

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 30 September 2016

Third quarter 2016-07-01 – 2016-09-30

- The total income of the Group was TEUR 147 869 (139 130), an increase of 6 %.
- The operating profit of the Group was TEUR 31 520 (27 191).
- The profit before tax of the Group was TEUR 31 240 (25 151).
- Earnings per share after tax amounted to EUR 1,76 (1,31).

This report contains information which Fenix Outdoor International AG is obliged to publish under the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact person stated below, for publication October 31, 2016 at 13 00.

CONTACTPERSON

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Actual financial information is available at www.fenixoutdoor.se under "Finansiellt"

Q4 report Jan – Dec, February 2017.

FENIX OUTDOOR INTERNATIONAL AG

Interim condensed consolidated financial statement for the period ended 30 September 2016

Period 2016-01-01 – 2016-09-30

- The total income of the group was TEUR 372 576 (347 333), an increase of 7 %.
- The increase of total income is mainly related to the further expansion of Fjällräven.
- The operating profit of the Group was TEUR 50 924 (27 605).
- The profit before tax of the Group was TEUR 48 716 (27 020).
- Earnings per share after tax amounted to EUR 2,65 (1,18).

Events after period closing

- There have been no material events after the reporting period.



COMMENTS BY THE CEO

Summer in September, but still an acceptable quarter.

Whether you were in central Europe, USA or the Nordic countries, the average temperatures of September were above or far above the historical averages. The warm weather had an effect on sales and after a very strong start of the quarter both our brands and retail segments showed a slightly weaker end.

Despite the summer heat, the sales for the quarter ended at MEUR 145,7 (136,6), an increase of nearly 7% compared to last year. I also note that the increase in sales by all segments also resulted in increased or stable operating profits for Brands MEUR 17,8 (15,8), Global Sales MEUR 7,4 (5,6) and Frilufts MEUR 7,4 (7,9).

The interim report also shows that the rolling twelve month profit before tax is now at MEUR 53, 5. The profit margin is back above our long term margin target of 10%, which both I and my colleagues in the group must be proud of.

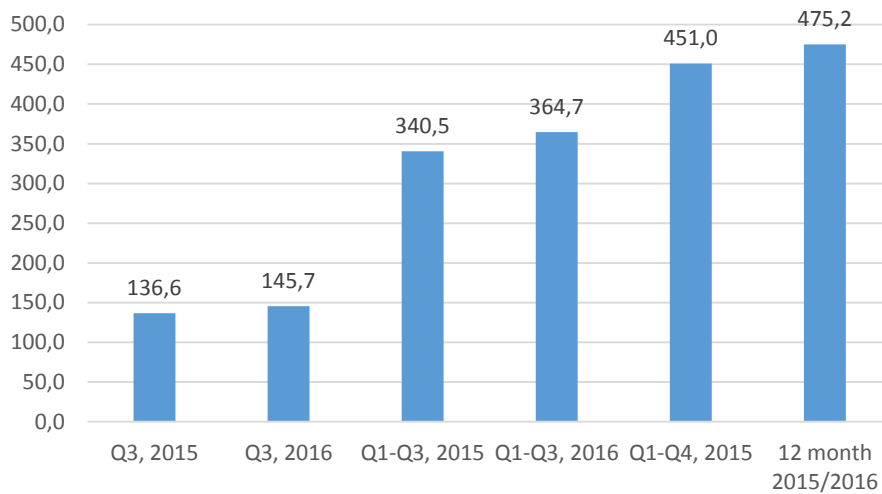
During the quarter, the focus on Fjällräven Brand Shops continued and the latest store opened in Hong Kong in September. The store is important to show the wide range of Fjällräven products, but also to work as a “PR anchor” for the Asian markets, as Hong Kong is a major tourist center in Asia.

Zug in October 2016, Martin Nordin

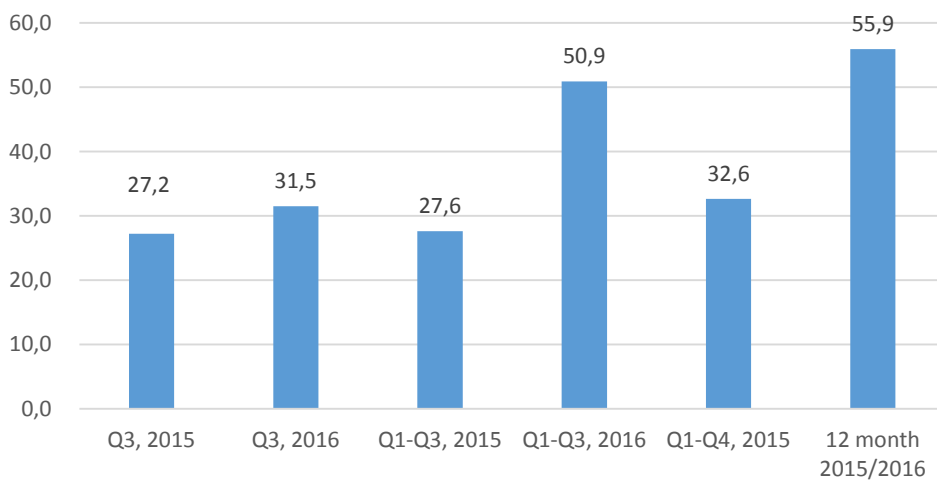
MEUR	July - Sept 2016	July - Sept 2015	Jan-Sept 2016	Jan-Sept 2015	Oct - Sept 2015/2016	Jan-Dec 2015
Net sales	145,7	136,6	364,7	340,5	475,2	451,0
Operating profit	31,5	27,2	50,9	27,6	55,9	32,6
Profit margin, %	21,6%	19,9%	14,0%	8,1%	11,8%	7,2%
Profit after financial items	31,2	25,1	48,7	27,0	53,5	31,8
Net profit for the period	23,6	17,7	35,6	15,9	41,5	21,8
Earnings per share, EUR	1,76	1,31	2,65	1,18	3,08	1,62
Equity/assets ratio, %			56,3%	50,0%		51,4%

THE OPERATION

Net sales, MEUR



Operating profit, MEUR



THE OPERATION

Since 2016-01-01 the Group is organized in three business segments: Brands, Global sales and Frilufts.

- Brands includes the brands Fjällräven, Tierra, Primus, Hanwag and Brunton. It also includes Brandretail (The E-com and monobrand operations of the Brands) and distribution companies concentrated on sales of one brand.
- Global sales includes distribution companies selling more than one Fenix brand.
- In Frilufts the retailers Naturkompaniet AB, Partioaitta Oy and Globetrotter Ausrüstung GmbH are included.

The three business segments are supported by common functions for management, CSR/CSO, finance, legal, IT and logistics.

	Brands		Frilufts		Global sales		Common		Group	
	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External sales, MEUR	29,9	26,2	75,9	75,4	39,9	35,0	0,0	0,0	145,7	136,6
Operating profit, MEUR	17,8	15,8	7,4	7,9	7,4	5,6	-1,1	-2,0	31,5	27,2
Number of Stores	21	14	57	60					78	74
of which are franchise			3	5					3	5

	Brands		Frilufts		Global sales		Common		Group	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External sales, MEUR	77,4	67,8	191,9	193,5	95,4	79,2			364,7	340,5
Operating profit, MEUR	38,0	31,7	4,2	-7,6	14,6	9,2	-5,8	-5,6	50,9	27,6
Number of Stores	21	14	57	60					78	74
of which are franchise			3	5					3	5
Fixed assets	22,1	18,0	32,8	39,8	10,8	9,3	7,4	4,2	73,1	71,3
Cap. Expenditures	4,1	3,4	0,5	0,8	0,7	0,8	1,6	0,5	6,9	5,5

External sales per market	Brands		Frilufts		Global sales		Total	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2016	2015	2016	2015	2016	2015	2016	2015
Switzerland	0,1				6,2	5,8	1,7%	1,7%
Sweden	10,2	12,0	38,4	33,7			13,3%	13,4%
Other Nordic countries	3,0	1,8	17,3	16,9	28,6	23,0	13,4%	12,3%
Germany	39,7	34,0	136,1	141,6			48,2%	51,6%
Benelux	8,5	7,0			8,5	7,7	4,7%	4,3%
Other Europe	2,0	0,3	0,0	1,4	21,1	17,9	6,3%	5,7%
North America	12,3	11,4			22,3	17,8	9,5%	8,6%
Other	1,7	1,3			8,8	7,1	2,9%	2,4%
Total	77,4	67,8	191,9	193,5	95,4	79,2	100%	100%

THE OPERATION, nine months

Brands

- The external net sales increased to MEUR 77,4 (67,7), an increase of 14,0 %.
- The operating profit increased to MEUR 38,0 (31,7), an increase of 19,9 %.

The increase in net sales for the first nine months is primarily attributable to the strong growth of Fjällräven. The higher operating margin is explained by the strong growth and a controlled cost situation. In September, the Brand segment opened its first brand store in Asia. The store is located in Hong Kong. The segment now has a total of 21 stores, 16 in the United States, 4 in Europe and 1 in Asia.

Global sales

- The external net sales increased to MEUR 95,4 (79,2), an increase of 20%.
- The operating profit increased to MEUR 14,6 (9,2).

Global Sales is positively impacted by the continued global growth of Fjällräven. Compared to previous quarterly reports, the US distribution company is transferred from Brands to Global Sales. Comparative figures are changed accordingly.

Frilufts

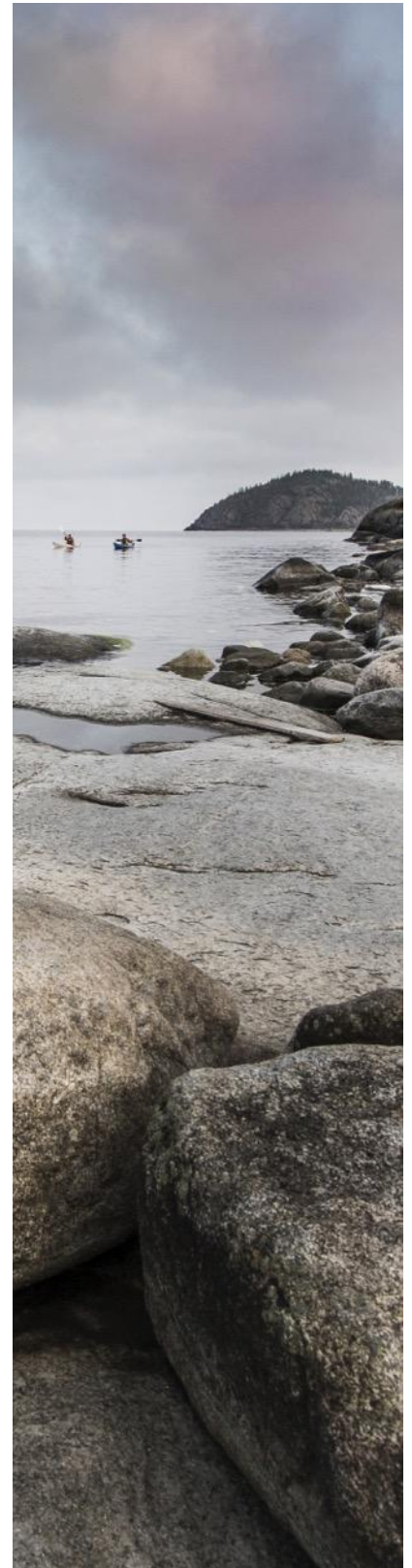
- The net sales have decreased to MEUR 191,9 (193,5).
- The operating profit has improved to MEUR 4,2 (-7,6).

Globetrotter shows an improvement according to plan. This has resulted in slightly lower net sales, but an improved margin and cost situation. Naturkompaniet continues to increase its sales on the Swedish market and Partioaitta holds its position on a generally weak Finnish market. A warm September in Europe, with lower sales, was offset by strong numbers for July and August. Therefore the third quarter, as a whole, performed as expected in net sales.

Liquidity and financial standing

The Group's financial position remains strong.

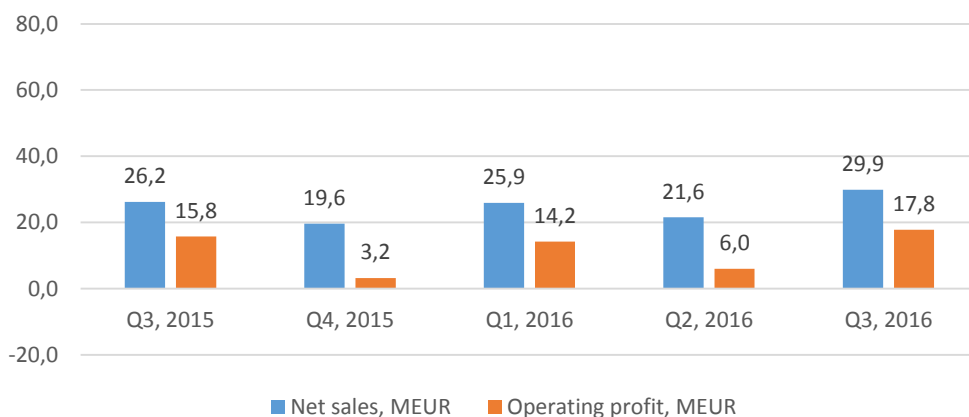
Consolidated cash and cash equivalents amounted to MEUR 59,4 (46,8). The Group's interest-bearing liabilities amounted to MEUR 56,3 (65,0). Consolidated equity attributable to shareholders was MEUR 173,4 (140,9), corresponding to an equity ratio of 56,3 (50,0)%



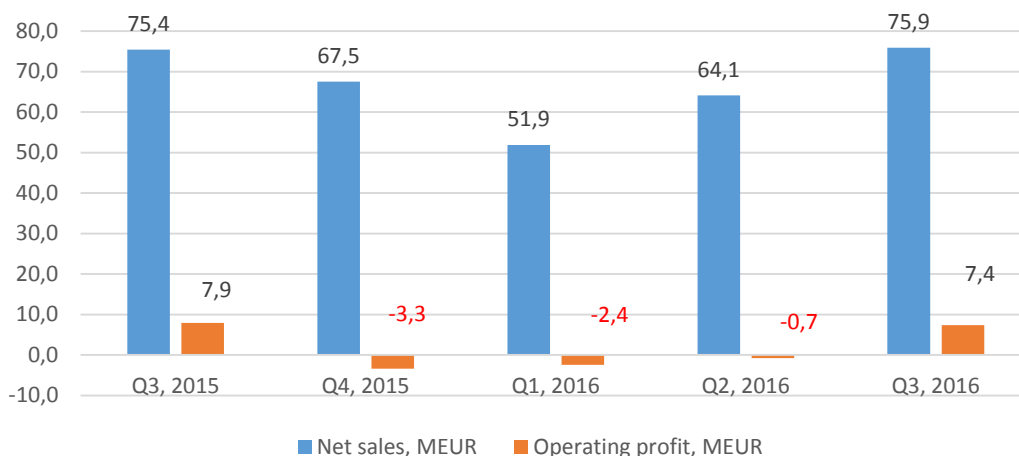
THE OPERATION

Net sales and operating result per segment

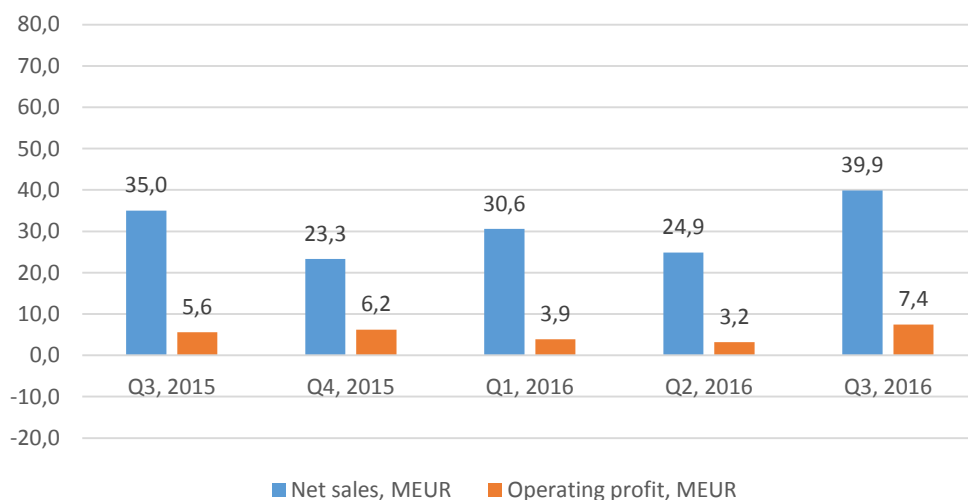
Brands



Friluftst



Global sales



FINANCIAL REPORT

CONSOLIDATED INCOME STATEMENT, MEUR	3 months		9 months		12 months ^{*)}	
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
	2016	2015	2016	2015	2015/2016	2015
Net sales	145,7	136,6	364,7	340,5	475,2	451,0
Other operating income	2,2	2,5	7,9	6,9	9,7	8,6
Total income	147,9	139,1	372,6	347,3	484,9	459,7
Cost of goods sold	-67,2	-65,3	-170,1	-164,2	-222,7	-216,8
Other external expenses	-25,1	-24,5	-75,6	-77,1	-102,5	-104,0
Personnel expenses	-21,9	-21,2	-66,2	-70,4	-89,9	-94,2
Depreciation/amortisation	-2,6	-3,8	-9,8	-9,8	-13,0	-13,0
Result from participations in associated companies	0,4	3,0	0,9	3,0	1,2	3,3
Other operating expenses		-0,1	-0,9	-1,3	-2,0	-2,4
Operating expenses	-116,4	-111,9	-321,7	-319,7	-429,0	-427,0
Operating profit	31,5	27,2	50,9	27,6	55,9	32,6
Financial income	0,2		1,1	3,5	0,0	2,5
Financial expenses	-0,5	-2,1	-3,3	-4,1	-2,5	-3,3
Profit before tax	31,2	25,1	48,7	27,0	53,5	31,8
Income tax	-7,6	-7,4	-13,1	-11,1	-12,0	-10,0
Net profit	23,6	17,7	35,6	15,9	41,5	21,8
Net profit for the year attributable to:						
Parent Company's shareholders	23,4	17,7	35,4	22,4	41,3	28,3
Non-controlling interests	0,2	0,0	0,2	-6,5	0,2	-6,5
Earnings per share after tax	1,76	1,31	2,65	1,18	3,08	1,62
Number of outstanding shares, B, thousands	11 060	11 060	11 060	11 060	11 060	11 060
Number of outstanding shares, A, thousands	24 000	24 000	24 000	24 000	24 000	24 000

Earnings per share calculated as, number of B-shares + 2 400 A-shares, as A-shares only qualify to a tenth of the dividend compared to B-shares. There are no outstanding options or convertibles which would result in a dilution.

^{*)} 12 month of historical data that are not included in auditors' review of the interim report.

FINANCIAL REPORT

Consolidated Statement of comprehensive income MEUR	3 months		9 months		12 months* ¹⁾	
	July-Sept	July-Sept	Jan-Sept	Jan-Sept	Oct-Sept	Jan-Dec
	2016	2015	2016	2015	2015/2016	2015
Net profit	23,6	17,7	35,6	15,9	41,5	21,8
Not to be reclassified in the income statement in the future						
Remeasurements of post employment benefit obligations					0,1	0,1
To be reclassified in the income statement in the future						
Change in translation reserve during the period	-0,9	-0,4	-2,1	-1,2	-2,2	-1,3
Cash flow hedges	-0,5		-0,6	-1,3	0,5	-0,2
Taxes	0,1		0,1		0,1	
Total other comprehensive income for the period:	-1,3	-0,4	-2,6	-2,5	-1,6	-1,5
Total comprehensive income for the year	22,3	17,3	33,0	13,4	39,9	20,3
Total comprehensive income attributable to:						
Parent Company's shareholders	22,1	17,3	32,8	19,9	39,7	26,8
Non-controlling interests	0,2	0,0	0,2	-6,5	0,2	-6,5

*¹⁾ 12 months of historical data that are not included in auditors' review of the interim report.

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, MEUR

30 Sept
2016

31 Dec
2015^{*)}

30 Sept
2015

Assets

Fixed assets

Intangible fixed assets

Goodwill	11,3	11,6	11,3
Trademark	2,0	2,4	2,5
Other intangible fixed assets	4,1	5,6	4,8

Tangible fixed assets

Financial assets	13,4	11,5	8,5
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Total fixed assets

73,1 74,2 71,3

Current assets

Inventories	118,3	116,3	112,2
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Accounts receivable trade and other receivables	52,4	34,5	47,0
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Prepaid expenses and accrued income	4,6	4,3	4,6
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Cash and cash equivalents	59,4	58,0	46,8
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Total current assets

234,7 213,1 210,6

Total assets

307,8 287,3 281,9

Equity and liabilities

Equity and reserves attributable to the Parent Company's shareholders	173,4	147,7	140,9
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Non-controlling interest	2,4	2,3	2,3
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Total equity

175,8 150,0 143,2

Liabilities

Non-current liabilities

Other non-current liabilities	7,7	5,2	3,3
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Interest bearing liabilities	-	-	9,3
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Total non-current liabilities

7,7 5,2 12,6

Current liabilities

Other short term liabilities	50,3	46,2	51,1
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Interest bearing liabilities	56,3	64,9	55,7
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Accrued expenses and deferred income	17,7	21,0	19,3
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Total current liabilities

124,3 132,1 126,1

Total equity and liabilities

307,8 287,3 281,9

*) 12 month of historical data that are not included in auditors' review of the interim report.

FINANCIAL REPORT

Statement of changes in Equity TEUR	Share capital	Other contributed capital	Retained earnings	Total	Non-controlling interest	Total Equity
Opening balance 01-01-2015	11 014	24 935	76 260	112 209	23 706	135 915
Net Profit for the year			22 376	22 376	-6 500	15 876
Other comprehensive income for the year			-2 483	-2 483	-	-2 483
Total comprehensive income for the year	-	-	19 893	19 893	-6 500	13 393
Transactions with non-controlling interests	201	9 018	5 225	14 444	-14 944	-500
Dividends			-5 689	-5 689		-5 689
Closing balance 30-09-2015	11 215	33 953	95 689	140 857	2 262	143 119
Opening balance 01-01-2016	12 378	39 765	95 636	147 779	2 262	150 041
Net Profit for the year			35 470	35 470	158	35 628
Other comprehensive income for the year			-2 606	-2 606	-	-2 606
Total comprehensive income for the year	-	-	32 864	32 864	158	33 022
Dividends			-7 255	-7 255	-	-7 255
Closing balance 30-09-2016	12 378	39 765	121 246	173 389	2 420	175 808

FINANCIAL REPORT

Consolidated statement of cash flows	9 month		12 month ^{*)}
	Jan - Sept	Jan - Sept	jan - dec
	2016	2015	2015
MEUR			
OPERATING ACTIVITIES			
Operating profit	50,9	27,6	32,6
Depreciation	9,8	9,8	13,0
Adjustment for non cash items	-3,4	-10,2	-3,6
Interest and dividends realised	1,1	1,5	0,7
Interest paid	-3,0	-3,1	-3,3
Income tax paid	-12,4	-8,6	-8,4
	43,0	17,0	31,0
Change in inventories	-1,9	-0,7	-7,9
Change in operating receivables	-17,5	-6,1	7,0
Change in operating liabilities	-0,4	-5,2	-9,0
Cash flow from operating activities	23,2	5,0	21,1
INVESTING ACTIVITIES			
Purchase of intangible assets	-1,0	-0,3	-1,2
Purchase of tangible fixed assets	-5,9	-5,2	-7,9
Sale of tangible fixed assets	0,2		0,7
Sale of associated companies			6,2
Acquisition of subsidiaries, net of cash acquired	-0,2		-0,8
Change in financial assets		6,6	-1,2
Cash flow from investing activities	-6,9	1,1	-4,1
FINANCING ACTIVITIES			
Borrowings	-7,3	4,8	4,6
Acquisition of non-controlling interests		-0,5	-0,5
Dividends paid	-7,3	-5,7	-5,7
Cash flow from financing activities	-14,6	-1,4	-1,6
Change in cash and cash equivalents	1,7	4,7	15,4
Cash and cash equivalents at beginning of year	58,0	41,0	41,0
Effect of exchange rate differences on cash and cash equivalents	-0,3	1,1	1,6
Cash and cash equivalents at year-end	59,4	46,8	58,0

^{*)} 12 month of historical data that are not included in auditors' review of the interim report.

Notes to the financial report

Note 1 Accounting principles

Fenix Outdoor International AG is a listed company with registered office in Zug, Switzerland.

The Group applies the International Financial Reporting Standards (IFRS) as they are adopted by EU and are in compliance with IFRS and issued by the IASB. This quarterly report is prepared in accordance with IAS 34, Interim Financial Reporting. The new additions and clarifications regarding IFRS, which became effective January 1, 2016 have not had any significant impact on the financial report. The accounting policies adopted are consistent with those applied in the Annual Report for the year ended 31 December 2015 and should be read in conjunction with these.

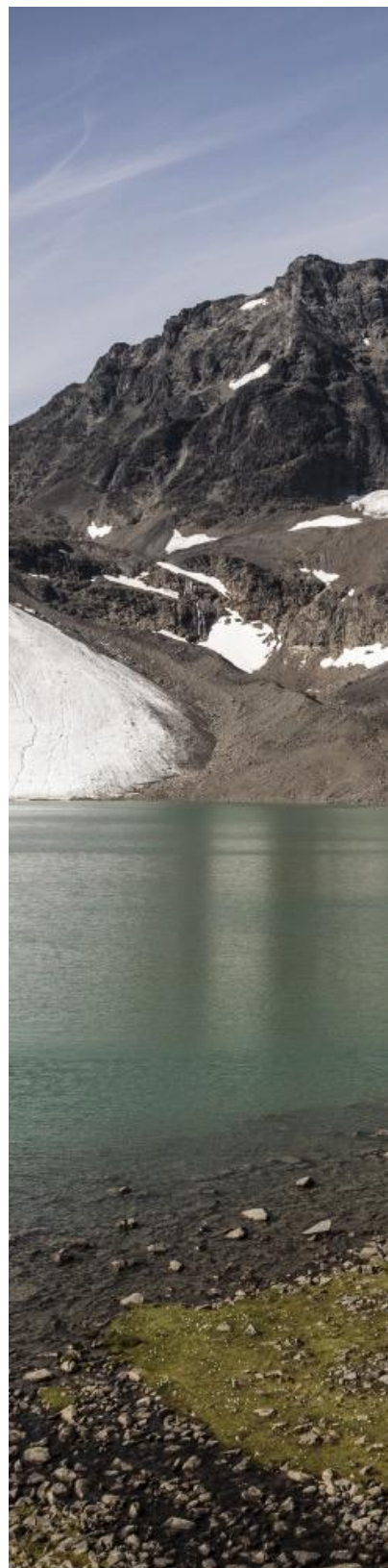
The Group presents consolidated financial data in EUR (conversion rates in accordance with Note 3).

Note 2 Risks

The risk factors of the Group are presented in the last published annual report, page 33.

Note 3 Exchange rates

	Average rate			Balance sheet closing rate		
	Jan - Sep 2016	Jan - Dec 2015	Jan - Sep 2015	Sep 2016	Dec 2015	Sep 2015
SEK/EUR	9,3854	9,3400	9,3150	9,6210	9,1878	9,2150
CHF/EUR	1,0947	1,0650	1,0466	1,0876	1,0833	1,0412
USD/EUR	1,1141	1,1040	1,1059	1,1161	1,0885	1,0973
SEK/CHF	8,5737	8,7700	8,9000	8,8461	8,4813	8,8500



Notes

NOTE 4. Group derivatives valued at market value

Market value

	2016-09-30	2015-12-31	2015-09-30
Derivatives used for hedging	737	1 113	68

Positions per balance sheet date

Purchased TUSD	42 350	32 700	26 000
Sold TEUR	37 132	28 686	23 295
Rate	1,141	1,140	1,116

Purchahsed TEUR	4 827		
Sold TGBP	3 800		
Rate	0,787		

Valuation method

The market value of the derivative position is the value calculated as the difference in forward rate against current spot rate at the balance sheet date with the addition of the remaining hedging premiums / discounts from the closing date to contract maturity of all outstanding positions at the balance sheet date.

Accounting method

The market value of the positions is recognized directly in equity according to the rules of hedge accounting.

Maturity

The maturity of the forwards is less than 12 months.

Notes

Note 5 Segment reporting – sales and operating result

Since 2016-01-01 the Group is organized in three business segments: Brands, Global sales and Friluft. Fenix Outdoor International AG reports sales and operating result for the segments Brands, Global Sales, Friluft and Common. The internal monitoring of the operations takes place in this segmentation. Additionally sales is divided into geographical areas.

	Brands		Friluft		Global sales		Common		Group	
	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept	July-Sept
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External sales, MEUR	29,9	26,2	75,9	75,4	39,9	35,0	0,0	0,0	145,7	136,6
Operating profit, MEUR	17,8	15,8	7,4	7,9	7,4	5,6	-1,1	-2,0	31,5	27,2
Number of Stores	21	14	57	60					78	74
of which are franchise			3	5					3	5

	Brands		Friluft		Global sales		Common		Group	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External sales, MEUR	77,4	67,8	191,9	193,5	95,4	79,2			364,7	340,5
Operating profit, MEUR	38,0	31,7	4,2	-7,6	14,6	9,2	-5,8	-5,6	50,9	27,6
Number of Stores	21	14	57	60					78	74
of which are franchise			3	5					3	5
Fixed assets	22,1	18,0	32,8	39,8	10,8	9,3	7,4	4,2	73,1	71,3
Cap. Expenditures	4,1	3,4	0,5	0,8	0,7	0,8	1,6	0,5	6,9	5,5

External sales per market	Brands		Friluft		Global sales		Total	
	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept	Jan-Sept
	2016	2015	2016	2015	2016	2015	2016	2015
Switzerland	0,1				6,2	5,8	1,7%	1,7%
Sweden	10,2	12,0	38,4	33,7			13,3%	13,4%
Other Nordic countries	3,0	1,8	17,3	16,9	28,6	23,0	13,4%	12,3%
Germany	39,7	34,0	136,1	141,6			48,2%	51,6%
Benelux	8,5	7,0			8,5	7,7	4,7%	4,3%
Other Europe	2,0	0,3	0,0	1,4	21,1	17,9	6,3%	5,7%
North America	12,3	11,4			22,3	17,8	9,5%	8,6%
Other	1,7	1,3			8,8	7,1	2,9%	2,4%
Total	77,4	67,8	191,9	193,5	95,4	79,2	100%	100%

Notes

Note 7 Major events during the period

No major events, besides what has been reported in this report can be noted.

Note 8 Events after period closing

No major events have occurred after the closing date.

Note 9 Transactions with related parties

There have been no major changes in relations or transactions with related parties compared to 2015.

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Zug October 31, 2016

The CEO certifies that the interim report gives a true and fair view of the Group's operations, position and results and describes the principal risks and uncertainties that the Company and the companies in the group face.

MARTIN NORDIN
CEO

Report on the review of interim condensed consolidated financial statements

To the Board of Directors of
Fenix Outdoor International AG., Zug, org.nr CHE-206.390.054

Introduction

We have reviewed the interim consolidated financial statements (consolidated income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes), pages 8 to 16, of Fenix Outdoor International AG for the period from 1 January 2016 to 30 September 2016. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

Zurich, 31 October 2016

Ernst & Young Ltd

André Schaub
Licensed Audit Expert
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