.7
Group total	1,849.7	131.7	-23.9	107.8	2,587.0
<b>1-9/2015</b>					
Outdoor	1,028.2	95.6			1,174.9
Ball Sports	481.3	38.4			467.5
Fitness	241.2	15.5			327.0
Segments, total	1,750.7	149.5			1,969.4

IAC		-8.0			
Headquarters		-21.4	-25.4		454.2
Group total	1,750.7	120.1	-25.4	94.7	2,423.6
<b>1-12/2015</b>					
Outdoor	1,530.1	161.2			1,082.4
Ball Sports	647.0	46.6			517.6
Fitness	357.3	31.2			351.6
Segments, total	2,534.4	239.0			1,951.6
IAC		-8.0			
Headquarters		-26.9	-36.1		604.1
Group total	2,534.4	204.1	-36.1	168.0	2,555.7

### GEOGRAPHIC BREAKDOWN OF NET SALES

	1-9/ 2016	1-9/ 2015	2015
EMEA	788.4	757.9	1,114.7
Americas	801.5	756.9	1,070.1
Asia Pacific	259.8	235.9	349.6
Total	1,849.7	1,750.7	2,534.4

### 3. DIVIDENDS

Relating to the year ending on December 31, 2015, the dividends distributed to the shareholders of Amer Sports Corporation were EUR 0.55 per share and amounted in total to EUR 64.7 million (2014: 0.45 per share, in total 52.8 million). The dividends were paid out in March 2016.

### 4. CONTINGENT LIABILITIES AND SECURED ASSETS

	September 30, 2016	September 30, 2015	December 31, 2015
Guarantees	28.2	19.1	33.8
Liabilities for leasing and rental agreements	193.8	170.5	188.2
Other liabilities	67.0	68.6	69.4

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>September 30, 2016</b>	<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>
Non-current financial assets			
Other non-current financial assets			0.5
Foreign exchange derivatives		1.4	
Interest rate derivatives and cross currency swaps	5.6	0.0	
Current financial assets			
Foreign exchange derivatives	25.4	23.2	
Long-term financial liabilities			
Foreign exchange derivatives		0.7	
Interest rate derivatives and cross currency swaps	17.0	5.2	
Current financial liabilities			
Foreign exchange derivatives	26.9	7.8	
Interest rate derivatives and		1.5	

cross currency swaps

Nominal value of foreign exchange derivatives	574.4	1,010.7
Nominal value of interest rate derivatives	135.0	235.4
Nominal value of cross currency swaps		78.0

	<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>September 30, 2015</b>			
Non-current financial assets			
Other non-current financial assets			0.4
Foreign exchange derivatives		7.3	
Interest rate derivatives and cross currency swaps	5.1	0.2	
Current financial assets			
Foreign exchange derivatives	13.0	63.7	
Interest rate derivatives and cross currency swaps		0.1	
Long-term financial liabilities			
Foreign exchange derivatives		0.9	
Interest rate derivatives and cross currency swaps	12.8	5.3	
Current financial liabilities			
Foreign exchange derivatives	21.1	9.2	
Interest rate derivatives and cross currency swaps		2.1	
Nominal value of foreign exchange derivatives	533.3	909.4	
Nominal value of interest rate derivatives	20.2	420.5	
Nominal value of cross currency swaps		133.1	
	<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, 2015</b>			
Non-current financial assets			
Other non-current			0.4

financial assets		
Foreign exchange derivatives		6.4
Interest rate derivatives and cross currency swaps	4.4	0.2
Current financial assets		
Foreign exchange derivatives	35.9	61.4
Interest rate derivatives and cross currency swaps		0.0
Long-term financial liabilities		
Foreign exchange derivatives		0.5
Interest rate derivatives and cross currency swaps	8.9	5.3
Current financial liabilities		
Foreign exchange derivatives	34.2	6.9
Interest rate derivatives and cross currency swaps	5.1	2.5
Nominal value of foreign exchange derivatives	494.1	1,055.6
Nominal value of interest rate derivatives		423.6
Nominal value of cross currency swaps		136.0

## 8. ACQUIRED AND DIVESTED BUSINESSES

On March 8, 2016 Amer Sports acquired 100% of the shares in the company ENVE Composites LLC. ENVE is a fast-growing brand in high-end carbon wheels, components, and accessories for road and mountain biking with annual sales of approximately USD 30 million. The acquisition accelerates Amer Sports Cycling business especially in the United States and provides further expansion opportunities internationally. ENVE brings capabilities in carbon technology, and it offers operational scale and synergy benefits complementing Amer Sports' cycling category.

The acquisition price is approximately USD 50 million in an all-cash transaction and was paid in March 2016. According to the purchase price allocation, the fair value of the acquired net assets was EUR 45.3 million. EUR 19.1 million of the fair value was allocated to the Enve intangible assets including trademarks, customer relationships and technology. EUR 15.4 million of the fair value was allocated to goodwill.

The following fair values of the assets and liabilities of Enve Composites LLC have been consolidated into Amer Sports' result from the acquisition date. Transaction costs of EUR 0.3 million are included in the administrative expenses of the consolidated income statement.

<b>EUR million</b>	<b>Fair value</b>
Intangible non-current assets	19.1
Goodwill	15.4
Fixed assets	1.1

Inventories	5.7
Receivables	3.3
Cash	3.2
<b>TOTAL ASSETS</b>	<b>47.8</b>
Current liabilities	2.5
<b>TOTAL LIABILITIES</b>	<b>2.5</b>
<b>NET ASSETS</b>	<b>45.3</b>
Purchase price	45.3

### Analysis of the cash flows on the acquisition

EUR million	Fair value
Purchase price	-45.3
Enve cash	3.2
Transaction costs	-0.3
<b>Net cash flow on acquisition</b>	<b>-42.4</b>

The acquisition will have no material impact on Amer Sports' 2016 financial results, and it will be accretive to Amer Sports EBIT margin as of 2017.

### 9. RECONCILIATION BETWEEN REPORTED EARNINGS BEFORE INTEREST AND TAXES (EBIT) AND EBIT EXCLUDING ITEMS AFFECTING COMPARABILITY (EBIT EXCLUDING IAC) COMMENTED IN THIS FINANCIAL REVIEW

The income statement under IFRS has been adjusted by the following adjustments when reporting and commenting earnings before interest and taxes excluding items affecting comparability in this financial review.

	7-9/2016			1-9/2016		
	IFRS	IAC	Income statement excl. IAC	IFRS	IAC	Income statement excl. IAC
<b>NET SALES</b>	736.8	-	736.8	1,849.7	-	1,849.7
Cost of goods sold	-383.9	-0.4	-383.5	-981.7	-0.4	-981.3
Licence income	1.4	-	1.4	4.8	-	4.8
Other operating income	4.1	-	4.1	6.3	-	6.3
Research and development expenses	-22.5	-	-22.5	-67.4	-	-67.4
Selling and marketing expenses	-183.6	-1.7	-181.9	-531.7	-8.0	-523.7
Administrative and other expenses	-48.2	-0.3	-47.9	-148.3	-0.3	-148.0
<b>EBIT</b>	<b>104.1</b>	<b>-2.4</b>	<b>106.5</b>	<b>131.7</b>	<b>-8.7</b>	<b>140.4</b>

  

	7-9/2015		1-9/2015	
	IAC	Income statement	IFRS	Income statement

	IFRS		excl. IAC			excl. IAC
<b>NET SALES</b>	713.7	-	713.7	1,750.7	-	1,750.7
Cost of goods sold	-378.5	-	-378.5	-947.8	-	-947.8
Licence income	2.2	-	2.2	5.1	-	5.1
Other operating income	0.8	-	0.8	2.1	-	2.1
Research and development expenses	-19.8	-	-19.8	-54.5	-	-54.5
Selling and marketing expenses	-163.3	-	-163.3	-486.5	-6.7	-479.8
Administrative and other expenses	-51.6	-	-51.6	-149.0	-1.3	-147.7
<b>EBIT</b>	<b>103.5</b>		<b>103.5</b>	<b>120.1</b>	<b>-8.0</b>	<b>128.1</b>

1-12/2015	IFRS	IAC	Income statement excl. IAC
<b>NET SALES</b>	2,534.4		2,534.4
Cost of goods sold	-1,388.5	-	-1,388.5
Licence income	7.3	-	7.3
Other operating income	4.8	-	4.8
Research and development expenses	-77.7	-	-77.7
Selling and marketing expenses	-677.5	-6.7	-670.8
Administrative and other expenses	-198.7	-1.3	-197.4
<b>EBIT</b>	<b>204.1</b>	<b>-8.0</b>	<b>212.1</b>

Items affecting comparability (IAC) are material items or transactions, which are relevant for understanding the 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, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share.

## 10. FORMULAS AND BRIDGE CALCULATIONS OF KEY INDICATORS

New ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) are effective for the financial year 2016. Amer Sports presents APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q1 2016, Amer Sports relabels the previously referenced "excluding non-recurring items" with "excluding items affecting comparability" (IAC). Operating segments' EBIT is reported excluding IAC. Items affecting comparability and APMs used by Amer Sports are defined in this note.

### EBIT excluding IAC:

EBIT + IAC

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
EBIT	104.1	103.5	131.7	120.1	204.1
IAC	2.4	-	8.7	8.0	8.0
EBIT excluding IAC	106.5	103.5	140.4	128.1	212.1

### EBIT % excluding IAC:

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 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, significant write-downs, provisions for planned restructuring and other items that are not related to normal business operations from Amer Sports' management view. A single item affecting comparability has to represent more than one cent per share.

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Significant write-down of the receivable balance from a U.S. sporting goods retailer			6.3		
Restructuring program 2014				8.0	8.0
Restructuring program 2016	2.4		2.4		
Items affecting comparability total	2.4	-	8.7	8.0	8.0

#### **EARNINGS PER SHARE excluding IAC:**

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

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

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Net result	70.5	69.1	79.0	68.3	121.6
IAC	2.4	-	8.7	8.0	8.0
Net result excl. IAC	72.9	69.1	87.7	76.3	129.6

#### **EBITDA:**

EBIT + Depreciations and amortizations

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
EBIT	104.1	103.5	131.7	120.1	204.1
Depreciations and amortizations	15.8	13.4	44.7	36.6	51.1
EBITDA	119.9	116.9	176.4	156.7	255.2

#### **EBITDA excluding IAC:**

EBIT excluding IAC + Depreciations and amortizations

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
EBIT	104.1	103.5	131.7	120.1	204.1
IAC	2.4	-	8.7	8.0	8.0
Depreciations and amortization	15.8	13.4	44.7	36.6	51.1
EBITDA excl. IAC	122.3	116.9	185.1	164.7	263.2

#### **NET DEBT:**

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



	September 30, 2016	September 30, 2015	December 31, 2015
Long-term interest-bearing liabilities	834.9	631.4	634.5
Current interest-bearing liabilities	76.9	202.0	157.2
Cash and cash equivalents	-244.9	-216.8	-331.4
NET DEBT	666.9	616.6	460.3

**NET DEBT/EBITDA:**

$$100 \times \frac{\text{Net Debt}}{\text{EBIT} + \text{Depreciations and amortizations}}$$

**NET DEBT/EBITDA excl. IAC:**

$$100 \times \frac{\text{Net Debt}}{\text{EBIT excluding IAC} + \text{Depreciations and amortizations}}$$

**FREE CASH FLOW:**

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

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Cash flow from operating activities	-44.2	-74.0	-34.5	4.7	211.5
Net capital expenditures	-22.7	-18.2	-67.0	-42.4	-76.7
Restricted cash	-	-	13.1	-	-13.1
FREE CASH FLOW	-66.9	-92.2	-88.4	-37.7	121.7

**NET CAPITAL EXPENDITURE:**

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

	7-9/ 2016	7-9/ 2015	1-9/ 2016	1-9/ 2015	2015
Total capital expenditure on non-current tangible and intangible assets	-22.9	-18.4	-67.6	-42.8	-77.3
Proceeds from sale of assets	0.2	0.2	0.6	0.4	0.6
NET CAPITAL EXPENDITURE	-22.7	-18.2	-67.0	-42.4	-76.7

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**