FINAL TRANSCRIPT

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PRESENTATION

Operator

Ladies and gentlemen, welcome to the Amer Sports [third-term] conference call. My name is Steffi and I will be your coordinator for today's conference. For the duration of the call you will be on listen-only. However, at the end of the call, you will have the opportunity to ask questions. (Operator Instructions)

I am now handing you over to Tommy Ilmoni, Vice President, IR and Corporate Communication to begin today's conference.

Tommy Ilmoni - *Amer Sports Oyj - VP, IR & Corporate Communications*

Good afternoon, ladies and gentlemen, and welcome to Amer Sports Q3 2009 webcast and conference call. With me here today I have on the call President and CEO Roger Talermo, as well as Executive Vice President and CFO Pekka Paalanne. I would now like to hand over to Roger Talermo. Please.

Roger Talermo - *Amer Sports Oyj - President & CEO*

Thank you, and welcome also on my behalf to this third quarter presentation. Let's jump right into the business. As you have seen maybe -- as you will see on the screen here, our net sales were down 6% to EUR410.6 million. Clearly, still the issue is in the Americas where we are still going down double digits, minus 14%.

EMEA and Asia Pacific are holding up pretty well. They are on last year's level. In delivering now, we are right into the peak season of the winter sports. We're a little bit behind on pre-order book deliveries compared to last year, but nothing dramatic. I'll come back to this in a second. And the good news is that Apparel and Footwear continue to grow in a pretty decent way.

The trend, generally speaking, is not very different from -- or it's not different from our trend in Q1 and Q2. We continue to see that the biggest challenge is in the US market, where consumers mainly are moving towards more value price points.

For the quarter, our EBIT was EUR40.7 million. So we were behind last year. And the weaker profitability mainly comes from our North American operations. Earnings per share came up to EUR0.38. And we can say that our balance sheet is substantially stronger now, especially after the rights offering, which was done after Q3. And very successfully, investors were ready to place EUR160 million to the Company.

Our stronger balance sheet is not only due to this rights offering, but also our so-called P-100 Program, where we are reducing our working capital. And we are clearly ahead of this program, so we are now starting to see our inventories going down. And this, of course, is a very, very good news. It's not only an inventory issue, but the main inventories are taken down.

We're still continuing to explore strategic alternatives regarding our cycle component business.

If we compare first the Q3 with Q3 last year, in Winter and Outdoor business, we're behind 2%. In Ball Sports, we're behind 9%. And I'm now only referring to the local currency number. There's, of course, a little exchange difference. So the reported numbers are slightly better than what I'm now announcing.

And the Fitness continued to be the weak business with the business down 20%. But this gives overall quarter to be 6% behind last year in local currencies, 5% in reported currency.

It's slightly improving from our earlier presentations or earlier reporting overall because we're now 7% behind on the first nine months, 3% in reported currencies. Fitness behind 23%, Ball Sports behind 7%, and Winter Sports behind 1%.

If you look at the EBIT development, again, first the third quarter, Winter Sports is down 4% in local currencies. In Ball Sports we clearly have a margin issue. We're down much more, 64%. Fitness is slightly negative. So the overall slide on the EBIT level is minus 21% down to the EUR40 million I was referring earlier.

Now, this third quarter change then to group into positive numbers. As we always had the first part of the year being more negative and then hopefully now we're going towards a better part of the year.

Now, let's go a little bit deeper into the Winter Sports business -- Winter and Outdoor business, excuse me. Winter Sports equipment business was down 8% to last year, it was EUR119.6 million. We feel, and as we have indicated earlier, our order level is on last year's level if we take sales and orders until today. So this minus 8% is only indicating that we're shipping out little -- slightly later than previous year.

We don't feel there's any major issues here. It's just a question of timing of deliveries that has been requested from us by our dealers. And therefore we show this number.

The order level if it's flat year-on-year, it's though up clearly in Europe, and likewise, it's clearly down in North America. Again, here we see that the main issue is unfortunately linked to the American market. The profitability is clearly improving, as we have said all through the year that our efforts we've done in the past two-three years of restructuring, they are paying off this year. And therefore, the profitability is going towards the better.

Apparel and Footwear plus 7%, EUR99.3 million, and it looks like at least in Europe the demand is encouraging with good reorders of Salomon footwear. We cannot unfortunately yet indicate the order levels for Spring-Summer 2010 as we are just in the middle of clearing up where we stand on that point.

Cycling trend is still negative, minus 10%, EUR21.5 million. Generally, it's a question of lower inventories. Dealers are still de-stocking, especially the independent bike dealers, which is a very important part for our business because that's what we call the component business on the aftermarket that will sell directly through dealers to consumers.

The one which is even harder hit, clearly harder hit, is the OEM sales, which is the sales to bike manufacturers as they see a very soft business going forward.

Sports Instruments are picking up a little bit. We are only down 1% to EUR22 million compared to last year's. The decline, exactly like we have announced earlier, is in dive products and on the US market. Dive, as we all know, is very much related to dive traveling. And as that is down, then, of course, this is down too.

We started to ship and market new premium watch line, which is mainly to the watch channel called Elementum. It's too early to say of the success. The sale -- sell in has been very good, but that's not all. We want to see how the sell through has gone. And we certainly, in the next report, can come back to this issue.

Then if we move over to the Ball Sports business, Racquet Sports down 9% to EUR52.8 million, Americas minus 13%, EMEA 3%, and Asia Pacific up. Again, same story, recession in US especially, more important than anywhere else. And we have to also remember that we are launching a completely new top line in the beginning of next year, which certainly has an impact at the end of this year, where dealers are cautiously buying in old, old products as they know that there's a new line coming in.

Team Sports, minus 10%, EUR35.8 million. Now, Team Sports business, as you know, is consisting of several different sports, and we really can see an up and down here. Although 84% of the business is US based, we still see a lot of moves here. American football is down 11% due to -- simply due to the soft US market. The Soccer business or what we call the European Football business is up 14%, that's very positive South America, North America, and elsewhere. And the Baseball business, which is posting flat numbers, clearly we believe that we gained share there as the market is very soft.

We are now completely, more or less, out of the golf season. So Golf business is very marginal, only EUR14.8 million, sliding 8%. We are doing better on the European market, and the US market, but as you probably all know, the whole golf market is quite a struggle momentarily as discretionary items are not selling through very well.

Fitness continues to slide minus 20%, EUR44.8 million. The market situation is very much unchanged to the previous reporting. The commercial business is suffering from the lack of credit, which means that our customers, our fitness clubs have difficulties to find finance for their equipment purchase.

Consumer level -- consumer sales or sales to consumers likewise is suffering from a very low level of discretionary spending. We are momentarily, as we have been talking about this earlier, especially to the consumers, restructuring our channel as many of our distributors have been in tough financial positions.

We have also found new distributors, new representatives for our products, especially on the US market. And goes without saying that also new channels has been introduced here among the other sales through web.

We are, as also indicated earlier, constructing a new facility for our strength equipment in North Carolina. It's all on track. It should open end of this year or beginning of next year. So then 2010, first six months, we are transiting our production from California to North Carolina, which then is going to give us not only substantially improved operation facilities, but also clearly better efficiency ratios as this operation is going to be cheaper to run than the previous ones.

On the next slide you see the key ratios. I'm not going to go into them deeper than this. You can see here equity ratio being 35.9% and gearing being 104%. Now, this is, of course, without the capital increase. The numbers with the share issue successfully executed will change these numbers very, very clearly. And I will partly come back to that -- this in this presentation.

And as you all probably are aware, end of Q3, beginning of Q4 is the peak season for our working capital. So that's why our debt ratio or debt is increasing to EUR627 million, net debt being EUR565 million. We have no issues on this side in the sense that only 25% is short term, mainly Finnish commercial papers. And as we all know, it's a very interesting market because the price is very competitive. However, it's a very short term market, and therefore it's under six months usually the maturity of these commercial papers.

Most of our facilities and loans, bonds et cetera are due in 2011 and 2012. So they are not anything -- there's nothing that would make us into an urgent position momentarily.

As I already few times referred to the rights offering, it's now done. The gross proceeds were EUR160 million and the net approximately EUR152 million. New shares were given out, EUR48.5 million. So now the total number of outstanding shares is EUR121.5 million. They are now all registered as one share line, and we have to be very happy that our investors were so actively participating in this rights issue.

Now we have a more, would say, strength in terms of financial strength, opportunities for strategic and operational flexibility. This is, of course, a very good thing as we don't know how long this tough market environment will last. And if it turns out to be a shorter one from here onwards, then we have the opportunity then to also be aggressive on the market and do things that will help us to grow and improve our business performance.

First of all, of course, we are using the proceeds to pay down our debt, which means that on a pro forma basis our net gearing that was 121% at the end of last year will come down to the level of 71%. And as we can see from this chart, our gearing is now below 80%, between 60% and 80%, that will say -- on the 71% level, which means that we feel we are in the so-called comfort zone that we have defined for ourselves going forward, which will help then us to stay in a good shape.

The outlook for the 2009 has not changed during this third quarter. As I mentioned several times, the quarter was very much similar to the earlier ones, and therefore our company guidance is unchanged. Our full year EBIT will be below last year's level.

We will come back to next year at the later stage. At this point, it's far too early to give any indications. But I think it goes without saying that as we are now in end of October or beginning of November, there cannot be any material change over next three, four months. So I'm pretty sure that 2010 year will start like the 2009 year is ending.

So I think a very cautious approach going into next year is certainly the way how we are going to proceed at least to start with. And then we are, of course, following what the -- how the market is going to develop. But our principle approach will continue to be improving our business, driving out expenses, continuing to be kind of tight in the way how we operate.

And then when the market then starts to turn, then we can see what kind of actions we can start to take. But I don't think that that's really the thing to do in the beginning of the year, as this might prolong at least for another some months before we start to see the turn.

And one thing that I would like to point out to -- at the end here is that even if the consumer sentiment would change very quickly and the unemployment would turn around, which I don't think it will do so quickly, the industry, sporting good industry, as well as many other consumer durable goods businesses will have lead times. And the lead times means in practice that even if the turnaround happens, it will take some time before the pipeline is then ready to start to increase the volumes because everybody has, in the past year-and-a-half, been driving down the inventories and the working capital.

So that will also make, I would say, the 2010 year a very cautious year in terms of top line and growth. So thank you very much from my side. And now I think we are ready to answer questions if you have any. So over to Steffi.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions). The first question comes through from the line of Fitz Peters from Goldman Sachs. Please go ahead.

Fitz Peters - *Goldman Sachs - Analyst*

Hi, good afternoon, gentlemen. Three questions for you, all regarding Winter Sports. First off, last year, if I remember correctly, third quarter sales were also down due to a delay in deliveries. I'm just wondering at some point we are going to have a permanent shift towards a focus on higher in-season deliveries. Or do you expect it to return fully to where it had been before?

Second question, despite the improvement in the Winter Sports profitability and strong growth in the Apparel and Footwear, the third quarter Winter and Outdoor EBIT margin was down about 25 basis points year-on-year. I was wondering if that's entirely due to Mavic or Suunto has something to do with that as well.

And third, I know you don't have a 100% visibility on where your skis also may end up, but wondering if you have any feeling in terms of a shift towards skis going towards rental business rather than sales directly to the consumer. Thank you.

Roger Talermo - *Amer Sports Oyj - President & CEO*

Thank you very much, very good questions. Let me start with the first one, which is little bit linked to your third question. That's true; we have the same type of phenomenon this year where Q3 orders are shifted over to Q4.

I think it's due to several reasons. But one reason is certainly that dealers -- and I -- why not even our own sales people have a tendency that the earlier we can start the season the better, but then when we actually come to the season, this tendency -- when it booked the orders in March, April, May, then when you actually come to the season, people are kind of working through according to the weather pattern.

So if it's cold and early season start, then there's a tendency that they advance the orders. But if it's a warm nice autumn time, then there's again the tendency to go the other way around.

Now, this year, I would devote part of this logic to the fact that working capital constraints, financing, et cetera puts everybody more on alert, and this makes people taking in products closer to the actual sale and this one to two months creating an appetite for skiers by showing products is clearly becoming shorter.

Now, will this be permanent or not, that time will show, but there are some elements of it, which could be more sustainable unfortunately and some elements that are more of a one-pipe nature. So I have a hard time to really draw there a conclusion at this point.

The other element, which is also the answer to -- partly to your third question is that we see a shift of more products sold to dealers in ski resorts. So there is a tendency -- I wouldn't call it yet a trend, but a tendency that the resort dealers are picking up business from the -- we call them urban dealers or plain dealers, the shops around the big city.

In some countries, we even see big city sporting good stores entirely dropping their ski lines, and we can see an increase again in ski line presentations in ski areas, the valleys, the closer-to-the-mountain stores. And that -- and this has been clearly the trend during the tough times, the 2006-2007 seasons. But that trend seems to sustain. And, of course, the guys in the mountains, they take in the products later than the guys in the cities.

Now we know that there's also an increased trend towards renting ski products, snow boards, skis, et cetera. And how that today works is that, especially with the ski shops in ski resorts, they buy in skis, all kind of skis they are going to sell, and then depending on the season, they shuffle some of them into rental and some of them into sales.

And you really do not know in advance how much they are going to put in rental and how much in sales. You know it approximately, but you don't know it for sure. And also this makes the situation such that they push more this -- the products to come in later in the season.

So the rental shift is not necessarily bad for us. There's a quicker rotation on those. And as they kind of take the skis to the rental business out of the same pool that they purchased, to be sold, the mix is better for us. And that -- and therefore, I think overall, this is not necessarily a negative trend.

Then to your second question concerning the Winter Outdoor profitability, evidently we have had a hit from the Mavic recall, which we announced earlier. The R-SYS high-end wheel, which was recalled, the carbon-fiber wheel, was a very expensive product. So it had an impact also this way on the margins, as usually the more expensive products has a bigger margin.

So it's been not only a Winter Sports issue, it's been also partly a Mavic issue. And of course, Suunto, with the sports instruments, I was referring to that the dive market is affected and the dive market is the most profitable market within the Suunto portfolio. So of course, all those have an impact here.

Fitz Peters - *Goldman Sachs - Analyst*

Okay, thank you very much.

Operator

Thank you. (Operator Instructions). We've got another question from the line of Manu Rimpela from Deutsche Bank. Please go ahead.

Manu Rimpela - *Deutsche Bank - Analyst*

Hi, it is Manu Rimpela from Deutsche Bank. Can you hear me?

Roger Talermo - *Amer Sports Oyj - President & CEO*

Yes, thank you.

Manu Rimpela - *Deutsche Bank - Analyst*

Good afternoon to you. Could you be able to quantify the cost savings you are targeting going forward and how much you have already achieved so far this year in cost savings?

Roger Talermo - *Amer Sports Oyj - President & CEO*

If you look at our numbers, our -- there's, of course, there's two elements, there's two levels. One is coming from our earlier programs, from restructuring the Winter Sports, and I was referring to the time Winter Sports business is going to improve.

The other one comes from the fact that we have been very, very tight with expenses over end of last year, the whole this year. And we have not released any of that. So we're continuing to be tough on this. And of course, we have had to lay off a lot of people, et cetera.

Now, there is always a cost involved, and the impact comes with a small delay. So that's why we didn't really see a lot in the first quarter. And then gradually it has improved so that the third quarter savings were already substantially higher than the previous ones.

Now, however, going forward, we think that there will still be savings. And the total number of savings is, of course, still a question mark. I cannot project that one, but there will be some further continuation in terms of that -- that we're not at least going to increase our expense levels for the third quarter. But again, it's a very big season for us, the third -- excuse me, the fourth quarter, and still it's difficult to predict how it will go. So I wouldn't like to start to predict there more than that the savings are going to hold on a level where we have seen them on -- holding on full year perspective.

And as I indicated, we are continuing to drive expenses wherever we can find going into next year. It's clear that we also have expenses in the other direction that will come and we cannot just go downwards. But we'll see what the net will be when we get later, but at this point it's too early to predict more anything else than just that I think the level reached over the first nine months will hopefully hold all through the year.

Manu Rimpela - *Deutsche Bank - Analyst*

Okay, thank you. And then another question on the P-100 inventories, the receivables cutting program. So you said that it is proceeding ahead of plans. So should we expect more savings from that program in this year?

Roger Talermo - *Amer Sports Oyj - President & CEO*

I will hand this question over to our CFO Pekka Paalanne so that he can speak also during this conference call. Pekka, please.

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

Thank you. So indeed as you can see from the balance sheet and from the cash flow statements, so now we finally start to see some results coming out from these programs, which are really, kind of, made of two parts -inventories and receivables; we have to focus on those two items.

So -- and as we said that we have been -- we are ahead of the plan or we will be ahead of the plan end of September, so, of course, we hope to be ahead of the plan also when we finish off the year. Last quarter, of course, is a very important quarter, and so we will do the utmost to at least keep the same level (inaudible) throughout the year.

Seasonally, of course, our working capital has start to come down anyway towards the end of the year, but we try to maintain the same GAAP versus previous year if it's only possible.

Manu Rimpela - *Deutsche Bank - Analyst*

Okay, thank you. And then a follow-up question to you, Pekka, on -- could you quantify the financial cost and how come they were so low compared to the first half of the year? And is this the level we should expect going forward?

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

That's a very good point, and indeed, I think we should not expect that the level of financing cost would be better or would stay at the same level as what we have reported end of Q3. But basically, we have a fairly significant amount of unrealized foreign exchange gains being reported in financing costs.

And of course, it's kind of a month-end valuation type of thing. And so that is not something which will stay there. But it's -- I think that -- I would say that it has been exceptionally high. There is always something, but now it has been exceptionally high.

So you have to assume that -- and as we, I think, we said in the report that Q3, we had EUR3 million -- something around EUR3 million of this unrealized foreign exchange gains. And so that took us back out of that, and you get to the -- more to the right level of financing cost.

Manu Rimpela - *Deutsche Bank - Analyst*

Okay, thank you. And then a final question on the outlook. So how do you see so far in the Q4 that the -- well, it's quite early to say on reorder situation, but what kind of feeling does your retailers have? And can you elaborate a bit on that, so that one could get a grip of what should we expect in Q4?

Roger Talermo - *Amer Sports Oyj - President & CEO*

I would be very happy to give you an indication, but unfortunately I don't have one. We're just in the middle of the big pre-season shipment period, and therefore we are starting to get some reorders. But are they indicative for anything? I would say, no. It's far too early because we're still in October. In November, we know much, much more, but at this point, we don't.

The only thing what I can tell you, and you probably know this, is that the season has started early, glaciers are in good shape. You probably saw several of them opening. We know that some of the ski resorts, even on lower altitude [Ryt] among others, that down 800-900 meters level are open. The Scandinavian North have already ski resorts open two weeks in advance. So at least it indicates that it could be a normal season. I cannot say anything else unfortunately.

Manu Rimpela - *Deutsche Bank - Analyst*

Okay, thank you. And one more question on the geographical sales development. And you said that North America has been weak and Europe has been able to be relatively good. So do you see any reason that Europe would just be lagging the development in US, or what's the -- what's in your view the biggest difference between the US and European consumer?

Roger Talermo - *Amer Sports Oyj - President & CEO*

Yes, that's a tough question, and a long answer should be avoided here. One could give you a very long answer on this, but let's put it this way that we feel that the recession is just harder hitting the market in North America. They have probably less savings, they have a different situation with their housing finance, their mortgages, et cetera.

In Europe, actually, I think one of the reasons why -- it could be one of the reasons why the situation is slightly better is that we have also mortgages here in Europe on our apartments and houses, but the interest rates have been actually going the other way around, they have gone down.

So the pressure, if we have work, has actually been improving the situation for consumers. So I think that the European consumer, if they are employed, don't have a very, very difficult situation apart from, of course, if there is a psychological effect on to it.

But I have to say, I'm personally little bit surprised that the effect on the European market hasn't been worse. And I hope, and I have my fingers crossed here, which you don't see, that the worst should be over or could be over, so that maybe we are not falling that dramatically in Europe as the US market has been hit.

I however think that the US market is showing some kind of touch-the-bottom thing here. We don't necessarily see that the US market declining more from where it is today. And I think that in the fourth quarter, we start to compare with numbers that were already low. So I think we will get a more realistic picture.

We are still in our Q3 reporting, comparing some numbers to quite good numbers of last year, which means that there is still a kind of a negative, bigger negative trend there and -- but it is a very tough answer to answer in a straight way, but the recession clearly is hitting harder US market or has been hitting hard US market than Europe.

Manu Rimpela - *Deutsche Bank - Analyst*

Okay, thank you. No further questions.

Operator

Thank you. The next question comes through from the line of Tia Lehto from Carnegie. Please go ahead.

Tia Lehto - *Carnegie - Analyst*

Yes, hi, it is Tia from Carnegie. I have two questions relating to North America. The first one is really on the Ball Sports where you mentioned that the Ball Sports had a margin issue and which we could see from the numbers as well. But is this more on the Team Sports or Racquet Sports?

Roger Talermo - *Amer Sports Oyj - President & CEO*

It's clearly more on the Team Sports side. The Racquet Sports, of course, is pushed down a little bit because of the old line, as I was referring to. But Team Sports, we feel it's bigger because, first of all, many others -- many more sports, and that is where the channel, and let's say, the buying down to lower price points is much easier to be done than anywhere else.

We have also had here, as you might recall, Tia, in the beginning of the year we had a higher inventory as we could not stop the pipeline. I would say the orders placed in Asia or at our suppliers last year, we couldn't stop that when we saw that the market is hitting the wall in the same way. So we have too much inventory end of last year. So we have had also to push more in the Team Sports business than anywhere else. So I think --

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Tia Lehto - *Carnegie - Analyst*

Recalling that you pushed through in the second quarter already, did you do it still in the third quarter then also?

Roger Talermo - *Amer Sports Oyj - President & CEO*

Not really. I can't really say that we did anything like that, at least to the extent -- I don't know exactly every deal that was done, but I don't think that was more the case in the same way.

Tia Lehto - *Carnegie - Analyst*

Okay. Then let's go to the second question, and that's related to the Winter Sports equipment and the skis. You said that North America was worse than Europe. Is this really the market issue or is this more a currency issue?

Roger Talermo - *Amer Sports Oyj - President & CEO*

I think currency is part of the market issue.

Tia Lehto - *Carnegie - Analyst*

But if you look at the market in US, do you have a sense how much they have actually bought in? Are, for instance, the US brands doing better?

Roger Talermo - *Amer Sports Oyj - President & CEO*

Yes, absolutely, we have the information. First of all the pre-season bookings were clearly lower in US than they were in Europe. So that indicates that the US market was tougher. Of course, we discussed with the dealers too, and we know that the American dealers were facing much, much more problems than the European dealers. The -- especially the ones in the Rockies on the west coast, the traveling was down much more than in Europe because to get to Rockies from the big urban areas, you have to use the plane et cetera.

So that was clearly down. We knew and know that the services and the buying of all kind of services and goods at the ski resorts were even further down than the participation, much, much further than in Europe. So the ingoing situation was like this. Then it was confirmed by the pre-bookings, that they were lower. Then it was confirmed by the order -- excuse me, by the inventory levels, which were higher in Rockies.

And to your last point, us versus our, call them local competitors because most of the ski brands are European based. So everybody is facing the same situation as most of us do our products in euros, manufacture the products in euros. So we have the same dilemma. But the ones who do manufacture in dollars, we know that they are also hit.

Are they exactly hit at the same level as us? We don't know because those numbers are not disclosed. But we know they are hit. And I assume, and allow that to have some error there, but I assume that they are not better off than we are. But again, our competitive edge, and that's why I was referring to the currency, our competitive edge is, of course, weaker because we are producing in euros.

Tia Lehto - *Carnegie - Analyst*

Okay, thank you very much.

Operator

Thank you. The next question comes through from the line of [Kalle Karhunen] from Danske Markets. Please go ahead.

Kalle Karhunen - *Danske Markets - Analyst*

Hi, this is Kalle Karhunen from Danske Markets. Just go a little deeper into the profitability in the Winter and Outdoor division. It is quite obvious that EBIT is declining in Mavic and Suunto, but I was wondering if you could answer that. Is the Winter Sports equipment expected to make a positive profit this year? And also for the Footwear and Apparel segment, the sales growth has been pretty good, but has the EBIT still been growing or has there been significant margin pressures in that business?

Roger Talermo - *Amer Sports Oyj - President & CEO*

In Winter equipment?

Kalle Karhunen - *Danske Markets - Analyst*

First Winter Sports equipment. Will that make a positive profit this year? And has the EBIT grown in Footwear and Apparels? Two questions basically?

Roger Talermo - *Amer Sports Oyj - President & CEO*

Yes, okay. What concerns the profitability of the Winter equipment, we are targeting profitable numbers this year. It's not there yet. But as we all know, we still have a season to do and we still have a kind of final in season order taking to be done. But the target is profitability.

The savings plans that we've had have gone well. So there is no question about that. The only element where we have been also very open on this question or this is that because of lower volumes, as we have been selling out of stock -- out from the stock a lot of products, has pushed some negative variances into our Winter Sports business due to the lower volumes. But the underlying profitability is there, and we are shooting for black numbers this year, but as said, it's little bit early to predict.

The second question concerning the EBIT of Footwear and Apparel, I hand over this to Pekka Paalanne. He is eager to answer this question.

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

Okay. So the Footwear and Apparel continues to make good profits. But one thing we need to remember and know, the FXs or the currencies are moving little bit towards -- against us right now momentarily. It will be more (inaudible) during the Q4.

So as we are -- it really kind of depends how the cut -- the hedges are, hedges which we have in place actually then compare to the situation a year ago. So we are moving to lower cross margins momentarily due to the hedges. And that will have a negative impact then to Footwear and Apparel business compared to previous year.

Kalle Karhunen - *Danske Markets - Analyst*

I mean in the first nine months of the year, has the business been still able to improve profits?

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

It's been kind of -- already slightly impacted now Q3 due to this thing, but not too much.

Kalle Karhunen - *Danske Markets - Analyst*

Okay. Other than currencies, there haven't been any major gross margin pressures?

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

No.

Roger Talermo - *Amer Sports Oyj - President & CEO*

No.

Kalle Karhunen - *Danske Markets - Analyst*

Okay, thank you.

Operator

(Operator Instructions). We've got one question coming through from the line of Maria Wikstorm from Handelsbanken. Please go ahead.

Maria Wikstorm - *Handelsbanken - Analyst*

Yes, thanks a lot for taking my question. I would like to ask about the investment level for the full year. You currently invested about EUR21.5 million in the first three quarters, and last year the figure was EUR43 million. And we were talking about the investment in the weight lifting production facility in North Carolina. So what -- I mean, how much -- what the -- I mean, what is our approximate investment level for the full year?

Roger Talermo - *Amer Sports Oyj - President & CEO*

I think it would continue to be like investment level of last year. I don't think that there should be any huge movement towards the end of the year. Or do you --

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

Yes, I think we have -- as we have said, throughout the year that our CapEx will be around, let's say, around EUR35 million. And I think that's where we will be.

Maria Wikstorm - *Handelsbanken - Analyst*

Okay. And is this EUR35 million, is that a kind of level that I should expect also from here onwards or is it just a lower level of CapEx due to the weak market situations?

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

Well, I think that it's not too far from the cut-off -- really the cut-off rate. You can cut it on the EUR35 million, EUR40 million. I think that's where we'd normally be.

Maria Wikstorm - *Handelsbanken - Analyst*

Okay. Then I have a question on the Ball Sports division. And if I look at the number of employees, you have reduced the number of employees by 6% compared to last year. Is there still, I mean, much more to be done on the restructuring the business or is just that, I mean, you have -- that's -- the cost level is where it is at the moment and you just need to wait for the demand to pick up again?

Roger Talermo - *Amer Sports Oyj - President & CEO*

You are referring the Ball Sports only here?

Maria Wikstorm - *Handelsbanken - Analyst*

Yes.

Roger Talermo - *Amer Sports Oyj - President & CEO*

Of course, I think, as you know, we have been driving out expenses all the time from every single place where we can and feel that there is something where we could be more efficient. And as I said, we are continuing to do it, but it's evident that going in towards end of -- into next year, there is limited options that we can execute.

We are looking, especially as you were referring to Golf, because the situation is the most challenging in the Golf division on how to go forward there, that's work in process. We are now preparing our business plans for next year and then an outlook three years ahead. So that will be clear in the next month or so.

And therefore, we have ongoing discussions what to be done. We need to still take actions concerning Golf. But overall, I think we are getting towards the bones now. So I don't foresee any major headcount reductions or anything like that in this. But let's wait. But I think we've done most of it already.

Maria Wikstorm - *Handelsbanken - Analyst*

Okay. And then my final question is on the hybrid loan, that is that the first possible time to pay it back would be 2012, or can you pay it back earlier if you want?

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

No, the first possible time is really three years since after the issue.

Maria Wikstorm - *Handelsbanken - Analyst*

Okay, thank you very much.

Pekka Paalanne - *Amer Sports Oyj - EVP & CFO*

Thank you.

Roger Talermo - *Amer Sports Oyj - President & CEO*

Thank you.

Operator

Thank you. We've got one follow-up question from the line of Manu Rimpela from Deutsche Bank. Please go ahead.

Thank you, ladies and gentlemen, there are no further questions in queue. So I hand back to the host to conclude today's conference.

Tommy Ilmoni - *Amer Sports Oyj - VP, IR & Corporate Communications*

Thank you for attending this session. There will be a replay on our website, and should you have any questions, feel free to be in touch with me. Thank you for now and bye-bye.

Operator

Thank you for joining today's call. You may now replace your handset.
