

Amer Sports Corporation

FINANCIAL STATEMENTS BULLETIN

February 5, 2015 at 1:00 pm

Amer Sports Corporation Financial Statements Bulletin 2014

OCTOBER–DECEMBER 2014

- Net sales were EUR 705.3 million (October-December 2013: 657.4). In local currencies, net sales increased by 6% with broad-based growth across the business areas. Winter Sports Equipment net sales decreased by 9% due to the late winter.
- Gross margin was 43.0% (42.0).
- EBIT excluding non-recurring items (NRI) was EUR 77.7 million (64.7), representing 11.0% of net sales (9.8).
- Earnings per share excluding NRI were EUR 0.41 (0.33).
- Net cash flow after investing activities was EUR 132.8 million (143.9).

JANUARY–DECEMBER 2014

- Net sales were EUR 2,228.7 million (2013: 2,136.5). In local currencies, net sales increased by 6%.
- Gross margin was 43.9% (43.6).
- EBIT excluding NRI was EUR 168.3 million (154.9), 7.6% of net sales (7.3).
- Earnings per share excluding NRI were EUR 0.80 (0.77).
- Net cash flow after investing activities was EUR 53.5 million (42.5).
- Net debt/EBITDA excluding NRI was 2.0 (December 31, 2013: 2.2).
- Amer Sports Board of Directors is proposing a dividend of EUR 0.45 per share (0.40).

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	10–12/ 2014	10–12/ 2013	Ch %	Ch %*)	2014	2013	Ch %	Ch %*)
Net sales	705.3	657.4	7	6	2,228.7	2,136.5	4	6
Gross profit	303.2	276.3	10		979.0	932.2	5	
Gross profit %	43.0	42.0			43.9	43.6		
EBIT excluding NRI**)	77.7	64.7	20		168.3	154.9	9	
EBIT % excluding NRI	11.0	9.8			7.6	7.3		
NRI	-34.7				-54.2			
EBIT total	43.0	64.7			114.1	154.9		
EBIT %	6.1	9.8			5.1	7.3		
Financing income and expenses	-11.2	-10.1			-37.1	-28.6		
Earnings before taxes	31.8	54.6			77.0	126.3		
Net result	23.0	38.7			55.4	90.3		
Earnings per share excluding NRI, EUR	0.41	0.33			0.80	0.77		
Earnings per share, EUR	0.20	0.33			0.47	0.77		
Net cash flow after investing activities	132.8	143.9			53.5	42.5		
Equity ratio, %					38.8	37.5		
Net debt/equity					0.50	0.57		
Personnel at year end					7,630	7,330	4	

Average rates used,
EUR/USD

1.33 1.33

*) *In local currencies*

**) *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 closed 2014 with a good fourth quarter, and we hereby delivered the 5th consecutive year of profitable growth with record sales and operating profit. The key drivers behind the improvement were our strategic acceleration areas: Apparel and Footwear, Business to Consumer, and China. We also continued to drive profitable growth in Fitness, Cycling and Sports Instruments. Encouragingly, the Ball Sports restructuring started to yield results with gross margins up, and operating expenses reduced and refocused to support the new strategic growth pillars.

Throughout 2014 the market conditions were challenging. We faced significant headwinds in Russia with adverse profit impact from the currency devaluation. We also faced an exceptionally late and mild winter in Europe, resulting in a sales decrease especially in cross-country skiing. Thanks to our flexible operating model in Winter Sports Equipment, we managed to mitigate the impact and sustained a satisfactory profitability.

Overall, we can be encouraged by our progress, as our strategies and execution are delivering results. We do expect the challenging market conditions to persist in 2015, with adverse impact from the late and mild winter and on-going risks in Russia. We accelerate in the areas which are working, whilst putting in place contingencies where we face challenges. With focus on improvement and renewal, we continue to execute with confidence.

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TELEPHONE CONFERENCE

An English-language conference call for investors and analysts will be held today at 1:00 pm GMT. To participate, please call +44(0)20 3427 1914 (UK/international dial-in number), confirmation code 8518181. The conference can also be followed live at www.amersports.com. 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 8518181#.

Annual General Meeting

Amer Sports' Annual General Meeting will be held on Thursday, March 12, 2015 starting at 2 pm at Finlandia Hall, Congress Wing, Mannerheimintie 13 e, Helsinki, Finland.

Q1/2015 Interim Report

Amer Sports will publish its Q1/2015 interim report on Thursday, April 23 at approximately 11:00 am GMT.

FINANCIAL RESULTS IN OCTOBER-DECEMBER

NET SALES AND EBIT IN OCTOBER-DECEMBER 2014

Amer Sports net sales in October-December 2014 totaled EUR 705.3 million (October-December 2013: 657.4). In local currencies, net sales increased by 6%. The growth was broad-based, driven by Footwear (+24%), Apparel (+23%), Cycling (+16%), Sports Instruments (+8%), and Fitness (+7%). Winter Sports Equipment net sales decreased by 9%.

Net sales by business segment

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	% of sales 10-12/14	% of sales 10-12/13
Winter and Outdoor	456.7	433.7	5	6	65	66
Ball Sports	136.9	126.1	9	2	19	19
Fitness	111.7	97.6	14	7	16	15
Total	705.3	657.4	7	6	100	100

*) In local currencies

Geographic breakdown of net sales

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	% of sales 10-12/14	% of sales 10-12/13
EMEA	336.9	338.6	-1	1	48	51
Americas	270.1	229.3	18	10	38	35
Asia Pacific	98.3	89.5	10	9	14	14
Total	705.3	657.4	7	6	100	100

*) In local currencies

Gross margin was 43.0% (42.0). EBIT excluding NRI was EUR 77.7 million (64.7). EBIT was EUR 43.0 million (64.7).

Increased sales in local currencies contributed to EBIT by approximately EUR 16 million and improved gross margin by approximately EUR 7 million. Operating expenses grew by approximately EUR 12 million driven by sales, distribution and marketing, whilst administrative and R&D expenses were at previous year's level. Other income and expenses improved EBIT by EUR 3 million. Currencies had a negative net impact of approximately EUR 1 million on EBIT, including the negative impact of EUR 4 million (non-cash) due to the Russian ruble.

EBIT excluding non-recurring items by business segment

EUR million	10-12/ 2014	10-12/ 2013	Change %
Winter and Outdoor	55.0	52.5	5
Ball Sports	12.5	3.9	
Fitness	14.9	14.3	4
Headquarters*)	-4.7	-6.0	
EBIT excluding non-recurring items	77.7	64.7	20
Non-recurring items	-34.7		
EBIT total	43.0	64.7	-34

*) Headquarters segment consists of Group administration, shared service functions, other non-operational income and expenses and fair valuation of share based compensations. In the fourth quarter, segment operating loss decreased by EUR 1.3 million due to positive impact of fair valuation of share-based compensations and other adjustments. Net operational expenses increased by EUR 0.7 million.

Net financial expenses were EUR 11.2 million (10.1), including net interest expenses of EUR 8.5 million (9.3) and unrealized net foreign exchange losses of EUR 0.4 million (0.3). Other financing expenses were EUR 2.3 million (0.5). Earnings per share excluding NRI were EUR 0.41 (0.33). Earnings per share were EUR 0.20 (0.33).

FINANCIAL RESULTS 2014

2014 was a good year for Amer Sports, despite the challenging trading environment especially in Russia and two consecutive late and mild winters in Europe.

Amer Sports delivered all-time high net sales with strong growth in Apparel, Footwear, Cycling, Fitness and Sports Instruments. In addition, the strategic growth areas Business to Consumer and China delivered record sales. The company's profitability improved from the previous year, despite the significant unexpected currency impacts, especially the Russian ruble.

NET SALES AND EBIT IN 2014

Amer Sports net sales in 2014 were EUR 2,228.7 million (2013: 2,136.5). Net sales increased by 6% in local currencies, driven by Apparel (+19%), Footwear (+17%), Cycling (+8%), Fitness (+7%) and Sports Instruments (+7%). Winter Sports Equipment net sales declined by 6% due to two consecutive late and mild winters in Europe. In Ball Sports, net sales declined by 2% due to the clean-up of unprofitable sales in Individual Ball Sports as part of the restructuring announced in 2014. The Group's financial target is to deliver an organic, currency-neutral annual growth of 5%.

Net sales by business segment

EUR million	2014	2013	Change %	Change %*)	% of sales 2014	% of sales 2013
Winter and Outdoor	1,371.2	1,289.5	6	8	62	60
Ball Sports	536.7	551.0	-3	-2	24	26
Fitness	320.8	296.0	8	7	14	14
Total	2,228.7	2,136.5	4	6	100	100

*) In local currencies

Geographic breakdown of net sales

EUR million	2014	2013	Change %	Change %*)	% of sales 2014	% of sales 2013
EMEA	1,064.0	1,025.2	4	5	48	48
Americas	874.3	839.4	4	5	39	39
Asia Pacific	290.4	271.9	7	10	13	13
Total	2,228.7	2,136.5	4	6	100	100

*) In local currencies

Gross margin was 43.9% (43.6). EBIT excluding non-recurring items (NRI) was EUR 168.3 million (154.9). Non-recurring items of EUR -54.2 million were related to the restructuring program announced in July 2014. EBIT was EUR 114.1 million (154.9).

Increased sales in local currencies contributed to EBIT by approximately EUR 51 million and improved gross margin by approximately EUR 7 million. Operating expenses increased by approximately EUR 37 million, driven by sales, distribution and marketing, whilst administrative and R&D expenses were at previous year's level. Operating expenses as a percentage of sales decreased to 36.6% (37.0). Currencies impacted EBIT negatively by approximately EUR 7 million (non-cash) due to the Russian ruble. Other income and expenses impacted EBIT negatively by approximately EUR 1 million.

EBIT as a percentage of sales excluding NRI was 7.6% (7.3). The Group's target is to have EBIT of at least 10% of net sales.

EBIT excluding non-recurring items by business segment

EUR million	2014	2013	Change %
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Winter and Outdoor	125.6	127.0	-1
Ball Sports	35.9	27.0	33
Fitness	29.7	24.4	22
Headquarters*)	-22.9	-23.5	
EBIT excluding non-recurring items	168.3	154.9	9
Non-recurring items	-54.2		
EBIT total	114.1	154.9	-26

*) Headquarters segment consists of Group administration, shared service functions, other non-operational income and expenses and fair valuation of share based compensations. In 2014, segment operating loss decreased by EUR 0.6 million due to positive impact of fair valuation of share-based compensations and other adjustments. Net operational expenses increased by EUR 0.8 million.

Net financial expenses totaled EUR 37.1 million (28.6), including net interest expenses of EUR 28.6 million (26.6). Net foreign exchange losses were EUR 2.7 million (gains of EUR 0.2 million). Other financing expenses were EUR 5.8 million (2.2). Earnings before taxes totaled EUR 77.0 million (126.3) and taxes were EUR -21.6 million (-36.0), resulting a tax rate of 28.1% (28.5). Earnings per share excluding NRI were EUR 0.80 (0.77). Earnings per share were EUR 0.47 (0.77).

OUTLOOK GIVEN FOR 2014

In Amer Sports financial statements for 2013, the company's net sales growth in local currencies was expected to meet at minimum the company's long-term annual 5% growth target, and EBIT excluding non-recurring items was expected to improve from 2013.

CASH FLOW AND FINANCING

In 2014, net cash flow after investing activities (free cash flow) was EUR 53.5 million (42.5). Compared to the end of 2013, inventories increased by EUR 49.0 million due to the late winter and strong growth in Footwear and Apparel. Receivables decreased by EUR 0.5 million. Payables increased by EUR 28.2 million. Amer Sports' long-term financial target is to have annual free cash flow equal to net profit. In 2014, free cash flow was 57% of net profit excluding NRI.

At the end of 2014, the Group's net debt decreased by EUR 12.6 million to EUR 419.1 million (431.7). Amer Sports' long-term financial target for the balance sheet structure is the year-end Net Debt/EBITDA to be 3 or less. At the end of 2014, the ratio was 2.0 excluding NRI (2.2).

Interest-bearing liabilities amounted to EUR 659.3 million (701.7) consisting of short-term debt of EUR 269.0 million and long-term debt of EUR 390.3 million. The average interest rate on the Group's interest-bearing liabilities was 3.5% (3.5).

Short-term debt consists of repayments of long-term loans of EUR 153.5 million (62.5) and commercial papers of EUR 114.5 (119.6), which Amer Sports had issued in the Finnish market to fund seasonally high working capital. The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 240.2 million (270.0).

On September 30, 2014 Amer Sports renewed its loan with Unicredit Bank Austria AG and signed a new four-year EUR 30 million term loan with the bank. On December 2, 2014 Amer Sports signed a five-year EUR 150 million syndicated revolving credit facility agreement. The facility is meant for general corporate purposes including the refinancing of Amer Sports' syndicated loan of EUR 200 million from 2011 which was terminated. In the connection with the renewal of the syndicated facility, the EUR 40 million bilateral facility with Pohjola Bank was terminated. Amer Sports had not used the EUR 150 million syndicated revolving credit facility at the end of 2014.

The equity ratio at the end of the year was 38.8% (37.5) and net debt/equity was 0.50 (0.57).

The Group's most significant transaction risk arises from the US dollar. Amer Sports is a net buyer of USD due to sourcing operations in Asia. The next 24 months EUR/USD net flow - subject to hedging policy - is expected to be almost USD 860 million. The weakening of the euro against the US dollar therefore has a negative impact on the company's EBIT, with a delay due to hedging.

Amer Sports' hedging policy covers the transaction risks up to 12–24 months forward. Hedging tenors of currency pairs vary due to costs related to hedging. At the end of 2014, the Group had hedged 99% of the 2015 EUR/USD net cash flow at an average EUR/USD rate of 1.35 and 60% of the 2016 EUR/USD net cash flow at an average EUR/USD rate of 1.32.

Because Amer Sports' consolidated financial statements are presented in euros, Amer Sports is subject to currency translation risk when currency dominated result is converted into euros. Combining the yearly transaction risk and translation risks of the EBIT, Amer Sports is a net buyer of USD. In all other currencies the company is a net seller. The most significant currencies after USD are CAD, GBP and CHF with net flows varying from EUR 56 million to EUR 69 million at yearly level.

A more detailed report on the Group's financial risks and how they are managed is available in the notes to the financial statements.

CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 51.6 (45.3) million. Depreciation totaled EUR 44.8 million (42.2). Capital expenditure in 2015 is expected to be at the level of 2014.

RESEARCH AND DEVELOPMENT

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

The Group has seven R&D and design sites globally serving the business areas. As part of 2014 restructuring, the Portland design center will be closed in 2015. In 2014, R&D expenses were EUR 76.2 million in 2014, accounting for 9.3% of all operating expenses (2013: EUR 76.2, 9.7% of operating expenses, 2012: EUR 72.2 million, 9.3% of operating expenses). Winter and Outdoor's share of the R&D expenditure was 68%, while Ball Sports accounted for 12% and Fitness for 20%.

On December 31, 2014, 680 (691) persons were employed in the company's R&D activities, representing approximately 9% (9) of the total number of people employed by Amer Sports.

SALES AND MARKETING

Amer Sports sells its products to trade customers (including sporting goods chains, specialty retailers, mass merchants, fitness clubs and distributors) and directly to consumers through brand stores, factory outlets, and e-commerce.

Strong gains in distribution were achieved through reinforced sales coverage. Continued investment into in-store excellence generated improved sell-through in addition to providing a better consumer shopping experience.

Category-specific commercial management continued to add significant value, providing better understanding of customer needs, assortment planning and merchandising. This led to continuously strong growth in the apparel and footwear businesses.

In 2014, Amer Sports Business to Consumer was approximately 5% of the Group's sales (4). At

the end of 2014, Amer Sports had 250 branded -retail stores (217). 56% of the stores are operated by local, independent partners. During the year, a net of 33 new stores were opened, of which 19 are operated by Amer Sports and 14 by independent partners. Geographically, 32% of the stores are located in Europe, 38% in Asia Pacific and 30% in the Americas. In 2014, Amer Sports also strengthened its e-commerce and at the year end, the number of e-commerce stores was 62 (50).

Sales and distribution expenses in 2014 were EUR 344.3 million (323.5), 15% of sales (15). Of the increase, approximately half was related to strategic investments into distribution (geographical expansion and own retail openings), while half was growth driven. Advertising and promotion expenses in 2014 were EUR 225.2 million (219.5), 10% (10) of sales.

On December 31, 2014, the Amer Sports own sales organization covered 34 countries. 3,184 (2,881) persons were employed in sales and distribution activities, representing 42% (39) of the total number of people employed by Amer Sports. 592 (623) persons were employed in marketing activities, representing 8% (8) of the total number of people employed by Amer Sports.

SUPPLY CHAIN MANAGEMENT

In supply chain management, the main focus in 2014 was on optimizing the sourcing footprint to reduce risks as well as improving cost and working capital efficiency.

To gain operational efficiencies and cost savings, Amer Sports is constantly reviewing its “make or buy” strategy and its global production and sourcing footprint. Of Amer Sports’ production value, 25% is in China, 33% elsewhere in Asia Pacific, 26% in EMEA and 16% in the Americas.

Amer Sports manufactures approximately 25% of its products itself and approximately 15% is produced by partially outsourced vendors. Approximately 60% of the production is outsourced. This includes manufacturing of all racket sports and golf products, most team sports products and most of the apparel and footwear.

Amer Sports’ most important own production facilities are located in Austria, Bulgaria, France, Finland, Canada and the United States.

HUMAN RESOURCES

In 2014, the development of Amer Sports’ organizational structure and capability building continued in line with the Group strategic priorities. Resource management focused on allocating resources from more stable business areas to fast growing and strategic focus areas.

On December 31, 2014, the number of Group employees was 7,630 (December 31, 2013: 7,330, December 31, 2012: 7,186). The average number of personnel in 2014 was 7,505 (2013: 7,370, 2012: 7,209). At the end of 2014, men represented 61% (2013: 61%, 2012: 63%) of Amer Sports employees and women 39% (2013: 39%, 2012: 37%). In 2014 the Group had about 1,000 open positions, of which 25% were fulfilled through internal movement and 75% through external recruitments.

Salaries, incentives and other related costs paid in 2014 totaled EUR 429.2 million (2013: 416.2, 2012: 398.0). Amer Sports total rewarding principles are derived from the company’s Pay for Performance philosophy and closely linked to targeted business success as well as financial and personal performance. Base pay is complemented by performance-based annual and long-term incentive programs.

Personnel

	December 31, 2014	December 31, 2013	Change %
Winter and Outdoor	4,966	4,742	5

Ball Sports	1,537	1,549	-1
Fitness	932	874	7
Headquarters and shared services	195	165	18
Total	7,630	7,330	4

	December 31, 2014	December 31, 2013	Change %
EMEA	4,141	4,125	0
Americas	2,662	2,455	8
Asia Pacific	827	750	10
Total	7,630	7,330	4

	December 31, 2014	December 31, 2013	Change %
Manufacturing and sourcing	2,243	2,219	1
Sales and distribution	3,184	2,881	11
Support functions/shared services	931	916	2
R&D	680	691	-2
Marketing	592	623	-5
Total	7,630	7,330	4

CORPORATE RESPONSIBILITY

Amer Sports implements its business strategy in an ethically, socially and environmentally responsible manner and ensures that its products are innovative and safe while providing a safe and healthy work environment. The company continuously improves its performance and communication about how this is implemented in practice.

Amer Sports promotes healthy and active living. The company's products encourage people to exercise to stay healthy throughout their lives.

Amer Sports is committed to socially responsible labor and workplace practices. Amer Sports expects also the sourcing partners to respect human rights in the spirit of internationally recognized social and ethical standards including the International Labour Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights. These principles are described in the Amer Sports Code of Conduct and Ethical Policy which is available at www.amersports.com under Responsibility. Additionally, Amer Sports Social Compliance Policy defines how the company implements its supplier monitoring program. Amer Sports monitors that subcontractors follow its standards for ethical operations and conducts third party audits to help sourcing partners comply with industry standards, regulations, and Amer Sports' expectations in regards to health and safety, as well as environment and social responsibility. In Asia, the number of audits conducted until the end of 2014 represented 96% of total purchases.

Amer Sports is committed to reducing the environmental impact of its operations by using methods which are both responsible and economically sound. In 2014, Amer Sports implemented its Restricted Substances List to control hazardous substances used in its products. As a member of the bluesign® system partner network, Amer Sports continued to explore which Apparel and Gear suppliers have certified their fabrics in the bluesign® system and used input screening to further improve quality. The bluesign® system is a solution for sustainable textile production and it eliminates harmful substances from the beginning of the manufacturing process as well as sets and controls standards for environmentally friendlier and safe production.

Amer Sports conducts its corporate-wide carbon footprint annually and participates in the Investor Carbon Disclosure Program (CDP). By participating in the CDP's Climate Change programs companies worldwide can gain more understanding on their carbon emission sources

and estimate how to cut down emissions and improve efficiency. Since 2011 Amer Sports has achieved steady improvement both in disclosure and performance scoring.

BUSINESS SEGMENT REVIEWS

WINTER AND OUTDOOR

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
Net sales								
Winter Sports								
Equipment	187.5	208.6	-10	-9	386.7	416.7	-7	-6
Footwear	90.0	73.4	23	24	391.9	341.2	15	17
Apparel	105.7	86.9	22	23	328.5	285.4	15	19
Cycling	36.0	30.8	17	16	138.5	128.2	8	8
Sports Instruments	37.5	34.0	10	8	125.6	118.0	6	7
Net sales, total	456.7	433.7	5	6	1,371.2	1,289.5	6	8
EBIT excluding NRI	55.0	52.5			125.6	127.0		
EBIT % excluding								
NRI	12.0	12.1			9.2	9.8		
NRI	-13.7				-24.1			
EBIT total	41.3	52.5			101.5	127.0		
Personnel, Dec 31					4,966	4,742	5	

*) In local currencies

In 2014, Winter and Outdoor's net sales were EUR 1,371.2 million (1,289.5), an increase of 8% in local currencies. Net sales growth was driven by Apparel (+19%) and Footwear (+17%), supported by Cycling (+8%), and Sports Instruments (+7%). Sales in Winter Sports Equipment decreased by 6% in local currencies due to two consecutive late and mild winters in Europe.

In October-December, Winter and Outdoor's net sales totaled EUR 456.7 million (433.7), an increase of 6% in local currencies. Good growth continued in Footwear (+24%), Apparel (+23%), Cycling (+16%), and Sports Instruments (+8%). Sales in Winter Sports Equipment decreased by 9% in local currencies.

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
EMEA	288.5	294.3	-2	0	872.9	830.2	5	7
Americas	103.7	81.0	28	23	322.5	300.0	8	9
Asia Pacific	64.5	58.4	10	11	175.8	159.3	10	14
Total	456.7	433.7	5	6	1,371.2	1,289.5	6	8

*) In local currencies

In 2014, Winter and Outdoor's EBIT excluding NRI was EUR 125.6 million (127.0). Increased sales in local currencies contributed to EBIT by approximately EUR 49 million, whilst lower gross margin impacted EBIT negatively by approximately EUR 8 million. Operating expenses increased by approximately EUR 36 million, driven by sales, distribution and marketing costs. Other income and expenses contributed to EBIT by approximately EUR 1 million. Currencies impacted EBIT negatively by EUR 7 million.

In October-December, EBIT excluding NRI was EUR 55.0 million (52.5). Increased sales in local currencies contributed to EBIT by approximately EUR 12 million and improved gross margin by approximately EUR 2 million. Operating expenses increased by approximately EUR 12 million. Other income and expenses and currencies had a negative impact of approximately EUR 1 million on EBIT.

Winter Sports Equipment

In 2014, Winter Sports Equipment's net sales totaled EUR 386.7 million (416.7) and decreased by 6% in local currencies due to two consecutive late and mild winters in Europe. Alpine ski equipment represented 73% of net sales, cross country 12%, snowboards 8% and active protection 7%. In 2014, 65% of the Winter Sports Equipment business area's net sales were from EMEA, 23% from the Americas, and 12% from Asia Pacific.

In October-December, Winter Sports Equipment's net sales were EUR 187.5 million (208.6) and decreased by 9% in local currencies.

Footwear

In 2014, Footwear's net sales were EUR 391.9 million (341.2), up by 17% in local currencies. The growth was generated across all channels and geographic regions. EMEA represented 76% of global sales, followed by the Americas with 18% and Asia Pacific with 6%.

In October-December, Footwear's net sales totaled EUR 90.0 million (73.4) and were up by 24% in local currencies.

Apparel

In 2014, Apparel's net sales totaled EUR 328.5 million (285.4) and increased by 19% in local currencies. EMEA was 43% of global sales, the Americas 39%, and Asia Pacific 18%.

In October-December, Apparel's net sales totaled EUR 105.7 million (86.9) and were up by 23% in local currencies.

Cycling

In 2014, Cycling's net sales was EUR 138.5 million (128.2), an increase of 8% in local currencies. Cycling equipment (rims, wheels and tires) represented 80 % of net sales, and rider's equipment (apparel, helmets and footwear including pedals) 20%. Net sales by geographical region were as follows: EMEA 73%, the Americas 12% and Asia Pacific 15%.

In October-December, Cycling's net sales totaled EUR 36.0 million (30.8) and increased by 16% in local currencies.

Sports Instruments

In 2014, Sports Instruments' net sales totaled EUR 125.6 million (118.0) and increased by 7% in local currencies. The growth was driven by strengthened distribution as well as the Suunto Ambit product family. The biggest product categories were performance (55% of net sales), outdoor and lifestyle (30% of net sales), and dive instruments (15% of net sales). The distribution of net sales by geographical region was as follows: EMEA 52%, Asia Pacific 26% and the Americas 22%.

In October-December, Sports Instruments' net sales were EUR 37.5 million (34.0) and increased by 8% in local currencies.

BALL SPORTS

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
Net sales								
Individual Ball								
Sports	63.9	59.7	7	3	290.4	306.0	-5	-4
Team Sports	73.0	66.4	10	2	246.3	245.0	1	1
Net sales, total	136.9	126.1	9	2	536.7	551.0	-3	-2
EBIT excluding NRI	12.5	3.9			35.9	27.0		
EBIT % excluding								
NRI	9.1	3.1			6.7	4.9		
NRI	-18.7				-27.8			

EBIT total	-6.2	3.9	8.1	27.0	
Personnel, Dec 31			1,537	1,549	-1
*) In local currencies					

In 2014, Ball Sports' net sales were EUR 536.7 million (551.0). Team Sports was at previous year's level. Individual Ball Sports decreased by 4% 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.

In October-December, Ball Sports' net sales totaled EUR 136.9 million (126.1), an increase of 2% in local currencies.

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
EMEA	20.8	20.2	3	4	113.3	116.8	-3	-3
Americas	96.2	86.0	12	3	351.5	356.8	-1	-1
Asia Pacific	19.9	19.9	0	-2	71.9	77.4	-7	-4
Total	136.9	126.1	9	2	536.7	551.0	-3	-2

*) In local currencies

In 2014, Ball Sports' EBIT excluding NRI was EUR 35.9 million (27.0). Improved gross margin contributed to EBIT by approximately EUR 11 million, whilst lower sales in local currencies impacted EBIT negatively by approximately EUR 4 million. Operating expenses decreased by approximately EUR 3 million. Other income and expenses had a negative impact of approximately EUR 1 million on EBIT.

In October-December, EBIT excluding NRI was EUR 12.5 million (3.9). Improved gross margin impacted EBIT by approximately EUR 8 million and increased sales in local currencies by approximately EUR 1 million. Operating expenses remained at previous year's level.

Individual Ball Sports

Individual Ball Sports' net sales in 2014 totaled EUR 290.4 million (306.0), a decrease of 4% in local currencies. The decrease was due to the clean-up of unprofitable sales as part of the restructuring announced in 2014 with the objective to re-ignite profitable growth.

The Americas accounted for 43% of the net sales, EMEA 37% and Asia Pacific 20%.

In October-December, Individual Ball Sports' net sales were EUR 63.9 million (59.7) and increased by 3% in local currencies.

Team Sports

Team Sports' net sales in 2014 were EUR 246.3 million (245.0) and were at previous year's level.

The Americas accounted for 92% of net sales, Asia Pacific 6% and EMEA 2%.

In October-December, Team Sports' net sales totaled EUR 73.0 million (66.4) and increased by 2% in local currencies.

FITNESS

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
Net sales	111.7	97.6	14	7	320.8	296.0	8	7
EBIT excluding NRI	14.9	14.3			29.7	24.4		

EBIT % excluding					
NRI	13.3	14.7		9.3	8.2
NRI	-1.8			-1.8	
EBIT total	13.1	14.3		27.9	24.4
Personnel, Dec 31				932	874
*) In local currencies					

In 2014, Fitness' net sales were EUR 320.8 million (296.0) and increased by 7% in local currencies. Geographically, the Americas accounted for 63% of the net sales, EMEA 24% and Asia Pacific 13%. The commercial business (clubs and institutions) represented 91% (90) of Fitness' net sales while consumer business (home use) was 9% (10).

In October-December, Fitness' net sales were EUR 111.7 million (97.6) and increased by 7% in local currencies.

EUR million	10-12/ 2014	10-12/ 2013	Change %	Change %*)	2014	2013	Change %	Change %*)
EMEA	27.6	24.1	14	11	77.8	78.2	-1	-3
Americas	70.2	62.3	13	3	200.3	182.6	10	8
Asia Pacific	13.9	11.2	24	18	42.7	35.2	21	24
Total	111.7	97.6	14	7	320.8	296.0	8	7

*) In local currencies

In 2014, Fitness' EBIT excluding NRI was EUR 29.7 million (24.4). Increased sales in local currencies contributed to EBIT by approximately EUR 8 million and improved gross margin by approximately EUR 4 million. Operating expenses increased by approximately EUR 4 million mainly due to increased sales and distribution costs. Other income and expenses had a negative impact of approximately EUR 3 million on EBIT.

In October-December, EBIT excluding NRI was EUR 14.9 million (14.3). Increased sales in local currencies contributed to EBIT by approximately EUR 3 million whilst lower gross margin impacted EBIT negatively by approximately EUR 1 million. Operating expenses remained at previous year's level. Other income and expenses had a negative impact of approximately EUR 1 million on EBIT.

CORPORATE GOVERNANCE STATEMENT

In its decision making and administration, Amer Sports Corporation applies the Finnish Companies Act, the Finnish Securities Markets Act and the rules issued by the NASDAQ Helsinki Stock Exchange, Amer Sports Articles of Association, and the Finnish Corporate Governance Code 2010 for listed companies. Amer Sports complies with the code without exceptions. The code is published at www.cgfinland.fi.

Amer Sports provides a Corporate Governance Statement for 2014 as a separate report at www.amersports.com. This Corporate Governance Statement has been prepared pursuant to Recommendation 54 of the Finnish Corporate Governance Code 2010 for listed companies and the Securities Markets Act (Chapter 7, Section 7) and it is issued separately from the Board of Directors' report. The Audit Committee of the Board of Directors has reviewed the Corporate Governance Statement and the auditor, PricewaterhouseCoopers Oy, has verified that the statement has been issued and that the description of the main features of the internal control and risk management systems pertaining to the financial reporting process is consistent with the financial statements.

CHANGES IN GROUP MANAGEMENT

Antti Jääskeläinen, Chief Development Officer and SVP, Supply Chain and Global Operations, member of Amer Sports Executive Board, left the company in August. Consequently, the area of responsibility of Jussi Siitonen, CFO, was extended to cover Global Operations and IT and the area of responsibility of Michael White, Chief Sales Officer and General Manager, EMEA and Americas, was extended to cover Distribution and Transportation.

Additional information about the members of Amer Sports Executive Board is available at <http://www.amersports.com/investors/governance/executive-board>.

SHARES AND SHAREHOLDERS

Amer Sports' share capital totaled EUR 292,182,204 on December 31, 2014 and the number of shares was 118,517,285.

Authorizations

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.

The Annual General Meeting held on March 7, 2013 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 was valid for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 7, 2013 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 the option to issue own shares to the Company for free. The authorization is valid for two years from the date of the decision of the Annual General Meeting, but the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes was valid for fourteen (14) months from the date of the decision of the Annual General Meeting.

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

Own shares

Amer Sports Board of Directors decided on August 15, 2014 to utilize the authorization given by the Annual General Meeting held on March 6, 2014 to repurchase Amer Sports shares. The repurchases started on August 15, 2014 and ended on December 31, 2014. The amount acquired was 819,171 shares and the average price per share was EUR 15.49. The total value of the acquired shares was EUR 12,685,006.84.

In 2014, a total of 412,526 Amer Sports shares were transferred to the personnel participating in the Company's Performance Share Plan 2010, Performance Share Plan 2013 and Restricted Stock Plan 2013. A total of 28,197 shares granted as share-based incentives were returned to Amer Sports in 2014.

At the end of December, Amer Sports held a total of 1,415,112 shares (December 31, 2013: 982,587) of Amer Sports Corporation, corresponding to 1.19% (0.83) of all Amer Sports shares.

Trading in shares

In 2014, a total of 75.5 million (50.0) Amer Sports shares with a value totaling EUR 1,151.7 million (683.4) were traded on the NASDAQ Helsinki. Share turnover was 64.1% (42.4%) (as a proportion of the average number of shares, excluding own shares). The average daily volume in 2014 was 301,968 shares (199,809).

In addition to the NASDAQ Helsinki, Amer Sports shares are traded on several alternative market places, for example Chi-X, BATS, Burgundy and Turquoise. In 2014, a total of 26.6 million (21.3) Amer Sports shares were traded on these alternative exchanges.

The closing price of the Amer Sports Corporation share on the NASDAQ Helsinki stock exchange in 2014 was EUR 16.06 (2013: 15.12). Shares registered a high of EUR 16.79 (16.00) and a low of EUR 13.76 (11.08). The average share price was EUR 15.26 (13.68). On December 31, 2014, the company had a market capitalization of EUR 1,880.7 million (1,777.1), excluding own shares.

At the end of December, Amer Sports Corporation had 18,206 registered shareholders (15,180). Ownership outside of Finland and nominee registrations represented 46.2% (43.9) of the company's shares. Public sector entities owned 15.9% (17.3), financial and insurance corporations 14.8% (16.0), households 12.4% (11.7), non-profit institutions 7.2% (7.6), private companies 2.3% (2.7) and Amer Sports 1.2% (0.8).

Major shareholders, December 31, 2014 (does not include nominee registrations nor shares held by the company)

		Shares	% of shares and votes
1.	Keva	5,670,034	4.78
2.	Mandatum Life Insurance Company	5,099,120	4.30
3.	Maa-ja Vesitekniiikan Tuki ry.	5,000,000	4.22
4.	Varma Mutual Pension Insurance Company	3,580,680	3.02
5.	Ilmarinen Mutual Pension Insurance Company	3,253,690	2.75
6.	Elo Pension Company	3,060,000	2.58
7.	Brotherus Ilkka	2,691,250	2.27
8.	Odin Norden	1,840,257	1.55
9.	Nordea Fennia Fund	1,131,685	0.95
10.	OP-Delta Fund	1,055,159	0.89

Notification of change in shareholding under the Finnish Securities Market Act

On January 30, Amer Sports Corporation received information to the effect that the ownership of Varma Mutual Pension Insurance Company in Amer Sports Corporation's share capital and voting rights had fallen below 5% on January 30, 2014. At that time Varma Mutual Pension Insurance Company owned 3,580,680 shares, which represented 3.02% of Amer Sports Corporation's share capital and voting rights.

Disclosure of control

Amer Sports Board of Directors is not aware of any natural or legal persons who have control over the company or has information on these persons' portion of the voting rights of the shares and of the total number of shares.

Agreements and arrangements relating to shareholdings and the use of voting rights

Amer Sports Board of Directors is not aware of any agreements or arrangements concerning the ownership of the company's shares and the use of their voting rights.

Shareholdings of Board of Directors and Executive Board on December 31, 2014

Shareholder	Shares	Related parties and controlled corporations
<i>Board of Directors</i>		
Anssi Vanjoki	16,719	
Ilkka Brotherus	2,691,250	9,250
Martin Burkhalter	13,408	
Christian Fischer	13,408	
Hannu Ryöppönen	25,867	
Bruno Sälzer	13,408	
Indra Åsander	4,731	
<i>Executive Board</i>		
Heikki Takala	149,845	
Robert Barker	17,117	
Michael Dowse	41,675	
Victor Duran	42,100	
Matthew Gold	32,199	
Terhi Heikkinen	31,343	
Bernard Millaud	51,339	
Mikko Moilanen	45,406	390
Jean-Marc Pambet	62,649	
Michael Schineis	52,565	
Jussi Siitonen	51,058	300
Andrew Towne	34,050	
Michael White	38,707	
TOTAL	3,341,391	9,940
% of shares	2.8	0
<i>Including circle of acquaintances and controlled corporations</i>		
	3,351,331	
% of shares	2.8	

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

DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS

At the Amer Sports Corporation Annual General Meeting held on March 6, 2014, the following resolutions were approved:

Adoption of the annual accounts and consolidated annual accounts

The Annual General Meeting (AGM) approved Amer Sports annual accounts and consolidated annual accounts for 2013.

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 0.40 per share to be paid for the financial year ended December 31, 2013. The dividend will be paid to shareholders who are registered on the list of shareholders maintained by Euroclear Finland Ltd as of March 11, 2014, which is the record date for the dividend payment. The dividend will be paid on April 3, 2014.

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 2013.

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

It was approved that the annual remuneration payable to the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2015 remains unchanged from 2013 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 being paid in the form of the Company's shares and 60% in cash. A member of the Board of Directors is not permitted to sell or transfer any of these shares during the term of his or her Board membership. However, this limitation is only valid for a maximum of five years after the acquisition of the shares.

Resolution on the number of the members of the Board of Directors

The AGM confirmed that the number of the members of the Board of Directors is seven (7).

Election of members of the Board of Directors

The AGM elected Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Hannu Ryöppönen, Bruno Sälzer, Anssi Vanjoki and Indra Åsander as members of the Board of Directors. The Board of Directors' term of service will run until the close of the 2015 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 PricewaterhouseCoopers Oy to act as auditor of the Company. PricewaterhouseCoopers Oy has advised that it appoints Jouko Malinen, Authorized Public Accountant, as the principally responsible auditor of the Company.

Amendment of the Articles of Association

The AGM resolved to amend Article 4 of the Articles of Association so that the maximum number of members of the Board of Directors is increased from seven (7) to eight (8).

After the amendment Article 4 reads as follows:

"Article 4**Board of Directors**

The administration and due arrangement of the business of the Company is the responsibility of a Board of Directors consisting of not less than five (5) and not more than eight (8) members.

In particular, the Board of Directors shall

1. supervise the activities of the Company and its subsidiaries;

2. appoint the President and determine his or her remuneration;
3. approve the appointment and remuneration of the President's direct subordinates, as well as the appointment of the presidents of the subsidiaries and their remuneration;
4. grant and revoke the authorizations to represent the Company;
5. determine granting of procurations;
6. prepare the annual report and the financial statements of the Company and sign the balance sheets; and
7. ensure the implementation of the resolutions of the General Meetings.

The term of the members of the Board of Directors shall end at the close of the first Annual General Meeting following the election.

Persons of over 66 years of age may not be elected to be members of the Board of Directors.

The Board of Directors shall elect the Chairman and the Vice Chairman of the Board from among its members.

The Board of Directors shall constitute a quorum when more than half of the members are present, one of whom shall be the Chairman or Vice Chairman. The opinion which is supported by more than half of the members present, or in the event of a tie, the opinion which is supported by the Chairman shall constitute the resolution of the Board of Directors. In the event of a tie when electing the Chairman, the matter shall be decided by drawing of lots. When the meeting is attended by the minimum number of members required for a quorum, the resolutions shall, however, be unanimous."

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 immediately following the Annual General Meeting, the Board of Directors appointed Anssi Vanjoki as Chairman and Ilkka Brotherus as Vice Chairman. The Board appointed from among its members the following members to the Board Committees:

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

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.

This phase of the restructuring will be executed by the end of the first half of 2016. Related non-recurring expenses of EUR 54.2 million were recognized in 2014, of which EUR 16.0 million had cash flow impact. The remaining expenses of approximately EUR 6 million will be recorded in the first half of 2015.

SIGNIFICANT RISKS AND UNCERTAINTIES

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

For example, the following risks could potentially have an impact on the company's development:

- The sporting goods industry is subject to risks related to consumer demand and general economic conditions. Economic downturn may increase trade customers' payment problems and Amer Sports may be forced to write-off accounts receivables.
- Amer Sports can be adversely affected by unusual or severe weather conditions. For example, sales of winter sports equipment is affected by snow conditions in particular in Europe and North America.
- The sporting goods industry is highly competitive and includes many regional, national and global companies. Although Amer Sports has no competitors that challenge it across all of its product categories, it faces competition from a number of companies in most of the product categories. There cannot be any assurances that additional competitors will not enter Amer Sports' existing markets or that Amer Sports will be able to compete successfully against existing or new competitors.
- Amer Sports and its subcontractors use steel, aluminium, rubber and oil-based materials and components in the manufacturing and must obtain adequate supplies of these raw materials from the markets in competition with other users of such materials. Significant fluctuations in raw material prices may impact margins. Labour costs are increasing in Asia, especially in China where Amer Sports sources significant portion of its products. Possibilities to find alternative low-cost sourcing countries are limited in the short term.
- Amer Sports' success is dependent on its ability to identify and respond to constantly shifting trends in consumer demand, its ability to leverage advancements in technologies and to develop new and appealing products. One of the company's strategic cornerstones is Winning with Consumers. In order to successfully execute the strategy, knowing enough

about consumers (consumer insight) and the ability to successfully utilize such knowledge is essential.

- Trade customers are developing new business models, keeping less inventories and requesting consignment stock arrangement. New demands from trade customers may increase Amer Sports' costs without generating additional revenue. Retailers may quickly change their product offering and de-list Amer Sports brands and/or products if not satisfied with service, products and/or trade terms.
- Amer Sports' most important production facilities are the Winter Sports Equipment factories in Austria and Bulgaria, Fitness factory in the United States, and Sports Instruments factory in Finland. In addition, Amer Sports has major factories in Eastern Europe, which are owned by subcontractors. The most important distribution centers are located in Germany, Austria, the United States and France. Any unexpected production or delivery breaks in these units would have a negative impact on the company's business.
- Growing the number of Amer Sports' own retail stores requires up-front investment. In addition, the maintenance of the stores and the personnel employed in own retail create more fixed costs than distribution to trade customers. A failure to execute Amer Sports' retail growth plan as part of the company's multi-channel sales strategy could have a negative impact on the company's results.
- Despite extensive testing of its products before market launch, the company cannot completely rule out the risk of product recalls and legal actions related to product liability. Product quality issues could harm Amer Sports' reputation and, as a result, could have an adverse effect on its sales.
- A characteristic feature of the sporting goods industry is the need to protect intellectual property rights and disputes connected with them. Any litigation to defend against claims or infringement could result in substantial costs and diversion of resources and could negatively affect results of operations or the competitive position of Amer Sports. The material impacts on Amer Sports' financial position arising from pending litigation and decisions of the authorities are assessed regularly, and current estimates are presented publicly when necessary.
- Amer Sports sources a significant proportion of its products from subcontractors located throughout Asia, which exposes it to the political, economic, and regulatory conditions in that area and to a variety of local business and labor practice issues. Although Amer Sports has policies such as Company Code of Conduct, Ethical Policy for suppliers and the company has established processes to monitor the working conditions with third party auditors in Asia, it cannot fully control its subcontractors' actions. The violation of labor laws, regulations or standards by Amer Sports' subcontractors, or the divergence of those subcontractors' labor practices from those generally accepted as ethical in the European Union or the international community, could have a material adverse effect on Amer Sports' public image and the reputation of its brands. Possible delivery problems and breaches of contracts of subcontractors may also have an impact on Amer Sports' operations.
- Foreign exchange risk consists of transaction risk and translation risk. Due to geographical distribution of Amer Sports' operations, especially in light of sourcing from Asia, most significant currency risks arise from the U.S. dollar and to lesser extent, from Canadian dollar, Swiss franc, British pound and Japanese yen. Amer Sports uses hedging instruments to mitigate the impact of exchange rate fluctuations.

MATERIAL EVENTS AFTER THE FINANCIAL PERIOD

On January 9, 2015 Amer Sports Corporation issued Schuldschein (certificate of indebtedness) loan 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.

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.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF EARNINGS

The parent company's distributable earnings amount to EUR 228,995,816.88, of which the net result for the period is EUR 14,930,268.91.

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

- A dividend of EUR 0.45 per share, totaling EUR 53,332,778.25 to be paid to shareholders
 - EUR 175,663,038.63 to be carried forward in distributable earnings
- Totaling EUR 228,995,816.88

No dividend will be paid for own shares held by the company.

There have been no significant changes to the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

TABLES

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

EUR million

CONSOLIDATED RESULTS

	10-12/ 2014	10-12/ 2013	Change %	1-12/ 2014	1-12/ 2013	Change %
NET SALES	705.3	657.4	7	2,228.7	2,136.5	4
Cost of goods sold	-402.1	-381.1		-1,249.7	-1,204.3	
GROSS PROFIT	303.2	276.3		979.0	932.2	
License income	2.3	2.6		6.2	6.4	
Other operating income	0.5	0.6		5.5	4.5	
R&D expenses	-21.5	-20.9		-76.2	-76.2	
Selling and marketing expenses	-158.4	-143.7		-569.5	-543.0	
Administrative and other expenses	-48.4	-50.2		-176.7	-169.0	
Non-recurring expenses	-34.7	-		-54.2	-	
EARNINGS BEFORE INTEREST AND TAXES	43.0	64.7		114.1	154.9	
% of net sales	6.1	9.8		5.1	7.3	
Financing income and expenses	-11.2	-10.1		-37.1	-28.6	
EARNINGS BEFORE TAXES	31.8	54.6		77.0	126.3	
Taxes	-8.8	-15.9		-21.6	-36.0	
NET RESULT	23.0	38.7		55.4	90.3	

Attributable to:

Equity holders of the parent company	23.0	38.7	55.4	90.3
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Earnings per share, EUR	0.20	0.33	0.47	0.77
Earnings per share, diluted, EUR	0.20	0.32	0.47	0.76

Adjusted average number of shares in issue less own shares, million	117.7	117.7
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Adjusted average number of shares in issue less own shares, diluted, million	118.3	118.1
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Equity per share, EUR	7.20	6.48
ROCE, % *)	10.0	14.2
ROE, %	6.9	12.1

Average rates used:

EUR 1.00 = USD	1.2517	1.3602	1.3308	1.3277
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*) 12 months' rolling average

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Net result	23.0	38.7	55.4	90.3

Other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurement effects of postemployment benefit plans	-16.8	1.2	-25.7	12.4
Income tax related to remeasurement effects	5.7	-0.4	8.5	-4.3

Items that may be reclassified to profit or loss

Translation differences	15.7	-7.5	44.9	-24.5
Cash flow hedges	25.3	-0.3	66.5	-1.6
Income tax related to cash flow hedges	-6.3	0.1	-16.6	0.4

Other comprehensive income, net of tax	23.6	-6.9	77.6	-17.6
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Total comprehensive income	46.6	31.8	133.0	72.7
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Total comprehensive income
attributable to:

Equity holders of the parent company	46.6	31.8	133.0	72.7
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NET SALES BY BUSINESS SEGMENT

	10-12/ 2014	10-12/ 2013	Change %	1-12/ 2014	1-12/ 2013	Change %
Winter and Outdoor	456.7	433.7	5	1,371.2	1,289.5	6
Ball Sports	136.9	126.1	9	536.7	551.0	-3
Fitness	111.7	97.6	14	320.8	296.0	8
Total	705.3	657.4	7	2,228.7	2,136.5	4

GEOGRAPHICAL BREAKDOWN OF NET SALES

	10-12/ 2014	10-12/ 2013	Change %	1-12/ 2014	1-12/ 2013	Change %
EMEA	336.9	338.6	-1	1,064.0	1,025.2	4
Americas	270.1	229.3	18	874.3	839.4	4
Asia Pacific	98.3	89.5	10	290.4	271.9	7
Total	705.3	657.4	7	2,228.7	2,136.5	4

EBIT BY BUSINESS SEGMENT

	10-12/ 2014	10-12/ 2013	Change %	1-12/ 2014	1-12/ 2013	Change %
Winter and Outdoor	41.3	52.5	-21	101.5	127.0	-20
Ball Sports	-6.2	3.9		8.1	27.0	-70
Fitness	13.1	14.3	-8	27.9	24.4	14
Headquarters	-5.2	-6.0		-23.4	-23.5	
Total	43.0	64.7	-34	114.1	154.9	-26

CONSOLIDATED CASH FLOW STATEMENT

	Note	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Earnings before interest and taxes		43.0	64.7	114.1	154.9
Adjustments to cash flow from operating activities and depreciation		31.0	11.9	59.3	40.7
Change in working capital		89.7	94.5	-20.3	-59.1

Cash flow from operating activities before financing items and taxes		163.7	171.1	153.1	136.5
Interest paid and received		0.1	-6.4	-22.2	-26.6
Income taxes paid and received		-7.0	-5.5	-26.1	-22.6
Net cash flow from operating activities		156.8	159.2	104.8	87.3
Capital expenditure on non-current tangible and intangible assets		-23.7	-15.5	-51.6	-45.3
Proceeds from sale of tangible non-current assets		-0.3	0.2	0.3	0.5
Net cash flow from investing activities		-24.0	-15.3	-51.3	-44.8
Net cash flow after investing activities (free cash flow)		132.8	143.9	53.5	42.5
Repurchase of own shares		-10.5	-	-13.1	-5.4
Dividends paid	3	-	-	-47.2	-41.3
Change in debt and other financing items		9.7	55.9	-23.2	135.2
Net cash flow from financing activities		-0.8	55.9	-83.5	88.5
Cash and cash equivalents on October 1/January 1		109.6	71.3	270.0	142.5
Translation differences		-1.4	-1.1	0.2	-3.5
Change in cash and cash equivalents		132.0	199.8	-30.0	131.0
Cash and cash equivalents on December 31		240.2	270.0	240.2	270.0

CONSOLIDATED BALANCE SHEET

	Note	December 31, 2014	December 31, 2013
Assets			
Goodwill		305.0	281.2
Other intangible non-current assets		204.7	205.0
Tangible non-current assets		174.0	168.3
Other non-current assets		123.3	101.2
Inventories and work in progress		413.2	355.1
Receivables		709.7	649.1
Cash and cash equivalents		240.2	270.0
Assets held for sale		3.5	-
Total assets	2	2,173.6	2,029.9
Shareholders' equity and liabilities			
Shareholders' equity		842.8	761.3
Long-term interest-bearing liabilities		390.3	517.9
Other long-term liabilities		101.9	59.1
Current interest-bearing liabilities		269.0	183.8
Other current liabilities		533.3	478.0
Provisions		36.3	29.8
Total shareholders' equity and liabilities		2,173.6	2,029.9
Equity ratio, %		38.8	37.5
Gearing, %		50	57
EUR 1.00 = USD		1.2141	1.3791

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital	Pre-mi-um fund	Fund for own sha-res	Trans-lation diffe-rences	Fair value and other reser-ves	Re-measure-ments	Invested unrestrict-ed equity reserve	Retain-ed earnings	Total
Balance at Jan. 1, 2013		292.2	12.1	-7.1	-35.3	-7.1	-27.5	154.4	350.1	731.8
Other comprehensive income:										
Translation differences					-24.5					-24.5
Cash flow hedges						-1.6				-1.6
Income tax related to OCI						0.4	-4.3			-3.9
Re-measurement effects of post-employment benefit plans							12.4			12.4
Net result									90.3	90.3
Total comprehensive income					-24.5	-1.2	8.1		90.3	72.7
Transactions with owners:										
Re-purchased own shares				-5.7						-5.7
Share-based incen-				1.7				2.3	-0.2	3.8



Dividend distribution	3							-41.3	-41.3
Balance at Dec. 31, 2013	292.2	12.1	-11.1	-59.8	-8.3	-19.4	156.7	398.9	761.3
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				44.9					44.9
Cash flow hedges					66.5				66.5
Income tax related to OCI					-16.6	8.5			-8.1
Re-measurement effects of post-employment benefit plans						-25.7			-25.7
Net result								55.4	55.4
Total comprehensive income				44.9	49.9	-17.2		55.4	133.0
Transactions with owners:									
Re-purchased own			-12.9						-12.9

shares									
Share-based									
incentive									
program									
Dividend									
distribution	3								
Balance at Dec. 31, 2014									
	292.2	12.1	-20.2	-14.9	41.6	-36.6	163.1	405.5	842.8

QUARTERLY BREAKDOWN OF NET SALES AND EBIT

	Q4/ 2014	Q3/ 2014	Q2/ 2014	Q1/ 2014	Q4/ 2013	Q3/ 2013	Q2/ 2013	Q1/ 2013
NET SALES								
Winter and Outdoor	456.7	452.2	174.8	287.5	433.7	420.6	168.7	266.5
Ball Sports	136.9	112.9	136.2	150.7	126.1	116.7	144.2	164.0
Fitness	111.7	80.7	65.1	63.3	97.6	71.6	64.3	62.5
Total	705.3	645.8	376.1	501.5	657.4	608.9	377.2	493.0
	Q4/ 2014	Q3/ 2014	Q2/ 2014	Q1/ 2014	Q4/ 2013	Q3/ 2013	Q2/ 2013	Q1/ 2013
EBIT								
Winter and Outdoor	41.3	72.7	-22.0	9.5	52.5	87.4	-27.1	14.2
Ball Sports	-6.2	-4.0	5.1	13.2	3.9	-2.1	7.8	17.4
Fitness	13.1	7.3	4.1	3.4	14.3	6.2	4.3	-0.4
Headquarters	-5.2	-6.7	-6.0	-5.5	-6.0	-9.0	-3.7	-4.8
Total	43.0	69.3	-18.8	20.6	64.7	82.5	-18.7	26.4

THE NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved for use in EU, observing the IAS and IFRS standards and SIC and IFRIC interpretations in force as of December 31, 2014.

Standards, interpretations and amendments adopted from the beginning of 2014:

The following new standards, interpretations and amendments have been adopted when applicable: IFRS 10, IFRS 11, IFRS 12, IAS 27 (revised 2011), IAS 28 (amendment), IAS 32 (amendment), IAS 36 (amendment), and IAS 39 (amendment). They did not have any material impact on the consolidated financial statements.

2. SEGMENT INFORMATION

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

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

There were no intersegment business operations during the reported periods.

	Net sales	Earnings before interest and taxes	Financing income and expenses	Earnings before taxes	Assets
1-12/2014					
Winter and 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
1-12/2013					
Winter and Outdoor	1,289.5	127.0			988.3
Ball Sports	551.0	27.0			353.7
Fitness	296.0	24.4			265.1
Segments, total	2,136.5	178.4			1,579.1
Unallocated items*)		-23.5	-28.6		422.8
Group total	2,136.5	154.9	-28.6	126.3	2,029.9

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

GEOGRAPHICAL BREAKDOWN OF NET SALES

	1-12/ 2014	1-12/ 2013
EMEA	1,064.0	1,025.2
Americas	874.3	839.4
Asia Pacific	290.4	271.9
Total	2,228.7	2,136.5

3. DIVIDENDS

Relating to the year ending on December 31, 2013, the dividends distributed to the shareholders of Amer Sports Corporation were EUR 0.40 per share and amounted in total to EUR 47.2 million (2013: 0.35 per share, in total 41.3 million). The dividends were paid out in April 2014.

4. CONTINGENT LIABILITIES AND SECURED ASSETS

	December 31, 2014	December 31, 2013
Guarantees	24.2	21.7
Liabilities for leasing and rental agreements	148.1	168.8
Other liabilities	71.4	60.3

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 income from 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, future cash flows denominated in a foreign currency 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.

	Financial assets/liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Available- for-sale financial assets
December 31, 2014			
Non-current financial assets			
Other non-current financial assets			0.3
Foreign exchange derivatives		17.0	
Interest rate derivatives and	4.9	0.5	

cross currency swaps

Current financial assets

Foreign exchange derivatives	4.5	45.4
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Long-term financial liabilities

Foreign exchange derivatives		0.6
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Interest rate derivatives and cross currency swaps	15.9	5.9
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Current financial liabilities

Foreign exchange derivatives	11.5	4.4
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Interest rate derivatives and cross currency swaps	0.4	1.5
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Nominal value of foreign exchange derivatives	505.2	901.4
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Nominal value of interest rate derivatives	90.0	226.5
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Nominal value of cross currency swaps		133.1
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	Financial assets/liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Available- for-sale financial assets
December 31, 2013			
Non-current financial assets			
Other non-current financial assets			0.4
Foreign exchange derivatives		0.1	
Interest rate derivatives and cross currency swaps	3.9	2.1	
Current financial assets			
Foreign exchange derivatives	4.4	3.7	
Long-term financial liabilities			
Foreign exchange derivatives		1.9	
Interest rate derivatives and cross currency swaps		4.0	
Current financial liabilities			
Foreign exchange derivatives	0.2	10.9	
Interest rate derivatives and cross currency swaps	3.5	0.0	

Nominal value of foreign exchange derivatives	440.2	597.6
Nominal value of interest rate derivatives	140.0	244.5
Nominal value of cross currency swaps		152.8

8. ACQUIRED OPERATIONS

There were no acquisitions in 2014.

Amer Sports terminated the business with its previous Israeli distributor Unisport Fitness Equipment (1997) Ltd ("Unisport") and acquired agreed assets and liabilities of the company on June 28, 2013. Acquired assets totaled to EUR 7.7 million, out of which EUR 4.2 million were related to intangible assets (customer list, order book). No monetary consideration is paid to owner of Unisport.

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