



**AMER SPORTS**

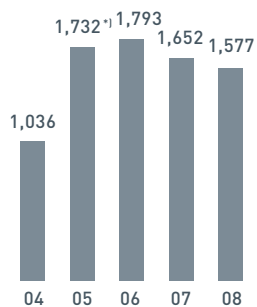
# PERFORMANCE PRODUCTS FOR ACTIVE SPORTS

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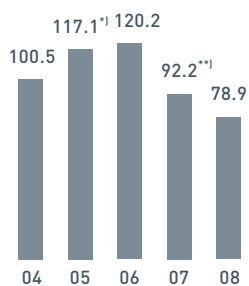
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### NET SALES, EUR MILLION



<sup>\*)</sup> Pro forma

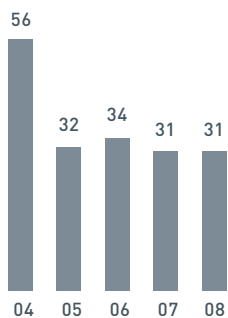
### EBIT, EUR MILLION



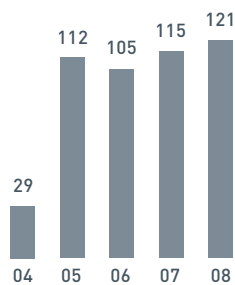
<sup>\*)</sup> Pro forma

<sup>\*\*)</sup> Before non-recurring items

### EQUITY RATIO, %



### GEARING, %



### NET SALES BY BUSINESS SEGMENT

- 1 Winter and Outdoor 55%
- 2 Ball Sports 31%
- 3 Fitness 14%



### NET SALES BY GEOGRAPHICAL SEGMENT

- 1 EMEA 46%
- 2 Americas 43%
- 3 Asia Pacific 11%



# Amer Sports is the world's leading sports equipment company

We offer technically-advanced products that improve the performance of sports participants. Our major brands include Salomon, Wilson, Precor, Atomic, Suunto, Mavic and Arc'teryx.

The company's business is balanced by our broad portfolio of sports and our presence in all major markets.

Amer Sports was founded in 1950 in Finland. It has been listed on the NASDAQ OMX Helsinki Ltd since 1977. Amer Sports Corporation had a turnover of 1.6 billion euros and a market capitalization of 0.4 billion euros in 2008. At the end of the year, Amer Sports employed 6,338 people.

## GLOBAL BRANDS

Our business is based on strong global brands. Our brands are trusted by consumers world-wide. We earn their trust by setting the standard of innovation and usability in every sport we participate in. We offer advanced, performance-oriented products with attention to detail, high quality and functional dependability.

## KEY BRANDS:

- Salomon – the mountain sports company ([www.salomonsports.com](http://www.salomonsports.com))
- Wilson – the world's leading ball sports brand ([www.wilson.com](http://www.wilson.com))
- Precor – the high-end fitness equipment provider for the home and commercial environment ([www.precor.com](http://www.precor.com))
- Atomic – the world's leading manufacturer of alpine skis ([www.atomicsnow.com](http://www.atomicsnow.com))
- Suunto – the leading manufacturer of sports precision instruments for a variety of training, diving and outdoor sports ([www.suunto.com](http://www.suunto.com))
- Mavic – the creator of leading innovative technologies for sport cycling products and services ([www.mavic.com](http://www.mavic.com))
- Arc'teryx – the developer of the most innovative and superbly crafted packs, harnesses and mountain apparel ([www.arcteryx.com](http://www.arcteryx.com))

“Amer Sports Corporation had a turnover of EUR 1.6 billion in 2008.”

## BROAD RANGE OF SPORTS

Amer Sports provides equipment, technical apparel and footwear for a wide variety of athletic activities: winter and summer, indoor and outdoor, individual and team, women and men, adults and children. We focus on products that help athletes achieve the best results and most enjoyment from their sport. Our range of sports includes tennis, badminton, golf, American football, soccer, baseball, softball, basketball, alpine skiing, cross-country skiing, snowboarding, fitness training, cycling, running, hiking and diving.

Amer Sports is a year-round, full-service supplier. Our broad range of sports equipment and

global presence provide balance for our business- as seasons turn and the popularity of individual sports fluctuate.

## LOCAL PRESENCE AND EXPERTISE

The Amer Sports sales organization allows us to effectively bring our new products to market almost simultaneously around the globe. Our sales companies have experience and specialized expertise for every type of sport.

Furthermore, our local personnel know their own markets and the preferences of sports enthusiasts in their territories. First-class customer service and reliable, efficient and timely supply

## KEY INDICATORS

EUR million	2008	2007	Change %	Pro forma		
				2006	2005 <sup>*)</sup>	2004
Net sales	<b>1,576.6</b>	1,652.0	-5	1,792.7	1,732.0	1,035.9
Gross profit	<b>633.0</b>	664.4	-5	697.4	684.4	435.8
Earnings before non-recurring items	<b>78.9</b>	92.2	-14	120.2	117.1	100.5
Non-recurring items	-	-42.7	-	-	-	-
EBIT	<b>78.9</b>	49.5	59	120.2	117.1	100.5
% of net sales	<b>5.0</b>	3.0		6.7	6.8	9.7
Financing income and expenses	<b>-33.3</b>	-24.9		-23.6	-24.0	-3.5
Earnings before taxes	<b>45.6</b>	24.6	85	96.6	93.1	97.0
Net result, continuing operations	<b>34.0</b>	18.5	84	70.5	62.4	68.8
Net result, discontinued operations	-	-		-	-	14.0
Net result	<b>34.0</b>	18.5	84	70.5	62.4	82.8
Earnings per share, continuing operations, EUR	<b>0.47</b>	0.25	-	0.98	0.87	0.96
Earnings per share, excluding non-recurring items, EUR,	-	0.70	-	-	-	-
Return on shareholders' equity (ROE), %	<b>6.7</b>	3.5		12.9	15.1	18.7
Equity ratio, %	<b>30.6</b>	31.0		33.6	31.8	55.5
Personnel at year end	<b>6,338</b>	6,465	-2	6,553	6,667	4,066

For a complete set of 2008 key figures, see page 78. Calculation of key indicators, see page 116.

\*) In income statement and earnings per share figures Salomon has been accounted for as from January 1, 2005.

► Stock exchange releases and notifications are available on the company's website at [www.amersports.com](http://www.amersports.com)

chain management are core to the Amer Sports strategy, enabling us to continue to build on strong relationships with our customers and further strengthen our market-leading position.

#### COLLABORATION WITH RETAIL AND ATHLETES

We are continuously developing our operations in collaboration with our retail partners. The Amer Sports product offering and services ensure optimal efficiency in the sell-through process. In-depth know-how in each of our sports, together with a deep understanding of the consumer, are the keys to bringing innovative new products to market that outperform our competitors.



#### NET SALES BY BUSINESS SEGMENTS

EUR million	2008	2007	Change %	Change % <sup>1</sup>	2006
Winter and Outdoor	860.8	830.1	4	5	947.5
Ball Sports	495.5	530.9	-7	-1	569.6
Fitness	220.3	291.0	-24	-20	275.6
Total	1,576.6	1,652.0	-5	-1	1,792.7

<sup>1</sup>In local currency terms

#### EBIT BY BUSINESS SEGMENTS

EUR million	2008	% of net sales	2007	% of net sales	2006	% of net sales
Winter and Outdoor	41.1	5	20.9	3	47.2	5
Ball Sports	37.0	7	48.2	9	54.6	10
Fitness	3.8	2	37.2	13	34.8	13
Headquarters	-3.0	-	-14.1	-	-16.4	-
Total	78.9	5	92.2	6	120.2	7

Non-recurring expenses related to the reorganization of Winter Sports Equipment business area

	-		-42.7		-	
Total	78.9	5	49.5	3	120.2	7

#### GEOGRAPHIC BREAKDOWN OF NET SALES

EUR million	2008	2007	Change %	Change % <sup>1</sup>	2006
Americas	677.8	774.1	-12	-7	815.7
EMEA	723.0	704.9	3	4	781.8
Asia Pacific	175.8	173.0	2	0	195.2
Total	1,576.6	1,652.0	-5	-1	1,792.7

<sup>1</sup>In local currency terms

# AMER SPORTS CORPORATION

## BUSINESS SEGMENTS

WINTER AND OUTDOOR

BALL SPORTS

FITNESS

## BUSINESS AREAS AND BRANDS

Winter Sports Equipment  
Salomon and Atomic

Racquet Sports  
Wilson

Fitness Equipment  
Precor

Apparel and Footwear  
Salomon and Arc'teryx

Team Sports  
Wilson

Cycling  
Mavic

Golf  
Wilson

Sports Instruments  
Suunto

## GLOBAL PRESENCE ACROSS ALL MARKETS

● OPERATION  
Sales and supply chain

● HEADQUARTERS



**AMERICAS**  
North, South  
and Central America

**EMEA**  
Europe, Middle East  
and Africa

**ASIA PACIFIC**  
including Japan  
and Australia

# Amer Sports - a sporting goods industry leader

We bring stability and balance to a business where product development cycles are relatively long and the market is still relatively fragmented, forming a strong base for the continued development of our brands

## What we bring to the table from the perspective of our stakeholders

**Shareholder**  
Balanced business not as vulnerable to shifts and trends, long-term stability

**Consumer**  
Global well-known quality brands with the best products for athletes of every level

**Trade**  
Portfolio of sports products, efficient relationship, better service and supply chain management, stability and scale

**Brand**  
Business development, financial stability, common platforms, efficiency, global reach, local expertise

**Supplier**  
Efficiency, strength and stability in partnership and scale

**Employees**  
An employer to be proud of, strong team spirit, a respectful and inspiring place to work





# Amer Sports history in brief

Amer Sports was established in 1950. During the past decade, Amer Sports has undergone structural changes and divested its non-core activities, and focuses now on sporting goods.



- 2005** Amer Sports acquired Salomon and the family of brands Mavic, Bonfire, Arc'teryx, and Cliché. The combined business created a leading global sports equipment company.
- 2004** Amer Group Plc changed its official name into Amer Sports Corporation.
- 2004** Amer Group withdrew from its tobacco business as Philip Morris agreed to buy back the exclusive right Amer Tobacco Ltd holds to produce and sell Philip Morris cigarettes in Finland.
- 2002** Amer Group acquired Precor, an US based supplier of fitness equipment. Precor is one of the best-known fitness equipment brands in the USA and is the market leader in elliptical fitness equipment.
- 1999** Amer Group acquired Suunto, a manufacturer of sports precision instruments.
- 1994** At the end of 1994, Amer Group acquired the operations of Atomic, the Austrian manufacturer of winter sports equipment.
- 1989** Amer Group acquired Wilson, a leading global sporting goods company producing and marketing golf, racquet and team sports equipment.
- 1987** For the first time, Amer Group entered into a golf business through the acquisition of MacGregor Golf. The company was divested in 1997.
- 1987** Danish company Rias A/S became part of Amer Group. Rias was the leading distributor of plastic semi-manufactured products in the Nordic countries. Plastics business was divested in 1990.
- 1987** Amer Group acquired Time/system. Publishing business was divested in 1997.
- 1985** Amer Group acquired a majority holding in Marimekko, a Finnish design and textile company in the fields of interior decoration and ready-to-wear clothing. The company was divested in 1991.
- 1984** Amer Group acquired a majority holding in Korpivaara, the oldest and largest importer of cars in Finland. The company was divested in 1996.
- 1979** Hyppölä (later known as Amerpap), a Finnish paper merchanting and paper converting company was acquired and the Amer Group's Paper Division was duly established. The final divestments of paper business occurred in 1994.
- 1974** For the first time, Amer Group entered into a sporting goods business through the acquisition of Koho-Tuote Oy, manufacturer of ice hockey sticks and protective equipment. All ice hockey related businesses were divested in 1986.
- 1970** To reinforce its publishing activities, Amer Group acquired several publishing and printing businesses in the 70s.
- 1960** During the 60s Amer Group moved into ship-owning which was an efficient form of investment for the growing profits of the company's tobacco business. The last ship was sold in 1981.
- 1950** Amer Tobacco Oy was established in Finland.



ROGER TALERMO

## CEO's review

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In 2008, Amer Sports net sales remained at last year's level in local currencies. Reported net sales decreased 5% to EUR 1,576.6 million (1,652.0). Regardless of market pressure we were able to maintain our margins thanks to many innovative product introductions in most of our business categories.

The sporting goods market continued to be challenging in 2008. We managed to finalize many long term projects, of which the restructuring of our Winter Sports Equipment business was the most important one. This was no small feat, and we achieved far more than was even originally planned as the slow recovery of the market required more work and a leaner organization to fit current demand levels. We now have an organization with cost advantages and operational opportunities compared to the competition, and we will continue improving our structure to ensure that we are always very lean and efficient.

This year was also a year of operational consolidation, with the restructuring of the Winter Sports Equipment business and a new distribution center and SAP installations in North America. These projects have been successfully completed, and now we need to stabilize our basic processes before further development can be accomplished.

Our emphasis has been on product and business deliveries, which are especially important in today's recessionary environment. Trade inventories from 2007 and a gloomy outlook for 2009 made dealers extra careful, especially in the Golf and Winter Sports Equipment categories.

The emerging financial crisis made sell-in to the trade very challenging regardless of their quite strong sell-through to consumers. The exception was fitness equipment for private homes, which suffered from the North American housing crisis with sales falling dramatically and pushing the whole distribution channel into trouble.

Amer Sports reported flat sales compared to the previous year in local currencies. This was also the case in many of our business categories – Winter Sports Equipment 0%, Cycling +1%, Sports Instruments +1%, Racquet Sports +1%, Team Sports +3%. Golf sales were down 6% with the exclusion of structural changes. The biggest drop was Fitness sales, down 20%, mainly due to very weak sales of consumer products in the United States. Apparel and footwear were a big success up 19% compared to last year, driven by Arc'teryx outdoor apparel and Salomon footwear. Product margins remained strong at the Amer Sports level at 43% with solid gains in margin percentages in Golf 6% and apparel and footwear 3%. Operating expenses remained under control.

Product innovation was a common theme for Amer Sports business units in 2008. Many new technologically and aesthetically innovative award-

“Going forward, our emphasis will be on innovative products, operational efficiency and flexibility, profitability, integration and working capital reduction to strengthen our balance sheet.”

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winning products were launched over the course of the year. All this certainly had an impact on the solid margins that we achieved despite the downward margin pressure in the market. This will also help us in the upcoming seasons.

We also continued to strengthen our organization by investing in supply chain management. Our new Headquarters-based supply chain management and information technology leadership was formed with the goal of both improving our customer service and driving out working capital through improved process management. These results will already be visible in 2009. Results from our winter equipment restructuring plan should also have a solid impact this year.

Salomon and Atomic skis, bindings and boots are now supplied through factories in Central/Eastern Europe. Each category now has two sources, and several production entities have been eliminated. This new set up will give us industry leadership in cost management and efficiency. Our fitness industry volumes have also been adapted to new demand levels. The decision has been made to move Precor's fitness strength production unit from California to far more cost efficient North Carolina, which will also allow us to open bottlenecks in capacity. This new plant should be operational in 2010.

Going forward, our emphasis will be on innovative products, operational efficiency and flexibility, profitability, integration and working capital reduction to strengthen our balance sheet. Our priority is to be in a position to focus on future growth opportunities and prepare for the upswing in the markets.

We have a very comprehensive program to create more synergies among our business entities by utilizing more common platforms. We have already identified many opportunities in our supply chain, purchasing, production, sourcing and sales, and there is more to come as we create a more integrated company. Our strong motivation, deter-

mination to win and professional approach should give us a clear edge compared with our competitors in the sports equipment industry. Our eagerness to learn and exploit and look for new opportunities will provide us with opportunities for future growth.

We have a great opportunity to further strengthen our sales by developing our soft goods business. Strong sales growth can be achieved in technical apparel that adds value to consumers. We have worked on a clear segmentation of consumer categories where these opportunities can be exploited. Already today we have a good foundation in the soft goods business with approximately EUR 300 million in sales and strong brands with Salomon and Arc'teryx. Direct sales to consumers to support both brand development and sales through dealers is also in our plans. Special attention must be given to winter sports products where new business models are emerging to match changed consumer behavior.

The coming year will be challenging. We will take clear and concrete actions to strengthen our balance sheet, including improvement of our profitability and better management of our working capital and cash flow. Simultaneously we will create new business models in the fast-changing business environment and exploit opportunities to widen our offering from products to even cover possible services. We will strive for innovations and ensure geographical expansion. For now, though, the biggest growth opportunity is in technical apparel and footwear.

Our team is determined to succeed. We are focused on the short term challenges but we do not forget our long term targets. Our goal is to create value for our shareholders, and the best way to do it is to continue to manage profitability and growth but also through new business models keep Amer Sports in the forefront of the sporting goods business.



# Strategy

We are the world's leading sports equipment company. Our goal is to further strengthen our position through a consumer-focused product strategy, strong brands, innovative research and product development, first-class customer service, and an efficient supply chain.

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Our strategy is based on sports, leisure-time activities and well-being. Rising standards of living, the greater leisure-time people now enjoy, and growing awareness of the importance of physical and mental health open up future growth potential for the sports equipment industry. In addition to profitable organic growth, we are focused on finding and effectively harnessing synergy benefits as well as cooperation within our Group.

The consolidation of the sporting goods industry continues. Our ambition is to make the Amer Sports product portfolio stronger and improve our strategic position by acquiring companies that fit within our chosen business strategy and strengthen our company as a whole.

## **GLOBAL BRANDS**

Our operations are based on strong global brands. Our major brands are Salomon, Wilson, Precor, Atomic, Suunto, Mavic and Arc'teryx.

## **BALANCED SPORTS PORTFOLIO**

Amer Sports provides equipment and products for a large variety of sports – winter and summer; indoor and outdoor; individual and team; covering the core sports of the industry. Our broad portfo-

lio of sports makes us a year-round, full-service supplier, allowing us to establish lasting business relationships within the industry. Moreover, our wide range of sports and global presence across all markets balance the Amer Sports business as the seasons turn and the popularity of individual sports fluctuate.



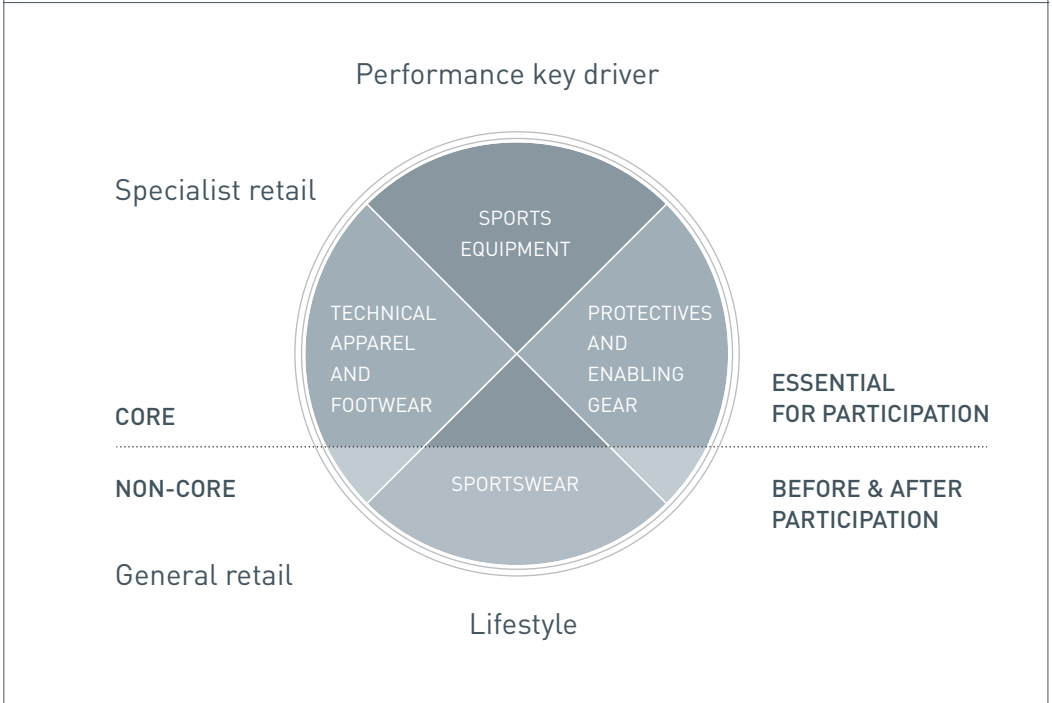
## **GAME IMPROVEMENT PRODUCTS**

We are specialists in all of our selected sports. We develop the industry's leading products. Successful R&D is an important part of our business. We continuously roll out technologically-advanced game improvement products that meet consumer needs. The expertise and experience of top athletes are the cornerstone of our product development. Collaboration with raw material suppliers also generates new types of solutions for our sports equipment.

## **COMMON PLATFORMS**

Our company-wide sales, logistics, Asian sourcing and IT functions help us operate cost-effectively. We are focused on using our collective know-how to bolster our shared platforms, deepen our understanding of consumer purchasing behavior,

# The Amer Sports strategic framework



and improve our product development and innovation processes.

Our portfolio of brands is supported by a strong supply chain that guarantees our customers first-rate service in all product categories and market segments. Our comprehensive sales and distribution network enables us to bring new products to market simultaneously world-wide.

We continuously develop our operations in collaboration with our partners. We offer the right

products and services to ensure optimal efficiency in the sell-through of products from retail to the consumer. Our experts serve the whole spectrum of sports retailers, from specialist stores to large chains. Effective supply chain management also enables us to boost profitability and improve working capital efficiency.

## MISSION

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To provide everyone from first-time participants to professional athletes with the world's best sports and fitness equipment, footwear and apparel.

### OUR PLAYING FIELD

We are dedicated to active lifestyles, sports and wellness.

### OUR AMBITION

The passion for sports is at the core of our business. Our primary motive is setting and achieving targets and moving beyond our limits in life, business and technology, enabling people to achieve their highest goals in sports and improve their well-being.

## VALUES

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The Amer Sports staff represents a number of nationalities and different business cultures. Our shared values support and guide our operations around the world. Success in competition requires the determination to win, team spirit, fair play and innovation.

### DETERMINED TO WIN

Strong performance is our core value. Financial success enables continuous development of our brands and products. The determination to win encourages a strong work ethic and high-level performance.

### TEAM SPIRIT

We believe in team spirit and teamwork. We want our team to consist of strong individuals who support our common goals.

### FAIR PLAY

We play by the rules and we recognize and seek to remedy our faults.

### INNOVATION

The prerequisite for development is innovation, and the prime mover for innovation is to always question the way we do things.



A person in winter gear is skiing down a snowy mountain slope. The skier is wearing a purple jacket and yellow pants, and is positioned in the lower-left quadrant of the frame. The background is a vast, snow-covered mountain range with intricate textures and shadows. The word "Vision" is overlaid in a large, white, serif font in the upper-middle section of the image.

# Vision

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To be the industry's leading sports company, fueled by authentic brands that inspire athletic achievement and enjoyment.

# Financial targets

Our goal is consistent profitable growth. Profitability enables us to invest in product development and marketing, which are essential tools in bolstering our position as the global leader in the sports equipment industry.

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In our day-to-day operations, our primary focus is to achieve organic growth through the development of innovative products, effective marketing, solid customer service, and an efficient supply chain. In addition, we will continue to be an active participant in the structural changes taking place within the industry.

We intend to make selective acquisitions that support the Amer Sports strategy, strengthen our position, and deliver shareholder value.

#### **AVERAGE ORGANIC GROWTH OF 5% PER ANNUM**

Our objective is to deliver currency-neutral organic growth averaging 5% over the cycle and to outgrow our competitors in the competitive field.

#### **EBIT OF AT LEAST 10% OF NET SALES**

Our target is to achieve EBIT of at least 10% of net sales over the cycle. In addition, our profitability should be better than that of other leading sports equipment companies world-wide.

#### **OPTIMAL BALANCE SHEET STRUCTURE**

We will use our balance sheet actively whilst avoiding excessively large financial risks.

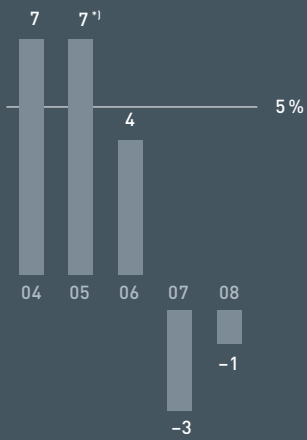
#### **DIVIDEND PAYOUT RATIO EQUIVALENT TO AT LEAST 1/3 OF ANNUAL NET RESULT**

We seek to be viewed as a competitive investment that increases shareholder value through a combination of dividend payments and share price performance. We pursue a progressive dividend policy reflecting our earnings performance, with the aim of distributing a dividend of at least one-third of our annual net result.

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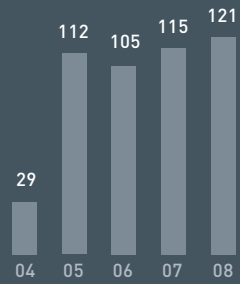
“Our broad portfolio of sports makes us a year-round, full-service supplier, allowing us to establish lasting relationships within the industry.”

### ORGANIC GROWTH, %

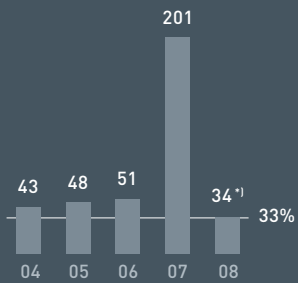


<sup>1)</sup> Excluding Salomon

### GEARING, %

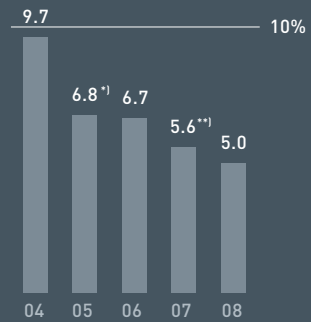


### DIVIDEND RATIO, %



<sup>1)</sup> Board of Directors' proposal

### EBIT, %



<sup>1)</sup> Pro forma

<sup>\*\*)</sup> Before non-recurring items

# Global landscape

The spirit of surpassing goals is at the core of the Amer Sports business. We produce sports products for everyone from the professional athlete to the active participant to the enthusiastic beginner.



Whether you are competing against others or just trying to improve on your previous best; working out every morning or playing golf on Saturdays with your best friend; or just hitting the slopes with your family on the weekend, we have a product that will improve your performance and make your experience richer.

Amer Sports is dedicated to supporting and encouraging active lifestyles, sports and wellness. We believe that the right product is the key to making sports and physical exercise more fun, enjoyable and effective. We provide athletes at every level with the tools they need to get the most from every sport they perform.

Supported by trends evident in today's society, the sporting goods industry will continue to grow. The continuous development of new and better products will keep Amer Sports and our brands at the cutting edge of the sports equipment industry for years to come.

## **WELLNESS AND HEALTH**

Amer Sports and its employees are committed to helping people of all ages achieve the physical and

mental well-being they desire. Sports and fitness are undisputedly excellent ways for people to take control of their own health and of their bodies. We produce products that provide athletic enjoyment from childhood to retirement.

## **AGING POPULATION**

Trends indicate that as we live longer than previous generations, we have more time and money to pursue our personal interests. As people live to be older, they are also living "younger" and staying active longer.

## **LEISURE TIME**

The demands of peoples' careers are counter-balanced by a significant focus on their leisure time activities. At Amer Sports, we understand that our consumers demand performance from their sports equipment. With limited time to spend, you want to achieve maximum satisfaction from everything you do. Our products – equipment, apparel, and footwear – are designed to do just that.



“Amer Sports is dedicated to supporting and encouraging active lifestyle, sports and wellness.”



## DEVELOPED MARKETS

### CONSUMERS

- Wellness and healthy lifestyles trend
- People living longer, acting younger
- Importance of work-life balance
- Increased standards of living
- Information society

### TRADE

- Channel competition between
  - Traditional retail stores
  - Brand stores
  - Factory outlets
  - Rental business
  - E-commerce
- Increasing private label businesses
- From local to regional retailers

▶ GET CLOSER TO CONSUMERS

## EMERGING MARKETS

### CONSUMERS

- Large and growing population base
- Increasing spending power and free time
- Owning the best sports equipment and indication of status / wealth
  - International brands stand out

### TRADE

- Retail infrastructure still emerging through domestic and international players
- Direct-to-consumer business a necessity to gain distribution
  - Brand stores
  - Shop-in-shops
  - Factory outlets

▶ GO DIRECTLY TO CONSUMERS



“We produce products that provide athletic enjoyment from childhood to retirement.”

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#### INCREASED STANDARDS OF LIVING

Increased standards of living and rising levels of discretionary income in many parts of the world are leading people to spend more on what they enjoy most, and many of them enjoy sports. The experiential nature of many sports provides participants with intense physical action combined with the adrenaline rush they seek. Sports is not only an activity, it is also a source of entertainment for those participating and those watching.

#### OUTDOOR SPORTS

The popularity of outdoor activities is growing. Everyday life often involves being outdoors, and combining that with being active is a critical element of many a person’s wellbeing. Outdoor activities allow people to enjoy nature, relax, and take a deep breath of fresh air.

#### INDOOR GAMES

People who are interested in sports are beginning to discover how much better it is to play the game than to watch it as a spectator. Tennis or baseball or golf enthusiasts refuse to abandon their favorite sports merely because the greens and fields are buried



in snowdrifts. Active people are also spending more and more time in fitness clubs, working to stay in shape so they can play the sports they love. Baby boomers have more time than ever before to be active, and there are also many who take to fitness to combat health issues such as obesity.

#### TECHNICAL MATERIALS

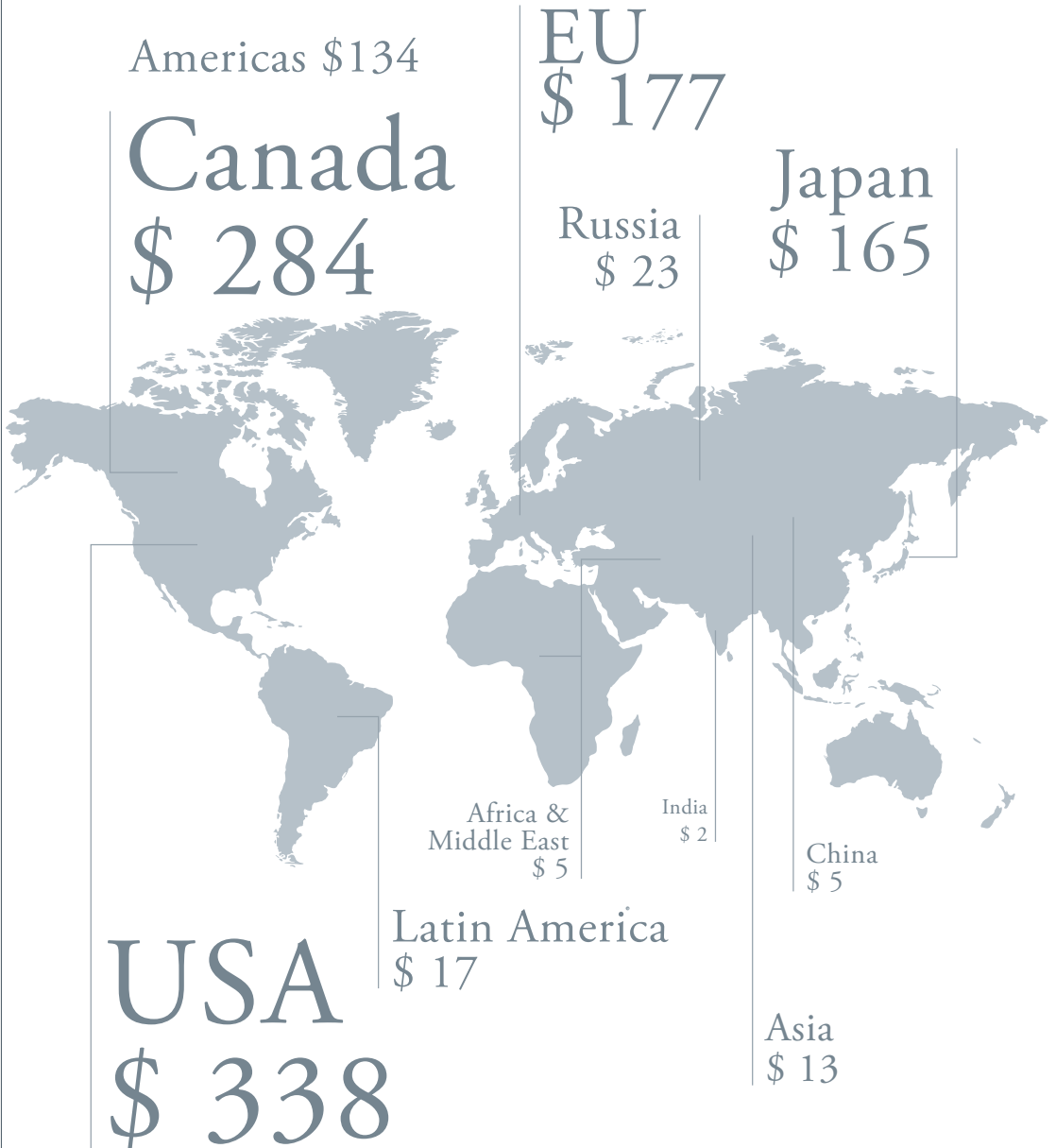
Apparel’s role in the sporting goods industry continues to grow. The growth driver for technical apparel is that each sport has its own specific products. Technical outfits are being developed to enhance the wearer’s performance. Innovative and advanced safety-enhancing product development is also visible in apparel designs.

#### PROTECTIVES

Protective equipment has been developed and is recommended for many different sports and activities. The purpose of the protective is to help prevent and reduce the severity of injuries. The use of protectives is usually recommended by health professionals for activities identified through extensive research to have higher rates of possible injuries.

# Sporting goods sales per capita


WORLD AVG. \$ 38.9



Source: NPD Group 2006 estimate







We offer advanced, performance-oriented products with attention to detail, high quality and functional dependability.

# Winter and Outdoor

Amer Sports, with its brands Salomon, Atomic, Arc'teryx, Mavic and Suunto, is the world's leading manufacturer of winter and outdoor products. The continuing trend towards outdoor-oriented lifestyles forms the basis for the success of this business segment.



“The global apparel and footwear market continues to benefit from the growing outdoor-inspired trend.”

Amer Sports Winter and Outdoor’s core sports are alpine skiing, cross-country skiing, snowboarding, hiking, cycling, trekking, trail running and diving.

The Winter and Outdoor business is structured into four areas: Winter Sports Equipment, including Salomon and Atomic; Apparel and Footwear, including Salomon and Arc’teryx; Cycling, including Mavic; and Sports Instruments, including Suunto.

**SALES AND EBIT IN 2008**

In 2008, net sales increased 5% in local currency terms. The breakdown of net sales was as follows: Winter Sports Equipment 46%, Apparel and Footwear 31%, Cycling 13% and Sports Instruments 10%. EMEA accounted for 65%, the Americas for 23%, and Asia Pacific for 12% of net sales. Sales in local currencies were up 11% in Asia Pacific, 4% in EMEA and 4% in the Americas.

EBIT increased to EUR 41.1 million [20.9]. The improvement reflects the restructuring of the Winter Sports Equipment business and the strong

growth in sales of Apparel and Footwear. The reported results include costs of approximately EUR 6 million of voluntary product recalls of both Mavic R-SYS front wheels and heel components of certain Atomic ski bindings.

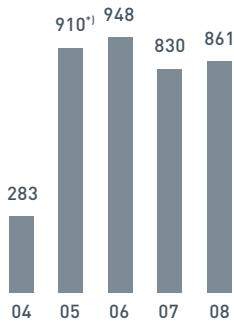
**FUTURE OUTLOOK 2009 – WINTER AND OUTDOOR**

Despite an expected slowdown in retail sales, the profitability of Winter and Outdoor segment is expected to improve in 2009 due to the positive impacts of the changes in the Winter Sports Equipment business that were completed during 2008. In the Footwear and Apparel business, the strong order book and good sell-through of products should allow it to grow faster than its peers in the industry. The outlook for Mavic in 2009 is cautious, reflecting the uncertainty of bike manufacturers. Suunto’s sales are expected to grow, thanks to new channel entry and new product introductions.

<b>KEY INDICATORS</b>					
EUR million	2008	2007	Change, %	Change, % <sup>1)</sup>	2006
Net sales					
Winter Sports Equipment	<b>391.9</b>	394.2	-1	0	544.3
Apparel and Footwear	<b>264.9</b>	229.4	15	19	188.8
Cycling	<b>114.2</b>	114.1	0	1	107.8
Sports Instruments	<b>89.8</b>	90.7	-1	1	81.3
Discontinued operations	-	1.7	-	-	25.3
Net sales, total	<b>860.8</b>	830.1	4	5	947.5
EBIT	<b>41.1</b>	20.9	97	-	47.2
% of net sales	<b>4.8</b>	2.5			5.0
Personnel at year end	<b>3,777</b>	3,701	2	4	3,787

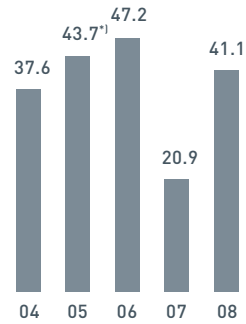
<sup>1)</sup> In local currency terms

**WINTER AND OUTDOOR, NET SALES,  
EUR MILLION**



<sup>1)</sup> Pro forma

**WINTER AND OUTDOOR, EBIT,  
EUR MILLION**



<sup>1)</sup> Pro forma

**WINTER AND OUTDOOR, NET SALES**

- 1 Winter Sports Equipment 46%
- 2 Apparel and Footwear 31%
- 3 Cycling 13%
- 4 Sports Instruments 10%

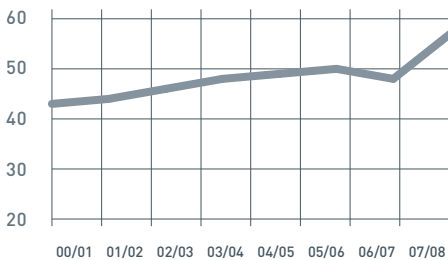


**WINTER AND OUTDOOR, NET SALES**

- 1 EMEA 65%
- 2 Americas 23%
- 3 Asia Pacific 12%

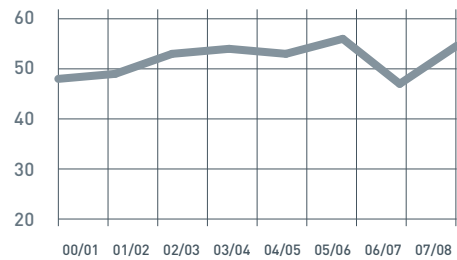


**PARTICIPATION, SKIER DAYS IN AUSTRIA,  
MILLION**



Source: WebMark Seilbahnen

**PARTICIPATION, SKIER DAYS IN FRANCE,  
MILLION**



Source: <http://www.snrf.org/files/RecueilIndicateursetAnalyses2008.pdf>

## Business area reviews

### WINTER SPORTS EQUIPMENT

Salomon and Atomic are two of the world's leading winter sports brands. Together they are undisputedly the global leader in the winter sports equipment market. The brands complement each other well. Salomon is stronger in Western Europe, North America and Japan, and in ski boots, cross-country boots and bindings. Atomic's stronghold lies in the Central European market, where it is clearly the number one brand in alpine skis. The combined market share of the two brands is 30–35% in most of the winter sports markets and product categories.

### BUSINESS ENVIRONMENT IN 2008

Amer Sports announced a plan in January 2008 to significantly restructure the Winter Sports business area. The plan was completed during 2008 without any material disruption to operations. As a result of the plan, the industrial production of winter sports equipment was combined to an independent unit from the Salomon and Atomic brand organizations. The number of manufacturing sites was reduced from 10 to 6, which improved the industrial efficiency. As part of the plan, Amer Sports also acquired its Bulgarian subcontractor. Purchasing and sourcing for the Winter Sports Equipment business activities were consolidated. The reorganization reduced some 400 positions globally during 2008, mainly in France, Austria, Italy and Romania. The annual cost savings of more than 20 million euros will be reached in 2009.

The Amer Sports Winter Sports Equipment business industrial set-up is now completed, enabling cost efficient production. The product crea-

tion process has the resources to bring a constant stream of innovative products to the market, and its streamlined organization allows the company to invest in and enforce the unique positions of the Salomon and Atomic brands.

Europe as a region led the recovery of the alpine market, while North America and the Scandinavian countries were still in decline. Globally the recovery in the winter sports equipment market was slower than expected in 2008. Of the product groups, the healthy participation in winter sports supported the growth in alpine boots, while excess inventories still plagued the cross-country skiing markets. The level of re-orders was also low primarily due to the caution of the trade, concerned of the worsening economic outlook. Industry sales were relatively flat as a whole, at approximately 1.4 billion euros: alpine ski equipment 1.0 billion euros, snowboards 0.3 billion euros and cross-country ski equipment 0.1 billion euros.

Europe continues to be the largest winter sports region representing 59% of global sales, followed by North America, 28% and Asia Pacific, 13%.

### SALES IN 2008

The recovery of the Winter Sports Equipment business was slower than expected in 2008 despite favorable weather conditions. Alpine Europe as a region and alpine boots as a product category grew in high single digits, but continued weakness in the US and the Cross-country skiing markets depressed global sales. Retailers' attempts to reduce their own inventories decreased the amount of re-orders. Atomic started a voluntary recall of the heel components of certain ski bindings.



Winter Sports Equipment net sales of EUR 391.9 million were at last year's level in local currency terms. In January 2008 Amer Sports announced a plan to restructure the Winter Sports business, as a result of which four production sites and approximately 400 jobs were reduced worldwide. The plan was carried out according to targets, and the savings of more than EUR 20 million will be visible in 2009. The cost cuts already helped to improve the profitability of the business area in 2008.

#### FUTURE OUTLOOK 2009 – WINTER SPORTS EQUIPMENT

The snow conditions for the 2008/09 season started favorably, which should help the sell-out from the stores. Most of the winter sports industry is currently weak. Amer Sports' target is to increase its market shares. This target is supported by its efficient operations and superior economies of scale both in production and in distribution. Due to the major changes completed in 2008, the profitability of the business area will show a material improvement in 2009.

#### WINTER SPORTS EQUIPMENT MARKET SHARES, SEASON 2007/08 (2006/07)

Alpine	31% [33]
Alpine boot	33% [31]
Alpine ski & binding	29% [29]
Cross-country ski	37% [32]
Snowboards	15% [15]

#### GLOBAL MARKETS (WHOLESALE), SEASON 2007/08 (2006/07), EUR BILLION\*

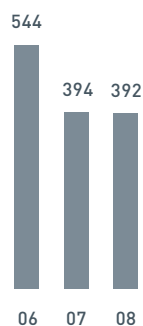
Alpine	1.0 [0.9]
Snowboards	0.3 [0.3]
Cross-country ski	0.1 [0.1]
Total	1.4 [1.3]

\*] Converted into euro at average exchange rates over the review season.

#### GLOBAL MARKETS 2007/08 (2006/07)

EMEA	59% [57]
Americas	28% [29]
Asia Pacific	13% [14]

#### WINTER SPORTS EQUIPMENT, NET SALES, EUR MILLION



#### WINTER SPORTS EQUIPMENT, NET SALES

- 1 Alpine ski equipment 75%
- 2 Snowboarding 14%
- 3 Cross-country 10%
- 4 Other 1%



#### WINTER SPORTS EQUIPMENT, NET SALES

- 1 EMEA 66%
- 2 Americas 21%
- 3 Asia Pacific 13%



“Salomon and Atomic are two of the world’s leading winter sports brands. Together they are undisputedly the global leader in the winter sports equipment market.”

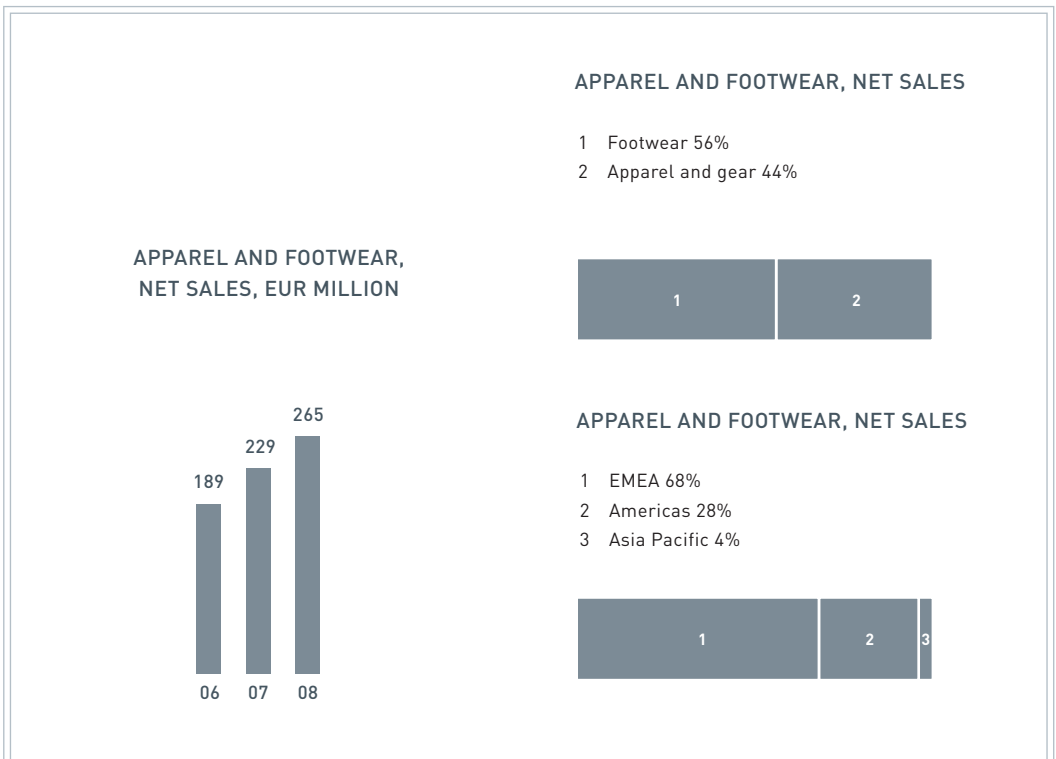
**APPAREL AND FOOTWEAR**

The Salomon brand is a global icon in mountain sports. Salomon has created a vast range of innovative concepts in apparel for both alpine and cross-country skiing and apparel and footwear concepts for adventure racing, mountaineering, and many other sports. Arc’teryx has cemented its reputation at the pinnacle of the outdoor world by producing the most innovative and superbly-crafted packs, harnesses and apparel available.

The Salomon and Arc’teryx brands form the Winter and Outdoor Apparel and Footwear business. Its core categories are technical apparel, footwear, packs and harnesses for outdoor sports, trail running, hiking and climbing.

**BUSINESS ENVIRONMENT IN 2008**

The global apparel and footwear market continues to benefit from the growing outdoor-inspired trend. The total outdoor market is estimated to be



some 25 billion euros, of which the outdoor-related snow, trekking, hiking and trail running market is close to 50%. North America represents approximately 50% of this market, Europe 35% and Asia approximately 15%.

Salomon strengthened its position in the outdoor footwear market in Europe in 2008. An area of focus was also the US market. The main growth driver was the trail running category. The introduction of the Wings product range in particular was very well received by both the trade and consumers.

The work to establish Salomon as an outdoor apparel brand continues to bear fruit, with sales growing. The business is weighted towards the winter season, but the fastest growth is seen in the outdoor and trail-running spring/summer collections. Over the last three years the Amer Sports sourcing organization has taken over the management of the Asian vendor base.

Arc'teryx moved a large part of its production to third parties in 2008, in order to improve efficiency. Hardshells and other winter products con-

tinue to be the business driver for Arc'teryx. However, measures have also been taken to balance the seasonality of the business by increasing the focus on spring/summer collections.

#### **SALES IN 2008**

Favorable development of Salomon and Arc'teryx apparel and Salomon footwear sales continued in all key markets. The outdoor trend remained solid, and trail running as a category continued to gain popularity. Net sales in Apparel and Footwear increased 19% in local currency terms to EUR 264.9 million.

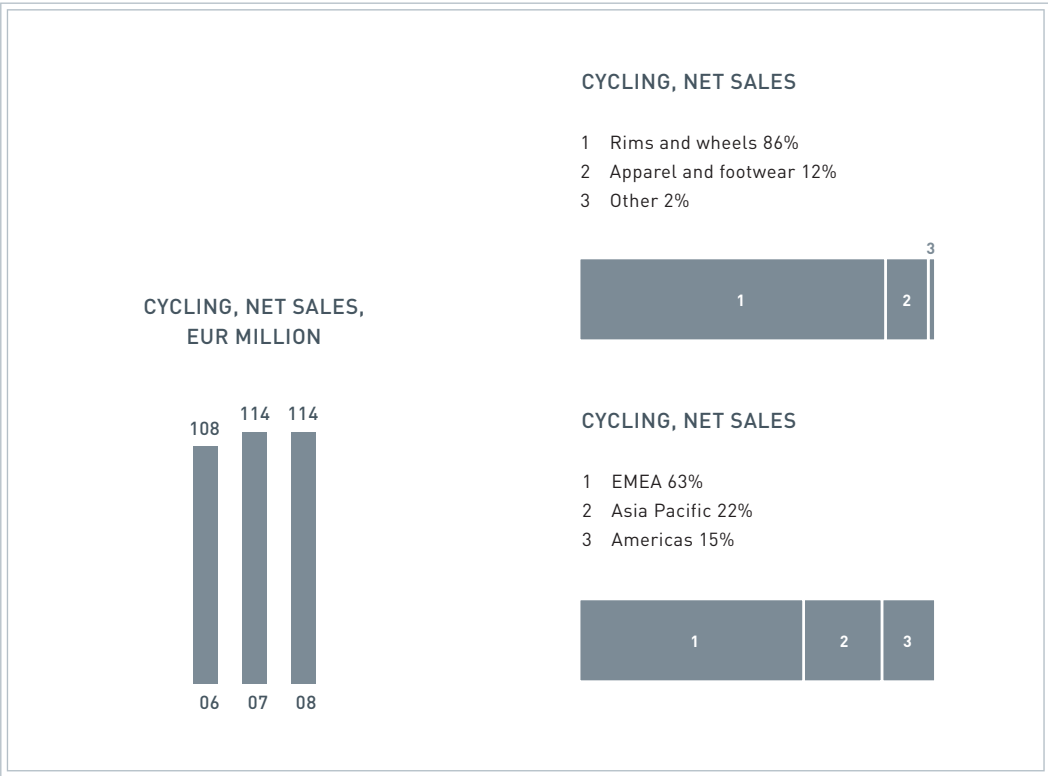
#### **FUTURE OUTLOOK 2009 – APPAREL AND FOOTWEAR**

The spring/summer order book for Apparel and Footwear for both brands is good, implying continued double-digit growth in the first half of 2009. The operational focus is in the supply chain with the aim to improve the planning process and to reduce working capital. Furthermore the production base will be diversified to several countries in Asia in order to improve production flexibility.



“The global apparel and footwear market continues to benefit from the growing outdoor-inspired trend.”





**CYCLING**

The Amer Sports Cycling business is carried out through the specialist brand Mavic. It manufactures rims, wheels, apparel and footwear for road cycling, mountain biking, triathlon and track racing.

Mavic is a leading cycling component brand. Mavic is all about the love of cycling, which leads to the designing and manufacturing of great products that offer cyclists a real difference.

**BUSINESS ENVIRONMENT IN 2008**

The European cycling market started well in 2008, but towards the end of the year the order book for both the OEM market as well as specialized retail started to weaken. Mavic’s operations suffered from supply chain issues, and it was not able to fully respond to the demand growth of the new product ranges. Mavic decided to discontinue its third-party co-operation for cycling apparel and footwear and introduced its own line in 2008, with healthy pre-orders for 2009.

At the end of the year Mavic decided to recall its R-SYS front wheels and replace the original carbon spokes with a new, stronger construction.

The cycling market continues to benefit from the strong health and fitness trend. The estimated size of the high-end cycling market in Europe and the US. is approximately 5 billion euros. In the high-end cycling market, component sales are important and generate approximately 3 billion euros in sales. The cycling components market consists of several specialized manufacturers, Mavic being the leading high-end rim and wheel manufacturer.

**SALES IN 2008**

Bicycle component manufacturer Mavic’s net sales remained flat in local currency terms at EUR 114.2 million. Growth opportunities were impacted by supply chain issues. At the end of the year, Mavic announced a voluntary recall of its R-SYS front wheels.

#### FUTURE OUTLOOK 2009 – CYCLING

The outlook for Mavic in 2009 is cautious. OEM orders are lower than last year, reflecting the uncertainty of bike manufacturers. The sell-out of the first Mavic-branded cycling footwear, apparel and accessories line will be the key to its further success. Improving the supply chain and tight control of expenses will be the focus in 2009.

#### SPORTS INSTRUMENTS

Suunto designs and manufactures sports precision instruments for a variety of sports including training, diving, sailing and mountaineering. It represents the pinnacle of Finnish design and high-tech expertise. With a clear focus on measurement, reliability and accuracy, Suunto has continued to develop its 73-year heritage and is the largest manufacturer of sports precision instruments in outdoor and diving.

The Sports Instruments business is carried out under the Suunto brand. It manufactures sports precision instruments (wristop computers, diving instruments, heart rate monitors, compasses and precision instruments) for diving, training, climbing, hiking, running, sailing, cycling and golf.

#### BUSINESS ENVIRONMENT IN 2008

Wristop computers were Suunto's biggest product segment. Suunto updated its heart rate monitors, among others the Suunto t6c, the flagship product of the training category, heart rate belt, and introduced new and more comfortable textile, Suunto Comfort Belts to the markets.

Suunto introduced the new Suunto Fitness Solution system for fitness club training, designed for daily use in group exercise and cardio training environments.

The upgraded Suunto X10 GPS wristop computer was well received and was awarded the 2009 Best of Adventure Gear award by National Geographic Adventure Magazine.

The Suunto Core outdoor wristop computer won the "best of the best red dot" design award in Germany. Suunto Lumi, the first wristop computer designed for women, was awarded the red dot award in the same design competition. Furthermore, the Suunto Lumi was honored at the iF-design competition and chosen as one of the world's best-designed products.

The diving instrument market started to decline during the second half of 2008. Suunto remained the market leader for diving computers. It introduced the popular Suunto D4 dive computer with a new selection of colorful straps.



“The estimated size of the high-end cycling market in Europe and the U.S. is approximately 5 billion euros.”

**SALES IN 2008**

Net sales of Sports Instruments were at last year's level in local currency terms. However, sales in 2008 do not include Ursuk, which was divested beginning of the year. The wristop category continued its growth with a 20% increase compared to 2007, driven by continued new product launches as well as sales channel extensions. The market for diving equipment declined in 2008 as a result of the economic environment, and Suunto followed the overall market trend.

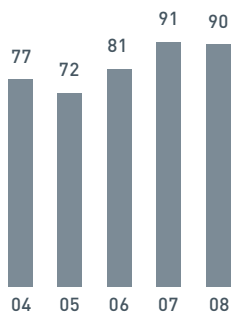
**FUTURE OUTLOOK 2009 – SPORTS INSTRUMENTS**

The weaker global macro economic,-environment is expected to slower the growth expectations in the Outdoor and Training categories and will continue to have a negative impact on the diving product market. However, in 2009 total Suunto sales is expected to grow thanks to new channel entries and new product introductions.

“Suunto has continued to develop sports precision instruments in outdoor and diving.”



**SPORTS INSTRUMENTS, NET SALES, EUR MILLION**



**SPORTS INSTRUMENTS, NET SALES**

- 1 Wristop computers 53%
- 2 Diving instruments 24%
- 3 Other 23%



**SPORTS INSTRUMENTS, NET SALES**

- 1 EMEA 53%
- 2 Americas 33%
- 3 Asia Pacific 14%





# Ball Sports

At the heart of sports history for almost a century, no other company has been as influential and intimately involved in shaping the games of tennis, golf, baseball and American football as Wilson.

“Backed by generations of athletes,  
Wilson is the true American icon in the  
world of sports equipment.”

---

Wilson is the world's leading manufacturer of ball sports equipment. Its core sports are tennis, baseball, American football, golf, basketball, softball, badminton and squash. As the originator of breakthrough technologies, Wilson has produced legendary classics and earned world-wide legitimacy in each sport it participates in.

The Wilson business is structured into three business areas: Racquet Sports, Team Sports and Golf.

#### **RACQUET SPORTS**

Wilson is the world's number one Racquet Sports company. Its sports categories include tennis, badminton and squash.

#### **TEAM SPORTS**

Wilson is the number one Team Sports company in the world. Its sports include American football, basketball, soccer, volleyball, baseball and softball.

#### **GOLF**

Wilson has a strong heritage in the premium iron category and a stable of award-winning products.

#### **SALES AND EBIT IN 2008**

In 2008, net sales were on par with the previous year in local currency terms at EUR 495.5 million. The breakdown of net sales was as follows: Racquet Sports 46%, Team Sports 38% and Golf 16%. The Americas accounted for 64%, EMEA 24% and Asia Pacific 12% of net sales. Sales in local currencies were up 4% in EMEA and were at last year's level in the Americas and down 10% in Asia Pacific.

The decrease in Asia Pacific was due to licensing the golf business in Japan.

EBIT decreased 23% to EUR 37.0 million. The EBIT shortfall reflects mainly the weakened economic environment. This impacted trading conditions in the US in particular and consequently resulted in lower than expected overall sales.

#### **FUTURE OUTLOOK 2009 – BALL SPORTS**

Sales and profitability are expected to remain at the previous year's level. The Racquet and Team Sports businesses will maintain their leadership positions. Golf will continue to improve its performance. However, economic development in North America, in particular, remains a factor of uncertainty in the outlook.



## KEY INDICATORS

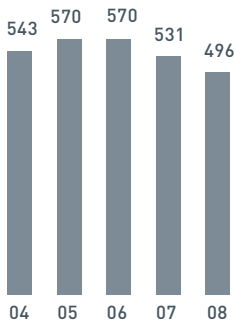
EUR million	2008	2007	Change, %	Change, % <sup>1)</sup>	2006
Net sales					
Racquet Sports	227.0	236.0	-4	1	235.3
Team Sports	189.9	195.5	-3	3	219.6
Golf	78.6	99.4	-21	-15	114.7
Net sales, total	495.5	530.9	-7	-1	569.6
EBIT					
% of net sales	7.5	9.1			9.6
Personnel at year end	1,731	1,891	-8		1,919

<sup>1)</sup> In local currency terms



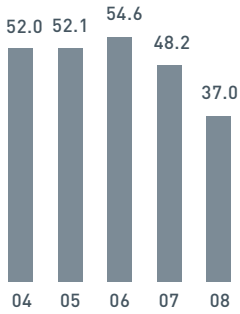
“Wilson is the No. 1 American football brand and No. 2 baseball brand in the world. It manufactures balls, gloves, bats and apparel for American football, baseball and softball, basketball and soccer.”

BALL SPORTS, NET SALES,  
EUR MILLION



“In 2009, Ball Sports sales and profitability are expected to remain at the previous year’s level.”

**BALL SPORTS, EBIT,  
EUR MILLION**



**BALL SPORTS, NET SALES**

- 1 Racquet Sports 46%
- 2 Team Sports 38%
- 3 Golf 16%

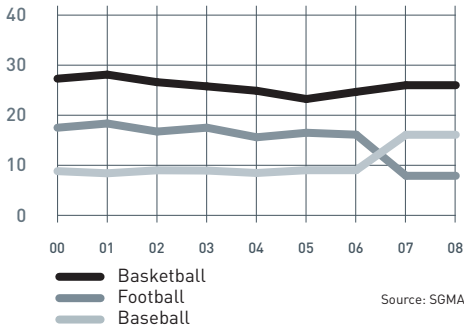


**BALL SPORTS, NET SALES**

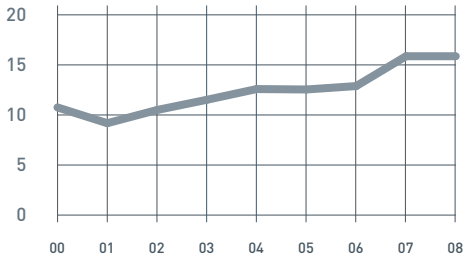
- 1 Americas 64%
- 2 EMEA 24%
- 3 Asia Pacific 12%



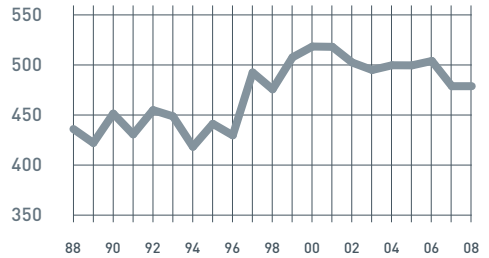
**TEAM SPORTS PARTICIPATION, USA,  
MILLION**



**TENNIS PARTICIPATION, USA\*,  
MILLION**



**GOLF, TOTAL ROUNDS VOLUME, USA,  
MILLION**



## Business area reviews

### RACQUET SPORTS

Wilson is the world's number one racquet sports company. It manufactures rackets, strings, balls, footwear, technical apparel and bags for tennis, badminton and squash.

#### BUSINESS ENVIRONMENT IN 2008

For 2008, market trends remained favorable for racquet sports. Wilson's position as the leading tennis racket brand strengthened further. Its strong racket brand market position was leveraged to drive growth in surrounding categories for tennis strings and accessories.

#### SALES IN 2008

Racquet Sports net sales of EUR 227.0 million were at last year's level in local currency terms. During the year, two key strategic initiatives were executed to drive future growth by establishing a Chinese infrastructure and implementing an in-house tennis apparel strategy. Racquet Sports maintained a leadership position in the marketplace with [K] Factor rackets and a strong presence on tour.

#### FUTURE OUTLOOK 2009 – RACQUET SPORTS

Favorable development of Racquet Sports is forecast to continue. Wilson will incorporate a new technology in their successful [K] Factor Line of frames and will also launch the first revolutionary stringing machine Baiardo, the most customizable stringing machine in the industry. Wilson will continue to leverage its leadership position in the marketplace by expanding its tennis apparel, string and accessories businesses.



#### RACQUET SPORTS MARKET SHARES 2008 (2007)

##### TENNIS RACKETS

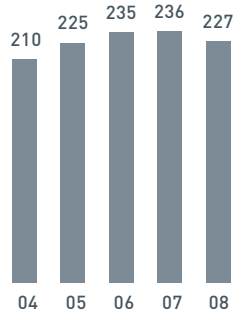
Global	35% (37)
US	46% (45)
Europe	36% (36)
Japan	27% (26)

#### RACQUET SPORTS MARKET SHARES 2008 (2007)

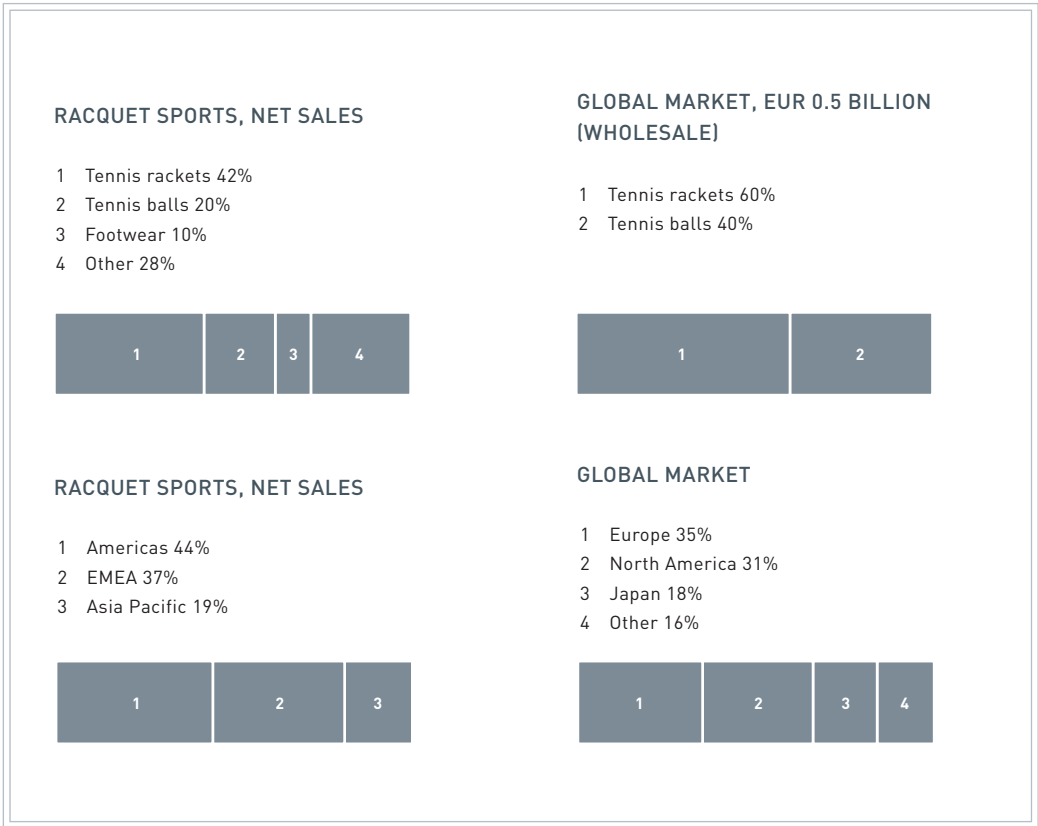
##### TENNIS BALLS

Global	24% (28)
US	41% (42)
Europe	23% (22)
Japan	10% (10)

#### RACQUET SPORTS, NET SALES, EUR MILLION







**TEAM SPORTS**

Wilson is the number one team sports company in the world. It manufactures balls, gloves, bats and apparel for American football, basketball, soccer, volleyball, baseball and softball.

**BUSINESS ENVIRONMENT IN 2008**

The United States is the largest market for team sports, with sports such as American football, baseball and basketball attracting massive media attention and being played at schools, colleges and clubs. In Japan, baseball is the most-favored team sport. The team sports market has a strong infrastructure for serious participation driven by organized competition.

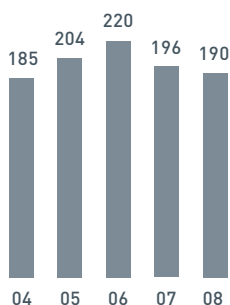
**SALES IN 2008**

Team Sports net sales increased 3% in local currencies to EUR 189.9 million. The key growth areas were bats 15%, soccer 12% and basketballs 8%. Regional team sports strategies have been implemented to expand market share in Latin American soccer, European basketball and Asian baseball.

**FUTURE OUTLOOK 2009 – TEAM SPORTS**

Team sports market trends are expected to remain stable. The sales and volume of the Team Sports business area are expected to grow slightly. Its growth will be driven by innovations in bats and basketballs. The expansion of the Team Sports business in Latin America and Japan will continue. The DeMarini bat line performed very well in 2008 and expectations are positive for 2009.

### TEAM SPORTS, NET SALES, EUR MILLION



### TEAM SPORTS, NET SALES

- 1 American footballs 23%
- 2 Baseballs and gloves 19%
- 3 Baseball/softball bats 15%
- 4 Basketballs 15%
- 5 Apparel 8%
- 6 Soccer 7%
- 7 Other 13%



### TEAM SPORTS, MARKET SHARES 2008 (2007), US

American footballs	80% [80]
Basketballs	35% [33]
Baseball gloves	33% [32]
Baseballs	27% [25]
Baseball/softball bats	21% [19]

### TEAM SPORTS, MARKET SHARES 2008 (2007), GLOBAL

American footballs	80% [80]
Basketballs	22% [21]
Baseball gloves	20% [20]
Baseball/softball bats	14% [13]
Baseballs	15% [13]

### TEAM SPORTS, NET SALES

- 1 Americas 95%
- 2 Asia Pacific 3%
- 3 EMEA 2%



## GOLF

With traditions dating back to 1920, Wilson Golf manufactures golf clubs, balls, bags and gloves. Wilson has a strong heritage in the premium iron category and a stable stream of award-winning products.

### BUSINESS ENVIRONMENT IN 2008

The golf equipment market remained very competitive, with brand consolidation occurring in 2008. The industry continues to evolve as well with private label brands becoming more prevalent. Purchases at the consumer level continue to move from Green Grass locations to more at Golf Specialty Retail.

In 2008, the Wilson Staff business grew over 10% and Wilson Golf experienced a strong showing on tour highlighted by Padraig Harrington's win at the British Open Championship again and the PGA Championship. Padraig was named PGA Player of the Year by every major organization.

### SALES IN 2008

Golf net sales declined 15% in local currencies to EUR 78.6 million. The decline reflects mainly the decision to license the golf business in Japan and exit underperforming business areas. The golf market remained competitive. Retail distribution continued to consolidate and private label brands

**GOLF MARKET SHARES 2008 (2007),  
GOLF CLUBS**

Global	3% [2]
Europe	8% [7]
US	4% [3]
Japan	1% [1]

**GOLF MARKET SHARES 2008 (2007),  
GOLF BALLS**

Global	3% [3]
Europe	11% [10]
US	3% [3]
Japan	1% [1]

**GOLF, NET SALES**

- 1 Clubs 59%
- 2 Balls 28%
- 3 Bags and gloves 11%
- 4 Other 2%

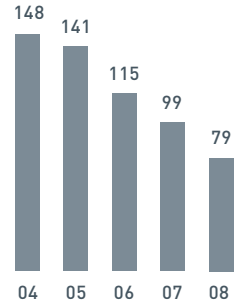


became more prevalent. Wilson gained momentum in the premium club category with a focused iron strategy.

**FUTURE OUTLOOK 2009 – GOLF**

Golf will continue to improve its financial performance. Its strategy is to “Own the Fairway” with award-winning products in Irons, Hybrids and Wedges.

**GOLF, NET SALES,  
EUR MILLION**



**GOLF, NET SALES**

- 1 Americas 46%
- 2 EMEA 41%
- 3 Asia Pacific 13%



**GLOBAL MARKET, EUR 3.8 BILLION  
(WHOLESALE)**

- 1 Clubs 70%
- 2 Balls 23%
- 3 Bags and gloves 7%



**GLOBAL MARKET**

- 1 North America 50%
- 2 Japan 26%
- 3 Europe 15%
- 4 Other 9%

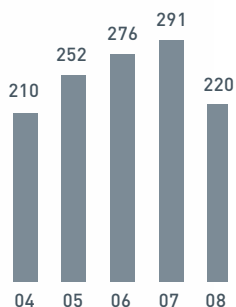




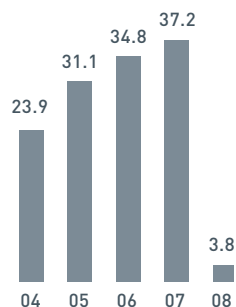
# Fitness

Precor is the world's leading manufacturer of elliptical crosstrainers. It is a full-line supplier of technically-advanced, premium-quality fitness equipment for the commercial and home markets.

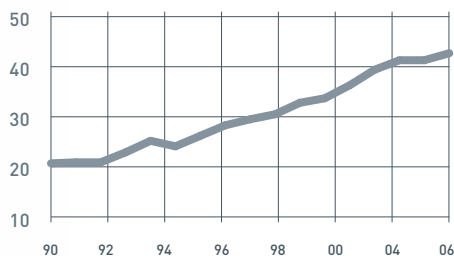
FITNESS, NET SALES,  
EUR MILLION



FITNESS, EBIT,  
EUR MILLION



US HEALTH CLUB MEMBERSHIPS, MILLION



Source: IHRSA

### BUSINESS ENVIRONMENT IN 2008

Overall demand for fitness equipment was adversely affected by extreme economic volatility across the globe. Consumer markets saw the biggest impact as sales of product into the home were slowed significantly due to a drastic decline in consumer discretionary spending on durable goods. Results were relatively strong in the commercial business as health club memberships remained stable.

Internationally Precor extended its share of the important hospitality market with exclusive sales to Hilton hotels worldwide. Sales in EMEA continued to grow behind growth strategies focused on key international markets.

New products helped fuel global demand with continued enthusiasm for the Adaptive Motion Trainer (AMT) as well as strong interest in the two new Experience Strength product lines. Additionally, two new consumer ellipticals were introduced to solidify the in-home elliptical product line.

### SALES AND EBIT 2008

In 2008, Precor's net sales declined 20% in local currencies to EUR 220.3 million. The Americas accounted for 72%, EMEA for 21%, and Asia Pacific for 7% of net sales. In local currency terms, sales were up 3% in EMEA and down 19% in Asia Pacific and 25% in the Americas.

EBIT decreased to EUR 3.8 million (37.2) due to the significant fall in sales and lower gross margins resulting from a lower capacity utilization rate as well as increased raw material costs.

### FUTURE OUTLOOK 2009 – FITNESS

Due to the globally weak macro-economic environment, the short-term outlook for Precor remains uncertain. Many customers are impacted by the tight credit market and are postponing their investments in new fitness equipment. The long-term fundamental drivers of the fitness market remain positive and Precor is well-positioned for a rapid recovery as the broader economy begins to improve. Precor is focused on strengthening retail distribution in the US and geographical expansion.

#### KEY INDICATORS

EUR million	2008	2007	Change, %	Change, % <sup>1</sup>	2006
Net sales	<b>220.3</b>	291.0	-24	-20	275.6
EBIT	<b>3.8</b>	37.2	-90	-89	34.8
% of net sales	<b>1.7</b>	12.8			12.6
Personnel at year end	<b>765</b>	815	-6		795

<sup>1</sup> In local currency terms

#### FITNESS, NET SALES

- 1 Clubs and institutions 87%
- 2 Home use 13%



#### FITNESS, NET SALES

- 1 Americas 72%
- 2 EMEA 21%
- 3 Asia Pacific 7%







The experience and expertise of top athletes are an essential part of our product development process.

# Research and development

We are specialists in all of our selected sports. We design and manufacture the industry's best products. Successful R&D is an important part of our business. We continuously roll out technologically-advanced game improvement products that meet consumer needs.

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Performance is the key driver in our development of sports equipment, technical apparel, and footwear. As our products are essential for participation in many sports, the fundamental focus of our product design is functionality, but also beauty and coolness are important.

Continuous investment in R&D is absolutely critical to our mission of being the leading sports equipment company. In 2008, Amer Sports R&D expenditures amounted to 55.6 million euros, which represents 3.5% of net sales. R&D costs are expensed in the year they are incurred. At December 31, 2008, 481 people were employed in the Group's R&D activities, representing 7% of the Group employees.

## **EFFICIENT R&D NETWORK**

Amer Sports bases its product development on profound expertise in each sport and a thorough understanding of customer needs. Each brand has its own R&D department. In the Winter Sports Equipment business area the overlaps in R&D are minimized. Annecy, France, is the group's competence center for ski boots, cross-country boots and bindings. Altenmarkt, Austria, is the competence center for gliding products.

The expertise and experience of top athletes

and active participants are the cornerstone of our product development. We develop and test new products and ideas with them. Even the smallest details can be critical for product performance. Working closely with top athletes and coaches has long traditions within Amer Sports.

Our in-house R&D staff has formed an internal network that exchanges ideas and know-how within the Group. This enables us to benefit from the cumulative knowledge within our businesses.

Amer Sports R&D experts engage in close-knit and unique cooperation with universities and research groups. Independent scientific research often paves the way for new product innovations.

Collaboration with raw material suppliers also generates new types of solutions for our sports equipment.

## **INTELLECTUAL PROPERTY**

Amer Sports innovates and develops the world's best sports equipment and obtains intellectual property rights, which give competitive advantage and uniqueness for our brands. These intellectual property rights are used actively and cost efficiently to protect and progress the Amer Sports business.





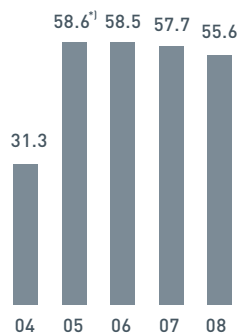


#### MAJOR 2008 PRODUCT LAUNCHES

- Atomic Doubledeck ski
- Suunto D4 dive computer
- Suunto t6c heart rate monitor
- Suunto comfortable textile heart rate belt
- Salomon Falcon Customshell Pro alpine shoe
- Salomon XT Wings shoe
- Salomon Equipe 10 Skate cross-country ski
- Wilson Staff Di9 iron
- Wilson Staff FYbrid golf clubs
- Wilson tennis apparel collection
- Mavic cycling footwear, apparel and accessories
- Precor AMT (Adaptive Motion Trainer®)
- Precor Experience Strength™ equipment

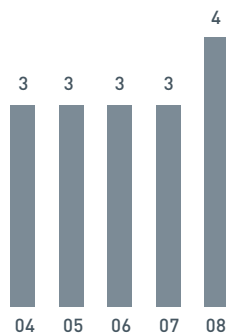
► More information on products can be found on each brand's own website.

#### R&D EXPENSES, EUR IN MILLION

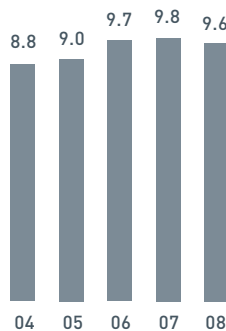


<sup>1</sup> Pro forma

#### R&D EXPENSES, % OF NET SALES



#### R&D EXPENSES, % OF OPERATING EXPENSES



# Award winning products

As proof of our actions, we are proud to witness the success of our products, whether on the podium or through feedback from happy customers and consumers around the world. The R&D process is never-ending but rewarding as we continue to push the envelope by launching new products that outperform our competition.



← **SUUNTO t6c A TEST WINNER**  
The Suunto t6c and Foot POD came out on top in a test carried out by the German edition of Runner's World, which in its November issue compared the practicality of various heart rate monitors and Foot POD devices for distance tracking.

**PRAISE FOR THE R320 HARNESS**  
The super-light R320 harness by Arc'teryx has made a big impression, winning the European Outdoor Industry Award, Alpinist magazine's Mountain Standards Award, Popular Science's "Best of What's New", and receiving lavish praise in Climbing magazine and Rock and Ice magazine's Gear Guide 2008.



← **RECOGNITION FOR WILSON STAFF Ci7 IRONS**  
Wilson Staff Ci7 irons received the renowned 'Club of the Year' award in GOLF Magazine's 2008 Club Test. The test panel gave the Ci7 the highest rankings for look and feel. The panel explained its decision, among other things, by characterizing the Ci7 as a "terrific combo of tour-style feel with game-improvement forgiveness."



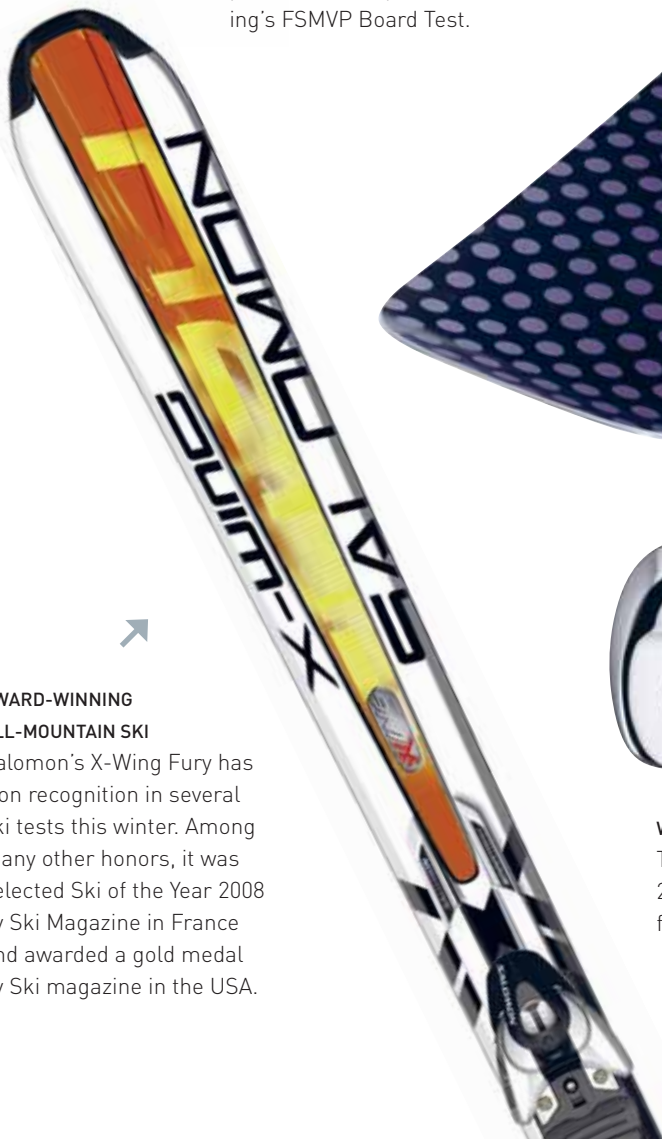
**ENDURO FREERIDE CROSSMAX SX WHEELSET AWARDED**

For the fourth year in a row, Mavic products were awarded at the Eurobike Design awards. An expert jury among the bike industry, distributors, bike builders, media and designers pointed out once again the result of the hard work of the men in yellow.

**AWARDS FOR ATOMIC SNOWBOARDING PRODUCTS**

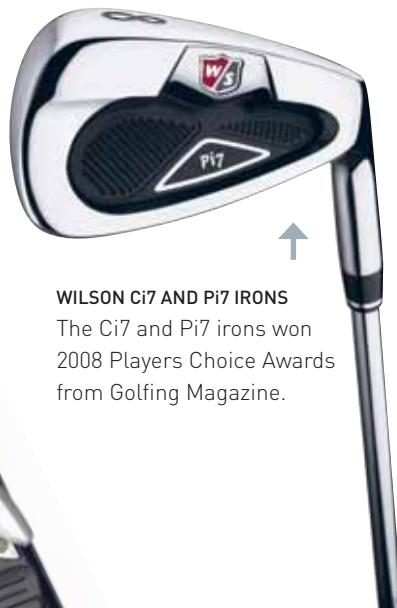


The board 'Fallen Angel' came out on top of the Transworld Snowboarding good wood award. The all terrain Atomic 'Polarity' placed in the Top 10 of Future Snowboarding's FSMVP Board Test.



**AWARD-WINNING ALL-MOUNTAIN SKI**

Salomon's X-Wing Fury has won recognition in several ski tests this winter. Among many other honors, it was selected Ski of the Year 2008 by Ski Magazine in France and awarded a gold medal by Ski magazine in the USA.



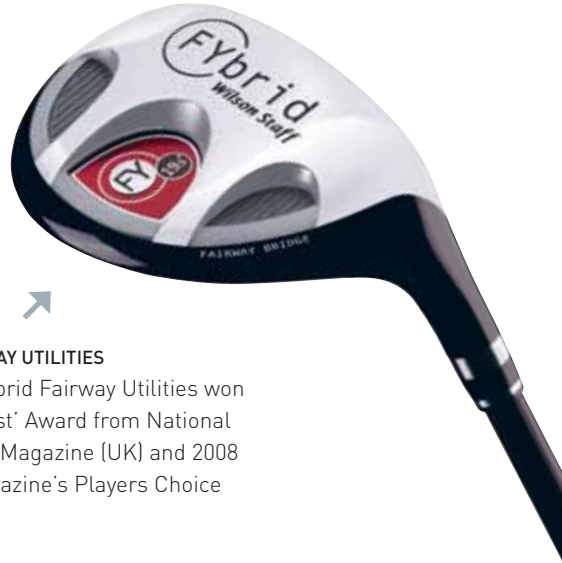
**WILSON Ci7 AND Pi7 IRONS**

The Ci7 and Pi7 irons won 2008 Players Choice Awards from Golfing Magazine.

# Award winning products

## WILSON STAFF ZIP GOLF BALL

Golf Digest Magazine awarded the Gold Hot List award to the Wilson Staff Zip Golf Ball, the industry's only zero-compression core golf ball.



## FYbrid FAIRWAY UTILITIES

Wilson's FYbrid Fairway Utilities won "Best on Test" Award from National Club Golfer Magazine (UK) and 2008 Golfing Magazine's Players Choice Award (US).



## AWARDS FOR ALL TERRAIN

### SALOMON XT WINGS

Salomon's running shoe breaks trails in the outdoor industry, winning top award in its debut. The all-terrain innovation has received praise from runners who rip over road and rougher country. And earned the coveted Runner's World Best Debut Award for April 2008. Runner's World is the world's leading running magazine.

## PRECOR 'BEST IN CARDIO AND ENTERTAINMENT' IN GLOBAL FITNESS POLL

Precor again earns top honors in the Nova 7 "people's choice" awards, named Best Cardio Equipment Supplier for the second consecutive year, along with a fifth consecutive Best in Entertainment award for Precor's Cardio Theater system.



**R-SYS AWARDED BEST ROAD WHEELSET**

The German magazine RoadBike awarded the R-SYS wheel model as "test winner". Among 22 different products designed for road racing and training, this wheelset reached the best overall ranking on the following criteria: weight, lateral rigidity, inertia, torsion and fluidity.



**ACCLAIM FOR SUUNTO t-SERIES**

The popular health and fitness website www.shapeyou.com has honored Suunto products. The Suunto t4 heart rate monitor got the Top Gear award, while the Suunto t1 and Suunto Foot POD were awarded with the Great Gear nomination.



**INNOVATION PRIZES FOR ATOMIC DOUBLEDECK SKI**

The unique Doubledeck technology which optimizes its flex or adjusts to every radius of turn automatically was awarded with several renowned prizes, first of all with the coveted "Good Design Award" of the famous Chicago Athenaeum. Doubledeck was also awarded as the most innovative product at ISPO 2008 by the readers of the German 'SkiMagazin' and was announced to be the 'Future product 2008/09' by the German association for leisure and health.



**CREEK JACKET TESTED BEST RAIN JACKET**

The German magazine MountainBike, one of the largest selling magazine in Europe, gave its best rating to Mavic's new MTB Creek jacket. In its first test, the Creek jacket convinced with its high-end quality and features.



# Award winning products



## NEW SUUNTO X10 AWARDED

The smallest and lightest wrist-mounted GPS device on the market was awarded 2009 Best of Adventure Gear by the editors of National Geographic ADVENTURE magazine.



**WILSON STAFF TOUR CARRY BAGS**  
Wilson Staff Tour Carry Bags won "Easiest to Carry" from National Club Golfer (UK) and Golf Digest's Hot List Silver Award (US).



## SALOMON FALCON CS WINNER OF THE ISPO EUROPEAN SKI AWARD 2008

Salomon FALCON CS was a winner in the ski boots category. The first ever heat moldable shell available for all skiers works by simply heating the shell, stepping in and allowing the shell to form to the metatarsal contour for a personalized fit. It offers unprecedented precision for improved on-snow performance.



## EZ RIDE CONCEPT

First magazine test, first award for the new EZ Ride pedal-shoe concept. In its December/January issue (6/08), the German bike travelling magazine "RADtouren" tested the new EZ Ride system in a field test with the best result.





**SUUNTO LUMI HONORED AT iF DESIGN COMPETITION**

The feminine and versatile Suunto Lumi was selected as one of the world's best-designed products at the prestigious iF product design competition in Germany.



**PRECOR'S AMT HONORED IN BELGIUM**

Precor's Adaptive Motion Trainer®, which instantly adapts to the exerciser's stride motion and speed, was honored as the best product innovation at the Fit2PRO trade show for fitness professionals in Belgium.



**PRECOR AND SUUNTO TRIUMPH IN THE RED DOT DESIGN COMPETITION**

The Suunto Core received the Best of the Best award for product design. In the jury's opinion, the Suunto Core is a versatile wristop computer, which is accessible to a wide range of users thanks to its moderate price. The jury characterized it as an intelligent, functional, and beautiful product.

Suunto Lumi received the red dot product design award in the same competition.

Precor's AMT fitness equipment was also honored with a red dot award. The AMT is the world's first cardio fitness equipment that instantly adapts to changes in the user's stride and pace.



**reddot design award  
best of the best 2008**



# Sales and channel management

Our broad portfolio of products makes Amer Sports a major year-round supplier to sports retailers and allows us to foster long-term business relationships. Our comprehensive sales and distribution network enables us to bring new products to market almost simultaneously world-wide.

The Amer Sports international sales and distribution network rests on a solid foundation: global brands with real appeal to consumers; a wide spectrum of sports; close ties to the retailers; and a deep understanding of the local market and customer behavior.

Our company-wide sales functions help us operate cost-effectively. As of December 31, 2008, 2,071 people were employed in the Group's sales and distribution activities, representing 33% of total Group employees.

## FIRST CLASS SERVICE

The Amer Sports product portfolio is sold world-wide. Product distribution is primarily handled by Amer Sports sales companies. In smaller markets, distribution is handled through independent importers and distributors who work closely with individual Amer Sports business areas.

Local Amer Sports sales companies are responsible for the sales and distribution of our products in their own markets. These companies have experience and specialized expertise in every type of sport we participate in. Furthermore, local personnel know their own markets and the preferences of sports enthusiasts in their own territories. This allows them to adapt both product offerings and marketing to the needs and conditions of each market. This market know-how is also leveraged in research and product development in different business segments.

## SALES NETWORK IMPROVED

Amer Sports' global sales and distribution network has been developed and made more efficient. The most important launch in 2008 was in establishing a Chinese country organization in Shanghai. In addition to Chinese sales, the Asian regional office and its employees moved under the same roof.

The next big step was taken at the beginning of 2008 when Amer Sports' own country organization prepared to take over the sales of all Amer Sports brands in Russia. When the Russian unit becomes fully operational by the beginning of 2009, Amer Sports will have a country organization in almost all the major markets, including the East-European countries.

## GLOBAL ONE OFFERS TRANSPARENCY

Sales and distribution has been fine-tuned to a great extent over the past year. We have adjusted our business to make it more effective. In 2008, we established an executive team for the Sales and Channel Management Unit. The team's task is to find the best practices and spread them to the entire organization. Roles and responsibilities have been further specified.

The sales business will also be improved by the new Amer Sports business harmonization process known as Global One, which will join all major







“Our comprehensive sales and distribution network enables us to bring new products to market almost simultaneously world-wide.”

#### GEOGRAPHICAL BREAKDOWN OF AMER SPORTS NET SALES

EUR million	2008	2007	Change, %
Americas	<b>677.8</b>	774.1	-12
EMEA	<b>723.0</b>	704.9	3
Asia Pacific	<b>175.8</b>	173.0	2
Total	<b>1,576.6</b>	1,652.0	-5

processes into a global IT system. Business will become more transparent when everybody has the same data at their disposal. Global One will enable us to make our sales process highly effective from ordering to invoicing. All in all, Amer Sports aims to have as harmonized and clear sales procedures as possible.

#### MULTI-CHANNEL RETAIL

Our business is changing, as consumers expect more from a brand and the shopping experience has evolved. Amer Sports, new multi-channel strategy involves a shift from a single-channel manufacturing model to a more efficient multi-channel model. In the future, this may mean more extensive retail trade, online sales and business-to-business operations.

Salomon has successfully continued the development of brand stores and factory outlets. We have implemented e-commerce pilot projects and are in the process of creating a joint strategy for the entire Group.

#### NOTHING SHORT OF EXCELLENCE WILL DO

Our individual sales companies have been grouped into three large geographical segments: Asia Pacific (including Japan and Australia), EMEA (Europe, Middle East and Africa) and Americas, which includes the United States, Canada and Latin America.

In the United States, the sales functions of Salomon, Atomic and Suunto are directed from Odgen, Utah. Precor's sales organization is managed from near Seattle in Woodinville, Washington, and Wilson sales are managed from Chicago, Illinois. EMEA is headed up from Munich, Germany. Starting in 2008, Asia Pacific is headed up from Shanghai, China.

Our biggest and most important task involves further developing our global sales network. We now have a highly competent and competitive network that runs smoothly. We will continue to make the new network increasingly efficient and customer-oriented.

#### HAVING COMPETITIVE ADVANTAGE

All of our customers place a high value on their suppliers' knowledge of the sports equipment market and their expertise in individual sports and categories. Beyond these attributes, reliability, delivery accuracy, service and speed have become increasingly important for sports equipment suppliers.

Developing our operations in cooperation with our partners is extremely important. It is essential to develop product offerings and offer the right kinds of products and services to our retail customers. Amer Sports experts serve the whole spectrum of retailers from specialist stores to large chains.

# Supply chains and information systems

Amer Sports is building new, more efficient supply chains and information systems, respecting the special features of its brands. The goal is to create company wide value by leveraging a shared and agile supply chain and IT platforms.

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Amer Sports' goal is to strengthen its synergies in logistics, sourcing, information technology and supply chain management. The purpose of the newly created Amer Sports Supply Chain and Information Technology department, under the leadership of a dedicated executive board member, is to achieve best-in-class service, quality and cost by leveraging the group scale, best practices and talents. The new department is driving results through clear structure and accountability articulated around three group platforms: information technology, sourcing and logistics (distribution and transportation) and two communities of practice: supply chain and lean and operations excellence.

Amer Sports respects the diversity of its businesses. However, the target is to find ways to gain further strength by working together. Amer Sports looks for synergies to create added value, while respecting business needs and specialties.

Originally, all Amer Sports brands had their own production and delivery systems. Furthermore, some of the brands were competing with

each other. The challenge has been to create a new way of operating on the bases of co-operation and shared models.

## **TRANSPARENCY AND GLOBAL CONTROL**

In a modern environment, the relationship between information systems and supply chains is very close. IT makes the supply chain transparent by enabling global control and the monitoring of deliveries. IT is the "nervous system" of an efficient supply chain.

The transparency created by information technology makes it possible to synchronize information flows and physical flows, i.e. deliveries and distribution, as well as cash flows. The real cost effects of all operations can be detected.

Thanks to its excellent supply chain, Amer Sports improves the customer's experience. It is not enough that customers feel that they have made a good deal. We have to create customer loyalty. The quality of the product, its ability to meet the consumer's needs and costs all play a significant role.

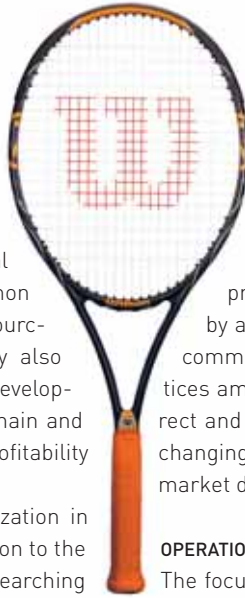
On the other hand, the supply chain is used to increase cash flow, which provides the fuel needed in the brands' business development.

**CLEAR SAVINGS**

Amer Sports has already created global operating platforms which offer common processes for sales, logistics, Asian sourcing and information technology. They also support the brands' operations and development. Furthermore, effective supply chain and IT management enables us to boost profitability and improve working capital efficiency.

The Amer Sports sourcing organization in Asia, built up in 2006 and 2007, moved on to the second phase in 2008. It focused on searching for operational synergies between the brands. By working together, we can achieve significant synergies and cost savings. A more integrated operating model is also essential for the Group's risk management.

The logistics of all U.S. sales, except Precor,



are handled out of Nashville, Tennessee. By concentrating warehouses, transportation, and IT in a single efficient unit, Amer Sports can provide increasingly better service to its customers.

Global information technology also provides access to common information by all parties. Amer Sports uses IT to create common processes and shares the best practices among all the brands. Quick access to correct and accurate information is vital in a rapidly changing world. In production, for example, future market development must be taken into account.

**OPERATIONAL EXCELLENCE AND ENVIRONMENT**

The focus of the created lean and operations excellence practice is to gain agility and reduce inefficiency, at every step of product creation from R&D to production. Solutions using unnecessary amounts of energy and raw materials are becoming more expensive. If the price of energy increases, it affects the whole supply chain.





# Human resources

Amer Sports designs products for ensuring and improving the well-being of people. With our products we aim to make people motivated and able to increase their performance and reach for new personal high scores. People are the moving force of Amer Sports; their success makes Amer Sports successful.

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Amer Sports is the world's leading sports equipment company. Our brands and products are well-known and recognized all over the globe and are a clear source of pride amongst our employees. We are determined to hold on to our strong position as a desirable employer.

The ability to contribute both as an individual and as part of a team is essential to our success. At Amer Sports, we strongly believe that our people add value to the business through their motivation, professional competencies and ability to operate in a constantly changing environment.

## **THE AMER SPORTS CULTURE**

Our values are the basis of our work. We value the diversity of our peoples' backgrounds, and our culture supports local flexibility in a global environment. The determination to win requires high performance. As we have a family of leading sports brands, one of our key strengths is team spirit.

We expect our people to be strong both as individuals and as team members. Our culture is informal by nature, and open dialogue is encouraged. Fair play requires our people to be account-

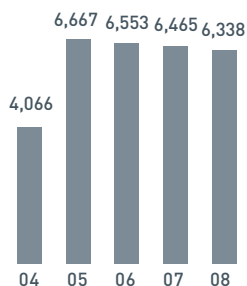
able for following the rules and acting, under all circumstances, on the basis of our values, as well as having the humility to show respect to others both within the corporation and when dealing with external partners.

We encourage our people to always question the way we do things. We seek to learn from our mistakes and take a proactive approach to our own development and renewal. The ability to stay on top of changes, challenge the status quo, and continue to innovate is central to our daily work.

## **ORGANIZATIONAL DIALOGUE**

We promote internal dialogue and measure "the pulse" of our organization with an annual employee engagement survey. This enables us to further deepen the understanding of the strengths and development areas of our organization. Team leaders discuss the survey results with their teams. The development actions that are prepared in the teams are an important part of the process. The employee engagement survey 2008 results showed that 77% of the Amer Sports employees are proud to say that they work for the company.

### EMPLOYEES AT YEAR END



### EMPLOYEES BY FUNCTION

- 1 Manufacturing and sourcing 36%
- 2 Sales and distribution 33%
- 3 Support functions 17%
- 4 R&D 7%
- 5 Marketing 7%



### EMPLOYEES BY BUSINESS SEGMENT

- 1 Winter and Outdoor 60%
- 2 Ball Sports 27%
- 3 Fitness 12%
- 4 Headquarters 1%



### EMPLOYEES

- 1 Male 58%
- 2 Female 42%



### EMPLOYEES BY GEOGRAPHICAL SEGMENT

- 1 EMEA 54%
- 2 Americas 37%
- 3 Asia Pacific 9%



“We encourage our people to take a proactive approach to their professional growth and development in an international business environment.”

#### PERFORMANCE MANAGEMENT

We believe that performance management is a shared responsibility. Performance management is our core management process, used by our managers to coach and support their people. It builds a bridge between individual and company objectives and supports achievement of company goals. Performance management at Amer Sports is an ongoing dialogue between the employee and the manager that requires regular and constructive feedback as well as a formal annual review process. In 2008 we continued to enhance the global model for performance management and coach our managers and employees in the performance management practices.



#### PROFESSIONAL GROWTH AND DEVELOPMENT

We expect our leaders to lead by example and create a work culture that fosters innovation, growth and teamwork. Our leaders are given freedom to make decisions while also being held accountable for their actions. We develop leadership talent from within as well as acquire experience from outside our family of brands. We encourage our people to take a proactive approach to their professional growth and development in an international business environment, which offers many learning opportunities.

We are committed to the continuous development of our senior leaders. Further strengthening the leadership competence in the organization continues to be a key focus area for the future.

Furthermore, we recognize the importance of physical well-being and maintaining a balance between work and leisure time for a healthy and gratifying personal and professional life. We provide and support opportunities for learning and professional growth, and we focus on the development of current and future leaders.

#### PERFORMANCE-BASED REWARDS

Much like the products we produce, our mission is to provide our employees with the environment and tools to succeed and win. We understand that winners will not settle for second-best and want to be rewarded for their performance.

Our total reward system is performance-based and supports the implementation of our business strategy; we focus on team and individual accountability in order to motivate our people to set objectives and exceed their personal targets. We actively seek to reward employee potential, success, and excellent performance.

We aim to continuously develop our rewarding practices and in 2008 have focused on continuing to strengthen the link between performance and pay.

#### GLOBAL AND LOCAL PRESENCE

We are a global organization. We have people all over the world, and we are represented on every continent. Our largest numbers of employees are in the United States, France, Austria, Canada, Finland, Bulgaria, Germany and the UK. Our operations are committed to conducting business in the international business environment by maintaining a strong local presence and local practices.

#### BUILDING FOR THE FUTURE

The Amer Sports people strategy is based on our business strategy and the Group's long-term objectives. We focus on creating a strong performance management culture at all levels of the organization, including performance-based rewards, strong management and leadership competencies. We also aim to ensure that we have the right people in the right places. Through our people strategy, we seek to ensure that our business will be successful today as well as in the future.





# Social responsibility

We implement our business strategy in an ethically and socially responsible manner, always striving to improve our performance and to meet the group's economic, social, and environmental goals. We always consider the social and environmental impacts of our efforts, whether regarding product development or our daily business operations.

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Today's consumers, as well as our trade customers, increasingly expect companies to meet their demands not only regarding product performance but also what materials they are made of and what type of conditions they are manufactured in. Amer Sports takes this responsibility very seriously.

Each Amer Sports business reports to its respective board on matters of corporate social responsibility. We segment our efforts into three separate areas: environmental actions, labor and workplace conditions, and charitable programs. A number of initiatives are currently on-going or being developed to ensure that Amer Sports continues to operate in a manner that our consumers, our customers and our employees can all be proud of.

## **ENVIRONMENTAL ACTIONS**

Whether our employees are involved with the developing, manufacturing or selling of our products, we expect them to always consider the environmental impact of their efforts. While the challenge is certainly significant, there are many examples of our brands creating new and innovative products that meet the consumer's standards for performance.

Atomic's Renu is the world's first regenerative ski boot. Made from biopolymers, cotton and bamboo fibre, it reduces the product's ecological footprint while still delivering the same performance as a conventional ski boot. The entire boot comprises of 80% renewable raw materials which can be recycled. The Renu is able to achieve all of its environmental goals without compromising on either comfort or performance, and it is also 13% lighter than comparable ski boots.

For instance, the Wilson Staff Eco-Carry Bag is the first golf bag on the market made from 100% recycled polyester fabric. The eco-friendly lightweight carry bag utilizes GreenPlus® fabric, which reduces the release of carbon dioxide by 70% as compared to normal polyester production. One Wilson Staff Eco-Carry golf bag is made from the equivalent of 12 plastic gallon bottles.

The Salomon SickStick snowboard, winner of the 2008 Volvo SportsDesign Eco-design award, is another example of matching environmental goals with product performance. The SickStick was awarded for its new patented bamboo sandwich construction process, driven by the goal to improve the performance of Salomon products while significantly reducing the ecological impacts



of snowboard production. The SickStick contains fast growing, CO2-absorbing bamboo – an ultra-renewable material. In each board, 400 grams of bamboo replace 300 grams of plastic, 100 grams of resin and 200 grams of fiberglass. The SickStick comes in a cotton-bamboo knit bag instead of a PVC sleeve, while the hangtags are printed on recycled paper instead of coated stickers.

Salomon and its sister brand Bonfire also create products for the G.I.F.T. (Green Initiative for Tomorrow) project. Bonfire uses a fully recycled Nylon Twill fabric in the Bailey Jacket, and purchases salvage fabric, which will otherwise be destroyed, to use in some of its best-selling styles, including Blur and Mt. Hood Jackets.

In our daily business operations, we have tasked our employees around the world to consider every element of their jobs and how they can improve their performance while reducing their environmental impact.

At Precor, the health, safety and environmental team has completely eliminated toxic elements from the waste it generates from its Woodinville facility and has been honored as the winner of the Sustain King County Gold NPDES Status/Envirovation Award. Precor has also increased incentives for employees who carpool, vanpool, take the bus, ride their bikes, or drive 40+ miles per gallon consuming vehicles.

For the last four years, Suunto offices and warehouses world-wide have collected returned products and accessories which are then shipped to Finland for recycling to ensure that they are handled in an environmentally safe manner. Each batch of returned products is certified by Stena Technoworld to have been handled appropriately.

Our global IT staff is in the process of completing the virtualization of our global server network, which has reduced power consumption in our Munich hosting center by almost 70% and has also lowered acquisition costs by 40% while providing

much higher system availability and IT service continuity. At Precor, this server reduction equals the equivalent of taking 33 cars off the road per year.

Another example of employee action is the forming of a Green Committee at our Amer Sports Winter and Outdoor Americas office in Ogden, Utah. The Green Committee meets regularly to review the company's performance against environmental targets and to consider new opportunities. A similar committee also is in place at Arc'teryx headquarters in Vancouver, where employees discuss not only business operations opportunities but also product development and manufacturing efforts.

#### LABOR AND WORKPLACE CONDITIONS

All Amer Sports suppliers are required to meet the Group's standards for ethical operations, which are based on International Labor Organization (ILO) and SA8000 standards and the United Nations Universal Declaration of Human Rights. Most of the suppliers that Amer Sports works with are based in Asia, with approximately 50–60% of all Amer Sports products in 2008 being manufactured in China.

In 2008, Amer Sports launched a third-party audit program to help our sourcing partners comply with industry standards, regulations, and our expectations in regards to quality, health and safety, and environment and social responsibility.

Coordinated out of our sourcing office in Hong Kong, the audit process includes factory visits and training sessions with factory management to help them meet our standards. The process has commenced with our existing suppliers, and every new supplier is required to be audited before an order can be placed.

Following the first year of audits, the Amer Sports Sourcing organization awarded Leader Sporting Goods Company Ltd. of Xiamen, China, a long-time partner, with the first Amer Sports Ethical





“At Amer Sports, one of our goals is to inspire the children of the world to discover the fun of exercise, helping them stay healthy and active.”

cal Standards award for its full compliance to the company’s standards.

#### CHARITABLE PROGRAMS

At Amer Sports, one of our goals is to inspire the children of the world to discover the fun of exercise, helping them stay healthy and active throughout their lives. We also believe in the power of sports to help people stay motivated and achieve more in their lives, even away from their athletic endeavors.

In 2008, Amer Sports and LiiKe ry, a Finnish non-governmental organization, continued our second year of developing sports and education in Tanzania. The goal of the cooperation is to develop primary education, gender equity, health, school attendance and increased chances for secondary education through sports. Initially launched in the Mtwara region of Tanzania, in 2008 the program was extended to also include the Singida region.

Over the past two years, Amer Sports has donated more than 10,000 Wilson soccer balls, basketballs, and volleyballs to more than 1,000 Tanzanian schools, which have been used by more than 300,000 children under the supervision of more than 4,000 LiiKe ry trained teachers. Amer Sports

employees have also visited Tanzania to participate in the distribution of Wilson balls and to witness the positive effect the Company’s efforts are having.

Our brands are also very active with charities around the world. Precor’s “Precor Gives” program continues the company’s generous matching donations program for its employees.

Wilson is the Official Sporting Goods Equipment Sponsor of the Breast Cancer Research Foundation (BCRF), a non-profit organization whose mission is to achieve prevention and a cure for breast cancer in our lifetime. To date Wilson has donated nearly 1.5 million dollars to the Foundation and has developed a line of Hope racket and golf sports equipment and accessories, from which a portion of the proceeds are directed to the BCRF.

Bonfire is the founding corporate partner of “Boarding for Breast Cancer” and has supported this organization since its inception. Boarding for Breast Cancer is a non-profit, youth-focused education, awareness, and fundraising foundation whose mission is to increase awareness about breast cancer, the importance of early detection and the value of an active lifestyle.



“Whether our employees are involved with the developing, manufacturing or selling of our products, we expect them to consider the environmental impact of their efforts.”



Our brands are trusted by consumers world-wide. We earn their trust by setting the standards for innovation and usability in every sport we participate.



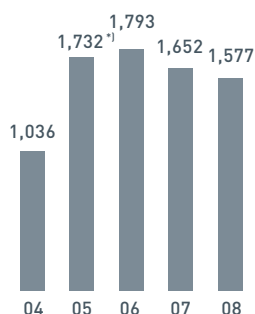
# Board of Directors report and financial statements

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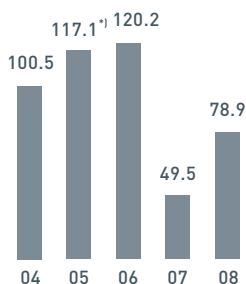
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# BOARD OF DIRECTORS' REPORT

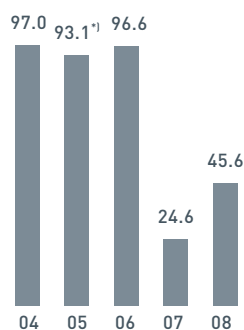
## NET SALES, EUR MILLION



## EBIT, EUR MILLION



## EARNINGS BEFORE TAXES, EUR MILLION



<sup>1</sup> Pro forma

In 2008, Amer Sports net sales decreased 5% to EUR 1,576.6 million (1,652.0). In local currencies net sales were at last year's level.

Net sales by business segment were as follows: Winter and Outdoor 55% (Winter Sports Equipment 25%), Ball Sports 31% and Fitness 14%. Winter and Outdoor sales increased 4%, Ball Sports sales decreased 7%, and Fitness decreased 24%. In local currency terms, Winter and Outdoor net sales increased 5%, Ball Sports were at last year's level and Fitness decreased 20%.

The split of net sales by geographical segment was as follows: EMEA 46%, the Americas 43% and Asia Pacific 11%. Sales in EMEA increased 3% and in Asia Pacific 2% but declined 12% in the Americas. In local currency terms, net sales increased 4% in EMEA, were at last year's level in Asia Pacific, and decreased 7% in the Americas.

EBIT was EUR 78.9 million, compared with EUR 49.5 million in 2007. However, excluding the EUR 42.7 million restructuring costs in 2007 and excluding the capital gain of EUR 13.1 million in 2008, EBIT was 65.8 in 2008 compared with EUR 92.2 million in 2007. The main reason for the weakened profitability is the substantial sales drop in the Fitness business.

Earnings before taxes were EUR 45.6 million (24.6). Earnings per share were EUR 0.47 (0.25). Net financial expenses amounted to EUR 33.3 million (24.9). Last year's corresponding figure was reduced by realized interest rate swaps, which resulted in a gain of EUR 6.4 million.

Taxes for the period were EUR 11.6 million (6.1). The Group's tax rate was 25% (25%).

## CAPITAL EXPENDITURE

The Group's capital expenditure on fixed assets totaled EUR 43.1 million (58.3). The Group's depreciation was EUR 38.2 million (33.9).

## RESEARCH AND DEVELOPMENT

EUR 55.6 million (57.7) was invested in research and development, representing 3.5% of net sales.

## FINANCIAL POSITION AND CASH FLOW

Amer Sports interest bearing liabilities at the end of December were EUR 687.7 million (656.2), consisting of short-term debt of EUR 507.8 million and long-term debt of EUR 179.9 million. Liquid assets amounted to EUR 72.1 million (68.0) at the end of the period. The Group's net debt was EUR 615.6 million (588.2).

In 2007, Amer Sports issued two private placement bonds for Finnish institutional investors. The total amount of the bonds, maturing in 2009 and 2011, is EUR 150 million. Besides the bond maturing in 2011, the long-term debt consists of a USD 100 million term loan as a part of the originally EUR 575 million loan syndicate of 2005, maturing in 2011 and 2012, and a EUR 31.4 million pension loan.

For short-term financing, Amer Sports has a EUR 325 million committed revolving credit facility, maturing in 2011 and 2012, of which EUR 255 million has been used. Furthermore, the company has, as of January 1, 2009, new committed revolving credit facilities of EUR 60 million maturing in 2010. Short-term financing is also raised with a domestic commercial paper program, of which EUR 113 million had been used at the end of December.

The equity ratio at the end of December was 30.6% (31.0%) and gearing was 121% (115%).

Net cash flow from operating activities after interest and taxes was EUR 10.5 million (58.1). Net cash flow from investing activities was EUR -14.6 million (-51.6), including proceeds of EUR 23 million from selling the company's corporate headquarters building.

## BUSINESS SEGMENTS

### WINTER AND OUTDOOR

In 2008, net sales increased 5% in local currency terms. The breakdown of net sales was as follows: Winter Sports Equipment 46%, Apparel and Footwear 31%, Cycling 13% and Sports Instruments 10%. EMEA accounted for 65%, the Americas for 23%, and Asia Pacific for 12% of net sales. Sales in local currencies were up 11% in Asia Pacific, 4% in EMEA, and 4% in the Americas.

In 2008, EBIT increased to EUR 41.1 million (20.9). The improvement reflects the restructuring of the winter sports equipment business and the strong growth in sales of apparel and footwear. The reported results include costs of approximately EUR 6 million for voluntary product recalls of both Mavic R-SYS front wheels and heel components of certain Atomic ski bindings.

- The recovery of the winter sports equipment business was slower than expected in 2008 despite favorable weather conditions. Alpine Europe as a region and alpine boots as a product category grew in high single digits, but continued weakness in the US and the Nordic skiing markets depressed global sales. Retailers' attempts to reduce their own inventories decreased the amount of re-orders. In December Atomic started a voluntary recall of the heel components of certain ski bindings.
- Winter Sports Equipment net sales of EUR 391.9 million were at last year's level in local currency terms. In January 2008 Amer Sports announced a plan to restructure the Winter Sports business, as a result of which four production sites and approximately 400 jobs were reduced worldwide. The plan was carried out according to targets, and the savings of more than EUR 20 million will be visible in 2009. The cost cuts already helped to improve the profitability of the business area in 2008.
- Favorable development of Salomon and Arc'teryx apparel and Salomon footwear sales continued in all key markets. The outdoor trend remained solid, and trail running as a category continued to gain popularity. Net sales in Apparel and Footwear increased 19% in local currency terms to EUR 264.9 million.
- Bicycle component manufacturer Mavic's net sales remained flat in local currency terms at EUR 114.2 million. Growth opportunities were impacted by supply chain issues. At the end of the year, Mavic announced a voluntary recall of its R-SYS front wheels.



- Net sales of Sports Instruments were at last year's level in local currency terms. However, sales in 2008 do not include Ursuk, which was divested beginning of the year. The wristop computer category continued its growth with a 20% increase compared to 2007, driven by continued new product launches as well as sales channel extensions. The market for diving equipment declined in 2008 as a result of the economic environment, and Suunto followed the overall market trend.

#### Winter and Outdoor outlook 2009

Despite an expected slowdown in retail sales, the profitability of Winter and Outdoor segment is expected to improve in 2009 due to the positive impacts of the changes in the winter sports equipment business that were completed during 2008. In the apparel and footwear business, the strong order book and good sell-through of products should allow it to grow faster than its peers in the industry. The outlook for Mavic in 2009 is cautious, reflecting the uncertainty of bike manufacturers. Suunto's sales are expected to grow, thanks to new channel entry and new product introductions.

#### BALL SPORTS

In 2008, net sales were on par with the previous year in local currency terms at EUR 495.5 million. The breakdown of net sales was as follows: Racquet Sports 46%, Team Sports 38% and Golf 16%. The Americas accounted for 64%, EMEA 24% and Asia Pacific 12% of net sales. Sales in local currencies were up 4% in EMEA and were at last year's level in the Americas and down 10% in Asia Pacific. The decrease in Asia Pacific was due to licensing the golf business in Japan.

In 2008, EBIT decreased 23% to EUR 37.0 million. The EBIT shortfall reflects mainly the weakened economic environment. This impacted trading conditions in the US in particular and consequently resulted in lower than expected overall sales.

- Racquet Sports net sales of EUR 227.0 million were at last year's level in local currency terms. During the year, two key strategic initiatives were executed to drive future growth by establishing a Chinese

infrastructure and implementing an in-house tennis apparel strategy. Racquet Sports maintained a leadership position in the marketplace with [K] Factor rackets and a strong presence on tour.

- Team Sports net sales increased 3% in local currencies to EUR 189.9 million. The key growth areas were bats 15%, soccer 12% and basketballs 8%. Regional team sports strategies have been implemented to expand market share in Latin American soccer, European basketball and Asian baseball.
- Golf net sales declined 15% in local currencies to EUR 78.6 million. The decline reflects mainly the decision to license the golf business in Japan and exit underperforming business areas. The golf market remained competitive. Retail distribution continued to consolidate and private label brands became more prevalent. Wilson gained momentum in the premium club category with a focused iron strategy.

#### Ball Sports outlook 2009

Sales and profitability are expected to remain at the previous year's level. The Racquet and Team Sports businesses will maintain their leadership positions. Golf will continue to improve its performance. However, economic development in North America, in particular, remains a factor of uncertainty in the outlook.

#### FITNESS

In 2008, Precor's net sales declined 20% in local currencies to EUR 220.3 million. The Americas accounted for 72%, EMEA for 21%, and Asia Pacific for 7% of net sales. In local currency terms, sales were up 3% in EMEA and down 19% in Asia Pacific and 25% in the Americas.

In 2008, EBIT decreased to EUR 3.8 million (37.2) due to the significant fall in sales and lower gross margins resulting from a lower capacity utilization rate as well as increased raw material costs.

- Consumer products sales have been greatly impacted by significantly lower consumer spending due to the uncertain economic environment. Consumer sales are affected by both the overall with-

drawal from discretionary spending by many households and by a significant reduction in the number of specialty dealers compared to the prior year.

- Demand for commercial equipment remained healthy until the late fall, after which the tight credit market made it more difficult for small customers to finance equipment investments. Furthermore, customers became concerned about the general economic outlook and consequently postponed their buying decisions.
- During Q4 Precor implemented two rounds of layoffs. The total number of eliminated positions was 41 and those positions are spread across all departments in the company.

#### Fitness outlook 2009

Due to the globally weak macro-economic environment, the short-term outlook for Precor remains uncertain. Many customers are impacted by the tight credit market and are postponing their investments in new fitness equipment. The long-term fundamental drivers

of the fitness market remain positive and Precor is well-positioned for a rapid recovery as the broader economy begins to improve. Precor is focused on strengthening retail distribution in the US and geographical expansion.

#### ACQUIRING THE ASSETS OF BULGARIAN SKI SUPPLIER

In order to ensure its cost leadership in ski manufacturing, Amer Sports acquired in September, 2008 all the ski manufacturing assets of its long-term Bulgarian supplier, Pamporovo Ski, and as a result has assumed full control of its operations. The price for all the acquired assets was approximately EUR 5 million. The assets of Pamporovo Ski were transferred to Amer Sports in November. Pamporovo's 330 employees will continue with the newly established Amer Sports Bulgaria AOOD.

#### SELLING OF HEADQUARTERS BUILDING

Amer Sports Corporation sold its corporate headquarters building on April, 2008, located at Mäkelänkatu 91, to Catella Real Estate AG for EUR 23 million. Amer

#### PERSONNEL AT THE YEAR END

	December 31, 2008	December 31, 2007	Change,%
Winter and Outdoor	3,777	3,701	2
Ball Sports	1,731	1,891	-8
Fitness	765	815	-6
Headquarters	65	58	12
Total	6,338	6,465	-2

	December 31, 2008	December 31, 2007	Change,%
EMEA	3,428	3,330	3
Americas	2,337	2,557	-9
Asia Pacific	573	578	-1
Total	6,338	6,465	-2

Sports booked a capital gain of EUR 13.1 million in its second quarter result. The company will remain in the building as its primary tenant.

#### PERSONNEL

At the end of the year, the Group employed 6,338 people (6,465). The Group employed an average of 6,285 people (6,582) during the review period.

Mr Vincent Wauters was named Amer Sports Senior Vice President, Supply Chain and Information Technology on May 28, 2008. Wauters joined Amer Sports on September 1, 2008. He reports to Mr Roger Talerio, Amer Sports President and CEO and is a member of the Executive Board.

Mr Max Altham, Amer Sports Corporation's Senior Vice President of Communications and an Executive Board member, accepted a position outside Amer Sports in August, 2008.

#### SHARES AND SHAREHOLDERS

At the end of the year Amer Sports had 12,320 registered shareholders (12,280). Nominee registered represented 42.6% (47.3%) of the shares.

During the period, a total of 101.3 million Amer Sports shares were traded on the Helsinki Stock Exchange to a total value of EUR 1,172.5 million. The share turnover was 139.6% (of the average number of shares excluding own shares).

At the close of the review period, the last trade in Amer Sports Corporation shares was EUR 5.36. The high for the period on the Helsinki Stock Exchange was EUR 19.00 and the low EUR 4.90. The average share price was EUR 11.58.

On December 31, 2008, the company had a market capitalization of EUR 389.7 million excluding own shares. The company has 340,900 own shares. The number of own shares corresponds to 0.5% of all Amer Sports shares.

Amer Sports Corporation transferred 104,100 shares held by the company gratuitously to the Group's key personnel belonging to its share-based incentive plan. The transfer date of the shares was September 1, 2008.

#### Exercise of warrants and increases in share capital

Amer Sports Corporation warrants were registered as follows:

Warrants	Increase in share capital, shares	Increase in share capital, EUR
2002	649,113	2,596,452
2003	26,100	104,400
2004	44,793	179,172

On December 31, 2008, the company's registered share capital was EUR 292,182,204 and the total number of shares was 73,045,551.

Shareholder rights commenced from the registration date February 13, 2008. The new shares were listed on the Helsinki Exchanges on February 14, 2008.

The highest price of the 2003 warrants on the OMX Helsinki Stock Exchange was EUR 6.50 and the lowest EUR 0.05. In 2008, a total of 5,679 warrants were traded at a total price of EUR 21,789.

The highest price of the 2004 warrants on the OMX Helsinki Stock Exchange was EUR 14.00 and the lowest EUR 1.25. In 2008, a total of 18,236 warrants were traded at a total price of EUR 102,226.

#### Major changes in holdings

Amer Sports Corporation received 17 notifications of changes in share capital and voting rights in 2008. In accordance with Chapter 2, section 9 of the Securities Market Act, Amer Sports Corporation has reported all the flaggings in stock exchange releases, which are available on the company's website at [www.amersports.com/investors/stock\\_information/shareholders/](http://www.amersports.com/investors/stock_information/shareholders/).

#### BOARD OF DIRECTORS AND AUDITOR

Amer Sports Annual General Meeting was held on March 5, 2008. On the same day Novator Finland Oy demanded that an Extraordinary General Meeting of Amer Sports Corporation to be convened as soon as possible to elect a new Board of Directors for the company and to replace the members of the Board of Directors elected.

At the Amer Sports Corporation Extraordinary General Meeting held on June 4, 2008, the following resolutions were approved: The company's previous board members were released from their positions and a new Board of Directors was elected. Felix Björklund, Ilkka Brotherus, Anssi Vanjoki and Pirjo Väliäho were re-elected as members of the Board of Directors. Martin Burkhalter, Christian Fischer and Bruno Sälzer were appointed as new board members. The Board's term of service will run until the 2009 Annual General Meeting.

At its organizing meeting immediately following the Extraordinary General Meeting, the Board of Directors unanimously appointed Anssi Vanjoki as Chairman and Ilkka Brotherus as Vice Chairman. Pirjo Väliäho (Chairman of the Committee), Anssi Vanjoki, Bruno Sälzer and Christian Fischer were elected as members of the Compensation Committee. Ilkka Brotherus (Chairman of the Committee), Anssi Vanjoki and Felix Björklund were elected as members of the Nomination Committee. Felix Björklund (Chairman of the Committee), Ilkka Brotherus and Martin Burkhalter were elected as members of the Audit Committee.

The Authorized Public Accountant PricewaterhouseCoopers Oy was elected to act as an auditor of the company. The auditor in charge of the audit is Mr Jouko Malinen, Authorized Public Accountant. It was decided that the auditor's fee will be paid as invoiced.

#### **BUSINESS RISKS AND UNCERTAINTY FACTORS**

Amer Sports' business is balanced by its broad portfolio of sports and brands as well as its presence in all major markets. Amer Sports Corporation's short-term risks are particularly associated with consumer demand in North America and Europe. Further information on the company's business risks and uncertainty factors is available at the company's web site at [www.amersports.com/investors](http://www.amersports.com/investors).

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

- The United States represent 50% of the world-wide sporting goods market and some 40% of Amer Sports' sales. There is a correlation between the

demand for sporting goods and the development of U.S. retail sales. Therefore, a change in overall U.S. retail sales can have an impact on Amer Sports' business.

- Winter sports equipment represents 25% of Amer Sports' sales. Weather conditions can have an impact on the company's results. Historically, however, poor snow conditions in one region are compensated for by good snow conditions in another region.
- A change in the euro's value vis-à-vis other currencies has an impact on Amer Sports' results. The impact, however, is limited due to the fact that the company's euro-U.S. dollar position is balanced.
- Despite extensive testing of its products before market launch, the company cannot completely rule out the risk that the company can face legal action related to product liability. Amer Sports has standard insurance cover against financial consequences of product liability cases. Product liability cases could harm Amer Sports' reputation and, as a result, could have an adverse effect on its sales.
- Losing a significant client would affect Amer Sports' sales. However, this risk is limited because Amer Sports' client base is diversified, with the five largest clients accounting for less than 10% of the company's annual sales.
- Amer Sports uses steel, rubber and oil-based raw materials and components in its products. Price increases affecting these materials can have a negative impact on product costs. Amer Sports typically introduces new products every year, which can, depending on the market situation, offset the impact of material cost increases.
- A large part of Amer Sports' production is outsourced. The aim is to minimize the supply, quality and price risks associated with purchasing. Although the business areas audit their subcontractors regularly, possible delivery problems or breaches of contract by subcontractors may have an impact on Amer Sports' operations.
- Amer Sports' most important production facilities are the Winter Sports Equipment factory in Austria,

Precor's factory in the United States, and the Suunto factory in Finland. In addition, Amer Sports has major factories in Eastern Europe, which are owned by subcontractors. Amer Sports' most important distribution centers are located in Germany, Austria, the United States and France. Any unexpected production or delivery breaks in these units would have a negative impact on the company's development.

- A characteristic feature of the sporting goods industry is the need to protect intellectual property rights and disputes connected with them. The material impacts on Amer Sports' financial position and operational result arising from pending litigation affecting the business areas and decisions of the authorities are assessed regularly, and current estimates are presented publicly when necessary.

#### **OUTLOOK FOR 2009**

The Amer Sports outlook is clearly more uncertain than normally at this time of year. The company's results in 2009 are anticipated to improve thanks to a better cost efficiency in the Winter Sports Equipment business in particular.

#### **PROPOSED DIVIDEND**

Amer Sports seeks to be viewed as a competitive investment that increases shareholder value through a combination of dividends and share price performance. The company therefore pursues a progressive dividend policy reflecting its results, with the objective of distributing a dividend of at least one-third of annual net profits.

The parent company's unrestricted shareholders' equity amounts to EUR 285,709,814.15, of which net result for the period is EUR 91,602,197.38.

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

- a dividend of EUR 0.16 per share, totaling EUR 11,687,288.16 to be paid to shareholders

- EUR 274,022,525.99 to be carried forward in unrestricted shareholders' equity  
Totaling EUR 285,709,814.15

No dividend will be paid to 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.

## NET SALES BY BUSINESS SEGMENT

EUR million	2008	%	2007	Change, %
Winter and Outdoor	860.8	55	830.1	4
Ball Sports	495.5	31	530.9	-7
Fitness	220.3	14	291.0	-24
Total	1,576.6	100	1,652.0	-5

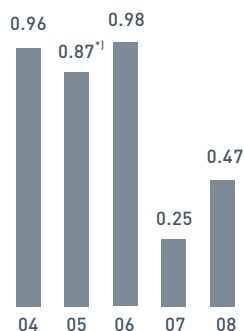
## EBIT BY BUSINESS SEGMENT

EUR million	2008	% of net sales	2007	% of net sales
Winter and Outdoor	41.1	5	20.9	3
Ball Sports	37.0	7	48.2	9
Fitness	3.8	2	37.2	13
Headquarters	-3.0	-	-14.1	-
	78.9	5	92.2	6
Non-recurring expenses related to the reorganization of Winter Sports Equipment business area	-		-42.7	
Total	78.9	5	49.5	3

## GEOGRAPHIC BREAKDOWN OF NET SALES

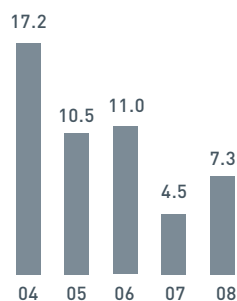
EUR million	2008	%	2007	Change, %
EMEA	723.0	46	704.9	3
Americas	677.8	43	774.1	-12
Asia Pacific	175.8	11	173.0	2
Total	1,576.6	100	1,652.0	-5

## EARNINGS PER SHARE, EUR

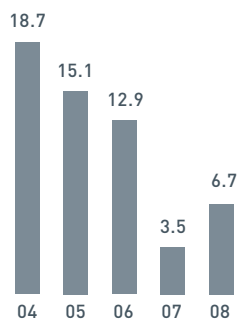


\*1 Pro forma

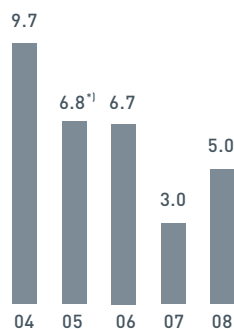
## RETURN ON INVESTMENT, %



## RETURN ON SHAREHOLDERS' EQUITY, %

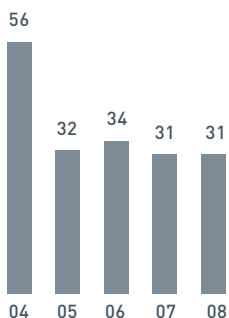


## EBIT, %

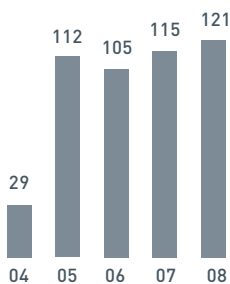


\*1 Pro forma

### EQUITY RATIO, %



### GEARING, %



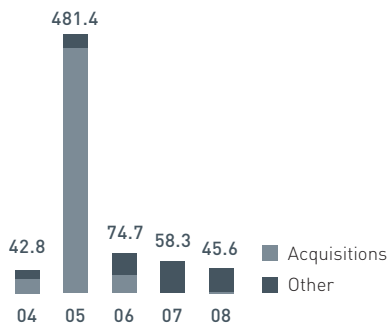
### PERSONNEL BY BUSINESS SEGMENT

	At year end		Average	
	2008	2007	2008	2007
Winter and Outdoor	3,777	3,701	3,686	3,834
Ball Sports	1,731	1,891	1,720	1,883
Fitness	765	815	816	806
Headquarters	65	58	63	59
<b>Total</b>	<b>6,338</b>	<b>6,465</b>	<b>6,285</b>	<b>6,582</b>

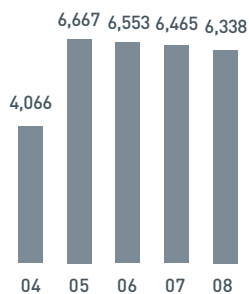
### PERSONNEL BY COUNTRY

	At year end	
	2008	2007
USA	1,586	1,788
France	1,015	1,228
Austria	711	681
Canada	605	630
Finland	396	404
Bulgaria	324	0
Germany	310	257
UK	200	195
China	179	140
Japan	171	189
Mexico	88	83
Switzerland	72	89
Taiwan	70	67
Malta	65	59
Spain	60	60
Australia	60	63
Brazil	58	56
Italy	54	99
Other countries	314	377
<b>Total</b>	<b>6,338</b>	<b>6,465</b>

### CAPITAL EXPENDITURE, EUR MILLION



### EMPLOYEES AT YEAR END



## QUARTERLY NET SALES

EUR million	I	II	III	IV	I	II	III	IV
	2008	2008	2008	2008	2007	2007	2007	2007
Winter and Outdoor	162.0	104.6	267.6	326.6	144.4	100.2	280.6	304.9
Ball Sports	144.0	130.9	110.6	110.0	163.6	150.4	109.9	107.0
Fitness	57.0	49.6	55.0	58.7	73.8	59.7	72.3	85.2
Total	363.0	285.1	433.2	495.3	381.8	310.3	462.8	497.1

## FIVE-YEAR REVIEW (IFRS)

EUR million
Net sales
Depreciation
Research and development expenses
% of net sales
EBIT
% of net sales
Net financing expenses
% of net sales
Earnings before taxes
% of net sales
Taxes
Net result from discontinued operations
Net result attributable to equity holders of the parent company
Capital expenditure and acquisitions
% of net sales
Divestments
Non-current assets
Inventories
Current receivables
Liquid funds
Non-current assets held for sale
Shareholders' equity and minority interests
Interest-bearing liabilities
Interest-free liabilities
Balance sheet total
Return on investment (ROI), %
Return on shareholders' equity (ROE), %
Equity ratio, %
Debt to equity ratio
Gearing, %
Average personnel
Calculation of key indicators, see page 116.



## QUARTERLY EBIT

EUR million	I	II	III	IV	I	II	III	IV
	2008	2008	2008	2008	2007	2007	2007	2007
Winter and Outdoor	-14.6	-26.7	45.7	36.7	-34.4	-28.8	48.9	35.2
Ball Sports	15.7	11.3	6.6	3.4	19.8	15.0	5.4	8.0
Fitness	3.7	-0.4	2.8	-2.3	9.9	6.2	8.1	13.0
Headquarters	-4.8	8.0	-3.6	-2.6	-3.1	-5.2	-3.3	-2.5
	0.0	-7.8	51.5	35.2	-7.8	-12.8	59.1	53.7
Non-recurring expenses related to the reorganization of Winter Sports Equipment business area	-	-	-	-	-	-	-	-42.7
Total	0.0	-7.8	51.5	35.2	-7.8	-12.8	59.1	11.0

2008	Change, %	2007	2006	2005	2004
1,576.6	-5	1,652.0	1,792.7	1,363.7	1,035.9
38.2	13	33.9	32.2	20.1	16.1
55.6	-4	57.7	58.5	39.4	31.3
4		3	3	3	3
78.9	59	49.5	120.2	82.3	100.5
5		3	7	6	10
-33.3	34	-24.9	-23.6	-9.0	-3.5
2		2	1	1	
45.6	85	24.6	96.6	73.3	97.0
3		1	5	5	9
11.6	90	6.1	26.1	-2.1	28.1
-		-	-	-	14.0
33.9	87	18.1	70.3	75.2	82.6
45.6	-22	58.3	74.7	481.4	42.8
3		4	4	35	4
31.0	444	5.7	2.8	9.6	34.1
688.0	1	682.6	674.5	700.9	395.6
346.0	16	299.2	290.4	301.6	154.4
555.8	-7	594.7	647.1	635.1	260.0
72.1	6	68.0	45.5	48.7	17.0
-		-	-	-	3.5
508.1	0	509.7	556.1	536.2	461.3
687.7	5	656.2	630.9	649.7	150.2
466.1	-3	478.6	470.5	500.4	219.0
1,661.9	1	1,644.5	1,657.5	1,686.3	830.5
7.3		4.5	11.0	10.5	17.2
6.7		3.5	12.9	15.1	18.7
31		31	34	32	56
1.4		1.3	1.1	1.2	0.3
121		115	105	112	29
6,291	-4	6,582	6,786	4,968	4,174

## CONSOLIDATED INCOME STATEMENT (IFRS)

EUR million	Note	2008	2007
<b>NET SALES</b>		<b>1,576.6</b>	1,652.0
Cost of goods sold	7	-943.6	-987.6
<b>GROSS PROFIT</b>		<b>633.0</b>	664.4
License income		14.3	18.0
Other operating income	4	18.9	7.9
R&D expenses	7	-55.6	-57.7
Selling and marketing expenses	7	-406.2	-407.6
Administrative and other expenses	7,8	-125.5	-132.8
Non-recurring expenses related to the reorganization of Winter Sports Equipment business area		-	-42.7
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	5,6,7	<b>78.9</b>	49.5
% of net sales		5.0	3.0
Financing income and expenses	9	-33.3	-24.9
<b>EARNINGS BEFORE TAXES</b>		<b>45.6</b>	24.6
Taxes	10	-11.6	-6.1
<b>NET RESULT</b>		<b>34.0</b>	18.5
Attributable to:			
Equity holders of the parent company		33.9	18.1
Minority interests		0.1	0.4
Earnings per share for the net result attributable to equity holders of the parent company, EUR	11		
Undiluted		0.47	0.25
Diluted		0.47	0.25

## CONSOLIDATED CASH FLOW STATEMENT (IFRS)

EUR million	Note	2008	2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
EBIT		78.9	49.5
Depreciation		38.2	33.9
Adjustments to cash flow from operating activities	21	-17.6	-3.4
Cash flow from operating activities before change in working capital		99.5	80.0
Increase (-) or decrease (+) in inventories		-46.3	-18.8
Increase (-) or decrease (+) in trade and other current receivables		50.2	22.1
Increase (+) or decrease (-) in interest-free current liabilities		-46.5	23.0
Change in working capital		-42.6	26.3
Cash flow from operating activities before financing items and taxes		56.9	106.3
Interest paid		-33.1	-23.1
Interest received		1.2	1.4
Income taxes paid		-14.5	-26.5
Financing items and taxes		-46.4	-48.2
Total cash flow from operating activities		10.5	58.1
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquired operations	3	-2.5	-
Company divestments	3	3.6	-
Capital expenditure on non-current tangible assets		-37.0	-46.5
Capital expenditure on non-current intangible assets		-6.1	-11.8
Proceeds from sale of tangible non-current assets		27.4	4.0
Proceeds from sale of available-for-sale investments		-	1.7
Proceeds from non-current loan receivable		-	1.0
Interest received from non-current receivables		0.0	0.0
Cash flow from investing activities		-14.6	-51.6
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of shares		-	10.6
Repurchases of own shares		-	-7.5
Change in short-term borrowings		-4.4	49.1
Withdrawals of long-term borrowings		40.0	150.0
Repayments of long-term borrowings		-4.1	-165.9
Dividends paid		-36.4	-36.2
Other financing items <sup>1)</sup>		11.3	16.7
Cash flow from financing activities		6.4	16.8
<b>CHANGE IN LIQUID FUNDS</b>		2.3	23.3
Liquid funds			
Liquid funds at year end		72.1	68.0
Translation differences		1.8	-0.8
Liquid funds at year beginning		68.0	45.5
<b>Change in liquid funds</b>		2.3	23.3

<sup>1)</sup> Including, for example, cash flow from hedging intercompany balance sheet items

The above figures cannot be directly traced from the balance sheet due to acquisitions/divestments of subsidiaries and changes in rates of exchange.

## CONSOLIDATED BALANCE SHEET (IFRS)

<b>ASSETS</b>			
EUR million	Note	2008	2007
<b>NON-CURRENT ASSETS</b>			
	12		
Intangible rights		198.0	201.9
Goodwill		279.3	270.9
Other intangible assets		9.5	7.6
Land and water		15.3	13.9
Buildings and constructions		48.3	56.2
Machinery and equipment		64.2	61.1
Other tangible assets		0.7	0.7
Advances paid and construction in progress		6.8	4.0
Available-for-sale investments	13	0.8	0.8
Deferred tax assets	14	60.8	62.6
Other non-current receivables		4.3	2.9
<b>TOTAL NON-CURRENT ASSETS</b>		<b>688.0</b>	<b>682.6</b>
<b>CURRENT ASSETS</b>			
<b>INVENTORIES</b>			
	15		
Raw materials and consumables		49.3	49.5
Work in progress		10.3	9.5
Finished goods		286.4	240.2
		346.0	299.2
<b>RECEIVABLES</b>			
Accounts receivable	15	479.1	523.4
Loans receivable		0.3	0.2
Current tax assets		13.2	11.7
Prepaid expenses and other receivables	16	63.2	59.4
		555.8	594.7
<b>LIQUID FUNDS</b>	13	<b>72.1</b>	<b>68.0</b>
<b>TOTAL CURRENT ASSETS</b>		<b>973.9</b>	<b>961.9</b>
<b>ASSETS</b>	27	<b>1,661.9</b>	<b>1,644.5</b>

**SHAREHOLDERS' EQUITY AND LIABILITIES**

EUR million	Note	2008	2007
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>			
	17		
Share capital		292.2	289.3
Premium fund		12.1	15.0
Fund for own shares		-5.7	-7.5
Translation differences		-62.5	-66.8
Fair value and other reserves	25	-6.2	-2.7
Retained earnings		241.7	260.8
Net result		33.9	18.1
<b>TOTAL</b>		<b>505.5</b>	<b>506.2</b>
<b>MINORITY INTERESTS</b>		<b>2.6</b>	<b>3.5</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>508.1</b>	<b>509.7</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Bonds	18	75.0	150.0
Loans from financial institutions	18	72.0	67.9
Pension loans	18	31.4	0.5
Other interest-bearing liabilities	18	1.5	0.2
Deferred tax liabilities	14	7.5	10.4
Other interest-free liabilities		14.5	8.3
		<b>201.9</b>	<b>237.3</b>
<b>CURRENT LIABILITIES</b>			
Interest-bearing liabilities	18	507.8	437.6
Accounts payable		178.5	164.8
Accrued liabilities	19	196.6	191.4
Current tax liabilities		13.9	15.8
Provisions	20	55.1	87.9
		<b>951.9</b>	<b>897.5</b>
<b>TOTAL LIABILITIES</b>	27	<b>1,153.8</b>	<b>1,134.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,661.9</b>	<b>1,644.5</b>

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS)

EUR million

**Balance at January 1, 2007**

Translation differences
Cash flow hedges
Net income recognized directly in equity
Net result
Total recognized income and expense for the period
Dividend distribution
Repurchases of own shares
Warrants
Warrants exercised
Other change in minority interest

**Balance at December 31, 2007**

Translation differences
Cash flow hedges
Net income recognized directly in equity
Net result
Total recognized income and expense for the period
Dividend distribution
Reissuance of own shares
Warrants
Warrants exercised
Other change in minority interest

**Balance at December 31, 2008**

Note 17 provides additional information on shareholders' equity, note 25 on the fair value and other reserves and note 14 on the taxes charged to shareholders' equity.

Attributable to equity holders of the parent company

Share capital	Premium fund	Fund for own shares	Translation differences	Fair value and other reserves	Retained earnings	Total	Minority interests	Total shareholders' equity
286.8	6.9		-41.5	4.2	296.1	552.5	3.6	556.1
			-25.3			-25.3		-25.3
				-6.9		-6.9		-6.9
			-25.3	-6.9		-32.2		-32.2
					18.1	18.1	0.4	18.5
			-25.3	-6.9	18.1	-14.1	0.4	-13.7
					-36.0	-36.0	-0.2	-36.2
		-7.5				-7.5		-7.5
					0.7	0.7		0.7
2.5	8.1					10.6		10.6
							-0.3	-0.3
2.5	8.1	-7.5			-35.3	-32.2	-0.5	-32.7
289.3	15.0	-7.5	-66.8	-2.7	278.9	506.2	3.5	509.7
			4.3			4.3		4.3
				-3.5		-3.5		-3.5
			4.3	-3.5		0.8		0.8
					33.9	33.9	0.1	34.0
			4.3	-3.5	33.9	34.7	0.1	34.8
					-36.3	-36.3		-36.3
		1.8				1.8		1.8
					-0.9	-0.9		-0.9
2.9	-2.9					0.0		0.0
							-1.0	-1.0
2.9	-2.9	1.8			-37.2	-35.4	-1.0	-36.4
292.2	12.1	-5.7	-62.5	-6.2	275.6	505.5	2.6	508.1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

### GENERAL

Amer Sports Corporation is a Finnish public listed company that is domiciled in Helsinki.

Amer Sports Corporation and its subsidiaries ("the Group") manufacture, sell and market sports equipment, apparel and footwear to the sports equipment trade. The Group's business is founded on its globally recognized brands – the major brands are Wilson, Salomon, Precor, Atomic, Mavic, Suunto and Arc'teryx.

The Group has its own operations in 36 countries and its main market areas are the United States and Europe.

### BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU, observing the IAS and IFRS standards and SIC and IFRIC interpretations in force as of December 31, 2008. In the Finnish Accounting Act and the provisions issued under it, International Financial Reporting Standards refer to standards approved for use in the EU in accordance with the procedure laid down in the EU regulation (EC) No 1606/2002, and their interpretations.

The following new and amended standards and interpretations that came into effect in 2008 did not have material impact on the Group's financial statements:

- IFRIC 11 (IFRS 2 – Group and Treasury Share Transactions)
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 14 (IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
- IAS 39/IFRS 7 (Reclassification of Financial Assets)

Due to the recent international financial crisis, the amendment permits an entity to reclassify some of its non-derivative financial assets.

The Group will adopt the following amendment and new standard in 2009 (not yet approved for use in the EU):

- IAS 1: Presentation of Financial Statements  
The revised standard will change the presentation of the consolidated income statement and statement of changes in shareholders' equity.
- IFRS 8 (Operating Segments)  
IFRS 8 will replace the present IAS 14 (Segment Reporting) standard, and in accordance with it, segment reporting will be based on the management's internal reporting and the accounting principles adopted therein. According to the Group's estimate, the new standard will not change Amer Sports' current segmentation, which is consistent with the Group's internal reporting. Furthermore, IFRS 8 requires disclosures e.g. about the Group's geographical areas and significant customers.

The following amendments and interpretations that will come into force in 2009 are expected not to have any material effect on the consolidated financial statements (not yet approved for use in the EU):

- IAS 23: Borrowing Costs  
The amended standard requires an entity to capitalize borrowing costs directly attributable to a qualifying asset such as a production plant as part of the cost of that asset.
- IAS 27: Consolidated and Separate Financial Statements
- IAS 1/IAS 32 (Puttable Financial Instruments and Obligations Arising on Liquidation)
- IAS 39 (Eligible Hedged Items)
- IFRS 1/IAS 27 (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate)
- IFRS 2 (Vesting Conditions and Cancellations)
- IFRIC 13 (Customer Loyalty Programmes)
- IFRIC 15 (Agreements for the Construction of Real Estate)
- IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
- Improvements to IFRS  
Small changes to 34 standards as part of the annual Improvements to IFRS project.

The Group will adopt the amendments in the standard IFRS 3 (Business Combinations) in 2010. Among other things the amendments include a requirement to expense all transaction costs and they affect the value of goodwill recognized in business combinations. In accordance with the transitional provisions of the standard, business combinations with an acquisi-



tion date prior to the effective date of the standard are not adjusted. The revised standard has not yet been approved for use in the EU.

The consolidated financial statements are presented in millions of euros and are based on historical cost conventions with the exception of available-for-sale investments, financial assets and liabilities measured at fair value through profit and loss as well as derivative financial instruments at fair value.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include all subsidiaries in which the parent company holds directly or indirectly more than half of the votes or otherwise controls as well as affiliated companies in which the Group holds 20–50% of the voting rights or in which it otherwise has considerable influence. Companies acquired during the financial year have been included in the consolidated financial statements from the date when control was obtained. Similarly, divested functions are included up to the date when control has been relinquished.

The consolidated financial statements are prepared according to the historical cost method. The acquisition cost is allocated to assets, liabilities and contingent liabilities on the basis of their fair value at the time of acquisition. The proportion in excess of the fair value constitutes goodwill. Goodwill is not amortized, but its value is measured at least once a year by means of a cash flow-based impairment test (see impairment of assets below). Impairment losses are booked in the income statement.

Inter-company transactions as well as receivables and liabilities are eliminated. Minority interests are presented as a separate item. Minority interests are also shown under shareholders' equity in the balance sheet.

Affiliated companies are consolidated using the equity method. The Group's share of the results of affiliated companies is included in the consolidated income statement. The Group's share of the post-acquisition accumulated net assets of affiliated companies is added to the acquisition cost of affiliated companies and to retained earnings in the consolidated balance sheet.

### FOREIGN CURRENCIES

The assets and liabilities of foreign subsidiaries are translated into euros at the average rates of exchange confirmed by the European Central Bank on the bal-

ance sheet date. The income statement is translated into euros by consolidating each calendar month separately using the actual daily average rate for the month, whereby the sum of the twelve calendar months represents the whole year. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries are booked to translation differences in consolidated shareholders' equity. Inter-company long-term capital loans that are not expected to be repaid and are thus a part of the company's net investment in the foreign unit are treated similarly. Cumulative translation differences prior to January 1, 2003 are included in retained earnings.

The following exchange rates have been used in the consolidated accounts:

	Income statement <sup>†1</sup>		Balance sheet	
	2008	2007	12/08	12/07
USD	1.47	1.37	1.39	1.47
CAD	1.56	1.47	1.70	1.44
JPY	152.87	161.25	126.14	164.93
GBP	0.79	0.68	0.95	0.73

<sup>†1</sup> Calculated average for the monthly average rates

Group companies record transactions in foreign currency at the rate on the transaction date or at an estimated rate sufficiently close to the rate on the transaction date. Assets and liabilities denominated in foreign currencies that are outstanding at the end of the financial year are translated at the average rate of exchange in effect on the balance sheet date.

Foreign exchange gains and losses related to operational transactions are presented in the EBIT. Exchange rate gains and losses on foreign currency-denominated loans and other receivables and liabilities connected with financing transactions are recorded at their net values as financing income and expenses.

### DERIVATIVES AND HEDGE ACCOUNTING

Derivative instruments used to hedge against currency and interest rate risks – such as interest rate swaps, forward contracts and forward rate agreements – are measured at fair value on the day that the Group becomes a party to the contract. Subsequent measurement is also at fair value. Gains and losses from fair value measurement are treated in accordance with the purpose of the derivative financial instrument. The fair value of derivatives is presented in current non-interest-bearing receivables or liabilities.

Changes in the value of derivative instruments not

used in hedge accounting are recorded as a credit or charge to earnings in financing income and expenses, except for when they are associated with hedging the cash flow from operating activities, in which case they are recorded in other operating income and expenses. Forward contracts are measured at fair value using the fixing rates quoted by the European Central Bank on the closing date. The original interest rate differential on forward contracts is recorded as a credit or charge to earnings.

The fair value of forward rate agreements is based on the market prices quoted on the closing date. The fair values of interest rate swaps are calculated as the current value of future cash flows.

The Group applies hedge accounting to forward contracts that hedge material cash flows from operating activities and to interest rate swaps hedging against the interest risks associated with floating-rate loans. The change in the measurement result of these financial instruments is recognized in the fair value and other reserves under shareholders' equity, provided that they meet the requirements set for the application of hedge accounting under IAS 39 and are effective. Any ineffective component, however, will be immediately recognized as a credit or charge to earnings. The cumulative change in gains or losses for the effective hedges is transferred to the income statement for the period when the hedged item is recorded in the income statement. If the hedge does not meet the requirements set for hedge accounting under IAS 39, the change in fair value of these hedges is immediately recorded in full in financing income and expenses in the income statement in the case of interest rate hedges and in the case of operating cash flow hedges in other operating income and expenses.

When initiating hedge accounting, the Group documents the correlation between the hedged item and the hedging instruments, as well as the Group's risk management objective and hedge initiation strategy. The Group documents and evaluates the effectiveness of hedges when initiating hedging and on a quarterly basis by examining the degree to which the hedging instrument offsets changes in the fair value and cash flow of the hedged item.

The Group does not hedge the net investment in an independent foreign unit with derivatives. Fair value hedging is not applied.

## MEASUREMENT OF FINANCIAL ASSETS

In accordance with IAS 39: Financial Instruments: Recognition and Measurement, financial assets are categorized in:

- I. financial assets at fair value through profit or loss
- II. held-to-maturity investments
- III. loans and receivables
- IV. available-for-sale financial assets

Available-for-sale financial assets, such as commercial papers, are measured at their fair value. Changes in fair values are booked as a credit or charge to earnings in financing income and expenses. Purchases and sales of investments are entered in the accounts on the transaction date.

Held-to-maturity investments and loans granted by the company are carried at amortized cost using the effective interest rate method. Current financial assets are valued at cost.

Available-for-sale investments are measured at their fair value by applying the market prices at the balance sheet date or some other determination of value used by the company. The change in fair value is presented in fair value and other reserves under shareholders' equity. Fair value changes are transferred from shareholders' equity to the income statement when the investment is sold or its value has been impaired such that an impairment loss must be recognized. Available-for-sale investments whose fair value cannot be determined reliably are measured at cost or a lower value if they are impaired.

On each closing date, the Group assesses whether there is objective evidence for the impairment of a financial asset item or class. The impairment loss is recorded as a credit or charge to earnings in financing items.

## REVENUE RECOGNITION

Revenue from the sale of goods is booked when significant risks and rewards connected with ownership of the goods have been transferred to the purchaser. Net sales represent the invoiced value of goods, less value added taxes as well as discounts and adding or subtracting foreign exchange differences.

Revenue obtained from other companies is booked to license income when these companies manufacture or sell products bearing the Amer Sports trademarks. In addition, license income includes royalty payments obtained from other companies when they utilize manufacturing technology patents owned by the Amer Sports.

Other operating income comprises rental income, gains on the sale of non-current assets as well as other non-recurring income, such as patent settlements.

#### **COST OF GOODS SOLD**

The cost of goods sold includes all the salary and wage, material, procurement and other costs connected with the manufacture and purchase of products.

#### **RESEARCH AND DEVELOPMENT EXPENSES**

Expenses connected with the technical development and testing of products as well as royalties for the utilization of non-proprietary manufacturing technology patents are booked to research and development expenses. Research and development expenses are not capitalized owing, notably, to the short life cycle of products.

#### **SALES AND MARKETING EXPENSES**

Expenses related to the sales, distribution, marketing and advertising of products are booked to sales and marketing expenses. These include sales inventory, customer service, marketing and sales, media advertising expenses and athlete endorsements.

#### **ADMINISTRATIVE AND OTHER EXPENSES**

Administrative and other expenses encompass Group Headquarters' expenses, general administration expenses, as well as minor one-off losses such as losses on disposals of non-current assets.

#### **PENSION PLANS**

The Group's pension arrangements comply with the local rules and practices of the countries where Amer Sports operates. Pension expenses based on regularly checked calculations that are prepared by the local authorities or authorized actuaries are recognized as an expense of the financial period. Under defined contribution based plans, such as principally within the Finnish TEL employment pension system, the Group's contributions are recorded as an expense in the period to which they relate. In defined benefit plans, pension expenses are recognized in the income statement, periodizing the regular costs for the employee's years of employment according to annual pension actuarial computations, applying the projected unit credit method. The pension liability is obtained by calculating the present value of future pension contributions, applying the rate on long government treasury bills or similar instruments as the discount rate. Actuarial gains and losses are recognized in the income state-

ment for the employees' average remaining period of service to the extent that they exceed the greater of 10% of the defined benefit obligation or 10% of the fair value of plan assets.

#### **SHARE-BASED PAYMENT**

The warrants or other share-based incentive schemes granted to key employees of the Group are measured at fair value at the time of granting using generally accepted warrant valuation models. The fair values of warrants are periodized as expenses in the income statement in even installments over the vesting period of the rights. The expense determined at the time of granting the warrants is based on an estimate of the number of warrants that it is believed will vest at the end of the vesting period. The contra item in the balance sheet is retained earnings. The Group updates its estimate of the final number of warrants on each closing date. Changes in the estimates are recognized in the income statement.

The cash payments based on exercise of the warrants are entered in the company's share capital and share premium fund.

#### **NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

A non-current asset is categorized as held for sale when the economic benefits gained from it will be accrued primarily from its sale rather than continuous use. Non-current assets held for sale are measured at the lower of of the following two values carrying amount or fair value less selling costs and disclosed on a separate line in the balance sheet. These assets are not depreciated.

Discontinued operations refer to a significant part of the company (such as a segment) that it has decided to discontinue. The net result of discontinued operations is disclosed on its own line in the income statement, separately from continuing operations.

#### **BORROWING COSTS**

Borrowing costs are recognized as an accrual-based expense. The transaction costs of borrowing are included in the periodized initial cost and are periodized as interest expenses using the effective interest method.

#### **INCOME TAXES**

Taxes include the taxes for the financial year calculated on the basis of the result for the period or dividend paid out and in accordance with the tax legislation of each

company's local domicile as well as assessed or returned taxes for previous financial periods and the change in deferred taxes.

Deferred tax assets and liabilities are calculated on all temporary differences between the book and tax base of assets in accordance with the tax rate at the balance sheet date or with the future tax rates prevailing when the tax is estimated to be paid. Temporary differences arise from factors such as unused tax losses, depreciation differences, provisions, defined benefit pension plans, the fair valuation of derivative financial instruments, the internal inventory margin as well as measurements to fair value of assets in connection with business acquisitions. The tax effect of undistributed earnings of subsidiaries is recorded as a deferred tax liability if a dividend payout is probable and it will result in tax consequences. A deferred tax asset is recognized as a result of unused tax losses and other temporary differences to the extent that it is probable that they can be utilized in future financial periods. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority.

#### **EARNINGS PER SHARE**

The undiluted earnings per share are calculated by dividing the net result for the financial year by the weighted average number of shares outstanding during the financial year. The dilutive effect of warrants is taken into account in calculating diluted earnings per share.

#### **GOVERNMENT GRANTS**

Government grants received are entered as adjustments to expenses in the result for the financial period except when they relate to investments, in which case they are deducted from the cost.

#### **INTANGIBLE RIGHTS AND OTHER**

##### **INTANGIBLE NON-CURRENT ASSETS**

Intangible rights comprise trademarks and patents; software licenses, for instance, are included in other intangible assets. Patents and software licenses are recognized in the balance sheet at cost and amortized on a straight-line basis during a useful life of from three to fifteen years. Trademarks with indefinite useful lives are not amortized, but an annual cash flow-based impairment test is carried out on them (see impairment of assets below).

##### **TANGIBLE NON-CURRENT ASSETS**

Tangible non-current assets are stated as the difference between the initial costs and accumulated depreciation less any impairment losses (see impairment of assets below).

Depreciation is calculated on a straight-line basis in order to write off the cost of the tangible assets over their expected useful lives, adjusting for any impairment. The depreciation periods are:

Buildings	25–40 years
Machinery and equipment	3–10 years
Land and water are not depreciated.	

##### **IMPAIRMENT OF ASSETS**

The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill and other intangible rights having an indefinite useful life are nevertheless assessed at least once a year.

Impairment tests involve measuring the recoverable amount of said asset. The recoverable amount is the higher of the asset's net selling price or cash flow-based value in use. An impairment loss is recognized in the income statement when the carrying amount of an asset is greater than the recoverable amount. Impairment recognized on assets other than goodwill is reversed if a change occurs in the estimates leading to the impairment charge. An impairment loss is reversed to a maximum amount that does not exceed the carrying amount of the asset if an impairment would not have been originally recognized.

The recoverable amount of goodwill and intangible rights with indefinite useful lives is always determined via their cash flow-based values in use. The future cash flows used in impairment calculations are based on budgets and strategic plans for the next three years as approved by the Group's Board of Directors. The cash flow for subsequent years has been estimated conservatively based on the growth assumptions made in the three-year plans.

In the cash flow-based impairment calculations for other intangible rights and property, plant and equipment, only the cash flows for the next five years are recognized, of which the first three are based on the budgets and strategic plans for the next three years as approved by the Group's Board of Directors. In the calculations, the fourth and fifth years are estimated conservatively according to the growth assumptions

made in the three-year plans. The residual values used in the calculations are estimates of the probable net selling prices of the asset items.

The discount rate in the calculations is based on the long-term risk-free market interest rate and a generally used standard risk premium.

#### **INVESTMENT PROPERTIES**

Investment properties are real estate that is held because of rental income or an appreciation in the property value. Investment properties are measured at cost. The Group does not have major assets that are classified as investment properties.

#### **LEASE AGREEMENTS**

Lease agreements relating to tangible assets, in which the Group bears an essential part of the ownership risks and rewards, are classified as finance lease agreements. A finance lease agreement is entered in the balance sheet at the lower of the asset's fair value or the present value of minimum lease payments, and it is amortized. Lease obligations are included in interest-bearing liabilities. The Group does not have major finance lease agreements. Other leasing payments are treated as rental expenses.

#### **INVENTORIES**

Inventories are measured at the lower of cost calculated according to the FIFO principle or the net realizable value. For self-manufactured products, the cost includes direct wage and raw materials costs for the manufacture of the products as well as a portion of the indirect costs of manufacture. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **ACCOUNTS RECEIVABLE**

Accounts receivable are carried at the original invoiced amount less impairment losses and credits for returns. Impairment losses are recognized case by case and on the basis of historical experience when there is evidence that the receivable cannot be recovered in full, such as due to the payment difficulties or impending bankruptcy of the debtor.

#### **LIQUID FUNDS**

Liquid funds comprise cash in hand and deposits held at call with banks as well as readily realizable marketable securities (maturity less than three months).

#### **FINANCIAL LIABILITIES**

Financial liabilities are initially carried at fair value. Transaction costs are included in the original carrying amount of financial liabilities. All financial liabilities are subsequently carried at amortized cost using the effective interest rate method. Used revolving credit facilities are included in current interest-bearing liabilities. Financial liabilities are classified as current liabilities unless they mature over 12 months after the balance sheet date, in which case they are included in long-term liabilities.

#### **PROVISIONS**

Obligations arising as the consequence of a past event, which are legal or which the company has an obligation to settle and are considered certain or likely to occur, are booked in the income statement under an appropriate expense heading. They are presented in the balance sheet as provisions when it is probable that the resources will be transferred out of the Group but the precise amount or timing is not known. In other cases they are presented as accrued liabilities. The most important regular provisions are due to the repair or replacement of products during the warranty period. These provisions are determined on the basis of historical experience. A provision for reorganization is made when the Group has drawn up a detailed reorganization plan and announced the reorganization.

#### **USE OF ESTIMATES IN THE FINANCIAL STATEMENTS**

When preparing the financial statements, the Group's management has to make estimates and assumptions influencing the content of the financial statements and it must exercise its judgment regarding the application of accounting policies. The most important of these estimates and assumptions are related to any impairment of goodwill and other asset items, such as trademarks, property, plant and equipment, inventories and accounts receivable; provisions for reorganization, warranty and legal proceedings; evaluation of pension liabilities and share-based payments schemes as well as the future utilization of deferred tax assets. Actual results may differ from these estimates. Any changes in the estimates and assumptions are recognized in the period in which the estimate or assumption is revised.

## 2. SEGMENT INFORMATION

The Group's primary form of segment reporting is according to the business segments. The business segments are based on the Group's organizational structure and management reporting. The business segments are Winter and Outdoor, Ball Sports and Fitness. There were no intersegment business operations in 2008 and 2007. In income statement line items after EBIT have not been allocated to the segments.

The assets and liabilities of the business segments include only items directly connected to the business as well as the goodwill and non-current intangible assets with indefinite useful lives related to them. Unallocated items, including Group Headquarters,

include tax and financing items as well as items allocated to the company as a whole.

The Group's geographical segments are the Americas (North, South and Central America), EMEA (Europe, the Middle East and Africa) and Asia Pacific (including Japan and Australia). The definition of these areas is based on their geographical risks as well as the organization of the Group's sales operations. Net sales of the geographical segments are presented according to customers' location and assets according to where the assets are located. Goodwill is not allocated to the geographical areas.

### BUSINESS SEGMENTS

2008

EUR million

Net sales

EBIT

% of net sales

Goodwill and non-current intangible assets with indefinite useful lives

Other assets

Liabilities

Capital expenditure

Depreciation

Cash flow from operating activities before financing items and taxes

2007

EUR million

Net sales

EBIT

% of net sales

Goodwill and non-current intangible assets with indefinite useful lives

Other assets

Liabilities

Capital expenditure

Depreciation

Cash flow from operating activities before financing items and taxes

## GEOGRAPHICAL SEGMENTS

2008

EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	677.8	723.0	175.8	-	-	1,576.6
Assets	424.8	566.4	160.6	-117.9	628.0	1,661.9
Capital expenditure	11.1	28.0	4.1	-	-	43.2

2007

EUR million	Americas	EMEA	Asia Pacific	Elimination	Unallocated items	Total
External net sales	774.1	704.9	173.0	-	-	1,652.0
Assets	433.8	575.2	127.7	-163.6	671.4	1,644.5
Capital expenditure	28.5	27.8	2.0	-	-	58.3

Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
860.8	495.5	220.3	1,576.6	-	1,576.6
41.1	37.0	3.8	81.9	-3.0	78.9
4.8	7.5	1.7	5.2	-	5.0
218.0	96.7	144.3	459.0	-	459.0
657.4	284.4	101.0	1,042.8	160.1	1,202.9
239.3	130.2	42.7	412.2	741.6	1,153.8
26.0	9.8	7.0	42.8	0.3	43.1
25.1	7.8	4.8	37.7	0.5	38.2
50.4	11.4	20.7	82.5	-25.6	56.9

Winter and Outdoor	Non-recurring expenses related to reorganization	Winter and Outdoor total	Ball Sports	Fitness	Business segments total	Unallocated items	Total
830.1	-	830.1	530.9	291.0	1,652.0	-	1,652.0
20.9	-42.7	-21.8	48.2	37.2	63.6	-14.1	49.5
2.5	-	-	9.1	12.8	3.8	-	3.0
218.3	-	218.3	91.4	140.8	450.5	-	450.5
677.0	-	677.0	240.7	126.2	1,043.9	150.1	1,194.0
257.9	-	257.9	122.0	56.9	436.8	698.0	1,134.8
27.2	-	27.2	24.3	6.4	57.9	0.4	58.3
23.2	-	23.2	5.5	4.4	33.1	0.8	33.9
36.4	-	36.4	57.5	25.7	119.6	-13.3	106.3

### 3. ACQUIRED AND DIVESTED BUSINESSES

There were no significant business acquisitions or company divestments in 2008 and 2007.

Suunto Oy's subsidiary Ursuk Oy was sold in February 2008 for EUR 2.6 million, and ClubCom Inc., part of the Fitness business segment, in September 2008 for EUR 1.0 million. These transactions did not result in significant gains or losses.

In a transaction published in September 2008, Amer Sports acquired the net assets of its long-term Bulgarian subcontractor, Pamporovo Ski, mainly consisting of a factory site and inventories, for approximately EUR 5 million. Of the purchase price, EUR 2.5 million was paid during the financial period 2008. The fair values of the acquired net assets did not substantially differ from their carrying amounts. The company's 330 employees will continue with the newly established Amer Sports Bulgaria.

### 4. OTHER OPERATING INCOME

EUR million	2008	2007
Rental return on real estate	1.0	0.6
Gain on sale of non-current assets <sup>1)</sup>	15.8	4.1
Changes in the fair value of foreign exchange contracts not used in hedge accounting	0.1	1.0
Other	2.0	2.2
Total	18.9	7.9

<sup>1)</sup> Amer Sports Oyj Corporation sold its corporate headquarters building in April 2008 for EUR 23.0 million. As a result of the transaction, the company booked a capital gain of EUR 13.1 million.

### COMPENSATION OF AUDITORS

EUR million	2008	2007
Statutory audit	1.9	1.9
Certifications and opinions required by law	0.0	0.0
Tax consulting	0.4	0.4
Other services	0.2	0.2
Total	2.5	2.5

### 5. EMPLOYEE BENEFITS

EUR million	2008	2007
Wages and salaries	235.3	251.6
Social expenditure		
Pensions – defined contribution plans	6.9	7.7

Pensions – defined benefit plans	0.9	1.2
Other social security	51.6	57.5
Total	294.7	318.0

In countries where social expenditure paid to society cannot be divided between pensions and other social security, the expenses are presented under the heading Other social security.

Salaries and other compensation of the management are presented in note 26 and on pages 141–143.

### 6. PENSIONS

Pension security for Group companies is based on each country's local regulations and practices. The Group's most significant defined benefit pension plan is for Wilson Sporting Goods Co. in USA. Other countries where the Group has defined benefit plans include France, Switzerland, UK and Finland. These are handled via pension funds or pension companies whose assets are not included in the Group's assets. Contributions to the funds are made in accordance with local regulations. In USA and UK pension funds are closed, and new members are no longer admitted to them. The Group's other pension arrangements, such as the Finnish TEL statutory employment pension, are mainly defined contribution plans.

The net liability recognized in the balance sheet relating to defined benefit pension plans is defined as follows:

EUR million	2008	2007
Present value of funded obligations	83.3	85.0
Fair value of plan assets	-60.7	-78.4
Deficit/(surplus)	22.6	6.6
Unrecognized actuarial gains (-) and losses (+)	-17.5	2.9
Net liability in the balance sheet	5.1	9.5

Movements in the net liability recognized in the balance sheet:

EUR million	2008	2007
Net liability at January 1	9.5	2.8
Expense recognized in the income statement	0.9	1.2
Contributions paid	-2.0	-1.6
Changes in pension schemes	-1.9	6.4
Translation differences	-1.4	0.7
Net liability at December 31	5.1	9.5



Net liability in the balance sheet:

Assets	5.6	4.8
Liabilities	10.7	14.3
Net liability at December 31	5.1	9.5

Amounts recognized in the income statement:

EUR million	2008	2007
Current service cost	2.0	2.4
Interest cost	4.7	4.3
Expected return on plan assets	-5.8	-5.6
Recognized actuarial gains (-) and losses (+)	0.0	0.1
Past service cost	0.0	0.0
Total, included in personnel expenses	0.9	1.2
The actual return on plan assets	-16.1	4.6

Movements in the present value of obligations:

EUR million	2008	2007
Present value of obligations at January 1	85.0	86.4
Current service cost	2.0	2.4
Interest cost	4.7	4.3
Recognized actuarial gains (-) and losses (+)	2.2	-5.9
Changes in pension schemes	-4.7	6.7
Translation differences	-1.9	-5.8
Benefits paid	-4.0	-3.1
Present value of obligations at December 31	83.3	85.0

Movements in the fair value of plan assets:

EUR million	2008	2007
Fair value of plan assets at January 1	78.4	84.9
Contributions paid	5.8	5.6
Recognised actuarial gains (-) and losses (+)	-20.2	-3.8
Contributions paid	2.0	1.6
Changes in pension schemes	0.0	-0.2
Translation differences	-1.3	-6.6
Benefits paid	-4.0	-3.1
Fair value of plan assets at December 31	60.7	78.4

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

%	2008	2007
Equity	60	63
Bonds	33	33
Other	7	4
Total	100	100

Principal actuarial assumptions:

%	2008		2007	
	USA	Europe	USA	Europe
Discount rate	6.4-6.8	3.5-6.0	6.5-6.8	3.5-5.3
Expected return on plan assets	8.0	3.0-6.8	8.0	4.0-6.9
Future salary increases	4.5	1.0-3.0	4.5	1.0-3.5
Future pension increases	4.0	1.0-3.4	4.0	0.0-3.3

Amounts for the current period and previous year:

EUR million	2008	2007
Present value of obligations	83.3	85.0
Fair value of plan assets	60.7	78.4
Surplus(+)/Deficit(-)	-22.6	-6.6
Experience adjustments on plan assets	-18.8	-0.8

The Group expects to contribute EUR 1.7 million to its defined benefit pension plans in 2009.

## 7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

### DEPRECIATION AND AMORTIZATION BY ASSET TYPE

EUR million	2008	2007
Intangible rights	7.3	8.9
Other intangible assets	1.7	0.7
Buildings and constructions	5.0	5.8
Machinery and equipment	22.2	18.5
Total	36.2	33.9

### IMPAIRMENT LOSSES BY ASSET TYPE

EUR million	2008	2007
Buildings and constructions	-	-
Machinery and equipment	2.0	-
Total	2.0	-

### DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES BY FUNCTION

EUR million	2008	2007
Cost of goods sold	16.7	13.9
Research and development	1.6	1.5
Selling and marketing	3.8	3.5
Administration and other expenses	16.1	15.0
Total	38.2	33.9

Impairment tests of goodwill and other intangible rights with indefinite useful lives, such as trademarks, are performed when there is an indication of impairment or in the last quarter of the year at the latest. Tests are carried out mainly at the business area level. Tests are based on the value in use calculations with following assumptions. In connection with budgeting, three-year business plans are prepared. The growth assumption of each business is based on the market and competition conditions prevailing in that business area. After three years, growth is assumed to be one half of the budgeted growth while the terminal growth rate is 1.5 to 2.0%. All business areas operate in global markets. For this reason, the same discount rate has been used for all business areas, where the interest rate for liabilities has been calculated as the weighted average of the interest rates of the Group's key currencies. In 2008, the discount rate before taxes was 9,0% (10.0%). In addition, alternative calculations have been made with the discount rate ranging from 8.5% to 9.5%. These calculations would not have resulted in different outcomes. In 2008, the value in use of goodwill and

other intangible rights with indefinite useful lives, such as trademarks, of all independent cash generating units exceeded their carrying amount. The management considers it unlikely that there would be any changes in the assumptions that would result in impairment losses. The management believes that the profitability of the Fitness business segment will improve considerably once the general economic situation begins to improve. Furthermore, according to the management view, the profitability of Winter Sports equipment is expected to improve due to positive impacts of the changes that were completed during 2008.

Brands owned by Amer Sports are well known and established in their respective areas. Products sold under these brands have been available to customers for a long period (e.g. Salomon 60 years, Mavic over 100 years) and used by top athletes for decades. Amer Sports strongly focuses on brand awareness and on the quality and performance of the products. The brands create positive cash flow and thus describing their useful lives as indefinite is justified.

The Group's goodwill and non-current intangible assets with indefinite useful lives are allocated to the following businesses:

EUR million	2008		2007	
	Goodwill	Non-current intangible assets	Goodwill	Non-current intangible assets
Winter Sports Equipment	11.7	84.0	11.7	83.2
Salomon Apparel and Footwear	-	63.3	-	62.7
Arc'teryx Apparel and Footwear	-	7.0	-	8.3
Cycling	-	23.3	-	23.3
Sports Instruments	28.7	-	29.1	-
Racquet Sports	55.3	-	52.3	-
Team Sports	41.4	-	39.1	-
Fitness	142.2	2.1	138.7	2.1
Total	279.3	179.7	270.9	179.6

## 8. SHARE-BASED PAYMENT

Fair values of warrant schemes granted after November 7, 2002 have been expensed to the Group's income statement in accordance with IFRS 2 (Share-based Payment). Fair values of warrant schemes have been recognized by using the trinomial model. Granting of the 2005, 2007A and 2007B schemes' warrants to the Group's management was dependent on meeting the financial objectives. As these targets were not met, no expenses in accordance with IFRS 2 were recognized.

The 2007 share-based incentive scheme granted for the management on June 30, 2007, has been measured at the fair value. Of the originally granted 122,700 shares, 104,100 shares were conveyed in 2008. In addition, 8,500 shares were granted in 2008. General terms and conditions as well as exercise prices of warrant schemes and other share-based incentive schemes given to the Group's key employees are presented on pages 126-131.

EUR million	2008	2007
Expense of warrant and other share-based incentive schemes recognized in earnings	1.0	0.7

Inputs to pricing model:

	Share-based incentive scheme		Warrant schemes					
	2008	2007	2007B	2007A	2006	2005	2004:1	2004:2
	Apr. 29/ Aug. 6, 2008	Jun. 30, 2007					Apr. 28, 2004	Feb. 3, 2005
Grant date			-	-	-	-		
Number of instruments granted	8,500	104,100	-	-	-	-	147,001	114,649
Share price at grant date, EUR	11.35/9.56	18.31	-	-	-	-	13.57	13.80
Exercise price, EUR	-	-	-	-	-	-	13.53	13.53
Vesting period, years	2-4	3-5	-	-	-	-	5.7	4.9
Expected volatility, %	-	-	-	-	-	-	32	30
Expected dividends, %	-	-	-	-	-	-	3.44	3.62
Risk-free interest rate, %	-	-	-	-	-	-	3.57	3.10
Departure rate, %	-	-	-	-	-	-	0	0
Fair value per warrant at grant date, EUR	-	-	-	-	-	-	10.54	9.39

Following the 1:2 bonus issue in December 2004, one warrant entitles its bearer to subscribe for three shares.

The expected volatility has been estimated using the daily data on rates during the three years preceding the issue.

	2008		2007	
	Weighted average exercise price, EUR/share	Number of warrants (1,000 pcs)	Weighted average exercise price, EUR/share	Number of warrants (1,000 pcs)
Outstanding at the beginning of the period	13.19	358.6	12.20	639.6
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Expired during the period	-	-	11.03	-274.3
Exercised during the period	-	-	10.79	-6.7
Outstanding at the end of the period	13.19	358.6	13.19	358.6
Exercisable at the end of the period	13.19	358.6	13.19	358.6

## 9. FINANCING INCOME AND EXPENSES

EUR million	2008	2007
Interest income	1.2	1.4
Gain on executed interest rate swaps <sup>*)</sup>	-	6.4
Interest expenses	-31.0	-30.1
Change in fair value of derivative instruments not used in hedge accounting	-0.4	-0.9
Exchange rate losses	-2.9	-1.6
Other financing expenses	-0.1	-0.1
Net gain on non-qualifying cash flow hedges	-0.1	0.0
Total	-33.3	-24.9

<sup>\*)</sup> In May 2007, interest rate swaps related to the previous arrangements of debt instruments were executed, which resulted in a gain of EUR 6.4 million.

## 10. INCOME TAXES

EUR million	2008	2007
Current taxes:		
Finland	2.5	2.9
USA	-5.2	4.6
Hong Kong	6.2	5.6
Other countries	7.6	10.5
Total	11.1	23.6
Deferred taxes	0.5	-17.5
Total	11.6	6.1

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

EUR million	2008	2007
Taxes at local rates applicable to earnings in countries concerned	10.2	-0.5
Taxes for prior periods	1.4	1.5
Deductible goodwill amortization	-1.8	-1.8
Tax credits	0.4	-2.8
Other	1.4	9.7
Taxes recognized in the income statement	11.6	6.1

Effective tax rate, %	25	25
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The reconciliation of deferred tax assets and liabilities is presented in note 14.

## 11. EARNINGS PER SHARE

	2008	2007
Net result attributable to equity holders of the parent company, EUR million	33.9	18.1
Weighted average number of shares outstanding during the period (1,000 pcs)	72,548	72,008
Earnings per share, EUR	0.47	0.25

Weighted average number of shares outstanding during the period, adjusted for the dilutive effect of warrants (1,000 pcs)	72,548	72,964
Earnings per share, diluted, EUR	0.47	0.25

In 2008, none of the warrant schemes in force had a dilutive effect on earnings per share.

## 12. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

EUR million

Initial cost, January 1, 2008
Additions
Company acquisitions
Company divestments and disposals
Transfers
Translation differences
Balance, December 31, 2008
Accumulated depreciation and impairment losses, January 1, 2008
Depreciation and impairment losses during the period
Company divestments and disposals
Transfers
Translation differences
Balance, December 31, 2008
Balance sheet value, December 31, 2008

Carrying amount of finance leases included

Accumulated impairment losses of goodwill at January 1, 2008 totaled EUR 13.6 million.

EUR million

Initial cost, January 1, 2007
Additions
Company divestments and disposals
Transfers
Translation differences
Balance, December 31, 2007
Accumulated depreciation and impairment losses, January 1, 2007
Depreciation during the period
Company divestments and disposals
Transfers
Translation differences
Balance, December 31, 2007
Balance sheet value, December 31, 2007

Carrying amount of finance leases included

Accumulated impairment losses of goodwill at January 1, 2007 totaled EUR 15.2 million.

Intangible rights	Goodwill	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
237.4	354.9	9.2	13.9	160.4	331.1	0.7	4.2
2.8	-	3.3	-	3.1	21.6	-	12.3
-	-	-	0.6	2.6	0.4	-	-
-0.6	-1.3	0.0	-0.1	-23.1	-21.4	-	-0.1
0.4	-	-	0.8	2.8	-1.3	0.0	-9.8
0.2	12.6	0.4	0.1	1.6	2.9	0.0	0.2
240.2	366.2	12.9	15.3	147.4	333.3	0.7	6.8
35.5	84.0	1.6	0.0	104.2	270.0	-	0.2
7.3	-	1.7	-	5.0	24.3	-	-
-0.5	-0.1	0.0	-	-12.8	-14.5	-	-
-0.1	0.0	-	-	1.8	-13.4	-	-0.2
0.0	3.0	0.1	-	0.9	2.7	-	0.0
42.2	86.9	3.4	0.0	99.1	269.1	-	0.0
198.0	279.3	9.5	15.3	48.3	64.2	0.7	6.8
-	-	-	-	0.9	0.4	-	-

Intangible rights	Goodwill	Other intangible assets	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress
237.3	382.1	2.6	14.3	149.9	343.6	1.0	7.1
4.8	-	7.0	-	4.5	16.9	-	25.1
-1.1	-	-	-	-0.7	-6.2	-	-1.3
-0.7	-	-0.2	-0.1	10.6	-13.9	-0.4	-26.4
-2.9	-27.2	-0.2	-0.3	-3.9	-9.3	0.1	-0.3
237.4	354.9	9.2	13.9	160.4	331.1	0.7	4.2
28.8	91.8	1.2	0.1	105.7	291.1	-	0.2
8.9	-	0.7	-	5.8	18.5	-	-
-1.0	-	-	-	-0.9	-5.9	-	-
-1.0	-	-0.2	-	-3.3	-25.2	-	-
-0.2	-7.8	-0.1	-0.1	-3.1	-8.5	-	-
35.5	84.0	1.6	0.0	104.2	270.0	-	0.2
201.9	270.9	7.6	13.9	56.2	61.1	0.7	4.0
-	-	-	1.2	2.4	0.2	-	-

### 13. AVAILABLE-FOR-SALE INVESTMENTS AND MARKETABLE SECURITIES

Available-for-sale investments consist in their entirety of shares in unlisted companies. They are measured at cost, because reliable fair values cannot be established or they do not materially differ from their initial costs.

Liquid funds include cash in hand and deposits held at call with banks. The Group did not possess any marketable securities at the end of the financial period.

### 14. RECONCILIATION OF DEFERRED TAX ASSETS AND LIABILITIES

EUR million	Jan. 1, 2008	Charge in income statement	Translation differences	Charged to equity	Dec. 31, 2008
Deferred tax assets:					
Provisions	32.8	-14.0	-	-	18.8
Carryforward of unused tax losses	23.7	20.0	-	-	43.7
Pensions	3.2	-0.6	-	-	2.6
Impairment	10.7	-2.8	0.3	-	8.2
Other temporary differences	8.4	-5.4	0.1	1.2	4.3
<b>Total</b>	<b>78.8</b>	<b>-2.8</b>	<b>0.4</b>	<b>1.2</b>	<b>77.6</b>
Deferred tax liabilities:					
Fair value adjustments	-11.8	1.5	-	-	-10.3
Depreciation differences	-0.8	0.0	-	-	-0.8
Other temporary differences	-14.0	0.8	-	-	-13.2
<b>Total</b>	<b>-26.6</b>	<b>2.3</b>	<b>-</b>	<b>-</b>	<b>-24.3</b>
<b>Net deferred tax assets</b>	<b>52.2</b>	<b>-0.5</b>	<b>0.4</b>	<b>1.2</b>	<b>53.3</b>

Deferred taxes recognized in the balance sheet at December 31, 2008:

Deferred tax assets	<b>EUR 60.8 million</b>
Deferred tax liabilities	<b>EUR 7.5 million</b>

EUR million	Jan. 1, 2007	Charge in income statement	Translation differences	Charged to equity	Dec. 31, 2007
Deferred tax assets:					
Provisions	26.2	5.9	0.7	-	32.8
Carryforward of unused tax losses	14.9	8.5	0.3	-	23.7
Pensions	2.8	0.3	0.1	-	3.2
Impairment	13.9	-2.9	-0.3	-	10.7
Other temporary differences	4.0	3.5	-0.1	1.0	8.4
<b>Total</b>	<b>61.8</b>	<b>15.3</b>	<b>0.7</b>	<b>1.0</b>	<b>78.8</b>
Deferred tax liabilities:					
Fair value adjustments	-11.8	-	-	-	-11.8
Depreciation differences	-2.8	1.9	0.1	-	-0.8
Other temporary differences	-14.5	0.3	0.2	-	-14.0
<b>Total</b>	<b>-29.1</b>	<b>2.2</b>	<b>0.3</b>	<b>-</b>	<b>-26.6</b>
<b>Net deferred tax assets</b>	<b>32.7</b>	<b>17.5</b>	<b>1.0</b>	<b>1.0</b>	<b>52.2</b>

Deferred taxes recognized in the balance sheet at December 31, 2007:

Deferred tax assets	<b>EUR 62.6 million</b>
Deferred tax liabilities	<b>EUR 10.4 million</b>

At December 31, 2008 there were unused tax losses carried forward and other temporary differences of EUR 95.1 million [67.1] for which no deferred tax assets were recognized. The unrecognized deferred tax assets at December 31, 2008 totaled EUR 30.4 million [21.5].

## 15. VALUATION PROVISIONS OF INVENTORIES AND ACCOUNTS RECEIVABLE

EUR million	2008	2007
Impairment losses of accounts receivable	23.8	23.2
Value of inventories has been decreased to its net realizable value in the financial period	36.2	38.3

### AGING ANALYSIS OF ACCOUNTS RECEIVABLE

EUR million	2008	2007
Undue accounts receivables	382.4	404.3
Accounts receivables 1–30 days overdue	42.3	62.0
Accounts receivables 31–60 days overdue	19.6	29.2
Accounts receivables more than 60 days overdue	34.8	27.9
Total	479.1	523.4

## 16. PREPAID EXPENSES AND OTHER RECEIVABLES

EUR million	2008	2007
Prepaid interest	3.8	3.1
Prepaid advertising and promotion	2.2	1.1
Other tax receivables	2.1	1.1
Accrued employee benefits	6.1	4.8
Forward contract receivables	17.0	5.1
Other receivables	32.0	44.2
Total	63.2	59.4

## 17. SHAREHOLDERS' EQUITY

EUR million	Number of shares	Share capital	Premium fund <sup>1)</sup>
January 1, 2007	71,697,624	286.8	6.9
Warrants exercised	627,921	2.5	8.1
December 31, 2007	72,325,545	289.3	15.0
Warrants exercised	720,006	2.9	-2.9
December 31, 2008	73,045,551	292.2	12.1

<sup>1)</sup> Also including unregistered share issue (Dec. 31, 2007: EUR 2.9 million; Dec. 31, 2008 EUR - million)

The section "Shares and shareholders" on pages 130–133 provides additional information on numbers of shares and share capital as well as the Group's warrant schemes.

### PREMIUM FUND

Shares in Amer Sports Corporation do not have a nominal value, but their countervalue is four euros. The premium fund is used for recognizing the payments for share subscriptions received in excess of the countervalue.

### OWN SHARES

Own shares include the cost of own shares held by the Group.

### TRANSLATION DIFFERENCES

Translation differences comprise the differences arising from the elimination of net investments in non-euro Group units.

### FAIR VALUE AND OTHER RESERVES

Fair value and other reserves include changes in the fair values of available-for-sale investments and derivative financial instruments used for hedging cash flows.

## 18. INTEREST-BEARING LIABILITIES

### INTEREST-BEARING LONG-TERM LIABILITIES

EUR million	Outstanding			Repayments			2014
	Dec. 31, 2008	2009	2010	2011	2012	2013	and after
Bonds	150.0	75.0	-	75.0	0.0	-	-
Loans from financial institutions	72.0	-	0.1	15.6	56.3	-	-
Pension loans	37.6	6.2	5.7	5.7	5.7	5.7	8.6
Other long-term debt	1.5	0.0	1.4	0.0	0.0	0.0	0.1
<b>Total</b>	<b>261.1</b>	<b>81.2</b>	<b>7.2</b>	<b>96.3</b>	<b>62.0</b>	<b>5.7</b>	<b>8.7</b>

EUR million	Outstanding			Repayments			2013
	Dec. 31 2007	2008	2009	2010	2011	2012	and after
Bonds	150.0	-	75.0	-	75.0	-	-
Loans from financial institutions	67.9	-	-	-	14.8	53.1	-
Pension loans	1.4	0.9	0.5	-	-	-	-
Other long-term debt	1.8	1.7	0.1	0.0	0.0	0.0	0.0
<b>Total</b>	<b>221.1</b>	<b>2.6</b>	<b>75.6</b>	<b>0.0</b>	<b>89.8</b>	<b>53.1</b>	<b>0.0</b>

### INTEREST-BEARING CURRENT LIABILITIES

EUR million	2008	2007
Loans from financial institutions	305.0	0.0
Commercial papers	113.2	430.2
Current repayments of long-term loans	81.2	2.6
Other interest-bearing current debt	8.4	4.8
<b>Total</b>	<b>507.8</b>	<b>437.6</b>

### INTEREST-BEARING LIABILITIES AT FAIR VALUE

EUR million	2008		2007	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	150.0	150.0	150.0	150.0
Loans from financial institutions	377.0	377.0	67.9	67.9
Pension loans	37.6	36.4	1.4	1.4
Commercial papers	113.2	113.2	430.2	430.2
Other interest-bearing short-term debt	9.9	9.9	6.7	6.7
<b>Total</b>	<b>687.7</b>	<b>686.5</b>	<b>656.2</b>	<b>656.2</b>

Fair values have been calculated by discounting future cash flows at market-based interest rates at the end of the financial period.

### FINANCE LEASE LIABILITIES

EUR million	2008	2007
Finance lease liabilities are due as follows:		
Not later than one year	0.7	1.7
Later than one year but not later than five years	0.7	0.4
Later than five years	-	-
<b>Total minimum lease payments</b>	<b>1.4</b>	<b>2.1</b>

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

### 19. ACCRUED LIABILITIES

EUR million	2008	2007
Accrued personnel costs	78.0	83.1
Accrued interest	8.4	9.9
Accrued rent	6.8	6.8
Accrued advertising and promotion	11.5	11.2
Value added tax	2.7	7.6
Forward contract payables	22.4	4.6
Other accrued liabilities	66.8	68.2
<b>Total</b>	<b>196.6</b>	<b>191.4</b>



## 20. PROVISIONS

EUR million	Product warranty	Restructuring	Environmental	Other	Total
Balance at January 1, 2008	16.3	62.2	1.0	8.4	87.9
Translation differences	0.3	0.5	-	0.6	1.4
Provisions made during the year	21.1	2.0	-	2.2	25.3
Provisions used during the year	-11.5	-36.9	-	-4.9	-53.3
Unused provisions reversed during the year	-0.4	-3.9	-	-1.9	-6.2
Balance at December 31, 2008	25.8	23.9	1.0	4.4	55.1
Current provisions	2.3				
Long-term provisions	52.8				
Total	55.1				

The most important regular provisions are due to the repair or replacement of products during their warranty period. In 2008 unusually high warranty costs were recognised in cycling business. Environmental provisions have been booked in the United States, and other liabilities are not included in the Group's environmental liabilities.

## 21. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR million	2008	2007
Share based incentive schemes	-1.8	0.7
Gains and losses on sale of non-current assets	-15.8	-4.1
Total	-17.6	-3.4

## 22. OPERATING LEASE COMMITMENTS

EUR million	2008	2007
The future minimum payments of non-cancellable operating leases:		
Not later than one year	25.3	23.4
Later than one year but not later than five years	50.9	49.4
Later than five years	30.4	32.9
Total	106.6	105.7

Total rent expense of non-cancellable operating leases recognized in the income statement	20.5	22.1
---	------	------

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

## 23. CONTINGENT LIABILITIES

EUR million	2008	2007
Mortgages pledged		
Pension loans covered	0.0	1.4
Nominal value of mortgages pledged	0.0	1.9
Other group liabilities:		
Nominal value of mortgages pledged	0.0	0.9
Total nominal value of mortgages pledged	0.0	2.8
Guarantees	8.5	4.5
Other contingent liabilities	46.1	48.2

Other contingent liabilities are primarily due to long-term endorsement contracts with several professional and other leagues, particularly in the United States, and athlete contracts.

There are no guarantees or contingencies given for the management of the Group, for the shareholders, or for the affiliated companies.

## 24. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2008

	Group holding, %	Book value, EUR million
Amer Sports Company, Chicago, USA	100	161.0
Albany Sports Co., Wilmington, USA	100	
Bonfire Snowboarding, Inc., Portland, USA	100	
ClubCom Holding Company, Inc., Wilmington, USA	100	
Mavic, Inc., Haverhill, USA	100	
Precor Incorporated, Woodinville, USA	100	
Amer Sports Winter & Outdoor Company, Ogden, USA	100	
Atomic Ski USA, Inc., Ogden, USA	100	
Wilson Sporting Goods Co., Chicago, USA	100	
Amer Sports Australia Pty Ltd, Braeside, Australia	100	
Amer Sports Brazil LTDA., Sao Paulo, Brazil	100	
Amer Sports Canada Inc., Belleville, Ontario, Canada	100	
Amer Sports Japan, Inc., Tokyo, Japan	100	
Amer Sports Korea, Ltd., Seoul, Korea	100	
Amer Sports Malaysia Sdn Bhd, Shah Alam, Malaysia	100	
Amer Sports Thailand Company Limited, Bangkok, Thailand	49 <sup>1)</sup>	
Grupo Wilson, S.A. de C.V., Mexico City, Mexico	100	
Asesoria Deportiva Especializada, S.A. de C.V., Mexico City, Mexico	100	
Wilson Sporting Goods Co. de Mexico, S.A. de C.V., Mexico City, Mexico	100	
Amer Sports Europe GmbH, Neuried, Germany	100	62.3
Amer Sports Czech Republic s.r.o., Prague, Czech Republic	100	
Amer Sports Deutschland GmbH, Neuried, Germany	100	
Amer Sports Europe Services GmbH, Neuried, Germany	100	
Amer Sports Spain, S.A., Barcelona, Spain	100	
Amer Sports UK Limited, Frimley, UK	100	
Precor Products Limited, Frimley, UK	100	
Amer Sports Finance Oy, Helsinki, Finland	100	508.8
Amer Sports Holding S.A.S., Villefontaine, France	100	28.0
Amer Sports France S.A.S., Villefontaine, France	100	
Salomon S.A., Annecy, France	100	
Cliché S.A.S., Villeurbanne, France	100	
Salomon Canada Sports Ltd, Ontario, Canada	100	
Salomon Romania Srl, Timisoara, Romania	100	
Amer Sports International Oy, Helsinki, Finland	100	67.1
Amer Sports SA, Hagendorn, Switzerland	100	0.1
Amer Sports Suomi Oy, Helsinki, Finland	100	0.9
Amera Oy, Helsinki, Finland	100	
Amerintie 1 Oy, Helsinki, Finland	100	2.1
Amernet Holding B.V., Rotterdam, The Netherlands	100	320.1
Amer Sports HK Limited, Hong Kong, China	100	
Amer Sports Shanghai Trading Ltd, Shanghai, China	100	
Amer Sports Holding GmbH, Altenmarkt, Austria	100	
Amer Sports Bulgaria EOOD, Chepelare, Bulgaria	100	
Amer Sports Italia S.p.A., Nervesa della Battaglia, Italy	100	
Amer Sports Luxembourg S.a r.l., Luxembourg	100	
Amer Sports Finance S.P.R.L., Brussels, Belgium	100	
Amer Sports Sverige AB, Borås, Sweden	100	
Amer Sports Poland Sp. z o.o., Krakow, Poland	100	
Atomic Austria GmbH, Altenmarkt, Austria	95	
Amer Sports Danmark A.p.S., Kokkedal, Denmark	100	

	Group holding, %	Book value, EUR million
ZAO Amer Sports, Moscow, Russia	100	
Amer Sports Norge A/S, Sandvika, Norway	100	
Salomon Österreich GmbH, Viktring, Austria	100	
Amer Sports Sourcing Ltd, Hong Kong, China	100	
Amer Sports Sourcing (Shenzhen) Limited, Shenzhen, China	100	
Arc'teryx Equipment, Inc., Vancouver, B.C., Canada	100	
Fitz-Wright Holdings Ltd., Langley, B.C., Canada	100	
Bare Sportswear Corp., Blaine, Washington, USA	100	
Fitz-Wright Company Ltd., Langley, B.C., Canada	100	
FitzWright Europe (Malta) Ltd., Zejtun, Malta	100	
Suunto AG, Biel, Switzerland	100	
Recta AG, Biel, Switzerland	100	
Suunto Benelux B.V., Tholen, The Netherlands	60	
Suunto Oy, Vantaa, Finland	100	65.4
Amerb Oy, Helsinki, Finland	100	
Amerc Oy, Helsinki, Finland	100	
Varpat Patentverwertungs AG, Littau, Switzerland	100	2.0
Non-operating companies		0.0
<b>Total</b>		<b>1,217.8</b>

\*1 85% of votes

## 25. HEDGE RESERVE OF CASH FLOW HEDGES

EUR million

Balance at January 1, 2008	-2.7
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	0.1
Hedging of interest cash flows	-5.9
Gains and losses recognized in the income statement	
Hedging of operating cash flows	1.1
Hedging of interest cash flows	0.0
Deferred taxes	1.2
Balance at December 31, 2008	-6.2
Balance at January 1, 2007	4.2
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	-1.9
Hedging of interest cash flows	-1.6
Gains and losses recognized in the income statement	
Hedging of operating cash flows	2.0
Hedging of interest cash flows	-6.4
Deferred taxes	1.0
Balance at December 31, 2007	-2.7

## 26. RELATED PARTY TRANSACTIONS

Related parties include the parent company, subsidiaries (note 24), the Board of Directors and the Amer Sports Executive Board.

EUR million	2008	2007
Salaries and remuneration of the Board of Directors and the Amer Sports Executive Board	4.8	4.8
of which the salaries and remuneration of the Executive Board	4.5	4.5

Members of the Board of Directors do not have contractual retirement benefits with the company. President and Executive Vice President have early retirement rights. No loans have been granted to the Group's Board of Directors and management.

Salaries and other compensation of the Board of Directors and management are presented in more detail on page 141–143 under the section "Salaries and other compensation".

**27. BALANCE SHEET VALUES OF FINANCIAL ASSETS AND LIABILITIES  
BY MEASUREMENT CATEGORIES DECEMBER 31, 2008**

EUR million

NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets

CURRENT FINANCIAL ASSETS

Accounts receivables

Loan receivables

Other non-interest yielding receivables <sup>\*1</sup>

Derivative financial instruments

    Foreign exchange derivatives

Liquid funds

Balance sheet values by category

LONG-TERM FINANCIAL LIABILITIES

Long-term interest-bearing liabilities

Other long-term liabilities

Derivative financial instruments

    Interest rate derivatives

CURRENT FINANCIAL LIABILITIES

Current interest-bearing liabilities

Accounts payable

Other current liabilities <sup>\*\*1</sup>

Derivative financial instruments

    Foreign exchange derivatives

    Interest rate derivatives

Balance sheet values by category

<sup>\*1</sup> Other non-interest yielding receivables

Prepaid expenses and other receivables	63.2
./. Derivative financial instruments	17.0
./. Prepaid expenses related to defined benefit pension plans in USA	5.6
	40.6

Financial assets/ liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Loans and other receivables	Available- for-sale financial assets	Financial liabilities measured at amortized cost	Carrying amount by balance sheet item	Fair value
		4.3	0.8		5.1	5.1
		479.1			479.1	479.1
		0.3			0.3	0.3
		40.6			40.6	40.6
9.1	7.9				17.0	17.0
		72.1			72.1	72.1
9.1	7.9	596.4	0.8	0.0	614.2	614.2
				179.9	179.9	178.7
				7.3	7.3	7.3
	7.2				7.2	7.2
				507.8	507.8	507.8
				178.5	178.5	178.5
				163.5	163.5	163.5
13.1	9.0				22.1	22.1
	0.3				0.3	0.3
13.1	16.5	0.0	0.0	1,037.0	1,066.6	1,065.4
**1) Other current liabilities						
Accrued liabilities						196.6
./. Derivative financial instruments						22.4
./. Accrued liabilities related to defined benefit pension plans						10.7
						163.5

**BALANCE SHEET VALUES OF FINANCIAL ASSETS AND LIABILITIES  
BY MEASUREMENT CATEGORIES DECEMBER 31, 2007**

EUR million

NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets

Derivative financial instruments

Interest rate derivatives

CURRENT FINANCIAL ASSETS

Accounts receivables

Loan receivables

Other non-interest yielding receivables <sup>\*1</sup>

Derivative financial instruments

Foreign exchange derivatives

Liquid funds

Balance sheet values by category

LONG-TERM FINANCIAL LIABILITIES

Long-term interest-bearing liabilities

Other long-term liabilities

Derivative financial instruments

Interest rate derivatives

CURRENT FINANCIAL LIABILITIES

Current interest-bearing liabilities

Accounts payable

Other current liabilities <sup>\*\*1</sup>

Derivative financial instruments

Foreign exchange derivatives

Balance sheet values by category

<sup>\*1</sup> Other non-interest yielding receivables

Prepaid expenses and other receivables	59.4
./ Derivative financial instruments	5.1
./ Prepaid expenses related to defined benefit pension plans in USA	4.8
	49.5

Financial assets/ liabilities at fair value through income statement	Derivative financial instruments used in hedge accounting	Loans and other receivables	Available-for- sale financial assets	Financial liabilities measured at amortized cost	Carrying amount by balance sheet item	Fair value
		2.7	0.8		3.5	3.5
	0.2				0.2	0.2
		523.4			523.4	523.4
		0.2			0.2	0.2
		49.5			49.5	49.5
3.6	1.5				5.1	5.1
		68.0			68.0	68.0
3.6	1.7	643.8	0.8	0.0	649.9	649.9
				218.6	218.6	218.6
				6.5	6.5	6.5
	1.8				1.8	1.8
				437.6	437.6	437.6
				164.8	164.8	164.8
				172.5	172.5	172.5
1.0	3.6				4.6	4.6
1.0	5.4	0.0	0.0	1,000.0	1,006.4	1,006.4
**1) Other current liabilities						
Accrued liabilities						191.4
./. Derivative financial instruments						4.6
./. Accrued liabilities related to defined benefit pension plans						14.3
						172.5

## 28. FINANCIAL RISK MANAGEMENT

The global business of Amer Sports involves customary financial risks, such as market, liquidity and credit risks associated with exposures to foreign currencies and interest rates. Financial risk management is centralized within the Parent Company's treasury. Risk management is governed by the financial strategy approved by the Board of Directors. This strategy includes principles and risk limits relating to the balance sheet structure, investor relations and risk management. The Board of Directors reviews the financial risks once a year. The Company has issued written guidelines on the relationships between treasury and the business segments and the management of operational risks. The specified limits are monitored on a daily level and significant deviations are not

allowed. Amer Sports' banking relations are defined at the Group level. Cash management and foreign exchange transactions are centralized within those banks that participate in financing the Company. Similarly, significant deposits are centralized only within those banks with open debt.

Treasury is also responsible for Group insurance management and decision-making in cooperation with an external specialist. Due to the nature of operations, insurance management focuses on product liability, property damage and business interruption insurance policies. In selecting the insurance company, the aim is to also take the company's financial situation into consideration. A long-term customer relationship with significant insurers and cooperation in risk manage-

<b>LIQUIDITY AND FUNDING RISK</b>			
EUR million	Nominal value	Dec. 31, 2008 Available	Total
Loans from financial institutions			
Repayments	377.0		377.0
Interest	12.5		12.5
Bonds			
Repayments	150.0		150.0
Interest	7.8		7.8
Pension loans			
Repayments	37.6		37.6
Interest	5.5		5.5
Other interest-bearing liabilities			
Repayments	9.9		9.9
Interest	0.5		0.5
Other interest-free liabilities			
Repayments	7.3		7.3
Commercial papers			
Repayments	113.2		113.2
Interest	2.8		2.8
Committed revolving credit facilities		130.0 <sup>1)</sup>	385.0
Derivative liabilities			
Foreign exchange derivatives under hedge accounting	215.7		215.7
Other foreign exchange derivatives	387.9		387.9
Interest rate swaps under hedge accounting	7.5		7.5
Derivative assets			
Foreign exchange derivatives under hedge accounting	215.1		215.1
Other foreign exchange derivatives	389.2		389.2

<sup>1)</sup> Of the EUR 385 million credit facility, EUR 255 million had been used on the closing date. The total amount of the credit facility includes credit facilities of EUR 30 million + EUR 30 million agreed to commence at the beginning of January 2009.



ment projects has proven to be a cost-effective operating model.

#### FINANCIAL STRUCTURE

Funding is raised from various sources. This insures equitable use of financing with regard to providers of finance and maturity. Standard credit documentation seeks to insure the equal treatment of financiers. The Group aims to optimize financing expenses in line with the objectives set for the financial structure and risks. The focus in financing will shift to instruments raised directly from the financial market, which significantly decreases dependence on bank finance. However, the aim is to build long-term and confidential relationships with the main providers of funding so that significant

new funding requirements can also be met. Amer Sports' debt is raised through the Parent Company as a rule.

#### LIQUIDITY AND FUNDING RISK

Treasury is responsible for arranging finance required by operations using equity or debt instruments. A balanced maturity profile of loans aims to avoid excessive funding risk. At the beginning of 2009, the Company has a committed credit facility amounting to EUR 325 million, of which EUR 70 million is unused. The credit will mature in 2011 and 2012. In addition, the Company has committed overdraft facilities of EUR 60 million, maturing in 2010.

2009	2010	2011	2012	2013 and after	Dec. 31, 2007		
					Nominal value	Available	Total
305.0 <sup>*)</sup>	0.1	15.6	56.3		67.9		67.9
8.8	1.0	1.4	1.3		14.4		14.4
75.0		75.0			150.0		150.0
4.3	2.1	1.4			18.5		18.5
6.2	5.7	5.7	5.7	14.3	1.4		1.4
1.5	1.3	0.9	0.8	0.9	0.1		0.1
9.8	0.0	0.0	0.0	0.1	6.7		6.7
0.5					0.3		0.3
7.3					6.5		6.5
113.2					430.2		430.2
2.8					13.4		13.4
	60.0 <sup>*)</sup>	70.7	254.3			325.0	325.0
215.7					126.7		126.7
387.9					288.9		288.9
0.3	4.2	3.0			2.0		2.0
215.1					125.9		125.9
389.2					291.2		291.2

In 2007, Amer Sports issued two private placement bonds for Finnish investors, amounting to a total of EUR 150 million. Of the credit, EUR 75 million will mature in May 2009 and the rest, EUR 75 million, in May 2011.

The Company has a domestic commercial paper program amounting to EUR 500 million, which is intended to be used as a source of short-term funding. Due to the current situation of the financial market, Amer Sports has been using more of its committed credit facilities than its commercial paper program.

#### CURRENCY RISK

Amer Sports' currency risk arises from foreign currency-denominated receivables, liabilities, forecast cash flows in foreign currencies, derivatives and earnings' translation risk. The Company operates in all major currencies, and its sales organization covers 36 countries. Risk management aims to eliminate the uncertainties associated with fluctuation in result, balance sheet and cash flows.

At the end of the year, Amer Sports' currency position in accordance with IFRS 7 consisted of inter-company and external interest-free and interest-bearing currency-denominated receivables and liabilities and foreign exchange derivatives. Foreign exchange derivatives include both the forward contracts hedging the parent company's foreign currency denominated balance sheet and the forward contracts hedging the forecast cash flows.

Owing to the geographical distribution of Amer Sports' business operations, the most significant currency risks arise from USD, JPY and CAD. The USD risk is further emphasized by the fact that it is the most significant currency used in purchasing activities also outside the United States.

Amer Sports aims to minimize balance sheet risks by financing each subsidiary in its home currency. The most important balance sheet risks facing subsidiaries primarily concern the businesses' centralized distribution and purchasing units that invoice the subsidiaries in their respective home currencies. The parent company's foreign exchange balance sheet risk arises from inter-company and external receivables and liabilities.

The IFRS 7-compliant foreign exchange position of Amer Sports at the balance sheet date is presented in the table below:

EUR million	USD	JPY	CAD
Interest-bearing inter-company receivables	287.2	20.0	30.2
External receivables	14.3	-	-7.7
Inter-company receivables	-0.4	2.9	2.0
Interest-bearing external liabilities	-71.9	-	-
External payables	-2.3	-0.1	1.9
Inter-company payables	-15.4	0.0	0.0
Foreign exchange derivatives	-110.8	-56.1	-36.2

Comparison data for the date of the financial statements for 2007 are presented in the table below:

EUR million	USD	JPY	CAD
External interest-bearing receivables	6.1	-	-
Interest-bearing inter-company receivables	176.7	23.8	34.7
External receivables	14.1	-	-7.5
Inter-company receivables	1.7	2.8	4.9
Interest-bearing external liabilities	-67.9	-	-
External payables	-1.7	0.0	1.6
Inter-company payables	-12.7	0.0	0.2
Foreign exchange derivatives	-24.0	-59.6	-57.9

Amer Sports estimates that the possible annual change in the value of a foreign currency against the euro in +/-10% on average. The table below presents the sensitivity of shareholders' equity and income statement in 2009 to the strengthening of the euro by 10%, provided other factors were to remain unchanged. The weakening of the euro by 10% would cause a similar change the opposite direction:

EUR million	Shareholders' equity	Income statement
USD	-10.9	0.8
JPY	2.3	1.0
CAD	0.8	0.2

In 2008, the corresponding sensitivities were:

EUR million	Shareholders' equity	Income statement
USD	-7.9	-1.3
JPY	2.7	0.6
CAD	1.8	0.6

Earnings sensitivity is influenced by changes in the fair value of derivative instruments not used in hedge accounting and on-balance sheet hedging derivative instruments as well as changes in the value of on-balance sheet currency-denominated loans and receivables. Shareholders' equity is affected by changes in the fair value of derivative instruments used in hedge accounting recognized under the hedge reserve and exchange rate changes in the USD-denominated capital loan.

The subsidiaries' forecast currency-denominated cash flows comprise a transaction risk when a unit sells, in its home currency, goods whose costs are denominated in a foreign currency, or sells goods in a non-home currency.

Amer Sports' main cash flow risks were in the following currencies (EUR million):

EUR	USD	JPY	CHF	GBP	SEK	CAD	OTHERS
34	149	-44	-39	-26	-17	-13	-44

At the turn of the year, cash flows had been hedged as follows (EUR million):

EUR	USD	JPY	CHF	GBP	SEK	CAD	OTHERS
36	81	-36	-33	-14	-9	-3	-22

The company also has currency-denominated purchases in certain other currencies, but only annual cash flows with a value of over EUR 3.0 million of these are hedged.

Owing to transaction risk and translation risk, the strengthening of the euro weakens the result of operations due to inter-company sales denominated in foreign currencies and the currency-denominated results of subsidiaries. A significant share of the USD-denominated purchase cost risk is eliminated against the USD-denominated operating result.

According to the Company's hedging policy, the transaction risk arising from subsidiaries' business operations is hedged up to 12-18 months forward. The hedging is realized so that the hedge ratio is higher for nearby months than for the cash flows realized in later periods. The hedge ratio of the units is maintained between 30% and 70% of the cash flows forecast for the next 12 months, except for the winter sports equipment

business, where the ratio is 80-120% due to the nature of the business.

The Company utilizes hedge accounting for annual cash flows with a countervalue of over EUR 10 million. The Company monitors its hedge ratio daily and tests its effectiveness at three-month intervals. The effectiveness of forward contracts is estimated using spot rates and the forward points are booked in the income statement.

According to its financial strategy, the Company may hedge 0 to 50% of subsidiaries' equity. At the end of 2008, there were no equity hedges outstanding.

#### INTEREST RISK

Amer Sports' interest risk is comprised of the repricing of floating rate loans and raising new floating rate loans. Duration and fixed-to-floating ratio are used in controlling the interest rate position. Duration is calculated using the repricing date of the interest period for financing items. At the turn of the year, the duration of financing items was about 11 months and fixed rate debt accounted for 46% of total net debt. The cash flow risk for debt is managed using interest rate derivatives.

The Company estimates that the possible annual change in market rates of interest is one percentage point. The sensitivity of the income statement includes assessment of changes in interest expenses for the next 12 months due to an increase/decrease of one percentage point in interest rates, provided other factors were to remain unchanged. Shareholders' equity is influenced by a change in the market value of the interest rate swaps included in hedge accounting that is booked in the hedge reserve.

The table below presents the sensitivity of shareholders' equity and income statement in 2009 to an increase of 1% in interest rates, provided other factors were to remain unchanged.

EUR million	Position	2008
Shareholders' equity	221.9	4.3
Income statement	421.0	-3.1

In 2008, the sensitivity of the shareholders' equity and income statement to an increase of 1% interest rates, provided other factors were to remain unchanged, were:

EUR million	Position	2007
Shareholders' equity	217.9	5.7
Income statement	343.6	-2.6

The effective interest rate on total net debt including interest rate hedges in 2008 was 5.0%. The interest rate was 5.1% on bonds, 4.9% on syndicated loan, 4.4% on pension loans and 5.2% on commercial papers.

The Company applies hedge accounting to interest rate derivatives that meet the criteria for hedge accounting. Other interest rate derivatives are measured at fair value and the result is recognized in financing items. The hedging of the currency risk from the financing of operations and the resulting interest rate differences are realized as interest expenses or income.

The table below presents the interest-bearing debts by currency after foreign exchange and interest rate derivatives and facility fees at the end of the financial period:

EUR million	Dec. 31, 2008	Dec. 31, 2007
EUR	341.2	396.6
USD	265.7	156.3
CAD	30.2	34.7
JPY	20.0	23.8
MXN	8.2	10.3
CHF	2.3	9.1
SEK	7.0	6.8
Others	13.1	18.5
Total	687.7	656.2
Average interest rate, %	4.99	4.76

## CREDIT RISK

The Company is exposed to credit risk through account receivable. The Group has a global customer base, and there are no significant risk concentrations. The largest single customer accounts for 3% of total accounts receivable and the largest 20 combined total about 20%. The Company's use of credit insurance and factoring is slight.

Customers in the fitness equipment business also use leasing financing, and the Company takes limited risks through repurchase agreements.

The Company seeks to minimize its cash items. Extra liquidity is placed either in deposits in banks or in high-quality money market instruments within the approved limits.

According to the Company, the credit risk arising from derivative financial instruments is minor. The risk is minimized by limiting the number of counterparties and their shares of the total portfolio.

Balance sheet values or fair values of financial assets represent the maximum amount of the credit risk, which at the balance sheet dates are presented on the Credit risk table.

EUR million	Balance sheet	Balance sheet
	value or fair value Dec. 31, 2008	value or fair value Dec. 31, 2007
<b>CREDIT RISK</b>		
<b>Long-term financial assets</b>		
Long-term interest-bearing receivables	-	0.0
Other long-term financial assets	5.1	3.5
Derivative contracts		
Foreign exchange derivatives	-	0.0
Interest rate derivatives	-	0.2
<b>Short-term financial assets</b>		
Accounts receivable	479.1	523.4
Loans receivable	0.3	0.2
Other interest-free receivables	40.6	49.5
Derivative contracts		
Foreign exchange derivatives	17.0	5.1
Interest rate derivatives	-	0.0
Liquid funds	72.1	68.0

### INTEREST FIXING PERIODS

EUR million	Dec. 31, 2008							Dec. 31, 2007	
	0-3 mo	4-6 mo	7-9 mo	10-12 mo	1-2 yr	2-3 yr	over 3 yr	0-1 yr	over 1 yr
Debt	-410.4	-151.7	-94.0	-2.9	-5.7	-5.7	-20.1	-655.0	-0.7
Liquid funds	72.1							68.0	0.0
Loans receivable									
Forward rate agreements									
Interest rate swaps	150.0	-3.1				-90.6	-56.3	217.9	-217.9
Net	-188.3	-154.8	-94.0	-2.9	-5.7	-96.3	-76.4	-369.6	-218.6

(+ = Assets, - = Debt)

### DERIVATIVE CONTRACTS

EUR million	Dec. 31, 2008					Dec. 31, 2007	
	Nominal value	Fair value	2008	2009	2010 and after	Nominal value	Fair value
Hedge accounting-related							
Foreign exchange forward contracts hedging cash flows from operations	215.1	-0.9	215.1			125.9	-2.1
Interest rate swaps hedging interest cash flow	221.9	-7.5	75.0		146.9	217.9	-1.6
Other derivative contracts							
Foreign exchange forward contracts	389.2	-0.2	389.2			291.2	2.1
Forward rate agreements						100.0	0.0

### CAPITAL MANAGEMENT

The Group's capital management aims at the optimum capital structure that ensures the normal short-term and long-term operational requirements of business. The Group aims to utilize its balance sheet actively, yet without taking too high financial risks.

The increase in shareholder value is pursued through the best possible return on equity. The Company therefore pursues a progressive dividend policy reflecting its results, with the objective of distributing a dividend of at least one-third of annual net profits.

The development of the Group's capital structure is primarily followed up using the gearing.

EUR million	Dec. 31, 2008	Dec. 31, 2007
Interest-bearing debts	687.7	656.2
Liquid funds	72.1	68.0
Net debt	615.6	588.2
Total shareholders' equity	508.1	509.7
Gearing, %	121	115

# CALCULATION OF KEY INDICATORS

## EARNINGS PER SHARE:

Net result attributable to equity holders of the parent company  
Average number of shares adjusted for the bonus element of share issues

## EQUITY PER SHARE:

Shareholders' equity <sup>1)</sup>  
Number of shares at year end adjusted for the bonus element of share issues

## DIVIDEND PER SHARE:

Total dividend  
Number of shares at year end adjusted for the bonus element of share issues

## DIVIDEND % OF EARNINGS:

100 x  $\frac{\text{Adjusted dividend}}{\text{Net result}}$

## EFFECTIVE YIELD, %:

100 x  $\frac{\text{Adjusted dividend}}{\text{Adjusted share price at closing date}}$

## P/E RATIO:

Adjusted share price at closing date  
Earnings per share

## MARKET CAPITALIZATION:

Number of shares at year end multiplied by share price at closing date

## RETURN ON CAPITAL EMPLOYED (ROCE), %:

100 x  $\frac{\text{EBIT}}{\text{Capital employed}^{2)}$

## RETURN ON INVESTMENT (ROI), %:

100 x  $\frac{\text{Earnings before taxes + interest and other financing expenses}}{\text{Balance sheet total less interest-free liabilities}^{3)}$

## RETURN ON SHAREHOLDERS' EQUITY (ROE), %:

100 x  $\frac{\text{Earnings before taxes - taxes}}{\text{Shareholders' equity}^{4)}$

## EQUITY RATIO, %:

100 x  $\frac{\text{Shareholders' equity}}{\text{Balance sheet total less advances received}}$

## DEBT TO EQUITY RATIO:

Interest-bearing liabilities  
Shareholders' equity

## GEARING, %:

100 x  $\frac{\text{Interest-bearing liabilities - liquid funds}}{\text{Shareholders' equity}}$

<sup>1)</sup> Excluding minority interests

<sup>2)</sup> Non-current assets + working capital excluding receivables and payables relating to interest and taxes, monthly average of the financial period

<sup>3)</sup> Monthly average of the financial period

<sup>4)</sup> Average of the financial period

The calculation of key indicators excludes the company's own shares.

## PARENT COMPANY INCOME STATEMENT

EUR million	Note	2008	2007
Other operating income	1	24.1	11.7
<b>EXPENSES</b>			
Personnel expenses	2	5.4	9.2
Depreciation	3	0.5	0.8
Other expenses		9.0	9.0
Total expenses		14.9	19.0
<b>EARNINGS BEFORE INTEREST AND TAXES</b>		9.2	-7.3
Financing income and expenses	4	52.0	-14.4
<b>EARNINGS BEFORE EXTRAORDINARY ITEMS</b>		61.2	-21.7
Extraordinary items	5	32.5	29.2
<b>EARNINGS BEFORE APPROPRIATIONS AND TAXES</b>		93.7	7.5
Appropriations		0.3	0.1
Taxes	6	-2.4	-1.9
<b>NET RESULT</b>		91.6	5.7

# PARENT COMPANY BALANCE SHEET

<b>ASSETS</b>				
EUR million	Note	2008	2007	
<b>NON-CURRENT ASSETS</b>				
INTANGIBLE ASSETS				
	7			
Intangible rights		0.6	0.5	
		0.6	0.5	
TANGIBLE ASSETS				
	7			
Land and water		1.2	1.2	
Buildings and constructions		1.0	10.9	
Machinery and equipment		0.7	0.8	
Other tangible assets		0.6	0.6	
		3.5	13.5	
OTHER NON-CURRENT INVESTMENTS				
Investments in subsidiaries	8	1,217.8	1,217.8	
Receivables from subsidiaries		0.9	1.0	
Other bonds and shares		1.9	1.9	
Other non-current receivables		-	-	
		1,220.6	1,220.7	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,224.7</b>	<b>1,234.7</b>	
<b>CURRENT ASSETS</b>				
RECEIVABLES				
Accounts receivable		0.2	0.0	
Receivables from subsidiaries	9	518.5	305.8	
Other receivables		0.3	0.3	
Prepaid expenses	10	7.1	6.3	
		526.1	312.4	
LIQUID FUNDS		35.7	19.4	
<b>TOTAL CURRENT ASSETS</b>		<b>561.8</b>	<b>331.8</b>	
<b>ASSETS</b>		<b>1,786.5</b>	<b>1,566.5</b>	



**SHAREHOLDERS' EQUITY AND LIABILITIES**

EUR million	Note	2008	2007
<b>SHAREHOLDERS' EQUITY</b>			
	11		
Share capital		292.1	289.3
Issue of shares		0.0	2.9
Premium fund		12.1	12.1
Fund for own shares		-5.7	-7.5
Retained earnings		199.9	230.4
Net result		91.6	5.7
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>590.0</b>	<b>532.9</b>
<b>ACCUMULATED APPROPRIATIONS</b>			
Accumulated depreciation in excess of plan	12	0.3	0.7
<b>PROVISION FOR CONTINGENT LOSSES</b>			
Provision for pension liability		0.1	0.1
Other provisions		0.1	0.0
<b>TOTAL PROVISIONS FOR CONTINGENT LOSSES</b>		<b>0.2</b>	<b>0.1</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
	13		
Bonds		75.0	150.0
Loans from financial institutions		71.8	67.9
Pension loans		31.4	0.5
		178.2	218.4
<b>CURRENT LIABILITIES</b>			
Bonds		75.0	0.0
Interest-bearing liabilities	14	431.0	432.3
Accounts payable		0.0	0.6
Payables to subsidiaries	15	488.7	366.8
Other current liabilities		0.2	0.2
Accrued liabilities	16	22.9	14.5
		1,017.8	814.4
<b>TOTAL LIABILITIES</b>		<b>1,196.0</b>	<b>1,032.8</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,786.5</b>	<b>1,566.5</b>

# PARENT COMPANY CASH FLOW STATEMENT

EUR million	2008	2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
EBIT	9.3	-7.3
Depreciation	0.5	0.8
Adjustments to cash flow from operating activities	-13.2	-0.9
Cash flow from operating activities before change in working capital	-3.4	-7.4
Increase (-) or decrease (+) in trade and other current receivables	-0.6	0.5
Increase (+) or decrease (-) in interest-free current liabilities	-2.2	1.8
Change in working capital	-2.8	2.3
Cash flow from operating activities before financing items and taxes	-6.2	-5.1
Interest paid	-31.9	-19.9
Interest received	0.5	0.6
Income taxes paid	-2.5	-8.4
Financing items and taxes	-33.9	-27.7
Total cash flow from operating activities	-40.1	-32.8
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Company acquisitions	0.0	-147.7
Capital expenditure	-0.3	-0.4
Proceeds from sale of tangible non-current assets	23.0	-
Proceeds from sale of other non-current investments	0.0	1.7
Loans granted	0.1	0.0
Proceeds from loan receivables	-	1.0
Interest received from non-current receivables	-	0.0
Interest received from non-current receivables	85.2	-
Cash flow from investing activities	108.0	-145.4
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of shares	-	10.6
Repurchases of own shares	-	-7.5
Reissuance of own shares	0.8	-
Change in short-term borrowings	96.5	108.8
Withdrawals of long-term borrowings	40.0	150.0
Repayments of long-term borrowings	-3.8	-165.5
Change in current receivables	-195.1	112.6
Dividends paid	-36.3	-36.0
Group contribution received	29.3	30.8
Other financing items <sup>1</sup>	17.0	-8.9
Cash flow from financing activities	-51.6	194.9
<b>CHANGE IN LIQUID FUNDS</b>		
Liquid funds	16.3	16.7
Liquid funds at year end	35.7	19.4
Liquid funds at year beginning	19.4	2.7
Change in liquid funds	16.3	16.7
<sup>1</sup> Including, for example, cash flow from hedging intercompany balance sheet items		

# PARENT COMPANY ACCOUNTING POLICIES

The Parent Company's financial statements are presented in accordance with Finnish law. The results are reported in euros using the historical cost convention.

## FOREIGN CURRENCIES

The Parent Company records foreign currency transactions at the rates of exchange on the transaction date. Assets and liabilities denominated in foreign currencies are translated at the average rate of exchange confirmed by the European Central Bank in effect at the balance sheet date.

Exchange rate gains and losses related to financing operations are reported at their net values as financing income and expenses.

## DERIVATIVE INSTRUMENTS

The Company's derivative instruments include foreign exchange forward contracts, forward rate agreements and interest rate swaps. Foreign exchange forward contracts are used to hedge against changes in the value of receivables and liabilities denominated in a foreign currency and the forward rate agreements and interest rate swaps to hedge against the interest rate risk.

Foreign exchange forward contracts are measured at fair value by recognizing the exchange rate difference in the income statement. The original interest rate differential on foreign exchange forward contracts is amortized to profit and loss. Forward rate agreements and interest rate swaps are not measured at fair value, but their fair values are presented in the notes. The fair value of forward rate agreements is based on the market prices quoted on the closing date. The fair values of interest rate swaps are calculated as the current value of future cash flows. The interest rate differential on interest rate swaps is periodized over the duration of the swaps on a net basis in interest expenses.

## INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight-line basis in order to write off the cost or revalued amounts of assets over their expected useful lives, which are as follows:

Intangible rights and other capitalized expenditure	5–10 years
Buildings	40 years
Machinery and equipment	4–10 years

Land and water are not depreciated.

## PROVISION FOR CONTINGENT LOSSES

Future costs and losses which the company has an obligation to settle and which are certain or likely to occur are disclosed in the income statement under an appropriate expense heading. They are presented in the balance sheet as provisions for contingent losses when the precise amount or timing is not known. In other cases they are presented as accrued liabilities.

## LEASING

Leasing payments are treated as rental expenses.

## PENSION PLANS

The pension and related fringe benefit arrangements of the Parent Company's employees are administered by a pension insurance company and recorded as determined by actuarial calculations and payments to the insurance company.

A minor part of the cost of supplementary pensions is borne directly by the Parent Company. Annual payments are expensed, and pension liabilities are included in the provision for contingent losses.

## TAXES

Taxes include taxes for the period calculated on the basis of the net result for the period as well as assessed or returned taxes for prior periods.

# NOTES TO THE PARENT COMPANY INCOME STATEMENT

EUR million

2008 2007

## 1. OTHER OPERATING INCOME

Rental return on real estate	0.7	0.6
Gain on sale of non-current assets	13.1	1.0
Management fees	10.3	10.1
Total	24.1	11.7

## 2. PERSONNEL EXPENSES

Wages and salaries	3.7	7.6
Social expenditure		
Pensions	1.4	1.2
Other social security	0.3	0.4
Total	5.4	9.2

The wages, salaries, bonuses and retirement benefits of the President and CEO and other members of the Board of Directors are explained on pages 141–143.

## 3. DEPRECIATION

Depreciation according to plan

Intangible rights	0.1	0.0
Buildings and constructions	0.2	0.6
Machinery and equipment	0.2	0.2
Total	0.5	0.8

## 4. FINANCING INCOME AND EXPENSES

Dividends received from subsidiaries	85.2	0.0
Other financing income on non-current receivables	0.0	0.0
Other interest and financing income from subsidiaries	14.2	20.8
Other interest and financing income	0.5	0.6
Exchange rate gains	0.7	-
Exchange rate losses	-	-2.4
Interest and other financing expenses to subsidiaries	-19.1	-13.0
Other interest and financing expenses	-29.5	-20.4
Total	52.0	-14.4

EUR million

2008 2007

## 5. EXTRAORDINARY ITEMS

Group contribution received	32.5	29.2
Total	32.5	29.2

## 6. INCOME TAXES

Income taxes for the period	-2.4	-1.9
Income taxes on ordinary operations	6.0	5.7
Income taxes on extraordinary items	-8.4	-7.6
Total	-2.4	-1.9

# NOTES TO THE PARENT COMPANY BALANCE SHEET

## 7. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

EUR million	Intangible rights	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets
Initial cost, January 1, 2008	0.9	1.2	23.7	3.4	0.6
Additions	0.2	-	-	0.1	-
Disposals	-	-	-21.9	-	-
Balance December 31, 2008	1.1	1.2	1.8	3.5	0.6
Accumulated depreciation, January 1, 2008	0.4	-	12.8	2.6	-
Disposals	-	-	-12.2	-	-
Depreciation during the period	0.1	-	0.2	0.2	-
Balance, December 31, 2008	0.5	-	0.8	2.8	-
Balance sheet value, December 31, 2008	0.6	1.2	1.0	0.7	0.6

EUR million	Intangible rights	Land and water	Buildings and constructions	Machinery and equipment	Other tangible assets
Initial cost, January 1, 2007	0.9	1.2	23.6	3.1	0.6
Additions	-	-	0.1	0.3	-
Disposals	-	-	-	-	-
Balance December 31, 2007	0.9	1.2	23.7	3.4	0.6
Accumulated depreciation, January 1, 2007	0.4	-	12.2	2.4	-
Depreciation during the period	-	-	0.6	0.2	-
Balance, December 31, 2007	0.4	-	12.8	2.6	-
Balance sheet value, December 31, 2007	0.5	1.2	10.9	0.8	0.6

## 8. INVESTMENTS IN SUBSIDIARIES AT DECEMBER 31, 2008

See note 24 of consolidated financial statements.

## 9. RECEIVABLES FROM SUBSIDIARIES

EUR million	2008	2007
Accounts receivable	1.3	1.8
Loans receivable	481.1	272.2
Prepaid expenses	36.1	31.8
Total	518.5	305.8

## 10. PREPAID EXPENSES

EUR million	2008	2007
Prepaid interest	3.6	2.8
Other prepaid expenses	3.5	3.5
Total	7.1	6.3

## 11. SHAREHOLDERS' EQUITY

EUR million	Share capital	Share issue	Premium fund	Fund for own shares	Retained earnings	Total
January 1, 2007	286.8	1.6	5.3		266.5	560.2
Warrants exercised	2.5	1.3	6.8			10.6
Dividend distribution					-36.0	-36.0
Repurchases of own shares				-7.5		-7.5
Net result					5.7	5.7
December 31, 2007	289.3	2.9	12.1	-7.5	236.2	532.9
Warrants exercised	2.9	-2.9				0.0
Dividend distribution					-36.3	-36.3
Reissuance of own shares				1.8		1.8
Net result					91.6	91.6
December 31, 2008	292.1	0.0	12.1	-5.7	291.5	590.0

## 12. ACCUMULATED DEPRECIATION IN EXCESS OF PLAN

EUR million	2008	2007
Buildings and constructions	0.1	0.5
Machinery and equipment	0.2	0.2
Total	0.3	0.7

## 13. INTEREST-BEARING LONG-TERM LIABILITIES

EUR million	Outstanding		Repayments				2014 and after
	Dec. 31, 2008	2009	2010	2011	2012	2013	
Bonds	150.0	75.0	-	75.0	-	-	-
Loans from financial institutions	71.8	-	-	15.6	56.2	-	-
Pension loans	37.6	6.2	5.7	5.7	5.7	5.7	8.6
Total	259.4	81.2	5.7	96.3	61.9	5.7	8.6

EUR million	Outstanding		Repayments				2013 and after
	Dec. 31, 2007	2008	2009	2010	2011	2012	
Bonds	150.0	-	75.0	-	75.0	-	-
Loans from financial institutions	67.9	-	-	-	14.8	53.1	-
Pension loans	1.4	0.9	0.5	-	-	-	-
Total	219.3	0.9	75.5	-	89.8	53.1	-

EUR million 2008 2007

#### 14. INTEREST-BEARING CURRENT LIABILITIES

Commercial papers	113.2	430.2
Current repayments of long-term loans	81.2	0.9
Other interest-bearing current debt	311.6	1.2
<b>Total</b>	<b>506.0</b>	<b>432.3</b>

#### 15. PAYABLES TO SUBSIDIARIES

Interest-bearing current liabilities	488.5	366.4
Accrued liabilities	0.2	0.4
<b>Total</b>	<b>488.7</b>	<b>366.8</b>

#### 16. ACCRUED LIABILITIES

Accrued personnel costs	0.8	3.5
Accrued interest	8.2	9.7
Forward contracts' exchange rate differentials	13.1	0.9
Other accrued liabilities	0.8	0.4
<b>Total</b>	<b>22.9</b>	<b>14.5</b>

EUR million 2008 2007

#### CONTINGENT LIABILITIES

Mortgages pledged		
Pension loans covered	0.0	1.4
Nominal value of mortgages pledged	0.0	1.7
Other liabilities		
Nominal value of mortgages pledged	0.0	0.9
Total nominal value of mortgages pledged	0.0	2.6
Guarantees		
Subsidiaries	42.3	37.9
Others	3.2	-
<b>Total</b>	<b>45.5</b>	<b>37.9</b>

Operating lease commitments		
Not later than one year	1.8	0.2
Later than one year but not later than five years	5.3	0.2
<b>Total</b>	<b>7.1</b>	<b>0.4</b>

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

#### DERIVATIVE FINANCIAL INSTRUMENTS

Nominal value		
Foreign exchange forward contracts	1,100.9	887.1
Forward rate agreements	0.0	100.0
Interest rate swaps	221.9	217.9

Fair value		
Foreign exchange forward contracts	-13.1	-0.9
Forward rate agreements	0.0	0.0
Interest rate swaps	-7.6	-1.6

## SHARES AND SHAREHOLDERS

The Amer Sports Corporation shares have been registered within the book-entry system that is maintained by Euroclear Finland Ltd. It is also the keeper of Amer Sports Corporation's official Shareholder Register.

Amer Sports Corporation has one series of shares. Each share carries one vote at the Annual General Meeting. The shares have no par value, but the counter book value of each share is EUR 4.00.

The company's paid-in share capital recorded in the Trade Register as of December 31, 2008 was EUR 292,182,204 and the number of shares outstanding was 73,045,551.

Amer Sports Corporation's Board of Directors decided on August 7, 2008 to transfer 104,100 shares held by the company gratuitously to the Group's key personnel belonging to its share-based incentive plan. The transfer date of the shares was September 1, 2008. Subsequent to the above transfer, the company held 340,900 of its own shares at the end of the year 2008, representing 0.5% of Amer Sports share capital.

The company's share capital was increased three times during the year. In total, the company's number of shares rose by 720,006 new shares and the share capital by EUR 2,880,024.

### SHAREHOLDERS

At the close of 2008, Amer Sports Corporation had 12,320 registered shareholders. Each nominee registered is entered in the share register as one shareholder. 31.1 million or 42.6% (47.3%) of the Amer Sports' shares were registered in the name of a nominee.

Only shares that have been recorded in the Shareholder Register have the right to vote at general meetings of shareholders.

### LISTING

Amer Sports shares are listed on the NASDAQ OMX Helsinki Ltd. The shares are quoted in Helsinki, Finland in euros (EUR).

### AMERICAN DEPOSITARY RECEIPT (ADR)

In addition, the company has a Level I American Depositary Receipt (ADR) program on the New York Stock Exchange, which does not entail SEC reporting (the U.S. Securities and Exchange Commission). Two depositary receipts are equivalent to one Amer Sports share.

### AUTHORIZATIONS OF THE BOARD OF DIRECTORS

The Annual General Meeting on March 8, 2007 authorized the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company. New shares may be issued and the company's own shares held by the company may be conveyed either against payment ("Share Issue Against Payment") or for free ("Free Share Issue"). By virtue of the authorization, the Board of Directors is entitled to decide on issuing a maximum of 7,000,000 new shares and on conveying a maximum of 6,500,000 of the company's own shares held by the company. The subscription price of the new shares and the consideration payable for the company's own shares conveyed by the company shall be recorded under the invested non-restricted equity fund. The authorization to issue shares and to convey the company's own shares is valid two years from the decision of the Annual General Meeting.

### WARRANT PROGRAMS

As of December 31, 2008 Amer Sports had in use two warrant programs for the purpose of strengthening the commitment of the Group's key employees and providing them with an incentive to focus on the long-term and to increase Amer Sports' shareholder value.



#### WARRANTS AND INCREASES IN SHARE CAPITAL

Warrant programs	EUR	Number of shares	Entered in the Trade Register
2002	2,596,452	649,113	Feb. 13, 2008
2003	104,400	26,100	Feb. 13, 2008
2004	179,172	44,793	Feb. 13, 2008

As a result of these increases, Amer Sports Corporation's share capital now totals EUR 292,182,204 and the total number of shares in issue is 73,045,551.

#### 2004 warrant program

The 2004 warrant program comprised of 550,000 warrants. The extraordinary meeting of shareholders on December 13, 2004 passed a resolution that as a consequence of share subscriptions, the company's shares outstanding can be increased by a maximum of 1,650,000 new shares and the share capital by a maximum of EUR 6,600,000. The share subscription price is a third of the subscription price determined in the terms and conditions, or EUR 13.53 per share.

During the year 2004, 147,001 warrants under the 2004 warrant program were granted to key employees of the Group in accordance with the terms and conditions of the warrants.

On February 3, 2005, Amer Sports Corporation's Board of Directors decided to grant additional warrants under the 2004 program to key employees of the company. The total number of warrants granted to key employees rose to 261,650. The additional warrants were transferred because the growth and profitability targets set by the Board of Directors were achieved.

In accordance with the terms and conditions of the warrants, the 188,350 warrants remaining unexercised were automatically cancelled on December 31, 2005. 100,000 warrants remain to be used in connection with possible future acquisitions and other M&A arrangements. The remainder of the warrants are in the possession of the Amer Sports subsidiary Amera Oy.

The share subscription period commenced on January 1, 2007, and will end on December 31, 2009. Originally warrants were given to 22 persons. At the end of December 2008, 11 persons were covered by the 2004 warrant program. The stock options related to the year

2004 stock option arrangement were subject to trading on the Helsinki Stock Exchange main list as of January 2, 2007. No share subscriptions were made in 2008.

#### 2005 warrant program

2005 warrant program cancellation was registered on June 30, 2008.

#### 2007 warrant program

The 2007 warrant program comprises of 1,500,000 warrants. Of the warrants, 500,000 are marked with the symbol 2007A, 500,000 are marked with the symbol 2007B and 500,000 are marked with the symbol 2007C.

The 2007A and 2007B warrants were not distributed since Group's financial targets were not reached.

The stock options are issued gratuitously to the Group's key personnel and to Amera Oy, a fully owned subsidiary of the company. The company has a weighty financial reason for the issue of warrants, since the warrants are intended to form part of the Group's incentive and commitment program for the key personnel. The warrants do not constitute a part of the terms and conditions of employment, service or compensation.

The customary dividend distribution by the company has no impact on the share subscription price of the stock options. If the company distributes dividend that deviates from the customary dividend policy of the company or distributes funds from the non-restricted equity fund, the Board of Directors will decide on their impact on the share subscription price of the stock options.

The share subscription period for 2007C warrant will begin March 1, 2012 and end February 28, 2015. At

## WARRANT PROGRAMS

Warrant programs	Began	Number of people, Dec. 31, 2008	Subscription ratio	Subscription price, EUR
2004	2004 and 2005	11	1:3	13.53
2007C		9	1:1	

the close of the report year, 9 persons were covered by the 2007 warrant program.

### General information on warrants

The issued warrants in question would have corresponded to 2.1% of the company's shares and votes as of December 31, 2008.

The warrant programs were approved at Amer Sports shareholder meetings in the year when each program started. In Amer Sports' current 2004 warrant program, one warrant entitles its holder to subscribe for three Amer Sports Corporation shares. In the 2007 warrant programs, one warrant can be exercised to subscribe for one Amer Sports Corporation share. The company's Board of Directors decides on the number of warrants to be issued.

The warrants issued under all the warrant programs may not be transferred to a third party or pledged as security before the beginning of the share subscription period without the consent of the company's Board of Directors. Warrants will be transferred automatically to Amera Oy in the event that a warrant holder's employment or position with Amer Sports comes to an end before the start of the share subscription period, as set out in detail in the terms and conditions of the warrants. As of December 31, 2008, Amera Oy held 123,550 of the 2004 warrants.

Shares subscribed for on the basis of the warrant programs entitle the shareholder to a dividend for the fiscal year during which the subscription was made. Other shareholder rights commence when the increase in share capital corresponding to the share subscription has been entered in the Trade Register. The terms and conditions of the warrant programs are posted on the Amer Sports website at [www.amersports.com](http://www.amersports.com).

### SHARE-BASED INCENTIVE PLAN

Amer Sports Corporation's Board of Directors decided on January 14, 2007 to establish a new share-based incentive plan for the Group's key personnel. The plan's

reward will be paid in 2008 in part as company shares and partially in cash. The cash payment will cover taxes and tax-related costs arising from the reward. Of the shares, 25% will be transferable as of April 2010, 25% as of April 2011, and 50% as of April 2012. The rewards to be paid based on this plan will correspond to a maximum value of approximately 400,000 Amer Sports Corporation shares. At the end of the financial year the plan covered 30 people.

The key personnel belonging to Group's share-based incentive plan were transferred gratuitously 104,100 own shares held by the company. The transfer date of the shares was September 1, 2008.

### SHARES AND WARRANTS HELD BY MANAGEMENT

Amer Sports Board of Directors members held a total of 1,671,623 Amer Sports shares as of December 31, 2008 (December 31, 2007: 1,689,576), or 2.3% (2.3%) of the outstanding shares and votes.

On December 31, 2008, the President and CEO owned 56,700 Amer Sports shares (Dec. 31, 2007: 22,500). At the end of 2008, the President held 66,850 warrants under the 2004 warrant program, entitling him to subscribe for a maximum of 200,550 shares in the company. As of December 31, 2008, the President's warrants would have corresponded to 0.4% of the company's shares and votes.

The management of Amer Sports (including the President and CEO) owned a total of 156,295 Amer Sports shares on December 31, 2008 (Dec. 31, 2007: 55,250), representing 0.2% (0.08%) of the shares and votes. At the end of 2008, management owned a total of 122,600 warrants, entitling them to subscribe for 367,800 shares. These were from the 2004 warrant program. As of December 31, 2008, the warrants held by management would have corresponded to 0.5% of the company's shares and votes.

The members of the company's Board of Directors do not come within the scope of the warrant programs.

Number of subscribed warrants	Max. increase in share capital, EUR	Subscription period
361,650	4,339,800	Jan. 1, 2007–Dec. 31, 2009
500,000	2,000,000	Mar. 1, 2012–Feb. 28, 2015

The Amer Sports Executive Board is presented on pages 148–149.

Salaries and other compensations are presented on pages 141–143.

#### REDEMPTION OBLIGATION

According to the Articles of Association, a shareholder whose proportional holding of all the company's shares or whose proportional entitlement to votes conferred by the company's shares reaches or exceeds 33⅓% or 50% is obliged on demand by other shareholders to redeem the shares of such shareholders, and securities giving entitlement to them under the Companies Act, in the manner stipulated in the Articles of Association.

#### SHAREHOLDER AGREEMENTS

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

#### MAJOR CHANGES IN SHAREHOLDINGS

Amer Sports Corporation received 17 notifications of changes in share capital and voting rights in 2008. In accordance with Chapter 2, section 9 of the Securities Market Act, Amer Sports Corporation has reported all the flaggings in stock exchange releases, which are available on the company's website at [www.amersports.com/investors/stock\\_information/shareholders/](http://www.amersports.com/investors/stock_information/shareholders/).

#### SHARE TURNOVER AND PRICE TREND

During the 2008 calendar year, a total of 101.3 million of the company's shares were traded on the NASDAQ OMX to a total value of EUR 1,172.5 million. The share turnover was 139.6% (of average number of shares, excluding own shares). The number of ADR certificates in issue at the turn of the year was 172,350.

At the close of the year on the NASDAQ OMX, the last trade in Amer Sports Corporation shares was completed at a price of EUR 5.36, representing a decline of 71.0% during the year. The high for the year on the

NASDAQ OMX was EUR 19.00 and the low EUR 4.90. The average share price was EUR 11.58.

The company had a market capitalization at the end of the year of EUR 389.7 million (excluding own shares of 340,900).

A total of 23,915 warrants were traded during 2008, to a total value of EUR 124,015.

Amer Sports Corporation's share capital increases were registered as follows:

Warrants	Increase in share capital, shares	Increase in share capital, EUR
2002	649,113	2,596,452
2003	26,100	104,400
2004	44,793	179,172

Shareholder rights commenced from the registration date February 13, 2008. The new shares were listed on the Helsinki Exchanges on February 14, 2008.

The highest price of the 2003 warrants on the OMX Helsinki Stock Exchange was EUR 6.50 and the lowest EUR 0.05. In 2008, a total of 5,679 warrants were traded at a total price of EUR 21,789.

The highest price of the 2004 warrants on the OMX Helsinki Stock Exchange was EUR 14.00 and the lowest EUR 1.25. In 2008, a total of 18,236 warrants were traded at a total price of EUR 102,226.

#### DIVIDEND POLICY AND DIVIDENDS FOR 2008

Amer Sports seeks to be viewed as a competitive investment that increases shareholder value through a combination of dividend payments and share price performance. Amer Sports pursues a progressive dividend policy reflecting the company's earnings performance, with the aim of distributing a dividend of at least one-third of the annual net result.

Amer Sports Corporation's Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.16 per share be paid for fiscal 2008 (2007:

EUR 0.50), representing a dividend ratio of 34%. The effective dividend yield is thus 3.0%. On average, dividends of 56% have been paid out during the past five years.

#### THE RIGHT TO RECEIVE FUNDS

The right to receive funds distributed by the company and subscription rights when the company raises its share capital are held only by parties:

- entered as shareholders in the Shareholder Register on the record date,
- whose right to payment is recorded on the record date in the Shareholder Register and in the book-entry account of the shareholder entered in the Shareholder Register, or,
- if the share is nominee-registered, on whose book-entry account the share has been recorded on the record date and whose custodian has been entered as the custodian of the shares in the Shareholder Register on the record date.

#### Order Book Codes

- NASDAQ OMX: AMEAS
- Reuters: AMEAS.HE
- Bloomberg: AMEAS.FH
- ADR: AGPDY, 023512205
- ISIN code: FI0009000285

#### The most important indexes

- NASDAQ OMX Helsinki
- OMX Helsinki CAP
- OMX Helsinki 25
- Consumer Discretionary

#### MAJOR SHAREHOLDERS AS OF DEC. 31, 2008

	Shares	% of shares and votes
Novator Finland Oy <sup>1)</sup>	7,688,900	10.5
Danske Bank A/S, Helsinki Branch	7,000,000	9.6
The Land and Water Technology Foundation	3,300,000	4.5
Brotherus Ilkka	1,606,176	2.2
Varma Mutual Pension Insurance Company	1,201,194	1.6
Tapiola Mutual Pension Insurance Company	968,700	1.3
Odin Norden	968,600	1.3
The State Pension Fund	700,000	1.0
OP-Delta Fund	681,192	0.9
Odin Finland	647,856	0.9
Ilmarinen Mutual Pension Insurance Company	475,000	0.7
Nordea Life Assurance Finland Ltd.	450,000	0.6
The Finnish Cultural Foundation	351,959	0.5
Åbo Akademi University Foundation	313,000	0.4
Mandatum Life Insurance Company	310,080	0.4
FIM Securities Ltd Oy	300,000	0.4
Nordea Pro Finland Fund	299,650	0.4
Amer Cultural Foundation	297,771	0.4
Evald and Hilda Nissi's Foundation	270,368	0.4
Etera Mutual Pension Insurance Company	250,353	0.3
Nominee registrations	31,091 612	42.6
Amer Sports own shares	340,900	0.5

<sup>1)</sup> Dec. 31, 2008: Novator Finland Oy 20.1% (10.5% + 9.6% forward contracts held by Danske Bank AS)

**SHARES AND WARRANTS OF PUBLIC INSIDERS AS OF DEC. 31, 2008**

	Shares	2004 Warrants
<b>The Board of Directors <sup>*)</sup></b>		
Felix Björklund	50,000	-
Ilkka Brotherus, Vice Chairman	1,606,176	-
Martin Burkhalter	1,030	-
Christian Fischer	1,030	-
Bruno Sälzer	1,030	-
Anssi Vanjoki, Chairman	10,000	-
Pirjo Väliäho	2,357	-
% of shares and voting rights	2.3	-
<b>Management Team</b>		
Roger Talerio, President and CEO	56,700	66,850
Eero Alperi, Supply Chain Development	5,250	5,950
Paul Byrne, President, Precor	0	0
Chris Considine, President, Wilson	4,950	0
Thomas Ehrnrooth, Senior Vice President, Sales and Channel Management	13,500	0
Thomas Henkel, Vice President, IT	0	0
Kristiina Huttunen, Vice President, Legal Affairs	8,325	0
Tommy Ilmoni, Vice President, Investor Relations and Corporate Communications	10,000	0
Pekka Paalanne, Executive Vice President and CFO	31,200	26,000
Juha Pinomaa, President, Suunto	4,050	0
Michael Schineis, President, Winter Sports Equipment	6,000	17,850
Kai Tihilä, Vice President, Business Planning & Control	8,625	5,950
Vincent Wauters, Senior Vice President, Supply Chain and Information Technology	7,695	0
<b>Auditor</b>		
Jouko Malinen	0	0
TOTAL	1,827,918	122,600
% of shares	2.5	-

<sup>\*)</sup> The members of the Amer Sports Board of Directors do not come within the scope of the warrant programs.

**SHARES/SHAREHOLDER AS OF DEC. 31, 2008**

	Shareholders	% of shares	Shares	% of shares
1-100	2,948	23.9	166,725	0.2
101-1,000	7,275	59.1	2,917,372	4.0
1,001-10,000	1,927	15.6	4,946,926	6.7
10,001-100,000	124	1.0	3,489,647	4.8
Over 100,000	34	0.3	30,092,369	41.2
Nominee registered	12	0.1	31,091,612	42.6
The own shares held by the company			340,900	0.5
TOTAL	12,320	100.0	73,045,551	100.0

## SHARE CAPITAL AND PER SHARE DATA

EUR million	2008	2007	2006	2005	2004
Share capital	292.2	289.3	286.8	285.9	285.7
Number of shares in issue, million	73.1	72.3	71.7	71.5	71.4
Adjusted number of shares in issue less own shares, million	72.7	71.9	71.7	71.5	71.4
Adjusted average number of shares in issue less own shares, million	72.5	72.0	71.5	71.4	71.1
Share issues					
Bonus issue	-	-	-	-	190.5
Targeted share issue	2.9	2.5	0.9	0.2	1.3
Decrease of share capital	-	-	-	-	3.9
Earnings per share, continuing operations, EUR	0.47	0.25	0.98	1.05	0.96
Earnings per share, diluted, continuing operations, EUR	0.47	0.25	0.97	1.04	0.96
Earnings per share, discontinued operations, EUR	-	-	-	-	0.20
Earnings per share, diluted, discontinued operations, EUR	-	-	-	-	0.20
Equity per share, EUR	6.95	7.04	7.71	7.46	6.41
Total dividends	11.7 <sup>1)</sup>	36.5	36.0	35.7	35.7
Dividend per share, EUR	0.16 <sup>1)</sup>	0.50	0.50	0.50	0.50
Dividend % of earnings	34 <sup>1)</sup>	202	51	48	43
Effective yield, %	3.0 <sup>1)</sup>	2.7	3.0	3.2	3.9
P/E ratio	11.4	74.0	17.0	14.9	11.1
Market capitalization	389.7	1,329.1	1,195.9	1,124.2	917.7
Share value, EUR					
Counter book value	4.00	4.00	4.00	4.00	4.00
Share price low	4.90	15.51	14.75	12.32	11.49
Share price high	19.00	21.50	19.00	17.09	14.82
Average share price	11.58	17.37	16.83	14.65	13.06
Share price at closing date	5.36	18.49	16.68	15.73	12.85
Trading volume	1,172.5	2,817.9	1,115.2	822.1	656.1
1,000s	101,259	162,204	66,251	56,119	50,232
%	140	225	93	79	71
Number of shareholders	12,320	12,280	14,351	14,588	13,493

<sup>1)</sup> Proposal of the Board of Directors for 2008

Calculation of key indicators, see page 116.

## SECTORS DEC. 31, 2008

- 1 Outside Finland and nominee registered 45.2%
- 2 Financial and insurance corporations 14.2%
- 3 Households 13.2%
- 4 Private companies 12.6%
- 5 Non-profit institutions 8.5%
- 6 Public sector entities 5.8%
- 7 Own shares 0.5%

1

2

3

4

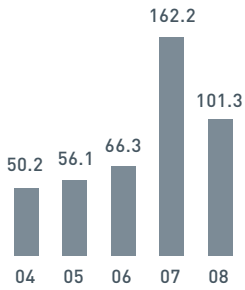
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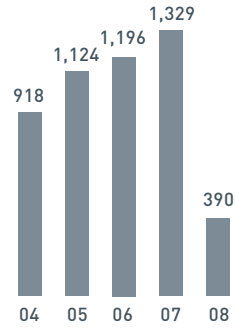
7



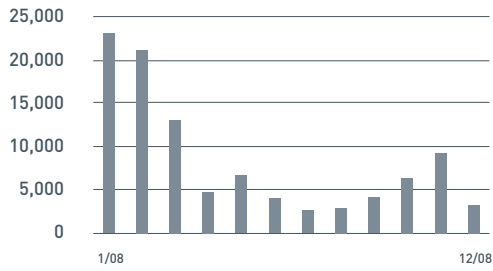
TRADING OF SHARES,  
MILLION SHARES



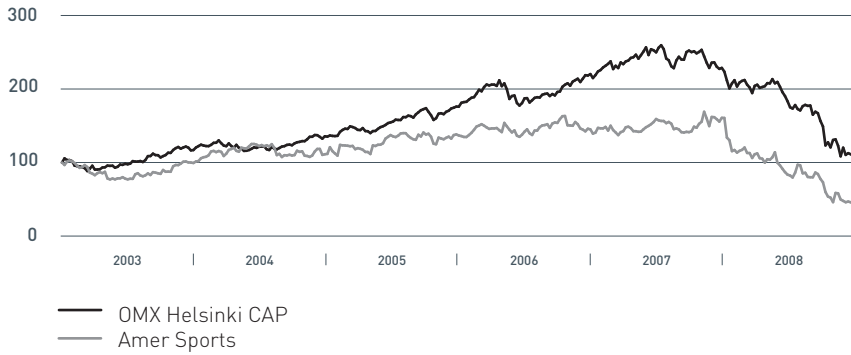
MARKET CAPITALIZATION DEC. 31,  
EUR MILLION



TRADING SHARES, 1,000S



TRENDS OF SHARE PRICES



Further information on shares is posted on Amer Sports website at [www.amersports.com](http://www.amersports.com).

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

Helsinki, Finland, February 5, 2009

Anssi Vanjoki

Ilkka Brotherus

Felix Björklund

Martin Burkhalter

Christian Fischer

Bruno Sälzer

Pirjo Väliäho



# AUDITORS' REPORT

## **TO THE ANNUAL GENERAL MEETING OF AMER SPORTS CORPORATION**

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Amer Sports Corporation for the year ended on December 31, 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

## **RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR**

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

## **AUDITORS' RESPONSIBILITY**

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstate-

ment and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

## **OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS**

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, February 5, 2009

PricewaterhouseCoopers Oy  
Authorized Public Accountants

Jouko Malinen  
Authorized Public Accountant

# AMER SPORTS CORPORATE GOVERNANCE CODE

The duties of Amer Sports Corporation and its subsidiaries' bodies are determined by Finnish law and by the corporate governance principles defined by the Amer Sports Board of Directors. Amer Sports protects its owners ordinary shares and ADR's through continuous compliance with high standards of governance principles, transparent financial reporting and internal auditing.

Amer Sports complies with the corporate governance recommendations of listed companies issued by the NASDAQ OMX Helsinki Ltd, the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and employees as well as the Articles of Association. Amer Sports also complies with the guidelines for insiders published by NASDAQ OMX Helsinki Ltd.

Amer Sports shares are listed on the NASDAQ OMX Helsinki Ltd. In addition, the company has a Level I American Depositary Receipt (ADR) program on the New York Stock Exchange, which does not entail SEC reporting (the U.S. Securities and Exchange Commission).

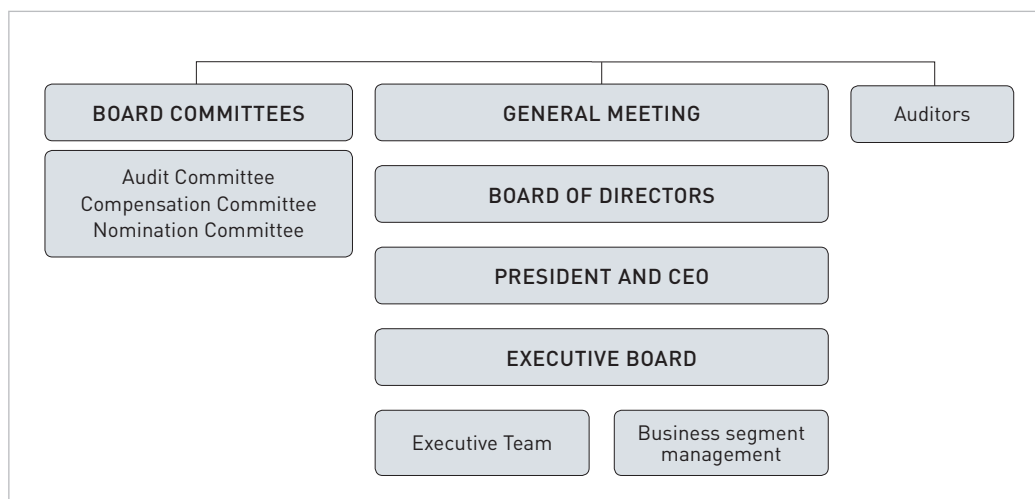
## SHAREHOLDERS' RIGHTS

The Finnish Limited Liability Companies Act contains provisions on share-related rights, e.g. exercising

voting rights, the shareholder's right to request information, the right of shareholder to put items on the agenda of a General Meeting, as well as rights on participation in a General Meeting and the way of giving notice of a General Meeting.

The Act also contains the equal treatment of shareholders requirement. All shares carry equal rights in a company. The General Meeting, Board of Directors and President and CEO do not have the right to make a decision that could give undue benefit to a shareholder or another person at the expense of the company or another shareholder.

The main purpose of the principle of equal treatment is to protect minority shareholders. Compliance with the principle does not prevent the use of majority rule, but it prevents favoring majority shareholders at the expense of other shareholders.



## **AMER SPORTS' GOVERNANCE BODIES**

The Annual General Meeting of shareholders is Amer Sports' supreme decision-making body. The Board of Directors and the President and CEO are responsible for the management of Amer Sports. Other executives have an assisting and supporting role. The Board of Directors ensures good corporate governance principles within Amer Sports.

## **GENERAL MEETING**

Amer Sports Corporation's highest power of authority is exercised by the company's shareholders at the General Meeting, which is convened by the company's Board of Directors. Shareholders can exercise their right to make decisions concerning the company at a properly-convened General Meeting by either being present themselves or through authorized representatives. If the shares are nominee-registered, the representative may be, e.g. the custodian bank. The representative shall produce a proxy document or otherwise provide reliable evidence of the right to represent the shareholder.

The Annual General Meeting is held once a year before the end of June.

The Annual General Meeting decides on the matters stipulated in the Finnish Limited Liability Companies Act and the Articles of Association. Such issues include:

- presentation of the annual accounts, which include the consolidated annual accounts, the Board of Directors' report and the auditors' report;
- decision upon approval of the annual accounts and the consolidated annual accounts, the use of the profit shown in the balance sheet, granting discharge from liability to the members of the Board of Directors and the President and CEO of the company, the number of members of the Board of Directors and the remuneration of the members of the Board of Directors and the auditor;
- election of the members of the Board of Directors and one auditor who shall be a firm accredited by the Central Chamber of Commerce (Authorized Public Accountants), for a term of one financial year;
- handling of any other matters as per the notice of the meeting.

In addition to the matters specified as being the business of Annual General Meeting, a shareholder can submit a written request to the Amer Sports Board of Directors that a certain matter is to be dealt with at the General Meeting. The written request must be submitted to the Board of Directors early enough that the matter can be included in the notice of meeting.

Extraordinary General Meeting can be convened when there is a particular need to do so. The Board of Directors must convene an Extraordinary General Meeting without a delay to deliberate on a certain matter if requested in writing by the auditor, or a shareholder or shareholders, owning at least 10% of all the company shares.

The notice of the meeting is communicated to the shareholders by means of publishing the notice in at least two daily newspapers published in Helsinki and which have been determined by the Board of Directors, not earlier than two months and not later than 17 days prior to the date of the meeting. Additionally, Amer Sports publishes the notice and other matters related to the meeting on its web site.

Shareholders must register their participation in the General Meeting at the latest on the day specified in the notice of the meeting in order to participate in the General Meeting.

## **2008**

The Annual General Meeting was held in Helsinki on March 5, 2008. A total of 362 shareholders representing approximately 59.7% of the company's votes participated in it either in person or by proxy. All members of the Board and the President and CEO participated in the meeting.

Information on the Annual General Meeting, [www.amersports.com/investors](http://www.amersports.com/investors) → Corporate Governance → General Meeting.

Amer Sports shareholder, Novator Finland Oy demanded on March 5, 2008 that an Extraordinary General Meeting of Amer Sports Corporation to be convened to elect a new Board of Directors for the company and to replace the members of the Board of Directors elected in the Annual General Meeting held on March 5, 2008. The Extraordinary General Meeting was held in Helsinki on June 4, 2008. A total of 328

shareholders representing approximately 66.9% of the company's votes participated in it either in person or by proxy. All members of the Board, prospective directors and the President and CEO participated in the meeting.

Information on the Extraordinary General Meeting, [www.amersports.com/investors](http://www.amersports.com/investors) → Corporate Governance → General Meeting.

#### **BOARD OF DIRECTORS**

The Board of Directors is responsible for duly organizing the administration and operations of Amer Sports. The Annual General Meeting elects a minimum of five and a maximum of seven directors for a term of one year. A person who has reached the age of 66 at the time of election may not become a member of the Board of Directors. Terms of office are not otherwise restricted. The Board of Directors elects from among its members a chairman and a vice chairman.

The Board's Nomination Committee prepares a proposal of the members of the Board. The number of the directors and the composition of the board must make it possible for the Board to discharge its duties in an efficient manner. The composition must take into account the needs of the company operations and the development stage of the company.

The duties and responsibilities of the Amer Sports Board of Directors are defined on the basis of the Finnish Limited Liability Companies Act, other applicable legislation and Amer Sports' Articles of Association. The Board of Directors has general authority in all such matters that the law or the Articles of Association do not stipulate to be decided or performed by other bodies. The Board of Directors is responsible for attending to the administration of the company and duly organizing its operations. The Board of Directors must act in the company's and its shareholders interests in all circumstances. The set goal of the Board of Directors is guiding the company's operations with a view to generating maximum enduring added value to shareholders, without neglecting other interest groups.

The Board of Directors draws up an annual plan and each year assesses its own activities by carrying out an internal self-appraisal. All matters of wide-ranging importance for the company's operations are dealt with by the Board of Directors.

A decision of the Board of Directors must be supported by more than half of the members present. When voting is split, the Chairman has the deciding vote.

The Board of Directors convenes once a month as a rule. At least once a year, the Board convenes when representatives of the company's management are not in attendance.

The President and CEO and the Executive Vice President participate in the Board meetings as the presenting officials of issue, and the Vice President of Legal Affairs as the secretary of the Board. Other Amer Sports executives participate in the meetings as necessary.

#### **The major duties of the Board of Directors**

Direct Amer Sports business operations and strategies

- Confirm the company's strategy and ensure that it is up-to-date
- Confirm the business plan on the basis of said strategy and annual budget, and monitor its achievement
- Adopt the annual investment plan
- Decide on significant, strategically-important investments or acquisitions and the sale of assets

Organize Amer Sports administration and functions

- Appoint and dismiss the President and CEO
- Appoint and dismiss the immediate subordinates of the President and CEO
- Decide on the terms of employment of the President and CEO and his or her immediate subordinates, including incentive reward programs, if any
- Set the President and CEO's personal targets for each year and monitor their achievement
- Keep track of issues related to succession in management
- Adopt the duties and responsibilities of the Board and evaluate its performance once a year

Supervise financial administration and risk management

- Prepare interim reports, annual reports and financial statements
- Hold a meeting with the company's auditors at least once a year
- Supervise significant risks connected with the company's operations and risk management

Prepare matters to be decided on at an Annual General Meeting

- Draft the company's dividend payout policy and submit a proposal on the dividend to the General Meeting
- Submit other proposals to the General Meeting

The Board of Directors prepares an annual plan that always extends until the subsequent Annual General Meeting, which includes:

- the schedule of meetings
- the major issues to be discussed at each meeting
- the schedule of the dates when the Board members are to familiarize themselves with the operations of the company and its partners, as well as
- the annual evaluation of its own performance at the end of the period

According to the Board procedures, the chairman of the Board, in addition to leading the work of the Board, continuously monitors Amer Sports Corporation's operations and development through contact with the President and CEO. Furthermore, the chairman of the Board represents the company in matters associated with shareholders and ensures that the work of the Board is evaluated annually, and that the Board continuously updates and deepens its knowledge of Amer Sports Corporation operations.

## 2008

The 2008 Annual General Meeting elected seven members to the Amer Sports Board of Directors. The Board members re-elected were Felix Björklund, Ilkka Brotherus, Tuomo Lähdesmäki, Timo Maasilta, Roger Talermo, Anssi Vanjoki and Pirjo Väliäho. Anssi Vanjoki was re-elected as chairman and Ilkka Brotherus as vice-chairman.

At the Amer Sports Corporation Extraordinary General Meeting held on June 4, 2008, Amer Sports' previous board members were released from their positions and new members were elected. Anssi Vanjoki, Ilkka Brotherus, Felix Björklund and Pirjo Väliäho were re-elected as the members of the Board of Directors and Martin Burkhalter, Christian Fischer and Bruno Sälzer were appointed as new board members. Anssi Vanjoki was re-elected as chairman and Ilkka Brotherus as vice-chairman.

## Year of election, Board of Directors as of December 31, 2008

1999	Felix Björklund
2000	Ilkka Brotherus
2008	Martin Burkhalter
2008	Christian Fischer
2008	Bruno Sälzer
2004	Anssi Vanjoki
2007	Pirjo Väliäho

The Board members are independent from the company and its shareholders.

In 2008, the Board of Directors convened 17 times: old Board 10 and the new Board seven times. Most Board meetings were held at Amer Sports headquarters in Helsinki. However, one meeting was arranged abroad in Amer Sports Europe headquarters in Germany and in Atomic headquarters in Austria. The attendance rate of Directors at meetings of the Board was 97.6% in 2008. On February 6, 2008, the Board carried out a self-assessment of its performance.

Members of the Board of Directors and their experiences are presented on pages 146–147.

## BOARD COMMITTEES

The Board of Directors has set three permanent committees from amongst its members and has defined rules of procedure for them. Committee chairman and members are elected annually. The committees report on their work to the entire Board of Directors on a regular basis.

Committee proposals, [www.amersports.com/investors](http://www.amersports.com/investors) → Corporate Governance → General Meeting.

## Audit Committee

The task of the Audit Committee is to assist the Board of Directors in the monitoring of reporting and accounting processes. In order to fulfill its task, the committee assesses compliance with laws and regulations, and supervises the company's financial situation. "Reporting" refers to financial statements, interim reports and monthly profit-and-loss reporting. The committee evaluates the adequacy and appropriateness of internal control and risk management. The committee evaluates the independence of the statutory auditor, prepares the auditor selection decision that is made at the Annual General Meeting and maintains contact with the auditor.

The Audit Committee comprises three non-executive members of the Board of Directors. The Audit Committee members are elected by the Board from among its independent members. The members must have the qualifications necessary to perform the responsibilities of the Audit Committee.

#### **2008**

In 2008 until June 4, 2008 the members were Tuomo Lähdesmäki (Chairman), Ilkka Brotherus and Timo Maasilta. As of June 4, 2008 the members were Felix Björklund (Chairman), Ilkka Brotherus and Martin Burkhalter. The Committee convened altogether five times in 2008: the old Audit Committee two times and the new one three times. The meeting attendance rate was 93% in 2008.

#### **Compensation Committee**

The task of the Compensation Committee is to prepare proposals for decisions on the compensation and reward system for the members of the Amer Sports top management.

The Compensation Committee comprises of at least four non-executive members, all of whom are elected by the Board from among its members.

#### **2008**

In 2008 until June 4, 2008 the members were Anssi Vanjoki (Chairman), Felix Björklund, Tuomo Lähdesmäki and Pirjo Väliäho. As of June 4, 2008 members were Pirjo Väliäho (Chairman), Anssi Vanjoki, Bruno Sälzer and Christian Fischer. The Committee convened four times in 2008: the old Compensation Committee three times and the new one once. The meeting attendance rate was 100% in 2008.

#### **Nomination Committee**

The Nomination Committee prepares proposals on Board members and their compensation, for discussion by the Board of Directors and presentation for a resolution of the Annual General Meeting.

The Nomination Committee comprises of at least three members, all of whom are elected by the Board from among its members.

#### **2008**

In 2008 until June 4, 2008 the members were Ilkka Brotherus (Chairman), Felix Björklund and Timo

Maasilta. As of June 4, 2008 the members of Nomination Committee were Ilkka Brotherus (Chairman), Anssi Vanjoki and Felix Björklund. The Committee convened six times in 2008: the old Nomination Committee four times and the new one two times. The meeting attendance rate was 94% in 2008.

#### **PRESIDENT AND CEO**

The Board nominates the President and CEO, who is in charge of managing Amer Sports in accordance with the Finnish Limited Liability Companies Act and instructions provided by the Board. The Executive Vice President acts as deputy to the President and CEO.

The President and CEO reports to the Board and keeps the Board informed about the Amer Sports business environment – including the markets and Amer Sports competitors – as well as the financial position of Amer Sports and other significant matters.

Roger Talermo's CV, [www.amersports.com/about/executives](http://www.amersports.com/about/executives)

#### **2008**

Roger Talermo has served as President and CEO since 1995 and acted as a Board member between the years 1996–2008. Executive Vice President Pekka Paalanne acts as deputy to the President and CEO.

#### **EXECUTIVE TEAM**

The Amer Sports' Executive Team, together with the headquarters management, assists and supports the President and CEO. The Executive Team meets on a monthly basis.

#### **2008**

The Executive Team comprised of Roger Talermo, President and CEO along with Pekka Paalanne, Executive Vice President, Max Alfthan, Senior Vice President, Corporate Communications (until October 20, 2008), Thomas Ehrnrooth, Senior Vice President, Sales and Channel Management, and Vincent Wauters, Senior Vice President, Supply Chain and Information Technology (from September 1, 2008).

#### **EXECUTIVE BOARD**

The Executive Board's task is to insure that the Amer Sports Corporation strategy is implemented consistently across all business segments and business units. Other executives participate in the meetings as neces-

sary. The Amer Sports Executive Board comprises of the Executive Team and the Presidents of business segments and the most important business areas. In addition to the Amer Sports Presidenta and CEO, who is the Chairman, there are seven other Executive Board members. The Presidents of the business segments and business areas serve as the brand and/or business segment representative on the Executive Board. The Executive Board meets three times a year.

#### **2008**

The Amer Sports Executive Board comprised of Roger Talermo, President and CEO, Pekka Paalanne, Executive Vice President, Thomas Ehrnrooth, Senior Vice President, Sales and Channel management, Max Alfthan, Senior Vice President, Communications (until October 20, 2008), Vincent Wauters, Senior Vice President, Supply Chain and Information Technology (from September 1, 2008), Chris Considine, President of Wilson, Paul Byrne, President of Precor, Michael Schineis, President of Winter Sports Equipment and Juha Pinomaa, President of Suunto.

Members of the Executive Board are presented on pages 148–149.

#### **BUSINESS SEGMENT MANAGEMENT**

The presidents of each business segment or business area are in charge of the day-to-day management and legal compliance of their respective businesses with profit and loss responsibility. The Presidents report to Amer Sports' President and CEO. Amer Sports' President and CEO; Executive Vice President; and the leader of a respective business segment or significant business area meet approximately six times a year to review the strategy, results and business outlook.

Presidents of each business segment are presented on pages 148–149.

#### **AUDIT**

According to the Articles of Association, Amer Sports has one auditor, which must be a firm of public accountancy certified by the Central Chamber of Commerce. The independent public accountants of Amer Sports Corporation are in charge of directing and coordinating the audit work for the entire Amer Sports Corporation. The Audit Committee proposes at the Annual General Meeting an Amer Sports auditor. The Annual General Meeting elects the auditor annually for

a one year period.

The scope and content of the audit reflects the fact that Amer Sports does not have a separate internal audit organization. The auditors examine the efficiency of the company's systems, internal control, reporting and accounting. The Audit Committee and Amer Sports Corporation's financial management, together with the auditors, determine one or more audit themes over and above the statutory auditing requirements. The themes change each year, and separate reports on them are prepared for Amer Sports Corporation's management. This insures that Amer Sports operations are efficient and profitable, that information is reliable, and that the relevant rules and operating principles are observed.

Amer Sports Corporation's auditors, the Presidents of the business segments and areas and the finance directors meet together at least once a year. The general manager and the financial managers of each subsidiary meet with the local auditor at least twice a year.

The auditors of subsidiaries present their audit observations annually to the company in question, to the auditors of Amer Sports Corporation, and to the company's financial management. In addition, they report in greater detail to the subsidiaries concerning observations made in the course of the audit.

The auditors submit a written report on their audit to the Board of Directors once a year. The principal auditor takes part in the Board of Directors meeting at which the financial statements for the fiscal year are discussed and presents a summary of the year's audit.

#### **2008**

PricewaterhouseCoopers is generally responsible for auditing the Amer Sports companies worldwide. The independent public accountants of Amer Sports Corporation, PricewaterhouseCoopers Ltd, are in charge of directing and coordinating the audit work for the entire Amer Sports Corporation. The principal auditor is Mr Jouko Malinen, Authorized Public Accountant. He has been Amer Sports' principal auditor since 2007.

#### **SALARIES AND OTHER COMPENSATION**

The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors. The salaries and compensation paid to the President and CEO and his immediate subordinates are decided

by the Board of Directors. The Board's Compensation Committee is responsible for preparing proposals for the incentive system.

The salaries of the President and CEO and his immediate subordinates comprise a fixed basic salary and a performance bonus based on the profits and other objectives of Amer Sports. Additionally Amer Sports has a share based incentive plan which Amer Sports key personnel are part of.

#### **Board of Directors compensation**

The Annual General Meeting decides on the remuneration paid to the members of the Board of Directors. A member of the Board is not allowed to sell or transfer any of these shares to any third party during the term of his or her respective Board membership. However, this limitation is only valid for five years at the most after the acquisition of the shares. No additional remuneration is paid for attendance in meetings and committees.

#### **2008**

The Annual General Meeting decided in March 2008 that the annual remuneration is as follows: chairman EUR 80,000, Vice Chairman EUR 50,000, and other members EUR 40,000. 40% of the annual remuneration is being paid in the form of the company's shares and 60% in cash. In 2008, the members of the Board of Directors were paid total compensation of EUR 320,040, of which EUR 192,651 was in cash. The following shares were transferred: Felix Björklund, 1,372 shares, Ilkka Brotherus, 1,715 shares, Martin Burkhalter, 1,030 shares, Christian Fischer, 1,030 shares, Bruno Sälzer, 1,030 shares, Anssi Vanjoki, 2,744 shares, and Pirjo Väliäho, 1,372 shares. Timo Maasilta was transferred 342 shares and to Tuomo Lähdesmäki 342 shares. They were Board members until June 4, 2008.

#### **President and CEO's executive agreement**

The terms and conditions of the President and CEO's employment are defined in a written executive agreement that has been approved by the Board of Directors. Under the agreement, the President can take early retirement at the age of 60, with pension payable at a 60 percent salary rate.

The President and CEO's period of notice is six months on both the company's and the President's side.

Should Amer Sports give the President notice, he is to be paid his salary for the duration of the notice period and to receive severance pay of 24 months' fixed salary.

#### **2008**

Total compensation paid to the President and CEO in 2008 was EUR 1.2 million, of which incentives tied to profits and other objectives accounted for EUR 0.4 million. Salaries, benefits and other compensation paid to the other members of the Amer Sports Executive Board totaled EUR 3.3 million, of which incentives amounted to EUR 1.0 million.

At the end of 2008, the President and CEO held warrants entitling him to a total of 200,550 shares which are under the 2004 program.

The Amer Sports warrant programs are presented on pages 126–131.

Shares and warrants held by the President and CEO are presented on page 131.

#### **Management salaries and compensation**

The salaries and compensation paid to the President and his immediate subordinates are decided by the Board of Directors. The Board's Compensation Committee is responsible for preparing proposals for the incentive system. No separate compensation is paid to management members for their participation in management bodies.

#### **2008**

In 2008, the management incentive system consisted of the following components:

- An annual incentive system for key executives, which is tied to achievement of a business area's strategy and annual plan. The purpose of the annual incentive program is to drive the company's growth and profitability and to support the realization of company strategy. The annual incentive system is the most extensive incentive system in terms of personnel covered.
- Long-term incentive programs for key executives:
  - Stock option programs designed to support the achievement of long-term strategic objectives and to build shareholder value. The number of people in management and expert tasks within Amer Sports and its subsidiaries who came



## SALARIES, BENEFITS AND INCENTIVES

EUR	Salaries and compensation	Incentives	Total
Members of the Board of Directors: <sup>*)</sup> <sup>***)</sup>			
Felix Björklund	40,000	-	40,000
Ilkka Brotherus	50,000	-	50,000
Martin Burkhalter	30,040	-	30,040
Christian Fischer	30,040	-	30,040
Tuomo Lähdesmäki <sup>****)</sup>	9,960	-	9,960
Timo Maasilta <sup>****)</sup>	9,960	-	9,960
Bruno Sälzer	30,040	-	30,040
Anssi Vanjoki	80,000	-	80,000
Pirjo Väliaho	40,000	-	40,000
Members of the Board of Directors in total	320,040	-	320,040
Members of the Executive Board <sup>****)</sup>	2,983,370	1,469,150	4,452,520
<b>TOTAL</b>	<b>3,303,410</b>	<b>1,469,150</b>	<b>4,772,560</b>

<sup>\*)</sup> Members of the Board of Directors are not paid incentives.

<sup>\*\*)</sup> The emoluments of Board members consist of a 40% component paid in Amer Sports' shares and 60% in cash.

<sup>\*\*\*)</sup> Board members until June 4, 2008.

<sup>\*\*\*\*)</sup> Members of the Executive Board Roger Talerio and Pekka Paalanne have an early retirement agreement of 60 years. Max Alftan, Senior Vice President, Communications was an EXB member until October 20, 2008, and Vincent Wauters, Senior Vice President, Supply Chain and Information Technology from September 1, 2008.

## SHAREHOLDINGS AND WARRANTS AT DECEMBER 31, 2008

Pcs	Members of the Board of Directors	President and CEO	Other management	Total
Shares	1,671,623	56,700	99,595	156,295
Warrants 2004	-	66,850	55,750	122,600

within the scope of stock options at the end of 2008 was 11 under the 2004 program and 9 under the 2007 program.

- A deferred cash incentive program that seeks to elicit commitment from key executives. The program encourages the achievement of the annual plan. Its result is tied to the three-year trend in shareholder value. At the end of 2008, 94 members in management tasks at subsidiaries came within the scope of the program.
- A share-based incentive plan for key executives was established in 2007. The Amer Sports' share-based incentive plan is targeted for the company's key personnel. The plan's reward was paid in 2008 in part as Amer Sports' shares and partially in cash. The cash payment will cover taxes and tax-related costs arising from the

reward. Of the shares, 25% will be transferable as of April 2010, 25% as of April 2011, and 50% as of April 2012. The rewards paid based on this plan corresponded to a maximum value of approximately 400,000 Amer Sports Corporation shares. At the end of the financial year the plan covered 26 people.

The salaries, benefits and other compensation paid to the members of the Amer Sports Board of Directors, the President and CEO and the Executive Board amounted to approximately EUR 4.8 million in 2008.

Shares and warrants ownerships are presented on page 131.

Warrants programs on pages 126–132, Shares and Shareholders.

### **Compensation of auditors**

In 2008, Amer Sports paid PricewaterhouseCoopers total fees of approximately EUR 2.5 million (2.5) worldwide. Approximately EUR 1.9 million (1.9) of this sum was for the statutory audit. Approximately EUR 0.6 million (0.6) was spent on other services.

### **FINANCIAL REPORTING**

Amer Sports prepares its financial statements and interim reports in accordance with International Financial Reporting Standards (IFRS) and publishes them in Finnish and English.

Amer Sports' primary reporting segments are its business segments: Winter and Outdoor, Ball Sports, and Fitness. Winter and Outdoor is divided into the following business areas: Winter Sports Equipment, Apparel and Footwear, Cycling and Sport Instruments. Ball Sports' business areas are Racquet Sports, Team Sports, and Golf. The Fitness' business area is Fitness Equipment. Net sales figures are reported for these business areas. Geographical segments are secondary reporting segments: the Americas (North, South and Central America), EMEA (Europe, the Middle East, Africa) and Asia Pacific (including Japan and Australia).

At all Board of Directors meetings, the company's management presents the financial reviews of the business operations of both Amer Sports and the reporting segments.

In overseeing the operations of the business segments and areas, the President and CEO and other Amer Sports Corporation management make use of weekly sales reports, monthly financial reports, and regular meetings with the business segments.

### **RISK MANAGEMENT**

The Board of Directors analyzes risks connected with Amer Sports' operations. Responsibility for risk management related to line operations rests with the Amer Sports' business areas, which report regularly on the main risks connected with their operations to the company management.

The property, loss-of-profits and liability risks arising from Amer Sports' operations are covered by taking out appropriate insurance policies. In addition to worldwide insurance programs, local policies are

used to supplement, for example, when there are special legislation-related needs.

The management of financial risks is centralized within Amer Sports Corporation's treasury function. The guidelines for risk management are set out in the financing strategy, which is approved by the Board of Directors and encompasses the principles and risk limits connected with the balance sheet structure, relations with finance providers and other financing risks. In addition, corporate headquarters has a financing group that monitors implementation of the financing strategy. Amer Sports' treasury management agrees with the business areas and subsidiaries on the application of financing principles. Amer Sports does not have a separate internal audit organization. The auditors examine the efficiency of the company's systems, internal control, reporting and accounting.

The management of financial risks is presented in greater detail on Amer Sports Annual Report pages 110-115.

### **INSIDERS**

Amer Sports' insider policy is based on the Guidelines for Insiders of the NASDAQ OMX Helsinki Ltd. and the Securities Market Act. The members of the Board of Directors, the President and CEO and the Executive Vice President as well as the auditors are Amer Sports public insiders. Furthermore, members of management are also public insiders.

Persons who are in charge of Amer Sports finances, results reporting and communications, top management assistants as well as the principal users of the IT system are included in the company-specific register of insider holdings. Similarly, other persons who are responsible for key company operations and regularly receive insider information in the course of their duties are included in the company-specific register of insider holdings. If a person has inside information, they may not issue commissions concerning the purchase, sale, etc. of Amer Sports securities, or directly or indirectly advise another person in such transactions.

An insider may not trade in Amer Sports securities during the 21-day period preceding the publication of an interim report or financial statement bulletin or preliminary information thereon. The closed window ends when the release in question has been made public.

Insider policy also includes provisions prohibiting the temporary trade of shares. Persons who are party to the preparation of a project or are aware of a confidential project which, when implemented, is likely to have a substantial impact on the value of the Amer Sports securities, are project-specific insiders. Similarly, any persons outside the company, who in the course of their duties or otherwise, acquire the aforementioned information, are included in the project-specific register of insider holdings. Amer Sports defines on a case-by-case basis the projects under preparation that are subject to insider rules.

The Amer Sports Vice President of Legal Affairs acts as the insider compliance officer and is responsible for the due disclosure of information on insider matters. The Vice President of Legal Affairs also sees to the maintenance of the insider register. Amer Sports keeps its insider register within the SIRE system operated by Euroclear Finland Ltd. (The register can be viewed at Euroclear Finland Ltd, Urho Kekkosen katu 5 C, 00100 Helsinki.)

The Amer Sports' insider policy is made available to employees via the corporate intranet. The list of public insiders as well as their shareholdings in the company can be found on the Amer Sports web site at [www.amersports.com](http://www.amersports.com).

#### **INFORMATION AND COMMUNICATION**

Amer Sports complies in all its business operations with applicable laws and statutes, as well as generally accepted practices. Additionally, the operations are guided by the Amer Sports' values. Amer Sports requires that each one of its employees is familiar with the legislation and operating guidelines of their own areas of responsibility. In conjunction with internal audits, Amer Sports strives to ensure that everyone in the unit being audited is familiar with and complies with the laws, regulations and principles relating to their own work. In addition to Amer Sports management, the due course of operations is monitored by the Board's Audit Committee, which reports any misconduct to the Board of Directors.

The mission of Amer Sports Corporate Communications is to provide strategic support for the company, positioning it as the world's leading sports equipment company. Amer Sports builds and executes its corpo-

rate strategy with a global business approach, and both facilitates and communicates joint issues internally.

Amer Sports provide the capital markets with a true and fair view of its business operations to ensure that the company's market value can be assessed. It adds value to its brands by developing and managing the company brand strategy.

#### **Investor relations**

The objective of Amer Sports investor relations is to provide open and reliable information to investors about the company's financial position and its outlook for the future. To this end, Amer Sports arranges regular meetings with analysts and investors in all the main markets. The company furthermore arranges annual Capital Market Days offering the most active market participants a chance to hear and meet the company's management.

#### **Information and communication channels**

Amer Sports has information and communication channels that ensure that instructions and manuals are available to those who need access to them and that information about news and updates is communicated within Amer Sports Corporation.

Amer Sports prepares its financial statements and interim reports in accordance with International Financial Reporting Standards (IFRS) and publishes them in Finnish and English.

#### **Silent period**

Amer Sports observes a 21-day silent period before releasing each set of financial results. During this time the company's management does not discuss matters with market participants.



Anssi Vanjoki,  
Chairman



Ilkka Brotherus,  
Vice Chairman



Felix Björklund



Martin Burkhalter



Christian Fischer



Bruno Sälzer



Pirjo Väliäho

## BOARD OF DIRECTORS

### Anssi Vanjoki, Chairman

- Born 1956, Finnish nationality.
- Independent board member since 2004. Chairman since 2006.
- Member of the Nomination Committee and the Compensation Committee.
- Executive Vice President & General Manager, Markets Unit, Nokia Corporation. Member of the Nokia Group Executive Board, Nokia Corporation.
- Member of the Board of Directors of Koskittukki Oy.
- Executive Vice President & General Manager, Markets Unit, Nokia Corporation and member of the Nokia Group Executive Board, Nokia Corporation.
- Executive Vice President & General Manager, Multimedia, Nokia Corporation and member of the Nokia Group Executive Board, Nokia Corporation, 2003–2007. Executive Vice President, Nokia Mobile Phones and member of the Nokia Group Executive Board, Nokia Corporation, 1998–2003. Senior Vice President, Nokia Mobile Phones, Europe and Africa, 1994–1998. Vice President, Sales, Nokia Mobile Phones, 1991–1994. Several management positions at 3M Corporation, 1980–1991.
- Education: M.Sc. (Econ.).
- Shareholding: 10,000 Amer Sports shares.

### Ilkka Brotherus, Vice Chairman

- Born 1951, Finnish nationality.
- Independent board member since 2000. Vice Chairman since 2002.
- Chairman of the Nomination Committee and Member of the Audit Committee.
- Managing Director of Sinituote Oy. Chairman of the Board of Finndomo Group. Board member of Veho Group Oy Ab. Supervisory board member of Tapiola Mutual Pension Insurance Company.
- Deputy Managing Director of Hackman Group, 1988–1989. Managing Director of Hackman Housewares Oy, 1987–1988. Managing Director of Havi Oy, 1981–1986. Marketing and management positions with Mestarikustannus Oy, 1977–1980.
- Education: M.Sc. (Econ.).
- Shareholding: 1,606,176 Amer Sports shares.

### **Felix Björklund**

- Born 1943, Finnish nationality.
- Independent board member since 1999.
- Chairman of the Audit Committee, Member of the Nomination Committee.
- Nordic Capital, Industrial Advisor. Chairman of the Boards of Oy Snellman Ab, Factorix Oy and Lamor Technics Oy.
- Managing Director of Oy Karl Fazer Ab, 1992–1998. Vice President, Communications and External Programs of IBM Europe, 1989–1991. Managing Director of IBM Finland, 1978–1988. Sales and management positions with IBM Finland and Sweden, 1966–1977.
- Education: B.Sc. (Econ.).
- Shareholding: 50,000 Amer Sports shares.

### **Martin Burkhalter**

- Born 1952, Swiss nationality.
- Independent board member since 2008.
- Member of the Audit Committee.
- Chief Commercial Officer, Vizrt, Bergen/Geneva, Switzerland.
- Independent Consultant, Geneva, Switzerland, 2004–2005. Senior Vice President and Managing Director EMEA, Reebok International, Paris, 2001–2003. CEO, Intersport International Corporation (ICC), Bern, Switzerland, 1997–2001. CEO, Intersport Holding Norway, Oslo, 1996–1997. CEO, Intersport Norway, Drammen, 1994–1996. Senior Vice President & Sports Director, Lillehammer Olympic Organization Committee (LOOC), 1990–1994. Sports Director & Assistant General Secretary, Norwegian Confederation of Sports (NIF), Oslo, 1989–1990.
- Education: Business School BI in Norway, Economics.
- Shareholding: 1,030 Amer Sports shares.

### **Christian Fischer**

- Born 1964, Austrian nationality.
- Independent board member since 2008.
- Member of the Compensation Committee.
- Founder and major shareholder, Security Land, Austria's Leading Security Retail Chain and Accelate, Business Launch & Expansion GmbH, Munich, Vienna.
- Member of Management Board, A.T. Kearney Management Consultants, Munich, Germany, 1994–1999. International Brand Management, Henkel Cosmetics, Dusseldorf, Germany, 1991–1993. Project Manager, Ernst & Young Management Consultants, Vienna, Austria, 1989–1991.
- Education: INSEAD, Fontainebleau, MBA (focus on marketing and entrepreneurship).
- Shareholding: 1,030 Amer Sports shares.

### **Bruno Sälzer**

- Born 1957, German nationality.
- Independent board member since 2008.
- Member of the Compensation Committee.
- Chairman & CEO Escada AG, Aschheim, Germany.
- Chairman & CEO, Hugo Boss AG, Metzingen, Germany, 2002–2008. Executive Vice Chairman, Hugo Boss AG, Metzingen, Germany, 1998–2002. Member of the Managing Board of Hugo Boss AG, Metzingen, Germany, 1995–1998. Managing Director, Hairdressing International, Hans Schwarzkopf GmbH, Hamburg, Germany, 1993–1995. Managing Director, Hairdressing Germany, Hans Schwarzkopf GmbH, Hamburg, Germany, 1991–1993. Director of International Sales Coordination, Beiersdorf AG, Hamburg, Germany, 1989–1991. Director of Marketing and Sales Management Training, Beiersdorf AG, Hamburg, Germany, 1986–1989.
- Education: Business Administration, Mannheim University, Germany.
- Shareholding: 1,030 Amer Sports shares.

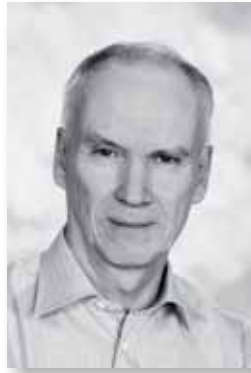
### **Pirjo Väliaho**

- Born 1954, Finnish nationality.
- Independent board member since 2007.
- Chairman of the Compensation Committee.
- Vice President & General Manager, Procter & Gamble Germany, Austria and Switzerland.
- Several General Management positions with the Gillette Company, including Vice President and General Manager Gillette Nordic, Central Europe West, Gillette Eastern Europe and General Manager Braun Nordic, as well as various Global Strategic Marketing positions in the Braun division of Gillette and Commercial Marketing positions both in Braun and in Gillette in the USA, Canada and Finland, 1982–2005. Various positions in two advertising agencies in Finland, 1978–1982.
- Education: B.Sc. (Econ.).
- Shareholding: 2,357 Amer Sports shares.

Board of Directors as of December 31, 2008



Roger Talerma



Pekka Paalanne



Paul Byrne



Chris Considine



Thomas Ehrnrooth



Juha Pinomaa



Michael Schineis



Vincent Wauters

## EXECUTIVE BOARD

### Roger Talerma, President and CEO

- Born 1955, Finnish nationality.
- Amer Sports Corporation employee since 1995.
- President & CEO, Amer Sports Corporation, Helsinki, Finland since 1996.
- President of the Finnish Olympic Committee since 2004.
- President & CEO, Atomic Companies, Altenmarkt, Austria, 1995–1996. General Manager/Chairman, Salomon S.A. - North Europe, Borås, Sweden, 1993–1995. CEO/Chairman, Taylor Made Golf Company, Carlsbad, California, USA, 1991–1993. Commercial Director, Salomon S.A., Annecy, France, 1988–1991.
- Education: M.Sc. (Econ.), Hanken School of Economics, Finland.
- Shareholding: 56,700 Amer Sports shares.
- 2004 warrants: 66,850.

### Pekka Paalanne, Executive Vice President and CFO

- Born 1950, Finnish nationality.
- Amer Sports Corporation employee since 1997.
- Main responsibilities: deputy to the President & CEO, Finance, Treasury, Human Resources, Legal Affairs, Investor Relations and Corporate Communications and Competitor Analysis.
- Senior Vice President, Corporate Control and Information Systems, Kone Corporation, 1991–1997. Several positions in Kone Corporation, 1979–1991.
- Education: B.sc. (Econ.), School of Economics and Business Administration, Finland.
- Shareholding: 31,200 Amer Sports shares.
- 2004 warrants: 26,000.

### Paul Byrne, President of Fitness

- Born 1951, American nationality.
- Paul Byrne is an officer and employee of Precor Incorporated, a subsidiary of Amer Sports Corporation. He serves as Fitness business segment representative on the Executive Board but is not an employee or officer of the Finnish parent company.
- Precor Incorporated employee since 1985.
- Vice President, Sales and Marketing, Precor Incorporated, 1985–1999.
- Education: M.Sc., Syracuse University; BA with Honors, Colgate University, USA.
- Shareholding: 0 Amer Sports shares.
- Warrants: 0.

#### **Chris Considine, President of Ball Sports**

- Born 1960, American nationality.
- Chris Considine is an officer and employee of Wilson Sporting Goods Co., a subsidiary of Amer Sports Corporation. He serves as Ball Sports business segment representative on the Executive Board but is not an employee or officer of the Finnish parent company.
- Wilson Sporting Goods Co. employee since 1982.
- President, Wilson Team Sports, 2003–2005. General Manager, Wilson Team Sports, 1994–2003. Director, Sales/Promotion Wilson Team Sports, 1991–1993. Various positions in Wilson Team Sports, 1982–1991.
- Education: Miami University, USA.
- Shareholding: 4,950 Amer Sports shares.
- Warrants: 0.

#### **Thomas Ehrnrooth, Senior Vice President, Sales and Channel Management**

- Born 1954, Finnish nationality.
- Amer Sports Corporation employee since 2007.
- Main responsibilities: Amer Sports world-wide subsidiary network, customer relations, emerging markets and retail development.
- Vice President, Global Sales and Marketing, Salomon S.A., 2006–2007. President, Myllykoski Sales GmbH, 2003–2005. Marketing Director and member of the Executive Board, Myllykoski Corporation, 2000–2005.
- Education: B.sc. (Econ.), Hanken School of Economics, Finland.
- Shareholding: 13,500 Amer Sports shares.
- Warrants: 0.

#### **Juha Pinomaa, President of Sports Instruments**

- Born 1961, Finnish nationality.
- Juha Pinomaa is an officer and employee of Suunto Oy, a subsidiary of Amer Sports Corporation. He serves as Sports Instruments business area representative on the Executive Board but is not an employee or officer of the Finnish parent company.
- Suunto Oy employee since 2005.
- Vice President, Entry Business Line, Mobile Phones Business Group, Nokia, 2004–2005. Director, Product Marketing & Business Development, Mobile Entry Business Unit, Nokia, 2002–2003. Various positions in Nokia Mobile Phones 1988–2001.
- Education: MBA, Wharton Business School, University of Pennsylvania, USA. M.Sc., Helsinki University of Technology, Finland.
- Shareholding: 4,050 Amer Sports shares.
- Warrants: 0.

#### **Michael Schineis, President of Winter Sports Equipment**

- Born 1958, German nationality.
- Michael Schineis is an officer and employee of Atomic Austria GmbH, a subsidiary of Amer Sports Corporation. He serves as Winter Sports Equipment business representative on the Executive Board but is not an employee or officer of the Finnish parent company.
- President of Winter Sports Equipment since 2007. President of Atomic Austria GmbH since 1996.
- Member of the "Beirat für Wissenschaft und Forschung des Landes Salzburg". Member of the Board of Bulthaup GmbH & Co. KG. General Manager of Salomon Germany GmbH, 1993–1996. Member of management team of CONTOP (advertising agency), 1989–1993.
- Education: MBA, PhD (Dr.rer.pol.), Germany.
- Shareholding: 6,000 Amer Sports shares.
- 2004 warrants: 17,850.

#### **Vincent Wauters, Senior Vice President, Supply Chain and Information Technology**

- Born 1972, Belgian nationality.
- Amer Sports employee since 2008.
- Main responsibilities: developing synergies through common platforms in the areas of Supply Chain and Information Technology
- Newell Rubbermaid EMEA, Vice President Supply Chain EMEA, 2006–2008. Sanford Europe, Director Supply Chain Europe, Director Customer Service Europe, 2004–2006. Sanford Europe, Officer Supply Chain Development Europe, 2002–2004. Amazon.fr, Director Supply Chain and Catalogue, Operations Development Manager, 2000–2002. Logistics and Retail Manager, Redoute, UK, 1998–2000. Redcats Group, 1997–2000. Direct Marketing Project Manager, Ellos, Sweden, Product Manager, Movitex, France, 1997–1998.
- Education: Post-Graduate Degree course, Business Administration, Saint-Louis Business School, Brussels and Post-Graduate Degree in Geo-Politics and Contemporary History ULB, Brussels.
- Shareholding: 7,695 Amer Sports shares.
- Warrants: 0.

Executive Board members as of December 31, 2008





A group of people in wetsuits and helmets surfing on a wave, with water splashing around them. The scene is dynamic and energetic, capturing the moment of a surf takeoff. The water is white and frothy, and the surfers are in various stages of movement. The background is a clear blue sky.

We are passionate about shaping and growing our sports by continuously developing products that elevate the performance of all athletes, from leading professionals to everyday active participants.

# Information for investors

## ANNUAL GENERAL MEETING

Date and time: Thursday, March 5, 2009 at 2:00 p.m.

Venue: Amer Sports Corporation Headquarters, Mäkelänkatu 91, Helsinki, Finland.

Shareholders who have been entered in Amer Sports Corporation's shareholder register, administered by Euroclear Finland Ltd, no later than February 23, 2009, have the right to attend the Annual General Meeting. The notice of meeting is communicated to shareholders by means of advertisements in at least two daily newspapers which appear in Helsinki and which have been determined by the Board of Directors, and on the company's website at [www.amersports.com](http://www.amersports.com).

Shareholders can exercise their right to make decisions concerning the company at a properly-convened General Meeting by either being present themselves or through authorized representatives.

In addition to the matters specified as being the business of Annual General Meetings, as set forth in the Finnish Companies Act, a shareholder can submit a written request to the Amer Sports Board of Directors that a certain matter be dealt with at the General Meeting. The written request must be submitted to the Board of Directors early enough that the matter can be included in the Notice of Meeting. The Board of Directors must convene a General Meeting without delay to deliberate on a certain matter if requested by the auditor or a shareholder or shareholders owning at least 10% of all the company shares.

## PAYMENT OF DIVIDEND

The Board of Directors proposes that a dividend of 0.16 euros per share be paid for 2008, representing a dividend ratio of 34%. A dividend of 0.50 euros per share was paid for 2007.

## FINANCIAL REPORTS

Amer Sports publishes its annual and interim reports in both Finnish and English. The publications can be ordered from:

Amer Sports Corporation, Communications,  
P.O. Box 130, FI-00601 Helsinki, Finland  
Tel. +358 9 7257 8309, fax +358 9 791 385,  
[amer.communications@amersports.com](mailto:amer.communications@amersports.com).

The annual and interim reports as well as stock exchange releases are available on the company's website at [www.amersports.com](http://www.amersports.com).

## PUBLICATION DATES FOR 2009

February 5, Financial results for 2008

February 23, Annual report

April 28, Interim report January–March

August 6, Interim report January–June

October 29, Interim report January–September

## SILENT PERIOD

Amer Sports observes a three-week silent period before releasing each set of financial results. During this time, the company's management does not discuss matters with market participants.

## AMER SPORTS ANALYST COVERAGE

The following companies, among others, published investment analyses and research on Amer Sports during 2008:

ABG Sundal Collier	Handelsbanken
ABN Amro	Kaupthing Bank
Carnegie	Merrill Lynch
Danske Bank	SEB Enskilda
Deutsche Bank	Öhman
Evli Bank	Goldman Sachs
eQ Bank	Bryan Garnier
FIM	

# Contact information

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## SALOMON

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Fax: +33 4 5065 4395  
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## WILSON

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Fax: +1 425 486 3856  
[www.precor.com](http://www.precor.com)

## ATOMIC

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Fax: +43 6452 3900 120  
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Fax: +358 9 8758 7300  
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## ARC'TERYX

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Fax: +1 604 904 3692  
[www.arcteryx.com](http://www.arcteryx.com)

- ▶ Contact information for the Group is available on the Amer Sports website, [www.amersports.com](http://www.amersports.com). The contact information for importers can be found on the business area websites. Contact information can also be requested by telephone +358 9 7257 8309, by fax +358 9 791 385, or by e-mail at [amer.communications@amersports.com](mailto:amer.communications@amersports.com).



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