2013 financial review

AMER SPORTS

CONTENTS

Amer Sports in brief

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

2013 – Record sales and profit, improvement continues

2013 was a good year for Amer Sports: we hit records in sales and operating profit, and continued to improve the business in a sustainable way based on fundamentals, guided by our strategic priorities.

In 2013, we completed our fourth consecutive year of at or above target growth and improved our profitability. We delivered strong double-digit growth in Apparel, Footwear, Sports Instruments and Fitness, and continued the turnaround in Sports Instruments and Fitness with solid growth, and profitability already at Group average, compared to the situation only three years ago when both were making loss. Also geographically, the total portfolio sales grew in virtually all markets, and especially in our emerging markets Russia, China, and Latin America.

As you may recall, in 2012 Winter Sports Equipment was our most challenging business due to weather conditions. In 2013, however, we delivered modest growth based on good innovations and marketing, and more importantly improved profitability thanks to the operational efficiency program started in 2010.

In 2013, our biggest challenge turned out to be Ball Sports where we did not reach our targets. We made significant interventions to re-establish the foundations for growth, first with focus on restoring profitability, and then re-igniting profitable growth in the years to come.

Achieving the long-term financial targets

In 2013, we continued to drive Amer Sports toward our long-term financial targets and we largely achieved three targets out of four:

- **Sales growth**: We delivered 8% currency neutral growth, the annual target being 5%.
- **Operating profit:** We delivered 7.3% EBIT margin and operating profit was highest ever. Our long-term EBIT target is at least 10% of net sales. Still in 2013, we continued to spend significantly in operating expenses to fuel the future growth, yet we improved operating leverage and reduced OPEX percentage from last year.
- **Free cash flow:** We did not meet our free cash flow target of "annual free cash flow equal to net profit" due to shift of Winter Sports Equipment delivery peak from Q3 to Q4 (hence cash collection in 2014) and continuous increase in softgoods working capital to fuel further growth in 2014.
- **Net debt/EBITDA:** We delivered a ratio of 2.2, well within our balance sheet ratio year-end target of 3 or less. Importantly, we also continued to secure our longer-term funding availability, with all important mid-term funding needs covered, whilst simultaneously reducing our cost of borrowing.

CEO's review

Specific focus areas in 2013

A year ago, we called out two specific opportunities and improvement needs:

• Softgoods growth, capabilities and the company's winter–summer balance

Faster growth in softgoods (apparel & footwear) is a key priority for us, and this is what we delivered again in 2013. Our total Amer Sports softgoods sales were EUR 715 million, representing now 34% of the Group total. Admittedly, we still need to make the softgoods business sustainable through ongoing capability improvement, and we need to continue balancing our spring–summer versus fall–winter ratio, where the bias is on fall–winter.

• Costs and business complexity are too high

Our key focus area is integration to achieve scale & synergy, and this is what we continued to pursue in 2013. We realized synergies across our operations, go-to-market, and back office, further accelerated through the restructuring announced in 2012. As result, we have continued to solidify our gross margins which are getting closer to our 45% target level, whilst also realizing improvements in operating expenses, with admittedly still some way to go to reach our 35% OPEX target level.

Good progress in our strategic priorities

In 2013, we continued to make solid progress in all five strategic priorities announced in 2010.

1. Clear portfolio roles and synergies, integrated company

The vast majority of our businesses continued to make progress according to their portfolio role, and the growth and improvement followed our own choices. We continued to further consolidate operations and drive scale and synergies. The work goes on, as we continue driving toward our mid-term targets, guided by our strategic performance targets.

2. Faster growth in softgoods

Our softgoods growth momentum continues, and in 2013 we reached total sales of EUR 715 million compared to below EUR 300 million in 2009. Importantly, our both main brands Salomon and Arc'teryx grew at double-digit rate, and we continued to learn and qualify our softgoods business model across the other brands. Our mid-term softgoods sales target is EUR 1 billion, and as we approach this target we clearly transform the company from "hardgoods" to "hybrid", i.e. good balance between hardgoods and softgoods.

3. Winning with consumers

We have continued to invest into the equity of our brands as well as concepts to surround the consumer with head-to-toe solutions (equipment, softgoods, adjacencies). Our today's global-local marketing model enables us to reach more consumers with increasingly relevant and compelling content. We focus on improving digital consumer engagement with higher interest and traffic to our brands, and our multi-channel commercial presence (wholesale partners, own stores, and e/i-commerce) enables us to drive increasing conversion.

4. Winning in go-to-market

In 2013, we delivered further gains in commercial fundamentals, driving both the number of points of distribution as well as the quality of our distribution. We improved our strategic commercial capabilities, and invested into further expansion in China and Russia, and in own retail and e/i-commerce. We reached a global own retail footprint of 217 stores and 50 e-commerce sites. In selected markets, we continued to take third-party distributor operations in-house to drive scale & synergies. The go-to-market development work goes on, with significant further upside potential.

5. Operational excellence

We have continued to improve our operational key performance indicators, for example tight inventory and receivables management, stock keeping unit productivity, and employee productivity. We have also further improved our efforts in the area of corporate social responsibility, guided by our Code of Conduct and Ethical Policy. Finally, as evidenced by the improving results in our Winter Sports Equipment business, the winter sports operational efficiency program continues to deliver benefits.

Specific improvement needs in 2014

In 2014, we have chosen two specific improvement areas:

- **Ball Sports**

Despite good efforts, our Ball Sports business area has lagged behind the Group average and its own targets. In November 2013 we made a significant organizational change, and we are now working to re-establish a solid foundation for Ball Sports, first focus on restoring profitability and then re-igniting profitable growth.

- **Digital consumer engagement**

The ongoing expansion of digital products and services is a major global trend and a tremendous opportunity for Amer Sports. We have a solid platform of digitalized products and services enabled by our websites, databases, and e/i-commerce and we touched tens of millions of engaged consumers. We now plan to further capitalize on this opportunity and accelerate our digital consumer engagement through increased focus and resourcing to reach industry benchmark level "traffic" and "conversion" as key performance indicators.

We continue moving with confidence

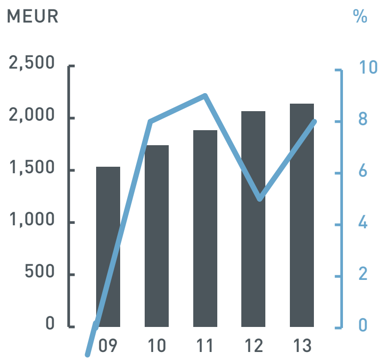
Overall, we can be pleased with our progress. In 2013 we delivered our fourth consecutive year of topline growth and overall improvement. We continue to follow our strategic glidepath, as the strategies are working. Hence, with ongoing focus on improvement and strategic renewal, we continue to execute our strategy with confidence.

> "In 2013, we completed our fourth consecutive year of at or above target growth and improved our profitability."

Heikki Takala
President and CEO

Year 2013 in Brief

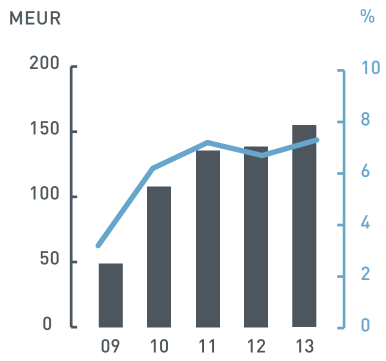
NET SALES



Growth in local currencies

Target: delivering organic, currency-neutral annual growth of 5%

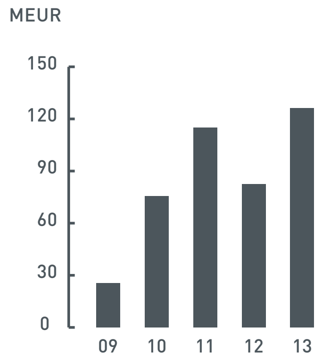
EBIT AND EBIT MARGIN, EXCLUDING NON-RECURRING ITEMS



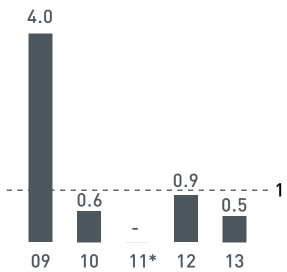
EBIT margin

Target: EBIT of at least 10% of net sales

EARNINGS BEFORE TAXES



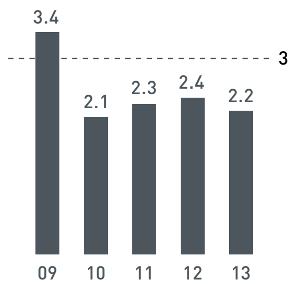
FREE CASH FLOW/NET PROFIT, EXCLUDING NON-RECURRING ITEMS



* Negative

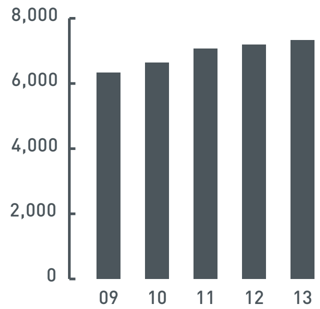
Target: annual free cash flow equal to net profit

NET DEBT/EBITDA, EXCLUDING NON-RECURRING ITEMS

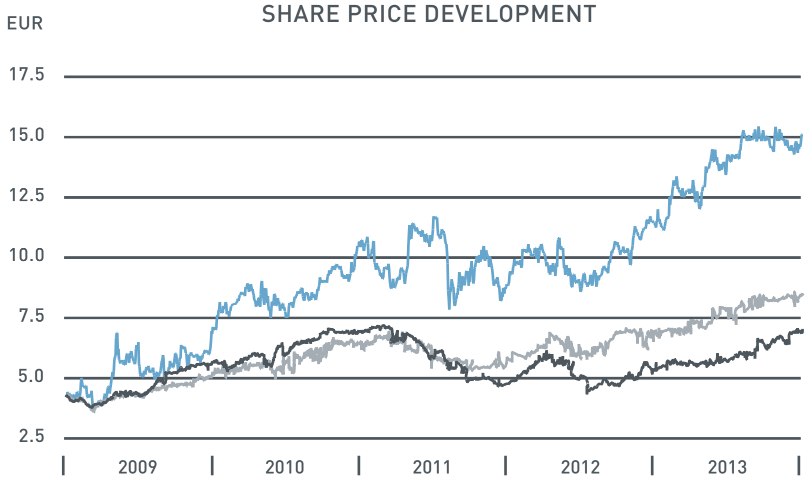


Target: year-end net debt/ EBITDA ratio of 3 or less

PERSONNEL AT YEAR END



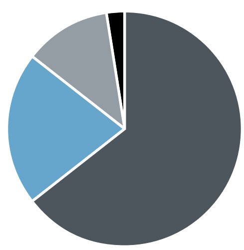
SHARE PRICE DEVELOPMENT



Amer Sports
OMX Helsinki CAP
SP500

More information about Amer Sports share is available at www.amersports.com.

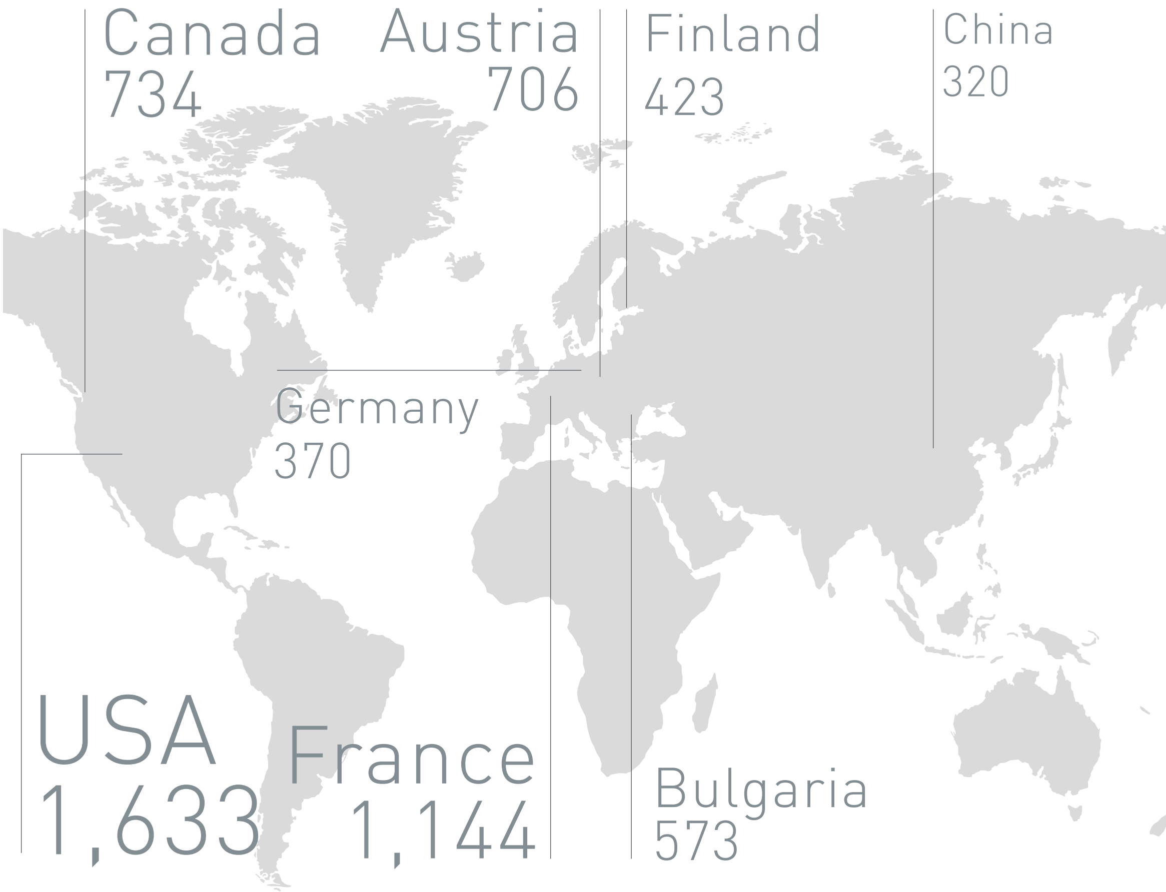
PERSONNEL BY BUSINESS SEGMENT



Winter and Outdoor
Ball Sports
Fitness
Headquarters and shared services

PERSONNEL BY COUNTRY

USA	1,633 (1,614)
France	1,144 (1,145)
Canada	734 (659)
Austria	706 (762)
Bulgaria	573 (585)
Finland	423 (394)
Germany	370 (379)
China	320 (287)
Japan	189 (171)
UK	185 (191)
Russia	185 (184)
Poland	138 (108)
Mexico	83 (88)
Switzerland	82 (78)
Taiwan	77 (71)
Australia	67 (62)
Italy	66 (68)
Czech	61 (59)
Korea	57 (56)
Spain	55 (51)
Other countries	182 (174)
Total	7,330 (7,186)



QUARTERLY NET SALES

EUR million	I 2013	II 2013	III 2013	IV 2013	I 2012	II 2012	III 2012	IV 2012
Winter and Outdoor	266.5	168.7	420.6	433.7	256.5	150.9	411.0	402.8
Ball Sports	164.0	144.2	116.7	126.1	173.6	146.5	121.9	127.7
Fitness	62.5	64.3	71.6	97.6	59.7	56.4	69.0	88.0
Total	493.0	377.2	608.9	657.4	489.8	353.8	601.9	618.5

QUARTERLY EBIT

EUR million	I 2013	II 2013	III 2013	IV 2013	I 2012	II 2012	III 2012	IV 2012
Winter and Outdoor	14.2	–27.1	87.4	52.5	10.7	–25.4	86.8	23.3
Ball Sports	17.4	7.8	–2.1	3.9	19.9	9.7	–2.6	–4.5
Fitness	–0.4	4.3	6.2	14.3	3.9	1.0	4.2	7.8
Headquarters	–4.8	–3.7	–9.0	–6.0	–4.9	–4.5	–7.1	–4.4
Total	26.4	–18.7	82.5	64.7	29.6	–19.2	81.3	22.2

Board of Directors' Report

2013 was a good year for Amer Sports, despite the challenging trading environment especially in Europe.

The company delivered all-time high net sales with broad-based growth in particular in Apparel, Footwear, Sports Instruments, and Fitness. In addition, all three geographical regions delivered record sales, as did the Business to Consumer channels. Amer Sports' profitability improved from the previous year although the company continued its strategic investments to sustain profitable growth.

NET SALES AND EBIT IN 2013

Amer Sports' net sales in 2013 were EUR 2,136.5 million (2012: 2,064.0). Net sales increased by 8% in local currencies, particularly due to sales growth in Apparel, up by 21%, Sports Instruments, up by 17%, Fitness, up by 13%, and Footwear, up by 11%. The Group's financial target is to deliver an organic, currency-neutral annual growth of 5%.

Gross margin was 43.6% (43.6).

EBIT was EUR 154.9 million (138.7 excl. non-recurring items, NRI). In 2013, there were no non-recurring items. In 2012, non-recurring items were EUR –24.8 million and EBIT including non-recurring items EUR 113.9 million.

Sales increase in local currency terms contributed approximately EUR 65 million to gross profit. Operating expenses increased by approximately EUR 41 million, driven by continuous investments into future growth with focus on softgoods, sales coverage, emerging markets and own retail. Operating expenses decreased to 37.0% of sales (37.7). Negative currency impact on EBIT was EUR 8 million.

EBIT margin was 7.3% (6.7 excl. NRI). The Group's long-term target is to have EBIT of at least 10% of net sales.

EBIT excluding non-recurring items by business segment

EUR million	2013	2012	Change, %
Winter and Outdoor	127.0	113.8	12
Ball Sports	27.0	28.0	–4
Fitness	24.4	17.0	44
Headquarters*)	–23.5	–20.1	
EBIT excluding non-recurring items	154.9	138.7	12
Non-recurring items		–24.8	
EBIT total	154.9	113.9	36

*) Headquarters segment consists of Group administration, shared service functions, other non-operational income and expenses and fair valuation of share based compensations. In 2013, segment operating loss increased by EUR 3.4 million due to negative impact of fair valuation of share-based compensations and other adjustments. Net operational expenses remained at last year's level.

Net financial expenses totaled EUR 28.6 million (31.5) which include net interest expenses of EUR 26.6 million (24.8). Net foreign exchange gains were EUR 0.2 million (losses of EUR

Net sales by business segment

EUR million	2013	2012	Change, %	Change, %*)	% of sales 2013	% of sales 2012
Winter and Outdoor	1,289.5	1,221.2	6	10	60	59
Ball Sports	551.0	569.7	–3	1	26	28
Fitness	296.0	273.1	8	13	14	13
Total	2,136.5	2,064.0	4	8	100	100

Geographic breakdown of net sales

EUR million	2013	2012	Change, %	Change, %*)	% of sales 2013	% of sales 2012
EMEA	1,025.2	962.7	6	8	48	47
Americas	839.4	834.1	1	5	39	40
Asia Pacific	271.9	267.2	2	15	13	13
Total	2,136.5	2,064.0	4	8	100	100

*) In local currencies

1.1 million). Other financing expenses were EUR 2.2 million (5.3). Earnings before taxes totaled EUR 126.3 million (82.4) and taxes were EUR –36.0 million (–24.5), resulting a tax rate of 28.5%. Earnings per share were EUR 0.77 (0.48). Excluding non-recurring items, earnings per share were EUR 0.77 (0.65).

OUTLOOKS GIVEN FOR 2013

In Amer Sports' financial statements for 2012, it was stated that the company's 2013 net sales in local currencies and EBIT excluding non-recurring items were expected to increase from 2012.

Increased visibility allowed a further revision of the guidance given and in the January–March interim report the company estimated its full-year net sales in local currencies to meet at minimum the company's long-term annual 5% growth target and EBIT margin excluding non-recurring items to improve from 2012.

CASH FLOW AND FINANCING

In 2013, net cash flow after investing activities (free cash flow) was EUR 42.5 million (71.8), driven by strong cash flow in Q4. Compared to the end of 2012, inventories increased by EUR 31.9 million. Receivables increased by EUR 61.3 million. Amer Sports' long-term financial target is to have annual free cash flow equal to net profit. In 2013, free cash flow was 47% of net profit.

At the end of 2013, the Group's net debt amounted to EUR 431.7 million (434.3). Amer Sports' long-term financial target for the balance sheet structure is the year-end Net Debt/ EBITDA ratio to be 3 or less. At the end of 2013, the ratio was 2.2 (2.4 excl. NRI).

Interest-bearing liabilities amounted to EUR 701.7 million (576.8) consisting of short-term debt of EUR 183.8 million and long-term debt of EUR 517.9 million. The average interest rate on the Group's interest-bearing liabilities was 3.5% (3.6%).

Short-term debt consists of repayments of long-term loans of EUR 62.5 million (42.3) and commercial papers of EUR 119.6 (151.6), which Amer Sports had issued in the Finnish market to fund seasonally high working capital. The total size of the commercial paper program is EUR 500 million.

Cash and cash equivalents totaled EUR 270.0 million (142.5).

In April 2013 Amer Sports signed a five-year EUR 50 million term loan facility with Pohjola Bank plc. In November 2013 Amer Sports issued a SEK 750 million floating rate bond targeted at Nordic and Central European institutional investors with a loan period of five years. The bond is listed on the NASDAQ OMX Helsinki Ltd. In December Amer Sports signed EUR and USD denominated Schuldschein loan agreements targeted at international investors with a total value of EUR 70 million. The loan period is five years and the loans have both fixed and floating rate tranches.

The proceeds of the bonds and term loans have been used for repayment of debt and general corporate purposes.

The equity ratio at the end of the year was 37.5% (39.1%) and gearing was 57% (59%).

The Group's most significant transaction risk arises from the US dollar. Amer Sports is a net buyer of USD due to sourcing operations in Asia. The next 24 months EUR/USD net flow – subject to hedging policy – is expected to be almost USD 800 million. The weakening of the euro against the US dollar therefore has a negative impact on the company's EBIT, with a delay due to hedging.

Amer Sports' hedging policy covers the transaction risks up to 12–24 months forward. Hedging tenors of currency pairs vary due to costs related to hedging. At the end of 2013, the Group had hedged 97% of the 2014 EUR/USD net cash flow at an average EUR/USD rate of 1.33 and 40% of the 2015 EUR/USD net cash flow at an average EUR/USD rate of 1.36.

Because Amer Sports' consolidated financial statements are presented in euros, Amer Sports is subject to currency translation risk when currency dominated result is converted into euros. Combining the yearly transaction risk and translation risks of the EBIT, Amer Sports is a net buyer of USD. In all other currencies the company is a net seller. The most significant currencies after USD are CHF, CAD and GBP with net flows varying from EUR 40 million to EUR 45 million at yearly level.

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

CAPITAL EXPENDITURE AND INVESTMENTS

The Group's capital expenditure totaled EUR 45.3 (49.2) million. Depreciation totaled EUR 42.2 million (40.2). Capital expenditure in 2014 is expected to be at the level of 2013.

RESEARCH AND DEVELOPMENT

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

The Group has seven R&D and design sites globally serving the business areas as well as increasingly collaborating across units. Research and development expenses were EUR 76.2 million in 2013, accounting for 9.7% of all operating expenses (2012: EUR 72.2 million, 9.3% of operating expenses, 2011: 64.2 million, 9.2% of operating expenses). Winter and Outdoor's share of the R&D expenditure was 67%, while Ball Sports accounted for 12% and Fitness for 21%.

On December 31, 2013, 691 (647) persons were employed in the company's research and development activities, approximately 9% (9%) of the total number of people employed by Amer Sports.

SALES AND MARKETING

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

Amer Sports' strategic priorities include strengthening consumer understanding and consumer relevance (Win with Consumers) and strengthening the Group's commercial fundamentals through sales and distribution (Win in Go to Market).

In Winning with Consumers in 2013, Amer Sports reinforced its regional consumer marketing organizations, now covering North, Central and South Europe as well as Russia, Asia Pacific and the Americas. These operations are responsible for improving local consumer understanding and implementing all brand programs related to trade, in-store, digital and sports marketing.

The Win in Go to Market -strategy also provided significant returns. The investment into Strategic Account Managers enabled the development of joint business plans with key retail partners, developing both their business and Amer Sports'. Improved Field Sales Management facilitated better coaching of sales representatives, generating more distribution and higher sales at key specialist dealers. Category-specific commercial management also ensured better understanding of customer needs, assortment planning and merchandising that were attractive to the consumer. As a result, distribution grew strongly as did sales, with particularly strong results in softgoods.

Increased distribution was further reinforced through the installation of shop-in-shops and improved in-store displays, highlighting the footprint of Amer Sports' brands in the market place and providing more attractive offers to consumers.

At the end of 2013, Amer Sports had 217 branded retail stores. The majority of the stores are operated by local, independent partners. In 2013, Amer Sports strengthened its ecommerce and at the year end, the number of ecommerce stores was 50 (23). Of the brands, Salomon, Suunto and Arc'teryx are selling on-line in selected countries.

Sales and distribution expenses in 2013 were EUR 323.5 million (305.1), 15% of sales (15%). Of the increase, EUR 12 million was related to strategic investments into distribution (geographical expansion and own retail), while EUR 19 million was growth driven (in local currencies). The positive FX-impact of EUR 13 million partly offset the sales and distribution expenses increase.

Advertising and promotion expenses in 2013 were EUR 219.5 million (222.7), 10% (11%) of sales.

On December 31, 2013, the Amer Sports own sales organization covered 34 countries. 2,881 (2,664) persons were employed in sales and distribution activities, representing approximately 39% (37%) of the total number of people employed by Amer Sports. 623 (613) persons were employed in marketing activities.

SUPPLY CHAIN MANAGEMENT

Reliable, efficient and timely supply chain management is an important element in Amer Sports' strategy. In 2013 the main focus was on sourcing development as well as working capital management.

To gain operational efficiencies and cost savings, Amer Sports is constantly reviewing both its make or buy strategy and the company's global production and sourcing footprint. Of Amer Sports' production value, approximately 28% is in China, 28% elsewhere in Asia Pacific, 27% in EMEA and 17% in the Americas.

Amer Sports manufactures approximately 26% of its products itself and approximately 14% is produced by partially outsourced vendors. Of Amer Sports' total production value, approximately 60% is outsourced. This includes manufacturing in all racket sports and golf products, most team sports products and most of the apparel and footwear.

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

HUMAN RESOURCES

In 2013, Amer Sports organizational design development and capability building continued to be refined according to the Group strategy. Strategic resource management concentrated on allocating resources from more stable business areas to fast growing and strategic focus areas. Employee Engagement Survey indicated strong commitment and pride towards Amer Sports and in particular its performance culture.

On December 31, 2013, the number of Group employees was 7,330 (December 31, 2012: 7,186, December 31, 2011: 7,061). The average number of personnel in 2013 was 7,370 (2012: 7,209, 2011: 6,921). At the end of 2013, men represented 61% (2012: 63%; 2011: 62%) of Amer Sports employees and women 39% (2012: 37%; 2011: 38%).

Salaries, incentives and other related costs paid in 2013 totaled EUR 416.2 million (2012: 398.0; 2011: 358.7). Amer Sports total rewarding principles are derived from Pay for Performance philosophy and are closely linked to targeted business success, financial and personal performance. Base pay is complemented by performance-based bonus schemes and long-term incentive programs.

	December 31, 2013	December 31, 2012	Change, %
Winter and Outdoor	4,742	4,639	2
Ball Sports	1,549	1,592	–3
Fitness	874	821	6
Headquarters and shared services	165	134	23
Total	7,330	7,186	2

	December 31, 2013	December 31, 2012	Change, %
EMEA	4,125	4,135	0
Americas	2,455	2,366	4
Asia Pacific	750	685	9
Total	7,330	7,186	2

	December 31, 2013	December 31, 2012	Change, %
Manufacturing and sourcing	2,219	2,349	–6
Sales and distribution	2,881	2,664	8
Support functions/shared services	916	913	0
R&D	691	647	7
Marketing	623	613	2
Total	7,330	7,186	2

CORPORATE RESPONSIBILITY

Amer Sports implements its business strategy in an ethically, socially and environmentally responsible manner and ensures that its products are innovative and safe while providing a safe and healthy work environment. The company is committed to continuous improvements in its performance.

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

Amer Sports is committed to socially responsible labor and workplace practices. Amer Sports expects also the sourcing partners to respect human rights in the spirit of internationally-recognized social and ethical standards including International Labour Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights. These principles are explained in the Company Code of Conduct and Ethical Policy. Additionally, Amer Sports' Social Compliance Policy defines how the company implements its supplier monitoring program. Amer Sports' sourcing Office in Hong Kong ensures that subcontractors follow Amer Sports' standards for ethical operations and conducts third party audits to help sourcing partners comply with industry standards, regulations, and Amer Sports' expectations in regards to health and safety, as well as environment and social responsibility.

Amer Sports is committed to reducing the environmental impact of its operations by using methods which are both responsible and economically sound. In 2013 Amer Sports introduced a Restricted Substances List to control hazardous substances used in its products and also communicated it to the supply chain. In addition, Amer Sports joined the bluesign® system partner network in July 2013. The membership covers all the Amer Sports brands within the Apparel & Gear category. The bluesign® system is a solution for a sustainable textile production and it eliminates harmful substances right from the beginning of the manufacturing process and sets and controls standards for environmentally friendlier and safe production.

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

BUSINESS SEGMENT REVIEWS

Winter and Outdoor

EUR million	2013	2012	Change, %	Change, %*)
Net sales				
Winter Sports Equipment	416.7	425.0	–2	3
Footwear	341.2	314.4	9	11
Apparel	285.4	248.6	15	21
Cycling	128.2	129.0	–1	1
Sports Instruments	118.0	104.2	13	17
Net sales, total	1,289.5	1,221.2	6	10
EBIT excluding non-recurring items	127.0	113.8		
EBIT % excluding non-recurring items	9.8	9.3		
Non-recurring items		–18.4		
EBIT total	127.0	95.4		
Personnel, Dec 31	4,742	4,639	2	

*) In local currencies

In 2013, Winter and Outdoor's net sales were EUR 1,289.5 million (1,221.2), an increase of 10% in local currencies. Net sales growth was driven by Apparel, with an increase of 21% and Sports Instruments, with an increase of 17%, supported by Footwear, up by 11%. The biggest geographical areas for Winter and Outdoor, EMEA and Americas, increased by 9% and Asia Pacific by 15% (in local currencies).

EUR million	2013	2012	Change, %	Change, %*)
EMEA	830.2	774.4	7	9
Americas	300.0	289.5	4	9
Asia Pacific	159.3	157.3	1	15
Total	1,289.5	1,221.2	6	10

*) In local currencies

In 2013, EBIT was EUR 127.0 million (113.8 excl. NRI). Sales increase in local currency terms contributed approximately EUR 54 million to gross profit. Slightly lower gross margins decreased gross profit by approximately EUR 2 million. Operating expenses increased by approximately EUR 35 million due to sales and distribution costs. Currencies impacted by approximately EUR -4 million on EBIT.

Winter Sports Equipment
In 2013, Winter Sports Equipment's net sales totaled EUR 416.7 million (425.0) and increased by 3% in local currencies due to strong growth in alpine boots and in cross country. Alpine ski equipment represented 72% of net sales, cross country 15%, snowboards 8% and active protection 5%. Net sales of alpine ski equipment increased in local currencies by 3%, cross country ski equipment by 7% and active protection by 4%. Snowboards decreased by 1%.

In 2013, 66% of the Winter Sports Equipment business area's net sales were derived from EMEA, 21% from the Americas, and 13% from Asia Pacific. In local currencies, net sales increased in EMEA by 5% and decreased in the Americas by 2%. Net sales were flat in Asia Pacific.

Footwear
In 2013, Footwear's net sales were EUR 341.2 million (314.4), up by 11% in local currencies. The growth came from all product segments. EMEA represented 76% of global sales, followed by the Americas with 19%, and Asia Pacific with 5%. In local currencies, net sales increased in EMEA by 9%, in the Americas by 13% and in Asia Pacific by 20%. In Europe, after a slow start to the year primarily related to the economic conditions, the business improved steadily. In the Americas, United States is driving the growth by 40% in local currencies, while restrictions in import rights in Argentina have hampered development in Latin America.

Apparel
In 2013, Apparel's net sales totaled EUR 285.4 million (248.6) and increased by 21% in local currencies. Sales of both main brands, Salomon and Arc'teryx, grew. EMEA was 44% of global sales, the Americas 38%, and Asia Pacific 18%. In local currencies, net sales increased in EMEA by 18%, Americas by 14% and in Asia Pacific by 53%.

Cycling
In 2013, Cycling's net sales remained unchanged at EUR 128.2 million (129.0). Cycling equipment (rims, wheels and tires) represented 79 % of net sales, and cycling softgoods (apparel, helmets and footwear including pedals) 21%. Net sales of cycling equipment decreased in local currencies by 2% in wheels and rims and increased by 14% in cycling softgoods.

Net sales by geographical region were as follows: EMEA 70%, the Americas 15% and Asia Pacific 15%. The sales in Americas were suffering due to the change of business model in Canada and the reorganization in the United States.

Sports Instruments
In 2013, Sports Instruments' net sales totaled EUR 118.0 million (104.2) and increased by 17% in local currencies. The growth of net sales was driven by the global sales of Suunto Ambit product family as well as market expansion.

The biggest product categories were outdoor (56% of net sales), diving instruments (18% of net sales) and training products (19% of net sales). Outdoor sales grew by 12%, diving instruments by 10% and training products by 60%.

The distribution of net sales by geographical region was as follows: EMEA 48%, Asia Pacific 27% and the Americas 25%. In local currencies, net sales increased in Asia Pacific by 22%, in EMEA by 18% and in the Americas by 12%.

Ball Sports

EUR million	2013	2012	Change, %	Change, %*)
Net sales				
Individual Ball Sports	306.0	318.8	–4	0
Team Sports	245.0	250.9	–2	1
Net sales, total	551.0	569.7	–3	1
EBIT excluding non-recurring items	27.0	28.0		
EBIT % excluding non-recurring items	4.9	4.9		
Non-recurring items		–5.5		
EBIT total	27.0	22.5		
Personnel, Dec 31	1,549	1,592	–3	

*) In local currencies

In 2013, Ball Sports' net sales were EUR 551.0 million (569.7). Both business areas remained at previous year's level. Geographically, Ball Sports' sales remained at previous year's level in local currencies in the Americas, grew by 6% in Asia Pacific and remained at previous year's level in EMEA.

EUR million	2013	2012	Change, %	Change, %*)
EMEA	116.8	118.0	–1	0
Americas	356.8	370.1	–4	0
Asia Pacific	77.4	81.6	–5	6
Total	551.0	569.7	–3	1

*) In local currencies

In 2013, EBIT was EUR 27.0 million (28.0, excl. NRI). Sales increase in local currency terms contributed approximately EUR 1 million to gross profit while the impact of lower gross margins was approximately EUR –2 million.

Individual Ball Sports

Individual Ball Sports' net sales in 2013 totaled EUR 306.0 million (318.8) and remained at last year's level in local currencies.

The Americas accounted for 42% of the net sales, EMEA 37% and Asia Pacific 21%. In local currencies, the Americas decreased by 2%, EMEA remained at last year's level and Asia Pacific increased by 6%.

Team Sports

Team Sports' net sales in 2013 were EUR 245.0 million (250.9) and remained at previous year's level.

The breakdown of Team Sports sales by region was as follows: the Americas 92%, Asia Pacific 6% and EMEA 2%. In local currencies, sales remained at last year's level in the Americas and increased in EMEA by 26% and in Asia Pacific by 5%.

Fitness

EUR million	2013	2012	Change, %	Change, %*)
Net sales	296.0	273.1	8	13
EBIT excluding non-recurring items	24.4	17.0		
EBIT % excluding non-recurring items	8.2	6.2		
Non-recurring items		–0.1		
EBIT total	24.4	16.9		
Personnel, Dec 31	874	821	6	

*) In local currencies

In 2013, Fitness' net sales were EUR 296.0 million (273.1) and increased by 13% in local currencies. Geographically, the Americas accounted for 62% of the net sales, EMEA 26% and Asia Pacific 12%. In local currencies, Americas increased by 8%, EMEA by 14% and Asia Pacific by 39%. The commercial business (clubs and institutions) represented 90% (88%) of Fitness' net sales while consumer (home use) business was 10% (12%).

EUR million	2013	2012	Change, %	Change, %*)
EMEA	78.2	70.3	11	14
Americas	182.6	174.5	5	8
Asia Pacific	35.2	28.3	24	39
Total	296.0	273.1	8	13

*) In local currencies

In 2013, Fitness' EBIT was EUR 24.4 million (17.0 excl. NRI). Sales increase in local currency terms and improved gross margins contributed approximately EUR 15 million to gross profit. Operating expenses increased by approximately EUR 8 million mainly due to increased sales and distribution costs (all in local currencies).

CORPORATE GOVERNANCE STATEMENT

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

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

CHANGES IN GROUP MANAGEMENT

Rob Barker was appointed President of Amer Sports' Fitness business unit effective June 1, 2013, as the successor of Paul Byrne who retired from the company effective of September 1, 2013.

Mike Dowse was appointed President of Amer Sports Ball Sports business area, effective November 4, 2013 and Michael White was appointed Chief Sales Officer and General Manager for Amer Sports EMEA and Americas Regions. Chris Considine, President Amer Sports Ball Sports, left the company at the same time.

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

SHARES AND SHAREHOLDERS

The company's share capital totaled EUR 292,182,204 on December 31, 2013 and the number of shares was 118,517,285. Each share entitles the holder to one vote at the company's general meeting.

Board of Directors' Report

Authorizations

The Annual General Meeting held on March 7, 2013 authorized the Board of Directors to decide on the repurchase of a maximum of 10,000,000 of the Company's own shares ("Repurchase Authorization"). The Company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of the NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The Repurchase Authorization is valid for eighteen months from the decision of the Annual General Meeting.

The Annual General Meeting held on March 7, 2013 authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes the option to issue own shares to the Company for free. The authorization is valid until two years from the date of the decision of the Annual General Meeting, but the authorization to issue new shares and/or convey the Company's own shares for purposes other than the Company's bonus schemes is valid until fourteen months from the date of the decision of the Annual General Meeting.

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

Own shares

Amer Sports' Board of Directors decided on April 25, 2013 to utilize the authorization given by the Annual General Meeting held on March 7, 2013 to repurchase Amer Sports shares. The company acquires its own shares in order to implement share-based incentive plans for 2013-2015 for the group's key personnel. The repurchases started on April 29, 2013 and ended on December 31, 2013. The amount acquired by December 31, 2013 was 397,758 shares.

At the end of December, Amer Sports held a total of 982,587 shares (December 31, 2012: 738,505) of Amer Sports Corporation. The number of own shares corresponds to 0.83% (0.62) of all Amer Sports shares. A total of 29,198 shares granted as share-based incentives were returned to Amer Sports in 2013 in accordance with the terms of the incentive plan as the employment ended.

Trading in shares

In 2013, a total of 50.0 million (63.4) Amer Sports shares with a value totaling EUR 683.4 million (629.4) were traded on the NASDAQ OMX Helsinki Ltd. Share turnover was 42.4% (53.9%) (as a proportion of the average number of shares, excluding own shares). The average daily volume in 2013 was 199,809 shares (253,603).

In addition to the NASDAQ OMX Helsinki Ltd, Amer Sports shares are traded on several alternative market places, for example Chi-X, BATS, Burgundy and Turquoise. In 2013, a total of 21.3 million (18.2) Amer Sports shares were traded on these alternative exchanges.

The closing price of the Amer Sports Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange in 2013 was EUR 15.12 (2012: 11.25). The share price rose by 34% during the year while OMX Helsinki Cap index rose by 26%. Shares registered a high of EUR 16.00 (11.80) and a low of EUR 11.08 (8.39). The average share price was EUR 13.68 (9.93). On December 31, 2013, the company had a market capitalization of EUR 1,777.1 million (1,325.0), excluding own shares.

At the end of December, Amer Sports Corporation had 15,180 registered shareholders (14,726). Ownership outside of Finland and nominee registrations represented 43.9% (42.4) of the company's shares. Public sector entities owned 17.3% (18.1), financial and insurance corporations 16.0% (16.2), households 11.7% (11.8), non-profit institutions 7.6% (8.3), private companies 2.7% (2.6) and Amer Sports 0.8% (0.6).

Major shareholders, December 31, 2013 (does not include nominee registrations nor shares held by the company)

		Shares	% of shares and votes
1.	Varma Mutual Pension Insurance Company	8,280,680	6.99
2.	Maa- ja Vesitekniikan Tuki ry.	5,000,000	4.22
3.	Keva	4,508,964	3.80
4.	Mandatum Life Insurance Company Limited	4,000,000	3.38
5.	Brotherus Ilkka	2,689,619	2.27
6.	Tapiola Mutual Pension Insurance Company	2,643,091	2.23
7.	Ilmarinen Mutual Pension Insurance Company	2,412,565	2.04
8.	OP-Focus Non-UCITS Fund	1,882,021	1.59
9.	Odin Norden	1,790,535	1.51
10.	OP-Delta Fund	1,145,114	0.97

Notification of change in shareholding under the Finnish Securities Market Act

On February 6, 2013 Amer Sports received information to the effect that owners of institutional investors and funds who have given full discretion over their investments to Silchester International Investors LLP, had fallen below 5% on February 1, 2013. At that time Silchester International Investors LLP owned 5,819,555 shares, which represented 4.91% of Amer Sports Corporation's share capital and voting rights.

Disclosure of control

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

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

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

Shareholdings of Board of Directors and Executive Board on December 31, 2013

Shareholder	Shares	Related parties and controlled corporations
Board of Directors		
Anssi Vanjoki	14,000	
Ilkka Brotherus	2,689,619	9,250
Martin Burkhalter	12,049	
Christian Fischer	12,049	
Hannu Ryöppönen	10,333	14,175
Bruno Sälzer	12,049	
Indra Åsander	3,372	
Executive Board		
Heikki Takala	114,135	
Robert Barker	11,201	
Michael Dowse	28,408	
Victor Duran	28,343	
Matthew Gold	18,929	
Terhi Heikkinen	34,662	
Antti Jääskeläinen	24,784	
Bernard Millaud	38,573	
Mikko Moilanen	31,627	390
Jean-Marc Pambet	47,145	
Michael Schineis	41,574	
Jussi Siitonen	33,474	300
Andrew Towne	17,917	
Michael White	25,386	
TOTAL	3,249,629	24,115
% of shares	2.7	0,0
Including circle of acquaintances and controlled corporations	3,273,744	
% of shares	2.8	

During the year, the Group had four share-based incentive plans and two cash-based long-term incentive plans effective for Group key personnel. On December 19, 2013, the Board of Directors approved amendments to the Performance Share Plan 2013 for the remaining earning years. The long-term incentive plans are described in the notes to the financial statements.

DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS

At the Amer Sports Corporation Annual General Meeting held on March 7, 2013, the following resolutions were approved:

Adoption of the annual accounts

The Annual General Meeting (AGM) approved Amer Sports' financial statements for 2012.

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

The AGM resolved to distribute a dividend of EUR 0.35 per share to be paid for the financial year ended December 31, 2012. The dividend was paid to shareholders who were registered on the list of shareholders maintained by Euroclear Finland Ltd as of March 12, 2013, which was the record date for the dividend payment. The dividend was paid on April 4, 2013.

Resolution on the discharge of the members of the Board of Directors and the CEO from liability

The AGM granted the members of the Board of Directors and Company's President and CEO, Heikki Takala a discharge from liability for the financial year 2012.

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

It was approved that the annual remuneration payable to the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2014 remains unchanged from 2012 and be as follows: Chairman EUR 100,000, Vice Chairman EUR 60,000, and other members EUR 50,000. No extra remuneration is paid for attending meetings of the Board of Directors or meetings of the Committees of the Board of Directors. Of the annual remuneration, 40% is being paid in the form of the Company's shares and 60% in cash.

Resolution on the number of members of the Board of Directors

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

Election of members of the Board of Directors

The AGM elected Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Hannu Ryöppönen, Bruno Sälzer, Anssi Vanjoki and Indra Åsander as members of the Board of Directors. The Board of Directors' term of service will run until the close of the 2014 Annual General Meeting.

Resolution on the remuneration of the auditor

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

Election of auditor

The AGM elected the Authorized Public Accountants PricewaterhouseCoopers Oy to act as auditor of the Company. PricewaterhouseCoopers Oy has advised that it appoints Jouko Malinen, Authorized Public Accountant, as the principally responsible auditor of the Company.

Authorizing the Board of Directors to decide on the repurchase of the Company's own shares

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

Authorizing the Board of Directors to decide on the share issue

The AGM authorized the Board of Directors to decide on issuing new shares and/or conveying the Company's own shares held by the Company as follows: By virtue of the authorization, the Board of Directors is entitled to decide on issuing new shares and/or on conveying the Company's own shares at the maximum amount of 10,000,000 shares in aggregate. The Board of Directors decides on all the conditions of the share issue. The issuance or conveyance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization includes possibility to issue own shares to the Company for free.

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

BOARD OF DIRECTORS' WORKING ARRANGEMENTS

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

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

GROUP-WIDE RESTRUCTURING PROGRAM

Amer Sports continues the restructuring program started in November 2012 to drive further scale and synergies and cost efficiencies, as well as to sustain growth through resource allocation especially into softgoods and expansion markets and channels. The program is estimated to deliver an annual cost saving of EUR 20 million once fully executed by the end of 2014. The program contributes to reaching the Group's long term profitability target of 10% EBIT. The expected headcount impact of the restructuring program once fully implemented is approximately 250, mainly in Winter and Outdoor.

SIGNIFICANT RISKS AND UNCERTAINTIES

Amer Sports' business is balanced by its broad portfolio of sports and brands, the increasing share of softgoods in the company portfolio as well as the company's presence in all major markets. Short-term risks for Amer Sports are particularly associated with general economic conditions, consumer demand development in Europe, North America and Japan, the ability to identify and respond to constantly shifting trends and the ability to leverage advancements in technologies and to develop new and appealing products. For example, the following risks could potentially have an impact on the company's development:

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

Amer Sports' costs without generating additional revenue. Retailers may quickly change their product offering and de-list Amer Sports' brands and/or products if not satisfied with service, products and/or trade terms.

- Amer Sports' most important production facilities are the Winter Sports Equipment's factories in Austria and Bulgaria, Fitness' factory in the United States, and Sports Instruments' factory in Finland. In addition, Amer Sports has major factories in Eastern Europe, which are owned by subcontractors. 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 business.
- Growing the number of Amer Sports' own retail stores requires up-front investment. In addition, the maintenance of the stores and the personnel employed in own retail create more fixed costs than distribution to trade customers. A failure to execute Amer Sports' retail growth plan as part of Amer Sports' multi-channel sales strategy could have a negative impact on Amer Sports' results.
- Despite extensive testing of its products before market launch, the company cannot completely rule out the risk of product recalls and legal actions related to product liability. Amer Sports has standard insurance cover against the financial consequences of product recalls and product liability cases. Product quality issues could harm Amer Sports' reputation and, as a result, could have an adverse effect on its sales.
- A characteristic feature of the sporting goods industry is the need to protect intellectual property rights (IPR) and disputes connected with them. Any litigation to defend against claims or infringement could result in substantial costs and diversion of resources and could negatively affect results of operations or the competitive position of Amer Sports. The material impacts on Amer Sports' financial position arising from pending litigation and decisions of the authorities are assessed regularly, and current estimates are presented publicly when necessary.
- Amer Sports sources a significant proportion of its products from subcontractors located throughout Asia, which exposes it to the political, economic, and regulatory conditions in that area and to a variety of local business and labor practice issues. Although Amer Sports has third party audit programs in Asia, Amer Sports cannot fully control its subcontractors' actions. The violation of labor laws, regulations or standards by Amer Sports' subcontractors, or the divergence of those subcontractors' labor practices from those generally accepted as ethical in the European Union or the international community, could have a material adverse effect on Amer Sports' public image and the reputation of its brands. Possible delivery problems and breaches of contracts of subcontractors may also have an impact on Amer Sports' operations.
- Foreign exchange risk consists of transaction risk and translation risk. Due to geographical distribution of Amer Sports' operations, especially in light of sourcing from Asia, most significant currency risks arise from the U.S. dollar and to lesser extent, from Canadian dollar, Swiss franc, British pound and Japanese yen. Amer Sports uses hedging instruments to mitigate the impact of exchange rate fluctuations.

OUTLOOK FOR 2014

Amer Sports expects global trading conditions to remain challenging, with some regional improvements. In 2014, Amer Sports' net sales growth in local currencies is expected to meet at minimum the company's long-term annual 5% growth target, and EBIT excluding non-recurring items is expected to improve from 2013. The company will continue to focus on softgoods growth, consumer-driven product and marketing innovation, commercial expansion and operational excellence.

BOARD OF DIRECTORS' PROPOSAL FOR DISTRIBUTION OF EARNINGS

The parent company's distributable earnings amount to EUR 267,903,524.76, of which the net result for the period is EUR 55,957,742.49.

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

- A dividend of EUR 0.40 per share, totaling EUR 47,406,914.00 to be paid to shareholders
- EUR 220,496,610.76 to be carried forward in distributable earnings

  Totaling EUR 267,903,524.76

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

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

Five-Year Review

EUR million	2013	Change,%	Restated 2012	Restated 2011	2010	2009
Net sales	**2,136.5**	4	2,064.0	1,880.8	1,740.4	1,533.4
Depreciation	**42.2**		40.2	35.8	35.8	35.0
Research and development expenses	**76.2**	6	72.2	64.2	57.4	52.0
% of net sales	**4**		3	3	3	3
EBIT	**154.9**	36	113.9	135.5	96.8	43.8
% of net sales	**7**		6	7	6	3
EBIT excluding non-recurring items	**154.9**	12	138.7	135.5	107.9	48.8
% of net sales	**7**		7	7	6	3
Net financing expenses	**–28.6**		–31.5	–20.5	–21.3	–18.4
% of net sales	**1**		2	1	1	1
Earnings before taxes	**126.3**	53	82.4	115.0	75.5	25.4
% of net sales	**6**		4	6	4	2
Taxes	**36.0**	47	24.5	24.1	6.6	–6.0
Net result attributable to equity holders of the parent company	**90.3**	56	57.9	90.8	68.8	31.3
Capital expenditure and acquisitions	**45.3**	–14	52.9	57.9	39.9	42.5
% of net sales	**2**		3	3	2	3
Divestments	**0.5**	–96	12.1	5.9	9.9	1.4
Non-current assets	**755.7**	–4	783.3	777.7	741.6	693.0
Inventories	**355.1**	5	336.7	359.7	302.1	234.6
Current receivables	**649.1**	7	607.8	607.5	525.4	475.4
Cash and cash equivalents	**270.0**	89	142.5	78.8	84.7	121.6
Shareholders' equity	**761.3**	4	731.8	808.9	790.2	735.3
Interest-bearing liabilities	**701.7**	22	576.8	470.4	379.5	404.1
Interest-free liabilities	**566.9**	1	561.7	544.4	484.1	385.2
Balance sheet total	**2,029.9**	9	1,870.3	1,823.7	1,653.8	1,524.6
Return on investment (ROI),%	**11.8**		8.5	11.3	8.5	3.8
Return on shareholders' equity (ROE),%	**12.1**		7.5	11.4	9.0	5.0
Return on shareholders' equity (ROE), excluding non-recurring items,%	**12.1**		9.8	11.4	10.1	5.6
Equity ratio,%	**38**		39	44	48	48
Debt to equity ratio	**0.9**		0.8	0.6	0.5	0.6
Gearing,%	**57**		59	48	37	38
Free cash flow/net profit	**0.5**		1.2	-	0.7	4.5
Free cash flow/net profit, excluding non-recurring items	**0.5**		0.9	-	0.6	4.0
Net debt/EBITDA	**2.2**		2.8	2.3	2.2	3.6
Net debt/EBITDA, excluding non-recurring items	**2.2**		2.4	2.3	2.1	3.4
Average personnel	**7,370**	2	7,209	6,921	6,545	6,362

Calculation of key indicators, see page 54.

Share Capital and Per Share Data

EUR million	2013	Restated 2012	Restated 2011	2010	2009
Share capital	**292.2**	292.2	292.2	292.2	292.2
Number of shares in issue, million	**118.5**	118.5	121.5	121.5	121.5
Adjusted number of shares in issue, million	**118.5**	118.5	121.5	121.5	121.5
Adjusted number of shares in issue less own shares, million	**117.5**	117.8	117.5	121.2	121.2
Adjusted average number of shares in issue less own shares, million	**117.7**	117.7	119.9	121.2	97.7
Cancellation of own shares	-	3.0	-	-	-
Share issues					
Share issue, net	-	-	-	-	151.5 [1]
Earnings per share, continuing operations, EUR	**0.77**	0.48	0.71	0.52	0.28
Earnings per share, diluted, continuing operations, EUR	**0.76**	0.48	0.71	0.52	0.28
Earnings per share, continuing operations, excluding non-recurring items, EUR	**0.77**	0.65	0.71	0.52	0.28
Earnings per share, diluted, continuing operations, excluding non-recurring items, EUR	**0.76**	0.65	0.71	0.52	0.28
Equity per share, EUR	**6.48**	6.21	6.86	6.50	6.05
Total dividends	**47.4** [2]	41.3	38.9	36.3	19.4
Dividend per share, EUR	**0.40** [2]	0.35	0.33	0.30	0.16
Dividend% of earnings	**53** [2]	71	44	53	62
Dividend% of earnings excluding non-recurring items	**53** [2]	53	44	47	55
Effective yield,%	**2.6** [2]	3.1	3.7	2.9	2.3
P/E ratio	**19.7**	23.3	12.6	19.9	25.4
Market capitalization	**1,777.1**	1,325.0	1,057.5	1,263.8	848.3
Share value, EUR					
Par value	**4.00**	4.00	4.00	4.00	4.00
Share price low	**11.08**	8.39	7.52	6.82	3.67
Share price high	**16.00**	11.80	11.97	10.70	7.19
Average share price	**13.68**	9.93	9.78	8.61	6.45
Share price at closing date	**15.12**	11.25	9.00	10.43	7.00
Trading volume	**683.4**	629.4	752.5	475.0	458.3
1,000s	**49,952**	63,401	76,906	55,173	71,036
%	**42**	54	64	45	76
Number of shareholders	**15,180**	14,729	15,351	15,400	13,342

[1] Gross proceeds of EUR 160.0 million less expenses EUR 8.5 million

[2] Proposal of the Board of Directors for 2013

Calculation of key indicators, see page 54.

Shares/shareholder as of December 31, 2013

Shares	Share-holders	% of share-holders	Shares	% of shares
1–100	3,469	22.9	195,275	0.2
101–1,000	8,612	56.7	3,616,991	3.0
1,001–10,000	2,804	18.5	7,056,350	6.0
10,001–100,000	231	1.5	6,696,671	5.6
Over 100,000	64	0.4	99,981,536	84.4
Own shares held by the company			970,462	0.8
Total	15,180	100.0	118,517,285	100.0
of which nominee registered	12	0.1	47,556,986	40.1

Sectors as of December 31, 2013

Outside Finland and nominee registrations	43.9%
Public sector entities	17.3%
Financial and insurance corporations	16.0%
Households	11.7%
Non-profit institutions	7.6%
Private companies	2.7%
Own shares held by the company	0.8%
Total	100.0%

Consolidated Income Statement

EUR million	Note	2013	Restated 2012
NET SALES		2,136.5	2,064.0
Cost of goods sold	7	–1,204.3	–1,163.4
GROSS PROFIT		932.2	900.6
License income		6.4	7.5
Other operating income	4	4.5	6.0
R&D expenses	7	–76.2	–72.2
Selling and marketing expenses	7	–543.0	–526.8
Administrative and other expenses	7, 8, 9	–169.0	–176.4
Non-recurring expenses	21	-	–24.8
EARNINGS BEFORE INTEREST AND TAXES	5, 6, 7	154.9	113.9
% of net sales		7.3	5.5
Financing income	10	0.8	1.2
Financing expenses	10	–29.4	–32.7
Financing income and expenses		–28.6	–31.5
EARNINGS BEFORE TAXES		126.3	82.4
Taxes	11	–36.0	–24.5
NET RESULT		90.3	57.9
Attributable to:			
Equity holders of the parent company		90.3	57.9
Earnings per share of the net result attributable to equity holders of the parent company, EUR	12		
Undiluted		0.77	0.48
Diluted		0.76	0.48

Consolidated Statement of Comprehensive Income

EUR million	Note	2013	Restated 2012
Net result		90.3	57.9
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement effects of postemployment benefit plans		12.4	–10.5
Income tax related to remeasurement effects		–4.3	3.5
Items that may be reclassified to profit or loss			
Translation differences		–24.5	–8.7
Cash flow hedges	26	–1.6	–19.3
Income tax related to cash flow hedges	26	0.4	5.0
Other comprehensive income, net of tax		–17.6	–30.0
TOTAL COMPREHENSIVE INCOME		72.7	27.9
Total comprehensive income attributable to:			
Equity holders of the parent company		72.7	27.9

The notes are an integral part of consolidated financial information.

Consolidated Cash Flow Statement

EUR million	Note	2013	Restated 2012
NET CASH FLOW FROM OPERATING ACTIVITIES			
Earnings before interest and taxes		154.9	113.9
Depreciation		42.2	40.2
Adjustments to cash flow from operating activities	22	–1.5	20.9
Cash flow from operating activities before change in working capital		195.6	175.0
Increase (–) or decrease (+) in inventories		–31.9	15.0
Increase (–) or decrease (+) in trade and other current receivables		–61.3	–24.6
Increase (+) or decrease (–) in interest-free current liabilities		34.1	–1.3
Change in working capital		–59.1	–10.9
Cash flow from operating activities before financing items and taxes		136.5	164.1
Interest paid		–27.0	–20.7
Interest received		0.4	0.8
Income taxes paid and received		–22.6	–31.6
Financing items and taxes		–49.2	–51.5
Total net cash flow from operating activities		87.3	112.6
NET CASH FLOW FROM INVESTING ACTIVITIES			
Sold operations	3	-	1.1
Acquired non-controlling interests	3	-	–3.7
Capital expenditure on non-current tangible assets		–43.4	–44.1
Capital expenditure on non-current intangible assets		–1.9	–5.1
Proceeds from sale of tangible non-current assets		0.5	11.0
Net cash flow from investing activities		–44.8	–40.8
NET CASH FLOW AFTER INVESTING ACTIVITIES (FREE CASH FLOW)		42.5	71.8
NET CASH FLOW FROM FINANCING ACTIVITIES			
Repurchase of own shares		–5.4	-
Change in short-term borrowings		–34.8	–39.4
Withdrawals of long-term borrowings		205.7	170.4
Repayments of long-term borrowings		–42.5	–26.7
Interest on hybrid bond		-	–7.2
Redemption of the hybrid bond		-	–60.0
Dividends paid		–41.3	–38.9
Other financing items *)		6.8	–5.4
Net cash flow from financing activities		88.5	–7.2
CHANGE IN CASH AND CASH EQUIVALENTS		131.0	64.6
Cash and cash equivalents			
Cash and cash equivalents at year end		270.0	142.5
Translation differences		–3.5	–0.9
Cash and cash equivalents at year beginning		142.5	78.8
Change in cash and cash equivalents		131.0	64.6

*) 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.

The notes are an integral part of consolidated financial information.

Consolidated Balance Sheet

ASSETS EUR million	Note	2013	Restated 2012	Restated 2011
NON-CURRENT ASSETS	13			
Intangible rights		**191.5**	191.7	194.3
Goodwill		**281.2**	289.1	295.7
Other intangible assets		**13.5**	19.7	20.2
Land and water		**14.0**	14.5	15.1
Buildings and constructions		**51.7**	50.0	48.5
Machinery and equipment		**88.5**	87.2	81.4
Other tangible assets		**1.2**	1.3	1.4
Advances paid and construction in progress		**12.9**	9.9	11.4
Available-for-sale financial assets	14	**0.3**	0.6	0.6
Deferred tax assets	15	**96.6**	118.1	105.7
Other non-current receivables		**4.3**	1.2	3.4
TOTAL NON-CURRENT ASSETS		**755.7**	783.3	777.7
CURRENT ASSETS				
INVENTORIES	16			
Raw materials and consumables		**40.6**	37.8	41.6
Work in progress		**8.3**	8.3	11.3
Finished goods		**306.2**	290.6	306.8
		355.1	336.7	359.7
RECEIVABLES				
Accounts receivable	16	**514.2**	516.8	518.4
Loans receivable		**1.8**	0.2	0.1
Current tax assets		**8.7**	8.7	13.0
Prepaid expenses and other receivables	17	**124.4**	82.1	76.0
		649.1	607.8	607.5
MARKETABLE SECURITIES				
Other securities		**33.6**	-	-
CASH AND CASH EQUIVALENTS	14	**236.4**	142.5	78.8
TOTAL CURRENT ASSETS		**1,274.2**	1,087.0	1,046.0
TOTAL ASSETS	28	**2,029.9**	1,870.3	1,823.7

The notes are an integral part of consolidated financial information.

SHAREHOLDERS’ EQUITY AND LIABILITIES EUR million	Note	2013	Restated 2012	Restated 2011
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	18			
Share capital		**292.2**	292.2	292.2
Premium fund		**12.1**	12.1	12.1
Fund for own shares		**–11.1**	–7.1	–36.9
Translation differences		**–59.8**	–35.3	–26.6
Fair value and other reserves	26	**–8.3**	–7.1	7.2
Remeasurements		**–19.4**	–27.5	–20.5
Invested unrestricted equity reserve		**156.7**	154.4	151.5
Hybrid bond	29	**-**	-	60.0
Retained earnings		**308.6**	292.2	276.5
Net result		**90.3**	57.9	90.8
TOTAL		**761.3**	731.8	806.3
NON-CONTROLLING INTERESTS		**-**	-	2.6
TOTAL SHAREHOLDERS’ EQUITY		**761.3**	731.8	808.9
LIABILITIES				
LONG-TERM LIABILITIES				
Bonds	19	**460.5**	358.3	236.1
Loans from financial institutions	19	**54.4**	11.3	0.9
Pension loans	19	**2.9**	8.6	14.3
Other interest-bearing liabilities	19	**0.1**	0.0	0.1
Deferred tax liabilities	15	**7.6**	13.0	6.4
Defined benefit pension liabilities	6	**32.9**	45.4	35.1
Other interest-free liabilities		**18.6**	21.4	16.3
Provisions	21	**1.5**	4.6	2.9
		578.5	462.6	312.1
CURRENT LIABILITIES				
Interest-bearing liabilities	19	**183.8**	198.6	219.0
Accounts payable		**219.2**	192.9	200.3
Accrued liabilities	20	**242.2**	230.4	231.4
Current tax liabilities		**16.6**	11.8	22.5
Provisions	21	**28.3**	42.2	29.5
		690.1	675.9	702.7
TOTAL LIABILITIES	28	**1,268.6**	1,138.5	1,014.8
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**2,029.9**	1,870.3	1,823.7

The notes are an integral part of consolidated financial information.

Consolidated Statement of Changes in Shareholders' Equity

EUR million	Share capital	Premium fund	Fund for own shares	Translation differences	Fair value and other reserves	Remeasurements	Invested unrestricted equity reserve	Hybrid bond	Retained earnings	Total	Non-controlling interests	Total shareholders' equity
	Attributable to equity holders of the parent company											
Published balance at January 1, 2012	292.2	12.1	–36.9	–26.6	7.2		151.5	60.0	367.3	826.8	2.6	829.4
IAS 19 impact						–20.5				–20.5		–20.5
Restated balance at January 1, 2012	292.2	12.1	–36.9	–26.6	7.2	–20.5	151.5	60.0	367.3	806.3	2.6	808.9
Other comprehensive income:												
Translation differences				–8.7						–8.7		–8.7
Remeasurement effects of postemployment benefit plans						–10.5				–10.5		–10.5
Cash flow hedges					–19.3					–19.3		–19.3
Income tax related to OCI					5.0	3.5				8.5		8.5
Net result, restated									57.9	57.9		57.9
Total comprehensive income, restated				–8.7	–14.3	–7.0			57.9	27.9		27.9
Transactions with owners:												
Cancellation of own shares			27.2						–27.2	0.0		0.0
Share-based incentive program			2.6				2.9		–1.8	3.7		3.7
Hybrid bond *)								–60.0	–7.2	–67.2		–67.2
Dividend distribution									–38.9	–38.9		–38.9
Other change											–2.6	–2.6
Restated balance at December 31, 2012	292.2	12.1	–7.1	–35.3	–7.1	–27.5	154.4	-	350.1	731.8	-	731.8
Other comprehensive income:												
Translation differences				–24.5						–24.5		–24.5
Remeasurement effects of postemployment benefit plans						12.4				12.4		12.4
Cash flow hedges					–1.6					–1.6		–1.6
Income tax related to OCI					0.4	–4.3				–3.9		–3.9
Net result									90.3	90.3		90.3
Total comprehensive income				–24.5	–1.2	8.1			90.3	72.7		72.7
Transactions with owners:												
Repurchase of own shares			–5.7							–5.7		–5.7
Share-based incentive program			1.7				2.3		–0.2	3.8		3.8
Dividend distribution									–41.3	–41.3		–41.3
Balance at December 31, 2013	292.2	12.1	–11.1	–59.8	–8.3	–19.4	156.7	-	398.9	761.3	-	761.3

*) Paid interest plus redemption of the hybrid bond

Note 18 provides additional information on shareholders' equity, note 26 on the fair value and other reserves and note 15 on the taxes charged to shareholders' equity.

The notes are an integral part of consolidated financial information.

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 shared sales network covers 34 countries. The Group's main market areas are the United States and Europe.

These financial statements were authorized for issue by the Board of Directors on January 28, 2014.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards approved for use in the EU (IFRS), observing the IAS and IFRS standards and SIC and IFRIC interpretations in force as of December 31, 2013. 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 Group has applied the amendments to IAS 19 "Employee benefits" as of January 1, 2013. The key change in the standard is that all actuarial gains and losses are recognized immediately in earning through other comprehensive income. The so-called corridor method is no longer applicable. The change in standard did not have a material impact on Group's EBIT or financing expenses. The pension liability increased by EUR 40.6 million and the shareholders' equity decreased by EUR 27.1 million as at Dec 31, 2012.

The Group has applied the following new and revised standards, amendments and interpretations as of January 1, 2013 which did not have material impact on the Group's financial statements:

- IAS 34 (amendment) in connection with IFRS 7 (amendment) and IFRS 13 (amendment): Financial instruments: disclosures – derecognition. As a result of the amendments, the Group has extended its disclosures about the offsetting of financial assets and financial liabilities (note 29).
- IAS 1 (amendment): Financial statement presentation. Following the amendments, the Group has modified the presentation of items in other comprehensive income in the income statement.
- IAS 12 (amendment): Income taxes: deferred tax
- Small changes to various standards or interpretations as part of the annual improvements to IFRS project.

The following standards and amendments that will come into force in 2014 are expected not to have any material effect on the consolidated financial statements, as currently estimated by the Group:

- IFRS 10: Consolidated financial statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of interests in other entities
- IAS 27 (revised 2011): Separate financial statements
- IAS 32 (amendment): Financial instruments: Presentation
- IAS 36 (amendment): Impairment of assets
- IAS 39: (amendment): Financial instruments: recognition and measurement

The following new and revised standards will be adopted in 2014 or later (subject to EU endorsement):

- IFRS 9: Financial instruments
- IAS 19 (amendment): Employee benefits

The consolidated financial statements are presented in millions of euros and have been prepared under the historical cost convention with the exception of available-for-sale financial assets, share based payments, 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 the subsidiary. Companies acquired during the financial year have been included in the consolidated financial statements from the date when control was obtained. Similarly, divested subsidiaries are included up to the date when control has been relinquished.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Direct costs are expensed as incurred. 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 tested for impairment at least once a year by means of a cash flow analysis (see impairment of assets below). Impairment losses are booked in the income statement.

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

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

Foreign currencies

The transactions in subsidiaries' financial statements are valued in the currency of the country where the subsidiary operates ("functional currency"). The Group financial statements are presented in euros which is the functional and presentation currency of the Group. The assets and liabilities of foreign subsidiaries are translated into euros at the closing rates of exchange confirmed by the European Central Bank on the balance 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 translation of the net investment in foreign operations are booked to translation differences in other comprehensive income. Inter-company long-term capital loans that are not expected to be repaid are considered part of the company's net investment in the foreign operation and are treated similarly.

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

	Income statement*)		Balance sheet	
	2013	**2012**	12/13	**12/12**
USD	**1.33**	1.28	**1.38**	1.32
CAD	**1.37**	1.28	**1.47**	1.31
JPY	**129.40**	102.41	**144.72**	113.61
GBP	**0.85**	0.81	**0.83**	0.82

*) Calculated average of the monthly average rates

Group companies record transactions in foreign currencies 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 closing rate of exchange in effect on the balance sheet date.

Foreign exchange gains and losses related to operational transactions are presented in 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

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

Foreign exchange forward contracts and options, interest rate swaps and options and cross currency swaps are measured at fair value on the day that the Group becomes a party to the contract. Subsequent measurement is also at fair value. Foreign exchange derivatives are measured at fair value using the closing rates quoted by the European Central Bank on the reporting date together with common pricing models that are used for valuation of foreign exchange forward contracts and options. The fair values of interest rate and cross currency swaps are calculated as the current value of future cash flows. Interest rate options are valued with year end interest rates together with common option pricing models.

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 prepaid expenses and other receivables or accrued liabilities or for maturities over 12 months after the end of the reporting period, in other non-current receivables or other interest-free 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. The total change of fair value of foreign exchange derivatives not used in hedge accounting is recorded to earnings.

The Group applies hedge accounting to foreign exchange derivatives that hedge material cash flows from operating activities and to interest rate swaps and cross currency swaps hedging against the interest risks associated with floating rate loans. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, in accordance with IAS 39, is recognized in the fair value and other reserves under shareholders' equity. 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.

When a hedging instrument expires, is sold, or if the hedge does not meet the requirements set for hedge accounting under IAS 39, any cumulative gain or loss recorded in equity remains in equity until the forecast transaction is recorded in the income statement. When a forecast cash flow is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recorded in financing income and expenses in the income statement in the case of an interest rate hedge and in other operating income and expenses in the case of an operating cash flow hedge.

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 foreign operations 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 as:

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

Financial assets at fair value through profit or loss are financial assets held for trading. Changes in fair value are booked as a credit or charge to earnings in financing income and expenses. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, except for maturities over 12 months after the end of the reporting period.

Held-to-maturity investments and loans granted by the company are carried at amortized cost using the effective interest rate method. Held-to-maturity investments are valued at cost and are included in current assets, except for maturities over 12 months after the end of the reporting period. At the end of the financial year, the Group did not possess any held-to-maturity investments.

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accounts receivable are carried at the original invoiced amount less impairment losses and credits for returns. Impairment losses are recognized case by case 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.

Available-for-sale financial assets 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 asset is sold or its value has been impaired such that an impairment loss must be recognized. Available-for-sale financial assets whose fair value cannot be determined reliably are measured at cost or a lower value if they are impaired. Available-for-sale financial assets are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Financial assets are recognized on the settlement date. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On each closing date, the Group assesses whether there is objective evidence for the impairment of a financial asset item or class. A significant or prolonged decline in the fair value of a financial asset below its cost is seen as an evidence that the assets are impaired. The impairment loss is recorded as a charge to earnings in financing items. Impairment losses are not reversed through financing items.

Cash and cash equivalents

Cash and cash equivalents 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. 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. The amounts drawn under the revolving credit facility are included in loans from financial institutions.

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 Amer Sports trademarks. In addition, license income includes royalty payments obtained from other companies when they utilize manufacturing technology patents owned by Amer Sports. License income based on fixed license agreements is recognized evenly throughout the financial year. License income determined by sales volumes is recognized during the financial year as the licensee generates sales revenue.

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 salaries and wages, materials, 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 unless there is certainty that material economic benefits are gained from them in the future. Research and development expenses have not been capitalized during the year 2013 or 2012.

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.

Non-recurring items

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

Pension plans

The Group's pension arrangements comply with the local rules and practices of the countries where Amer Sports operates. The Group's pension arrangements are either defined contribution or defined benefit plans. Under defined contribution based plans, such as the Finnish TyEL employment pension system, the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions. In defined contribution plans, the Group's contributions are recorded as an expense in the period to which they relate.

Defined benefit plans are post-employment benefit plans other than defined contribution plans. In defined benefit plans, the pension expenses recognized in the income statement are determined using the projected unit credit method which calculates the present value of the obligation and the related service costs. The pension liability is measured by calculating the present value of future pension obligations, discounted using the market yield on high quality corporate bonds or government bonds in countries where there is no deep market for such bonds. Fair value of plan assets is deducted from present value of obligation and net liability (asset) is presented in balance sheet. All actuarial gains and losses ("remeasurements") relating to post-employment benefits are recognized in full in other comprehensive income. For other long-term employee benefits, the Group recognizes actuarial gains and losses immediately in profit or loss. All past service costs are recognized immediately in the income statement. Net interest expense (income) is determined based on the net defined benefit liability (asset) and the discount rate at the beginning of the year. Expenses related to defined benefit post-employment plans are reported as follows:

- service cost: above EBIT
- net interest expense: in financing expenses
- remeasurement components: under other comprehensive income

Impacts of adoption of new IAS19 standard have been presented in the note 30 "Adoption of Amendments to IAS19 Standard":

Share-based payment

The Group key employees have been granted several share-based incentive schemes where the rewards are settled either as equity instruments or in cash. The rewards are measured at fair value at the time of granting using generally accepted valuation models and recognized as expenses in the income statement in even installments over the vesting period of the rights. Cash-settled share-based payment transactions and the change in fair value are recognized as expenses over the vesting period. The income effect of the arrangements is presented as employee benefits in the income statement.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes is a net amount which is derived from net sales by deducting the cost of goods sold and the R&D, selling, marketing, administrative and other expenses as well as possible non-recurring items and adding license income and other operating income. Foreign exchange differences related to operational transactions are presented in EBIT whilst other foreign exchange differences are recorded as financing income and expenses.

Non-current assets held for sale and discontinued operations

A non-current asset or a disposal group of assets and liabilities is categorized as held for sale when the economic benefits gained from it will be accrued primarily from its sale rather than from continuous use. Non-current assets or disposal groups held for sale are measured at the lower of carrying amount or fair value less selling costs and disclosed as a separate line item 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.

Income taxes

Taxes include the taxes for the financial year calculated on the basis of the result for the period 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 these can be utilized in future financial periods. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

Earnings per share

The undiluted earnings per share are calculated by dividing the net result for the financial year less interest on the hybrid bond (net of tax) by the weighted average number of shares outstanding during the financial year. The dilutive effect of warrants and shares granted on the basis of share-based incentive plans is taken into account in calculating diluted earnings per share.

The effect of share issues on previous years' earnings per share is taken into account by using a share issue ratio.

Government grants

Government grants are recorded as adjustments to expenses in the financial period they are received, 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. Other intangible assets include for example software licenses. Patents and software licenses are recognized in the balance sheet at cost and amortized on a straight-line basis during a useful life of three to fifteen years. Trademarks with indefinite useful lives are not amortized, but tested for impairment on an annual basis (see impairment of assets below).

Tangible non-current assets

Tangible non-current assets are stated at cost less accumulated depreciation and any impairment losses (see impairment of assets below).

Depreciation is calculated on a straight-line basis in order to write down the cost of the tangible assets to their residual values 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 impairment would not have been originally recognized.

The recoverable amount of goodwill and other intangible rights with indefinite useful lives is determined via fair value less cost of selling or higher cash flow-based value-in-use (impairment tests of these items are more closely explained in note 7).

In the cash flow-based impairment calculations for other intangible rights and property, plant and equipment, cash flows are recognized so that the first three years 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, later 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 rates and on generally used standard risk premiums (the key assumptions of the discount rate are presented more closely in note 7).

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 retains a significant part of the ownership risks and rewards, are classified as finance lease agreements. A finance lease agreement is recorded on the balance sheet at the lower of the asset's fair value or the present value of minimum lease payments, and it is depreciated. 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 material 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.

Shareholders' equity

An equity instrument is recorded in the shareholders' equity if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

The subscription proceeds from share issues are booked to invested unrestricted equity reserve to the extent that they are not, in accordance with a shareholders' resolution, booked to the share capital. The transaction costs of the share issues are charged to retained earnings net of tax.

The hybrid bond is treated as equity. It is unsecured and subordinated to all senior debt. The hybrid bond does not confer shareholders' rights, nor does it dilute the holdings of shareholders. The company is obliged to pay interest on hybrid bond only if it distributes dividend for the financial period. Interest expenses are debited directly to retained earnings on cash basis net of tax. In the calculation of earnings per share, interest expenses of the hybrid bond are included in the earnings for the period.

The acquisition cost of repurchased own shares is charged to equity until the shares are cancelled or reissued.

Any dividend proposed by the Board of the Directors is not deducted from distributable shareholders' equity until approved at the Annual General Meeting.

Provisions

Obligations arising as the consequence of a past event, which are legal or which the company has an actual 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. Long-term provisions are discounted.

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 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.

Critical accounting estimates and assumptions

Pension plans

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (or income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Amer Sports determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Other key assumptions for pension obligations are based in part on current market conditions (see note 6).

Net liability recognized for defined benefit pension plans was EUR 32.9 million as of December 31, 2013.

Share-based payment

The Group key employees have been granted several share-based incentive schemes where the rewards are settled either as equity instruments or in cash. The rewards are measured at fair value at the time of granting using generally accepted valuation models and periodized as expenses in the income statement in even installments over the vesting period of the rights. Cash-settled share-based payment transactions and the change in fair value are periodized as expenses over the vesting period. The income effect of the arrangements is presented as employee benefits in the income statement.

Expenses recognized for the share-based incentive schemes for the year ended December 31, 2013 amounted to EUR 7.3 million and for the deferred cash long-term incentive programs EUR 6.4 million.

Income taxes

Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. As of December 31, 2013, the company has recognized net deferred tax assets of EUR 89.0 million on tax loss carry forwards and other temporary differences. The Group is also subject to income taxes in various jurisdictions. Judgment is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group anticipates questions arising in tax audits and recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 assets having an indefinite useful life are nevertheless assessed at least once a year. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. As of December 31, 2013, the amount of goodwill and other non-current intangible assets with indefinite useful lives tested for impairment amounted to EUR 281.2 million and EUR 181.0 million, respectively. No impairment losses were recognised in 2013 or 2012. Management estimates, used assumptions as well as sensitivity analyses are presented in note 7.

Critical judgments in applying accounting policies

Inventories

The Group periodically reviews its inventories for excess amounts, obsolescence and declines in market value below cost and records an allowance against the inventory balance for any such declines. These reviews require management to estimate future demand for products. If the future demand for Group's products was weaker than anticipated or the market conditions deteriorated, the value of inventories would likely have to be written down. As of December 31, 2013, the amount of inventories on balance sheet amounted to EUR 355.1 million. Value of inventories has been decreased by EUR 26.7 million for the year ended December 31, 2013 to correspond to its net realizable value.

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. The estimates are based on a systematic, on-going review and evaluation performed as part of the credit-risk evaluation process. As part of this evaluation, the Group takes into account the history of collections, the size and composition of the receivable balances and current economic events and conditions. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment losses may be recognized in future periods. As of December 31, 2013, the amount of accounts receivable on balance sheet amounted to EUR 514.2 million and impairment losses of accounts receivable amounted to EUR 14.1 million.

Provisions

Provisions are recognized on the balance sheet when there is a legal or actual obligation for the company to settle an obligation arising as the consequence of a past event that is considered certain or likely to occur. 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. The provisions recognized represents management's best estimate of the present value of the future costs assumed to be incurred. The actual costs may differ from the estimated. As of December 31, 2013, the amount of provisions on balance sheet was EUR 29.8 million.

2. SEGMENT INFORMATION

Amer Sports has three business segments:

- Winter and Outdoor: manufacturer and supplier of winter sports equipment, apparel, footwear, cycling components and sports instruments
- Ball Sports: manufacturer and supplier of racquet and team sports equipment and golf equipment
- Fitness: manufacturer and supplier of fitness equipment

The business segments are based on the Group's organizational structure and management reporting. The decisions concerning assessing the performance of segments and allocation of resources to the segments are based on segments' net sales and earnings before interest and taxes. The chief operating decision maker of the Group is the Executive Board.

The accounting policies for segment reporting do not differ from the Group's accounting policies. There were no intersegment business operations in 2013 and 2012. In the income statement, line items below 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 relating to EBIT include income and expenses of corporate headquarters.

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 and intangible assets with indefinite useful lives are not allocated to the geographical areas.

BUSINESS SEGMENTS

2013

EUR million	Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
Net sales	1,289.5	551.0	296.0	2,136.5	-	2,136.5
EBIT	127.0	27.0	24.4	178.4	–23.5	154.9
% of net sales	9.8	4.9	8.2	8.4		7.3
Financing income and expenses					–28.6	–28.6
Earnings before taxes						126.3
Goodwill and intangible assets with indefinite useful lives	219.7	97.5	145.0	462.2	-	462.2
Other assets	768.6	256.2	120.1	1,144.9	422.8	1,567.7
Liabilities	272.5	191.4	48.8	512.7	755.9	1,268.6
Capital expenditure	30.7	4.5	7.4	42.6	2.7	45.3
Depreciation	27.1	9.1	5.5	41.7	0.5	42.2
Cash flow from operating activities before financing items and taxes	81.5	58.3	19.0	158.8	–22.3	136.5

2012

EUR million	Winter and Outdoor	Ball Sports	Fitness	Business segments total	Unallocated items	Total
Net sales	1,221.2	569.7	273.1	2,064.0	-	2,064.0
EBIT	95.4	22.5	16.9	134.8	–20.9	113.9
% of net sales	7.8	3.9	6.2	6.5	-	5.5
Financing income and expenses					–31.5	–31.5
Earnings before taxes						82.4
Goodwill and intangible assets with indefinite useful lives	221.8	102.0	148.6	472.4	-	472.4
Other assets	713.6	274.9	110.8	1,099.3	298.6	1,397.9
Liabilities	270.9	179.2	58.7	508.8	629.7	1,138.5
Capital expenditure	34.4	7.2	6.2	47.8	1.4	49.2
Depreciation	24.5	9.8	5.4	39.7	0.5	40.2
Cash flow from operating activities before financing items and taxes	132.3	33.1	18.6	184.0	–19.9	164.1

GEOGRAPHICAL SEGMENTS

2013

EUR million	EMEA	Americas	Asia Pacific	Elimination	Unallocated items	Total
External net sales	1,025.2	839.4	271.9	-	-	2,136.5
Assets	705.0	572.1	138.9	−98.6	712.5	2,029.9
Capital expenditure	27.0	13.2	5.1	-	-	45.3

2012

EUR million	EMEA	Americas	Asia Pacific	Elimination	Unallocated items	Total
External net sales	962.7	834.1	267.2	-	-	2,064.0
Assets	659.4	486.5	126.8	−133.4	731.0	1,870.3
Capital expenditure	31.8	14.4	3.0	-	-	49.2

3. ACQUIRED AND DIVESTED BUSINESSES

There were no significant business acquisitions or company divestments in 2013 and 2012.

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

In January 2012, Amer Sports completed the acquisition of a 5% minority share in Atomic Austria GmbH. The purchase price was EUR 3.7 million.

In March 2012 Amer Sports sold its 60% share in Suunto Benelux BV. The sales price was EUR 1.1 million.

The above transactions had no material impact on Amer Sports 2013 or 2012 financial results or balance sheet.

4. OTHER OPERATING INCOME

EUR million	2013	2012
Rental return on real estate	0.2	0.8
Gain on sale of non-current assets	0.3	3.7
Changes in the fair value of foreign exchange contracts not used in hedge accounting	0.0	0.0
Other	4.0	1.5
Total	4.5	6.0

5. EMPLOYEE BENEFITS

EUR million	2013	2012
Wages and salaries	331.9	317.3
Social expenditure		
Pensions - defined contribution plans	10.0	9.2
Pensions - defined benefit plans	3.1	2.6
Other social security	71.2	68.9
Total	416.2	398.0

In countries where social expenditure paid to the 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 27.

6. PENSIONS

Amer Sports has adopted amendments to IAS 19 standard (Employee Benefits) as of Jan 1, 2013. 2012 comparison information in this note has been restated accordingly. Impacts of adoption of new IAS 19 standard have been presented in the note 30 "Adoption of Amendments to IAS 19 Standard".

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. (USA) whose present value of funded obligations is 61% (66) of the Group's total value. In addition to USA, the Group has defined benefit pension plans in France, Switzerland, UK and Japan. These are handled via pension funds or pension companies whose assets are not included in 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 TyEL 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	2013	2012
Present value of funded obligations	123.4	133.8
Fair value of plan assets	−90.5	−88.4
Deficit/(surplus)	32.9	45.4
Impact of minimum funding requirement/ asset ceiling	-	-
Net liability in the balance sheet at December 31	32.9	45.4

The movement in the defined benefit obligation is as follows:

EUR million	Present value of obligation	Fair value of plan asset	Total
At January 1, 2012	114.7	–79.6	35.1
Current service cost	2.6		2.6
Past service cost and gains and losses on settlements	0.0		0.0
Administration cost paid from plan assets	–0.3	0.3	0.0
Interest expense (income)	5.5	–3.9	1.6
Cost recognized in income statement	7.8	–3.6	4.2
Remeasurements:			
Return on plan assets, excluding amounts included in interest expenses/(income)		–4.6	–4.6
(Gain)/loss from change in demographic assumptions	0.2		0.2
(Gain)/loss from change in financial assumptions	12.9		12.9
Experience (gains)/losses	2.0		2.0
Remeasurements effects recognized in OCI	15.1	–4.6	10.5
Contributions:			
Employers		–5.4	–5.4
Employees	0.3	–0.3	0.0
Benefits paid from plan assets	–4.3	4.3	0.0
Exchange rate differences	0.2	0.8	1.0
At December 31, 2012	133.8	–88.4	45.4

EUR million	Present value of obligation	Fair value of plan asset	Total
At January 1, 2013	133.8	–88.4	45.4
Current service cost	3.0		3.0
Past service cost and gains and losses on settlements	0.0		0.0
Administration cost paid from plan assets	–0.3	0.4	0.1
Interest expense (income)	5.0	–3.4	1.6
Cost recognized in income statement	7.7	–3.0	4.7
Remeasurements:			
Return on plan assets, excluding amounts included in interest expenses/(income)		–1.6	–1.6
(Gain)/loss from change in demographic assumptions	0.0		0.0
(Gain)/loss from change in financial assumptions	–9.2		–9.2
Experience (gains)/losses	–1.6		–1.6
Remeasurements effects recognized in OCI	–10.8	–1.6	–12.4
Contributions:			
Employers	–0.2	–5.3	–5.5
Employees	0.7	–0.7	0.0
Benefits paid from plan assets	–5.3	5.3	0.0
Other changes	2.5		2.5
Exchange rate differences	–5.0	3.2	–1.8
At December 31, 2013	123.4	–90.5	32.9

Principal actuarial assumptions:

	2013			2012	
%	USA	Europe	Japan	USA	Europe
Discount rate	4.90–5.30	1.80–4.20	1.30	4.00–4.30	1.80–4.70
Inflation	2.25	3.30	N/A	2.50	2.50
Future salary increases	2.50	1.00–3.00	0.30	3.00	1.00–3.00
Future pension increases	0.00	0.00–2.50	N/A	0.00	0.00–1.70

Sensitivity analysis:

%	Change in assumption	Impact on defined obligation
Discount rate	0.25% decrease	3.51
Inflation rate	0.25% increase	0.89
Mortality rate	1 year increase in life expectancy	2.40

Major categories of plan assets:

EUR million	2013	2012
US Equities	10.9	12.0
UK Equities	5.0	4.3
Other Equities	5.0	15.2
Corporate Bonds	14.0	11.3
Goverment Bonds	52.0	41.0
Commodities	0.6	1.7
Other including cash	2.9	3.0

Through its defined pension plans Amer Sports is exposed to actuarial risks such as investment risk, interest rate risk, inflation risk and mortality risk.

The main risk is that additional contributions are required if investment returns are not sufficient to pay for the benefits. The level of equity returns is a key determinant of overall investment return; the investment portfolio is also subject to range of other risks typical to asset classes held.

A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase in plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased cost in income statement. This effect would be partially offset by an increase in the value of the plan's bond holdings. Additionally, caps on inflationary increases are in place to protect the plan against extreme inflation.

7. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation and amortization by asset type

EUR million	2013	2012
Intangible rights	2.6	4.0
Other intangible assets	7.0	8.3
Buildings and constructions	6.5	4.7
Machinery and equipment	26.0	23.2
Other tangible assets	0.1	-
Total	42.2	40.2

Depreciation, amortization and impairment losses by function

EUR million	2013	2012
Cost of goods sold	15.7	13.0
Research and development	2.1	2.0
Selling and marketing	10.0	7.4
Administration and other expenses	14.4	17.8
Total	42.2	40.2

Amer Sports brands are well known and established in their respective markets. Products sold under these brands have been available to customers for a long period of time and they have been used by top athletes for decades. Amer Sports focuses on brand awareness and on the quality and performance of the products sold under those brands. Management believes that these brands will continue to generate positive cash flows indefinitely, therefore these brands are not subject to amortization.

Impairment tests of goodwill and other intangible rights with indefinite useful lives, such as trademarks, are performed when the management has identified indications of impairment or once a year when business areas' plans for the next three years are approved by the management in the last quarter.

Goodwill is monitored by management at Cash Generating Unit ("CGU") level, the level at which it and other intangible assets with indefinite lives are tested for impairment. The CGUs in Amer Sports are the following: Winter Sports Equipment, Salomon Apparel and Footwear, Arc'teryx Apparel and Gear, Cycling, Sports Instruments, Racquet Sports, Team Sports, Golf, and Fitness.

The impairment tests were calculated during the fourth quarter of 2013 on budgeted 2014 opening balances by comparing the carrying amount of the asset being tested to its recoverable amount. Recoverable amount is the higher of value-in-use ("VIU") and fair value less cost of selling. If the VIU indicates impairment, the fair value less cost to sell is calculated in order to determine recoverable amount. The VIU has been calculated using a discounted cash flow model method for each CGU based on the following assumptions:

- A five-year future period was used after which a perpetuity value was defined.
- First year is based on the approved budget and the next two years on the business areas' detailed business plans. The expected growth for the fourth and fifth year is zero.
- The perpetuity value is derived from a combination of estimate period and actual results using the Gordon model. The default perpetuity growth is 2% which is in line with the management's view on long-term inflation which is no growth in real terms. In some cases where management expects well above average growth after the estimate period, the growth rate may rise to 5%.
- Current cost structure is to remain unchanged.
- Discount rate is determined separately for North-American and European businesses and it has varied on the range of 8.46%–10.29% pre-tax (10.52); equal to 6.81%–6.89% post-tax (7.31). The main components of the discount rate were:

	2013	2012
Risk Free Interest Rate	1.95%	1.63%
Equity Market Risk Premium	5.58%	5.82%
Asset Beta (Unlevered Beta)	0.84	0.93
Debt Risk Premium	2.42%	2.08%
Tax Rate	27–36%	25–36%

The main change to discount rate arised from a lower risk free interest rate and a drop in the equity market risk premium.

Goodwill and other intangible rights with indefinite useful lives have been allocated to CGUs as described in the table below. The table also sets out the discount rates used per CGU:

	Pre-tax discount	Goodwill		Intangible rights with indefinite useful lives	
EUR million	rate,%	2013	2012	2013	2012
Winter and Outdoor					
Winter Sports Equipment	8.7	11.7	11.7	84.1	84.8
Salomon Apparel and Footwear	9.3	-	-	63.4	63.9
Arc'teryx Apparel and Gear	8.5	-	-	8.1	9.1
Cycling	8.9	-	-	23.3	23.3
Sports Instruments	9.1	29.0	29.0	-	-
Ball Sports					
Individual Ball Sports	10.0	55.8	58.3	-	-
Team Sports	9.6	41.8	43.7	-	-
Fitness					
Fitness	10.3	142.9	146.4	2.1	2.2
Total	9.3	281.2	289.1	181.0	183.3

In 2013 and 2012, the value-in-use of goodwill and other intangible rights with indefinite useful lives of all CGUs exceeded their carrying amounts. The table below summarizes how a +/– 1–2%-point change in discount rate and/or in perpetuity growth would impact on the result of the impairment test in 2013:

	–2%	–1%	Growth	1%	2%
–2%	0	0	0	0	0
–1%	0	0	0	0	0
Rate	0	0	0	0	0
1%	9	0	0	0	0
2%	32	17	0	0	0

The sensitivities on impairment due to the discount rate or the terminal growth change as shown above are from Fitness CGU only. The management believes that the long-term profitability of the Fitness business segment will further improve.

The table below summarizes how a +/– 1–2%-point change in growth rate and/or in profitability in the 5 year estimate period would impact on the result of the impairment test in 2013:

	–2%	–1%	Growth	1%	2%
2%	0	0	0	0	0
1%	0	0	0	0	0
EBIT-%	0	0	0	0	0
–1%	0	0	0	0	0
–2%	21	4	0	0	0

The sensitivities on impairment due to the growth rate or profitability change as shown above are for Fitness CGU only. Other CGU's do not show any impairment in the sensitivity analysis.

The results of the value-in-use calculations have been analyzed against the valuation reports prepared by industry analysts in various investment banks. The analysis shows that the results are slighlty above the analysts' average estimates.

8. COMPENSATION OF AUDITORS

EUR million	2013	2012
Statutory audit	1.9	1.8
Tax consulting	0.3	0.4
Other services	0.2	0.3
Total	2.4	2.5

9. SHARE-BASED PAYMENT

During the year, the Group has had several share-based incentive arrangements which are targeted to Group key personnel. These have been accounted for in accordance with IFRS 2. According to the terms of the arrangements, the Group key employees are granted shares and a cash payment covering taxes and tax-related costs arising from the reward. In some arrangements, the reward is payable only in cash.

Performance share plans 2010 and 2013

The performance share plan 2010 includes six earning periods: the calendar years 2010, 2011 and 2012 and calendar years 2010–2012, 2011–2013 and 2012–2014. The Board of Directors will decide on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Rewards from the plan for the earning period 2010 were based on the Group's EBIT and rewards for the earning period 2010–2012 were based on the Group's total shareholder return. Rewards from the plan for the earning period 2011 were based on Group's EBIT and net sales. Potential rewards for the earning period 2011–2013 will be based on the Group's total shareholder return. Potential rewards from the plan for the earning period 2012 were based on the Group's EBIT and net sales and potential rewards for the earning period 2012–2014 will be based on the Group's total shareholder return. For the six earning periods, Group's EBIT and net sales constituted 70% and total shareholder return 30% of the earnings criteria.

The performance share plan 2013 includes six earning periods as well: the calendar years 2013, 2014 and 2015 and calendar years 2013–2015, 2014–2016 and 2015–2017. The Board of Directors will decide on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Potential rewards from the plan for the earning period 2013 will be based on the Group's EBIT and net sales and potential rewards for the earning period 2013–2015 will be based on the Group's total shareholder return. Potential rewards from the plan for the earning period 2014 will be based on Group's EBIT and net sales. Potential rewards for the earning period 2014–2016 will be based on the Group's total shareholder return. For the ongoing earning periods, the weighting for the Group's EBIT and net sales totals 80% and total shareholder return 20%.

A prerequisite for participation by key personnel in the plans and for receiving rewards on the basis of the plans is that they must acquire company shares. In 2012, as a reward for meeting this condition, 7,255 shares were transferred to key personnel participating in the performance share plan. In 2013, as a reward for meeting this condition, 4,434 shares were transferred to new key personnel participating in the performance share plan.

Potential rewards from the earning periods will be paid partly in company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs which arise from the reward to key personnel. The amount of net rewards to be paid on the basis of the performance share 2010 plan will be a maximum total of 1,000,000 Amer Sports Corporation shares. Shares awarded in connection with the earning periods 2011 and 2012 may not be transferred during the restriction periods, which ended on December 31, 2013, and will end on December 31, 2014 respectively. In 2012, 183,074 shares were transferred to key personnel participating in the performance share plan. In 2013, 4,580 shares were transferred to key personnel participating in the performance share plan in relation to the earning period 2011, and 85,860 shares in relation to the earning period 2010–2012. The amount of net rewards to be paid on the basis of the performance share 2013 plan will be a maximum total of 1,400,000 Amer Sports Corporation shares. Shares awarded in connection with the earning periods 2013, 2014 and 2015 may not be transferred during the restriction periods, which will end on December 31, 2015, December 31, 2016, and December 31, 2017 respectively.

In 2012, 5,209 shares and in 2013, 19 198 shares granted as share-based incentives based on the performance share plan were returned to Amer Sports Corporation in accordance with the terms of the incentive plan as employment ended.

Members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person´s annual gross salary.

The performance share plan 2010 is directed at approximately 60 people and the performance share plan 2013 at approximately 200 people, including the members of the Group Executive Board. At the end of 2013, 54 key players were covered by the performance share plan 2010 for earning period 2011–2013 and 57 key players for the earning period 2012–2014. 82 key players participated in the performance share plan 2013 for the earning periods 2013 and 2013–2015.

Performance share plan has been measured at fair value at grant date. The cash payment intented to cover the tax consequences has been calculated using the share market price on the date of conveying the shares. The cash payment accrued relating to shares not yet conveyed has been revalued at the share market price prevailing on the closing date.

Restricted stock plans 2010 and 2013

In restricted stock plans, potential rewards will be based on continuation of employment. Potential rewards from the earning periods will be paid partly as the company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs incurring as a result of receiving a reward. The restricted stock plan 2010 includes three earning periods: calendar years 2010, 2011 and 2012. Shares awarded in connection with the earnings periods 2011 and 2012 may not be transferred during the restriction periods, which ended on December 31, 2013, and will end on December 31, 2014 respectively. The amount of net rewards to be paid on the basis of the restricted stock plan 2010 will be a maximum total of 270,000 Amer Sports Corporation shares. In 2012 and in relation to earning period 2011, 89,700 shares were transferred to key employees participating in the restricted stock plan. In 2013 and in relation to earning period 2012, 80,000 shares were transferred to key employees participating in the restricted stock plan.

The restricted stock plan 2013 includes three earning periods as well: calendar years 2013, 2014 and 2015. Shares may not be transferred during the restriction periods, which will end on December 31, 2015, December 31, 2016 and December 31, 2017, respectively. The amount of net rewards to be paid on the basis of the restricted stock plan 2013 will be a maximum total of 300,000 Amer Sports Corporation shares.

In 2012, 1,200 shares and in 2013, 10,000 shares granted as share-based incentives in the restricted stock plan were returned to Amer Sports Corporation in accordance with the terms of the incentive plan as employment ended.

The members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

At the end of 2013, 57 key executives were covered by the restricted stock plan for the earning period 2013.

Restricted stock plan has been measured at fair value at grant date. The cash payment intented to cover the tax consequences has been calculated using the share market price on the date of conveying the shares. The cash payment accrued relating to shares not yet conveyed has been revalued at the share market price prevailing on the closing date.

Deferred cash long-term incentive plans

Deferred cash long-term incentive programs seeks to elicit commitment from key executives. The programs encourage the achievement of the annual targets and long-term shareholder value. The results are tied to the two-year or three-year trend in shareholder value. The rewards are payable in cash in the same currency as the salary and the payments are subject to taxes and other deductions under applicable laws. At the end of 2013, 63 (2012: 69) members in management roles at subsidiaries were within the scope of the program for 2008–2010 and 150 (2012: 125) key employees were within the scope of the program for 2011–2013.

The key conditions and assumptions used in the determination of the fair value of the arrangements are presented in the table below:

	Performance share plan and restricted stock plans 2013	Performance share plan and restricted stock plans 2010		
	2013	**2012**	**2011**	**2010**
Grant date	**Jan. 31/March 8, 2013**	Jan. 31/March 8, 2012	Feb. 4/March 14, 2011	March 31, 2010
Number of instruments granted	**475,532/–224,866**	403,060/–19,950	397,800/12,198	408,700
Fair value at grant date, EUR	**11.64**	9.76	9.83/8.75	8.75
Vesting period, years	**3**	3	3	3
Returned shares	**29,198**	6,409	-	-
Fair value per instrument at grant date, EUR	**11.64**	9.76	9.83/8.75	8.75

EUR million	2013	2012
Expense of share-based incentive schemes recognized in earnings	**7.3**	6.3
Accrual of cash component of share-based incentive schemes	**4.2**	2.2
Expense of deferred cash long-term incentive plans recognized in earnings	**6.4**	4.8
Accrual of deferred cash long-term incentive plans	**12.4**	9.7

10. FINANCING INCOME AND EXPENSES

EUR million	2013	2012
Interest income	0.4	0.8
Exchange rate gains	0.2	-
Interest expenses		
Interest expenses on bonds	–16.9	–16.3
Interest expenses on commercial papers	–1.1	–3.1
Interest expenses on loans from financial institutions	–1.0	–0.5
Other interest expenses	–8.0	–5.7
Total interest expenses	–27.0	–25.6
Change in fair value of derivative instruments not used in hedge accounting	0.2	0.4
Exchange rate losses	-	–1.1
Other financing expenses	–2.4	–6.0
Uneffectiveness of cash flow hedges	0.0	0.0
Total	–28.6	–31.5

11. INCOME TAXES

EUR million	2013	2012
Current taxes	23.9	21.0
Taxes for prior periods	3.6	–0.2
Deferred taxes	8.5	3.7
Total	36.0	24.5

EUR million	2013	2012
Current taxes:		
EMEA	14.3	11.7
Americas	3.3	–1.4
Asia Pacific	9.9	10.5
Total	27.5	20.8
Thereof for prior periods	3.6	–0.2
Deferred taxes	8.5	3.7
Total	36.0	24.5

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

EUR million	2013	2012
Taxes at local rates applicable to earnings in countries concerned	35.7	14.8
Permanent differences	–2.5	3.0
Realisability of deferred tax assets	1.6	7.4
Changes in tax rates and tax laws	1.1	–0.2
Taxes for prior periods	3.6	–0.2
Tax credits	–3.5	–0.3
Taxes recognized in the income statement	36.0	24.5
Effective tax rate,%	28.5	29.8

Certain of the Group companies' income tax returns for prior periods are under examination by tax authorities. Even though the Group does not believe that any significant additional taxes in excess of those already provided for will arise as a result of the examinations, it cannot be excluded that final resolutions of open items may differ from the amounts initially recorded.

Group classifies interest on tax deficiencies as interest expense and income tax penalties as provision for income taxes.

The reconciliation of deferred tax assets and liabilities is presented in note 15.

12. EARNINGS PER SHARE

	2013	2012
Net result attributable to equity holders of the parent company, EUR million	90.3	57.9
Interest expenses of hybrid bond, net of tax, EUR million	-	–1.0
Net result for the calculation of earnings per share, EUR million	90.3	56.9
Weighted average number of shares outstanding during the period (1,000 pcs)	117,697	117,731
Earnings per share, EUR	0.77	0.48
Earnings per share, excluding non-recurring items, EUR	0.77	0.65
Weighted average number of shares outstanding during the period, diluted (1,000 pcs)	118,132	118,100
Earnings per share, diluted, EUR	0.76	0.48
Earnings per share, diluted, excludingt non-recurring items, EUR	0.76	0.65

13. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

EUR 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
Initial cost, January 1, 2013	232.6	379.4	63.2	14.5	115.3	324.9	1.3	9.9
Additions	0.3	-	1.6	-	9.0	20.6	-	13.8
Company acquisitions	4.2	-	-	-	-	0.1	-	-
Company divestments and disposals	-	-	-	–0.4	-	–0.5	-	-
Transfers	–0.2	-	–3.4	-	–0.8	–0.2	-	–10.6
Translation differences	–2.6	–10.5	–2.5	–0.1	–2.0	–7.5	-	–0.2
Balance, December 31, 2013	234.3	368.9	58.9	14.0	121.5	337.4	1.3	12.9
Accumulated depreciation and impairment losses, January 1, 2013	40.9	90.3	43.5	0.0	65.3	237.7	0.0	0.0
Depreciation and impairment losses during the period	2.6	-	7.0	-	6.5	26.0	0.1	-
Company divestments and disposals	-	-	-	-	-	–0.5	-	-
Transfers	–0.3	-	–3.2	-	–0.9	–8.9	-	-
Translation differences	–0.4	–2.6	–1.9	-	–1.1	–5.4	-	-
Balance, December 31, 2013	42.8	87.7	45.4	0.0	69.8	248.9	0.1	0.0
Balance sheet value, December 31, 2013	191.5	281.2	13.5	14.0	51.7	88.5	1.2	12.9
Carrying amount of finance leases included	-	-	-	-	-	0.6	-	-

Accumulated impairment losses of goodwill at January 1, 2013 totaled EUR 15.2 million.

EUR 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
Initial cost, January 1, 2012	231.8	386.8	55.0	15.1	119.3	313.5	1.4	11.4
Additions	1.8	-	3.2	-	8.7	23.8	-	11.7
Company acquisitions	-	-	-	-	-	-	-	-
Company divestments and disposals	-	-	–0.1	–0.6	–15.2	–2.2	-	-
Transfers	–0.4	–3.3	5.9	0.0	3.2	–8.2	–0.1	–13.1
Translation differences	–0.6	–4.1	–0.8	0.0	–0.7	–2.0	0.0	–0.1
Balance, December 31, 2012	232.6	379.4	63.2	14.5	115.3	324.9	1.3	9.9
Accumulated depreciation and impairment losses, January 1, 2012	37.5	91.1	34.8	0.0	70.8	232.1	-	0.0
Depreciation and impairment losses during the period	4.0	0.0	8.3	0.0	4.7	23.2	0.0	0.0
Company divestments and disposals	-	-	–0.1	-	–8.9	–1.7	-	-
Transfers	–0.6	-	1.2	-	–1.0	–14.1	-	-
Translation differences	0.0	–0.8	–0.7	0.0	–0.3	–1.8	0.0	0.0
Balance, December 31, 2012	40.9	90.3	43.5	0.0	65.3	237.7	0.0	0.0
Balance sheet value, December 31, 2012	191.7	289.1	19.7	14.5	50.0	87.2	1.3	9.9
Carrying amount of finance leases included	-	-	-	-	0.1	0.8	-	-

Accumulated impairment losses of goodwill at January 1, 2012 totaled EUR 15.5 million.

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND CASH AND CASH EQUIVALENTS

Available-for-sale financial assets, EUR 0.3 million, consist in their entirety of shares in unlisted companies and real estate shares. They are measured at fair value.

Cash and cash equivalents, EUR 270.0 million, include cash in hand EUR 226.4 million, deposits held at call with banks EUR 10.0 million and short-term investments in commercial papers EUR 33.6 million.

15. DEFERRED TAX ASSETS AND LIABILITIES

EUR million	Jan 1, 2013	Charge in income statement	Translation differences	Charged to equity	Dec 31, 2013
Deferred tax assets:					
Provisions	25.4	–3.7	-	-	21.7
Carryforward of unused tax losses	62.7	–15.7	-	-	47.0
Employee benefits	20.3	2.3	–3.2	–4.3	15.1
Impairment	2.2	3.4	-	-	5.6
Other temporary differences	16.7	6.6	–0.5	0.4	23.2
Total	127.3	–7.1	–3.7	–3.9	112.6
Deferred tax liabilities:					
Fair value adjustments	1.1	–0.2	-	-	0.9
Depreciation differences	–21.6	–0.1	-	-	–21.7
Other temporary differences	–1.7	–1.1	-	-	–2.8
Total	–22.2	–1.4	-	-	–23.6
Net deferred tax assets	105.1	–8.5	–3.7	–3.9	89.0
Deferred taxes recognized in the balance sheet at December 31, 2013:					
Deferred tax assets					96.6
Deferred tax liabilities					7.6

EUR million	Jan 1, 2012	Charge in income statement	Translation differences	Charged to equity	Acquired and sold operations	Dec. 31, 2012	IAS 19 adjustments	Dec 31, Restated 2012
Deferred tax assets:								
Provisions	26.2	–0.7	–0.1	-	-	25.4	-	25.4
Carryforward of unused tax losses	66.2	–5.3	–0.1	-	1.9	62.7	-	62.7
Employee benefits	9.4	–2.5	–0.1	-	-	6.8	13.5	20.3
Impairment	4.1	–1.1	–0.1	-	–0.7	2.2	-	2.2
Other temporary differences	14.5	–2.8	0.0	5.0	-	16.7	-	16.7
Total	120.4	–12.4	–0.4	5.0	1.2	113.8	13.5	127.3
Deferred tax liabilities:								
Fair value adjustments	–0.1	1.2	0.0	-	-	1.1	-	1.1
Depreciation differences	–24.2	2.5	0.1	-	-	–21.6	-	–21.6
Other temporary differences	–6.9	5.2	0.0	-	-	–1.7	-	–1.7
Total	–31.2	8.9	0.1	-	-	–22.2	-	–22.2
Net deferred tax assets	89.2	–3.5	–0.3	5.0	1.2	91.6	13.5	105.1
Deferred taxes recognized in the balance sheet at December 31, 2012:								
Deferred tax assets						104.6	13.5	118.1
Deferred tax liabilities						13.0	-	13.0

At December 31, 2013 there were unused tax losses carried forward and other temporary differences of EUR 38.5 million (22.8) for which no deferred tax assets were recognized. The unrecognized deferred tax assets at December 31, 2013 totaled EUR 10.6 million (6.7). No deferred tax asset has been recognized since the utilization of losses in full in the near future is not probable or the losses have been created in countries where the possibilities for their utilization are limited.

No deferred tax liabilities of the retained earnings of foreign subsidiaries have been recognized. The distribution of dividend from the subsidiaries is under control of the Group and no plans that could lead to income tax consequences are probable in the near future.

16. VALUATION PROVISIONS OF INVENTORIES AND ACCOUNTS RECEIVABLE

EUR million	2013	2012
Impairment losses of accounts receivable	14.1	15.0
Net realizable value valuation provision	26.7	28.9

Aging analysis of accounts receivable and amounts recognized as impairment losses

EUR million	2013	Impairment losses	Net 2013	2012	Impairment losses	Net 2012
Undue accounts receivable	438.4	-	438.4	439.1	-	439.1
Accounts receivable 1–30 days overdue	47.1	-	47.1	52.8	-	52.8
Accounts receivable 31–60 days overdue	14.8	-	14.8	15.6	–0.4	15.2
Accounts receivable 61–90 days overdue	6.4	-	6.4	6.2	–0.4	5.8
Accounts receivable 91–120 days overdue	4.0	-	4.0	4.3	–0.4	3.9
Accounts receivable more than 120 days overdue	17.6	–14.1	3.5	13.8	–13.8	-
Total	528.3	–14.1	514.2	531.8	–15.0	516.8

17. PREPAID EXPENSES AND OTHER RECEIVABLES

EUR million	2013	2012
Prepaid interest	4.6	3.6
Prepaid advertising and promotion	4.5	2.1
Other tax receivables	49.8	16.0
Accrued employee benefits	1.3	2.1
Derivative instruments	12.0	16.6
Other receivables	52.2	41.7
Total	124.4	82.1

18. SHAREHOLDERS' EQUITY

EUR million	Number of shares	Share capital	Premium fund	Invested unrestricted equity reserve
January 1, 2012	121,517,285	292.2	12.1	151.5
Cancellation of own shares	–3,000,000	-	-	-
Transfer of own shares	-	-	-	2.9
December 31, 2012	118,517,285	292.2	12.1	154.4
Transfer of own shares	-	-	-	2.3
December 31, 2013	118,517,285	292.2	12.1	156.7

The articles of association of Amer Sports Corporation does not restrict the number of shares that can be issued.

Premium fund
The premium fund is used for recognizing the payments for share subscriptions received in excess of the par value (EUR 4.00 per share) before the 2009 share issue.

Fund for own shares
Fund for own shares includes the cost of own shares held by the Group (Dec 31, 2013: EUR 11.1 million or 982,587 pcs; Dec 31, 2012: EUR 7.1 million or 738,505 pcs). At Dec 31, 2013 Amer Sports Corporation held 970,462 own shares (726,380) and its fully owned subsidiary Amer Sports International Oy 12,125 shares (12,125).

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

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

Invested unrestricted equity reserve
Invested unrestricted equity reserve contains the subscription proceeds from a share issue to the extent that it is not, in accordance with an explicit decision of the shareholders, booked to the share capital.

Amount of dividends proposed
Dividend proposed by the Board of Directors for the financial year is EUR 0.40 (0.35) per share. Total dividends amount to EUR 47.4 million (41.3).

19. INTEREST-BEARING LIABILITIES

INTEREST-BEARING LONG-TERM LIABILITIES

EUR million	Outstanding Dec. 31, 2013	Repayments 2014	2015	2016	2017	2018	2019 and after
Bonds	510.5	50.0	150.0	156.5	-	154.0	-
Loans from financial institutions	61.1	6.7	4.4	-	-	50.0	-
Pension loans	8.6	5.7	2.9	-	-	-	-
Other long-term liabilities	0.2	0.1	-	-	-	-	0.1
Total	580.4	62.5	157.3	156.5	-	204.0	0.1

EUR million	Outstanding Dec. 31, 2012	Repayments 2013	2014	2015	2016	2017	2018 and after
Bonds	388.3	30.0	50.0	150.0	158.3	-	-
Loans from financial institutions	17.9	6.6	7.8	3.5	-	-	-
Pension loans	14.3	5.7	5.7	2.9	-	-	-
Other long-term liabilities	0.0	-	-	-	-	-	0.0
Total	420.5	42.3	63.5	156.4	158.3	-	0.0

INTEREST-BEARING CURRENT LIABILITIES

EUR million	2013	2012
Commercial papers	119.6	151.6
Current repayments of long-term loans	62.5	42.3
Other interest-bearing current liabilities	1.7	4.7
Total	183.8	198.6

INTEREST-BEARING LIABILITIES AT FAIR VALUE

	2013		2012	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	510.5	494.7	388.3	370.3
Loans from financial institutions	61.1	61.1	17.9	17.9
Pension loans	8.6	8.3	14.3	13.6
Commercial papers	119.6	119.6	151.6	151.6
Other interest-bearing liabilities	1.9	1.9	4.7	4.7
Total	701.7	685.6	576.8	558.1

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

FINANCE LEASE LIABILITIES

EUR million	2013	2012
Finance lease liabilities are due as follows:		
Not later than one year	0.3	0.4
Later than one year but not later than five years	0.3	0.5
Total minimum lease payments	0.6	0.9

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

20. ACCRUED LIABILITIES

EUR million	2013	2012
Accrued personnel costs	103.2	108.0
Accrued discounts and rebates	12.0	10.5
Accrued interest	12.9	11.8
Accrued rent	4.9	5.5
Accrued advertising and promotion	10.2	10.0
Value added tax	17.8	16.8
Forward contract payables	14.7	6.9
Other accrued liabilities	66.5	60.9
Total	242.2	230.4

21. PROVISIONS

EUR million	Product warranty	Restruc-turing	Environ-mental	Other	Total
Balance at January 1, 2013	21.2	20.6	0.7	4.3	46.8
Translation differences	–0.7	–0.2	0.0	–0.3	–1.2
Provisions made during the year	7.9	1.1	0.0	1.2	10.2
Company acquisitions	0.4	0.0	0.0	0.0	0.4
Provisions used during the year	–6.8	–11.5	–0.1	–0.8	–19.2
Provisions reversed during the year	–1.1	–4.8	0.0	–1.3	–7.2
Balance at December 31, 2013	20.9	5.2	0.6	3.1	29.8
Current provisions	28.3				
Long-term provisions	1.5				
Total	29.8				

Amer Sports started in 2012 a restructuring program to drive further scale and synergies and cost efficiencies, as well as to sustain growth through resource allocation especially into softgoods and expansion markets and channels.

Out of total restructuring provision of EUR 20.6 at January 1, 2013, EUR 19.2 million was related to this Group-wide program, and balance remaining at December 31, 2013 was EUR 3.9 million.

22. ADJUSTMENTS TO CASH FLOW FROM OPERATING ACTIVITIES

EUR million	2013	2012
Share-based incentive schemes	1.5	0.9
One-time costs	–2.1	24.8
Gains and losses on sale of non-current assets	–0.2	–2.6
IAS 19 adjustments	–0.7	–2.2
Total	–1.5	20.9

23. OPERATING LEASE COMMITMENTS

EUR million	2013	2012
The future minimum payments of non-cancellable operating leases:		
Not later than one year	40.4	37.1
Later than one year but not later than five years	98.4	94.6
Later than five years	30.0	20.7
Total	168.8	152.4
Total rent expense of non-cancellable operating leases recognized in the income statement	35.9	33.4

Non-cancellable rental agreements are primarily related to the office, shop and production premises rented by the Group.

24. CONTINGENT LIABILITIES

EUR million	2013	2012
Guarantees	21.7	23.1
Other contingent liabilities	60.3	43.6

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 associated companies.

Ongoing litigations

The Group has extensive international operations and is involved in a number of legal proceedings, including product liability suits. The Group does not expect the outcome of any legal proceedings currently pending to have materially adverse effect upon its consolidated results or financial position.

25. PRINCIPAL GROUP COMPANIES AT DECEMBER 31, 2013

	Group holding, %
Amer Sports Deutschland GmbH, Garching, Germany	100
Amer Sports Europe Services GmbH, Garching, Germany	100
Amer Sports UK Limited, Irvine, UK	100
Amer Sports European Center AG, Cham, Switzerland	100
Amer Sports Austria GmbH, Bergheim bei Salzburg, Austria	100
Atomic Austria GmbH, Altenmarkt, Austria	100
ZAO Amer Sports, Moscow, Russia	100
Amer Sports Sourcing Ltd, Hong Kong, China	100
Arc'teryx Equipment, Inc., Vancouver, B.C., Canada	100
Amer Sports Winter & Outdoor Company, Ogden, USA	100
Precor Incorporated, Woodinville, USA	100
Wilson Sporting Goods Co., Chicago, USA	100
Amer Sports Japan, Inc., Tokyo, Japan	100
Amer Sports France S.A.S., Villefontaine, France	100
Salomon S.A., Annecy, France	100
Mavic S.A.S., Annecy, France	100
Suunto Oy, Vantaa, Finland	100

A complete list of Amer Sports' subsidiaries are included in statutory accounts of Amer Sports' Corporation. Group had no associated companies at December 31, 2013.

26. HEDGE RESERVE OF CASH FLOW HEDGES

EUR million	
Balance at January 1, 2013	–7.1
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	4.4
Hedging of interest cash flows	5.3
Gains and losses recognized in the income statement	
Hedging of operating cash flows	–8.2
Hedging of interest cash flows	0.0
Deferred taxes	–2.7
Balance at December 31, 2013	–8.3
Balance at January 1, 2012	7.2
Gains and losses deferred to shareholders' equity	
Hedging of operating cash flows	–2.3
Hedging of interest cash flows	–3.0
Gains and losses recognized in the income statement	
Hedging of operating cash flows	–6.5
Hedging of interest cash flows	0.0
Deferred taxes	–2.5
Balance at December 31, 2012	–7.1

27. RELATED PARTY TRANSACTIONS

Related parties include the parent company, subsidiaries (note 25), the Board of Directors and the Executive Board.

Key management includes the Board of Directors and the Executive Board. Salaries and remuneration paid to key management is shown below:

EUR million	2013	2012
Salaries and remuneration of the Board of Directors	0.4	0.4
Salaries and remuneration of the Executive Board (excluding President and CEO)	8.5	8.4
Salaries and remuneration of the President and CEO	1.1	1.3
Total	10.0	10.1

Compensation recognized in earnings:

EUR million	2013	2012
Salaries and other short-term employee benefits	7.0	5.9
Post-employment benefits	0.4	0.5
Termination benefits	0.5	-
Share-based payments	4.3	4.8
Total	12.2	11.2

40% of the annual remuneration to the Board of Directors is paid in shares and 60% in cash.

Members of the Board of Directors do not have contractual retirement benefits with the company.

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. Both the company and the President and CEO must provide six months' notice to terminate the President and CEO's employment contract. Should the company give the President and CEO notice of termination, the company must pay severance payment equal to twelve months of total annual gross salary. The President and CEO participates in the standard local statutory pension system and may retire at the age of 65. In 2013, the expense for post-employment benefits was EUR 0.1 million.

In 2013 EUR 0.3 million (0.3) of the salaries and remuneration paid to the President and CEO was paid in shares.

No loans have been granted to the Group's management.

SHARES HELD BY MANAGEMENT

Amer Sports Board of Directors held a total of 2,753,471 Amer Sports shares as of December 31, 2013 (December 31, 2012: 2,764,226), or 2.3% (2.3) of the outstanding shares and votes.

Amer Sports Executive Board (including the President and CEO) owned a total of 496,158 Amer Sports shares on December 31, 2013 (Dec. 31, 2012: 445,433), representing 0.4% (0.4) of the shares and votes.

Incentive plans are described in note 9. The members of the company's Board of Directors are not included in the Group's incentive plans.

28. BALANCE SHEET VALUES OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORIES

EUR million	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
NON-CURRENT FINANCIAL ASSETS							
Other non-current financial assets			4.2	0.4		4.6	4.6
Derivative financial instruments							
Foreign exchange derivatives		0.1				0.1	0.1
Interest rate derivatives and cross currency swaps	3.9	2.1				6.0	6.0
CURRENT FINANCIAL ASSETS							
Accounts receivable			514.2			514.2	514.2
Loans receivable			1.8			1.8	1.8
Other non-interest yielding receivables *)			62.6			62.6	62.6
Derivative financial instruments							
Foreign exchange derivatives	4.4	3.7				8.1	8.1
Cash and cash equivalents			270.0			270.0	270.0
Balance sheet values by category at December 31, 2013	8.3	5.9	852.8	0.4		867.4	867.4
LONG-TERM FINANCIAL LIABILITIES							
Long-term interest-bearing liabilities					517.9	517.9	501.8
Other long-term liabilities					13.7	13.7	13.7
Derivative financial instruments							
Foreign exchange derivatives		1.9				1.9	1.9
Interest rate derivatives and cross currency swaps		4.0				4.0	4.0
CURRENT FINANCIAL LIABILITIES							
Current interest-bearing liabilities					183.8	183.8	183.8
Accounts payable					219.4	219.4	219.4
Other current liabilities **)					207.0	207.0	207.0
Derivative financial instruments							
Foreign exchange derivatives	0.2	10.9				11.1	11.1
Interest rate derivatives and cross currency swaps	3.5	0.0				3.5	3.5
Balance sheet values by category at December 31, 2013	3.7	16.8			1,141.8	1,162.3	1,146.2

EUR million	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
NON-CURRENT FINANCIAL ASSETS							
Other non-current financial assets			1.2	0.6		1.8	1.8
Derivative financial instruments							
Foreign exchange derivatives		0.0				0.0	0.0
Interest rate derivatives and cross currency swaps	2.9					2.9	2.9
CURRENT FINANCIAL ASSETS							
Accounts receivable			516.8			516.8	516.8
Loans receivable			0.2			0.2	0.2
Other non-interest yielding receivables *)			49.5			49.5	49.5
Derivative financial instruments							
Foreign exchange derivatives	9.8	3.9				13.7	13.7
Cash and cash equivalents			142.5			142.5	142.5
Balance sheet values by category at December 31, 2012	12.7	3.9	710.2	0.6		727.4	727.4
LONG-TERM FINANCIAL LIABILITIES							
Long-term interest-bearing liabilities					378.2	378.2	360.9
Other long-term liabilities					13.6	13.6	13.6
Derivative financial instruments							
Foreign exchange derivatives		0.4				0.4	0.4
Interest rate derivatives and cross currency swaps		7.3				7.3	7.3
CURRENT FINANCIAL LIABILITIES							
Current interest-bearing liabilities					198.6	198.6	198.6
Accounts payable					192.9	192.9	192.9
Other current liabilities **)					204.1	204.1	204.1
Derivative financial instruments							
Foreign exchange derivatives	0.7	5.8				6.5	6.5
Interest rate derivatives and cross currency swaps	0.4					0.4	0.4
Balance sheet values by category at December 31, 2012	1.1	13.5			987.4	1,002.0	984.7

EUR million	2013	2012
*) Other non-interest yielding receivables		
Prepaid expenses and other receivables	124.4	82.1
./. Other tax receivables	49.8	16.0
./. Derivative financial instruments	12.0	16.6
	62.6	49.5
**) Other current liabilities		
Accrued liabilities	242.2	230.4
./. Other tax liabilities	20.5	19.4
./. Derivative financial instruments	14.7	6.9
	207.0	204.1

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2013:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss		8.3		8.3
Derivatives used for hedging		5.9		5.9
Available-for-sale financial assets			0.4	0.4
Total		14.2	0.4	14.6
Liabilities				
Financial liabilities at fair value through profit or loss		3.7		3.7
Derivatives used for hedging		16.8		16.8
Total		20.5		20.5

Level 1 instruments are traded in active markets with quoted prices. Level 2 instruments are, for example, over-the-counter derivatives and the fair value is determined by using valuation techniques from observable market data. Level 3 instruments are valued by using valuation techniques without any observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2012:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss		12.7		12.7
Derivatives used for hedging		3.9		3.9
Available-for-sale financial assets			0.6	0.6
Total		16.6	0.6	17.2
Liabilities				
Financial liabilities at fair value through profit or loss		1.1		1.1
Derivatives used for hedging		13.5		13.5
Total		14.6		14.6

29. FINANCIAL RISK MANAGEMENT

Amer Sports is exposed to customary financial risks relating to its global businesses such as funding and liquidity risks, foreign exchange and interest rate risks, counterparty and credit risks. Financial risk management is centralized within Amer Sports Treasury, which is acting as an in-house bank providing financial services for subsidiaries within the Group. Risk management is governed by the Treasury Policy approved by the Board of Directors. The Policy includes principles and risk limits relating to debt structure, counterparties, bank relations and interest rate and foreign exchange risk management. Written guidelines have been set to manage operational risks. Amer Sports Treasury follows and monitors risks constantly and does not allow any material deviations from the Treasury Policy. The Board of Directors reviews the financial risks annually.

FUNDING RISK

Amer Sports aims to use different sources of funding. The focus has been in debt transactions taken directly from domestic and/or international debt capital markets. With its core relationship banks Amer Sports is upholding long and trustworthy relations by acquiring advisory and other services from those banks.

Amer Sports has a LMA (Loan Market Association) documentation in its committed revolving credit facility, including typical representations and warranties, general undertakings, events of default and covenants. It does not recognize any material threat or risk that it may breach any of its obligations arising from the loan documentation or the financial covenant.

LIQUIDITY RISK

Amer Sports has a cyclical need for working capital that also defines the level of liquidity for the Group. Typically, the highest level of working capital has been reached in the third quarter when the short-term debt is tied up in inventories and accounts receivable. The main sources of liquidity are operational cash flow and short-term debt. Amer Sports has a Finnish commercial paper program of EUR 500 million, for the purpose of raising short term debt.

Group's liquidity is controlled by Amer Sports Treasury, typically via global cash pooling. Depending on the projections of short term and long term liquidity forecasts, excess liquidity is placed within limits agreed in the Treasury Policy.

At the end of 2013 Amer Sports had no drawings under the syndicated loan that consists of EUR 200 million committed revolving credit facility or Pohjola Bank's EUR 40 million committed revolving credit facility.

In October 2013 Amer Sports signed a receivables sale agreement with Wells Fargo. Amer Sports sold USD 41.7 million (EUR 30.2 million) receivables of approved US based obligors at the end of year 2013. Within the arrangement, the receivable sale limit is USD 90 million (EUR 65.3 million), in maximum. In addition to Wells Fargo's arrangement, sale of receivables is used in the Group, but its volume is insignificant.

The below table is a breakdown of the Group's non-derivative financial liabilities and net-settled derivatives in their contractual maturities.

MATURITY ANALYSIS FOR FINANCIAL LIABILITIES BASED ON THEIR CONTRACTUAL MATURITY

	Dec. 31, 2013							
EUR million	**Nominal value**	**Available**	**Total**	**2014**	**2015**	**2016**	**2017**	**2018 and after**
Loans from financial institutions								
Repayments	61.1		61.1	6.7	4.4	0.0	0.0	50.0
Interest	6.5		6.5	1.3	1.2	1.4	1.7	0.9
Bonds								
Repayments	510.5		510.5	50.0	150.0	156.5	-	154.0
Interest	63.0		63.0	19.0	19.2	10.9	6.2	7.7
Pension loans								
Repayments	8.6		8.6	5.7	2.9			
Interest	0.4		0.4	0.3	0.1			
Commercial papers								
Repayments	119.6		119.6	119.6				
Interest	0.4		0.4	0.4				
Other interest-bearing liabilities								
Repayments	1.9		1.9	1.8	0.0	0.0	0.0	0.1
Interest	0.1		0.1	0.1	0.0	0.0	0.0	0.0
Other interest-free liabilities								
Repayments	23.1		23.1	23.1				
Accounts payable								
Repayments	219.4		219.4	219.4				
Total								
Repayments	944.2		944.2	426.3	157.3	156.5	0.0	204.1
Interest	70.4		70.4	21.1	20.5	12.3	7.9	8.6
Financial guarantee contracts		5.9	5.9	5.9				
Committed revolving credit facility		240.0	240.0			200.0	40.0	
Derivative liabilities								
Foreign exchange derivatives under hedge accounting *)	606.5		606.5	462.1	144.4			
Other foreign exchange derivatives *)	436.3		436.3	436.3				
Interest rate swaps under hedge accounting	2.9		2.9	0.0		2.9		
Cross currency swaps	0.1		0.1		0.1			
Other interest rate derivatives	0.2		0.2		0.1			0.1
Derivative assets								
Foreign exchange derivatives under hedge accounting *)	597.6		597.6	578.1	19.5			
Other foreign exchange derivatives *)	440.2		440.2	440.2				
Interest rate swaps under hedge accounting	0.8		0.8					0.8
Cross currency swaps	1.3		1.3			0.5		0.8
Other interest rate derivatives	0.0		0.0					

*) Refer to "Currency risk"

EUR million	Dec. 31, 2012 Nominal value	Available	Total	2013	2014	2015	2016	2017 and after
Loans from financial institutions								
Repayments	17.9		17.9	6.6	7.8	3.5		
Interest	0.7		0.7	0.4	0.2	0.1		
Bonds								
Repayments	388.3		388.3	30.0	50.0	150.0	158.3	
Interest	51.4		51.4	16.8	14.8	14.5	5.3	
Pension loans								
Repayments	14.3		14.3	5.7	5.7	2.9		
Interest	0.9		0.9	0.5	0.3	0.1		
Commercial papers								
Repayments	151.6		151.6	151.6				
Interest	1.4		1.4	1.4				
Other interest-bearing liabilities								
Repayments	4.7		4.7	4.7	0.0	0.0	0.0	0.0
Interest	0.2		0.2	0.2	0.0	0.0	0.0	0.0
Other interest-free liabilities								
Repayments	24.4		24.4	24.4				
Total								
Repayments	601.2		601.2	223.0	63.5	156.4	158.3	0.0
Interest	54.6		54.6	19.3	15.3	14.7	5.3	0.0
Financial guarantee contracts		3.2	3.2	3.2				
Committed revolving credit facility		240.0	240.0				200.0	40.0
Derivative liabilities								
Foreign exchange derivatives under hedge accounting *)	425.6		425.6	381.6	44.0			
Other foreign exchange derivatives *)	392.8		392.8	392.8				
Interest rate swaps under hedge accounting	4.7		4.7		0.4		4.3	
Cross currency swaps	0.0		0.0			0.0		
Other interest rate derivatives	0.0		0.0			0.0		
Derivative assets								
Foreign exchange derivatives under hedge accounting *)	423.7		423.7	419.6	4.1			
Other foreign exchange derivatives *)	399.4		399.4	399.4				
Cross currency swaps	0.9		0.9				0.9	

*) Refer to "Currency risk"

CURRENCY RISK

Transaction risk arises from foreign currency denominated receivables and liabilities, cash flow estimates in foreign currencies and derivatives. Translation risk relates to the foreign currency denominated earnings when they are translated into euro. Amer Sports is having operations in all major currency areas, and its sales are diversified in 20 currencies, in minimum. On the business unit level, transaction risk arises when the unit sells in its home currency but the cost base is in foreign currencies or sells or buys goods in foreign currencies. Efficient risk management is eliminating material uncertainties relating to foreign exchange rates.

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 balance sheet and cash flow hedges.

Amer Sports renewed the currency cash flow hedging policy in 2013. The standard hedging tenors are longer, reaching out to 24 months, in maximum. Depending on the currency pair and costs related to hedging, the tenor may be shorter, but it is 12 months in minimum. In the adaption to the new policy, Amer Sports needed to increase the hedges of the companies that followed "Winter Sports hedging policy" by 50% and "Standard hedging policy" by 200% from neutral hedge ratio. The total nominal value of group's foreign exchange derivatives hedging cash flows increased by 35% from the end of October to the end of December. Due to the adaption phase, the nominal values of derivatives presented and estimated cash flows are not comparable in certain tables in the annual report. The non-comparable items are marked with (*) in the affected tables.

The geography of Amer Sports businesses has led to the most significant currencies being US dollar, Swiss franc, British pound, Canadian dollar and Japanese yen. The significance of US dollar is emphasized by its dominant role in the global procurement and the growth in Apparel and Footwear. Amer Sports has diversified its funding sources and issued two SEK-denominated bonds to Nordic debt investors.

Balance sheet risks have been managed by financing subsidiaries in their home currencies. The risks have been concentrated on the centralized distribution and purchasing units that invoice the subsidiaries in their respective home currencies. The parent company's balance sheet risk arises from internal and external receivables and liabilities in foreign currencies.

The following table sets out the IFRS 7-compliant foreign exchange position at the balance sheet date:

	Dec. 31, 2013						Dec. 31, 2012					
EUR million	**USD**	**JPY**	**CAD**	**CHF**	**GBP**	**SEK**	**USD**	**JPY**	**CAD**	**CHF**	**GBP**	**SEK**
Interest-bearing external receivables	-	-	-	-	-	141.1	-	-	-	-	-	58.3
Interest-bearing inter-company receivables	124.3	28.5	51.2	-	-	-	126.9	30.0	53.0	-	-	-
External receivables	21.5	0.0	–22.9	1.5	–0.3	0.7	20.7	-	–21.1	1.6	–0.9	0.5
Inter-company receivables	13.7	3.2	0.8	3.5	5.5	3.4	4.9	2.3	1.9	2.7	4.1	2.7
Interest-bearing external liabilities	–65.4	-	-	-	-	–141.1	–11.6	-	-	-	-	–58.3
Interest-bearing inter-company liabilities	-	-	-	–6.4	–2.9	–0.9	-	-	-	–14.9	–2.9	–0.9
External payables	–57.0	0.0	–3.9	–0.2	–0.2	-	–43.3	-	2.0	–0.4	–0.1	-
Inter-company payables	–15.2	–0.3	1.1	–0.3	–0.5	-	–7.5	–0.1	1.0	–0.1	–0.1	-
Foreign exchange derivatives (*)	433.3	–52.6	–108.0	–58.6	–53.2	–33.5	176.1	–50.2	–81.7	–40.3	–29.8	–17.7
Total	455.2	–21.2	–81.7	–60.5	–51.6	–30.3	266.2	–18.0	–44.9	–51.4	–29.7	–15.4

The table below presents the sensitivity of shareholders' equity and the income statement at the balance sheet date to the strengthening of the euro by 10%, provided other factors remain unchanged. The weakening of the euro by 10% would cause a similar change in the opposite direction:

EUR million	**Shareholders' equity**	**Income statement**
USD (*)	–46.4	0.9
JPY (*)	1.7	0.4
CAD (*)	6.4	1.7
CHF (*)	4.1	1.9
GBP (*)	3.0	2.2
SEK (*)	0.7	2.3

The following table presents the corresponding sensitivities at the balance sheet date in 2012:

EUR million	**Shareholders' equity**	**Income statement**
USD (*)	–24.5	–6.8
JPY (*)	0.9	1.4
CAD (*)	3.3	–1.2
CHF (*)	3.9	1.2
GBP (*)	1.5	1.5
SEK (*)	1.3	0.3

Earnings sensitivity before taxes 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.

The following table sets out Amer Sports' cash flows that are under hedging policy for the next 24 months (EUR million):

USD	**CHF**	**CAD**	**GBP**	**SEK**	**NOK**	**JPY**	**RUB**	**OTHER**
749	–93	–85	–84	–45	–41	–37	–32	–67

The following table sets out the hedging of Amer Sports' cash flows as at December 31, 2013 (EUR million):

USD	**CHF**	**CAD**	**GBP**	**SEK**	**NOK**	**JPY**	**RUB**	**OTHER**
515	–54	–51	–51	–26	–24	–25	–19	–45

The strengthening of the euro against the USD typically improves Amer Sports' result of operations. The strengthening of the euro against the other foreign currencies typically weakens Amer Sports' result of operations. A significant share of the US dollar denominated procurement cost risk is eliminated against the US dollar denominated operating result. Due to the growth of the business that is dependent on sourcing from Asia, the US dollar procurement exceeded the US dollar denominated operating result remarkably.

According to the hedging policy, the transaction risk arising from subsidiaries' business operations is hedged up to 12–24 months. In practice, the hedge ratios are higher for closer months than for later months. The hedge ratio is maintained between 55% and 95% of 24 months cash flow, except in currencies with high interest rate where the hedge horizon is 12–18 months. The hedged cash flow is expected to be realized during the following 12–24 months. Amer Sports hedges only annual cash flows or other exposures with a value of over EUR 3.0 million.

The company applies hedge accounting for annual cash flows with a counter value of over EUR 10 million per currency pair in the entity. It monitors hedge ratios daily and tests effectiveness at three-month intervals. The effectiveness of forward contracts is tested by using spot rates.

According to its Treasury Policy, Amer Sports may hedge 0 to 50% of subsidiaries' equity. At the end of 2013, there were no outstanding equity hedges.

INTEREST RISK

Amer Sports is exposed to interest rate risk when it funds its operations with euro or currency denominated debt. The risk arises from the reprising of floating rate debt and with the raising of new floating rate debt. A fixed rate debt is subject to "fair value risk". The purpose of interest rate risk management is to bring predictability for interest expenses by keeping the duration within the agreed limits with an optimal mix of fixed and floating rate debt. Treasury is constantly hedging current outstanding interest rate position of the Group and from time to time may hedge forthcoming position of the Group, up to 7 years. The interest rate derivatives that can be used in the risk management are defined in the Treasury Policy.

The neutral target for duration of interest rate position is 12 months, but it is allowed to vary between 6 and 18 months. As of December 31, 2013, the duration was 16 months. 79% of the debt portfolio was at fixed rate as of December, 2013. The company has set EUR 3.0 million sensitivity limits to 1% raise in the market rate for the following 12 months interest expenses and negative mark-to-market valuation of non-hedge accounting transactions.

Cash and cash equivalents are excluded from the interest rate risk portfolio of the company due to their short term nature.

The sensitivity of the income statement contains changes in interest expenses for the next 12 months due to an increase/ decrease of 1% in market interest rates, provided that other factors remain unchanged.

Shareholders' equity is effected by a change in the market value of the hedge accounting interest rate swaps. The change is booked to the hedge reserve.

The below table illustrates the sensitivity of shareholders' equity and income statement to an increase of 1% in interest rates, provided that other factors remain unchanged. The sensitivity is calculated to interest bearing liabilities.

EUR million	Position	2013
Shareholders' equity	244.5	8.3
Income statement	124.0	–1.1

In 2012, the sensitivity of the shareholders' equity and income statement to an increase of 1% interest rates, provided that other factors remain unchanged, was:

EUR million	Position	2012
Shareholders' equity	100.0	2.3
Income statement	170.0	–1.2

The effective interest rate of the total debt including interest rate hedges was 4.4%. The interest rate was 4.3% on bonds, 2.3% on bank loans, 5.0% on pension loans and 1.0% on commercial papers.

The average interest rate of the Group's interest bearing debt including interest rate derivatives and facility fees was 3.5% (Dec 31, 2012: 3.6). After foreign exchange derivatives that hedge the inter-company debt, the average interest rate was 3.8% (Dec 31, 2012: 4.9).

Amer Sports applies hedge accounting to interest rate derivatives whenever it is applicable. Non-hedge accounting derivatives are measured at fair value and the result is recognized in the financing items.

CREDIT RISK

The company is exposed to customary credit risk through its accounts 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 23%. At the end of year 2013 the actual payment time for the outstanding accounts receivable was 78 days.

In 2013 Amer Sports agreed a global credit insurance program to support sales activities. All European and major part of Asian businesses were covered by the credit insurance. The program will be renewed partly in 2014.

The company assumes limited repurchase obligations through its fitness related financial leasing agreements.

Excess liquidity is placed either in bank deposits within banks that Amer Sports has outstanding debt or in high-quality money market instruments within the approved limits.

The credit risk arising from derivatives is negligible. The risk is minimized by limiting the number of counterparties, their shares of the total portfolio and by monitoring the credit standings and their outstanding liability to Amer Sports.

The following table sets out the balance sheet values or fair values of financial assets which represent the maximum amount of the credit risk at balance sheet dates:

EUR million	Balance sheet value or fair value Dec. 31, 2013	Balance sheet value or fair value Dec. 31, 2012
Long-term financial assets		
Long-term interest-bearing receivables	-	-
Other long-term financial assets	4.6	1.8
Derivative contracts		
Foreign exchange derivatives	0.1	0.0
Interest rate and cross currency swap derivatives	6.0	2.9
Short-term financial assets		
Accounts receivable	514.2	516.8
Loans receivable	1.8	0.2
Other interest-free receivables	62.6	49.5
Derivative contracts		
Foreign exchange derivatives	8.1	13.7
Interest rate derivatives	-	-
Cash and cash equivalents	270.0	142.5

(+ = Assets, – = Debt)

DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	Dec. 31, 2013 Nominal value	Fair value	2014	2015	2016 and after	Dec. 31, 2012 Nominal value	Fair value
Hedge accounting-related							
Foreign exchange derivatives hedging cash flows from operations	427.0	–8.8	263.1	163.9		423.7	–2.3
Interest rate swaps hedging interest cash flow	244.5	–2.2	50.0		194.5	100.0	–4.7
Interest cash flow of cross currency swaps	152.8	0.3		11.7	141.1	69.9	–2.1
Other derivative contracts							
Foreign exchange derivatives	610.8	4.4	610.8			399.4	9.4
Interest rate swaps	140.0	–0.1		40.0	100.0	40.0	
Foreign exchange difference of cross currency swaps		0.9					2.9

CAPITAL MANAGEMENT

The Group's capital management aims at the optimal capital structure that ensures the normal short-term and long-term operational requirements of business.

Amer Sports long-term financial targets are currency neutral net sales growth of 5%, EBIT target 10% of net sales and annual free cash flow equal to net profit. The balance sheet target is to have a year-end Net Debt/EBITDA ratio of 3 or less.

Net Debt/EBITDA illustrates how Amer Sports can generate operational cash flow to serve its debt. Also, it shows required profitability level against the outstanding debt and therefore makes it possible to link business specific targets to Group's balance sheet structure. It creates a dynamic key performance indicator combining balance sheet structure and profitability target setting.

Amer Sports' bank facilities include a financial covenant where Amer Sports' consolidated gearing cannot exceed 100 percent, excluding the impact of any goodwill or intangible rights impairment. The bank facilities include also typical representations and warranties and events of default. Amer Sports does not foresee any risks to a breach in the financial covenant in the next financial year given the current business environment.

In April 2013, Amer Sports signed a 5-year EUR 50 million term loan facility with Pohjola Bank plc and in November issued a SEK 750 million floating rate bond targeted at Nordic and Central European institutional investors with a loan period of five years.The bond is listed on the NASDAQ OMX Helsinki Ltd. In December 2013 Amer Sports signed EUR and USD denominated Schuldschein (certificate of indebtedness) loan agreements targeted at international investors with a total value of EUR 70 million. The loan period is five years and the loans have both fixed and floating rate tranches.

In March 2012 Amer Sports redeemed its EUR 60 million hybrid bond issued on March 12, 2009 and issued two euro denominated bonds. The hybrid bond was treated as equity in Amer Sports' consolidated financial statements. The bonds of EUR 150 million in total were launched and placed on the following terms: EUR 50 million floating rate notes due March 6, 2014; and EUR 100 million fixed 4.125% notes due March 15, 2016. The bonds were listed on the NASDAQ OMX Helsinki Ltd on July 27, 2012. In April 2012, Amer Sports signed a 3-year EUR 20 million term loan with Unicredit Bank Austria AG. The proceeds of the bonds and term loan have been used for repayment of debt and general corporate purposes. In June 2012 Amer Sports signed a 5-year EUR 40 million committed revolving credit facility with Pohjola Bank. The credit facility will be used for general corporate purposes.

All previously mentioned measures ensure long-term financing needs in the coming years.

EUR million	Dec. 31, 2013	Dec. 31, 2012
Interest-bearing liabilities	701.7	576.8
Cash and cash equivalents	270.0	142.5
Net debt	431.7	434.3
Total shareholders' equity	761.3	731.8
Gearing,%	57	59
EBITDA	197.1	154.1
Net debt/EBITDA	2.2	2.8

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as at December 31, 2013:

		Related amounts not set off	
EUR million	Gross amount of derivative financial assets	Financial instruments	Net amount
Derivative financial instruments	1.6	1.5	0.1

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as at December 31, 2013:

		Related amounts not set off	
EUR million	Gross amounts of derivative financial liabilities	Financial instruments	Net amount
Derivative financial instruments	7.1	5.5	1.6

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as at December 31, 2012:

		Related amounts not set off	
EUR million	Gross amount of derivative financial assets	Financial instruments	Net amount
Derivative financial instruments	7.2	3.1	4.1

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as at December 31, 2012:

		Related amounts not set off	
EUR million	Gross amounts of derivative financial liabilities	Financial instruments	Net amount
Derivative financial instruments	4.1	4.0	0.1

The Group recognizes that other financial assets and liabilities than derivative financial assets and liabilities are not subject to material offsetting, enforceable master netting arrangements or similar agreements. Financial assets and liabilities that are not set off in the balance sheet, but may be set off are under enforceable master netting arrangements (such as International Swaps and Derivatives Association Inc, ISDA, Master Agreement and Schedules governing terms, obligations and other provision related to trading and settlement of derivate trades) that allow the Group and the counterparty for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting arrangement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

30. ADOPTION OF AMENDMENTS TO IAS 19 STANDARD

Amer Sports has adopted amendments to IAS 19 standard (Employee Benefits) as of January 1, 2013.

Key changes in the standard for Amer Sports' defined benefit postemployment plans are as follows:

1. Remeasurements

All actuarial gains and losses ("remeasurements") relating to post-employment benefits are recognized in full in other comprehensive income. The "corridor" method and the option to recognize immediately in the profit and loss statement is no longer available.

2. New measurement of net interest expense

Net interest expense (income) is determined based on the net defined benefit liability (asset) and the discount rate at the beginning of the year. Old IAS 19 required that the interest expense on obligation and the expected return on plan assets were recognised separately.

3. Past service cost

All past service cost are now recognized immediately in the profit and loss statement.

4. Reporting in income statement

Under old IAS 19 all expenses related to defined benefit post-employment plans were reported above EBIT. As of January 1, 2013 they are reported as follows:

- service cost: above EBIT
- net interest expense: in financing expenses
- reasurement components: under other comprehensive income

Amer Sports has applied amended IAS 19 standard in accordance with IAS 8 standard (Accounting Policies, Changes in Accounting Estimates and Errors). Unrecognized actuarial gains and losses have been recognized in balance sheet as of January 1, 2012. Financial statements of 2013 comparison period have been adjusted in accordance with amendments. Additionally all pension liabilities of defined benefit post-employment plans are reported under long-term liabilities.

The tables below present the Group's restated key financial statements:

CONSOLIDATED INCOME STATEMENT

EUR million	Note	Restated 2012	IAS 19 impact	2012
NET SALES		2,064.0		2,064.0
Cost of goods sold	7	–1,163.4		–1,163.4
GROSS PROFIT		900.6		900.6
License income		7.5		7.5
Other operating income	4	6.0		6.0
R&D expenses	7	–72.2		–72.2
Selling and marketing expenses	7	–526.8	1.0	–527.8
Administrative and other expenses	7, 8, 9	–176.4	1.2	–177.6
Non-recurring expenses	21	–24.8		–24.8
EARNINGS BEFORE INTEREST AND TAXES	5, 6, 7	113.9	2.2	111.7
% of net sales		5.5		5.4
Financing income	10	0.7		0.7
Financing expenses	10	–32.2	–1.6	–30.6
Financing income and expenses		–31.5	–1.6	–29.9
EARNINGS BEFORE TAXES		82.4	0.6	81.8
Taxes	11	–24.5	–0.2	–24.3
NET RESULT		57.9	0.4	57.5
Attributable to:				
Equity holders of the parent company		57.9	0.4	57.5
Earnings per share of the net result attributable to equity holders of the parent company, EUR	12			
Undiluted		0.48		0.48
Diluted		0.48		0.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Note	Restated 2012	IAS 19 impact	2012
Net result		57.9	0.4	57.5
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurement effects of postemployment benefit plans		–10.5	–10.5	
Income tax related to remeasurement effect		3.5	3.5	
Items that may be reclassified to profit and loss				
Translation differences		–8.7		–8.7
Cash flow hedges	26	–19.3		–19.3
Income tax related to cash flow hedges	26	5.0		5.0
Other comprehensive income, net of tax		–30.0	–7.0	–23.0
TOTAL COMPREHENSIVE INCOME		27.9	–6.6	34.5
Total comprehensive income attributable to:				
Equity holders of the parent company		27.9	–6.6	34.5

Financial Statements 2013

CONSOLIDATED BALANCE SHEET

ASSETS

EUR million	Note	Restated 2012	IAS 19 impact	2012	Restated 2011	IAS 19 impact	2011
NON-CURRENT ASSETS	13						
Intangible rights		191.7		191.7	194.3		194.3
Goodwill		289.1		289.1	295.7		295.7
Other intangible assets		19.7		19.7	20.2		20.2
Land and water		14.5		14.5	15.1		15.1
Buildings and constructions		50.0		50.0	48.5		48.5
Machinery and equipment		87.2		87.2	81.4		81.4
Other tangible assets		1.3		1.3	1.4		1.4
Advances paid and construction in progress		9.9		9.9	11.4		11.4
Available-for-sale financial assets		0.6		0.6	0.6		0.6
Deferred tax assets	15	118.1	13.5	104.6	105.7	10.1	95.6
Other non-current receivables		1.2		1.2	3.4		3.4
TOTAL NON-CURRENT ASSETS		783.3	13.5	769.8	777.7	10.1	767.6
CURRENT ASSETS							
INVENTORIES	16						
Raw materials and consumables		37.8		37.8	41.6		41.6
Work in progress		8.3		8.3	11.3		11.3
Finished goods		290.6		290.6	306.8		306.8
		336.7		336.7	359.7		359.7
RECEIVABLES							
Accounts receivable	16	516.8		516.8	518.4		518.4
Loans receivable		0.2		0.2	0.1		0.1
Current tax assets		8.7		8.7	13.0		13.0
Prepaid expenses and other receivables	17	82.1	–5.7	87.8	76.0	–4.4	80.4
		607.8	–5.7	613.5	607.5	–4.4	611.9
CASH AND CASH EQUIVALENTS		142.5		142.5	78.8		78.8
TOTAL CURRENT ASSETS		1,087.0	–5.7	1,092.7	1,046.0	–4.4	1,050.4
TOTAL ASSETS	28	1,870.3	7.8	1,862.5	1,823.7	5.7	1,818.0

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Note	Restated 2012	IAS 19 impact	2012	Restated 2011	IAS 19 impact	2011
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	18						
Share capital		292.2		292.2	292.2		292.2
Premium fund		12.1		12.1	12.1		12.1
Fund for own shares		–7.1		–7.1	–36.9		–36.9
Translation differences		–35.3		–35.3	–26.6		–26.6
Fair value and other reserves	26	–7.1		–7.1	7.2		7.2
Remeasurements		–27.5	–27.5	-	–20.5	–20.5	-
Invested unrestricted equity reserve		154.4		154.4	151.5		151.5
Hybrid bond	29	-		-	60.0		60.0
Retained earnings		292.2		292.2	276.5		276.5
Net result		57.9	0.4	57.5	90.8		90.8
TOTAL		731.8	–27.1	758.9	806.3	–20.5	826.8
NON-CONTROLLING INTERESTS		-		-	2.6		2.6
TOTAL SHAREHOLDERS' EQUITY		731.8	–27.1	758.9	808.9	–20.5	829.4
LIABILITIES							
LONG-TERM LIABILITIES							
Bonds	19	358.3		358.3	236.1		236.1
Loans from financial institutions	19	11.3		11.3	0.9		0.9
Pension loans	19	8.6		8.6	14.3		14.3
Other interest-bearing liabilities	19	0.0		0.0	0.1		0.1
Deferred tax liabilities	15	13.0		13.0	6.4		6.4
Other interest-free liabilities		66.8	45.4	21.4	51.4	35.1	16.3
Provisions	21	4.6		4.6	2.9		2.9
		462.6	45.4	417.2	312.1	35.1	277.0
CURRENT LIABILITIES							
Interest-bearing liabilities	19	198.6		198.6	219.0		219.0
Accounts payable		192.9		192.9	200.3		200.3
Accrued liabilities	20	230.4	–10.5	240.9	231.4	–8.9	240.3
Current tax liabilities		11.8		11.8	22.5		22.5
Provisions	21	42.2		42.2	29.5		29.5
		675.9	–10.5	686.4	702.7	–8.9	711.6
TOTAL LIABILITIES	28	1,138.5	34.9	1,103.6	1,014.8	26.2	988.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,870.3	7.8	1,862.5	1,823.7	5.7	1,818.0

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CONSOLIDATED CASH FLOW STATEMENT

EUR million	Note	Restated 2012	IAS 19 impact	2012
NET CASH FLOW FROM OPERATING ACTIVITIES				
Earnings before interest and taxes		113.9	2.2	111.7
Depreciation		40.2		40.2
Adjustments to cash flow from operating activities	22	20.9	–2.2	23.1
Change in working capital		–10.9		–10.9
Cash flow from operating activities before financing items and taxes		164.1		164.1
Total net cash flow from operating activities		112.6		112.6
Net cash flow from investing activities		–40.8		–40.8
NET CASH FLOW AFTER INVESTING ACTIVITIES (FREE CASH FLOW)		71.8		71.8
NET CASH FLOW FROM FINANCING ACTIVITIES		–7.2		–7.2
Cash and cash equivalents				
Cash and cash equivalents at year end		142.5		142.5
Translation differences		–0.9		–0.9
Cash and cash equivalents at year beginning		78.8		78.8
Change in cash and cash equivalents		64.6		64.6

Calculation of Key Indicators

EARNINGS PER SHARE:

$$\frac{\text{Net result attributable to equity holders of the parent company}}{\text{Average number of shares adjusted for the bonus element of share issues}}$$

EQUITY PER SHARE:

$$\frac{\text{Shareholders' equity}^{1)}}{\text{Number of shares at year end adjusted for the bonus element of share issues}}$$

DIVIDEND PER SHARE:

$$\frac{\text{Total dividend}}{\text{Number of shares at year end adjusted for the bonus element of share issues}}$$

DIVIDEND % OF EARNINGS:

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

EFFECTIVE YIELD, %:

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

P/E RATIO:

$$\frac{\text{Adjusted share price at closing date}}{\text{Earnings per share}}$$

MARKET CAPITALIZATION:

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

RETURN ON CAPITAL EMPLOYED (ROCE), %:

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

RETURN ON INVESTMENT (ROI), %:

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

RETURN ON SHAREHOLDERS' EQUITY (ROE),%:

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

EQUITY RATIO, %:

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

DEBT TO EQUITY RATIO:

$$\frac{\text{Interest-bearing liabilities}}{\text{Shareholders' equity}}$$

GEARING, %:

$$100 \times \frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Shareholders' equity}}$$

FREE CASH FLOW/NET PROFIT:

$$\frac{\text{Free cash flow}}{\text{Net result}}$$

NET DEBT/EBITDA:

$$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{EBIT + depreciation}}$$

[1)] Excluding non-controlling interests

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

[3)] Monthly average of the financial period

[4)] Average of the financial period

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

Parent Company Income Statement

EUR million	2013	2012
Other operating income	19.9	15.6
EXPENSES		
Personnel expenses	9.5	8.1
Depreciation	0.4	0.5
Other expenses	14.9	17.6
Total expenses	24.8	26.2
EARNINGS BEFORE INTEREST AND TAXES	–4.9	–10.6
Financing income	77.1	40.6
Financing expenses	–21.2	–42.8
Financing income and expenses	55.9	–2.2
EARNINGS BEFORE EXTRAORDINARY ITEMS	51.0	–12.8
Group contributions	9.5	-
EARNINGS BEFORE APPROPRIATIONS AND TAXES	60.5	–12.8
Appropriations	0.1	0.2
Taxes	–4.6	2.6
NET RESULT	56.0	–10.0

Parent Company Balance Sheet

ASSETS EUR million	2013	2012
NON-CURRENT ASSETS		
INTANGIBLE ASSETS		
Intangible rights	0.2	0.1
TANGIBLE ASSETS		
Land and water	0.8	0.8
Buildings and constructions	0.9	0.9
Machinery and equipment	0.5	0.5
Other tangible assets	0.4	0.4
Construction in progress	4.2	2.1
	6.8	4.7
OTHER NON-CURRENT INVESTMENTS		
Investments in subsidiaries	710.2	706.6
Receivables from subsidiaries	1.1	1.1
Other bonds and shares	0.3	0.6
	711.6	708.3
TOTAL NON-CURRENT ASSETS	718.6	713.1
CURRENT ASSETS		
RECEIVABLES		
Long-term		
Deferred tax assets	4.6	9.2
Short-term		
Accounts receivable	0.0	0.0
Receivables from subsidiaries	1,005.0	752.4
Other receivables	-	0.0
Prepaid expenses	13.1	19.5
	1,022.7	781.1
MARKETABLE SECURITIES		
Other securities	33.6	-
CASH AND CASH EQUIVALENTS	172.0	96.2
TOTAL CURRENT ASSETS	1,228.3	877.3
TOTAL ASSETS	1,946.9	1,590.4

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	2013	2012
SHAREHOLDERS' EQUITY		
Share capital	292.2	292.2
Premium fund	12.1	12.1
Invested unrestricted equity reserve	166.9	164.6
Retained earnings	45.0	102.1
Net result	56.0	–10.0
TOTAL SHAREHOLDERS' EQUITY	572.2	561.0
ACCUMULATED APPROPRIATIONS		
Accumulated depreciation in excess of plan	0.0	0.0
LIABILITIES		
LONG-TERM LIABILITIES		
Bonds	460.5	358.3
Loans from financial institutions	53.3	10.0
Pension loans	2.9	8.5
	516.7	376.8
CURRENT LIABILITIES		
Bonds	50.0	30.0
Loans from financial institutions	6.7	6.7
Pension loans	5.7	5.7
Other interest-bearing liabilities	120.2	152.2
Accounts payable	0.3	0.2
Payables to subsidiaries	654.5	435.7
Other current liabilities	0.2	0.1
Accrued liabilities	20.4	22.0
	858.0	652.6
TOTAL LIABILITIES	1,374.7	1,029.4
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,946.9	1,590.4

Parent Company Cash Flow Statement

EUR million	2013	2012
NET CASH FLOW FROM OPERATING ACTIVITIES		
EBIT	–4.9	–10.6
Depreciation	0.4	0.5
Adjustments to cash flow from operating activities	0.1	0.0
Cash flow from operating activities before change in working capital	–4.4	–10.1
Increase (–) or decrease (+) in trade and other current recivables	–4.8	–2.1
Increase (+) or decrease (–) in interest-free current liabilities	–6.7	1.4
Change in working capital	–11.5	–0.7
Cash flow from operating activities before financing items and taxes	–15.9	–10.8
Interest paid	–15.0	–29.5
Interest received	0.1	0.4
Income taxes paid	–0.1	–0.1
Financing items and taxes	–15.0	–29.2
Total net cash flow from operating activities	–30.9	–40.0
NET CASH FLOW FROM INVESTING ACTIVITIES		
Investments in subsidiaries	–3.6	-
Capital expenditure	–2.5	–1.1
Proceeds from sale of tangible non-current assets	0.1	0.0
Dividends received	50.0	-
Net cash flow from investing activities	44.0	–1.1
NET CASH FLOW FROM FINANCING ACTIVITIES		
Repurchase of own shares	–5.8	–0.1
Transfer of own shares	2.3	2.9
Change in short-term borrowings	185.9	–90.9
Withdrawals of long-term borrowings	204.0	166.7
Repayments of long-term borrowings	–42.4	–65.7
Change in current receivables	–211.2	129.7
Dividends paid	–41.3	–38.9
Other financing items *)	4.8	–7.2
Net cash flow from financing activities	96.3	96.5
CHANGE IN CASH AND CASH EQUIVALENTS	109.4	55.4
Cash and cash equivalents		
Cash and cash equivalents at year end	205.6	96.2
Cash and cash equivalents at year beginning	96.2	40.8
Change in cash and cash equivalents	109.4	55.4

*) Including, for example, cash flow from hedging intercompany balance sheet items

Parent Company Accounting Policies

The parent company's financial statements are prepared in accordance with the Finnish law. The results are reported in euros using the historical cost convention. The financial statements are presented excluding the notes to the financial statements.

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 closing 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 may include foreign exchange forward contracts and options, interest rate swaps and interest rate options and cross-currency swaps. Foreign exchange forward contracts and options are used to hedge against changes in the value of receivables and liabilities denominated in a foreign currency and interest rate swaps and interest rate options to hedge against the interest rate risk. Cross-currency swaps are used to hedge against changes in value of foreign currency denominated receivables and liabilities and against the interest rate risk.

Foreign exchange forward contracts and options, interest rate swaps and options and cross currency swaps are measured at fair value on the day that the parent company becomes a party to the contract. Subsequent measurement is also at fair value. The changes of fair values are recorded to earnings. Foreign exchange derivatives are measured at fair value using the closing rates quoted by the European Central Bank on the reporting date together with common pricing models that are used for valuation of foreign exchange forward contracts and options. The fair values of interest rate and cross currency swaps are calculated as the current value of future cash flows. Interest rate options are valued with year end interest rates together with common option pricing models.

The interest rate differential on foreign exchange derivatives, interest rate derivatives and cross currency swaps is periodized over the duration of the derivative on a net basis in interest expenses. The exchange rate differences are recognized in the income statement.

INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

Non-current assets are stated at cost less accumulated depreciation.

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

Intangible rights and other capitalized expenditure	5–10 years
Buildings	40 years
Machinery and equipment	3–10 years

Land and water are not depreciated.

SHAREHOLDERS' EQUITY

An equity instrument is recorded in the shareholders' equity if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

The subscription proceeds from share issues are booked to invested unrestricted equity reserve to the extent that they are not, in accordance with a shareholders' resolution, booked to the share capital. The transaction costs of the share issues are charged to financing expenses.

Hybrid bond is treated as liabilities. It is unsecured and subordinated to all senior debt. The hybrid bond does not confer shareholders' rights, nor does it dilute the holdings of shareholders. Interest expenses for the hybrid bond are accrued on the basis of its coupon rate and are debited to financing expenses. The company is obliged to pay interest on hybrid bond only if it distributes dividend for the financial period.

The acquisition cost of repurchased own shares is charged to equity until the shares are cancelled or reissued.

Any dividend proposed by the Board of the Directors is not deducted from distributable shareholders' equity until approved at the Annual General Meeting.

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.

SHARE-BASED PAYMENT

The cost of share-based incentive schemes granted to key employees of the parent company are posted as personnel expenses in the income statement over the vesting period of the schemes.

TAXES

Taxes include taxes for the period calculated on the basis of the net result for the period, assessed or returned taxes for prior periods as well as deferred taxes calculated on temporary differences between the book and tax base of assets.

DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets or liabilities are calculated on temporary differences between the book and tax base of assets in accordance with the future tax rate confirmed at the end of the financial period. A deferred tax asset is recognized to the estimated probable amount. It is presented under the long-term receivables.

Board of Directors' Report's and Financial Statements' Signatures

Helsinki, Finland, January 28, 2014

Anssi Vanjoki	Ilkka Brotherus	Martin Burkhalter
Christian Fischer	Hannu Ryöppönen	Bruno Sälzer
Indra Åsander	Heikki Takala President and CEO	

Auditor's 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 31 December, 2013. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, 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 consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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.

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.

Other Opinions

We support that the financial statements and the consolidated financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, Finland, 28 January, 2014

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jouko Malinen
Authorised Public Accountant

Amer Sports Corporate Governance Statement

CORPORATE GOVERNANCE

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

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

GENERAL

Pursuant to the provisions of the Finnish Companies Act and the Articles of Association of Amer Sports the responsibility for the control and management of Amer Sports is divided between the General Meeting of shareholders, the Board of Directors and the President and CEO. Shareholders participate in the control and management of Amer Sports through resolutions passed at General Meetings of shareholders, which convene upon notice given by the Board of Directors. In addition, General Meetings of shareholders may be held if requested in writing by an auditor of Amer Sports or by shareholders representing at least one-tenth of all the outstanding shares of the Company.

Amer Sports' shares are listed on the NASDAQ OMX Helsinki Stock Exchange. In addition, Amer Sports has a Level I American Depositary Receipt ("ADR") program. The ADRs are traded over-the-counter in the United States. Two depositary receipts are equivalent to one Amer Sports share.

BOARD OF DIRECTORS

Composition and Term of the Board of Directors

The Board of Directors is responsible for duly organizing the administration and operations of Amer Sports. The Annual General Meeting of shareholders ("the AGM") 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. There is no special order of appointment of the directors.

The Board evaluates the independence of its members annually or, if necessary, more often. Each member of the Board of Directors is obligated to provide the Board of Directors with sufficient information to allow an evaluation of their independence.

The following members were elected to the Board of Directors at the AGM held on March 7, 2013:

Name	Year born	Position	Year of appointment	Nationality
Anssi Vanjoki	1956	Chairman since 2006	2004	Finnish
Ilkka Brotherus	1951	Vice chairman since 2002	2000	Finnish
Martin Burkhalter	1952	Member	2008	Swiss
Christian Fischer	1964	Member	2008	Austrian
Hannu Ryöppönen	1952	Member	2009	Finnish
Bruno Sälzer	1957	Member	2008	German
Indra Åsander	1956	Member	2012	Swedish

The Board of Directors' Rules of Procedure and Meeting Practices

The Amer Sports Board of Directors approves the rules of procedure to govern its work, including a meeting schedule, on an annual basis. The rules of procedure include the specific issues discussed at each meeting and discussion items reviewed at each meeting. The rules of procedure include also a schedule of the dates when the Board of Directors will visit the operations of the Company and its partners, as well as the annual evaluation of the Board of Directors' own performance at the end of the term. Committees established by the Board of Directors assist the Board of Directors in matters that have been assigned to them.

The Board of Directors convenes 8–10 times a year according to a predetermined meeting schedule and in addition when necessary. At least once a year, the Board of Directors convenes when representatives of the Company's management are not in attendance. The President and CEO and the Executive Vice President and CFO participate in meetings of the Board of Directors and the General Counsel acts as the secretary to the Board. Other Amer Sports executives participate in the meetings as required.

Meeting documents and other material are delivered to the members of the Board of Directors in advance and all meetings are documented.

The Main Duties of the Board of Directors

The duties and responsibilities of the Board of Directors are defined according to the Finnish Companies Act, other applicable legislation, and Amer Sports' Articles of Association. The Board of Directors has general authority in all matters where neither law nor the Company's Articles of Association stipulate that a matter should be decided or performed by any other bodies. In addition, the Board of Directors must act in the interests of the Company and all shareholders in all circumstances, and direct Amer Sports' operations with a view to generating the maximum enduring added value to shareholders without neglecting other stakeholders.

The main duties of the Board of Directors are to:

1. 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 the strategy and annual budget, and monitor its achievement
- Adopt the annual investment plan
- Decide on significant, strategically-important investments or acquisitions and sale of assets
- Review the Corporate Social Responsibility Statement

2. 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 service of the President and CEO and his or her immediate subordinates, including possible incentive programs
- Set the President and CEO's personal targets for each year and monitor their achievement
- Keep track of issues related to succession in management and human resources strategy
- Adopt the duties and responsibilities of the Board of Directors and evaluate its performance once a year

3. Supervise the management of the Company's financial administration, internal control and risk management
- Review and approve interim reports, annual financial statements and the report by the Board of Directors as well as related stock exchange releases
- Hold a meeting with the Company's auditors at least once a year
- Oversee significant risks connected with the Company's operations and risk management

4. Prepare matters to be decided on at the AGM
- Draft the Company's dividend payout policy and submit a proposal on the dividend to the AGM
- Submit other proposals to the AGM

According to the rules of procedure, the chairman of the Board of Directors, in addition to leading the work of the Board of Directors, continuously monitors Amer Sports' operations and development through contact with the President and CEO. Furthermore, the chairman of the Board of Directors represents the Company in matters associated with shareholders and ensures that the work of the Board of Directors is evaluated annually, and that the Board of Directors continuously updates and expands its knowledge of Amer Sports' operations.

2013

In 2013, in addition to its normal duties, the Board of Directors continued to set and monitor strategic priorities in group wide integration of functional performance and leveraging the brand portfolio in new adjacent product categories in Apparel and Footwear. The Board of Directors also set forth extensive work to understand and define the impact of digitalization to sporting equipment business in general and specific strategic requirements to specific Amer Sports businesses.

The Annual General Meeting of shareholders held on March 7, 2013 elected seven members to the Amer Sports Board of Directors. The Annual General Meeting re-elected Anssi Vanjoki, Ilkka Brotherus, Martin Burkhalter, Christian Fischer, Hannu Ryöppönen, Bruno Sälzer and Indra Åsander as members of the Board of Directors. Anssi Vanjoki was re-elected as chairman and Ilkka Brotherus was re-elected as vice chairman of the Board of Directors. The composition of the Board of Directors during the period of January 1, 2013–March 7, 2013 was the same as after March 7, 2013.

The Board of Directors convened nine times during the calendar year 2013 and the attendance rate of directors at meetings of the Board of Directors was 92%.

BOARD COMMITTEES

The Board of Directors has established three permanent committees from amongst its members to support its work and has defined the rules of procedure for the committees. The committee chairmen and members are elected annually. The committees report on their work to the entire Board of Directors on a regular basis. The committees have no independent decision-making power.

Corporate Governance Statement

Audit Committee

The Board of Directors appoints an Audit Committee to assist it in its task of supervising the Company's financial administration. The Audit Committee comprises a minimum of three members of the Board of Directors. The members must be independent and have the qualifications necessary to perform the duties of the Audit Committee. The Audit Committee meets at least four times per year and maintains regular contact with the Company's external auditor. The Audit Committee monitors the reporting of the Company's financial statements and the adequacy of internal control and risk management systems. In addition, the Audit Committee monitors the statutory audit process, evaluates the independence of the statutory audit firm, and prepares the recommendation presented to the Annual General Meeting on the election of the auditor.

2013

In 2013, in addition to its regular duties, the Audit Committee focused on the transition phase of financial shared services, legal and tax structure, internal controls, update of the Treasury Policy concerning hedges as well as the reporting, controlling and structure of Retail.

On March 7, 2013 the Board of Directors elected Hannu Ryöppönen (chairman), Ilkka Brotherus, and Martin Burkhalter as members of the Audit Committee. The Audit Committee convened five times in 2013 and the meeting attendance rate was 87%. The composition of the Audit Committee during the period of January 1, 2013–March 7, 2013 was the same as after March 7, 2013.

Compensation Committee

The Board of Directors appoints a Compensation Committee to ensure good governance in monitoring executive rewards, to give guidance on Amer Sports' total reward philosophy and executive reward programs, to assess pay and performance relationships and to recommend executive pay decisions concerning the President and CEO and his immediate direct reports for approval by Amer Sports' Board of Directors. The Compensation Committee comprises a minimum of three members of the Board of Directors. The chairman of the committee convenes meetings as required, but at least twice a year.

2013

In 2013, the Compensation Committee focused on further development of long-term incentive programs. On March 7, 2013 the Board of Directors elected Bruno Sälzer (chairman), Christian Fischer, Anssi Vanjoki, and Indra Åsander as members of the Compensation Committee. The Compensation Committee convened four times in 2013 and the meeting attendance rate was 88%. Composition of the Compensation Committee during the period of January 1, 2013–March 7, 2013 was the same as after March 7, 2013.

Nomination Committee

The Board of Directors appoints a Nomination Committee to assist it in its task of ensuring good governance in preparing proposals concerning the members of the Board of Directors and their compensation for decision by the General Meeting of shareholders. The Nomination Committee communicates with major shareholders in matters concerning the appointment of the Board of Directors, when appropriate. The Nomination Committee comprises a minimum of three members of the Board of Directors. The chairman of the committee convenes meetings as required, but at least once a year.

2013

On March 7, 2013 the Board of Directors elected Ilkka Brotherus (chairman), Martin Burkhalter and Anssi Vanjoki as members of the Nomination Committee. The Nomination Committee convened four times in 2013 and the meeting attendance rate was 100%. Composition of the Nomination Committee during the period of January 1, 2013–March 7, 2013 was the same as after March 7, 2013.

PRESIDENT AND CEO

The Board of Directors nominates the President and CEO, who is responsible for managing Amer Sports in accordance with the Finnish Companies Act and instructions provided by the Board of Directors.

The President and CEO reports to the Board of Directors and keeps the Board of Directors informed about Amer Sports' business, including information about relevant markets and competitors, as well as the Company's financial position and other matters of significance. The President and CEO is also responsible for overseeing the Company's day-to-day administration and ensuring that the financial administration of the Company has been arranged in a reliable manner. The President and CEO is assisted by the Executive Board.

Heikki Takala

President and CEO of Amer Sports since April 1, 2010. Master of Science degree in International Business, Helsinki School of Economics and ESADE (Barcelona). Born 1966. Finnish nationality.

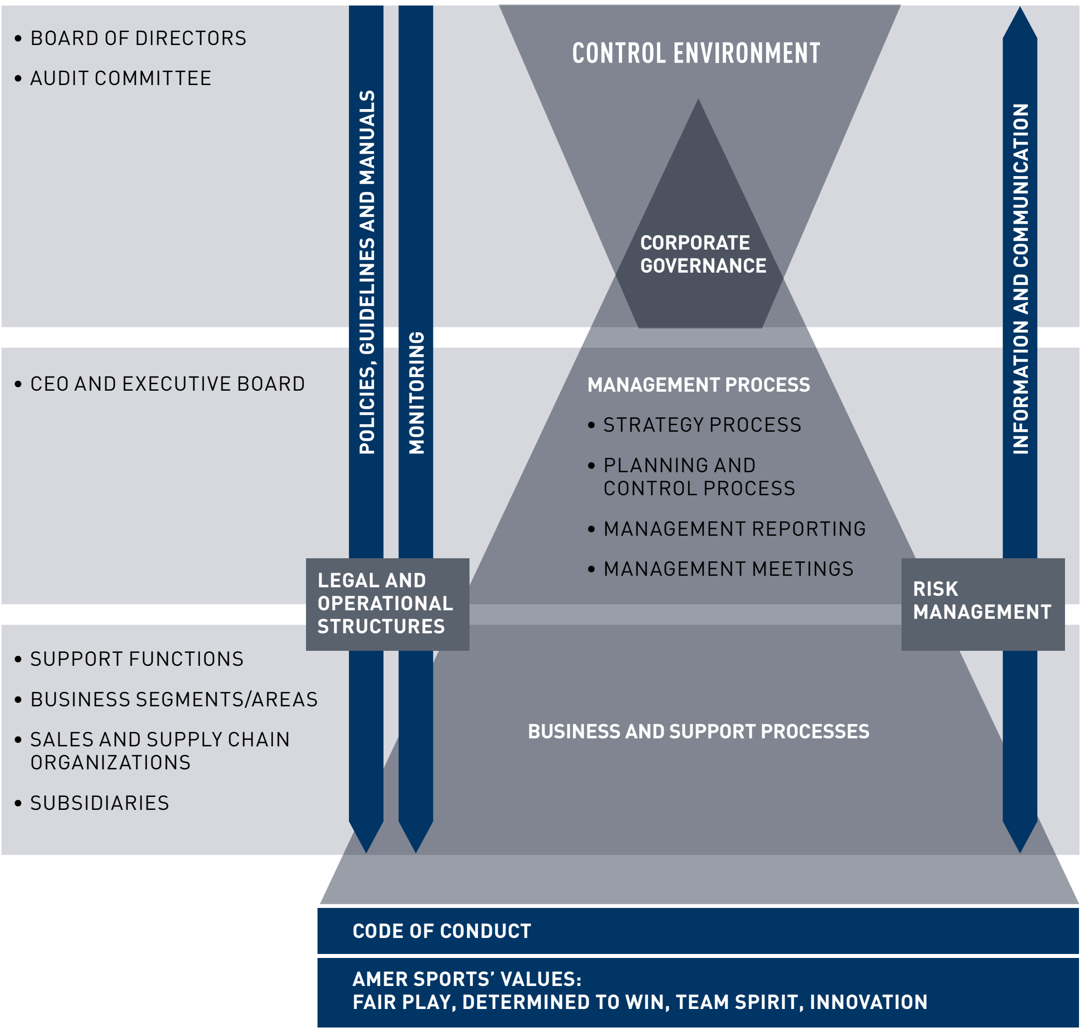
Primary work experience: Commercial Director of Salon Professional Global Commercial Operations of Procter & Gamble. Several line management positions in region and product line organizations in Procter & Gamble 1992–2010.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS PERTAINING TO THE FINANCIAL REPORTING PROCESS

The Board of Directors of Amer Sports approves and endorses the Company's Risk Management Policy. This policy defines the objectives, principles, processes and responsibilities concerning risk management within Amer Sports companies.

The risk management process is embedded in the business management in order to support the accomplishment of the Company's strategic business targets and financial reporting objectives. Responsibility for risk management rests with Amer Sports' business segments/areas, sales and supply chain organizations and support functions, all of which report regularly on the main risks connected

AMER SPORTS INTERNAL CONTROL FRAMEWORK



with their operations to Amer Sports management. The management of financial risks is centralized within Amer Sports' Treasury function. Guidelines for risk management are set out in the Financial Risk Management Policy, which is approved by the Board of Directors and encompasses the principles and risk limits connected with the Company's balance sheet structure, relationships with financial institutions and other financing risks.

Amer Sports' primary reporting segments are based on the Company's business segments: Winter and Outdoor, Ball Sports, Fitness and Headquarters. The secondary reporting segments are geographical regions: Americas, EMEA and Asia Pacific. In overseeing the Company's operations, the President and CEO and other executives utilize weekly sales reports, monthly financial reports, and regular meetings with the management teams of business segments/areas and regions.

Financial reporting is carried out in a harmonized manner in all Group companies. Amer Sports' accounting policies are based on the International Financial Reporting Standards (IFRS). In addition to IFRS, more specific group policies and guidance are provided in Amer Sports' accounting policies manual (Corporate Manual). Amer Sports' Finance function is responsible for maintaining the Company's accounting policies and reporting systems, and also performs monitoring to ensure that these reporting policies are followed. The Group's business segments are responsible for providing their own financial statements. Amer Sports' Finance function provides consolidated financial statements.

Amer Sports is in the final phase of implementing a group-wide ERP (Enterprise Resource Planning) system. This includes a harmonized chart of accounts and structures enabling a more efficient control environment. Amer Sports' Finance function is responsible for monitoring the implementation of SAP rollouts. The Amer Sports Internal Control and Risk Management framework includes elements from the original 1992 framework introduced by the Committee of Sponsoring Organizations (COSO). There are five main components: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

Control Environment

Amer Sports' values and Code of Conduct support and guide the Company's operations around the world, providing a foundation for the control environment. The Board of Directors has overall responsibility for ensuring that an effective system of internal control and risk management is established. The Audit Committee oversees that risk management activities are in line with the Company's Risk Management Policy. The responsibility for maintaining the internal control and risk management system is delegated to the President and CEO and to the Executive Board.

Risk Assessment

As part of Amer Sports' risk management process, risks related to the business environment and operational and financial risks are identified, assessed and prioritized on an annual basis. Financial reporting priorities are defined by the Amer Sports Finance function to enable the identification and adequate management of risks.

Control Activities

Amer Sports' business segments/areas, sales and supply chain organizations and support functions are responsible for aligning the Group's risk management priorities and strategies with Amer Sports management processes. Amer Sports' support functions issue policies and guidelines for specific areas such as finance, accounting, purchasing, sales, IT, HR, and legal compliance. Business segments/areas and sales and supply chain organizations and support functions are responsible for applying these policies and guidelines to achieve efficient and appropriate controls on the basis of their individual circumstances and operational contexts. Risk management and control activities are designed to mitigate identified risks while giving due consideration to the cost and potential effectiveness of control activities. The Amer Sports' Treasury function monitors implementation of the Company's Financial Risk Management Policy within business segments/areas and subsidiaries.

The Amer Sports Corporate Manual and Internal Control Policies set standards for financial procedures. Financial control activities are designed to prevent, detect, and correct errors and irregularities and include a range of activities such as reporting, authorizations, approvals, reconciliations, and the segregation of duties.

The Amer Sports Internal Control Policies harmonize and clarify rules and procedures by setting and communicating the expected minimum requirements that fall within the remit of internal controls. Property, loss-of-profits and liability risks arising out of the operations of Amer Sports companies are covered by taking out appropriate insurance policies. In addition to worldwide insurance programs, local policies are used when special legislation-related needs exist.

2013

In December 2012, a Global Amer Sports Corporation Credit Management Policy was approved by the Board of Directors. During 2013 this policy has been implemented. The development of a more automated and efficient control environment utilizing built in system controls in the ERP system continued.

Information and Communication

The components of Amer Sports' risk management and internal control system are described in various manuals, instructions and policies. These are communicated throughout the Group and stored in the Amer Sports intranet, which is accessible to all employees. The Amer Sports Corporate Manual defines, among other items, the planning and control process, reporting and accounting policies, and the role of the Amer Sports Treasury function. Taxation issues are covered in a range of instruction documents and guidelines. The Amer Sports Internal Control Policy provides further information and establishes the expected minimum requirements regarding, among others, the authorization matrix, capital expenditure, and credit control policy. Business segments/areas, sales and supply chain organizations and subsidiaries regularly provide Amer Sports' management with financial and management reports, including analyses of financial performance as well as potential risks and opportunities.

Monitoring

The performance of Amer Sports' companies is reviewed regularly at different organizational levels. Representatives of Amer Sports' Finance function regularly visit the Company's businesses to carry out operational reviews. The Group Internal Control function adheres to the Internal Control Charter, approved by the Audit Committee, which stipulates the mission and scope of work for this function. The Group Internal Control function visits the Company's businesses to perform operational reviews and monitor compliance with internal control procedures, policies and guidelines according to an agreed plan.

Risk reporting is integrated into both the Operational Planning and Control Cycle and the Strategic Review Cycle management processes. Amer Sports' business segments/areas, sales and supply chain organizations and support functions report regularly on risk exposures and related mitigation efforts to the relevant management board.

The Board of Directors supervises significant risks connected with Amer Sports' operations and evaluates the effectiveness of risk management activities.

The Risk Management Steering Team is responsible for overall development of the risk management process within Amer Sports, including the facilitation of group level risk mapping.

Internal Audit

Amer Sports does not have a separate internal audit function. The Audit Committee and Amer Sports' Finance function define one or more audit themes over and above the statutory auditing requirements. Such themes are agreed for each year and findings reported to the Audit Committee and Amer Sports' management.

Group Internal Control

The purpose of the Group Internal Control function is to ensure a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. The Group Internal Control function periodically report to the Audit Committee.

2013

Amer Sports' Group Internal Control function analyzed the efficiency and adequacy of internal control in the Group's operations and evaluated the governance, internal control and risk management processes in the Company's businesses. A special focus this year was the transition phase of financial shared services.

External Audit

According to the Company's Articles of Association, Amer Sports has one auditor, which must be a public accounting firm certified by Finland's Central Chamber of Commerce.

The independent public accountant engaged by Amer Sports is responsible for directing and coordinating audit work within all Amer Sports' companies. The Audit Committee prepares a recommendation for the Annual General Meeting regarding the election of the auditor. The Annual General Meeting elects the auditor annually and for a period of one year.

Amer Sports' auditor, the presidents of the Company's business segments and areas, finance directors, the general manager and the finance managers of selected subsidiaries meet at least once a year. Subsidiary companies' auditors present their audit observations annually to the company in question, to Amer Sports' auditor, and to representatives of Amer Sports' Finance function.

Amer Sports' auditor submits a written report on the audit to the Audit Committee and the Board of Directors at least once a year. The principal auditor presents a summary of the annual audit in person at the Board of Directors meeting at which the financial statements for the fiscal year are discussed. Auditors are invited to each of the Audit Committee's meetings and provide updates on how the Group audit is progressing and other findings.

2013

In 2013, the Annual General Meeting re-elected PricewaterhouseCoopers Oy as Amer Sports' auditor. The principal auditor was Jouko Malinen, who has been the Company's principal auditor since 2007.

Board of Directors

Anssi Vanjoki

CHAIRMAN OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Professor at Lappeenranta University of Technology
- Individual Multicontributor
- Master of Science degree in Economics
- Born in 1956, Finnish citizen

PRIMARY WORK EXPERIENCE
- Executive Vice President and General Manager, Mobile Solutions Unit of Nokia Corporation 2010
- Executive Vice President of Markets, Nokia Corporation 2007–2010
- Executive Vice President and General Manager, Multimedia unit of Nokia Corporation 2004–2007
- Executive Vice President and General Manager, Nokia Mobile Phones 1998–2004,
- Member of the Executive Board of Nokia Corporation 1998–2010
- Executive Vice President and Senior Vice President, Nokia Mobile Phones (Europe and Africa) 1994–1998
- Vice President of Sales, Nokia Mobile Phones 1991–1994
- Several management positions at 3M Corporation 1980–1991

OTHER POSITIONS OF TRUST
- Chairman of the Board of Directors of Vertu Corporation Ltd, Omegawave Oy, Aqsens Oy and Sstatzz Oy
- Member of the Board of Directors of Koskisen Oy, Sonova Holding AG, Atacama Labs Oy, Kapitaalihonka Oy and Basware Corporation

Ilkka Brotherus

VICE CHAIRMAN OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Owner and Managing Director, Sinituote Oy
- Master of Science degree in Economics
- Born in 1951, Finnish citizen

PRIMARY WORK EXPERIENCE
- Member of the Board of Directors of Veho Group Oy Ab 2003–2013
- Member of the Board of Directors of YIT Corporation 2000–2006
- Deputy Managing Director, Hackman Group, 1988–1989
- Managing Director, Hackman Housewares Oy 1987–1988
- Managing Director, Havi Oy 1981–1986
- Various marketing and management positions, Mestarikustannus Oy 1977–1980

OTHER POSITIONS OF TRUST
- Chairman of the Supervisory Board, Tapiola Mutual Pension Insurance Company
- Member of the Board of Directors of Sinituote Oy

Martin Burkhalter

MEMBER OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Chief Executive Officer, Vizrt Ltd
- A degree in Biotechnology and in Accounting
- Born in 1952, Swiss citizen

PRIMARY WORK EXPERIENCE
- Independent Consultant, Switzerland 2004–2005
- Senior Vice President and Managing Director, EMEA Reebok International, France 2001–2003
- Chief Executive Officer, Intersport International Corporation (IIC), Switzerland 1997–2001
- Chief Executive Officer, Intersport Holding Norway, 1996–1997
- Chief Executive Officer, Intersport Norway, 1994–1996
- Senior Vice President and Sports Director, Lillehammer Olympic Organization Committee (LOOC) 1990–1994
- Sports Director and Assistant General Secretary, Norwegian Confederation of Sports (NIF) 1989–1990

Christian Fischer

MEMBER OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Managing Director, major shareholder, NewMoove Deutschland GmbH
- MBA
- Born in 1964, Austrian citizen

PRIMARY WORK EXPERIENCE
- Founder and Managing Director, Accelate Business Launch and Expansion GmbH 2008–2013
- Principal, A.T. Kearney Management Consultants, Germany 1994–1999
- International Brand Management, Henkel AG & Co. KGaA, Germany 1993
- Project Manager, Ernst & Young Management Consultants, Austria 1989–1991

Hannu Ryöppönen

MEMBER OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Bachelor of Business Administration
- Born in 1952, Finnish citizen

PRIMARY WORK EXPERIENCE
- Chairman of the Board of Directors of Hakon Invest Ab 2012–2013
- Member of the Board of Directors of Rautaruukki Corporation 2009–2013
- Member of the Board of Directors of Neste Oil Corporation 2009–2013
- Deputy Chief Executive Officer, Stora Enso Oyj, Helsinki/London 2007–2009
- Chief Financial Officer, Stora Enso Oyj, Helsinki and London 2005–2008
- Chief Financial Officer, Koninklijke Ahold N.V., Amsterdam 2003–2005
- Chief Financial Officer, Industri Kapital Group, London 1999–2003
- Deputy Chief Executive Officer, Ikano Asset Management, Luxembourg 1998–1999
- Chief Financial Officer, IKEA Group, Copenhagen 1985–1998

- OTHER POSITIONS OF TRUST
- Chairman of the Boards of Directors of Altor private equity funds and Billerud Korsnäs AB
- Member of the Boards of Directors of Novo Nordisk A/S and Value Creation Investments Limited
- Member of Citigroup's Nordic Advisory Board

Bruno Sälzer

MEMBER OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Chief Executive Officer, Escada SE
- Business Administration degree
- Born in 1957, German citizen

PRIMARY WORK EXPERIENCE
- Chairman and Chief Executive Officer, Hugo Boss AG, Germany 2002–2008
- Executive Vice Chairman, Hugo Boss AG, Germany 1998–2002
- Member of the Managing Board, Hugo Boss AG, Germany 1995–1998
- Managing Director, Hairdressing International of Hans Schwarzkopf GmbH, Germany 1991–1995
- Director of International Sales Coordination, Beiersdorf AG, Germany 1986–1991

OTHER POSITIONS OF TRUST
- Member of the Supervisory Boards of Deichmann SE, Germany and Lacoste Holding, France

Indra Åsander

MEMBER OF THE BOARD OF DIRECTORS
- Independent of the company and significant shareholders
- Chief Executive Officer of Sergel Group
- Master of Science, Engineering
- Born in 1956, Swedish citizen

PRIMARY WORK EXPERIENCE
- Member of the Board of Directors, VIA Travel Group ASA 2006–2012
- SVP and Head of Product Management Europe, BA Mobility Services, TeliaSonera AB 2008–2011
- SVP and Head of Content Services Europe, BA Mobility Services, TeliaSonera AB, 2007
- SVP and Head of Consumer Business TeliaSonera AB 2003–2006
- SVP and Head of BA Internet Services, Telia AB 2001–2002
- VP, Skanova and Marketing Director, Telia AB 2000–2001
- SVP, Energy Market BA, Vattenfall AB 2000
- Director of Product Sales, Energy Market BA, Vattenfall AB 1999–2000
- Divisional Manager for Corporate Customers, Sweden, Vattenfall AB 1998–1999
- Divisional Manager for Private Consumer Market, Sweden, Vattenfall AB 1995–1998
- Regional Manager for Vattenfall Electricity Provision 1994–1995

OTHER POSITIONS OF TRUST
- Member of the Board of Directors of Eknäs Gård AB, Pricer AB, Aura Light International AB

Executive Board

Rob Barker

PRESIDENT OF FITNESS
Born 1966, British nationality
Executive Board member since 2013

CAREER
- Precor Inc, Vice President, EMEA and Asia Pacific, 2008–2013
- Amer Sports Fitness, Regional Commercial Director, EMEA, 2003–2010
- Precor Products Ltd, European Commercial Director, 2001–2003
- FitLinxx, European Commercial Director, 2001
- Precor Products Ltd, Sales and Marketing Manager, UK, 1995–2000

EDUCATION
- Diploma in marketing, Chartered Institute of Marketing, United Kingdom
- BSc (Hons) in sports science and business administration, Nottingham Trent University, United Kingdom

Mike Dowse

PRESIDENT OF BALL SPORTS
Born 1966, American nationality
Executive Board member since 2010

CAREER
- Amer Sports, President, Ball Sports, 2013–
- Amer Sports, General Manager, Americas, 2010–2013
- Amer Sports, President & GM, Winter and Outdoor Americas, 2006–2010
- Suunto, Vice President, North America, 2004–2006
- Nike Inc, Director of Tennis Footwear, 2002–2004
- Wilson Sporting Goods, various positions in United States and Germany

EDUCATION
- B.B.A Marketing and Management, University of Portland, USA

Victor Duran

SENIOR VICE PRESIDENT, MARKETING AND BUSINESS TO CONSUMER
Born 1966, American nationality
Executive Board member since 2011

CAREER
- HotHouse Consulting, Partner, 2008–2010
- Zyman Group Consulting, Director, 2006–2008
- Caterpillar, Head of Marketing, EMEA, 2001–2005
- Procter & Gamble, Brand Management line positions, 1994–2001
- US Army, Officer, 1989–1992

EDUCATION
- MBA, International Business and Marketing, University of North Carolina, USA
- BS in Economics, US Military Academy at West Point, USA

Matt Gold

GENERAL MANAGER, ASIA PACIFIC
Born 1969, American nationality
Executive Board member since 2010

CAREER
- Amer Sports, General Manager, Asia Pacific since 2007
- Amer Sports Japan, General Manager, 2002–2006

EDUCATION
- BA, Pomona College, Claremont, California, USA

Terhi Heikkinen

SENIOR VICE PRESIDENT, HUMAN RESOURCES
Born 1964, Finnish nationality
Executive Board member since 2009

CAREER
- Rautaruukki Corporation, Senior Vice President, Human Resources, 2005–2009
- Alma Media Corporation, Executive Vice President, Human Resources, 2003–2005
- Fujitsu Invia Ltd, Human Resources Director, 2001–2003
- Accenture Ltd, Human Resources Director, 1999–2001
- Hartwall Plc, Human Resources Manager, 1996–1999
- Finland´s Post Ltd, Human Resources Manager, 1989–1996
- Ministry of Trade and Industry, Company Advisor, 1987–1989

EDUCATION
- M. Sc. (Econ.) degree, University of Tampere, Finland

Antti Jääskeläinen

CHIEF DEVELOPMENT OFFICER AND SVP, SUPPLY CHAIN AND IT
Born 1972, Finnish nationality
Executive Board member since 2009

CAREER
- Amer Sports Corporation, Chief Development Officer, 2009–2012
- Stora Enso Ab, Sweden, Senior Vice President, Biorefining & Bioenergy, 2007–2009
- Stora Enso International Ltd, UK, Senior Vice President, Head of Group Strategy, 2006–2007
- Stora Enso Oyj, Vice President, Corporate Strategy & Investments, 2004–2006
- McKinsey & Company, Engagement Manager, Associate, 2002–2004
- Nokia Italia S.p.A, Business Operations Manager, 1999–2001
- Nokia Networks, System Marketing and Sales, 1998–1999
- Enso Group, Financial Analyst, 1996–1998

EDUCATION
- MBA, INSEAD, France
- M.Sc. (Econ.), Helsinki School of Economics, Finland
- M.Sc. (Eng.), Helsinki University of Technology, Finland

Bernard Millaud

PRESIDENT OF MAVIC SAS
Born 1958, French nationality
Executive Board member since 2009

CAREER
- Mavic SAS, President since 2010
- Salomon SAS, President of, President of Cycling (Mavic) and President of Winter Sports (Salomon), 2007–2009
- Mavic, General Manager, 2002–2007
- Salomon, Winter Sports General Manager, 1998–2002.
- Salomon, various positions in Salomon Winter Sport, 1988–1998
- Renault, various positions at Renault and its affiliate SNR Bearings, 1981–1988

EDUCATION
- Ecole Polytechnique, France 1978

Executive Board

Mikko Moilanen

PRESIDENT OF SPORTS INSTRUMENTS AND HEAD OF AMER SPORTS DIGITAL PRODUCTS AND SERVICES STRATEGY
Born 1965, Finnish nationality
Executive Board member since 2010

CAREER
- Nokia, various international executive and senior manager positions in R&D, product creation, program and portfolio management as well as demand supply network management and strategy, 1992–2009
- ASIC Design House Smartech Oy, Design Engineer and Project Manager, 1989–1992

EDUCATION
- M.Sc. (EE), Microelectronics and Digital Signal Processing, Tampere University of Technology, Finland

Jean-Marc Pambet

PRESIDENT OF FOOTWEAR AND PRESIDENT OF SALOMON SAS
Born 1959, French nationality
Executive Board member since 2009

CAREER
- President of the Footwear business area and President of Salomon SAS since 2010
- Amer Sports, President of Apparel and Footwear, 2007–2009
- Salomon, General Manager Apparel & Footwear, 2002–2007
- Salomon, General Manager EMEA, 1996–2001
- Salomon, Country Manager France, 1990–1995
- Salomon, various positions, 1985–1989
- Eurequip Paris, consulting, 1983–1985

POSITIONS OF TRUST
- European Outdoor Group (EOG), Member of the Board of Directors since 2009
- Outdoor Sports Valley, Vice President since 2011

EDUCATION
- Ecole HEC Paris, France, 1982

Michael Schineis

PRESIDENT OF WINTER SPORTS EQUIPMENT
Born 1958, German nationality
Executive Board member since 2002

CAREER
- Amer Sports Winter Sports Equipment, President since 2007
- Atomic Austria GmbH, President since 1996
- Salomon Germany GmbH, General Manager, 1993–1996
- CONTOP (advertising agency) management team member, 1989–1993

POSITIONS OF TRUST
- Member of the "Beirat für Wissenschaft und Forschung des Landes Salzburg"
- Member of the Advisory Board of Bulthaup GmbH & Co. KG

EDUCATION
- MBA, PhD (Dr.rer.pol.), Augsburg, Germany

Jussi Siitonen

CHIEF FINANCIAL OFFICER
Born 1969, Finnish nationality
Executive Board member since 2011

CAREER
- Amer Sports Corporation, Senior Vice President, Finance, 2009–2010
- Stora Enso Group, Senior Vice President and Group Controller, 2008–2009
- Stora Enso Group, Senior Vice President, Chief Accounting Officer, 2006–2008
- Stora Enso Group, several finance, controlling and project management positions , 1992–2006

EDUCATION
- M.Sc. (Econ.), Helsinki School of Economics, Finland

Heikki Takala

PRESIDENT AND CEO
Born 1966, Finnish nationality
Executive Board member since 2010

CAREER
- Procter&Gamble, several leadership positions in brand management, marketing, sales, and commercial strategy at country, region, and global level, 1992–2010
- 15 years of international experience, last 8 years in Switzerland

EDUCATION
- M.Sc., International Business, Helsinki School of Economics, Finland and ESADE, Barcelona, Spain

Andy Towne

PRESIDENT OF APPAREL
Born 1966, British nationality
Executive Board member since 2010

CAREER
- Musto Ltd, Chief Executive Officer, 2008–2009
- Reebok International Ltd, Vice President Marketing & Product Europe, 2004–2007
- Helly Hansen Asa, Vice President, Global Marketing & Product, 1998–2003
- Adidas UK Ltd. Marketing Director, 1994–1998
- Kraft Jacobs Suchard Ltd, Brand Manager, 1991–1994
- Saatchi & Saatchi Advertising Ltd, Account Manager, 1988–1990

EDUCATION
- MA, BA (Hons), Land Economy, Cambridge University, United Kingdom

Michael White

CHIEF SALES OFFICER AND GENERAL MANAGER, EMEA AND AMERICAS
Born 1964, British nationality
Executive Board member since 2010

CAREER
- Amer Sports, Chief Sales Officer and General Manager, EMEA and Americas, 2013–
- Amer Sports, General Manager, EMEA 2010–2013; General Manager, Europe 2008–2009; General Manager, UK & Ireland 2005–2008
- Office Depot, General Manager, France 2000–2004
- ICI Paints, General Manager, France, 1997–2000
- French Connection, General Manager, France 1995–1997, Commercial Director, France 1993–1995
- Coats Viyella, Sales & Marketing Manager, Ecuador 1992–1993, Marketing Executive, Europe 1990–1991, Management Trainee 1988–1990

EDUCATION
- MA Hons, University of St Andrews, United Kingdom

Remuneration

Amer Sports strategy provides clear direction to total reward principles, which are closely linked to targeted business success, financial and personal performance. The aim of total rewarding is to drive business success through total reward programs that attract, motivate, reward and retain good and high performers.

REMUNERATION AND OTHER FINANCIAL BENEFITS OF THE BOARD OF DIRECTORS

Amer Sports shareholders determine the amount of compensation to be paid to members of Amer Sports' Board of Directors at the Annual General Meeting of shareholders.

The Annual General Meeting of shareholders of Amer Sports on March 7, 2013 resolved that the Chairman of the Board of Directors shall be paid an annual remuneration of EUR 100,000, the Vice Chairman EUR 60,000 and other members of the Board of Directors EUR 50,000 each.

According to the resolution of the Annual General Meeting, 40 percent of the annual remuneration budgeted for the members of the Board of Directors, including with respect to the Chairman of the Board of Directors and the Vice Chairman, will be used to acquire Amer Sports shares for the account of each member of the Board of Directors. A member of the Board of Directors is not permitted to sell or transfer any of these shares during the term of his or her Board membership. However, this limitation is valid for a maximum of five years after the acquisition of the shares.

THE NUMBER OF SHARES GRANTED TO THE BOARD OF DIRECTORS AS REMUNERATION

On June 17, 2013, the members of the Board of Directors together received annual remuneration totalling EUR 410,000, of which EUR 164,000 was paid in shares.

The members of the Board of Directors received the following numbers of shares:

	Cash payment in Euros	Number of shares	Total in Euros
Ilkka Brotherus	36,008	1,841	60,000
Martin Burkhalter	30,009	1,534	50,000
Christian Fischer	30,009	1,534	50,000
Hannu Ryöppönen	30,009	1,534	50,000
Bruno Sälzer	30,009	1,534	50,000
Anssi Vanjoki	60,004	3,069	100,000
Indra Åsander	30,009	1,534	50,000
Total	**246,055**	**12,580**	**410,000**

TOTAL REWARDING PRINCIPLES AND REMUNERATION OF THE PRESIDENT AND CEO AND OTHER EXECUTIVES

The Amer Sports total rewarding principles are derived from Pay for Performance philosophy and are closely linked to targeted business success, financial and personal performance. The principles of total rewarding and Pay for Performance philosophy apply to all Amer Sports employees and are closely linked to Amer Sports performance management process, called Coaching for Success.

Annual targets are derived from the Group's strategy and long-term financial targets and these targets are cascaded to the Business Area, team and individual level with Amer Sports performance management, Coaching for Success. The individual performance is evaluated during an annual performance discussion. In the case of the President and CEO, the performance is evaluated by the Board of Directors.

The components of total rewarding
1. base pay
2. benefits
3. annual incentives and
4. long-term incentives.

Base pay forms the basic element of compensation and takes into account particularly the role content and demand of the role. Amer Sports conducts merit reviews annually in accordance with the Pay for Performance philosophy.

Benefits are part of Amer Sports total rewarding and the principles observed follow local practices. Such local practices consist of taxable and non-taxable benefits. Examples of such common benefits are health care and mobile phone.

Amer Sports annual incentive programs, which are cash-based, drive the company's strategy, financial targets and development programs in the short term. Annual incentive programs are built against the Group's and entity's strategy. Annual incentives reward employees for achieving business success through company's defined financial targets, key performance indicators and reaching personal targets. Participation in an annual incentive program is role-dependent and it covers majority of Amer Sports employees.

The long-term incentive programs, which are share- and cash-based, drive Amer Sports strategy execution and reaching the financial targets in the long term. The long-term incentives have a strategic focus at the Group level and the earnings opportunity is linked to company's financial performance criteria and Amer Sports share price development. A limited number of executives and key players participate in long-term incentive programs, with participants being nominated by the President and CEO, reviewed and proposed to the Board of Directors by the Compensation Committee and approved by the Board of Directors. Long-term incentive programs are governed by the Board of Directors.

Amer Sports key principles for incentive programs

A. Prioritize Group level target achievement
B. Ensure performance targets are in line with agreed financial targets and differences in roles of and target setting in Business Areas
C. Pay for performance: emphasis on sustainable fundamentals and improvement
D. Reward for longer term achievements, and emphasize more on achieving long-term business aspirations of Amer Sports

The Board of Directors determines the salaries and compensation which is paid to the President and CEO and his immediate subordinates. The Compensation Committee is responsible for preparing the proposals for the CEO's and his immediate subordinates' salaries and the executive's incentive system. In all remuneration decisions, Amer Sports follows manager's manager principle of approval.

Pensions

Executives in Finland participate in the standard statutory Finnish pension system called TyEL. According to this statutory pension system, base pay, taxable benefits and annual incentives represent pensionable earnings. Executives located outside of Finland participate in the local pension systems that apply in the countries where they are employed.

President and CEO

Heikki Takala is the President and CEO of Amer Sports from April 1, 2010. The terms and conditions of employment that apply to the company's President and CEO have been approved by the Board of Directors and they are defined in a written executive agreement. Termination of President and CEO's written executive agreement requires six (6) months' notice on both sides. Should the company terminate the President and CEO's appointment, a severance payment equalling twelve (12) months of total annual gross salary is payable. The President and CEO participates in the standard local statutory pension system and can retire at the age of 65.

The Board of Directors determines the salaries and compensation which is paid to the President and CEO. He is eligible to participate in Amer Sports Corporation's Executive annual incentive program. The Board of Directors decides on the President and CEO's annual incentive target setting and makes the achievement review.

The President and CEO received 30,000 Amer Sports shares on April 1, 2010 when joining Amer Sports and the shares were free from transfer restrictions on April 1, 2013.

The President and CEO is participating in the Performance Share Plan 2010 and in the Restricted Stock Plan 2010. The received shares are under transfer restrictions as per the Plans' terms and conditions. He received 15,100 shares in 2012 for participating in Performance Share Plan 2010, for the earning year 2011 and 10,000 for participating in the Restricted Stock Plan 2010, for the earning year 2011. He received 375 shares in 2013 for participating in Performance Share Plan 2010, for the earning year 2012 and 9,000 shares for the earning years 2010–2012. He received 10,000 shares in 2013 for participating in the Restricted Stock Plan 2010, for the earning year 2012.

The President and CEO participates in the Performance Share Plan 2013 and Restricted Stock Plan 2013.

SALARIES, BENEFITS AND INCENTIVES PAID DURING 2013

Salaries, benefits and other compensation paid to the President and CEO and the members of the Executive Board in 2013 totalled EUR 9.6 million. In 2013, total compensation paid to the President and CEO Heikki Takala amounted to EUR 1.1 million, of which incentives totalled EUR 0.5 million. Salaries, benefits and other compensation paid to the other members of the Executive Board totalled EUR 8.5 million, of which incentives totalled EUR 4.0 million. No separate compensation is paid to the members of the Executive Board for their participation in any management bodies.

The annual incentives paid to the President and CEO and the members of the Executive Board in 2013 were based on the results of the calendar year 2012. The annual incentive target elements for the President and CEO and the members of the Executive Board were Group's Earnings Before Interest and Taxes (EBIT), Net Sales and Cash Flow. In addition to the Group's targets, the Business Area Presidents were rewarded for the Business Area's Earnings Before Interest and Taxes (EBIT), Net Sales and Working Capital related achievement and the Regional General Managers were also rewarded for their region's Gross Margin, in line with their responsibility areas' strategic role in the Group. The President and CEO and each member of the Executive Board also have a portion of incentive reward based on personal objectives, which are directly derived from the Group's strategy.

Salaries, benefits and other compensation paid at December 31, 2013 (EUR)

	Salaries	Annual incentive*	Long-term incentives**	Total
President and CEO	641,113	241,440	254,555	1,137,108
Members of the Executive Board***	4,488,696	1,125,081	2,862,558	8,476,335
Total	**5,129,809**	**1,366,521**	**3,117,113**	**9,613,443**

* Paid in 2013, based on 2012 achievements
** Paid in 2013, based on 2012 achievements and includes taxes paid as part of share-based incentive plans
*** Rob Barker joined on June 1, 2013; Paul Byrne retired on August 31, 2013; Chris Considine left on November 4, 2013

Shareholding at December 31, 2013

	Shares
Members of the Board of Directors	2,753,471
President and CEO	114,135
Executive Board	382,023
Total	3,249,629

LONG-TERM REMUNERATION PROGRAMS

Cash-based long-term incentive plans

Deferred cash long-term incentive 2008–2010

This deferred cash long-term incentive program seeks to elicit commitment from key executives. The program encourages the achievement of the annual targets and long-term shareholder value. Its result is tied to three-year trend in shareholder value. The reward is payable in cash in the same currency as a participant's salary and the payments are subject to taxes and other deductions under applicable laws. At the end of 2013, 63 members in management roles at subsidiaries were within the scope of the programs.

Deferred cash long-term incentive 2011–2013

On December 21, 2010, the Board of Directors resolved to establish continuation to the previous deferred cash long-term incentive program, with amended terms and conditions.

This deferred cash long-term incentive program seeks to drive Amer Sports' strategy and long-term target achievement. The program encourages the achievement of the Group's annual financial targets and long-term shareholder value. Its result is tied to two-year trend in shareholder value. The reward is payable in cash in the same currency as the participant's salary and the payment is subject to taxes and other deductions under applicable laws. At the end of 2013, 150 key employees in the organization were within the scope of this program.

Share-based incentive plans

Performance Share Plan 2010

On February 4, 2010, the Board of Directors approved a share-based incentive plan for the Group's key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer key personnel competitive reward plans based on holding the company shares. The plan rewards the key personnel for short-term financial targets achievement and at the same time for long-term shareholder value and commitment.

The Performance Share Plan 2010 includes six earning periods, the calendar years 2010, 2011 and 2012 and calendar years 2010–2012, 2011–2013 and 2012–2014. The Board of Directors decides on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Rewards from the plan for the earning period 2010 was based on the Group's Earnings Before Interest and Taxes (EBIT) and potential rewards for the earning period 2010–2012 was based on the Group's Total Shareholder Return (TSR). Rewards from the plan for the earning period 2011 was based on the Group's Earnings Before Interest and Taxes (EBIT) and Net Sales and potential rewards for the earning period 2011–2013 will be based on the Group's Total Shareholder Return (TSR). Potential rewards from the plan for the earning period 2012 was based on the Group's Earnings Before Interest and Taxes (EBIT) and Net Sales and potential rewards for the earning period 2012–2014 will be based on the Group's Total Shareholder Return (TSR). For the earning periods, Group's EBIT and Net Sales constituted 70% and Total Shareholder Return 30% of the earnings criteria.

A prerequisite for participation by key personnel in the plan and for receiving rewards on the basis of the plan is that they must acquire Company shares. Participants in the plan will be entitled to receive shares as a reward for meeting this condition. In 2011, as a reward for meeting this condition, 40,698 shares were transferred to key personnel participating in the Performance Share Plan. In 2012, as a reward for meeting this condition, 7,255 shares were transferred to new key personnel participating in the Performance Share Plan. In 2013, as a reward for meeting this condition, 4,434 shares were transferred to new key personnel participating in the Performance Share Plan.

Potential rewards from the earning periods will be paid partly in Company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs, which arise from the reward to key personnel. Shares awarded in connection with the earning periods 2011 and 2012 may not be transferred during the restriction periods, which ended on December 31, 2013 and will end on December 31, 2014 respectively. The amount of net rewards to be paid on the basis of the Performance Share Plan 2010 will be a maximum total of 1,000,000 Amer Sports shares.

In addition to the Plan's restriction periods, members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

In March 2012, in relation to the earning period 2011, 183,074 shares were transferred to key personnel participating in the Performance Share Plan. In March 2013, in relation to the earning period 2012, 4,580 shares were transferred to key personnel participating in the Performance Share Plan and in relation to the earning period 2010-2012, 85,860 shares were transferred to key personnel participating in the Performance Share Plan.

In 2012, 5,209 shares and in 2013, 19,198 shares granted as share-based incentives based on the Performance Share Plan were returned to Amer Sports Corporation in accordance with the terms of the incentive plan as employment ended. These include shares paid as reward for achieving Group's financial targets and shares paid in meeting the Plan prerequisite.

The Performance Share Plan is directed at approximately 60 people, including the members of the Executive Board. At the end of the calendar year, 54 key players participated in the Performance Share Plan for the earning period 2011 and 2011–2013 and 57 key players in the Performance Share Plan for the earning period 2012 and 2012–2014.

Restricted Stock Plan 2010

On February 4, 2010, the Board of Directors also approved another share-based incentive plan for the Group's key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them competitive reward plans based on holding the company shares.

The Restricted Stock Plan includes three earning periods, calendar years 2010, 2011 and 2012. Potential rewards will be based on continuation of employment. Potential rewards from the earning periods will be paid partly as the company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs incurring as a result of receiving a reward. Shares may not be transferred during the restriction periods, which ended on December 31, 2012 and on December 31, 2013 and will end on December 31, 2014. The amount of net rewards to be paid on the basis of the Restricted Stock Plan will be a maximum total of 270,000 Amer Sports shares.

In addition to the Plan's restriction periods, the members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

In March 2012 and in relation to earning period 2011, 89,700 shares were transferred to key players participating in the Restricted Stock Plan. In March 2013 and in relation to earning period 2012, 88,000 shares were transferred to key players participating in the Restricted Stock Plan.

In 2012, 1,200 shares and in 2013, 10,000 shares granted as share-based incentives in the Restricted Stock Plan were returned to Amer Sports Corporation in accordance with the terms of the incentive plan as employment ended.

At the end of the calendar year, 23 key executives participated in Restricted Stock Plan for the earning period 2011and 24 key executives for the earning period 2012.

Performance Share Plan 2013

On December 14, 2012, the Board of Directors approved a share-based incentive plan for the Group's key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer key personnel competitive reward plans based on holding the company shares. The plan rewards the key personnel for short-term financial targets achievement and at the same time for long-term shareholder value and commitment.

On December 19, 2013, the Board of Directors approved amendments to the Performance Share Plan 2013 for the remaining earning years. The number of employees included in the Performance Share Plan is extended from approximately 80 to 200 persons, and the amount of net rewards to be paid on the basis of the Performance Share Plan is increased from a maximum total of 1,200,000 to a maximum total of 1,400,000 Amer Sports Corporation shares.

The Performance Share Plan 2013 includes six earning periods, the calendar years 2013, 2014 and 2015 and calendar years 2013–2015, 2014–2016 and 2015–2017. The Board of Directors decides on the earnings criteria and the targets to be established for them for each earning period at the beginning of each earning period. Rewards from the plan for the earning period 2013 were based on the Group's Earnings Before Interest and Taxes (EBIT) and Net Sales and potential rewards for the earning period 2013–2015 will be based on the Group's Total Shareholder Return (TSR). Rewards from the plan for the earning period 2014 will be based on the Group's Earnings Before Interest and Taxes (EBIT) and Net Sales and potential rewards for the earning period 2014–2016 will be based on the Group's Total Shareholder Return (TSR). For the ongoing earning periods, the weighting for the EBIT and Net Sales totals 80% and TSR 20%.

A prerequisite for participation by key personnel in the plan and for receiving rewards on the basis of the plan is that they must acquire Amer Sports Corporation shares. Participants in the plan will be entitled to receive shares as a reward for meeting this condition.

Potential rewards from the earning periods will be paid partly in Company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs, which arise from the reward to key personnel. Shares awarded in connection with the earning periods 2013, 2014 and 2015 may not be transferred during the restriction periods, which will end on December 31, 2015, on December 31, 2016 and on December 31, 2017 respectively. The amount of net rewards to be paid on the basis of the Performance Share Plan will be a maximum total of 1,400,000 Amer Sports Corporation shares. Prior to the amendment decision on December 19, 2013, the amount of net rewards to be paid on the basis of the Performance Share Plan was a maximum total of 1,200,000 Amer Sports Corporation shares.

In addition to the Plan's restriction periods, members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

The Performance Share Plan is directed at approximately 200 people, including the members of the Executive Board. Prior to the amendment decision on December 19, 2013, the Performance Share Plan was directed at approximately 80 people. At the end of 2013, 82 key players participated in the Performance Share Plan for the earning period 2013 and 2013–2015.

Restricted Stock Plan 2013

On December 14, 2012, the Board of Directors also approved another share-based incentive plan for the Group's key personnel. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer them competitive reward plans based on holding the company shares.

The Restricted Stock Plan includes three earning periods, calendar years 2013, 2014 and 2015. Potential rewards will be based on continuation of employment. Potential rewards from the earning periods will be paid partly as the company's shares and partly in cash. Cash payments will equal to taxes and tax-related costs incurring as a result of receiving a reward. Shares may not be transferred during the restriction periods, which will end on December 31, 2015, on December 31, 2016 and on December 31, 2017 respectively. The amount of net rewards to be paid on the basis of the Restricted Stock Plan will be a maximum total of 300,000 Amer Sports Corporation shares.

In addition to the Plan's restriction periods, the members of the Group Executive Board must hold 50% of the shares they receive on the basis of incentive plans as long as the value of the shares held by the member of the Executive Board in total corresponds to the person's annual gross salary.

At the end 2013, 57 key executives participated in Restricted Stock Plan for the earning period 2013.

Information for Investors

Annual general meeting
Amer Sports Corporation Annual General Meeting will start at 2 pm on Thursday, March 6, 2014 at Messukeskus, Expo and Convention Centre Helsinki, Messuaukio 1, 00520, Helsinki, Finland. Registration and the distribution of voting tickets begin at 1.00 pm. More information about Amer Sports General Meetings is available at http://www.amersports.com/generalmeeting.

Dividend
The Board of Directors proposes that a dividend of EUR 0.40 per share be paid for 2013, representing a dividend ratio of 53%. A dividend of EUR 0.35 per share was paid for 2012.

Stock exchange releases
Amer Sports stock exchange releases are available in Finnish and English immediately after publication at www.amersports.com. Stock exchange releases can be subscribed and unsubscribed at www.amersports.com/investors-and-media/subscribe or by sending email to amer.communications@amersports.com.

Interim reports 2014
- January–March: Thursday, April 24
- January–June: Thursday, July 24
- January–September: Thursday, October 23

Silent period
Amer Sports' silent period starts from closing of the accounts until the quarterly results are made public as follows:
- Start of the silent period: January 1, April 1, July 1, and October 1.
- End of the silent period: The results of the each respective quarter are made public.

During the silent period, the company's top management and Investor Relations do not meet with the representatives of capital markets or financial media, nor comment on issues related to the company's financial situation or general outlook.

If an event occurring during the silent period requires immediate disclosure, Amer Sports will disclose the information without delay in compliance with disclosure rules and may also comment on the event concerned.

The closed window rule for Amer Sports' insiders begins and ends at the same time as the silent period. During the closed window, insiders are not allowed to trade in the company's securities.

Investor relations pages on the web
The Amer Sports investor relations pages at www.amersports.com/investors-and-media contain a share monitor, information about Amer Sports' largest shareholders, the company's insider register, presentations and reports as well as consensus estimates, among others.

Change of address
Shareholders are advised to inform all banks and asset management companies where they have book-entry accounts about changes in their contact details. If the account is administered by Euroclear Finland, information about changes in contacts details should be send to Euroclear Finland.

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Basic share information
- Listed on NASDAQ OMX Helsinki Ltd
- NASDAQ OMX: AMEAS
- Reuters: AMEAS.HE
- Bloomberg: AMEAS.FH
- ADR: AGPDY, 023512205
- ISIN code: FI0009000285

Primary indexes
- NASDAQ OMX Helsinki
- OMX Helsinki CAP
- OMX Helsinki 25
- NASDAQ OMX Nordic Consumer Goods Industry

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