FISKARS

FINANCIAL STATEMENTS 2015

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REPORT BY THE BOARD OF DIRECTORS FOR THE YEAR 2015

Year 2015 in brief: Strong growth in net sales; increased operating profit

Fiskars continued its transformation journey during 2015. The company sharpened its focus in the core businesses, Functional, Living and Outdoor, each a leader in their field. Fiskars strengthened its position significantly by acquiring WWRD, recognized for luxury home and lifestyle products, and expanded the portfolio with iconic brands, such as Waterford and Wedgwood. Supported by the acquisition, which was completed on July 1, 2015, Fiskars 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%. While the majority of the increase comes from the new watering and English & Crystal Living (WWRD) businesses, Fiskars' underlying and currency-neutral growth was 3.7%, demonstrating solid progress, even when faced with a challenging economic climate in some of the company's key markets, particularly in Finland and Japan. The growth was driven to a large extent by the Scandinavian Living business, which had an outstanding year.

While growing the topline, Fiskars continued to improve its business operations throughout the year, increasing efficiency and flexibility. As part of Fiskars' strategy to operate as an integrated consumer goods company, it agreed to sell its boats business allowing better focus on the three core businesses. Fiskars' operating profit excluding non-recurring items increased to EUR 65.1 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. The business is estimated to have a positive effect on Fiskars' operating profit during 2016. The integration and turnaround of the watering business will continue and the business is expected to reduce its losses during 2016.

Cash flow from operating activities during 2015 was EUR 47.6 million (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. 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).

The Board of Directors proposes a dividend of EUR 0.70 (0.68) per share be paid for the financial period that ended on December 31, 2015.

Group Performance

Net sales and operating profit

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 products business unit as of July 1, 2015.

The Living business unit consists of the Scandinavian Living business 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, EUR million	2015	2014	Change	Change cn*
Group	1,105.0	767.5	44%	37%
Europe & Asia-Pacific	661.5	506.7	31%	31%
Americas	451.2	235.1	92%	61%
Other	40.5	37.8	7%	7%

* Currency-neutral

Operating profit (EBIT), EUR million	2015	2014	Change
Group	46.5	42.7	9%
Europe & Asia-Pacific	34.9	25.8	35%
Americas	28.1	27.4	2%
Other and eliminations	-16.5	-10.6	55%

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 segments.

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 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 the Americas.

Reporting segments and business units

Fiskars Group's three reporting segments are Europe & Asia-Pacific, Americas, and Other and the business is divided into 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

Net sales, EUR million	2015	2014	Change	Change cn*
Functional Products	524.5	410.2	28%	20%***
Living Products	447.9	238.5	88%	86%**
Outdoor Products	93.8	82.7	13%	-2%
Other	38.8	36.0	8%	8%

* Currency-neutral

** Excluding the acquired English & Crystal Living business, currency-neutral Living Products net sales increased by 7% in 2015.

*** Excluding the acquired watering business, currency-neutral Functional Products net sales increased by 3% in 2015.

Europe & Asia-Pacific segment

EUR million	2015	2014	Change
Net sales	661.5	506.7	31%*
Operating profit (EBIT)	34.9	25.8	35%
EBIT excl. non-recurring items	45.3	43.2	5%
Capital expenditure	20.2	22.5	-10%
Personnel (FTE), average	4,842	3,296	47%

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

EUR million	2015	2014	Change
Net sales	451.2	235.1	92%*
Operating profit (EBIT)	28.1	27.4	2%
EBIT excl. non-recurring items	36.1	26.2	38%
Capital expenditure	4.0	5.2	-22%
Personnel (FTE), average	1,123	618	82%

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

EUR million	2015	2014	Change
Net sales	40.5	37.8	7%*
Operating profit (incl. eliminations)	-16.5	-10.6	55%
Net change in fair value of investments valued at FVTPL**	56.1	27.9	101%
Investments at FVTPL**	520.0	766.7	
Capital expenditure (incl. eliminations)	8.2	7.4	10%
Personnel (FTE), average	339	330	3%

* Currency-neutral change in net sales 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.

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.

Financial items and net result

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

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.

Research and development

The Group's research and development expenditure totaled EUR 18.0 million (2014: 14.6), equivalent to 1.6% (1.9%) of net sales.

Personnel

Personnel (FTE), average	2015	2014	Change
Group	6,303	4,243	49%
Europe & Asia-Pacific	4,842	3,296	47%
Americas	1,123	618	82%
Other	339	330	3%

The average number of full-time equivalent employees (FTE) was 6,303 (4,243), of which 4,842 in Europe & Asia-Pacific, 1,123 in the Americas and 339 in the Other segment. 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. The increase was mainly due to the acquired English & Crystal Living business.

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.

Dividend for the financial year 2014

The Annual General Meeting for 2015, held on March 12, 2015, decided to pay a dividend of EUR 0.68 per share, totaling EUR 55.7 million. The dividend was paid on March 23, 2015.

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 was 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 held on March 12, 2014 resolved 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. The Board of Directors decided to commence acquiring the company's own shares on the basis of the authorization in November 2014, but the criterion for purchase was not met and no shares were acquired by the time the authorization ended on March 12, 2015.

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. The company's own shares may be acquired in public trading on Nasdaq Helsinki at a price determined by public trading on the date of the acquisition. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation. The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of the company's own shares. Based on the authorization the acquisition of the company's own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition).The authorization is effective until June 30, 2016 and canceled the corresponding authorization granted to the Board by the Annual General Meeting on March 12, 2014.

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 company's own shares held as treasury shares may be transferred for example as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system. The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of own shares held as treasury shares. The transfer of own shares may be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue). The authorization is effective until June 30, 2016 and cancels the corresponding authorization granted to the Board by the Annual General Meeting on March 12, 2014.

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.

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 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

The distributable equity of the parent company at the end of the financial year 2015, was EUR 1,030.8 million (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 FINANCIAL STATEMENTS, IFRS

Consolidated income statement

EUR million	Note	2015		2014	
Net sales	2	**1,105.0**		767.5	
Cost of goods sold	6	**-687.0**		-457.0	
Gross profit		**418.0**	**38%**	310.4	40%
Other operating income	5	**7.1**		5.9	
Sales and marketing expenses	6	**-244.5**		-168.4	
Administration expenses	6	**-106.5**		-80.6	
Research and development costs	6	**-18.0**		-14.6	
Other operating expenses	6	**-4.6**		-10.0	
Goodwill impairment	6	**-5.0**			
Operating profit (EBIT)		**46.5**	**4%**	42.7	6%
Change in fair value of biological assets	13	**-0.2**		-0.3	
Share of profit from associate	15			30.0	
Gain on sale and revaluation of associate shares	15			676.0	
Investments at fair value through profit or loss - net change in fair value	8	**56.1**		27.9	
Other financial income and expenses	8	**23.2**		10.5	
Profit before taxes		**125.5**	**11%**	786.7	103%
Income taxes	9	**-39.2**		-13.4	
Profit for the period		**86.4**	**8%**	773.3	101%
Attributable to:					
Equity holders of the parent company		**85.1**		773.1	
Non-controlling interest		**1.2**		0.2	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	10	**1.04**		9.44	

Consolidated statement of comprehensive income

EUR million	Note	**2015**	2014
Profit for the period		**86.4**	773.3
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Translation differences		**11.6**	3.6
Change in associate recognized directly in other comprehensive income	15		6.5
Transferred to income statement			6.2
Cash flow hedges		**-0.0**	-0.0
Items that will not be reclassified to profit or loss			
Defined benefit plan, actuarial gains (losses), net of tax	22	**-1.4**	-1.1
Change in associate recognized directly in other comprehensive income	15		-0.1
Other comprehensive income for the period, net of tax		**10.2**	15.1
Total comprehensive income for the period		**96.5**	788.4
Attributable to:			
Equity holders of the parent company		**95.6**	788.0
Non-controlling interest		**0.9**	0.4

The notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

EUR million	Note	**Dec 31, 2015**		Dec 31, 2014	
ASSETS					
Non-current assets					
Goodwill	11	**237.4**		112.7	
Other intangible assets	11	**303.2**		171.9	
Property, plant & equipment	12	**157.4**		104.7	
Biological assets	13	**41.4**		41.6	
Investment property	14	**4.9**		4.9	
Financial assets					
Financial assets at fair value through profit or loss	16	**14.9**		11.1	
Other investments	16	**7.0**		5.0	
Deferred tax assets	9	**37.7**		26.8	
Non-current assets total		**804.0**	**44%**	478.8	30%
Current assets					
Inventories	17	**234.3**		168.2	
Trade and other receivables	18	**211.0**		129.2	
Income tax receivables		**2.8**		8.0	
Interest-bearing receivables		**0.0**		5.1	
Investments at fair value through profit or loss	16	**520.0**		766.7	
Cash and cash equivalents	16	**19.7**		33.6	
Current assets total		**987.9**	**54%**	1,110.7	70%
Non-current assets held for sale	19	**41.4**	**2%**		
Assets total		**1,833.3**	**100%**	1,589.5	100%
EQUITY AND LIABILITIES					
Equity					
Equity attributable to the equity holders of the parent company		**1,190.8**		1,151.9	
Non-controlling interest		**3.3**		1.3	
Equity total	20	**1,194.0**	**65%**	1,153.2	73%
Non-current liabilities					
Interest-bearing liabilities	21	**182.9**		31.5	
Other liabilities		**10.7**		8.7	
Deferred tax liabilities	9	**50.0**		39.1	
Pension liability	22	**13.9**		7.0	
Provisions	23	**4.6**		4.5	
Non-current liabilities total		**262.0**	**14%**	90.9	6%
Current liabilities					
Interest-bearing liabilities	21	**86.7**		128.9	
Trade and other payables	24	**237.4**		210.2	
Income tax liabilities		**20.3**		1.9	
Provisions	23	**10.5**		4.4	
Current liabilities total		**354.7**	**19%**	345.4	22%
Liabilities directly associated with the non-current assets held for sale	19	**22.5**	**1%**		
Equity and liabilities total		**1,833.3**	**100%**	1,589.5	100%

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

EUR million	**2015**	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	**125.5**	786.7
Adjustments for		
Depreciation, amortization and impairment	**42.8**	28.5
Share of profit from associate		-30.0
Gain on sale and revaluation of associate shares		-676.0
Gain/loss on sale and loss on scrap of non-current assets	**-2.7**	8.5
Investments at fair value through profit or loss - net change in fair value	**-56.1**	-27.9
Other financial items	**-23.2**	-10.4
Change in fair value of biological assets	**0.2**	0.3
Change in provisions and other non-cash items	**14.5**	-6.1
Cash flow before changes in working capital	**101.2**	73.6
Changes in working capital		
Change in current assets, non-interest bearing	**-22.1**	17.0
Change in inventories	**16.4**	-20.5
Change in current liabilities, non-interest bearing	**-45.3**	9.6
Cash flow from operating activities before financial items and taxes	**50.2**	79.8
Dividends received from associate		26.9
Financial income received and costs paid	**15.4**	-5.4
Taxes paid	**-18.0**	-14.3
Cash flow from operating activities (A)	**47.6**	87.0
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	**-289.4**	-19.7
Investments in financial assets	**-41.8**	-400.1
Capital expenditure on fixed assets	**-32.4**	-35.0
Proceeds from sale of fixed assets	**4.0**	2.4
Proceeds from sale of associate shares		639.1
Proceeds from sale of investments at fair value through profit or loss	**340.5**	
Other dividends received	**11.4**	
Cash flow from other investments	**1.8**	1.3
Cash flow from investing activities (B)	**-5.9**	187.8
CASH FLOW FROM FINANCING ACTIVITIES		
Change in current receivables	**2.2**	-2.8
Borrowings of non-current debt	**149.9**	32.7
Repayment of non-current debt	**-23.5**	-44.6
Change in current debt	**-104.6**	11.4
Payment of finance lease liabilities	**-0.8**	-2.4
Cash flow from other financing items	**-0.5**	0.2
Dividends paid	**-78.7**	-245.6
Cash flow from financing activities (C)	**-56.0**	-251.1
Change in cash and cash equivalents (A+B+C)	**-14.4**	23.7
Cash and cash equivalents at beginning of period	**33.6**	9.7
Translation difference	**0.5**	0.2
Cash and cash equivalents at end of period	**19.7**	33.6

The notes are an integral part of these consolidated financial statements.

Statement of changes in consolidated equity

EUR million	Equity attributable to shareholders of the parent company 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**
Translation differences		3.5				0.1	3.6
Change in associate recognized directly in other comprehensive income		8.6	-2.1	-0.1			6.4
Transferred to income statement		2.5	3.8				6.2
Transferred to retained earnings				5.7	-5.7		
Cash flow hedges			-0.0				-0.0
Defined benefit plan, actuarial gains (losses), net of tax				-1.1			-1.1
Other comprehensive income for the period, net of tax, total		**14.5**	**1.6**	**4.5**	**-5.7**	**0.1**	**15.1**
Profit for the period					773.1	0.2	773.3
Total comprehensive income for the period		**14.5**	**1.6**	**4.5**	**767.4**	**0.4**	**788.4**
Changes due to acquisitions					-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**
Translation differences		11.5				0.1	11.6
Cash flow hedges			-0.0				-0.0
Defined benefit plan, actuarial gains (losses), net of tax				-1.4			-1.4
Other comprehensive income for the period, net of tax, total		**11.5**	**-0.0**	**-1.4**		**0.1**	**10.2**
Profit for the period					85.1	1.2	86.4
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**

The notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles for the consolidated financial statements, IFRS

Fiskars Corporation is a Finnish public limited liability company listed on Nasdaq Helsinki and domiciled in Raasepori, Finland. The registered address of Fiskars Corporation is Hämeentie 135 A, Helsinki, Finland. Fiskars Corporation is the parent company of the group. The group manufactures and markets branded consumer products globally. Fiskars' operating segments are Europe and Asia-Pacific, Americas, and Other. The operations are divided into business units Living products, Functional products and Outdoor products. In addition the group has Real Estate operations. The group's international key brands are Fiskars, Iittala, Gerber, Waterford, Wedgwood and Royal Copenhagen.

The financial statements are authorized for issue by the Board of Directors of Fiskars Corporation. According to the Finnish Limited Liability Companies' Act, the shareholders have a possibility to approve or reject or make a decision on altering the financial statements in the Annual General Meeting to be held after the publication of the financial statements.

Basis of preparation

The consolidated financial statements of Fiskars Corporation ("Fiskars" or "the group") are prepared in accordance with International Financial Reporting Standards (IFRS) in force at December 31, 2015 as adopted by the European Union. International Financial Reporting Standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements are prepared on historical cost basis except for financial assets and financial liabilities which are presented at fair value through profit or loss, and biological assets as well as assets and liabilities related to defined benefit pension plans that are measured at fair value.

Items included in the financial statements of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the parent company's functional currency. The presentation is in millions of euro with one decimal.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the management to make judgments and assumptions that affect the recognition and measurement of financial statement items. These estimates and associated assumptions are based on historical experience and other justified assumptions that are believed to be reasonable under the circumstances at the end of the reporting period. These estimates form the basis for judgments of the items in the financial statements. Development of markets and general economic situation may affect the variables underlying the estimates and actual results may differ significantly from these estimates. Such estimates mainly relate to the assumptions made in

- impairment testing (Note 11),
- amount of obsolete inventory (Note 17),
- recognition of impairment losses on trade receivables (Note 18),
- restructuring provisions (Note 23),
- determination of defined benefit pension obligations (Note 22),
- value appraisement of biological assets (Note 13) and
- the probability of deferred tax assets being recovered against future taxable profits (Note 9).

Consolidated financial statements

The consolidated financial statements include the parent company, Fiskars Corporation, and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. Acquired or established subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

Subsidiaries are consolidated using the acquisition method. Intra-group transactions, profit distribution, receivables, liabilities and unrealized gains between group companies are eliminated in consolidation. The profit or loss for the financial year attributable to the owners and non-controlling interest is presented in the income statement and the total comprehensive income for the financial year attributable to the owners and non-controlling interest is presented in the statement of comprehensive income. The non-controlling interest in equity is presented within equity, separately from the equity of the owners of the parent.

Investments in associates in which Fiskars has a significant influence but not control are accounted for using the equity method. Significant influence usually exists when the group holds over 20% of the voting power of the entity or when the group otherwise has significant influence but not control.

Translation of foreign currency items

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period monetary assets and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognized in the income statement and presented under financial items, except for exchange differences related to trade receivables and trade payables that are presented within operating profit. Non-monetary items denominated in foreign currencies are translated using the exchange rate at the date of the transaction, except for those items carried at fair value that are translated using rates prevailing at the date when the fair value was determined.

Translation of financial statements of foreign subsidiaries

In the consolidated financial statements income statements, statements of comprehensive income and cash flows of foreign subsidiaries are translated into the parent company's currency at the average exchange rates for the period. Their balance sheet items are translated at exchange rates prevailing at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and presented under translation differences in equity. Exchange differences resulting from the translation of profit or loss and comprehensive income at the average rate in the income statement and in the statement of comprehensive income, and the balance sheet at the closing rate, are recognized in other comprehensive income and they are included under translation differences in equity. The effective portions of the gains or losses on those financial instruments hedging net investments in foreign operations are recognized similarly. When the group disposes of all, or part of, that subsidiary, the translation differences accumulated in equity are transferred to profit or loss as part of the gain or loss on disposal.

Net sales and revenue recognition principles

Net sales are shown net of indirect taxes, rebates, and exchange differences on trade receivables denominated in foreign currencies. Revenue from the sale of goods is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Revenue related to the Myiittala loyalty program is allocated between the loyalty program and other components of the sale. The amount allocated to the loyalty program is recognized as revenue when customers use the vouchers or when it is apparent that the vouchers will no longer be redeemed. There are no such long-term projects in the group for which the revenue would be recognized using the percentage-of-completion (POC) method.

Pension obligations

Group companies have various pension plans in accordance with local conditions and practices in the countries in which they operate. The plans are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan the group pays fixed contributions into a separate entity. If the entity does not hold sufficient assets to pay all employees the benefits in question, the group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. Most of the plans group companies have are classified as defined contribution plans and related contributions are charged to the income statement in the year in which the payment obligation has arisen.

The costs for defined benefit pension plans are calculated and recognized under the terms of the plan based on actuarial calculations. Pension costs are recognized as expenses over the employees' service period. The pension obligation is measured as the present value of the estimated future contributions deducted by the fair value of plan assets at the end of the reporting period. Changes in the estimates in the actuarial calculations may influence the reported pension obligations and pension costs. Actuarial gains and losses are recognized in other comprehensive income.

Operating profit

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. In Fiskars the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations, amortizations and possible impairments and other operating expenses. The operating profit includes operating results of Fiskars' operating segments Europe and Asia-Pacific, Americas, and Other. The share of profit or loss of the associate Wärtsilä and the change in fair value of biological assets are presented as separate line items below EBIT in the income statement.

Intangible assets

An intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group. Residual values and expected useful lives and are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Goodwill

Goodwill represents the group's share of difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired measured at the acquisition date. Goodwill is stated at historical cost less any accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least annually. For this purpose goodwill has been allocated to cash-generating units or, in case of an associate, the goodwill is included within the carrying amount of the associate in question. The recoverable amount of the unit is compared annually or more often if there are indications of impairment, with its carrying amount to determine potential impairment.

Contingent consideration will be measured at fair value and subsequently re-measured through profit or loss. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Research and development costs

Research and development costs are expensed as they are incurred, except for those development costs that are capitalized if the criteria in IAS 38 are met. Capitalized development costs consisting of mainly direct labor costs and external services are recognized as intangible assets.

Intangible assets not yet available for use are tested annually for impairment. Subsequent to initial recognition capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis over their useful lives, from 3 to 6 years.

Other intangible assets

Other intangible assets include among other patents, capitalized development costs, software, as well as trademarks and customer relationships acquired in business combinations. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment. Intangible assets in this class are amortized on a straight-line basis over their known or expected useful lives. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Software 3–10 years
- Customer relationships 5–15 years
- Other 3–10 years

Intangible assets with an indefinite useful life such as trademarks or brand names acquired in business combinations are not amortized but they are tested at least annually for impairment.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, if applicable. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Buildings 20–40 years
- Machinery and equipment 3–10 years
- Land and water No depreciation

Gains and losses on sales and disposals of items of property, plant, and equipment are presented under other operating income and other operating expenses.

Leases

Leases in which the group takes over from the lessor substantially all the risks and rewards of ownership are classified as finance leases. Assets leased under finance leases are recognized under property, plant, and equipment at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the commencement of the lease term. The associated obligations are recognized in interest-bearing financial liabilities. The lease payments are divided into finance cost and amortization of the lease liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Lease payments made under an operating lease are recognized as an expense on a straight-line basis over the lease term.

Investment property

The properties that are not used in the group's operations or which are held to earn rental revenue or increase in value are classified as investment property. These properties are measured at cost less accumulated depreciation and impairment. Investment properties are depreciated over 20–40 years. Land is not depreciated.

Impairment of property, plant and equipment and intangible assets

The group operations have been divided into cash-generating units (CGU) that are smaller than operating segments. The carrying amounts of the assets relating to these CGUs are reviewed for impairment indicators annually at the end of the reporting period. The recoverable amounts of the following assets are also estimated annually irrespective whether there is any indication for impairment: goodwill, intangible assets with indefinite useful lives and unfinished intangible assets.

To determine a potential impairment the carrying amount of the asset is compared or the carrying amounts of the CGU's net assets are compared against the recoverable amount of that asset or CGU. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value less costs to sell. An impairment loss is recognized for an asset when its carrying amount exceeds its recoverable amount. An impairment loss previously recognized for items of property, plant, and equipment as well as for intangible assets other than goodwill is reversed subsequently only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized for the asset in prior years. An impairment loss recognized for goodwill is not reversed.

Biological assets

Biological assets consist of standing timber in the group's forests in Finland. These assets are measured at fair value less estimated point-of-sale costs. The fair value resulting from both net growth and change in the market value of standing timber is presented as a separate line item in the income statement after operating profit (EBIT). The revenue from the sale of standing timber is presented in the income statement within the operating profit.

For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

Non-current assets held for sale and discontinued operations

A non-current asset (or a disposal group) as well as assets and liabilities associated with a discontinued operation are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The recognition criteria are regarded to be met when a sale is highly probable, the asset (or a disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification.

As from classification date a non-current asset (or a disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated or amortized any more. Assets classified as held for sale, disposal groups, items recognized in other comprehensive income associated with the assets classified as held for sale as well as liabilities included in the disposal group are presented separately in the balance sheet.

A discontinued operation is a component of the group's business that has been disposed of or will be disposed of in accordance with a coordinated plan. It represents a separate major line of business or geographical area of operations. The profit or loss of a discontinued operation is reported separately from the continuing operations in the consolidated statement of comprehensive income.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in first-out (FIFO) method. The cost of finished goods and work-in-progress comprise direct purchase and manufacturing cost, other direct costs and a proportion of the related production overheads based on normal operating capacity. Net realizable value is the estimated amount that can be realized from the sale in normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories.

Financial instruments

Financial assets

Fiskars classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Financial assets are classified at initial recognition based on their purpose of use. For investments not at fair value through profit or loss, the directly attributable transaction costs are included in the original costs of the financial assets. All purchases or sales of financial assets are recognized or derecognized using trade date accounting. The group derecognizes financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards to an external party.

Financial assets at fair value through profit or loss

In this category are classified such financial assets that are held for trading or are designated as financial assets at fair value through profit or loss upon initial recognition (the fair value option). In Fiskars this category comprises the investments in listed securities and those derivative instruments that do not meet the hedge accounting criteria or for which hedge accounting is not applied.

These financial assets are measured at fair value both at initial recognition and subsequently. The fair values of the listed securities are based on quoted rates at the end of the reporting period and fair value changes, both realized and unrealized gains and losses are recognized in the income statement under financial items. The fair value measurement principles of the derivative instruments that do not meet the hedge accounting criteria are described below under Derivatives and hedge accounting.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The group does not hold them for trading or designate them as available for sale upon initial recognition. This category comprises trade receivables and other receivables under current receivables as well as non-current loan receivables that are presented under the item Other investments in the consolidated balance sheet.

Loans and other receivables are measured at amortized cost. The estimate made for doubtful receivables is based on the risks of individual items. Resulting from this assessment the carrying amounts of receivables are adjusted to measure their probable value. Loans and receivables are included in current or non-current assets based on their nature; in the latter class for maturities greater than 12 months after the end of the reporting period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as either loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. In Fiskars this category comprises the investments in unlisted securities. If their fair values cannot be determined reliably, they are measured at cost. Available-for-sale financial assets are included in non-current assets unless the group intends to dispose of them within 12 months of the end of the reporting period in which case they are included in current assets.

Cash and cash equivalents

The balance sheet item Cash and cash equivalents includes cash, i.e. cash in hand and deposits held at call with banks, and cash equivalents. Cash equivalents comprise highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The items included in cash equivalents have original maturities of maximum three months from the date of acquisition. Bank overdrafts are included within current interest-bearing financial liabilities.

Financial liabilities and borrowing costs

Fiskars classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (includes derivative liabilities) and financial liabilities measured at amortized cost. A financial liability is recognized initially at fair value. For financial liabilities measured at amortized cost, the directly attributable transaction costs are included in the original cost. Subsequently financial liabilities are carried at amortized cost using the effective interest method, except for derivative liabilities that are measured at fair value. Financial liabilities are classified as non-current or current; the latter group comprises all those financial liabilities for which the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. The group removes a financial liability (or a part of it) from its balance sheet only when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Credit fees related to loan commitments are treated as transaction costs to the extent it is likely that the loans will not be drawn down. Remaining credit fees are amortized over the expected loan term.

Derivatives and hedge accounting

Derivative financial instruments are classified as financial instruments at fair value through profit and loss. Derivatives are recognized initially at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items. Fiskars has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in Other comprehensive income.

Fair value categories

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. This category includes listed shares. 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.

Provisions and contingent liabilities

A provision is recognized when the group as a result of a past event has a present legal or constructive obligation, it is probable that the obligation will be realized and a reliable estimate can be made of the amount of the obligation. A provision for restructuring is recognized when a detailed formal plan has been prepared and when there is a valid expectation relating those affected that the plan will be carried out. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognized as a separate asset, but only when receipt of the compensation is virtually certain.

The group may be a party to lawsuits and legal processes concerning the group's business operations. A related provision is recognized in the financial statements when the amount of the expenditure can be estimated reliably and it is more likely than not that they will be realized. Otherwise these contingent liabilities are disclosed in the notes.

Income taxes

The group's tax expense comprises current tax based on group companies' taxable profit for the period and the change of deferred taxes. The current tax charge is calculated using the tax rate enacted or substantively enacted at the end of the reporting period. Deferred tax liabilities or deferred tax assets are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using tax rates enacted or substantively enacted at the end of the reporting period. Temporary differences arise, inter alia, from tax loss carry-forwards, depreciation differences, provisions, defined benefit pension plans, fair value measurement of derivative financial instruments, biological assets, and eliminated intra-group inventory margins as well as from the fair value adjustments made to assets and liabilities in business combinations. A deferred tax liability is recognized on the undistributed profits of subsidiaries and associates if the distribution of profit is probable and it will result in tax consequences. A deferred tax liability is recorded to its full amount and a deferred tax asset is recognized at the amount of the estimated probable tax benefit. Income tax is recognized in profit or loss, unless it relates to items recognized in other comprehensive income. In such case any related tax effects are also recognized similarly.

Dividends

Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

New and amended standards applied in financial year ended

As from January 1, 2015 the group has applied the following new or amended standards that have come into effect:

- Annual Improvements to IFRSs 2010–2012 cycle and 2011–2013 cycle (effective for financial years beginning on or after 1 July 2014). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. Their impacts vary standard by standard but are not significant.

Other new or amended standards or interpretations had no impact on the consolidated financial statements.

Adoption of new and amended standards and interpretations applicable in future financial years

Fiskars has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

These amendments have been endorsed for use by the European Union:

- Annual Improvements to IFRSs 2012–2014 cycle (effective for financial years beginning on or after January 1, 2016). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. Their impacts vary standard by standard but are not significant.
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative (effective for financial years beginning on or after January 1, 2016). The amendment elaborates on the effect of materiality on the presentation of notes, subtotals and the order of notes. The amendments are estimated not to have a material impact on the consolidated financial statements.

These amendments have not been endorsed for use by the European Union yet:

- IFRS 15 Revenue from Contracts with Customers (effective for financial years beginning on or after January 1, 2018). The new standard establishes a 5-step model on how to account for revenue from contracts with customers. The new standard will replace current IAS 18 and IAS 11 standards and related interpretations. Accounting for sales revenue may happen over time or in a point in time, and the transfer of control is a central criterion. The new standard will increase the number of notes. Fiskars expects the standard to cause changes in the accounting principles, but material changes in reported figures are not expected. The group is currently further evaluating the effects of the standard.
- IFRS 9 Financial Instruments and subsequent amendments (effective for financial years beginning on or after January 1, 2018). The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 changes the classification and valuation of financial assets and includes a new model for estimating impairment of financial assets, which is based on expected credit losses. Classification of financial liabilities corresponds for the most part to the current requirements of IAS 39. Hedge accounting will continue to have three types of hedging relationships. Hedge accounting may be applied to more risk positions than earlier and the principles of hedge accounting have been aligned risk management. Fiskars expects the standard to cause changes in the accounting principles, but material changes in reported figures are not expected. The group is currently further evaluating the effects of the standard.
- IFRS 16 Leases (effective for financial years beginning on or after January 1, 2019). The new standard replaces IAS 17 Leases. IFRS 16 requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The group will evaluate the effects of the standard during 2016.

Other new or amended standards or interpretations are not expected to impact the consolidated financial statements.

2. Segment information

Fiskars’ operating segments are Europe & Asia-Pacific, Americas, and Other. The operations are divided into business units Living products, Functional products and Outdoor products. Wärtsilä was considered an associated company until October 9, 2014. The operating segments are indentified on the basis of management reporting, which is organized by geographical areas.

Fiskars reorganized its businesses and adopted a business region-based organization at the end of 2014. As of January 1, 2015, the Group's financial reporting was changed to reflect the new organization. In conjunction with this, the boats business was moved from the Europe & Asia-Pacific segment to the Other segment. The segment information for the comparison period has been restated to reflect the new region-based organization.

Fiskars' operations are further divided to business units, whereas earlier operations were divided to business areas. As a part of the new region-based organization, former Home and Garden product categories in Europe & Asia-Pacific were reorganized into two business units, Functional products and Living products. Global Garden, Kitchen and School, Office and Craft sales is reported as one “Functional products” and global Living product sales as one “Living products”. Sales of the acquired WWRD branded products are reported as part of the Living products sales. Also information regarding business units for the comparison period has been restated to reflect the new region-based organization.

Operating segments

Europe & Asia-Pacific: The revenues comprise of sales of Living, Functional and Outdoor products to retailers in Europe, Middle-East and Asia-Pacific. In addition, living products are sold directly to consumers via own stores and outlets.

Americas: The revenues comprise of sales of Living, Functional and Outdoor products to retailers in USA, Canada and Latin America.

Other: The revenues comprise mainly of sales of Boats products, rental income from Real Estate and timber sales in Finland. Segment Other covers Boats business, Real Estate and corporate headquarter functions.

Associate Wärtsilä: Income from the associate was reported as one operating segment until October 9, 2014.

Business activities between the segments are not significant. Inter-segment sales are made on an arm's length basis. Real Estate owns real estates in Finland and leases them to subsidiaries in Finland e.g. for use as production facilities.

President and CEO monitors the operating results of the segments separately for the purpose of making decisions. Segment assets and liabilities are based on geographical location of the assets. Financial income and costs and income taxes are managed on group basis and accordingly not allocated to operating segments.

In the Americas the Fiskars branded products' distribution and logistics are managed and consumer preferences followed centrally. In the Europe & Asia-Pacific area the markets and distribution are more diversified, but from the customer point of view the business units operate in a common environment.

Unallocated items

The unallocated items of the Income Statement contain corporate level costs and income. Unallocated assets comprise mainly of items related to corporate administration, tax receivables, loan receivables, equity instruments and financial investments. Unallocated liabilities comprise non-current and current debt and tax liabilities. Also part of the restructuring costs are unallocated.

No single customer of Fiskars accounts for more than 10% share of the Group's total net sales.

Reporting by operating segment

2015

EUR million	Europe & Asia-Pacific	Americas	Other	Unallocated and eliminations	Group total
Net sales, external	620.0	446.4	38.7		1,105.0
Net sales, inter-segment	41.5	4.9	1.8	-48.2	0.0
Net sales	661.5	451.2	40.5	-48.2	1,105.0
Operating profit excl. non-recurring items	45.3	36.1	-16.3	0.0	65.1
Non-recurring items*	-10.5	-8.0	-0.2		-18.6
Operating profit	34.9	28.1	-16.5	0.0	46.5
Change in fair value of biological assets			-0.2		-0.2
Financial income and expenses				79.3	79.3
Profit before taxes					125.5
Income taxes				-39.2	-39.2
Profit for the period					86.4
Assets	948.5	376.4	1,414.4	-906.0	1,833.3
Liabilities	680.2	165.0	438.2	-644.2	639.2
Capital expenditure	20.2	4.0	8.2		32.4
Depreciations, amortizations and impairment	21.7	12.7	8.4	0.0	42.8

* Includes EUR 6.4 million relating to Supply Chain 2017 program, EUR 5.0 million goodwill impairment related to the sale of the container gardening business in Americas in 2016, EUR 3.0 million relating to integration of watering business, EUR 2.6 million relating to the EMEA 2015 restructuring program, EUR 1.5 million relating to write-down of machinery and equipment due to planned rationalization of a non-core product range in Europe and EUR 0.2 million of other non-recurring items.

2014

EUR million	Europe & Asia-Pacific	Americas	Other	Associate Wärtsilä	Unallocated and eliminations	Group total
Net sales, external	499.8	231.7	36.0			767.5
Net sales, inter-segment	6.9	3.3	1.8		-12.1	0.0
Net sales	506.7	235.1	37.8		-12.1	767.5
Operating profit excl. non-recurring items	43.2	26.2	-6.1		-3.6	59.6
Non-recurring items*	-17.3	1.3	-0.9			-17.0
Operating profit	25.8	27.4	-7.1		-3.6	42.7
Change in fair value of biological assets			-0.3			-0.3
Share of profit from associate				30.0		30.0
Gain on sale and revaluation of associate shares					676.0	676.0
Other financial income and expenses					38.4	38.4
Profit before taxes						786.7
Income taxes					-13.4	-13.4
Profit for the period						773.3
Assets	579.5	170.9	1,374.8		-535.6	1,589.5
Liabilities	401.3	91.2	290.6		-346.8	436.3
Capital expenditure	22.5	5.2	7.4			35.0
Depreciations, amortizations and impairment	14.3	5.9	4.8		3.5	28.5

* Includes restructuring costs of EUR 10.6 million relating to the EMEA 2015 restructuring program, EUR 7.0 million relating to write-down of ERP related intangible assets, EUR 1.7 million relating to a gain from bargain purchase, EUR 0.4 million trademark impairment and EUR 0.7 million of other non-recurring items.

Business units

Business units are Living, Functional and Outdoor products. Net sales for the business units are reported based on the nature of the sales of the products sold to customers. Sales between the business units are insignificant.

Net sales by business units

EUR million	**2015**	2014
Functional Products	**524.5**	410.2
Living Products	**447.9**	238.5
Outdoor Products	**93.8**	82.7
Other	**38.8**	36.0
Total	**1,105.0**	767.5

Information about geographical areas

EUR million	**2015**	2014
Net sales from Finland	**147.0**	134.6
Net sales from the USA	**305.2**	242.1
Net sales from other countries	**652.8**	390.7
Total	**1,105.0**	767.5

EUR million	**2015**	2014
Assets in Finland*	**207.7**	197.0
Assets in the USA*	**141.5**	25.0
Assets in other countries*	**417.0**	230.1
Total	**766.3**	452.0

* Non-current assets other than deferred tax assets

3. Non-recurring items in operating profit

Exceptional and material transactions outside the ordinary course of business are treated as non-recurring items. These include items such as gains and losses on disposal of business operations, impairments, costs of discontinued significant business operations, restructuring costs and costs of integrating acquired businesses, major product recalls and fines and penalties. Gains and losses are presented in the income statement as an income or expense on the relevant line item and function. Impairments have been presented in the income statement in depreciation, amortization and impairment of the relevant function or on line impairment when the impairment concerns goodwill. Write-downs are presented in other operating expenses.

EMEA 2015 restructuring program

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in Europe. The EMEA 2015 program aimed to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program amounted to EUR 21.3 million for 2013–2015. Program costs have been recorded as non-recurring expenses.

Of the total expenses related to the program, EUR 2.6 million were recorded in 2015 (EUR 10.6 million in 2014). They related mainly to the restructuring of Fiskars' entities in Denmark and the reorganization of Fiskars' businesses in Europe into a business-region-based organization. The costs were partially offset by gains from the sale of real estate.

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 from 2015 until 2017, which are planned to be recorded as non-recurring charges, of which EUR 6.4 million were recorded in Europe during 2015. 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.

Other non-recurring items in 2015

The goodwill impairment EUR 5.0 million relates to the sale of the container gardening business in Americas in 2016. Integration costs of the watering business, acquired in late 2014, amounted to EUR 3.0 million. EUR 1.5 million of write-down of machinery and equipment was recorded due to planned rationalization of a non-core product range in Europe. Other non-recurring items amounted to EUR 0.2 million in 2015.

EUR million	**2015**	2014
EMEA 2015 restructuring program	**-2.6**	-10.6
Supply Chain 2017 program	**-6.4**	
Goodwill impairment	**-5.0**	
Integration of watering business	**-3.0**	
Write-down of machinery and equipment	**-1.5**	
Write-down of ERP related intangible assets		-7.0
Gain on bargain purchase related to the acquisition of the watering business		1.7
Trademark impairment		-0.4
Other non-recurring items	**-0.2**	-0.7
Total	**-18.6**	-17.0

4. Acquisitions and divestments

2015

Acquisition of WWRD

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 July 1, 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 January 1, 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 January 1, 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 July 1, 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.

2014
Sale of significant part of Wärtsilä shares

On September 19, 2014 Fiskars, Investor and their joint venture Avlis AB signed an agreement according to which Investor acquired 15.8 million shares, or 8% of the capital and votes in Wärtsilä from Avlis for EUR 639.1 million, or EUR 40.55 per share. As a result, these shares were classified as a non-current asset held for sale in the Q3 2014 interim report. The transaction was completed on October 9, 2014. The joint venture structure was dissolved on October 9, 2014 and Fiskars retains an ownership stake in Wärtsilä representing 5.01% of the capital and votes. The non-recurring gain from the sale of Wärtsilä shares to Investor amounted to EUR 453.5 million.

Following the decrease in the Fiskars ownership of Wärtsilä it ceased to be accounted for as Fiskars' associated company, and the Group's segment reporting was changed accordingly. As a consequence, the remaining Wärtsilä shares were classified as financial assets at fair value through profit or loss. This reclassification resulted in a non-recurring unrealized valuation gain of EUR 222.4 million. Later changes in the market value have been reported in the Other segment.

In addition, Investor will pay an additional consideration to Fiskars' subsidiary Avlis (50% of profit the first year, 40% the second year and 30% the third year) in the event the acquired shares are divested at a higher price during a three year period. During that period, Fiskars and Investor have agreed in a shareholders' agreement to mutual first right of refusal provisions as well as a right for Fiskars to participate on equal terms if Investor were to divest the acquired shares.

Acquisition of U.S. watering brands Nelson and Gilmour

On December 19, 2014, Fiskars acquired the Bosch Garden and Watering business, including leading U.S. watering brands Gilmour and Nelson, from the Robert Bosch Tool Corporation in order to strengthen and diversify Fiskars' garden and yard care portfolio. Based in Peoria, Illinois, U.S., the product assortment of the watering business includes hoses, hose ends, sprinklers, nozzles, and watering timers under the Gilmour and Nelson brands. The acquisition includes all related assets and leases, as well as manufacturing operations in Missouri in the U.S. and Ningbo in China. The watering business employs approximately 440 people in total, about 270 of whom are in the U.S. The purchase price for the business and related net assets was USD 26.1 million, equaling approximately EUR 21.2 million. The transaction was financed by Fiskars' existing credit facilities.

A bargain purchase gain of EUR 1.7 million arising from the acquisition relates to liabilities where all the conditions to recognize a provision are not yet met. Fiskars believes that it was able to acquire the watering business for less than the fair value of its assets because of the seller's intent to exit its Garden and Watering operations. The bargain purchase gain is not expected to be taxed for income tax purposes.

Upon completion of the transaction, the watering business became a part of Fiskars' Americas segment. As of the acquisition date, the consolidated comprehensive income for 2014 includes EUR 1.7 million of net sales and EUR 0.3 million of loss for the financial year contributed by the watering business. Had the watering business been consolidated from January 1, 2014, the consolidated statement of income would show pro forma revenue of EUR 76.5 million, operating loss of EUR 1.3 million and a net loss of EUR 0.8 million for the watering business. Similarly, Fiskars Group consolidated statement of income would show pro forma revenue of EUR 842.3 million and profit for the period of EUR 772.8 million.

The costs of advisory and valuation services related to the acquisition totaled EUR 1.7 million. These costs have been included in the Administration expenses item on the consolidated income statement. The bargain purchase gain is recognized in the income statement and is included in the item Other operating income. The acquired watering business was consolidated into the consolidated financial statements as of December 19, 2014.

The following table summarizes the fair value of identifiable assets acquired and liabilities assumed at the acquisition date, as well as the consideration transferred and the bargain purchase gain:

EUR million	
Property, plant & equipment	**5.3**
Deferred tax assets	**1.6**
Non-current assets total	**6.9**
Inventories	**25.2**
Trade and other receivables	**0.2**
Cash and cash equivalents	**1.4**
Current assets total	**26.8**
Deferred tax liabilities	**2.5**
Non-current liabilities total	**2.5**
Trade payables and other current liabilities	**8.3**
Current liabilities total	**8.3**
Net assets	**22.9**
Consideration transferred	**21.2**
A gain from a bargain purchase	**1.7**

5. Other operating income

EUR million	**2015**	2014
Net gain on disposal of fixed assets	**2.9**	0.8
Royalty income	**2.2**	0.6
Rental income	**0.5**	0.2
Gain on bargain purchase related to the acquisition of the watering business		1.7
Release of provision related to rented facilities		1.2
Other income	**1.4**	1.4
Total	**7.1**	5.9

6. Total expenses

Total expenses by nature

EUR million	**2015**	2014
Materials and supplies	**552.4**	369.1
Change in inventory	**26.1**	-19.6
External services	**60.7**	67.4
Employee benefits	**291.3**	209.8
Depreciation and amortization	**37.9**	28.1
Impairment	**5.0**	0.4
Other costs	**92.2**	75.4
Total	**1,065.6**	730.7

Other operating expenses

EUR million	**2015**	2014
Loss on sale of fixed assets	**0.1**	0.2
Loss on scrap of fixed assets	**0.2**	9.1
Watering integration	**2.9**	
Other costs	**1.5**	0.8
Total	**4.6**	10.0

Depreciation, amortization and impairment by asset category

EUR million	**2015**	2014
Buildings	**4.4**	4.2
Machinery and equipment	**22.1**	14.0
Intangible assets	**10.6**	9.2
Investment property	**0.5**	1.0
Goodwill impairment	**5.2**	
Total	**42.8**	28.5

Fees paid to Companies' Auditors

EUR million	**2015**	2014
Audit fees	**1.3**	0.8
Audit related fees	**0.0**	0.1
Tax consultation	**0.2**	0.5
Other non-audit fees	**0.1**	0.1
Total	**1.6**	1.5

The appointed auditor for the financial years 2014 and 2015 was KPMG.

7. Employee benefits and number of personnel

Employee benefits

EUR million	**2015**	2014
Wages and salaries	**238.0**	167.8
Other compulsory personnel costs	**32.7**	22.7
Pension costs, defined contribution plans	**17.6**	16.4
Pension costs, defined benefit plans	**1.0**	0.3
Other post employment benefits	**0.7**	1.1
Termination benefits	**1.3**	1.6
Total	**291.3**	209.8

Personnel at the end of period

	2015	2014
Finland	**1,509**	1,532
Slovenia	**893**	
UK	**771**	26
Other Europe	**2,310**	1,370
USA	**1,229**	838
Indonesia	**1,249**	
Thailand	**522**	500
Other	**520**	566
Total	**9,003**	4,832

Personnel (FTE) in average

	2015	2014
Direct	**3,392**	1,533
Indirect	**2,911**	2,710
Total	**6,303**	4,243

Fiskars has adopted the following definitions for employee reporting:

Personnel, end of period = active employees in payroll at the end of period

Personnel (FTE), average = full-time equivalent number of employees according to worked volume during the period

Direct = production workers

Indirect = other employees than production workers

8. Financial income and expenses

EUR million	**2015**	2014
Gain on sale and revaluation of associate shares		676.0
Dividends received from investments at fair value through profit and loss	**11.4**	
Interest income on cash and bank	**0.0**	0.1
Net change in fair value of current investments at fair value through profit or loss	**56.1**	27.9
Net change in fair value of other investments at fair value through profit or loss	**3.4**	2.7
Derivative revaluation gains, at fair value through profit or loss	**0.3**	0.5
Exchange gains on commercial hedges		7.9
Other exchange gains	**20.9**	5.4
Financial income total	**92.1**	720.5
Interest expenses on debt at amortized cost	**-4.4**	-4.8
Interest cost on finance leasing at amortized cost	**-0.2**	-0.4
Loss from sale of investments at fair value through profit or loss	**0.0**	-0.2
Exchange losses on commercial hedges	**-7.0**	
Other financial expenses	**-1.2**	-0.8
Financial expense total	**-12.8**	-6.2
Financial income and expenses total	**79.3**	714.4

9. Income taxes

Income taxes in the income statement

EUR million	**2015**	2014
Current year income taxes	**-33.0**	-9.9
Prior year income taxes	**-2.2**	0.7
Change in deferred taxes	**-4.0**	-4.2
Income taxes total	**-39.2**	-13.4

Reconciliation of income taxes

EUR million	**2015**	2014
Tax rate for the parent company	**20.0%**	20.0%
Profit before taxes	**125.5**	786.7
Income tax using the tax rate for the parent company	**-25.1**	-157.3
Effect of tax rates in foreign jurisdictions	**-5.0**	-2.1
Prior year income taxes	**-2.2**	0.7
Impact of associate		6.0
Effect of sales and revaluation of Wärtsilä shares		140.7
Other tax exempt income	**2.9**	0.4
Non-deductible expenses	**-4.2**	-1.6
Effect of change of tax rates	**0.0**	-0.1
Tax recognized against unrecognized tax assets and unrecognized tax on loss	**-3.2**	-3.6
Change in valuation of tax assets	**-1.9**	-0.2
Other items	**-0.6**	3.6
Income taxes recognized in profit and loss	**-39.2**	-13.4

Taxes in other comprehensive income

2015

EUR million	Total	Tax	Net
Translation differences	11.6		11.6
Cash flow hedges	-0.0	0.0	-0.0
Defined benefit plan actuarial gains (losses)	-1.7	0.3	-1.4
Other comprehensive income for the period, total	9.9	0.3	10.2

2014

EUR million	Total	Tax	Net
Translation differences	3.6		3.6
Change in associate recognized directly in other comprehensive income	12.7		12.7
Cash flow hedges	-0.1	0.0	-0.0
Defined benefit plan actuarial gains (losses)	-1.5	0.4	-1.1
Defined benefit plan actuarial gains (losses), change in associate	-0.1		-0.1
Other comprehensive income for the period, total	14.6	0.4	15.1

Deferred income taxes in the balance sheet

2015

Deferred tax assets

EUR million	Jan 1, 2015	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation differences	Acquisitions and divestments	Dec 31, 2015
Post-employment benefit	2.8	0.1	0.3	0.3	0.5	3.9
Provisions and accruals	13.8	6.9		0.8	13.3	34.7
Effects on consolidation and eliminations	1.5	-1.2		-0.1	17.2	17.4
Property, plant & equipment	2.5	-0.3		-0.1	1.4	3.6
Tax losses and credits carried forward net of valuation allowance	17.1	-10.8		0.0	2.7	9.0
Other temporary differences	-1.0	1.8	0.0	0.1	0.4	1.3
Total deferred tax assets	36.7	-3.4	0.3	1.1	35.4	70.0
Offset against deferred tax liabilities	-10.0	3.8	-0.0	-0.2	-25.9	-32.3
Net deferred tax assets	26.8	0.3	0.3	0.9	9.6	37.7

Deferred tax liabilities

EUR million	Jan 1, 2015	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation differences	Acquisitions and divestments	Dec 31, 2015
Property, plant & equipment	6.1	-0.9		0.5	7.2	12.9
Fair value adjustments	10.7	4.2				14.8
Effects on consolidation and eliminations*	26.4	0.2		-0.0	6.1	32.7
Other temporary differences*	5.9	-2.8		0.1	18.7	21.8
Total deferred tax liabilities	49.1	0.6		0.6	32.0	82.2
Offset against deferred tax assets	-10.0	3.8	-0.0	-0.2	-25.9	-32.3
Net deferred tax liabilities	39.1	4.4	-0.0	0.4	6.1	50.0
Deferred tax assets (+) / liabilities (-), net	-12.4					-12.2

* Consist mainly of adjustments to fair value in acquisitions

2014

Deferred tax assets

EUR million	Jan 1, 2014	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2014
Post-employment benefit	2.3	-0.2	0.4	0.2		2.8
Provisions and accruals	16.5	-2.8		0.7	-0.6	13.8
Effects on consolidation and eliminations	0.0	0.2		-0.0	1.4	1.5
Property, plant & equipment	3.5	-1.3		0.2	-0.0	2.5
Tax losses and credits carried forward net of valuation allowance	13.5	2.6		1.0	-0.0	17.1
Other temporary differences	0.2	-0.1		-1.1	0.0	-1.0
Total deferred tax assets	36.1	-1.6	0.4	1.0	0.7	36.7
Offset against deferred tax liabilities	-4.8	-5.7	0.0	-0.2	0.7	-10.0
Net deferred tax assets	31.3	-7.2	0.4	0.8	1.4	26.8

Deferred tax liabilities EUR million	Jan 1, 2014	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2014
Property, plant & equipment	3.9	0.3		0.2	1.8	6.1
Fair value adjustments	9.8	0.9				10.7
Effects on consolidation and eliminations*	26.3	0.1		0.0		26.4
Other temporary differences*	4.7	1.4		-0.2		5.9
Total deferred tax liabilities	44.6	2.7		0.0	1.8	49.1
Offset against deferred tax assets	-4.8	-5.7	0.0	-0.2	0.7	-10.0
Net deferred tax liabilities	39.8	-3.0	0.0	-0.2	2.5	39.1
Deferred tax assets (+) / liabilities (-), net	-8.5					-12.4

* Consist mainly of adjustments to fair value in acquisitions

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The Group has full control of the timing of dividend distribution in subsidiaries and therefore no deferred tax liability has been recorded on retained earnings of subsidiaries.

Wärtsilä is a public company and its dividend distribution is tax exempt for Fiskars. Taxes relating to cash flow hedges and actuarial gains and losses have been recorded into other comprehensive income.

The deferred tax asset on tax losses carried forward, net of valuation allowance, amounted to EUR 9.0 million (17.1) at the end of the financial year. Deferred tax allowance is recorded to offset deferred tax assets in order to recognize the deferred tax assets only to the extent that it is probable that future taxable profits will be available. The tax losses carried forward on the basis of which the deferred tax asset is recognized will not expire in the following five years. Income taxes recorded in the income statement and in other comprehensive income are specified earlier in this note 9.

10. Earnings per share

The basic earnings per share is the annual net profit attributable to ordinary shareholders of the parent company divided by the weighted average number of shares outstanding during the year. Fiskars Corporation does not have any current share option programs or other diluting financial instruments, so the diluted earnings per share is the same as basic.

	2015	2014
Net profit attributable to the ordinary shareholders of the parent company, EUR million	**85.1**	773.1
Number of shares	**81,905,242**	81,905,242
Weighted average number of shares outstanding	**81,905,242**	81,905,242
Earnings per share, EUR (basic)	**1.04**	9.44
Earnings per share, EUR (diluted)	**1.04**	9.44

11. Intangible assets

2015

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	141.1	138.4	40.0	57.0	13.8	390.3
Translation differences	6.5	1.9	2.1	0.7	0.2	11.4
Acquisitions and divestments	128.5	106.9	11.0	21.2		267.6
Additions		0.5	5.5	0.3	0.6	6.8
Decreases	-31.6		-0.0	-0.3		-31.9
Transfer to non-current assets held for sale			-0.3	-4.4		-4.7
Transfers between asset groups			3.7	0.2	-3.7	0.2
Historical cost, Dec 31	244.5	247.6	62.0	74.7	10.9	639.6
Accumulated amortization and impairment, Jan 1	28.4	3.7	24.5	49.1		105.7
Translation differences	5.1	0.2	2.4	0.6		8.3
Acquisitions and divestments			4.0	1.1		5.1
Amortization for the period		0.3	7.8	2.5		10.6
Impairment for the period	5.2					5.2
Decreases	-31.6		-0.0	-0.1		-31.8
Transfer to non-current assets held for sale			-0.2	-4.0		-4.2
Transfers between asset groups			0.1			0.1
Accumulated amortization and impairment, Dec 31	7.1	4.1	38.5	49.2		99.0
Net book value, Dec 31	**237.4**	**243.4**	**23.4**	**25.5**	**10.9**	**540.6**
Investment commitments for intangible assets						**2.7**

2014

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	135.1	127.4	46.9	57.5	13.3	380.1
Translation differences	6.1	0.6	2.6	-0.9		8.4
Additions		10.3	1.0	0.2	5.1	16.7
Decreases			-12.3	-0.1	-3.0	-15.4
Transfers between asset groups			1.8	0.3	-1.6	0.5
Historical cost, Dec 31	141.1	138.4	40.0	57.0	13.8	390.3
Accumulated amortization and impairment, Jan 1	23.1	2.8	23.5	47.7		97.2
Translation differences	5.3	0.2	2.6	-0.9		7.2
Amortization for the period		0.2	6.2	2.4		8.8
Impairment for the period		0.4				0.4
Decreases			-8.3	-0.1		-8.4
Transfers between asset groups			0.5			0.5
Accumulated amortization and impairment, Dec 31	28.4	3.7	24.5	49.1		105.7
Net book value, Dec 31	112.7	134.7	15.5	7.9	13.8	284.6
Investment commitments for intangible assets						6.0

Impairment tests

Goodwill is not amortized but is tested at least annually for impairment. Goodwill has been allocated to cash-generating units as follows:

EUR million	**2015**	2014
Europe & Asia-Pacific	**175.2**	106.6
Americas	**62.2**	6.1
Total	**237.4**	112.7

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The geographical segments, which form the CGUs, are Europe & Asia-Pacific and Americas. The recoverable amounts from CGUs are determined with value in use method, using five-year discounted cash flow projections, based on strategic plans approved by management. Cash flows for the period extending over the planning period are calculated using the terminal value method. The discount rate is the weighted average post-tax cost of capital (WACC) as defined by Fiskars. The components of the WACC are risk-free rate, market risk premium, company-specific risk premium, industry specific equity beta, cost of debt and debt to equity ratio.

An impairment of goodwill of EUR 5.0 million was made in 2015 due to the forthcoming sale of container gardening business in Americas in 2016. On the basis of the impairment calculations made, there has been no need for other impairment of goodwill for any CGU for the period ended December 31, 2015 and 2014.

Fiskars has 10 trademarks whose aggregate carrying amount is EUR 242.7 million (2014: 134.0). Since the benefits from trademarks are indefinite, they are not amortized but are tested at least annually for impairment using a relief from royalty method. Cash flows attributable to trademarks are derived by identifying revenues from sales of products belonging to each trademark. The value in use of trademarks is determined on a discounted cash flow method basis, derived from five-year cash flow projections, based on strategic plans approved by the management. Cash flows for the period extending over the planning period are calculated using the terminal value method.

On the basis of the impairment calculations made, trademark Gingher was impaired by EUR 0.4 million in 2014. There has been no need for other impairment of trademarks for the periods ended December 31, 2015 and 2014.

Key parameters applied in impairment testing

	2015		2014	
%	Goodwill*	Trademarks**	Goodwill*	Trademarks**
Increase in net sales on average	1.8	1.8	1.8	1.8
Steady growth rate in projecting terminal value	2.5	3.0	2.5	3.0
Discount rate, pre-tax, average	8.3	9.0	8.3	9.6

* The increases in net sales, used in impairment testings, are on average more moderate than strategic plans for the planning period. The EBIT used in impairment testing is the CGU's actual three previous years average EBIT-% of sales. This is consistently used for all periods in the five year discounted cash flow projections.

** Used one percentage point higher risk premium than in goodwill testing.

Sensitivity analyses

Sensitivity analyses of goodwill have been carried out for the valuation of each CGU by making downside scenarios for key parameters. The management views that no reasonably possible change in any of the key parameters would lead to impairment as the recoverable amounts exceed the carrying amounts considerably.

Sensitivity analyses of trademarks have been carried out for the valuation of each trademark by making downside scenarios for key parameters. The management views that excluding trademark Gingher, no reasonably possible change in any of the key parameters would lead to impairment. The recoverable amount of trademark Gingher currently exceeds its carrying amount of EUR 3.6 million by EUR 1.8 million, and an increase of 2.9 percentage point in pre-tax discount rate would result in the recoverable amount being equal to the carrying amount.

12. Property, plant and equipment

2015

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	15.9	68.2	15.6	164.3	4.9	268.8
Translation differences	0.1	-3.3	1.8	-10.2	-0.6	-12.2
Acquisitions and divestments	7.8	30.3		80.0	24.9	142.9
Additions	0.1	2.4		10.8	12.2	25.4
Decreases	-0.1	-6.7		-34.1	-0.1	-41.0
Transfer to non-current assets held for sale	-0.0	-3.8		-25.9	-0.3	-30.0
Transfers between asset groups	0.4	20.0		9.9	-31.0	-0.7
Historical cost, Dec 31	24.1	107.1	17.4	194.7	9.9	353.3
Accumulated depreciation and impairment, Jan 1	0.8	32.8	15.0	115.5		164.1
Translation differences		-3.7	1.7	-12.1		-14.1
Depreciation for the period		4.1	0.4	18.3		22.8
Impairment for the period				4.1		4.1
Acquisitions and divestments		17.3		66.1		83.5
Decreases		-6.1		-33.5		-39.6
Transfer to non-current assets held for sale		-2.0		-22.8		-24.8
Transfers between asset groups		-0.2		0.1		-0.1
Accumulated depreciation and impairment, Dec 31	0.8	42.1	17.1	135.8		195.8
Net book value, Dec 31	**23.3**	**65.0**	**0.3**	**58.9**	**9.9**	**157.4**
Investment commitments for tangible assets						**9.2**

2014

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	15.3	65.1	13.7	170.2	9.5	273.8
Translation differences		0.9	1.9	5.5	0.3	8.5
Acquisitions and divestments	0.3	1.3		4.2		5.8
Additions	0.5	2.0		3.3	13.2	18.9
Decreases	-0.0	-8.4		-29.1	-0.1	-37.6
Transfers between asset groups	-0.1	7.3		10.2	-17.9	-0.5
Historical cost, Dec 31	15.9	68.2	15.6	164.3	4.9	268.8
Accumulated depreciation and impairment, Jan 1	0.8	34.8	12.9	124.7		173.3
Translation differences		0.4	1.8	3.9		6.0
Depreciation for the period		3.7	0.3	13.9		17.9
Impairment for the period				0.3		0.3
Acquisitions and divestments				0.5		0.5
Decreases		-6.0		-27.2		-33.3
Transfers between asset groups		-0.0		-0.5		-0.5
Accumulated depreciation and impairment, Dec 31	0.8	32.8	15.0	115.5		164.1
Net book value, Dec 31	15.1	35.5	0.6	48.7	4.9	104.7
Investment commitments for tangible assets						2.7

13. Biological assets

EUR million	2015	2014
Fair value, Jan 1	**41.6**	42.0
Increase due to growth	**1.6**	2.0
Change in wood prices	**-0.8**	-0.2
Harvested timber	**-1.1**	-2.1
Fair value, Dec 31	**41.4**	41.6

Fiskars owns some 11,000 hectares of forests in Finland. For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

The fair value measurements of biological assets are categorized within level 3 of the fair value hierarchy.

14. Investment property

EUR million	2015	2014
Historical cost, Jan 1	**13.2**	18.2
Translation differences	**-0.3**	1.0
Additions	**0.1**	
Decreases	**-0.1**	-6.0
Reclassification from property, plant and equipment	**0.4**	
Historical cost, Dec 31	**13.3**	13.2
Accumulated depreciation, Jan 1	**8.2**	12.2
Translation differences	**-0.3**	0.9
Depreciation and impairment for the period	**0.5**	1.0
Decreases	**-0.1**	-5.9
Accumulated depreciation and impairment, Dec 31	**8.4**	8.2
Net book value, Dec 31	**4.9**	4.9

Investment Property comprises the parent company's buildings and zoned and unbuilt lots for detached houses in Fiskars Village, Finland, and the leasing properties of Fiskars Brands, Inc. in the U.S. that are not in Group's operational use.

Fair value

Properties in Fiskars Village are unique in their cultural and historical values. Therefore it is not possible to determine a comparable market value on those properties.

The book value of the zoned and unbuilt lots for detached houses in Fiskars Village amounted to EUR 1.0 million as at December 31, 2015. The fair value of those lots, calculated based on average market prices of the area, amounted to EUR 3.5 million.

The book value of the leasing properties of Fiskars Brands, Inc. in the U.S. approximate their fair value.

Book values by countries

EUR million	2015	2014
Finland	**4.9**	4.8
USA	**0.0**	0.2
Total	**4.9**	4.9

15. Investments in associates

Investments in associates

EUR million	**2015**	2014
Net book value, Jan 1		286.1
Share of profit in associate		30.0
Dividends received		-26.9
Share of other comprehensive income		6.4
Sale of shares		-181.7
Transfer to financial assets		-113.9
Net book value, Dec 31		0.0

Fiskars' only equity accounted associate was Wärtsilä Corporation until 9 October 2014, when Fiskars sold 7.99% of its Wärtsilä holding and the remaining ownership of 5.01% was classified as a financial asset.

16. Financial assets

Financial assets at fair value through profit or loss

	Level 1		**Level 3**	
EUR million	**2015**	2014	**2015**	2014
Book value, Jan 1	**766.7**		**11.1**	9.0
Acquisitions				
Transfer from investments in associates		113.9		
Additions	**37.8**	400.0	**4.0**	
Decreases	**-340.5**		**-1.8**	-1.6
Change in fair value through profit or loss	**56.1**	252.8	**1.5**	3.6
Book value, Dec 31	**520.0**	766.7	**14.9**	11.1

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

	Level 1		**Level 3**	
EUR million	**2015**	2014	**2015**	2014
Book value, Jan 1	**0.3**	0.3	**4.7**	5.1
Acquisitions			**1.9**	
Other changes	**0.1**		**0.0**	-0.4
Book value, Dec 31	**0.4**	0.3	**6.6**	4.7

Other financial assets comprise of non-current receivables and they are measured at the lower of cost and fair value (level 3).

Cash and cash equivalents

EUR million	**2015**	2014
Cash at bank	**19.7**	33.6
Total, Dec 31	**19.7**	33.6

17. Inventories

EUR million	**2015**	2014
Raw materials and consumables	**26.2**	23.6
Work in progress	**20.3**	10.4
Finished goods	**239.1**	167.7
Advance payments	**0.1**	0.0
Gross value of inventories	**285.7**	201.8
Write-down to the carrying value of inventories	**-51.4**	-33.6
Total, Dec 31	**234.3**	168.2

18. Trade and other receivables

EUR million	**2015**	2014
Trade receivables	**173.6**	106.4
Derivatives		5.4
Other receivables	**6.8**	5.9
Prepaid expenses and accrued income	**30.6**	11.4
Total, Dec 31	**211.0**	129.2

Aging of trade receivables

EUR million	**2015**	2014
Not fallen due	**151.0**	91.3
1–30 days past due	**15.4**	12.9
31–60 days past due	**6.5**	1.8
61–90 days past due	**2.8**	0.6
91–120 days past due	**0.4**	0.2
Over 120 days past due	**3.5**	2.2
Less provision for bad debts, Dec 31	**-6.0**	-2.6
Total, Dec 31	**173.6**	106.4

Trade receivables in currencies

EUR million	**2015**	2014
US Dollars (USD)	**63.2**	35.4
Euros (EUR)	**39.9**	33.1
Danish Krones (DKK)	**18.1**	15.0
United Kingdom Pounds (GBP)	**10.4**	2.6
Japanese Yens (JPY)	**10.3**	3.0
Swedish Kronas (SEK)	**7.9**	6.2
Other currencies	**23.7**	11.1
Total, Dec 31	**173.6**	106.4

Trade receivables are widely spread geographically. The biggest customers are major retailers with solid credit ratings. Credit loss risks are estimated to be moderate. The maximum exposure to credit risk is the carrying amount of the trade receivables.

19. Non-current assets held for sale

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.

Fiskars signed an agreement on November 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.

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.

EUR million	**2015**	2014
Non-current assets held for sale		
Tangible and intangible assets	**18.7**	
Inventories	**11.5**	
Other assets	**11.2**	
Total non-current assets held for sale	**41.4**	
Liabilities directly associated with the non-current assets held for sale		
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**	

20. Share capital

Share capital and treasury shares

	2015 pcs 1,000	2014 pcs 1,000	**2015** EUR million	2014 EUR million
Share capital				
Jan 1	**81,905.2**	81,905.2	**77.5**	77.5
Share capital, Dec 31	**81,905.2**	81,905.2	**77.5**	77.5

Fiskars Corporation does not have treasury shares.

Number of shares and votes

	Dec 31, 2015			Dec 31, 2014		
	Number of shares	Number of votes	Share capital EUR	Number of shares	Number of votes	Share capital EUR
Shares (1 vote/share)	**81,905,242**	**81,905,242**	**77,510,200**	81,905,242	81,905,242	77,510,200
Total	**81,905,242**	**81,905,242**	**77,510,200**	81,905,242	81,905,242	77,510,200

Fiskars Corporation has a single class of shares. Shares have no nominal value.

21. Finance

Non-current interest bearing debt

	2015		2014	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Loans from credit institutions	**181.6**	**181.6**	30.0	30.0
Financial leasing debt	**1.3**	**1.3**	1.5	1.5
Total, Dec 31	**182.9**	**182.9**	31.5	31.5

All interest-bearing debts are valued at amortized cost. The fair values of interest-bearing debts have been calculated by discounting the cash flow of the debt by the market rate at the end of reporting period (fair value hierarchy level 2).

Finance lease debt

EUR million	**2015**	2014
Finance lease liabilities are payable as follows:		
Less than one year	**0.9**	1.1
Between one and five years	**1.2**	1.4
More than five years	**0.2**	0.2
Minimum lease payments, total	**2.3**	2.7

EUR million	**2015**	2014
Present value of minimum lease payments:		
Less than one year	**0.8**	0.9
Between one and five years	**1.1**	1.3
More than five years	**0.2**	0.2
Present value of minimum finance lease payments, total	**2.1**	2.3

Future finance charges	**0.2**	0.4

Current interest bearing debt

	2015		2014	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Bank overdrafts	**7.2**	**7.2**	4.9	4.9
Loans from credit institutions			22.5	22.5
Commercial papers	**77.8**	**77.8**	94.8	94.8
Finance leasing debt	**0.8**	**0.8**	0.9	0.9
Other	**0.9**	**0.9**	5.9	5.9
Total, Dec 31	**86.7**	**86.7**	128.9	128.9

Maturity of liabilities

As of December 31, 2015 the Group has unused credit facilities EUR 300 million (300) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2015 was 3.5 years (4.5). Agreements concerning credit facilities and long term loans include among others covenants for the solidity. Incompliance with the covenants would lead to a premature expiry of the agreements. Potential default would require considerably deterioration of the solidity from the current.

2015

EUR million	2016	2017	2018	2019	2020	Later	Total
Bank overdrafts	7.2						7.2
Commercial papers	77.8						77.8
interests	0.2						0.2
Other debt	0.9						0.9
Loans from credit institutions		1.6	30.0		100.0	50.0	181.6
interests	1.4	1.4	1.3	1.3	1.3	1.0	7.6
Finance leasing	0.8	0.4	0.3	0.3	0.2	0.2	2.1
interests	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Trade payables	82.6						82.6
Derivative liabilities	2.1						2.1
Total, Dec 31	173.0	3.4	31.6	1.6	101.5	51.2	362.2
	47.8%	0.9%	8.7%	0.4%	28.0%	14.1%	100.0%

2014

EUR million	2015	2016	2017	2018	2019	Later	Total
Bank overdrafts	4.9						4.9
Commercial papers	94.8						94.8
interests	0.2						0.2
Other debt	5.9						5.9
Loans from credit institutions	22.5			30.0			52.5
interests	0.4	0.3	0.3	0.2			1.2
Finance leasing	0.9	0.7	0.2	0.2	0.1	0.2	2.3
interests	0.2	0.1	0.0	0.0	0.0	0.0	0.4
Trade payables	67.8						67.8
Derivative liabilities	2.4						2.4
Total, Dec 31	199.9	1.1	0.6	30.3	0.2	0.2	232.4
	86.0%	0.5%	0.3%	13.1%	0.1%	0.1%	100.0%

Sensitivity analysis of currency exposure

The exchange rate sensitivity analysis in accordance with IFRS 7 has been carried out by examining how the profit before taxes or consolidated group equity would be impacted by a 10% devaluation of a currency against all other currencies. Impact from a 10% appreciation of a currency against all other currencies would be opposite. The analysis of impact on profit includes internal and external foreign currency denominated financial items of the parent company in the selected currencies. Commercial cash flows consist of net foreign currency flows of purchases and sales estimated to take place during the following year by the business units and hedged internally. Financial items include foreign currency denominated loans, deposits and external derivatives. The selected currencies represent approximately 90% of the commercial net foreign currency flows. The sensitivity analysis on the group consolidated equity illustrates translation risk related to the foreign currency denominated equity.

EUR million	**2015** Impact on result before taxes Estimated commercial cash flows	Other financial items	Impact on group equity	2014 Impact on result before taxes Estimated commercial cash flows	Other financial items	Impact on group equity
AUD	**-2.1**	**2.1**	**-1.2**	-0.6	0.6	0.2
CAD	**-1.4**	**1.4**	**-0.7**	-0.6	0.6	-0.4
GBP	**2.4**	**-2.4**	**11.3**	-1.0	1.0	2.9
JPY	**-2.3**	**2.3**	**-2.4**	-0.8	0.8	-0.9
NOK	**-1.3**	**1.3**	**-1.2**	-1.9	1.9	-0.9
SEK	**-2.1**	**2.1**	**-4.1**	-2.4	2.4	-2.8
THB	**2.9**	**-2.9**	**-0.4**	2.3	-2.3	-0.3

Average interest rates and sensitivity analysis of interest expenses

The sensitivity of interest expenses on changes in interest rates has been presented by simulating a permanent one percentage unit raise in interest rates at the end of the reporting year. The Corporation's net interest bearing debt as of December 31, 2015 was EUR 249.4 million (121.3) and the average interest reset period was 16 months (12). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 1.3 million (0.7) assuming no change in the amount of the net debt.

The table below shows the Corporation's net interest bearing debt, currency derivatives, average interest rates on loans and interest rate sensitivity by major currencies.

2015

EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	258.0	2.1	0.5	1.8	-13.0	249.4
Currency derivatives	-252.1	34.9	151.2	47.2	18.8	0.0
Net debt and currency derivatives	5.9	37.0	151.7	49.0	5.8	249.4
Average interest rate on loans (p.a.)	1.0%	5.9%				
Interest rate sensitivity	-1.2	0.5	1.5	0.4	0.1	1.3

2014

EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	119.3	5.4	-0.2	1.2	-4.4	121.3
Currency derivatives	120.6	-245.9	41.1	62.6	16.3	-5.4
Net debt and currency derivatives	240.0	-240.6	40.8	63.8	11.9	115.9
Average interest rate on loans (p.a.)	1.5%	5.9%				
Interest rate sensitivity	1.8	-2.3	0.4	0.6	0.2	0.7

Nominal amounts of derivatives

EUR million	**2015**	2014
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**375.9**	417.3
Foreign exchange options		205.9
Electricity forward agreements	**1.5**	1.5
Interest rate swaps	**13.4**	13.4
Cash flow hedges:		
Interest rate swaps	**80.0**	52.5

Fair value of derivatives

EUR million	**2015**	2014
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps		5.4
Electricity forward agreements	**-0.3**	-0.2
Interest rate swaps	**-0.4**	-0.8
Cash flow hedges:		
Interest rate swaps	**-1.4**	-1.3

Derivatives have been valued at fair value, which has been determined by using generally accepted valuation techniques supported by observable market data (fair value hierarchy level 2). Derivatives are recognised at fair value through profit and loss except for cash flow hedges, which are recorded in equity.

Maturity of derivatives

2015

EUR million	2016	2017	Later	Total
Foreign exchange forwards and swaps	375.9			375.9
Electricity forward agreements	0.6	0.4	0.6	1.5
Interest rate swaps	13.4		80.0	93.4
Total, Dec 31	389.9	0.4	80.6	470.8

2014

EUR million	2015	2016	Later	Total
Foreign exchange forwards and swaps	417.3			417.3
Foreign exchange options	205.9			205.9
Electricity forward agreements	0.8	0.3	0.5	1.5
Interest rate swaps	22.5		43.4	65.9
Total, Dec 31	646.5	0.3	43.9	690.7

Fair value of financial instruments

2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or 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

2014

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	767.0		11.9	778.9
Other investments			3.9	3.9
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

For the definition of fair value category levels please see the accounting principles in note 1.

Financial risk management

Financial risks are managed by the corporate treasury, in accordance with a set of risk management principles approved by the Board of Directors.

Currency risk

Currency risk is linked to changes in the value of Fiskars' cash flows, its balance sheet, and/or its competitiveness resulting from changes in exchange rates. Fiskars' currency position is split between its transaction position and translation position, both of which are managed separately.

Transaction risk

Transaction risk results from the possibility that the value of expected cash flow denominated in a particular currency may change as a result of changes in exchange rates. The objective of Fiskars' approach to managing its transaction risk is to reduce the impact of changes in exchange rates on the Group's budgeted profitability and cash flows. Business units are responsible for managing the currency risks associated with their projected and agreed commercial cash flows. Units hedge their exposure using currency forwards with the corporate treasury.

Transaction risk is measured by net of the Group's commercial and financial receivables and liabilities denominated in foreign currencies. The net position is hedged by currency derivatives in accordance with the treasury policy approved by the Board of Directors. Currency forwards and swaps are the most widely used instruments in hedging currency risks.

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. Higher levels of imports indirectly expose Fiskars to risks linked to changes in the local currencies of its suppliers, of which the most important is the Chinese renminbi.

Fiskars does not apply hedge accounting as defined under IAS 39 for transaction risk purposes. All gains and losses made on currency derivatives are booked in the income statement. Had hedge accounting been applied to currency derivatives Fiskars' consolidated profit before tax for 2015 would have been EUR 7.0 million above the reported figure (7.9 million below reported in 2014).

Translation risk

Translation risk refers to the impact that changes in exchange rates can have on the consolidated balance sheet, and which can affect the value of balance sheet assets, equity, and debt liabilities. In addition to balance sheet values, changes in exchange rates can also result in changes in key indicators, such as equity ratio and gearing. In 2015 Fiskars Group's translation risk was not significant and it was not hedged. The currency distribution of the Group's balance sheet is monitored regularly.

Interest rate risk

Interest rate risk refers to possible changes in cash flow or in the value of assets or liabilities resulting from changes in interest rates. Interest rate risk is measured by the average reset period of interest rates of financial assets and liabilities. The average reset period reflects the time it takes on average for the change in interest rates to effect on the interest costs of net debt portfolio. The risk is quantified in monetary terms as the change in interest costs during the observation period caused by a permanent one percentage point rise in interest rates. The shorter the average reset period, the more unpredictable are the interest costs and thus the higher the interest rate risk.

Derivatives are used in the management of interest rate risks. The objective is to maintain the average reset period within the agreed limits of 4 to 18 months as set in the treasury policy. As of December 31, 2015 the nominal amount of outstanding interest rate derivatives was EUR 93.4 million (2014: 65.9). The Group's interest-bearing net debt as of December 31, 2015 was EUR 249.4 million (121.3). 62% (44%) of net debt was linked to variable interest rates. Taking into consideration the effect of interest rate derivatives, 38% (56%) of net debt was linked to fixed interest rates. The average interest rate reset period of interest-bearing debt was 16 months (12).

Sensitivity of interest expenses on changes in market rates has been calculated by assuming permanent one percentage unit increase change in market rates and assuming no change in net debt during the year. The calculated impact on the consolidated result before tax would be EUR 1.3 million (0.7) in 2016.

At the end of the year Fiskars held investments amounting to EUR 61.4 million in short-term interest rate funds with low interest rate risk. The fund investments are not included in the interest bearing net debt.

Liquidity and re-financing risk

Liquidity risk refers to the possibility of the Group's financial assets proving insufficient to cover its business needs or a situation in which arranging such funding would result in substantial additional costs. The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations of the Group at all times while minimizing interest costs. Liquidity is considered to be the sum of cash and cash equivalents and available committed credit lines.

Re-financing risk refers to the possibility of such a large amount of liabilities falling due over such a short space of time that the re-financing needed might be unavailable or prohibitively expensive. The objective is to minimize the re-financing risk by diversifying the maturity structure of the debt portfolio.

The Group has extensive unused credit facilities at its disposal to guarantee its liquidity. As of the end of the year, the aggregate of unutilized committed revolving credit facilities and overdraft facilities totaled EUR 320.8 million (2014: 323.1). In addition, the Group's parent company in Finland has a commercial paper program with a number of leading banks amounting to EUR 400.0 million, of which EUR 78.0 million (94.8) was utilized as of the end of the year.

Commodity risk

Fiskars may use derivatives to hedge its exposure to commodity price fluctuations where appropriate. At the end of the year, the Group held no commodity derivative contracts other than electricity futures with a nominal value of EUR 1.5 million (1.5) recognized at fair value through the income statement.

Credit risk

Corporate treasury is responsible for evaluating and monitoring financial counterparty risk. The Group minimizes this risk by limiting its counterparties to a limited number of major banks and financial institutions and by working within agreed counterparty limits. Business units are responsible for monitoring customer credit risks. The Group's clientele is extensive and even the largest customer represent less than 10% of the outstanding receivables. As of the end of the year, the Group's trade receivables totaled EUR 173.6 million (106.4), and the financial statements include provisions for bad debt related to trade receivables totaling EUR 6.0 million (2.6).

Management of capital

Fiskars is not subject to any externally imposed capital requirements (other than possible local company law requirements effective in the jurisdictions where Fiskars Group companies are active).
The Group's objectives when managing capital are:

- to safeguard the Corporation's capacity to fund its operations and take care of its obligations under all business conditions
- to maintain a balanced business and investment portfolio that provides return both on short and long term to its shareholders
- to maintain possibilities to act on potential investment opportunities

22. Employee defined benefit obligations

Most of Fiskars Group's pension plans are defined contribution plans. The acquired WWRD business has defined benefit plans in Indonesia, Japan and Slovenia. The defined benefit plans in the U.S., Great Britain and Germany are closed plans, and future pay increases will not impact the valuation. The Group also has supplementary pension plans in Finland which are classified as defined benefit plans. Each plan is operated in accordance with local conditions and practices of the respective country. Authorized actuaries have performed the actuarial calculations for the defined benefit plans.

The main unfunded plans are in the US, Germany, Indonesia, Japan and Slovenia. Plans in Finland and Norway are taken care of by local pension insurance companies. The Group estimates its contributions to the plans during 2016 to be EUR 1.6 (1.1) million.

Characteristics of the defined benefit plans and risks associated with them

	Net liability		
Plan	**2015**	2014	Description and risks
Finland	0.1	0.2	There are 34 eligible members in the Finnish pension plans. The plans are either funded insured pension plans, which are closed, or unfunded pension promises. Benefits of the plans are old age pension, disability pension, family pension and funeral grant. Pension increases are based on either insurance companies' own indexes or TyEL index. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Germany	1.3	1.3	There are 87 eligible members in the German pension plans. The plans are either unfunded individual pension promises, or unfunded pension plans, which are closed. Benefits of the plans are old age pension, disability pension and widow's/widower's pension. Pension increases, if any, are based on inflation. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Thailand	0.3	0.2	There are 499 eligible members in the Thai pension plan, which is a retirement benefit plan. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Norway	-0.1	-0.1	There are 17 eligible members in the Norwegian pension plan. The plan is an insured, funded and closed pension plan. Benefits of the plan are old age pension, disability pension, widow's/widower's pension and children's pension. There are no guaranteed minimum pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
UK	1.5		There are 180 eligible members in the British pension plan, which is a closed pension fund. The plan has surplus (asset) of GBP 3.2 (2.6) million at end of 2015, which is not recognized as an assets due to asset ceiling. Benefits of the plan are old age pension, early retirement pension, widow's/widower's pension and death benefit. Pension increases are based on inflation. Main risks are volatility of equity instruments, changes in bond yields, increase in life expectancy and inflation risk. UK legislation requires the board to carry out actuarial valuations at least every three years and to target full funding against a basis that prudently reflects the fund's risk exposure, including the strength of the covenant offered to the fund by Fiskars UK Limited. The most recent actuarial valuation was carried out as at March 31, 2014. Fiskars UK Limited has agreed to pay annual contributions of GBP 0.5 million until March 31, 2018. The remaining payments have been recorded as a liability as at December 31, 2015.
USA	6.0	5.4	There is one eligible member in the American pension plan, which is an unfunded pension promise. Benefits of the plan are old age pension and widow's/widower's pension. There are no pension increases. Main risks are changes in bond yields and increase in life expectancy.
Indonesia	2.5		There are 1,084 eligible members in the Indonesian pension plan, which is an unfunded retirement benefit plan. Benefits of the plan are severance pay, death benefit and disability benefit. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Japan	1.2		There are 128 eligible members in the Japanese pension plan, which is a funded and insured pension and retirement allowance plan. Benefits of the plan are old-age pension, death benefit and retirement allowance. There are no pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Slovenia	1.1		There are 868 eligible members in the Slovenian pension plans, which are unfunded retirement benefit plans. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Total net liability	**13.9**	7.0	

Changes in net defined benefit liability

EUR million	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Jan 1, 2015	22.3	-18.6	3.7	3.3	7.0
Acquisitions	6.8	-2.4	4.4		4.4
Current service cost	0.4		0.4		0.4
Interest expense (+) or income (-)	1.0	-0.7	0.3	0.1	0.4
Past service cost and gains and losses from settlements	0.2		0.2		0.2
Total included in personnel expenses (Note 7)	1.6	-0.7	0.9	0.1	1.0
Return on plan assets, excluding amounts included in interest		-0.0	-0.0		-0.0
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.2		0.2		0.2
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-0.4		-0.4		-0.4
Experience adjustment gains (-) and losses (+)	0.2		0.2		0.2
Changes in asset ceiling, excluding amounts included in interest			0.0	0.8	0.8
Remeasurement gains (-) and losses (+) included in OCI	-0.1	-0.0	-0.1	0.8	0.6
Translation differences	1.6	-1.1	0.5	0.2	0.7
Employer contributions		-1.4	-1.4		-1.4
Benefits paid	-1.4	1.4	0.0		0.0
Other changes	1.5		1.5		1.5
Dec 31, 2015	32.4	-22.9	9.5	4.4	13.9

EUR million	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Jan 1, 2014	20.1	-16.5	3.6	2.2	5.9
Current service cost	0.0		0.0		0.0
Interest expense (+) or income (-)	0.9	-0.8	0.1	0.1	0.2
Total included in personnel expenses (Note 7)	0.9	-0.8	0.2	0.1	0.3
Return on plan assets, excluding amounts included in interest		-0.2	-0.2		-0.2
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.1		0.1		0.1
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	1.1		1.1		1.1
Experience adjustment gains (-) and losses (+)	-0.4		-0.4		-0.4
Changes in asset ceiling, excluding amounts included in interest			0.0	0.8	0.8
Remeasurement gains (-) and losses (+) included in OCI	0.8	-0.2	0.6	0.8	1.3
Translation differences	1.6	-1.1	0.5	0.2	0.6
Employer contributions		-1.1	-1.1		-1.1
Benefits paid	-1.1	1.1	0.0		0.0
Dec 31, 2014	22.3	-18.6	3.7	3.3	7.0

Plan assets by asset category

EUR million	2015 Quoted	2015 Unquoted	2014 Quoted	2014 Unquoted
Equity instruments	15.3		14.7	
Bonds	4.3		3.3	
Property	0.4		0.3	
Insurance contracts		2.7		0.2
Cash and cash equivalents	0.3		0.0	
Other	0.0		0.0	
Total	20.2	2.7	18.4	0.2

Principal actuarial assumptions at the balance sheet date

%	**2015**	2014
Discount rate		
Great Britain	**3.9**	3.9
Other countries	**0.8–8.9**	2.0–4.0
Future salary increases		
Great Britain	**n/a**	n/a
Other countries	**n/a / 0.0–5.0**	n/a / 0.0–4.5
Future pension increases		
Great Britain	**0–3.2**	0–3.2
Other countries	**n/a / 0.0–5.0**	n/a / 0.0–2.1

Sensitivity analysis

A reasonably possible change to one of the relevant actuarial assumptions at the reporting date holding other assumptions constant, would have affected the defined benefit obligation as shown below.

	2015		2014	
	Defined benefit obligation		Defined benefit obligation	
EUR million	Increase	Decrease	Increase	Decrease
Great Britain				
Discount rate (0.5% change)	**-1.1**	**1.2**	-1.0	1.2
Future salary (0.5% change)	**n/a**	**n/a**	n/a	n/a
Future pension (0.25% change)	**0.2**	**-0.2**	0.2	-0.2
Other Group companies, total				
Discount rate (0.5% change)	**-0.6**	**0.7**	-0.4	0.4
Future salary (0.5% change)	**0.3**	**-0.2**	0.0	-0.0
Future pension (0.25% change)	**0.1**	**-0.1**	0.0	-0.0

The weighted average of the duration of the defined benefit obligation: 11.5 (13.2)
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

23. Provisions

Warranty provisions relate to products sold and are reviewed and adjusted regularly to reflect the estimated cash outflows to settle the warranty claims. Restructuring provisions mainly relate to the Supply Chain 2017 program and watering integration. Other provisions include, among others, provisions for legal expenses and estimated costs for refurbishment of premises.

2015

Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.0	0.1	3.4	4.5
Translation differences	-0.0	0.0	-0.0	-0.0
Acquisitions			0.9	0.9
Additions	0.2		0.2	0.3
Used provisions	-0.2		-0.2	-0.4
Change in estimates	-0.1			-0.1
Reversals	-0.5		-0.1	-0.6
Provisions, Dec 31	**0.4**	**0.1**	**4.1**	**4.6**

Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	3.0	1.2	0.2	4.4
Translation differences	0.2	0.0	0.0	0.2
Acquisitions			2.7	2.7
Additions	0.5	4.1	0.2	4.8
Used provisions	-0.4	-1.4		-1.8
Change in estimates	0.2		-0.1	0.1
Provisions, Dec 31	**3.5**	**3.9**	**3.0**	**10.5**

2014

Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.3	1.2	3.5	5.9
Translation differences	-0.0	0.1	-0.0	0.1
Additions	0.2		0.4	0.6
Used provisions	-0.2	-1.1	-0.0	-1.3
Change in estimates	-0.0	-0.0	-0.2	-0.2
Reversals	-0.2		-0.3	-0.5
Provisions, Dec 31	1.0	0.1	3.4	4.5

Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	2.6	2.0	0.7	5.2
Translation differences	0.2	-0.0	0.0	0.2
Additions	0.3	0.2		0.5
Used provisions	-0.0	-1.0	-0.5	-1.5
Change in estimates	-0.0	0.0		0.0
Reversals			-0.0	-0.0
Provisions, Dec 31	3.0	1.2	0.2	4.4

24. Trade and other payables

EUR million	**2015**	2014
Trade payables	**82.6**	67.8
Dividend withholding tax liability		22.4
Other debt	**24.4**	15.2
Accrued expenses and deferred income:		
Interests	**1.8**	1.3
Wages, salaries and social costs	**47.8**	40.6
Customer rebates and commissions	**35.4**	25.7
Other	**45.4**	37.3
Total, Dec 31	**237.4**	210.2

Other accrued expenses and deferred income comprise periodization of bought materials and supplies, annual rebates for clients and other accrued items.

25. Commitments

Operating lease obligations

EUR million	**2015**	2014
Payments next year	**30.3**	20.9
Payments between one and five years	**53.0**	33.5
Payments later	**8.1**	0.7
Total, Dec 31	**91.3**	55.1

Contingencies and pledged assets

EUR million	**2015**	2014
Guarantees	**26.2**	11.2
Lease commitments	**91.3**	55.1
Other contingencies*	**21.7**	22.9
Total pledged assets and contingencies, Dec 31	**139.2**	89.1

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

Litigation

Fiskars is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted. Taking into account all available information to date the outcome is not expected to have material impact on the financial position of the Group.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to re-assessment of taxes. Fiskars Corporation has in June 2015 received a tax audit report proposing re-assessment 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 will make the decision on the matter. In the opinion of the Fiskars' management, the taxes have been reported and levied correctly and no re-assessment 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 re-assessment would result in a negative effect on Fiskars' 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 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.

26. Related party transactions

Fiskars' related parties are members of the Fiskars Board of Directors and Executive Board, other key management persons, and individual shareholders with control or significant influence over the company, as well as entities controlled or significantly influenced by them or their family members. In addition, associated companies of Fiskars are also regarded as related parties.

Fiskars Finland Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception.

At the end of June 2014, Fiskars sold 9.9% of its shares in Inha Works Ltd. to the company's management. Fiskars had no significant transactions, liabilities or receivables with Wärtsilä, its associated company until October 9, 2014. The dividend from Wärtsilä in 2014, EUR 26.9 million, was reported as dividends from associate in the consolidated statement of cash flows.

EUR million	**2015**	2014
Rent	**0.2**	0.2
Capital loan	**0.2**	0.2

Shareholdings of the Board and key management, December 31

Includes holding of corporations under controlling power together with a family member.

	2015			2014		
	Own holdings	**Holdings of controlled corporations**	**Total**	Own holdings	Holdings of controlled corporations	Total
Bergh Kaj-Gustaf*				5,000	0	5,000
Böer Ralf*				5,677	0	5,677
Ehrnrooth Alexander	**855,000**	**12,220,000**	**13,075,000**	855,000	11,775,000	12,630,000
Ehrnrooth Paul	**8,205**	**9,322,756**	**9,330,961**	8,205	9,095,406	9,103,611
Fromond Louise	**601,135**	**8,541,612**	**9,142,747**	601,135	8,294,050	8,895,185
Gripenberg Gustaf	**243,320**	**4,057,289**	**4,300,609**	243,320	4,057,289	4,300,609
Jonasson Blank Ingrid	**0**	**0**	**0**	0	0	0
Mero Inka**	**0**	**0**	**0**			
Mondollot Christine***				0	0	0
Månsson Fabian**	**0**	**0**	**0**			
Sjölander Peter**	**0**	**0**	**0**			
Slotte Karsten	**1,000**	**0**	**1,000**	1,000	0	1,000
Sotamaa Ritva**	**1,000**	**0**	**1,000**			
Ariluoma-Hämäläinen Nina	**0**	**0**	**0**	0	0	0
Enckell Thomas****	**0**	**0**	**0**	0	0	0
Gaeta Matteo****	**0**	**0**	**0**	0	0	0
Gaggl Risto	**0**	**0**	**0**	0	0	0
Kangas-Kärki Teemu****	**2,000**	**0**	**2,000**	2,000	0	2,000
Kass Robert****	**0**	**0**	**0**	0	0	0
Kauniskangas Kari	**31,097**	**0**	**31,097**	28,897	0	28,897
Matt Alexander*****	**0**	**0**	**0**			
Tonnesen Paul****	**0**	**0**	**0**	0	0	0
Westerlund Frans	**0**	**0**	**0**	0	0	0

The Directors and the CEO do not have any debts to the company; nor has the company given pledges or taken on other responsibilities in their names. The shareholdings of the Board and key management represent in total 43.8% of the outstanding shares of the company.

* Member of the Board of Directors until March 12, 2015.

** Member of the Board of Directors as of March 12, 2015.

*** Member of the Board of Directors as of March 12, 2014 until March 12, 2015.

**** Member of the Executive Board as of December 1, 2014.

***** Member of the Executive Board as of September 15, 2015.

Remuneration of the Board and key management

EUR thousand	**2015** Salaries and fees	**2015** Statutory pension	**2015** Supplementary pension*	2014 Salaries and fees	2014 Statutory pension	2014 Supplementary pension*
Bergh Kaj-Gustaf	**14.3**			72.4		
Böer Ralf	**15.8**			74.4		
Ehrnrooth Alexander	**77.3**			79.0		
Ehrnrooth Paul	**124.5**			121.8		
Fromond Louise	**58.5**			58.2		
Gripenberg Gustaf	**62.3**			61.4		
Jonasson Blank Ingrid	**77.5**			78.9		
Mero Inka	**43.5**					
Mondollot Christine	**15.8**			66.8		
Månsson Fabian	**57.8**					
Sjölander Peter	**57.8**					
Slotte Karsten	**62.3**			65.7		
Sotamaa Ritva	**59.8**					
Suominen Jukka				11.8		
Kauniskangas Kari	**1,026.9**	**51.9**	**83.4**	697.3	165.5	80.9
Executive board excl. President & CEO	**3,494.4**	**135.5**	**169.4**	1,238.3	388.2	222.0
Total	**5,248.0**	**187.4**	**252.8**	2,625.7	553.8	302.9

The key management consists of the Board of Directors, the President & CEO and the members of the Corporate Management Team (Executive Board). The figures are presented on an accrual basis.

* The key management has a collective supplementary pension insurance, which includes an old-age pension at the retirement age of 60 years, vested rights under certain conditions and indemnity payable at death. The amount of pension income is based on the insurance savings. The employer's contribution to the insurance plan is 20% of the preceding year's base salary of the CEO and 14%–20% of the preceding year's base salary of the Executive Board excl. the CEO.

27. Share based payments

Long-term incentive plan 2015–2017, settled in shares and cash

In February 2015, the Board of Directors decided on a new long-term incentive plan for the Group’s Chief Executive Officer and Chief Operating Officer. The targets for the plan are based on the company’s total shareholder return. No reward will be paid if targets are not met or if the participant’s employment ends before reward payment.

The vesting period for the long-term incentive plan is three years. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2015 will therefore be paid during the first quarter of 2018.

If the targets of the plan are reached, rewards will be paid to participants after the end of the vesting period. The reward will be paid in the company’s shares and as a cash payment which is intended to cover taxes and tax-related costs arising from the share reward. If all targets are reached, the maximum reward payable in shares on the basis of the 2015–2017 vesting period would amount to 17,500 shares in the company. Shares to be awarded under the plan will be acquired in public trading arranged by Nasdaq Helsinki, and thus the share plan is not expected to have a diluting effect on the ownership of the company’s shareholders.

Amount of share incentives and terms and assumptions in the fair value calculation	2015–2017 plan
Maximum number of shares granted	17,500
Grant date	Feb 5, 2015
Grant date share price, EUR	19.50
Estimated realization of share price after vesting and restriction period	21.86
Expense recorded during the financial year (EUR million)	0.1
Liability at the end of the financial year (EUR million)	0.1
Vesting period starts	Feb 5, 2015
Vesting period ends	Dec 31, 2017
Estimated realization of earnings criteria at the beginning of earning period, %	100%
Number of participants in the plan	2

Long-term incentive plan 2014–2016 and 2013–2015, settled in cash

Participants in the long-term incentive plans are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. No reward will be paid if targets are not met or if the participant's employment ends before reward payment.

A positive change in the value of the Company's shares related to its own operations (excluding the impact of investments at fair value through profit or loss on the share price) during the vesting period may increase the final cash payout by up to 50% and for the President and CEO by up to 100% (multiplier effect).

The earning criteria apply during the first year of the vesting period, which for other executives except for the CEO is followed by two additional years. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2014 will therefore be paid during the first quarter of 2017. For the CEO, half of the bonus vests after a two year vesting period and the other half after a three year vesting period.

The targets for the incentive plans are based on the company's consolidated net sales and operative cash flow and for the President and CEO, the targets were tied to net sales and EBIT.

Terms and assumptions of the long-term incentive plans	2014–2016 plan	2013–2015 plan
Grant date	Mar 12, 2014	Mar 14, 2013
Achieved base amount for the plan (EUR million)	1.2	0.9
Multiplier effect (EUR million)	0.0	0.2
Realization rate (multiplier effect in %)	3%	18%
Vesting period starts	Mar 12, 2014	Mar 14, 2013
Vesting period ends	Dec 31, 2016	Dec 31, 2015
Number of participants in the plan	20	18

28. Subsidiaries and other participations

Fiskars Oyj Abp acquired the WWRD business consisting of 28 companies and two branch offices on July 1, 2015. On November 30, Fiskars Garden Oy Ab and ImanCo Oy merged into Fiskars Home Oy Ab, which was renamed Fiskars Finland Oy Ab, and Fiskamin AB merged into Fiskars Europe Holding Oy Ab. On December 31, 2015, Fiskars Services Oy Ab merged into the parent company, Fiskars Oyj Abp.

Shares in subsidiaries

	Domicile		% of share capital	% of voting power	Nature of activities
Fiskars Americas Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Fiskars Brands, Inc.	Madison, Wi.	US	100.0	100.0	P
Fiskars Brands Global Holdings LLC	Madison, Wi.	US	100.0	100.0	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	0.002	0.002	D
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	0.002	0.002	D
Fiskars Canada, Inc.	Toronto	CA	100.0	100.0	S
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	99.998	99.998	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	99.998	99.998	D
Consumer Brands (Hong Kong) Co., Limited	Hongkong	HK	1.0	1.0	H
Fiskars Europe Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Consumer Brands (Hong Kong) Co., Limited	Hong Kong	HK	99.0	99.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	98.0	98.0	H
Fiskars Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	H
Fiskars Finland Oy Ab	Helsinki	FI	100.0	100.0	P
ZAO Fiskars Brands Rus	St. Petersburg	RU	100.0	100.0	P
Fiskars Finland Oy Ab, Hungarian Branch Office	Budapest	HU	100.0	100.0	S
Fiskars (Thailand) Co., Limited	Bangkok	TH	1.0	1.0	H
Fispo Sp. z o.o.	Warsaw	PL	100.0	100.0	D
Fiskars Sweden AB	Höganäs	SE	100.0	100.0	S
Nilsjohan AB	Höganäs	SE	100.0	100.0	D
Fiskars Estonia AS	Tallinn	EE	100.0	100.0	S
Fiskars Benelux B.V.	Oosterhout	NL	100.0	100.0	S
iittala BVBA	Antwerpen	BE	0.5	0.5	S
iittala BVBA	Antwerpen	BE	99.5	99.5	S
Fiskars Silkeborg A/S	Silkeborg	DK	100.0	100.0	S
Fiskars Denmark A/S	Glostrup	DK	100.0	100.0	P
Royal Copenhagen GmbH	Cologne	DE	100.0	100.0	S
Royal Copenhagen (Japan) Ltd	Tokyo	JP	100.0	100.0	S
Royal Copenhagen Korea Ltd	Seoul	KR	100.0	100.0	S
Royal Copenhagen Taiwan Ltd	Taipei	TW	100.0	100.0	S
Royal Copenhagen Thailand Ltd	Saraburi	TH	60.0	60.0	P
Fiskars Gardening Equipment (Ningbo), Co., Ltd.	Ningbo	CN	100.0	100.0	P
RC Heritage Center Ltd, Thailand	Saraburi	TH	99.0	99.0	P
Fiskars Asia Pacific Limited	Hongkong	HK	100.0	100.0	H
Fiskars Consumer Goods (Shanghai) Co., Ltd	Shanghai	CN	100.0	100.0	S
Fiskars Deutschland GmbH	Herford	DE	100.0	100.0	D
Fiskars France S.A.S.	Wissous	FR	100.0	100.0	P
Fiskars Germany GmbH	Herford	DE	100.0	100.0	P
iittala GmbH	Solingen	DE	100.0	100.0	S

Fiskars Italy S.r.l.	Premana	IT	100.0	100.0	P
Fiskars Norway AS	Oslo	NO	100.0	100.0	P
Fiskars Polska Sp. z o.o.	Slupsk	PL	100.0	100.0	P
Fiskars Spain S.L.U.	Madrid	ES	100.0	100.0	S
Fiskars UK Limited	Bridgend	GB	100.0	100.0	S
Vikingate Limited	Nottingham	GB	100.0	100.0	D
Richard Sankey & Son Limited	Nottingham	GB	100.0	100.0	D
Fiskars (Australia) Pty Limited	Melbourne	AU	100.0	100.0	S
UAB Fiskars Lithuania	Vilnius	LT	100.0	100.0	S
Fiskars Latvia SIA	Riga	LV	100.0	100.0	S
Fiskars Czech s.r.o.	Prague	CZ	100.0	100.0	S
Inha Works Ltd.	Ähtäri	FI	90.1	90.1	P
Ferraria Oy Ab	Raasepori	FI	100.0	100.0	H
Kiinteistö Oy Danskog gård	Raasepori	FI	100.0	100.0	H
Ab Åbo Båtvarf - Turun Veneveistämö Oy	Turku	FI	100.0	100.0	D
Avlis AB	Stockholm	SE	100.0	100.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	1.0	1.0	H
WWRD LuxCo S.à.r.l.	Luxembourg	LU	100.0	100.0	H
WWRD Canada, Inc	New Brunswick	CA	100.0	100.0	S
WWRD UK/Ireland, Ltd.	Stoke-on-Trent	GB	100.0	100.0	D
WWRD Ireland IPCo LLC	Wilmingtom, DE	US	100.0	100.0	H
WWRD IPCo. LLC	Wilmingtom, DE	US	100.0	100.0	H
Spring (U.S.A.) Corporation	Wilmingtom, DE	US	60.0	60.0	P
Wedgwood/Doulton USA Acqco 1 Inc.	Wilmingtom, DE	US	100.0	100.0	H
Wedgwood/Doulton USA Acqco 2 Inc.	Wilmingtom, DE	US	100.0	100.0	H
WWRD US, LLC	Wilmingtom, DE	US	100.0	100.0	S
WWRD United Kingdom, Ltd.	Stoke-on-Trent	GB	100.0	100.0	P
WWRD United Kingdom, Ltd., Beijing Branch Office	Beijing	CN	100.0	100.0	H
WWRD IPCO UK LLC	Wilmingtom, DE	US	100.0	100.0	H
WWRD Ireland Limited	Waterford	IE	100.0	100.0	P
WWRD IPCO I LLC	Wilmingtom, DE	US	100.0	100.0	H
Steklarna Rogaška d.o.o.	Rogaška Slatina	SI	100.0	100.0	P
Steklarski HRAM d.o.o.	Rogaška Slatina	SI	100.0	100.0	S
Rogaška Kristal d.o.o.	Zagreb	HR	100.0	100.0	S
Rogaska America Inc	New York	US	100.0	100.0	S
WWRD Netherlands MidCo B.V.	Amsterdam	NL	100.0	100.0	H
WWRD Australia Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	S
WWRD Australia Pty Ltd, New Zealand Branch	Auckland	NZ	100.0	100.0	S
Josiah Wedgwood & Sons Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	D
Waterford Wedgwood Australia Limited	Stoke-on-Trent	GB	100.0	100.0	D
Waterford Wedgwood Trading Singapore Pte Limited	Singapore	SG	100.0	100.0	H
Wedgwood Consulting Shanghai Ltd. PRC	Shanghai	CN	100.0	100.0	D
Waterford Wedgwood (Taiwan) Limited	Taipei	TW	100.0	100.0	S
Waterford Wedgwood Hong Kong Ltd	Hong Kong	HK	100.0	100.0	S
Waterford Wedgwood Doulton Commercial (Shanghai) Ltd.	Shanghai	CN	100.0	100.0	S
Waterford Wedgwood Japan Limited	Tokyo	AU	100.0	100.0	S
PT Doulton (Indonesia)	Tangerang	ID	96.2	96.2	P

Holding or management	H
Production and sales	P
Sales	S
Dormant	D

29. Subsequent events

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.

FINANCIAL INDICATORS

Five years in figures

		2015	2014	2013	2012	2011
Net sales	EUR million	**1,105.0**	767.5	798.6	747.8	742.5
of which outside Finland	EUR million	**958.0**	632.8	657.6	579.1	568.5
in percent of net sales	%	**86.7**	82.5	82.3	77.4	76.6
export from Finland	EUR million	**57.1**	61.8	66.2	54.5	69.1
Percentage change of net sales	%	**44.0**	-3.9	6.8	0.7	3.7
Gross profit	EUR million	**418.0**	310.4	323.2	274.6	259.2
in percent of net sales	%	**37.8**	40.4	40.5	36.7	34.9
Operating profit (EBIT)	EUR million	**46.5**	42.7	61.0	63.9	52.8
in percent of net sales	%	**4.2**	5.6	7.6	8.5	7.1
Operating profit excluding non-recurring items	EUR million	**65.1**	59.6	73.8	63.1	62.1
Share of profit from associate	EUR million		30.0	50.8	47.8	42.7
Change in fair value of biological assets	EUR million	**-0.2**	-0.3	0.7	5.6	-1.0
Financial items net	EUR million	**79.3**	714.3	-4.2	83.2	67.4
in percent of net sales	%	**7.2**	93.1	-0.5	11.1	9.1
Profit before taxes	EUR million	**125.5**	786.7	108.3	200.4	161.8
in percent of net sales	%	**11.4**	102.5	13.6	26.8	21.8
Income tax	EUR million	**-39.2**	-13.4	-14.3	-21.5	-5.5
Profit for the period attributable to the equity holders of the company	EUR million	**85.1**	773.1	93.7	178.9	156.3
in percent of net sales	%	**7.7**	100.7	11.7	23.9	21.1
Non-controlling interests' share of profit	EUR million	**1.2**	0.2	0.3		
Employee benefits	EUR million	**291.3**	209.8	202.1	173.3	171.7
Depreciation, amortization and impairment	EUR million	**42.8**	28.5	29.2	21.9	21.5
in percent of net sales	%	**3.9**	3.7	3.7	2.9	2.9
Cash flow from operating activities	EUR million	**47.6**	87.0	81.0	95.0	107.4
Capital expenditure	EUR million	**32.4**	35.0	37.5	32.7	24.4
in percent of net sales	%	**2.9**	4.6	4.7	4.4	3.3
Research and development costs in income statement	EUR million	**18.0**	14.6	13.3	10.3	8.6
in percent of net sales	%	**1.6**	1.9	1.7	1.4	1.2
Capitalized development costs	EUR million	**0.0**	0.5	0.7	1.1	1.5
Equity attributable to equity holders of the company	EUR million	**1,190.8**	1,151.9	631.8	618.9	554.3
Non-controlling interest	EUR million	**3.3**	1.3	0.9		
Equity total	EUR million	**1,194.0**	1,153.2	632.7	618.9	554.3
Net interest bearing liabilities	EUR million	**249.4**	121.3	152.6	72.4	150.8
Working capital	EUR million	**190.5**	93.3	88.3	71.4	82.7
Balance sheet total	EUR million	**1,833.3**	1,589.5	1,039.1	935.4	940.2
Return on investment	%	**8.4**	73.8	15.1	28.9	22.6
Return on equity	%	**7.4**	86.6	15.0	30.5	28.2
Equity ratio	%	**65.1**	72.6	60.9	66.2	59.0
Net gearing	%	**20.9**	10.5	24.1	11.7	27.2
Personnel (FTE), average		**6,303**	4,243	4,087	3,364	3,545
Personnel, end of period		**9,003**	4,832	4,330	3,449	3,574
of which outside Finland		**7,715**	3,300	2,748	1,839	2,072

Share related figures

		2015	2014	2013	2012	2011
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR/share	**1.04**	9.44	1.14	2.18	1.91
Operative earnings per share	EUR/share	**0.35**	0.76	1.14	2.18	1.91
Dividend per share*	EUR/share	**0.70**	0.68	3.27	0.65	1.37
Dividend	EUR million	**57.3**	55.7	267.8	53.2	112.2
Equity per share	EUR/share	**14.54**	14.06	7.71	7.56	6.77
Adjusted average price	EUR/share	**18.69**	20.35	18.20	16.00	16.92
Adjusted lowest price per share	EUR/share	**17.30**	17.33	16.20	13.60	10.99
Adjusted highest price per share	EUR/share	**21.07**	22.30	19.70	17.49	22.05
Adjusted price per share, Dec 31	EUR/share	**18.74**	17.99	19.55	16.69	13.94
Market value of shares	EUR million	**1,534.9**	1,473.5	1,601.2	1,367.0	1,141.8
Number of shares	1,000 pcs	**81,905.2**	81,905.2	81,905.2	82,023.3	82,023.3
Number of treasury shares	1,000 pcs				118.1	118.1
Number of shares traded	1,000 pcs	**6,185.3**	6,898.3	3,042.1	4,883.3	5,730.3
Price per earnings		**18.0**	1.9	17.1	7.7	7.3
Dividend per earnings	percent	**67.4**	7.2	286.8	29.8	71.9
Dividend yield	percent	**3.7**	3.8	16.7	3.9	9.8
Number of shareholders, Dec 31		**18,426**	17,828	16,352	16,148	15,339

* Board's proposal.

Basic and diluted earnings per share are equal, as the company has no potential ordinary shares.

Calculation of financial indicators

Earnings before depreciation and amortization	=	Operating profit + depreciation and amortization + impairment	
Return on investment in %	=	$\frac{\text{Profit for the period + income taxes + interest and other financial expenses}}{\text{Equity, total + interest-bearing liabilities (average of beginning and end of year amounts)}}$	x100
Return on equity in %	=	$\frac{\text{Profit for the period}}{\text{Equity, total (average of beginning and end of year amounts)}}$	x100
Equity ratio in %	=	$\frac{\text{Equity, total}}{\text{Balance sheet total}}$	x100
Net gearing in %	=	$\frac{\text{Interest-bearing liabilities - interest-bearing receivables - cash and bank}}{\text{Equity, total}}$	x100
Earnings per share	=	$\frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding ordinary shares}}$	
Operative earnings per share	=	$\frac{\text{Profit attributable to equity holders of the company excl. gain on sale and revaluation of Wärtsilä (2014) and changes in the fair value of investments at fair value through profit or loss}}{\text{Weighted average number of outstanding ordinary shares}}$	
Equity per share	=	$\frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding ordinary shares}}$	
Adjusted average share price	=	$\frac{\text{Value of shares traded during the period}}{\text{Number of shares traded during the period, adjusted for emissions}}$	
Market capitalization	=	Number of outstanding ordinary shares Dec 31 x market quotation Dec 31	
Price per earnings (P/E)	=	$\frac{\text{Market quotation per share, Dec 31}}{\text{Earnings per share}}$	
Dividend per earnings in %	=	$\frac{\text{Dividend paid}}{\text{Profit attributable to equity holders of the company}}$	x100
Dividend per share	=	$\frac{\text{Dividend paid}}{\text{Number of outstanding shares, Dec 31}}$	
Dividend yield in %	=	$\frac{\text{Dividend per share}}{\text{Market quotation, Dec 31 adjusted for emissions}}$	x100

SHARES

Number of shares, votes and share capital

Fiskars Corporation's shares are traded in the Large Cap segment of Nasdaq Helsinki. The Company has one series of shares FIS1V. All shares carry one vote each and have equal rights.

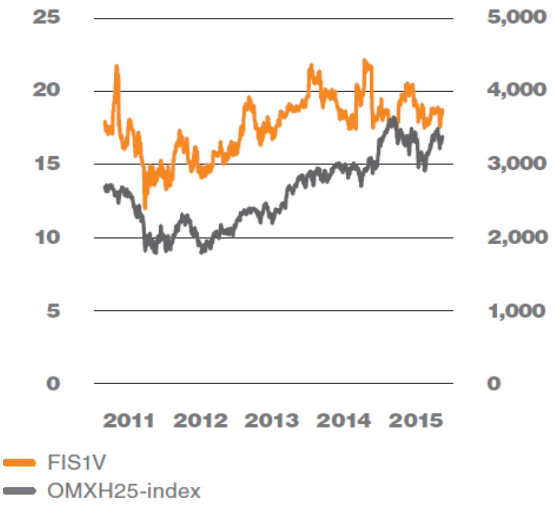
The total number of shares at the end of 2015 was 81,905,242 (81,905,242). The share capital remained unchanged in 2015 at EUR 77,510,200.

Share details

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FIS1V (OMX)
Segment	OMXH Large Cap
Industry	3000 Consumer Goods
Supersector	3700 Personal & Household Goods
Shares as of Dec 31, 2015	81,905,242

Fiskars share price development

EUR, Jan 1, 2011–Dec 31, 2015



Board authorizations

The Annual General Meeting for 2015 decided to authorize the Board to acquire and convey a maximum 4,000,000 of Fiskars' own shares. Both authorizations will remain in force until June 30, 2016.

Changes in the number of shares, 2011–2015

	Total	
Total shares, Dec 31, 2011	82,023,341	
Total shares, Dec 31, 2012	82,023,341	
Feb 15, 2013	-118,099	Cancellation of treasury shares
Total shares, Dec 31, 2013	81,905,242	
Total shares, Dec 31, 2014	81,905,242	
Total shares, Dec 31, 2015	81,905,242	
Treasury shares Dec 31, 2015	0	

SHAREHOLDERS

Fiskars Corporation had 18,426 (17,828) shareholders as of the end of the year. Approximately 3.5 (2.7) of the share capital was owned by foreign or nominee-registered shareholders.

Management shareholding

On December 31 2015, the Board members, the President & CEO and the members of the Corporate Management Team (Executive Board) and the companies where they have a controlling interest together with a family member, owned a total of 35,884,414 (34,971,979) shares corresponding to 43.8% (42.7) of the Company's shares and votes. The Company did not have any share option programs.

Share ownership, December 31, 2015

	Number of shareholders	%	Number of shares and votes	%
Private companies	643	3.49	34,671,795	42.33
Financial and insurance institutions	16	0.09	1,088,422	1.33
Public sector organizations	7	0.04	3,794,406	4.63
Households	17,429	94.59	29,480,321	35.99
Non-profit organizations	213	1.16	10,027,393	12.24
Outside Finland	109	0.59	699,420	0.85
Nominee registered	9	0.05	2,143,485	2.62
Total	18,426	100	81,905,242	100

Distribution of shares, December 31, 2015

Number of shares	Number of shareholders	%	Number of shares and votes	%
1—100	7,405	40.19	415,711	0.51
101—500	6,979	37.88	1,839,066	2.25
501—1,000	1,867	10.13	1,439,172	1.76
1,001—10,000	1,906	10.34	5,148,198	6.29
10,001—100,000	203	1.10	5,598,068	6.84
100,001—1,000,000	54	0.29	19,405,541	23.69
1,000,001—	12	0.07	48,059,486	58.68
Total	18,426	100	81,905,242	100

Major shareholders, December 31, 2015

		Total shares	% of shares and votes
1	Virala Oy Ab	12,220,000	14.92
2	Turret Oy Ab	9,332,756	11.38
3	Holdix Oy Ab	8,541,612	10.43
4	I.A. von Julins Sterbhus	2,689,120	3.28
5	Oy Julius Tallberg Ab	2,554,350	3.12
6	Sophie von Julins Foundation	2,551,791	3.12
7	Varma Mutual Pension Insurance Company	2,469,326	3.01
8	Ehrnrooth Jacob	1,626,929	1.99
9	Fromond Elsa	1,623,926	1.98
10	Ehrnrooth Sophia	1,558,630	1.90
11	Ilmarinen Mutual Pension Insurance Company	1,302,500	1.59
12	Stiftelsen för Åbo Akademi	947,929	1.16
13	Ehrnrooth Albert	855,372	1.04
14	Ehrnrooth Alexander	855,000	1.04
15	Wrede Sophie	821,790	1.00
16	Hartwall Peter Johan	748,450	0.91
17	Lindsay von Julin & Co Ab	733,320	0.90
18	Therman Anna Maria Elisabeth	722,436	0.88
19	Gripenberg Margareta	628,974	0.77
20	Åberg Albertina	604,169	0.74
20 major shareholders		53,388,380	65.17

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company income statement

EUR	Note	2015		2014	
Net sales	2	**380,429,050.85**		24,721,674.36	
Cost of goods sold	4	**-307,603,888.12**		-37,963,654.64	
Gross profit		**72,825,162.73**	**19%**	-13,241,980.28	-54%
Administration expenses	4	**-22,981,888.86**		-14,960,645.66	
Other operating income	3	**1,192,917.72**		496,886.71	
Other operating expenses	4			-239,094.37	
Operating profit		**51,036,191.59**	**13%**	-27,944,833.60	-113%
Financial income and expenses	7	**493,907,364.41**		41,429,228.07	
Profit (loss) before extraordinary items		**544,943,556.00**		13,484,394.47	
Extraordinary items	8	**3,941,938.00**		9,400,000.00	
Profit (loss) before appropriations and taxes		**548,885,494.00**		22,884,394.47	
Appropriations		**183,235.52**		-477,196.15	
Income taxes	9	**-10,030,573.34**		-208,545.03	
Profit (loss) for the period		**539,038,156.18**		22,198,653.29	

Parent company balance sheet

EUR	Note	Dec 31, 2015		Dec 31, 2014	
ASSETS					
Non-current assets					
Intangible assets	10	**42,414,391.97**		7,260,093.17	
Tangible assets	11				
Land and water		**15,576,936.08**		15,472,728.02	
Buildings		**13,556,145.42**		13,498,748.03	
Machinery and equipment		**1,248,561.43**		1,101,701.66	
Construction in progress		**529,817.78**		580,803.38	
Tangible assets total		**30,911,460.71**		30,653,981.09	
Investments	12				
Holdings in subsidiaries		**424,342,031.96**		485,754,293.10	
Receivables from subsidiaries		**5,000,000.00**		3,815,974.44	
Other shares		**6,991,709.56**		4,761,037.66	
Investments total		**436,333,741.52**		494,331,305.20	
Non-current assets total		**509,659,594.20**	**33%**	532,245,379.46	33%
Current assets					
Inventories	13	**499,606,288.05**		766,515,257.28	
Non-current loan receivables		**37,368.58**		37,368.58	
Current receivables					
Trade receivables		**91,871.74**		349,530.99	
Receivables from subsidiaries	14	**510,956,922.38**		289,121,949.58	
Other receivables		**358,093.86**		8,234,185.90	
Prepayments and accrued income	15	**5,815,161.84**		1,759,380.73	
Current receivables total		**517,222,049.82**		299,465,047.20	
Cash and cash equivalents	16	**382,190.64**		22,611,629.33	
Current assets total		**1,017,247,897.09**	**67%**	1,088,629,302.39	67%
Assets total		**1,526,907,491.29**	**100%**	1,620,874,681.85	100%

EUR	Note	**Dec 31, 2015**		Dec 31, 2014	
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	17				
Share capital		**77,510,200.00**		77,510,200.00	
Revaluation reserve		**3,786,443.38**		3,786,650.19	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**491,777,173.55**		525,277,140.39	
Profit (loss) for the financial year		**539,038,156.18**		22,198,653.29	
Shareholders' equity total		**1,115,316,286.29**	**73%**	631,976,957.05	39%
Appropriations	18	**700,326.44**		883,561.96	
Liabilities					
Non-current	19				
Loans from credit institutions		**180,000,000.00**		30,000,000.00	
Non-current liabilities total		**180,000,000.00**		30,000,000.00	
Current					
Loans from credit institutions		**84,129,911.74**		120,579,540.94	
Trade payables		**2,500,739.64**		409,457.13	
Liabilities to subsidiaries	20	**123,086,153.60**		800,578,935.24	
Income tax payable		**5,655,759.86**		0.00	
Other payables		**8,053,175.87**		33,091,246.52	
Accruals and deferred income	21	**7,465,137.85**		3,354,983.01	
Current liabilities total		**230,890,878.56**		958,014,162.84	
Liabilities total		**410,890,878.56**	**27%**	988,014,162.84	61%
Shareholders' equity and liabilities total		**1,526,907,491.29**	**100%**	1,620,874,681.85	100%

Parent company statement of cash flows

EUR	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before appropriations and taxes	**548,885,494.00**	22,874,755.48
Adjustments for		
Depreciation, amortization and impairment	**1,969,060.08**	1,356,570.81
Reversal of impairment of financial assets in inventories	**-34,263,873.26**	34,263,873.26
Investment income	**-1,192,907.22**	-67,330.37
Interest income and dividends	**-586,458,251.92**	-43,112,418.49
Net exchange gains and losses	**-15,936,411.45**	-3,981,259.04
Interest expenses and other financial costs	**4,370,859.87**	4,650,794.68
Impairment of shares in and receivables from subsidiaries	**92,709,860.49**	1,013,654.78
Group contributions	**-3,941,938.00**	-9,400,000.00
Change in provisions and other non-cash items	**-8,162.52**	0.00
Cash flow before changes in working capital	**6,133,730.07**	7,598,641.11
Changes in working capital		
Change in current assets, non-interest bearing	**622,214.87**	-5,734,404.60
Change in inventories	**301,172,842.48**	-800,606,563.24
Change in current liabilities, non-interest bearing	**-2,264,818.21**	5,113,097.88
Cash flow from operating activities before financial items and taxes	**305,663,969.21**	-793,629,228.85
Dividends received	**11,406,653.60**	75.00
Financial income received	**8,157,250.24**	4,291,420.24
Financial expenses paid	**-4,369,251.48**	-4,139,610.89
Taxes paid	**-1,665,378.15**	-4,844,845.35
Cash flow from operating activities (A)	**319,193,243.42**	-798,322,189.85
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of shares in subsidiaries, WWRD LuxCo S.à.r.l.	**-176,908,238.86**	
Investments in other subsidiaries	**-9,000,000.00**	
Repayment of equity from subsidiaries, Avlis AB	**150,000,000.00**	311,955,759.07
Dividends from subsidiaries, Avlis AB	**566,298,240.00**	38,662,311.55
Investments in financial assets	**-4,013,362.01**	-57,700.59
Investments in intangible assets and property, plant & equipment	**-1,360,826.36**	-8,078,085.47
Proceeds from sale of property, plant & equipment and other investments	**1,261,786.32**	228,604.45
Sale of shares in subsidiaries, Inhan Tehtaat Oy Ab	**0.00**	198,000.00
Sale of other holdings	**1,782,690.11**	1,274,980.21
Change in long term loan receivables	**-1,184,025.56**	-135,537.80
Cash flow from investing activities (B)	**526,876,263.64**	344,048,331.42
CASH FLOW FROM FINANCING ACTIVITIES		
Change of non-current debt	**127,500,000.00**	-10,876,658.69
Change in current debt	**-707,722,042.61**	742,372,820.56
Change in current receivables	**-219,400,187.43**	-24,298,887.19
Dividends paid	**-78,076,715.71**	-245,447,465.76
Group contribution received/paid	**9,400,000.00**	13,431,400.00
Cash flow from financing activities (C)	**-868,298,945.75**	475,181,208.92
Change in cash and cash equivalents (A+B+C)	**-22,229,438.69**	20,907,350.49
Cash and cash equivalents at beginning of period	**22,611,629.33**	1,704,278.84
Cash and cash equivalents at end of period	**382,190.64**	22,611,629.33

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Parent company accounting principles, FAS

The financial statements of Fiskars Oyj Abp have been prepared in accordance with the Finnish Accounting Act and Ordinance and other statutes regulating the preparation of financial statements (Finnish Accounting Standards, FAS). The financial statements are presented in euro.

The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates.

On December 31, 2015, Fiskars Services Oy Ab, subsidiary of Fiskars Oyj Abp, merged into the parent company, which has an impact on the comparability of the balance sheet.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period balances in foreign currencies are translated using the exchange rate prevailing at the end of the reporting period. Foreign exchange derivatives are recognized at market values and changes in market values are recognized in the income statement.

Net sales

Net sales are defined as invoiced amount less indirect taxes, rebates and exchange rate differences related to sales. Revenue is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Royalty income from trademarks held by Fiskars Corporation is recorded as net sales. Revenue from the sale of securities, dividends and other corresponding income from securities classified as inventories is also recorded as net sales.

Leasing arrangements

Lease payments are expensed as incurred. Future leasing payment obligations are reported as contingent liabilities. Rent income, when the company acts as a lessor, is recorded as net sales.

Pension benefit plans

The statutory and possible supplementary pension plans for the Finnish companies' employees are funded through payments to independent insurance companies.

Extraordinary income and expenses

Group contributions, merger losses and gains, as well as liquidation losses and gains, are reported in extraordinary income and expenses.

Income taxes

Income taxes consist of the aggregate current tax expense based on the Finnish tax rules and adjustments to prior year taxes. The parent company does not account for deferred taxes as a stand-alone entity.

Tangible and intangible assets and other long-term investments

Tangible and intangible assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued.

Revaluations are based on market values at time of the revaluation. Revaluation reserves are adjusted for decreases in the market value of land holdings. When revalued real estate is sold, the respective share in the revaluation reserve is transferred to retained earnings.

Tangible and intangible assets are depreciated and amortized over their expected useful lives. The following expected useful lives are applied:

- Intangible assets 3–10 years
- Buildings 20–40 years
- Vehicles 4 years
- Machinery and equipment 3–10 years
- Land and water No depreciation

Investments in subsidiaries are stated in the balance sheet at cost or at net realizable value if the net realizable value is significantly and permanently impaired. An impairment loss may be reversed until the original acquisition cost, when the value of the investment has been restored.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Financial assets in inventories are stated at the lower of cost and fair value.

Receivables

Receivables are valued at the lower of original and recoverable value.

Provisions

Provisions consist of reserves for future losses to which the Company is committed or that are perceived probable.

Appropriations

Appropriations in the parent company balance sheet consist of depreciation in excess of plan.

2. Net sales

EUR	**2015**	2014
Sale of financial assets in inventories	**340,521,820.78**	
Dividends from financial assets in inventories	**11,406,578.60**	
Royalties	**23,423,650.91**	18,865,376.38
Lease income	**3,475,306.19**	3,212,196.06
Other	**1,601,694.37**	2,644,101.92
Total	**380,429,050.85**	24,721,674.36

3. Other operating income

EUR	**2015**	2014
Net gain on sale of property, plant and equipment	**1,192,907.22**	227,169.93
Net gain on sale of subsidiary shares		79,254.81
Other income	**10.50**	190,461.97
Total	**1,192,917.72**	496,886.71

4. Total expenses

Total expenses by nature

EUR	**2015**	2014
Materials and supplies	**-25,115.45**	-27,971.79
Purchases of financial assets in inventory	**-37,796,188.51**	-800,779,000.00
Change in inventory	**-266,908,969.23**	766,342,820.53
Employee benefits	**-7,567,817.03**	-7,406,885.01
Depreciation, amortization and impairment	**-1,969,060.08**	-1,356,570.81
External services	**-250,921.37**	-307,893.83
Other	**-16,067,705.31**	-9,388,799.39
Total	**-330,585,776.98**	-52,924,300.30

Other operating expenses

EUR	**2015**	2014
Loss on sale of property, plant and equipment		239,094.37
Total		239,094.37

5. Fees paid to the company's auditors

EUR	**2015**	2014
Audit fees	**-192,130.81**	-108,168.44
Tax consultation	**-26,347.87**	-359,261.04
Other	**-2,125.00**	-21,297.77
Total	**-220,603.68**	-488,727.25

6. Personnel costs and number of employees

Personnel costs

EUR	**2015**	2014
Wages and salaries	**-6,359,009.59**	-6,003,626.92
Pension costs	**-948,233.70**	-1,127,628.99
Termination benefits		-340,006.29
Other personnel costs	**-260,573.74**	-425,829.37
Total	**-7,567,817.03**	-7,897,091.57

Number of employees

	2015	2014
Average (FTE)	**46**	49
End of period	**178**	45

7. Financial income and expenses

EUR	**2015**	2014
Dividend income		
From group companies	**566,298,240.00**	38,662,311.55
From other parties	**75.00**	75.00
Dividend income, total	**566,298,315.00**	38,662,386.55
Interest and financial income from non-current investments		
From group companies	**5,956,419.54**	4,015,122.92
Interest and financial income from non-current investments, total	**5,956,419.54**	4,015,122.92
Other interest and financial income		
From other parties	**25,788,533.55**	4,416,168.06
Other interest and financial income, total	**25,788,533.55**	4,416,168.06
Interest and financial income, total	**31,744,953.09**	8,431,290.98
Interest and other financial expenses		
To subsidiaries		
Interest expenses	**-900,015.27**	-755,450.06
Change in provisions for credit losses	**-309,860.49**	-1,013,654.78
Interest and other financial expenses to other parties	**-10,526,027.92**	-3,895,344.62
Interest and other financial expenses, total	**-11,735,903.68**	-5,664,449.46
Impairment of non-current investments		
Subsidiaries*	**-92,400,000.00**	
Impairment of non-current investments, total	**-92,400,000.00**	

* Impairment loss of shares in Avlis AB, subsidiary of Fiskars Corporation

Total financial income and expenses	**493,907,364.41**	41,429,228.07
Net exchange gains and losses included in financial items	**15,936,411.45**	3,981,259.04

8. Extraordinary items

EUR	**2015**	2014
Group contribution received	**5,410,000.00**	9,400,000.00
Group contribution paid	**-1,468,062.00**	
Total	**3,941,938.00**	9,400,000.00

9. Income taxes

EUR	**2015**	2014
Current year taxes for profit before extraordinary items	**-9,075,703.93**	1,658,536.91
Tax for extraordinary items	**-788,387.60**	-1,880,000.00
Income tax for previous periods	**-166,481.81**	12,918.06
Income taxes per income statement	**-10,030,573.34**	-208,545.03

10. Intangible assets

EUR	**2015**	2014
Historical cost, Jan 1	**9,317,728.53**	2,537,892.58
Transferred in a merger*	**47,584,768.08**	
Additions	**8,034,383.02**	6,818,273.80
Decrease		-38,437.85
Transfers**	**-175,160.15**	
Historical cost, Dec 31	**64,761,719.48**	9,317,728.53
Accumulated amortization and impairment, Jan 1	**2,057,635.36**	2,014,611.67
Transferred in a merger*	**19,576,093.80**	
Amortization for the period	**713,598.35**	73,726.94
Decrease		-30,703.25
Accumulated amortization and impairment, Dec 31	**22,347,327.51**	2,057,635.36
Net book value, Dec 31	**42,414,391.97**	7,260,093.17

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

** Transferred to additions in tangible assets.

11. Tangible assets

2015 EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,759,338.83	36,180,039.69	5,426,147.76	580,803.38	47,946,329.66
Transferred in a merger*			64,029.83	41,349.96	105,379.79
Additions	98,489.94	687,080.30	260,358.47	488,467.82	1,534,396.53
Decreases	-46,075.07	-258,379.58	-107,119.82		-411,574.47
Transfers	52,000.00	454,910.87	73,892.51	-580,803.38	0.00
Historical cost, Dec 31	5,863,753.70	37,063,651.28	5,717,308.75	529,817.78	49,174,531.51
Accumulated depreciation and impairment, Jan 1		22,681,291.66	4,324,446.10		27,005,737.76
Transferred in a merger*			57,955.87		57,955.87
Depreciation for the period		1,077,362.30	178,099.43		1,255,461.73
Decreases		-251,148.10	-91,754.08		-342,902.18
Accumulated depreciation and impairment, Dec 31		23,507,505.86	4,468,747.32		27,976,253.18
Revaluation, Jan 1	9,713,389.19				9,713,389.19
Decreases	-206.81				-206.81
Revaluation, Dec 31	9,713,182.38				9,713,182.38
Book value Dec 31, 2015	**15,576,936.08**	**13,556,145.42**	**1,248,561.43**	**529,817.78**	**30,911,460.71**

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

2014 EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,771,232.33	35,948,006.28	5,465,590.01	515,135.27	47,699,963.89
Additions		796,439.96	1,773.72	461,597.99	1,259,811.67
Decreases	-11,893.50	-959,484.55	-42,067.86		-1,013,445.91
Transfers		395,078.00	851.89	-395,929.88	0.01
Historical cost, Dec 31	5,759,338.83	36,180,039.69	5,426,147.76	580,803.38	47,946,329.66
Accumulated depreciation and impairment, Jan 1		22,343,149.86	4,149,242.05		26,492,391.91
Depreciation for the period		1,072,190.03	210,653.84		1,282,843.87
Decreases		-734,048.23	-35,449.79		-769,498.02
Accumulated depreciation and impairment, Dec 31		22,681,291.66	4,324,446.10		27,005,737.76
Revaluation, Jan 1	9,716,459.00				9,716,459.00
Decreases	-3,069.81				-3,069.81
Revaluation, Dec 31	9,713,389.19				9,713,389.19
Book value Dec 31, 2014	15,472,728.02	13,498,748.03	1,101,701.66	580,803.38	30,653,981.09

12. Investments

2015

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	485,754,293.10	3,815,974.44	5,565,759.12	495,136,026.66
Additions	189,990,238.86	5,000,000.00	4,013,362.01	199,003,600.87
Decreases	-150,000,000.00	-3,815,974.44	-1,782,690.11	-155,598,664.55
Changes due to merger*	-9,002,500.00			-9,002,500.00
Historical cost, Dec 31	516,742,031.96	5,000,000.00	7,796,431.02	529,538,462.98
Write-downs, Jan 1			-804,721.46	-804,721.46
Decreases**	-92,400,000.00			-92,400,000.00
Write-downs, Dec 31	-92,400,000.00		-804,721.46	-93,204,721.46
Net book value, Dec 31, 2014	**424,342,031.96**	**5,000,000.00**	**6,991,709.56**	**436,333,741.52**

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

** Impairment loss of shares in Avlis AB, subsidiary of Fiskars Corporation

2014

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	797,828,797.36	3,700,000.00	6,768,815.33	808,297,612.69
Additions		3,815,974.44	57,700.59	3,873,675.03
Decreases	-312,074,504.26	-3,700,000.00	-1,260,756.80	-317,035,261.06
Historical cost, Dec 31	485,754,293.10	3,815,974.44	5,565,759.12	495,136,026.66
Write-downs, Jan 1			-711,322.80	-711,322.80
Decreases			-93,398.66	-93,398.66
Write-downs, Dec 31			-804,721.46	-804,721.46
Net book value, Dec 31, 2013	485,754,293.10	3,815,974.44	4,761,037.66	494,331,305.20

Shares in subsidiaries

	Number of shares	Domicile		% of share capital	% of voting power	Book value
Avlis AB	25,641,347	Stockholm	SE	100.0	100.0	375,994.66
Ferraria Oy Ab	750,000	Raasepori	FI	100.0	100.0	17,659,665.00
Fiskars Americas Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	113,674,315.82
Fiskars (Thailand) Co., Ltd.	100	Bangkok	TH	1.0	1.0	2,409.12
Inhan Tehtaat Oy Ab	9,010	Ähtäri	FI	90.1	90.1	1,080,701.14
Kiinteistö Oy Danskog gård	4,000	Raasepori	FI	100.0	100.0	504,563.78
WWRD LuxCo S.à.r.l.	10,000	Luxembourg	LU	100.0	100.0	180,969,996.86
Ab Åbo Båtvarf - Turun Veneveistämö Oy	150	Turku	FI	100.0	100.0	2,522.82
Total Dec 31, 2015						**424,342,031.96**

In 2015, Fiskamin AB merged into Fiskars Europe Holding Oy Ab and Fiskars Services Oy Ab merged into Fiskars Oyj Abp.

Other shares

	Book value
Other shares owned by the parent company	6,991,709.56
Total, Dec 31, 2015	**6,991,709.56**

13. Inventories

EUR	2015	2014
Financial assets	**499,606,288.05**	766,515,257.28
Total, Dec 31	**499,606,288.05**	766,515,257.28

EUR	2015	2014
Market value of financial assets in inventories	**520,032,229.98**	766,664,963.77
Book value of financial assets in inventories	**499,606,288.04**	766,515,257.28
Difference	**20,425,941.94**	149,706.49

14. Receivables from subsidiaries

EUR	2015	2014
Trade receivables	**4,927,107.50**	774,240.28
Loan receivables	**274,599,747.82**	15,207,807.54
Other receivables	**219,930,671.42**	260,232,284.76
Prepayments and accrued income	**11,499,395.64**	12,907,617.00
Total, Dec 31	**510,956,922.38**	289,121,949.58

15. Prepayments and accrued income

EUR	2015	2014
Prepaid and accrued interest	**1,852,583.82**	1,420,741.28
Other prepayments and accruals	**3,962,578.02**	338,639.45
Total, Dec 31	**5,815,161.84**	1,759,380.73

16. Cash and cash equivalents

EUR	2015	2014
Cash and cash equivalents	**382,190.64**	22,611,629.33
Total, Dec 31	**382,190.64**	22,611,629.33

17. Shareholders' equity

EUR	**2015**	2014
Share capital		
Jan 1	**77,510,200.00**	77,510,200.00
Share capital, Dec 31	**77,510,200.00**	77,510,200.00
Revaluation reserve		
Jan 1	**3,786,650.19**	3,789,720.00
Decrease	**-206.81**	-3,069.81
Revaluation reserve, Dec 31	**3,786,443.38**	3,786,650.19
Other reserves		
Jan 1	**3,204,313.18**	3,204,313.18
Other reserves, Dec 31	**3,204,313.18**	3,204,313.18
Retained earnings		
Jan 1	**547,475,793.68**	793,024,774.69
Dividends	**-55,698,620.13**	-267,747,634.30
Net profit	**539,038,156.18**	22,198,653.29
Retained earnings, Dec 31	**1,030,815,329.73**	547,475,793.68
Distributable earnings, Dec 31	**1,030,815,329.73**	547,475,793.68
Shareholders' equity total, Dec 31	**1,115,316,286.29**	631,976,957.05

18. Appropriations

EUR	**2015**	2014
Depreciation in excess of plan, Jan 1	**883,561.96**	406,365.81
Changes during the year	**-183,235.52**	477,196.15
Depreciation in excess of plan, Dec 31	**700,326.44**	883,561.96

The deferred tax liabilities, 20.0% from appropriations, have not been recognized.

19. Non-current liabilities

EUR	**2015**	2014
Loans from credit institutions payable		
between one and five years	**130,000,000.00**	30,000,000.00
in more than five years	**50,000,000.00**	
Loans from credit institutions, total	**180,000,000.00**	30,000,000.00
Non-current liabilities, total	**180,000,000.00**	30,000,000.00

20. Liabilities to subsidiaries

EUR	**2015**	2014
Trade payables	**3,037,534.02**	
Other liabilities	**118,517,356.20**	800,049,956.44
Accruals and deferred income	**1,531,263.38**	528,978.80
Total, Dec 31	**123,086,153.60**	800,578,935.24

21. Accruals and deferred income

EUR	**2015**	2014
Interests	**1,360,405.50**	866,326.05
Wages, salaries and social costs	**4,530,522.99**	1,958,963.82
Other	**1,574,209.36**	529,693.14
Total, Dec 31	**7,465,137.85**	3,354,983.01

22. Lease obligations

EUR	**2015**	2014
Payments next year	**4,266,597.83**	74,789.61
Payments later	**226,541.71**	95,732.53
Total, Dec 31	**4,493,139.54**	170,522.14

23. Contingencies and pledged assets

EUR	**2015**	2014
As security for own commitments	**20,438,000.00**	21,951,000.00
Lease commitments	**4,493,139.54**	170,522.14
Guarantees as security for subsidiaries' commitments	**26,215,000.00**	11,163,000.00
Total, Dec 31	**51,146,139.54**	33,284,522.14

24. Derivative contracts

Nominal value, EUR	**2015**	2014
Foreign exchange forwards and swaps	**654,055,711.18**	617,625,081.56
Foreign exchange options		205,913,845.65
Electricity forward agreements	**1,541,556.00**	1,510,298.00
Interest rate swaps	**80,000,000.00**	52,500,000.00
Total, Dec 31	**735,597,267.18**	877,549,225.21

Fair value, EUR	**2015**	2014
Foreign exchange forwards and swaps	**616,703.24**	-2,019,686.51
Foreign exchange options		2.40
Electricity forward agreements	**-346,409.00**	-230,588.00
Interest rate swaps	**-1,380,727.53**	-1,336,838.69
Total, Dec 31	**-1,110,433.29**	-3,587,110.80

BOARD'S PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable earnings of the parent company at the end of the 2015 fiscal year were EUR 1,030.8 million (547.5). The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.70 per share be paid for 2015. The number of shares entitling to a dividend totaled 81,905,242. The proposed distribution of dividend would thus be EUR 57,333,669.40. This would leave EUR 973.5 million 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.

Signatures to the Financial Statements and the Board of Directors' Report

Helsinki, February 8, 2016

Alexander Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Gustaf Gripenberg

Ingrid Jonasson Blank

Inka Mero

Fabian Månsson

Peter Sjölander

Karsten Slotte

Ritva Sotamaa

Kari Kauniskangas
President and CEO

The Auditor's Note

Our auditor's report has been issued today.

Helsinki, February 8, 2016
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

AUDITOR’S REPORT

To the Annual General Meeting of Fiskars Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Fiskars Corporation for the year ended 31 December, 2015. The financial statements comprise the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows and notes to the consolidated financial statements, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes to the financial statements.

Responsibility of the Board of Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company’s accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor’s responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company’s financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki February 8, 2016
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

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