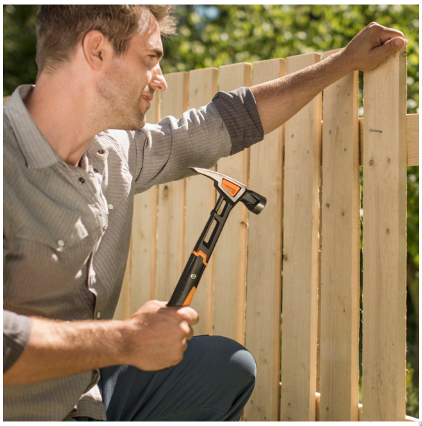
# FINANCIAL STATEMENT RELEASE
# JANUARY 1 - DECEMBER 31
# 2015



FISKARS

# Fiskars' year 2015: Strong growth in net sales; increased operating profit

**Fourth quarter 2015 highlights:**
- Net sales increased by 63% to EUR 332.8 million (Q4 2014: 203.9).
- Using comparable exchange rates and excluding the acquired watering and English & Crystal Living (WWRD) businesses, net sales increased by 2.9%.
- Operating profit increased to EUR 13.0 million (2.3).
- Operating profit excluding non-recurring items increased by 57% to EUR 16.8 million (10.7). The English & Crystal Living (WWRD) business had a net positive impact of EUR 4.5 million, despite purchase price allocation charges and other acquisition related costs, which impact the result in 2015 only.
- Operative earnings per share were EUR 0.05 (0.09). Reported earnings per share (EPS), which includes changes in the fair value of the investment portfolio, amounted to EUR 0.76 (8.77).

**2015 in brief:**
- Net sales increased by 44% to EUR 1,105.0 million (2014: 767.5).
- Using comparable exchange rates and excluding the acquired watering and English & Crystal Living (WWRD) businesses, net sales increased by 3.7%.
- Operating profit increased to EUR 46.5 million (42.7).
- Operating profit excluding non-recurring items increased by 9% to EUR 65.1 million (59.6). The English & Crystal Living (WWRD) business had a net negative impact of EUR 6.5 million, mainly due to purchase price allocation charges and other acquisition related costs, which impact the result in 2015 only.
- Operative earnings per share were EUR 0.35 (0.76). Reported earnings per share (EPS), which includes changes in the fair value of the investment portfolio, amounted to EUR 1.04 (9.44).
- Fiskars completed the acquisition of the English & Crystal Living (WWRD) business on July 1, 2015 and extended its portfolio with iconic luxury home and lifestyle brands. Net sales of the acquired business have been reported as part of the Living products business unit as of July 1, 2015.
- The Board proposes a dividend of EUR 0.70 per share (EUR 0.68).
- Outlook for 2016: Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year. The majority of the increase is expected from the addition of the English & Crystal Living business, which is now a part of Fiskars for the full-year 2016. The adjusted operating profit excludes restructuring costs, impairment charges and integration related costs.

**President and CEO, Fiskars, Kari Kauniskangas:**
"Fiskars continued its transformation journey during 2015. We sharpened our focus in our core businesses Functional, Living and Outdoor, each a leader in their field. We strengthened our position significantly by acquiring WWRD, recognized for luxury home and lifestyle products, and expanded our portfolio with iconic brands, such as Waterford and Wedgwood. Supported by the acquisition, we became the global leader in the premium living products category.

During 2015, Fiskars delivered a significant increase in net sales, exceeding one billion euros. Yearly net sales grew by 44%, supported by a solid fourth quarter. While the majority of the increase comes from the new watering and English & Crystal Living businesses, I am proud of the fact that Fiskars' underlying and currency-neutral growth was 3.7%, demonstrating solid progress, even when faced with a challenging economic climate in some of our key markets, particularly in Finland and Japan. The growth was driven to a large extent by our Scandinavian Living business, which had an outstanding year.

While growing our topline, Fiskars continued to improve its business operations throughout the year, increasing efficiency and flexibility. As part of our strategy to operate as an integrated consumer goods company, we agreed to sell our boats business allowing us to better focus on our three core businesses. In early 2016 we also sold our container gardening business in the U.S.

Our operating profit excluding non-recurring items increased to EUR 65.1 million. This achievement validates our capability to deliver results even in tough economic conditions and despite on-going integration projects with the watering and English & Crystal Living businesses.

During the fourth quarter, the English & Crystal Living (WWRD) business had a net positive impact of EUR 4.5 million, despite purchase price allocation charges and other acquisition related costs. However, the performance of the business was softer than expected during the fourth quarter, impacted primarily by reduced volumes with a major customer in the U.S. The rest of the business in English & Crystal Living performed according to our expectations. The integration and turnaround of the watering business will continue and we expect the business to reduce its losses during 2016.

We expect the Group's 2016 net sales and adjusted operating profit to increase from the previous year, despite the divested businesses, continued economic uncertainty particularly in some of our key markets and the increased costs due to unfavorable exchange rates in 2016. The majority of the increase in net sales and adjusted operating profit is expected from the addition of the English & Crystal Living business, which is now a part of Fiskars for the full-year 2016. We continue to seek growth through targeted investments in brands and new product development as well as sharpen our focus on core businesses."

**The full-year figures stated in this release are audited.**

### Group key figures

| EUR million | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Net sales | 332.8 | 203.9 | 63% | 1,105.0 | 767.5 | 44% |
| Operating profit (EBIT) | 13.0 | 2.3 | 475% | 46.5 | 42.7 | 9% |
| Non-recurring items[1)] | -3.8 | -8.4 | -55% | -18.6 | -17.0 | 9% |
| EBIT excl. non-recurring items | 16.8 | 10.7 | 57% | 65.1 | 59.6 | 9% |
| Share of profit from associated company | | | | | 30.0 | |
| Net change in the fair value of investment portfolio | 72.7 | 27.9 | 161% | 56.1 | 27.9 | 101% |
| Profit before taxes[2)] | 83.2 | 716.6 | -88% | 125.5 | 786.7 | -84% |
| Profit for the period[2)] | 62.2 | 718.2 | -91% | 86.4 | 773.3 | -89% |
| Operative earnings/share, EUR[3)] | 0.05 | 0.09 | -50% | 0.35 | 0.76 | -54% |
| Earnings/share, EUR[4)] | 0.76 | 8.77 | -91% | 1.04 | 9.44 | -89% |
| Equity per share, EUR | | | | 14.54 | 14.06 | 3% |
| Cash flow from operating activities[5)] | 61.5 | 47.9 | 28% | 47.6 | 87.0 | -45% |
| Equity ratio, % | | | | 65% | 73% | |
| Net gearing, % | | | | 21% | 11% | |
| Capital expenditure | 7.8 | 7.4 | 6% | 32.4 | 35.0 | -8% |
| Personnel (FTE), average | 8,334 | 4,443 | 88% | 6,303 | 4,243 | 49% |

[1)] In FY 2015, mainly related to the Supply Chain 2017 program, goodwill impairment related to the container gardening business in the Americas, integration of the watering business and EMEA restructuring. In 2014, the EMEA 2015 restructuring program costs, write-downs and bargain purchase gain (badwill) related to the acquisition of the watering business.
[2)] FY 2014 includes a non-recurring gain from the sale and revaluation of Wärtsilä shares of EUR 676.0 million on October 9, 2014.
[3)] Excluding net change in the fair value of the investment portfolio and dividends received. In FY 2014, excluding also the non-recurring gain from the sale and revaluation of Wärtsilä shares on October 9, 2014.
[4)] FY 2014 includes EUR 8.25 from the sale and revaluation of Wärtsilä shares on October 9, 2014.
[5)] Including Wärtsilä dividend of EUR 26.9 million in Q1 2014.

### Further information:

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- COO and CFO Teemu Kangas-Kärki, tel. +358 204 39 5703
- Corporate Communications, tel. +358 204 39 5031, communications@fiskars.com

### Analysts and media conference:

An analysts and media conference will be held at 10 a.m. on February 9, 2016, at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available after the conference at www.fiskarsgroup.com.

# FISKARS FINANCIAL STATEMENT RELEASE FOR 2015

**The full-year figures in this release are audited.**

## GROUP PERFORMANCE

The comparison period figures have been restated as a result of the organizational change in 2014. The net sales and operating profit of the acquired English & Crystal Living business are divided into two reporting segments, Europe & Asia-Pacific and the Americas. English & Crystal Living net sales are also reported as part of the Living business unit as of July 1, 2015.

The Living business unit consists of the Scandinavian Living and English & Crystal Living businesses. The Scandinavian Living business consists of the Iittala, Royal Copenhagen, Rörstrand and Arabia brands. The English & Crystal Living business includes the Waterford, Wedgwood, Royal Doulton and Royal Albert brands.

### Net sales

| Net sales, EUR million | Q4 2015 | Q4 2014 | Change | Change cn* | 2015 | 2014 | Change | Change cn* |
|---|---|---|---|---|---|---|---|---|
| Group** | 332.8 | 203.9 | 63% | 58% | 1,105.0 | 767.5 | 44% | 37% |
| Europe & Asia-Pacific*** | 224.4 | 140.6 | 60% | 61% | 661.5 | 506.7 | 31% | 31% |
| Americas**** | 118.0 | 59.1 | 100% | 75% | 451.2 | 235.1 | 92% | 61% |
| Other | 8.8 | 7.7 | 14% | 14% | 40.5 | 37.8 | 7% | 7% |

* Currency-neutral
** Excluding the acquired watering and English & Crystal Living businesses, Fiskars Group's currency-neutral net sales increased by 2.9% in Q4 2015 and by 3.7% in 2015.
*** Excluding the acquired English & Crystal Living business, currency-neutral net sales in Europe & Asia-Pacific increased by 4.9% in Q4 2015 and by 2.9% in 2015.
**** Excluding the acquired watering and English & Crystal Living businesses, currency-neutral net sales in the Americas decreased by 3.7% in Q4 2015 and increased by 4.1% in 2015.

*Fiskars Group net sales in Q4 2015*

Fiskars Group's consolidated net sales increased by 63% to EUR 332.8 million (Q4 2014: 203.9). The majority of the increase comes from the acquired businesses. Using comparable exchange rates and excluding the watering business acquired in 2014 and English & Crystal Living business acquired in 2015, net sales increased by 2.9%.

Net sales in both the Europe & Asia-Pacific and Americas segments increased, driven by the Living business. The Scandinavian Living business performed strongly in Europe as well as in Asia, supported by a good gifting season. However, the sales of the English & Crystal Living business were softer than expected, impacted primarily by reduced volumes with a major customer in the U.S.

The Functional business had a weaker fourth quarter, with net sales decreasing in Europe and net sales close to the previous year's levels in the Americas.

*Fiskars Group net sales in 2015*

Fiskars Group's net sales amounted to EUR 1,105.0 million in 2015 (2014: 767.5). Using comparable exchange rates and excluding the watering and English & Crystal Living businesses, net sales increased by 3.7%.

Net sales for the Europe & Asia-Pacific segment amounted to EUR 661.5 million, and net sales in the Americas segment were EUR 451.2 million. Using comparable exchange rates and excluding the watering and English & Crystal Living businesses, net sales in the Europe & Asia-Pacific segment increased by 2.9% and by 4.1% in the Americas segment.

### Operating profit

| Operating profit (EBIT), EUR million | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Group | 13.0 | 2.3 | 475% | 46.5 | 42.7 | 9% |
| Europe & Asia-Pacific | 14.7 | 3.9 | 280% | 34.9 | 25.8 | 35% |
| Americas | 1.8 | 4.1 | -56% | 28.1 | 27.4 | 2% |
| Other and eliminations | -3.5 | -5.7 | -38% | -16.5 | -10.6 | 55% |

*Fiskars Group operating profit in Q4 2015*

Fiskars Group's fourth quarter operating profit totaled EUR 13.0 million (Q4 2014: 2.3). The Group recorded EUR 3.8 million (8.4) of non-recurring items during the fourth quarter mainly relating to the write-down of fixed assets of a non-core product range in Europe, EMEA restructuring and integration of the watering business in the U.S.

Operating profit excluding non-recurring items increased in Q4 2015 by 57% to EUR 16.8 million (10.7). The English & Crystal Living business had a positive impact of EUR 4.5 million, despite purchase price allocation charges and other acquisition related costs.

Operating profit for the Europe and Asia-Pacific segment totaled EUR 14.7 million (3.9). Excluding non-recurring costs, operating profit for the segment increased by 35%, totaling EUR 17.7 million (13.1). Operating profit for the Americas segment decreased by 56%, amounting to EUR 1.8 million (4.1), impacted by the seasonally driven watering business. Excluding non-recurring items, operating profit for the segment decreased by 11%, totaling EUR 2.5 million (2.8).

*Fiskars Group operating profit in 2015*

Fiskars Group's operating profit during 2015 totaled EUR 46.5 million (2014: 42.7). The Group's operating profit excluding non-recurring items increased by 9% to EUR 65.1 million in 2015 (59.6), driven by the good performance of the Scandinavian Living business. The English & Crystal Living business had a net negative impact of EUR 6.5 million, mainly due to purchase price allocation charges and other acquisition related costs. The majority of the acquisition related costs impacted the result in 2015 only.

Operating profit for the Europe & Asia-Pacific segment amounted to EUR 34.9 million (25.8) for the year. Non-recurring costs amounted to EUR 10.5 million (17.3), and operating profit excluding non-recurring costs for the Europe & Asia-Pacific segment amounted to EUR 45.3 million (43.2) for the year. In the Americas segment, operating profit totaled EUR 28.1 million (27.4) in 2015. Excluding non-recurring items, operating profit in the Americas segment increased by 38%, totaling EUR 36.1 million (26.2).

In 2015, Fiskars recorded EUR 18.6 million of non-recurring expenses, mainly related to restructuring and integration programs and goodwill impairment related to the container gardening business in Americas.

## REPORTING SEGMENTS AND BUSINESS UNITS

Fiskars Group's three reporting segments are Europe & Asia-Pacific, Americas, and Other and the business is divided in three business units - Functional Products, Living Products and Outdoor Products. Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, boats business, corporate headquarters, and shared services. In November 2015, Fiskars signed an agreement to sell the boats business to Yamaha Motor Europe N.V. The transaction was completed at the beginning of January 2016.

## Business units in Q4 2015 and 2015

*Q4 2015 and 2015*

| Net sales, EUR million | Q4 2015 | Q4 2014 | Change | Change cn* | 2015 | 2014 | Change | Change cn* |
|---|---|---|---|---|---|---|---|---|
| Functional Products | 97.6 | 90.5 | 8% | 4%*** | 524.5 | 410.2 | 28% | 20%*** |
| Living Products | 197.8 | 79.3 | 150% | 148%** | 447.9 | 238.5 | 88% | 86%** |
| Outdoor Products | 29.0 | 27.0 | 7% | -4% | 93.8 | 82.7 | 13% | -2% |
| Other | 8.4 | 7.2 | 17% | 17% | 38.8 | 36.0 | 8% | 8% |

* Currency-neutral
** Excluding the acquired English & Crystal Living business, currency-neutral Living Products net sales increased by 10% in Q4 2015 and by 7% in 2015.
*** Excluding the acquired watering business, currency-neutral Functional Products net sales decreased by 3% in Q4 2015 and increased by 3% in 2015.

## Europe & Asia-Pacific segment

*Q4 2015 and 2015*

| EUR million | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Net sales | 224.4 | 140.6 | 60%* | 661.5 | 506.7 | 31%* |
| Operating profit (EBIT) | 14.7 | 3.9 | 280% | 34.9 | 25.8 | 35% |
| EBIT excl. non-recurring items | 17.7 | 13.1 | 35% | 45.3 | 43.2 | 5% |
| Capital expenditure | 4.6 | 3.4 | 34% | 20.2 | 22.5 | -10% |
| Personnel (FTE), average | 6,642 | 3,388 | 96% | 4,842 | 3,296 | 47% |

* Excluding the acquired English & Crystal Living business, currency-neutral net sales in the Europe & Asia-Pacific segment increased by 5% in Q4 2015 and by 3% in 2015.

*Europe & Asia-Pacific in Q4 2015*

Net sales in the Europe & Asia-Pacific segment increased during the fourth quarter of 2015 by 60% to EUR 224.4 million (Q4 2014: 140.6). Using comparable exchange rates and excluding the English & Crystal Living business, sales increased by 5%.

The sales growth was driven primarily by the Living business. The Scandinavian Living business performed very well in Europe as well as in Asia. The Royal Copenhagen, Rörstrand and Iittala brands had a good quarter, supported by a strong gifting season in Scandinavia and successful marketing campaigns. Retail sales picked up during the fourth quarter in Korea and Taiwan. The net sales of the English & Crystal Living business were in line with the comparison period, however weighed down by softness in Japan.

The Functional Products business unit had a weaker fourth quarter, with sales decreasing in Europe. During the quarter, Fiskars invested in developing the kitchen category and successfully introduced cookware products under the Fiskars brand in Finland and Denmark, with good performance, especially in Finland.

The Outdoor business developed favorably in the Europe & Asia-Pacific segment, with net sales increasing, especially in the UK and Scandinavia.

The segment recorded an operating profit excluding non-recurring items of EUR 17.7 million (13.1), supported by the Scandinavian Living business and increased efficiency in operations. In total, EUR 3.0 million (9.2) of non-recurring costs were recorded during the quarter in the Europe & Asia-Pacific segment.

*Europe & Asia-Pacific in 2015*

Net sales in the Europe & Asia-Pacific segment increased during 2015 by 31% to EUR 661.5 million (2014: 506.7). Using comparable exchange rates and excluding the English & Crystal Living business, sales increased by 3%.

The increase in net sales was driven to a large extent by the Scandinavian Living business, which had an outstanding year across the segment. The sales of the English & Crystal Living business improved slightly in Europe & Asia-Pacific from the comparison period.

The net sales of the Functional Products business unit in Europe & Asia-Pacific were disappointing in 2015. Sales decreased primarily due to a cold spring, resulting in a tough second quarter, which impacted the entire year. While the business recovered in the third quarter and generated solid sales, full-year net sales in 2015 remained below the previous year's levels. Despite the decrease in the Functional business, the sales of Fiskars-branded products grew on a full-year basis. During 2015, Fiskars invested in developing the kitchen category and successfully introduced cookware products under the Fiskars brand in Finland and Denmark, with good performance, especially in Finland.

Operating profit excluding non-recurring items amounted to EUR 45.3 million (43.2) during 2015. In total, EUR 10.5 million (17.3) of non-recurring costs were recorded during the period in the Europe & Asia-Pacific segment.

**Americas segment**

*Q4 2015 and 2015*

| EUR million | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Net sales | 118.0 | 59.1 | 100%* | 451.2 | 235.1 | 92%* |
| Operating profit (EBIT) | 1.8 | 4.1 | -56% | 28.1 | 27.4 | 2% |
| EBIT excl. non-recurring items | 2.5 | 2.8 | -11% | 36.1 | 26.2 | 38% |
| Capital expenditure | 1.0 | 2.1 | -55% | 4.0 | 5.2 | -22% |
| Personnel (FTE), average | 1,353 | 719 | 88% | 1,123 | 618 | 82% |

* Excluding the acquired watering and English & Crystal Living businesses, currency-neutral net sales in the Americas decreased by 4% in Q4 2015 and increased by 4% in 2015.

*The Americas in Q4 2015*

Net sales in the Americas segment increased by 100% to EUR 118.0 million (Q4 2014: 59.1) in the fourth quarter, driven by the English & Crystal Living business. Using comparable exchange rates and excluding the watering and English & Crystal Living businesses, sales decreased by 4%.

The overall performance in the Americas during the fourth quarter was mixed. The Functional business, including sales of Garden products, was close to the previous year's levels. Sales of School, Office and Craft products declined slightly.

Following a strong third quarter, the performance of the English & Crystal Living business was softer than expected during the fourth quarter, impacted primarily by reduced volumes with a major customer in the U.S.

Net sales of the Outdoor business declined during the fourth quarter. However, profitability continued to develop favorably, primarily due to increased efficiency and a favorable product mix.

The segment's operating profit excluding non-recurring items decreased to EUR 2.5 million (2.8), impacted primarily by the negative contribution of the watering business in the off-season.

*The Americas in 2015*

Net sales in the Americas segment increased by 92% to EUR 451.2 million in 2015 (2014: 235.1). Using comparable exchange rates and excluding the watering and English & Crystal Living businesses, sales increased by 4%.

Fiskars delivered solid performance in the Americas for the full year of 2015. The sales of Garden products and School, Office and Craft products increased, with the latter category peaking during the strong back-to-school season in the third quarter.

The English & Crystal Living business had a strong start as part of Fiskars during the third quarter. However, the result was weighed down by a difficult fourth quarter, as sales declined.

On a full-year basis, sales of the Outdoor business declined. The business increased its operating profit thanks to an improved product mix and better operations with increasing quality and efficiency.

As expected, the watering business did not generate a profit for the full year of 2015. Fiskars will continue to pursue synergies and aim to improve category performance. Fiskars expects to reduce losses during 2016 and generate incremental profits in the watering business in 2017.

The segment's operating profit excluding non-recurring items increased to EUR 36.1 million (26.2) during the same period with help of the strengthened U.S. dollar. The increased operating profit of the Outdoor business unit was offset by the negative contribution of the watering business.

**Other segment**

*Q4 2015 and 2015*

| EUR million | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Net sales | 8.8 | 7.7 | 14%* | 40.5 | 37.8 | 7%* |
| Operating profit (incl. eliminations) | -3.5 | -5.7 | -38% | -16.5 | -10.6 | 55% |
| Net change in fair value of investments valued at FVTPL** | 72.7 | 27.9 | 161% | 56.1 | 27.9 | 101% |
| Investments at FVTPL** | | | | 520.0 | 766.7 | |
| Capital expenditure (incl. eliminations) | 2.3 | 1.8 | 27% | 8.2 | 7.4 | 10% |
| Personnel (FTE), average | 339 | 336 | 1% | 339 | 330 | 3% |

* Currency-neutral change in net sales Q4 2015 was 14% and in 2015 7%.
** FVTPL = Fair value through profit or loss

The Fiskars Other segment contains the Group's investment portfolio, real estate unit, boats business, corporate headquarters, and shared services. In November 2015, Fiskars announced an agreement to sell the boats business to Yamaha Motor Europe N.V. The transaction was completed in early 2016.

*Other in Q4 2015*

Net sales in the segment were EUR 8.8 million (Q4 2014: 7.7) in the fourth quarter, consisting of the boats business, timber sales, and rental income. The operating profit for the quarter was EUR -3.5 million (-5.7).

Along with the rest of the Group's active investments, Fiskars treats its shares in Wärtsilä as financial assets at fair value through profit or loss in the Other segment.

At the end of the period, the market value of Fiskars' active investments was EUR 520.0 million, consisting of shares in Wärtsilä valued at EUR 458.7 million, with a closing price of EUR 42.15 per Wärtsilä share, and investments in short-term interest rate funds valued at EUR 61.4 million. The positive net change in fair value recorded in the profit and loss statement amounted to EUR 72.7 million during the fourth quarter.

*Other in 2015*

Net sales in the segment were EUR 40.5 million (2014: 37.8) in 2015, consisting of the boats business, timber sales, and rental income. The operating profit for the period was EUR -16.5 million (-10.6), primarily impacted by costs related to the WWRD acquisition.

The positive net change in the fair value of Fiskars' active investments recorded in the profit and loss statement amounted to EUR 56.1 million during 2015.

**Research and development**

The Group's research and development expenditure totaled EUR 5.6 million (Q4 2014: 4.3) in the fourth quarter of 2015, equivalent to 1.7% (2.1%) of net sales. In 2015, research and development expenditures totaled EUR 18.0 million (14.6), equivalent to 1.6% (1.9%) of net sales.

## Personnel

| Personnel (FTE), average | Q4 2015 | Q4 2014 | Change | 2015 | 2014 | Change |
|---|---|---|---|---|---|---|
| Group | 8,334 | 4,443 | 88% | 6,303 | 4,243 | 49% |
| Europe & Asia-Pacific | 6,642 | 3,388 | 96% | 4,842 | 3,296 | 47% |
| Americas | 1,353 | 719 | 88% | 1,123 | 618 | 82% |
| Other | 339 | 336 | 1% | 339 | 330 | 3% |

The average number of full-time equivalent employees (FTE) was 8,334 (Q4 2014: 4,443) in the fourth quarter, of whom 6,642 (3,388) were in Europe & Asia-Pacific, 1,353 (719) in the Americas, and 339 (336) in the Other segment. The increase was mainly due to the English & Crystal Living business.

In 2015, the Group employed an average of 6,303 (4,243) FTE employees. At the end of December, the Group had a total of 9,003 employees (4,832) on the payroll, of whom 1,509 (1,532) were in Finland.

## Financial items and net result

*Financial items and net result in Q4 2015*

The net change in the fair value of investments through profit or loss amounted to EUR 72.7 million during the fourth quarter of 2015. The change in the market value of the company's holdings in Wärtsilä amounted to EUR 72.6 million in the fourth quarter of 2015, with the closing price of Wärtsilä shares being EUR 42.15 at the end of December. Other financial income and expenses amounted to EUR -2.9 million (Q4 2014: 10.3) in the fourth quarter of 2015.

Profit before taxes was EUR 83.2 million (716.6) in the fourth quarter of 2015. Income taxes in the fourth quarter were EUR -21.0 million (1.6). Earnings per share were EUR 0.76 (8.77). Operative earnings per share, excluding the net change in the fair value of the investment portfolio, were EUR 0.05 (0.09, also excluding the sale and reclassification of Wärtsilä shares).

*Financial items and net result in 2015*

The net change in the fair value of investments through profit or loss amounted to EUR 56.1 million in 2015. The change in the market value of the company's holdings in Wärtsilä amounted to EUR 54.4 million in 2015, with the closing price of Wärtsilä shares being EUR 42.15 at the end of December. In order to fund the acquisition of WWRD, the company sold most of its investments in short term interest rate funds during the second quarter. The value of investments sold during the year amounted to EUR 340.5 million.

In 2015 other financial income amounted to EUR 23.2 million (2014: 10.5), including EUR 11.4 million of dividends received on Wärtsilä shares and EUR 13.9 million (13.3) of foreign exchange differences. Future cash flow hedges accounted for EUR -7.0 million and currency derivatives related to financial investments accounted for EUR 19.5 million of the total foreign exchange differences in 2015.

Profit before taxes for the full year of 2015 was EUR 125.5 million (786.7). Income taxes for the year were EUR -39.2 million (-13.4). Earnings per share were EUR 1.04 (9.44). Operative earnings per share, excluding the net change in the fair value of the investment portfolio, were EUR 0.35 (0.76, also excluding the sale and reclassification of Wärtsilä shares).

## Fiskars' restructuring and profit improvement programs

Fiskars is transforming into a global integrated, branded consumer goods company. To support the transformation, Fiskars has launched programs that relate to operations, structures, and systems in Europe as well as to the global supply chain network in Europe and Asia. The programs are progressing according to their announced schedules.

*Investment program in Europe*

In December 2010, Fiskars launched an investment program to create competitive structures, systems, and processes in Europe, including a new, shared Enterprise Resource Planning (ERP) system. The costs and investment related to the program are estimated at EUR 65 million, of which approximately EUR 60 million had been recorded by the end of 2015.

At the moment approximately 84% of the business volume targeted by the program is running through common systems and processes. The implementation period of the program will continue into 2016. The program is proceeding according to plan.

*EMEA 2015 restructuring program*

In 2013, Fiskars launched a restructuring program to optimize operations and sales units in Europe. The EMEA 2015 program was completed at the end of 2015. The total cost of the program was EUR 21.3 million. The annual cost savings of the program will be approximately EUR 13 million in 2016. The program costs were recorded as non-recurring items.

*Supply Chain 2017 program*

During the third quarter of 2015 Fiskars announced a restructuring program to continue the optimization of its global supply chain network in Europe and Asia. The Supply Chain 2017 program aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million between 2015 and 2017. They are planned to be recorded as non-recurring charges, of which EUR 6.4 million was recorded in Europe during 2015. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is estimated to be completed by the end of 2017.

As a part of the program, following employee consultations, Fiskars decided to transfer the manufacturing operations from the Helsinki ceramics factory to a partner network during 2016.

**Impairment charges**

Fiskars recorded a goodwill impairment charge of EUR 5.0 million during the third quarter 2015, related to the container gardening business in the U.S., which was sold in early 2016.

Fiskars also recorded EUR 1.5 million of non-recurring items during the fourth quarter 2015, related to a write-down of fixed assets of a non-core product range in Europe.

**Cash flow, balance sheet, and financing**

*Cash flow, balance sheet, and financing in Q4 2015*

The fourth-quarter cash flow from operating activities increased to EUR 61.5 million (Q4 2014: 47.9). Cash flow from investing activities was EUR 4.6 million (211.9, including the sale of Wärtsilä shares and the acquisition of the watering business). Cash flow from financing activities was EUR -72.6 million (-235.1, including an extra dividend payment net of withholding tax) in the fourth quarter.

Capital expenditure for the fourth quarter totaled EUR 7.8 million (7.4), mainly relating to replacements, new product development and the company's five-year investment program in EMEA. Depreciation, amortization and impairment were EUR 11.0 million (8.0) in the fourth quarter. The increase was primarily due to the write-down of fixed assets of a non-core product range in Europe and depreciation in the English & Crystal Living entities.

*Cash flow, balance sheet, and financing in 2015*

During 2015, cash flow from operating activities was EUR 47.6 million (2014: 87.0, including dividends paid by Wärtsilä), negatively impacted mainly by the change in working capital related to the two recent acquisitions. In addition, Wärtsilä dividends have been moved from cash flow from operating activities to cash flow from investing activities. Cash flow from investing activities was EUR -5.9 million (187.8, including proceeds from the sale of Wärtsilä shares and the acquisition of the watering business) for January–

December 2015, including the acquisition of WWRD with a cash flow effect of EUR -289.4 million. Cash flow from financing activities was EUR -56.0 million (-251.1, including an extra dividend payments net of withholding tax) for January–December.

Capital expenditure in 2015 totaled EUR 32.4 million (35.0) and depreciation, amortization and impairment were EUR 42.8 million (28.5).

Fiskars' working capital totaled EUR 190.5 million (93.3) at the end of December. The increase in working capital can be attributed to the growth of inventories and accounts receivable due to the acquisitions of the watering and WWRD businesses and foreign exchange differences. The equity ratio decreased to 65% (73%) and net gearing was 21% (11%). The investments in short-term interest rate funds are not included in the net gearing ratio.

Cash and cash equivalents at the end of the period totaled EUR 19.7 million (33.6) and investments in short term interest rate funds were valued at EUR 61.4 million (400.1). Interest-bearing debt amounted to EUR 269.6 million (160.4). At the end of the period, the shares in Wärtsilä were valued at EUR 458.7 million (366.5), with a closing price of EUR 42.15 per Wärtsilä share (37.09), resulting in a total market value of Fiskars' active investments of EUR 520.0 million (766.7), including the short-term interest rate funds mentioned above.

Short-term borrowing totaled EUR 86.7 million (128.9) and long-term borrowing totaled EUR 182.9 million (31.5). Short-term borrowing mainly consisted of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

**Acquisition of the WWRD business**

On May 10, 2015, Fiskars agreed to acquire the WWRD group of companies and its portfolio of iconic luxury home and lifestyle brands – Waterford, Wedgwood, Royal Doulton and Royal Albert – from the U.S. based private equity firm KPS Capital Partners. For the Fiskars' Living business unit, the acquisition created a strong presence in the U.S., and further enhanced Fiskars' market position in Europe and Asia-Pacific.

The acquisition was completed on July 1, 2015. As of this date, the net sales and operating profit of the acquired business are divided into two reporting segments, Europe & Asia-Pacific and the Americas. The English & Crystal Living (WWRD) business net sales are also reported as part of the Living products business unit.

The purchase price for the business and related net assets was USD 437 million (EUR 391 million), which was subject to net working capital and cash and debt based adjustments, resulting in a total consideration of EUR 308 million.

During the second half of 2015, the net sales of the English & Crystal Living business were slightly above the net sales of the corresponding period in the previous year. However, the acquisition had a negative effect on Fiskars' operating profit, mainly due to purchase price allocation charges and other acquisition related costs, which impact the result in 2015 only. The business is estimated to have a positive effect on Fiskars' operating profit during 2016.

**Changes in organization and management**

Fiskars' Executive Board was strengthened as of September 15, 2015 when Alexander Matt joined the company, taking the role of Senior Vice President, Brand and Marketing, and becoming a member of the Executive Board.

**Corporate Governance**

Fiskars complies with the Finnish Corporate Governance Code issued by the Securities Market Association, which came into force on October 1, 2010. Fiskars' Corporate Governance Statement for 2015 in accordance with Recommendation 51 of the Code will be published in week 8 of 2016 as a separate report.

Ultimate decision-making power is vested in the Annual General Meeting of shareholders, which elects the members of the Board of Directors. Members of the Board are appointed until the end of the following Annual General Meeting. The Board of Directors is responsible for appointing, and if necessary, dismissing the President and CEO. Fiskars' Articles of Association do not contain matters that could materially affect a public tender offer of the company's securities.

**Shares and shareholders**

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The average share price during the fourth quarter was EUR 18.46 (Q4 2014: 20.60) and EUR 18.69 in 2015 (2014: 20.35). At the end of December, the closing price was EUR 18.74 (EUR 17.99) per share and Fiskars had a market capitalization of EUR 1,534.9 million (1,473.5). The number of shares traded from January to December was 6.2 million (6.9), which represents 7.6% (8.4%) of the total number of shares.

The total number of shareholders was 18,426 (17,828) at the end of December. Fiskars was not informed of any significant change among its largest shareholders during the year. Fiskars' shareholder structure and main shareholders at the end of the year are detailed in the financial statements.

**Board authorizations**

The Annual General Meeting for 2015 decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 own shares, in one or several installments, using the unrestricted shareholders' equity of the company. Further, the Annual General Meeting for 2015 decided to authorize the Board to decide on the transfer of own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares in one or several installments, either against or without consideration. The authorizations are effective until June 30, 2016 and canceled the corresponding authorizations granted to the Board by the Annual General Meeting on March 12, 2014. More detailed information on the authorizations is available in the Report of the Board Directors for the year 2015 and on the Company's website www.fiskarsgroup.

**Board and Board Committees**

The Annual General Meeting for 2015 decided that the Board of Directors shall consist of ten members. Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Ingrid Jonasson Blank and Karsten Slotte were re-elected. Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were elected as new members. The term of the Board members will expire at the end of the Annual General Meeting in 2016.

In the constitutive meeting of the Board held after the Annual General Meeting 2015, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as Deputy Chairman of the Board. Further, the Board decided to renew the previous year's three Board Committees: the Audit Committee, the Compensation Committee and the Nomination and Strategy Committee.

The Board appointed Gustaf Gripenberg (Chairman), Ingrid Jonasson Blank, Alexander Ehrnrooth, Louise Fromond, Karsten Slotte and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (chairman), Inka Mero, Peter Sjölander and Karsten Slotte were appointed as the members of the Compensation Committee. The Board appointed Paul Ehrnrooth (chairman), Alexander Ehrnrooth and Fabian Månsson as the members of the Nomination and Strategy Committee.

**Risks and business uncertainties**

Fiskars' business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report and on the company's website www.fiskarsgroup.com/investors.

The performance of the world's major economies has been subdued for some time and prolonged low consumer confidence in key markets or an uncertain geopolitical environment could have a material adverse impact on the Group's net sales and profit.

Complex and changing tax legislation in multiple jurisdictions where Fiskars operates may create uncertainties relating to tax obligations towards various authorities. Fiskars faces an increasing administrative burden resulting from reporting and disclosure requirements. Increased tax enforcement activity may lead to double taxation and additional costs in forms of penalties and interest.

In June 2015, Fiskars Corporation received a tax audit report proposing reassessment of taxes relating to the fiscal year of 2011. In the opinion of Fiskars' management, the taxes have been reported and levied correctly and no reassessment should be made. An unfavorable decision by the tax office would be appealed by Fiskars, in which case litigation may take several years. The proposed reassessment would result in a negative effect on Fiskars' result of approximately EUR 22 million and on cash flow of approximately EUR 22 million. This figure does not take into account potential interest, litigation expenses or potential penalties.

Fiskars' financial investment portfolio consists of shares in Wärtsilä and of other financial investments. Other financial investments may include investments into funds, shares, bonds and other financial instruments. The financial investment portfolio may lose value for several reasons. The most relevant risks are considered to be a decline in stock markets or changes in interest rates.

A significant part of the Group's operations are located outside of the euro zone. Consolidated financials are reported in euros, which means that the Group is exposed to a translation risk. Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates.

By diversifying its manufacturing footprint the company is increasingly exposed to new risks related to its supply chain. The company has its own manufacturing operations in several locations, and most of its suppliers are located outside Fiskars' key markets. Disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers.

Fiskars is also increasingly exposed to legal, economic, political and regulatory risks related to the countries in which Fiskars and its suppliers have manufacturing facilities, potentially impacting product availability. Failure to meet demands on performance and safety could expose Fiskars to the risk of product recall and even liability for damages in the event that its products cause injury to consumers or damage other property.

Demand for some of the Group's products, particularly garden tools and watering products, is dependent on the weather during the spring, while demand for snow tools depends on the winter conditions. Unfavorable weather conditions such as cold and rainy weather during the spring or no snow in the winter, can have a negative impact on sales of these products.

Sales of living products are heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

Fiskars is exposed to performance, availability and security risks related to common, centralized infrastructure solutions and increased dependency of operations on centralized platforms. Technical problems or disruption in the access to business critical information in connection with system implementations or inability to fully utilize the implemented processes and systems may affect Fiskars' ability to execute essential business processes such as invoicing and deliveries.

**Events after the reporting period**

On January 4, 2016, Fiskars completed the sale of the boats business to Yamaha Motor Europe N.V., a transaction that was announced on November 11, 2015. The sale generated a positive effect on cash flow. However, it will not have a significant impact on Fiskars' financial position during 2016. In 2015, the net sales of Fiskars' boats business totaled EUR 35 million and its operating profit was EUR 1 million.

On January 18, 2016 Fiskars announced the appointment of Ulrik Garde Due as President of the Living business unit and a member of Fiskars' Executive Board. As of the beginning of February 2016, Fiskars' Living business unit consists of the Scandinavian Living business and the English & Crystal Living business. The Scandinavian Living business consists of the Iittala, Royal Copenhagen, Rörstrand and Arabia brands. The English & Crystal Living business includes the Waterford, Wedgwood, Royal Doulton and Royal Albert brands.

On January 22, 2016 Fiskars sold its container gardening business in the U.S. The sale generated a positive effect on cash flow. However, it will not have a significant impact on Fiskars' financial position or result during 2016. In 2015, the net sales of the container gardening business in the U.S. amounted to EUR 23 million and its operating profit to EUR 2 million.

**Outlook for 2016**

Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year, despite the divested businesses, continued economic uncertainty particularly in some of the company's key markets and despite the increased costs due to unfavorable exchange rates in 2016. The majority of the increase in net sales and adjusted operating profit is expected from the addition of the English & Crystal Living business, which is now a part of Fiskars for the full-year 2016. Fiskars continues to seek growth through targeted investments in brands and new product development as well as sharpen its focus on core businesses. The adjusted operating profit excludes restructuring costs, impairment charges and integration related costs.

Fiskars' Other segment includes investments, which are treated as financial assets at fair value through profit or loss. This increases the volatility of Fiskars' financial items in the profit and loss statement and thus the volatility of Fiskars' net results.

**Proposal for distribution of dividend**

According to the balance sheet of the parent company at the end of the financial year 2015, the distributable equity of the parent company was EUR 1,030.8 million (2014: 547.5). The Board of Directors proposes to the Annual General Meeting of shareholders, to be held on March 9, 2016, that a dividend of EUR 0.70 (0.68) per share be paid for the financial period that ended on December 31, 2015.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,905,242. The proposed distribution of dividends would thus be EUR 57.3 million (55.7). This would leave EUR 973.5 million (491.8) of distributable earnings at the parent company.

No material changes have taken place in the financial position of the company since the end of the fiscal year. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

Helsinki, Finland, February 8, 2016

**FISKARS CORPORATION**

Board of Directors

## CONSOLIDATED INCOME STATEMENT

| EUR million | 10–12 2015 | 10–12 2014 | Change % | 1–12 2015 | 1–12 2014 | Change % |
|---|---|---|---|---|---|---|
| **Net sales** | 332.8 | 203.9 | 63 | 1,105.0 | 767.5 | 44 |
| Cost of goods sold | -204.3 | -121.4 | 68 | -687.0 | -457.0 | 50 |
| **Gross profit** | 128.5 | 82.5 | 56 | 418.0 | 310.4 | 35 |
| Other operating income | 3.0 | 2.4 | 23 | 7.1 | 5.9 | 20 |
| Sales and marketing expenses | -84.6 | -47.9 | 76 | -244.5 | -168.4 | 45 |
| Administration expenses | -27.2 | -20.9 | 31 | -106.5 | -80.6 | 32 |
| Research and development costs | -5.6 | -4.3 | 30 | -18.0 | -14.6 | 23 |
| Other operating expenses | -1.1 | -9.5 | -89 | -4.6 | -10.0 | -54 |
| Goodwill impairment | | | | -5.0 | | |
| **Operating profit (EBIT)*** | 13.0 | 2.3 | 475 | 46.5 | 42.7 | 9 |
| Change in fair value of biological assets | 0.4 | 0.2 | 116 | -0.2 | -0.3 | -29 |
| Share of profit from associate | | | | | 30.0 | |
| Gain on sale and revaluation of associate shares | | 676.0 | | | 676.0 | |
| Investments at fair value through profit or loss - net change in fair value | 72.7 | 27.9 | 161 | 56.1 | 27.9 | 101 |
| Other financial income and expenses | -2.9 | 10.3 | | 23.2 | 10.5 | 122 |
| **Profit before taxes** | 83.2 | 716.6 | -88 | 125.5 | 786.7 | -84 |
| Income taxes | -21.0 | 1.6 | | -39.2 | -13.4 | 192 |
| **Profit for the period** | **62.2** | **718.2** | **-91** | **86.4** | **773.3** | **-89** |
| Attributable to: | | | | | | |
| Equity holders of the parent company | 61.9 | 718.1 | -91 | 85.1 | 773.1 | -89 |
| Non-controlling interest | 0.3 | 0.1 | 407 | 1.2 | 0.2 | 423 |
| Earnings for equity holders of the parent company per share, euro (basic and diluted) | 0.76 | 8.77 | -91 | 1.04 | 9.44 | -89 |
| *Operating profit excl. NRIs (detailed in notes) | 16.8 | 10.7 | 57 | 65.1 | 59.6 | 9 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 10–12 2015 | 10–12 2014 | 1–12 2015 | 1–12 2014 |
|---|---|---|---|---|
| **Profit for the period** | **62.2** | **718.2** | **86.4** | **773.3** |
| **Other comprehensive income for the period** | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Translation differences | 5.9 | -0.5 | 11.6 | 3.6 |
| Change in associate recognized directly in other comprehensive income | | | | 6.5 |
| Transferred to income statement | | 6.2 | | 6.2 |
| Cash flow hedges | -0.0 | 0.1 | -0.0 | -0.0 |
| Items that will not be reclassified to profit or loss | | | | |
| Defined benefit plan, actuarial gains (losses) net of tax | -1.3 | -1.0 | -1.4 | -1.1 |
| Change in associate recognized directly in other comprehensive income | | | | -0.1 |
| Other comprehensive income for the period net of tax total | 4.5 | 4.9 | 10.2 | 15.1 |
| **Total comprehensive income for the period** | **66.8** | **723.1** | **96.5** | **788.4** |
| Attributable to: | | | | |
| Equity holders of the parent company | 66.4 | 723.1 | 95.6 | 788.0 |
| Non-controlling interest | 0.3 | 0.0 | 0.9 | 0.4 |

## CONSOLIDATED BALANCE SHEET

| EUR million | 12/2015 | 12/2014 | Change % |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 237.4 | 112.7 | 111 |
| Other intangible assets | 303.2 | 171.9 | 76 |
| Property, plant & equipment | 157.4 | 104.7 | 50 |
| Biological assets | 41.4 | 41.6 | -1 |
| Investment property | 4.9 | 4.9 | -1 |
| Financial assets | | | |
| Financial assets at fair value through profit or loss | 14.9 | 11.1 | 34 |
| Other investments | 7.0 | 5.0 | 39 |
| Deferred tax assets | 37.7 | 26.8 | 41 |
| **Non-current assets total** | 804.0 | 478.8 | 68 |
| **Current assets** | | | |
| Inventories | 234.3 | 168.2 | 39 |
| Trade and other receivables | 211.0 | 129.2 | 63 |
| Income tax receivables | 2.8 | 8.0 | -65 |
| Interest-bearing receivables | 0.0 | 5.1 | -100 |
| Investments at fair value through profit or loss | 520.0 | 766.7 | -32 |
| Cash and cash equivalents | 19.7 | 33.6 | -41 |
| **Current assets total** | 987.9 | 1,110.7 | -11 |
| **Non-current assets held for sale** | 41.4 | | |
| **Assets total** | **1,833.3** | **1,589.5** | **15** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity attributable to the equity holders of the parent company | 1,190.8 | 1,151.9 | 3 |
| Non-controlling interest | 3.3 | 1.3 | 153 |
| **Equity total** | 1,194.0 | 1,153.2 | 4 |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities | 182.9 | 31.5 | 481 |
| Other liabilities | 10.7 | 8.7 | 22 |
| Deferred tax liabilities | 50.0 | 39.1 | 28 |
| Pension liability | 13.9 | 7.0 | 99 |
| Provisions | 4.6 | 4.5 | 2 |
| **Non-current liabilities total** | 262.0 | 90.9 | 188 |
| **Current liabilities** | | | |
| Interest-bearing liabilities | 86.7 | 128.9 | -33 |
| Trade and other payables | 237.4 | 210.2 | 13 |
| Income tax liabilities | 20.3 | 1.9 | 988 |
| Provisions | 10.5 | 4.4 | 135 |
| **Current liabilities total** | 354.7 | 345.5 | 3 |
| **Liabilities directly associated with the non-current assets held for sale** | 22.5 | | |
| **Equity and liabilities total** | **1,833.3** | **1,589.5** | **15** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| **EUR million** | 10–12 2015 | 10–12 2014 | 1–12 2015 | 1–12 2014 |
|---|---|---|---|---|
| **Cash flow from operating activities** | | | | |
| Profit before taxes | 83.2 | 716.6 | 125.5 | 786.7 |
| Adjustments for | | | | |
| Depreciation, amortization and impairment | 11.0 | 8.0 | 42.8 | 28.5 |
| Share of profit from associate | | | | -30.0 |
| Gain on sale and revaluation of associate shares | | -676.0 | | -676.0 |
| Gain/loss on sale and loss on scrap of non-current assets | -1.6 | 8.9 | -2.7 | 8.5 |
| Investments at fair value through profit or loss - net change in fair value | -72.7 | -27.9 | -56.1 | -27.9 |
| Other financial items | 2.9 | -10.2 | -23.2 | -10.4 |
| Change in fair value of biological assets | -0.4 | -0.2 | 0.2 | 0.3 |
| Change in provisions and other non-cash items | 12.3 | -3.8 | 14.5 | -6.1 |
| Cash flow before changes in working capital | 34.8 | 15.3 | 101.2 | 73.6 |
| | | | | |
| Changes in working capital | | | | |
| Change in current assets, non-interest-bearing | 16.6 | 3.9 | -22.1 | 17.0 |
| Change in inventories | 8.3 | 1.7 | 16.4 | -20.5 |
| Change in current liabilities, non-interest-bearing | 5.0 | 31.7 | -45.3 | 9.6 |
| Cash flow from operating activities before financial items and taxes | 64.6 | 52.7 | 50.2 | 79.8 |
| | | | | |
| Dividends received from associate | | | | 26.9 |
| Financial income received and costs paid | -1.6 | -1.3 | 15.4 | -5.4 |
| Taxes paid | -1.6 | -3.6 | -18.0 | -14.3 |
| **Cash flow from operating activities (A)** | 61.5 | 47.9 | 47.6 | 87.0 |
| | | | | |
| **Cash flow from investing activities** | | | | |
| Acquisition of subsidiaries | 4.7 | -19.7 | -289.4 | -19.7 |
| Investments in financial assets | -5.0 | -400.0 | -41.8 | -400.1 |
| Capital expenditure on fixed assets | -7.8 | -7.4 | -32.4 | -35.0 |
| Proceeds from sale of fixed assets | 2.7 | 0.2 | 4.0 | 2.4 |
| Proceeds from sale of associate shares | | 639.1 | | 639.1 |
| Proceeds from sale of investments at fair value through profit or loss | 10.0 | | 340.5 | |
| Other dividends received | 0.0 | | 11.4 | |
| Cash flow from other investments | | -0.2 | 1.8 | 1.3 |
| **Cash flow from investing activities (B)** | 4.6 | 211.9 | -5.9 | 187.8 |
| | | | | |
| **Cash flow from financing activities** | | | | |
| Change in current receivables | -5.0 | -4.7 | 2.2 | -2.8 |
| Borrowings of non-current debt | 99.8 | 33.6 | 149.9 | 32.7 |
| Repayment of non-current debt | -15.1 | -33.7 | -23.5 | -44.6 |
| Change in current debt | -151.7 | -39.8 | -104.6 | 11.4 |
| Payment of finance lease liabilities | -0.0 | -0.3 | -0.8 | -2.4 |
| Cash flow from other financing items | -0.2 | 0.4 | -0.5 | 0.2 |
| Dividends paid | -0.2 | -190.6 | -78.7 | -245.6 |
| **Cash flow from financing activities (C)** | -72.5 | -235.1 | -56.0 | -251.1 |
| | | | | |
| **Change in cash and cash equivalent (A+B+C)** | **-6.4** | **24.7** | **-14.4** | **23.7** |
| | | | | |
| Cash and cash equivalent at beginning of period | 25.2 | 8.9 | 33.6 | 9.7 |
| Translation difference | 0.9 | -0.0 | 0.5 | 0.2 |
| Cash and cash equivalent at end of period | 19.7 | 33.6 | 19.7 | 33.6 |

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

| | Attributable to the equity holders of the parent company | | | | | | |
|---|---|---|---|---|---|---|---|
| **EUR million** | Share capital | Cumul. transl. diff. | Fair value reserve | Actuarial gains and losses | Retained earnings | Non-controlling interest | Total |
| **Dec 31, 2013** | **77.5** | **-18.7** | **-2.6** | **-6.7** | **582.2** | **0.9** | **632.7** |
| Total comprehensive income for the period | | 14.5 | 1.6 | 4.5 | 767.4 | 0.4 | 788.4 |
| Changes due to divestments | | | | | -0.0 | 0.2 | 0.2 |
| Dividends paid | | | | | -267.8 | -0.2 | -268.0 |
| **Dec 31, 2014** | **77.5** | **-4.2** | **-1.0** | **-2.2** | **1,081.7** | **1.3** | **1,153.2** |
| Total comprehensive income for the period | | 11.5 | -0.0 | -1.4 | 85.1 | 1.3 | 96.5 |
| Changes due to acquisitions | | | | -0.7 | | 1.3 | 0.6 |
| Dividends paid | | | | | -55.7 | -0.6 | -56.3 |
| **Dec 31, 2015** | **77.5** | **7.3** | **-1.0** | **-4.3** | **1,111.2** | **3.3** | **1,194.0** |

## KEY FIGURES*

| | 12/2015 | 12/2014 | Change % |
|---|---|---|---|
| Equity/share, EUR | 14.54 | 14.06 | 3 |
| Equity ratio | 65% | 73% | |
| Net gearing | 21% | 11% | |
| Net interest-bearing liabilities, EUR million | 249.4 | 121.3 | |
| Personnel (FTE), average | 6,269 | 4,243 | 48 |
| Personnel, end of period | 9,003 | 4,832 | 86 |
| Number of shares outstanding end of period, thousands | 81,905 | 81,905 | |
| Weighted average number of outstanding shares during period, thousands | 81,905 | 81,905 | |

*Please see the annual financial statements 2014 for the calculation of key figures

## NOTES TO THE FINANCIAL STATEMENT RELEASE

### ACCOUNTING PRINCIPLES

This financial statement release is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements. The full-year figures in this release are audited. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2015:
- Amendments to IAS 19 Employee Benefits
- Annual improvements to IFRSs 2010–2012 cycle and 2011–2013 cycle
The adoption of the changed standards above had no material impact on the reported results or financial position.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and other information, such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates.

## OPERATING SEGMENTS**

| **EUR million** | 10–12 2015 | 10–12 2014 | Change % | 1–12 2015 | 1–12 2014 | Change % |
|---|---|---|---|---|---|---|
| **Net sales** | | | | | | |
| Europe & Asia-Pacific | 224.4 | 140.6 | 60 | 661.5 | 506.7 | 31 |
| Americas | 118.0 | 59.1 | 100 | 451.2 | 235.1 | 92 |
| Other | 8.8 | 7.7 | 14 | 40.5 | 37.8 | 7 |
| Inter-segment sales* | -18.4 | -3.5 | 429 | -48.2 | -12.1 | 299 |
| **Group total** | **332.8** | **203.9** | **63** | **1,105.0** | **767.5** | **44** |

| milj. euro | 10–12 2015 | 10–12 2014 | Change % | 1–12 2015 | 1–12 2014 | Change % |
|---|---|---|---|---|---|---|
| **Operating profit (EBIT)** | | | | | | |
| Europe & Asia-Pacific | 14.7 | 3.9 | 280 | 34.9 | 25.8 | 35 |
| Americas | 1.8 | 4.1 | -56 | 28.1 | 27.4 | 2 |
| Other and eliminations | -3.5 | -5.7 | -38 | -16.5 | -10.6 | 55 |
| **Group total** | **13.0** | **2.3** | 475 | **46.5** | **42.7** | **9** |
| | | | | | | |
| **Depreciation, amortization and impairment** | | | | | | |
| Europe & Asia-Pacific | 6.8 | 3.8 | 80 | 21.7 | 14.3 | 52 |
| Americas | 2.1 | 2.1 | 3 | 12.7 | 5.9 | 115 |
| Other and eliminations | 2.1 | 2.1 | -3 | 8.4 | 8.3 | 1 |
| **Group total** | **11.0** | **8.0** | **38** | **42.8** | **28.5** | **50** |
| | | | | | | |
| **Capital expenditure** | | | | | | |
| Europe & Asia-Pacific | 4.6 | 3.4 | 34 | 20.2 | 22.5 | -10 |
| Americas | 1.0 | 2.1 | -55 | 4.0 | 5.2 | -22 |
| Other and eliminations | 2.3 | 1.8 | 27 | 8.2 | 7.4 | 11 |
| **Group total** | **7.8** | **7.4** | **6** | **32.4** | **35.0** | **-8** |
| | | | | | | |
| *Inter-segment sales | | | | | | |
| Europe & Asia-Pacific | -16.8 | -2.1 | | -41.5 | -6.9 | |
| Americas | -1.1 | -0.9 | | -4.9 | -3.3 | |
| Other | -0.5 | -0.5 | | -1.8 | -1.8 | |

**Comparison period has been restated due to the change in organization structure.

| BUSINESS UNITS<br>**EUR million** | 10–12 2015 | 10–12 2014 | Change % | 1–12 2015 | 1–12 2014 | Change % |
|---|---|---|---|---|---|---|
| **Net sales** | | | | | | |
| Functional Products | 97.6 | 90.5 | 8 | 524.5 | 410.2 | 28 |
| Living Products | 197.8 | 79.3 | 150 | 447.9 | 238.5 | 88 |
| Outdoor Products | 29.0 | 27.0 | 7 | 93.8 | 82.7 | 13 |
| Other | 8.4 | 7.2 | 17 | 38.8 | 36.0 | 8 |
| **Group total** | **332.8** | **203.9** | **63** | **1,105.0** | **767.5** | **44** |

| NON-RECURRING ITEMS<br>**EUR million** | 10–12 2015 | 10–12 2014 | 1–12 2015 | 1–12 2014 |
|---|---|---|---|---|
| EMEA 2015 restructuring program | -1.4 | -2.5 | -2.6 | -10.6 |
| Supply Chain 2017 program | -0.1 | | -6.4 | |
| Goodwill impairment* | | | -5.0 | |
| Integration of watering business | -0.7 | | -3.0 | |
| Write-down of machinery and equipment*** | -1.5 | | -1.5 | |
| Write-down of ERP related intangible assets | | -7.0 | | -7.0 |
| Gain from bargain purchase** | | 1.7 | | 1.7 |
| Trademark impairment | | -0.4 | | -0.4 |
| Other non-recurring items | -0.2 | -0.2 | -0.2 | -0.7 |
| **Non-recurring items total** | **-3.8** | **-8.4** | **-18.6** | **-17.0** |

*Related to the sale of the container gardening business in Americas in 2016
**Related to the acquisition of the watering business
***Write-down of machinery and equipment due to planned rationalization of a non-core product range in Europe

## INTANGIBLE AND TANGIBLE ASSETS

| EUR million | 12/2015 | 12/2014 |
|---|---|---|
| **Intangible assets and goodwill** | | |
| Book value, Jan 1 | 284.6 | 282.9 |
| Currency translation adjustment | 3.1 | 1.3 |
| Acquisitions | 262.5 | |
| Additions | 6.8 | 16.7 |
| Amortization and impairment | -15.7 | -9.2 |
| Decreases and transfers | -0.6 | -7.0 |
| **Book value at end of period** | **540.6** | **284.6** |
| | | |
| Investment commitments for intangible assets | 2.7 | 6.0 |
| | | |
| **Tangible assets and investment property** | | |
| Book value, Jan 1 | 109.6 | 106.5 |
| Currency translation adjustment | 2.0 | 2.7 |
| Acquisitions | 59.4 | 5.3 |
| Additions | 25.6 | 18.9 |
| Depreciation and impairment | -27.4 | -19.2 |
| Decreases and transfers | -6.8 | -4.5 |
| **Book value at end of period** | **162.4** | **109.6** |
| | | |
| Investment commitments for property, plant and equipment | 9.2 | 2.7 |

## NON-CURRENT ASSETS HELD FOR SALE

| EUR million | 12/2015 | 12/2014 |
|---|---|---|
| Tangible and intangible assets | 18.7 | |
| Inventories | 11.5 | |
| Other assets | 11.2 | |
| **Total non-current assets held for sale** | **41.4** | |
| | | |
| Interest-bearing liabilities | 12.8 | |
| Provisions | 0.3 | |
| Other non-interest bearing liabilities | 9.4 | |
| **Total liabilities directly associated with the non-current assets held for sale** | **22.5** | |

Non-current assets held for sale at the end of December 2015 include land to be sold in the acquired WWRD business during 2016 together with the assets and liabilities of the boats business and the assets of the container gardening business in Americas.

## CONTINGENCIES AND PLEDGED ASSETS

| EUR million | 12/2015 | 12/2014 |
|---|---|---|
| **As security for own commitments** | | |
| Lease commitments | 91.3 | 55.1 |
| Guarantees | 26.2 | 11.2 |
| Other contingencies* | 21.7 | 22.9 |
| Total | 139.2 | 89.1 |

**Guarantees as security for third-party commitments**
The Group has no guarantees as security for third-party commitments.

| | | |
|---|---|---|
| **Contingencies and pledged assets total** | **139.2** | **89.1** |

*Other contingencies include a commitment of USD 22 million to invest in private equity funds.

### Tax risks

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. Fiskars Corporation has in June 2015 received a tax audit report proposing reassessment of taxes relating to the fiscal year of 2011. Fiskars has provided its response to the tax audit report and the matter has proceeded to the tax office which makes the decision on the matter. In the opinion of the Fiskars' management, the taxes have been reported and levied correctly and no reassessment should be made. An unfavorable decision by the tax office would be appealed by Fiskars, in which case the litigation may take several years.

The proposed reassessment would result in a negative effect on Fiskars's result of approximately EUR 22 million and on cash flow of approximately EUR 22 million. The aforesaid does not take into account potential interest expenses, which by the end of the 2015 would amount to approximately EUR 5 million, litigation expenses or potential penalties.

Fiskars believes that the tax auditors' reassessment proposal will not be sustained.

### DERIVATIVES

| EUR million | 12/2015 | 12/2014 |
|---|---|---|
| **Nominal amounts of derivatives** | | |
| Foreign exchange forwards and swaps | 375.9 | 417.3 |
| Foreign exchange options | | 205.9 |
| Interest rate swaps | 93.4 | 65.9 |
| Electricity forward agreements | 1.5 | 1.5 |
| | | |
| **Fair value of derivatives** | | |
| Foreign exchange forwards and swaps | 0.0 | 5.4 |
| Interest rate swaps | -1.8 | -2.2 |
| Electricity forward agreements | -0.3 | -0.2 |

Derivatives have been valued at market value.

### EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the appreciation of THB and GBP against EUR and depreciation of JPY, AUD and SEK against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

| EUR million | THB | GBP | JPY | AUD | SEK | CAD | NOK |
|---|---|---|---|---|---|---|---|
| Operational currency position | -29.4 | -23.7 | 22.6 | 21.0 | 20.8 | 13.8 | 12.6 |
| Exchange rate sensitivity of the operations* | 2.9 | 2.4 | -2.3 | -2.1 | -2.1 | -1.4 | -1.3 |

*Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

### FAIR VALUE OF FINANCIAL INSTRUMENTS

12/2015

| EUR million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments at fair value through profit and loss | 520.0 | | 14.9 | 534.9 |
| Other investments | 0.4 | | 6.6 | 7.0 |
| Total assets | 520.4 | | 21.5 | **541.9** |
| | | | | |
| Derivative liabilities | | 2.1 | | 2.1 |
| Total liabilities | | 2.1 | | **2.1** |

12/2014

| EUR million | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Investments at fair value through profit and loss | 766.7 | | 11.1 | 777.8 |
| Other investments | 0.3 | | 4.7 | 5.0 |
| Derivative assets | | 5.4 | | 5.4 |
| Total assets | 767.0 | 5.4 | 15.8 | **788.2** |
| | | | | |
| Derivative liabilities | | 2.4 | | 2.4 |
| Total liabilities | | 2.4 | | **2.4** |

**Fair value categories**

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. Level 2 includes financial assets and liabilities measured using directly observable market inputs. All interest bearing debts and derivatives fall within this category. Level 3 includes financial assets and liabilities measured using non-market observable inputs. The asset classes in this category are unlisted equity investments and funds.

| **Investments** | At fair value through profit or loss | | Other | | |
|---|---|---|---|---|---|
| **EUR million** | Level 1 | Level 3 | Level 1 | Level 3 | Total |
| **Book value, Dec 31, 2013** | | **9.0** | **0.3** | **5.1** | **14.4** |
| Additions | 400.0 | | | | 400.0 |
| Transfer from investments in associates | 113.9 | | | | 113.9 |
| Decreases | | -1.6 | | | -1.6 |
| Change in fair value | 252.8 | 3.6 | 0.0 | -0.4 | 256.0 |
| **Book value, Dec 31, 2014** | **766.7** | **11.1** | **0.3** | **4.7** | **782.8** |
| Additions | 37.8 | 4.0 | | | 41.8 |
| Acquisitions | | | | 1.9 | 1.9 |
| Decreases | -340.5 | -1.8 | | | -342.3 |
| Change in fair value | 56.1 | 1.5 | 0.1 | -0.0 | 57.6 |
| **Book value, Dec 31, 2015** | **520.0** | **14.9** | **0.4** | **6.6** | **541.9** |

Investments at fair value through profit or loss comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist mainly of 10,881,781 shares in Wärtsilä with fair value of EUR 458.7 million and of investments into short interest rate funds with fair value of EUR 61.4 million. A 10% change in the Wärtsilä share price would have an impact of EUR 45.9 million in the results before taxes. Risk associated to investments into short interest rate funds are considered to be low. The fair value of unlisted funds is based on the market value reported by the fund (level 3). Changes in the fair value are recognized in the income statement.

Other investments comprise mostly of non-current receivables and unlisted shares and they are measured at the lower of cost and fair value.

## RELATED PARTY TRANSACTIONS

There have been no material related party transactions during January–December 2015.

## ACQUISITIONS AND DIVESTMENTS

### Acquisition of WWRD in 2015

On 10 May 2015, Fiskars agreed to buy 100% of the shares in KPS LuxCo S.à.r.l., the holding company of the WWRD group, including its brands and business operations from the U.S. based private equity firm KPS Capital Partners. The transaction was subject to the completion of the antitrust filing under the U.S. Hart-Scott-Rodino Antitrust Improvements Act (HSR Act) and was completed on 1 July 2015.

The purchase price payable was USD 437 million, equaling EUR 391 million, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the acquired business on the closing date. The consideration transferred amounted to USD 345 million (EUR 308 million). Additionally, Fiskars repaid WWRD's interest-bearing debt of USD 114 million (EUR 102 million). Fiskars financed the acquisition by monetizing its holdings in short term interest rate funds.

WWRD owns a portfolio of luxury home and lifestyle brands: Wedgwood (established in 1759), Waterford (1783), Royal Doulton (1815), Royal Albert (1904) and Rogaŝka (1665). WWRD has a global footprint and has manufacturing sites in England, Ireland, Slovenia and Indonesia. The retail store structure consists of 226 own stores, of which 76 are owned by WWRD and the remaining 150 are concession stores. WWRD products are also sold in luxury and premium department stores and by specialty retailers in over 100 countries and 10,000 locations. WWRD employs 3,800 employees across 14 countries.

The provisional goodwill of EUR 128 million arising from the acquisition is not expected to be deductible for income tax purposes. Intangible assets also include trademarks and customer relationships. By the end of 2015, EUR 8 million of acquisition related costs have been charged to administration expenses in the consolidated income statement.

Had WWRD been consolidated from 1 January 2015, the consolidated income statement would show pro forma revenue of EUR 1,262 million and profit for the period of EUR 88 million. Consolidating WWRD from 1 January 2015 and excluding purchase price allocation charges and other acquisition related costs impacting the result in 2015 only, pro forma operating profit excl. non-recurring items for 2015 would have been EUR 89 million. The acquired WWRD has been consolidated as of 1 July 2015.

The purchase price allocation is provisional. The following table summarises the consideration paid for WWRD, provisional amounts for the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

| EUR million | |
|---|---|
| **Non-current assets** | |
| Intangible assets | 134.0 |
| Property, plant & equipment | 59.4 |
| Deferred tax assets | 6.8 |
| Other non-current assets | 1.5 |
| **Non-current assets total** | **201.7** |
| **Current assets** | |
| Inventories | 93.4 |
| Trade and other receivables | 56.8 |
| Cash and cash equivalents | 15.0 |
| **Current assets total** | **165.2** |
| **Non-current assets held for sale*** | **12.9** |
| **Assets total** | **379.8** |
| **Non-current liabilities** | |
| Interest bearing liabilities | 105.0 |
| Other non-current liabilities | 9.3 |
| **Non-current liabilities total** | **114.3** |
| **Current liabilities** | |
| Interest bearing debt | 0.6 |
| Trade and other current liabilities | 81.0 |
| **Current liabilities total** | **81.6** |
| **Liabilities directly associated with the non-current assets held for sale*** | **2.9** |
| **Non-controlling interest**** | **1.3** |
| **Net assets** | **179.6** |
| Consideration transferred | 308.1 |
| **Goodwill** | **128.5** |

*Relates to land to be sold in Europe & Asia-Pacific

**Non-controlling interest is recognised and measured based on the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

### Acquisition of U.S. watering brands Nelson and Gilmour in 2014

On December 19, 2014, Fiskars acquired the Bosch Garden and Watering business, including manufacturing operations in Missouri in the U.S. and Ningbo in China. The watering business became a part of Fiskars' Americas segment.

### Sale of significant part of Wärtsilä shares in 2014

Fiskars sold 8% of the capital and votes in Wärtsilä to Investor on Oct 9, 2014, retaining a 5.01% ownership stake. The related joint venture structure between Fiskars and Investor was consequently dissolved and Wärtsilä ceased to be treated as Fiskars' associated company.

## MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

### Sale of the boats business

Fiskars signed an agreement on Nov 11, 2015 to sell its Boats business to Yamaha Motor Europe N.V. The transaction, which includes the sale of shares in Inha Works Ltd. as well as the sale of the Buster brand and related factory real estate in Ähtäri, Finland, was completed on January 4, 2016.

### Sale of the container gardening business in the U.S.

Fiskars Brands, Inc. has sold its container gardening business in the U.S. to Bloem, LLC on January 22, 2016. The transaction included the sale of the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Apopka, Florida, U.S.