

# Q1

INTERIM REPORT  
JANUARY 1 – MARCH 31, 2012



Helsinki, May 3, 2012

**FISKARS**

## Fiskars' first quarter 2012: A solid performance with improved operating profit

### First quarter 2012 in brief:

- Net sales decreased 1% to EUR 188.3 million (Q1 2011: 189.3)
- Comparable sales (at comparable currency rates and adjusted for the Silva divestment) increased 1%
- Operating profit (EBIT) increased 5% to EUR 17.1 million (16.4)
- Earnings per share were EUR 0.24 (1.12, including a non-recurring profit of EUR 0.85 per share from the sale of Wärtsilä shares in February 2011)
- Cash flow from operating activities was EUR 14.1 million (32.0)
- Outlook for 2012 unchanged: full-year net sales and operating profit excluding non-recurring items are expected to amount to 2011 levels
- On April 24, 2012, Fiskars Group agreed with Investor AB to join interests to create a strong long-term owner for Wärtsilä Corporation

### Fiskars President and CEO, Kari Kauniskangas:

“Fiskars delivered a good first quarter result, as improved operational efficiency contributed to improved operating profit. Our core business performed well, and our reported net sales reached 2011 levels, even though in the comparison period demand for snow tools was unusually high and Silva was still a part of the Group.

Garden categories continued to grow in Europe, and our Garden business is well positioned for further growth also in the Americas, where retailers were still working down large inventories from last year in the first quarter.

I am pleased to note that new product launches in our Home business were well received, and the business area was able to increase sales despite challenging market conditions. Our School, Office and Craft business performed strongly, benefitting from the increasing popularity of handicrafts.

During the first quarter we took further steps to strengthen our distribution in key Central European markets. We also made further progress towards clarifying our roadmap and building the organization to accelerate growth in EMEA across our businesses. Our path is clear and consistent, and we continue to evolve towards tomorrow's Fiskars, a world-class company.

In April we agreed with Investor AB to join interests to create an even stronger, committed owner for Wärtsilä. The transaction will benefit Fiskars shareholders and further strengthen the company's financial position, thus enabling us to accelerate our growth both organically and through acquisitions.”

### Group key figures

EUR million	Q1 2012	Q1 2011	Change	2011
Net sales	188.3	189.3	-1%	742.5
Operating profit (EBIT)	17.1	16.4	5%	52.8
Operating profit excluding non-recurring items	17.1	16.4	5%	62.1
Share of profit from associated company	9.8	11.2	-12%	42.7
Change in the fair value of standing timber	-0.4	-0.6		-1.0
Profit before taxes*	24.5	94.9	-74%	161.8
Profit for the period*	20.0	91.8	-78%	156.3
Earnings per share, EUR	0.24	1.12	-78%	1.91
Equity per share, EUR	6.38	5.90	8%	6.77
Cash flow from operating activities**	14.1	32.0	-56%	107.4
Equity ratio, %	55%	51%		59%
Net gearing, %	37%	46%		27%
Capital expenditure	4.7	5.1	-8%	24.7
Personnel (FTE), average	3,377	3,640	-7%	3,545

\*Including a non-recurring profit of EUR 69.8 million from the sale of Wärtsilä shares in Q1 2011

\*\*Including Wärtsilä dividend of EUR 26.8 million in Q1 2012 (40.9)

**Further information:**

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- Interim CFO Jyri Virrantuomi, tel. +358 204 39 5704

**News conference:**

An analyst and press conference on the first quarter results will be held on May 3, 2012 at 10:00 am at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation materials will be available at [www.fiskarsgroup.com](http://www.fiskarsgroup.com).

## FISKARS' INTERIM REPORT, JANUARY - MARCH 2012

### GROUP PERFORMANCE

#### Operating environment

Compared to the last quarter of 2011, there was no material change in Fiskars' operating environment in Europe. The overall unstable financial climate and cuts in government spending reduced consumer activity, and managing purchasing was still a priority for retailers. Sentiment in Northern Europe was more stable than in Southern Europe, which showed clear signs of further weakening.

In North America, consumers were cautiously optimistic about spending, and consumer spending intentions improved during the quarter. Consumers seemed to be gaining more confidence and to be willing to spend on purchases which they had put off during the recession. Despite the growth in retail sales, retailers were still holding back on replenishing inventories.

#### Net sales and operating profit

Fiskars' consolidated net sales in the first quarter of 2012 decreased by 1% to EUR 188.3 million (Q1 2011: 189.3 million). Using comparable exchange rates and excluding Silva in Q1 2011, comparable net sales increased by 1%.

Net sales, EUR million	Q1 2012	Q1 2011	Change	Change cn *	2011
Group	188.3	189.3	-1%	-2%	742.5
EMEA	130.6	134.0	-3%	-3%	516.8
Americas	58.9	58.1	1%	-2%	232.5

\* currency neutral

Net sales for EMEA (Europe, Middle East, and Asia-Pacific) were EUR 130.6 million (134.0) and EUR 58.9 million (58.1) for the Americas. The change in EMEA was due to lower sales of snow tools and the divestment of Silva. In the Americas, Garden sell-in was affected by retailers' high inventory levels from last year.

Operating profit (EBIT), EUR million	Q1 2012	Q1 2011	Change	2011
Group	17.1	16.4	5%	52.8
EMEA	11.9	11.6	3%	33.7
Americas	8.2	7.6	8%	30.5
Other	-2.9	-2.8	6%	-11.4

The Group's operating profit increased by 5% to EUR 17.1 million (16.4). The operating profit for EMEA grew 3% to EUR 11.9 million (11.6), thanks to improved operational efficiency. Operating profit for the Americas increased by 8% and amounted to EUR 8.2 million (7.6), boosted by strong performance in the School, Office and Craft business.

#### Financial items and net result

Fiskars' share of profit from its associated company, Wärtsilä, during the first quarter was EUR 9.8 million (11.2), and the change in the fair value of standing timber was EUR -0.4 million (-0.6).

Net financial costs were EUR 2.0 million (1.8). The first-quarter profit before taxes was EUR 24.5 million (94.9, including a profit of EUR 69.8 million from the sale of Wärtsilä shares in Q1 2011). Earnings per share were EUR 0.24 (1.12).

#### Cash flow, balance sheet, and financing

Cash flow from operating activities was EUR 14.1 million (32.0) in the first quarter, including dividends paid by the associated company, Wärtsilä, totaling EUR 26.8 million (40.9).

Cash flow from investing activities was EUR -4.2 million (104.7) and cash flow after investing activities was EUR 9.8 million (136.7). In Q1 2011, cash flow from investing activities included proceeds from Wärtsilä shares that were sold totaling EUR 109.7 million.

Capital expenditure totaled EUR 4.7 million (5.1) in the first quarter. Depreciation was EUR 5.1 million (5.5). Investments were mainly related to the five-year investment program in EMEA which was launched in 2010 and new product development.

Fiskars' working capital was EUR 109.4 million (122.8) at the end of March, which was EUR 26.7 million higher compared to the year-end figure for 2011. The equity ratio was 55% (51%) and net gearing was 37% (46%).

Cash and cash equivalents at the end of the period totaled EUR 4.8 million (5.0). Net interest-bearing debt amounted to EUR 193.6 million (222.2), which was EUR 42.8 million higher compared to the end of December 2011. Short-term borrowing totaled EUR 126.1 million (154.7) and long-term borrowing EUR 74.3 million (74.5). Short-term borrowing is mainly in the form of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 455.0 million (405.0) in unused, committed long-term credit facilities, mainly with major Nordic banks.

### Research and development

The Group's research and development expenditure totaled EUR 1.8 million (2.3), equivalent to 1% (1%) of net sales. The decrease was partly due to the divestment of Silva.

### Personnel

The Group employed an average of 3,377 (3,640) full-time equivalent employees (FTEs) in the quarter: 2,626 (2,904) people in EMEA, 552 (566) in the Americas, and 199 (170) in the Other segment. At the end of the quarter, the Group had a total of 3,556 employees (3,908) on the payroll, of whom 1,647 (1,634) were located in Finland.

Personnel (FTE), average	Q1 2012	Q1 2011	Change	2011
Group	3,377	3,640	-7%	3,545
EMEA	2,626	2,904	-10%	2,798
Americas	552	566	-2%	566
Other	199	170	17%	180

### OPERATING SEGMENTS AND BUSINESS AREAS

Fiskars' operating segments are EMEA (Europe, Middle East, and Asia-Pacific), Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters, and shared services).

The company's business areas are Home (homeware and school, office & craft), Garden, and Outdoor (outdoor equipment and boats).

### Business areas in Q1 2012

Net sales, EUR million	Q1 2012	Q1 2011	Change	Change cn *	2011
Home	65.5	62.9	4%	3%	306.3
Garden	90.8	93.1	-2%	-4%	294.3
Outdoor	30.6	32.1	-5%	-7%	137.8

\* currency neutral

### EMEA in Q1 2012

EUR million	Q1 2012	Q1 2011	Change	2011
Net sales	130.6	134.0	-3%	516.8
Operating profit	11.9	11.6	3%	33.7
Capital expenditure	1.6	4.0	-60%	13.4
Personnel (FTE), average	2,626	2,904	-10%	2,798

Net sales in EMEA decreased 3% to EUR 130.6 million (134.0), because of unusually high demand for snow tools in the comparison period and the divestment of Silva. Using comparable currency rates and excluding Silva in Q1 2011, comparable net sales increased 1%.

The Home business area developed well during the quarter. Sales for home products grew as new products were well received across markets.

Net sales in the Garden business were lower than in the first quarter of 2011, when snowy conditions around Europe led to unusually high demand for snow tools. Other categories continued to perform well, led by cutting tools and wood preparation. Distribution was further strengthened in key Central European markets.

Outdoor sales were below 2011 levels due to the divestment of Silva. Boat sales remained behind the previous year's levels but Buster continued to strengthen its position.

The segment recorded an operating profit of EUR 11.9 million (11.6). Improved operational efficiency contributed to the increase in operating profit.

### Americas in Q1 2012

EUR million	Q1 2012	Q1 2011	Change	2011
Net sales	58.9	58.1	1%	232.5
Operating profit	8.2	7.6	8%	30.5
Capital expenditure	0.7	0.8	-9%	3.9
Personnel (FTE), average	552	566	-2%	566

Net sales in the Americas increased by 1% to EUR 58.9 million (58.1), as Garden sell-in was affected by customers' high inventory levels left over from last season. Using comparable currency rates, sales decreased by 2%.

Garden net sales were affected by customers' inventory management after a poor 2011 selling season. Pottery sales benefited from increased distribution and reel mower sales continued to grow.

School, Office and Craft products (SOC) performed strongly with strengthened positions at key accounts boosting sales.

Sales of Outdoor products increased in both the commercial and institutional segments, with all categories above previous year's levels.

The segment's operating profit was EUR 8.2 million (7.6), which was mainly driven by the strong performance in School, Office and Craft products.

### Other in Q1 2012

EUR million	Q1 2012	Q1 2011	Change	2011
Net sales	2.0	1.7	18%	6.2
Operating profit	-2.9	-2.8	6%	-11.4
Capital expenditure	2.4	0.4	550%	7.5
Personnel (FTE), average	199	170	17%	180

Fiskars' Other segment contains the Real Estate unit, corporate headquarters, and shared services. Net sales were EUR 2.0 million (1.7) in the first quarter, largely consisting of timber sales and rental income. The operating profit was EUR -2.9 million (-2.8).

### Wärtsilä

During the first quarter of 2012, Fiskars Group's holding of the shares and votes in Wärtsilä amounted to 15.1% and Fiskars' share of Wärtsilä's profit totaled EUR 9.8 million (11.2). At the end of the reporting period, the market value of Fiskars' Wärtsilä shares was EUR 841.2 million (819.4) or EUR 10.27 (10.00) per Fiskars share, with a closing price of EUR 28.28 (27.55) per Wärtsilä share. On the consolidated balance sheet, the book value of shares was EUR 285.1 million (271.6).

Wärtsilä's Annual General Meeting was held on March 8, 2012. The Chairman of Fiskars' Board, Kaj-Gustaf Bergh, and Fiskars' Board members, Alexander Ehrnrooth and Paul Ehrnrooth, were re-elected to Wärtsilä's Board of Directors.

Wärtsilä's Annual General Meeting decided to pay a dividend of EUR 0.90 per share (EUR 1.75), which resulted in dividend income of EUR 26.8 million (40.9) for Fiskars.

**Material event subsequent to the end of the reporting period:  
Fiskars Group and Investor AB agree to create a strong owner for Wärtsilä**

On April 24, 2012, Fiskars Group agreed with Investor AB to join interests to create a strong long-term owner for Wärtsilä. The legal merging of Fiskars Group's and Investor AB's interests will take place in due course, but the parties will act in concert concerning the Wärtsilä ownership as of the said date.

As part of the agreement, Fiskars' subsidiary Avlis AB has sold 2.08 percent of the shares in Wärtsilä to Investor at a price of EUR 30.90 per Wärtsilä share, totaling approximately EUR 126.8 million. Fiskars Group will record a non-recurring profit of around EUR 87 million in its Q2 2012 results from the transaction.

Following the sale of 2.08 % of Wärtsilä shares to Investor, Fiskars holding in Wärtsilä now amounts to 13.0% of the shares and votes. The market value of Fiskars Group's Wärtsilä shares was EUR 724.1 million (or EUR 8.84 per Fiskars share) based on the closing price of April 23, 2012 and the book value of the shares is EUR 245.8 million.

The joint ownership of Fiskars Group and Investor AB exceeded 1/5 (20%) of Wärtsilä's votes, after Investor AB through its subsidiary purchased more Wärtsilä shares on April 26, 2012. Following the transaction, Fiskars Group and Investor AB together owned 40,317,168 shares or 20.44% of Wärtsilä's share capital and votes as of April 26, 2012.

Wärtsilä will continue to form one of Fiskars' reported operating segments and to be treated as an associated company, as Fiskars considers that it continues to have a significant influence in Wärtsilä.

**Changes in management**

On March 2, 2012, Fiskars appointed Teemu Kangas-Kärki as President of its Home business area. Teemu Kangas-Kärki, who had held the position of Chief Financial Officer at Fiskars since 2008, assumed his new duties immediately and the search for a new CFO began. In the mean time, Jyri Virrantuomi, Vice President, Finance, was appointed acting CFO for Fiskars Group. Jaakko Autere, former President of the Home business area, had decided to leave the company for personal reasons.

**Annual General Meeting for 2012**

The Annual General Meeting (AGM) of Shareholders of Fiskars Corporation was held on March 15, 2012. The AGM approved the financial statements for 2011 and discharged the members of the Board and the President and CEO from liability. It was decided to pay a dividend of EUR 0.62 per share, totaling EUR 50.8 million. The dividend was paid on March 27, 2012.

The number of Board members was set at nine. Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Karsten Slotte, and Jukka Suominen were all re-elected. The term of the Board members will expire at the end of the AGM in 2013. KPMG Oy Ab was re-elected as company auditor, and nominated Authorized Public Accountant Virpi Halonen as responsible auditor.

The AGM decided to authorize the Board to acquire a maximum of 4,000,000 Fiskars' own shares and convey a maximum of 4,000,000 Fiskars' own shares. The Board may also decide on the acquisition and conveyance of shares in derogation of the pre-emptive right of shareholders to company shares. Both authorizations will remain in force until 30 June, 2013.

**Constitutive meeting of the Board**

Convening after the Annual General Meeting, the Board of Directors elected Kaj-Gustaf Bergh as Chairman, and Alexander Ehrnrooth and Paul Ehrnrooth as Vice Chairmen.

The Board appointed Gustaf Gripenberg Chairman of the Audit Committee, and Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, and Karsten Slotte as members. The Board appointed Kaj-Gustaf Bergh Chairman of the Compensation Committee, and Ralf Böer, Ingrid Jonasson Blank, and Jukka Suominen as members. The Board appointed Kaj-Gustaf Bergh Chairman of the Nomination Committee, and Alexander Ehrnrooth and Paul Ehrnrooth as members.

### **Share and shareholders**

Fiskars Corporation has one series of shares (FIS1V). All shares carry one vote each and equal rights.

The total number of shares at the end of the period was 82,023,341, including 118,099 (112,619) treasury shares. Treasury shares correspond to 0.14% (0.14%) of the Corporation's shares and votes. The Board of Directors had authorizations to acquire and convey company shares but these were not used during the quarter. The share capital remained unchanged at EUR 77,510,200.

Shares are traded in the Large Cap segment of the NASDAQ OMX Helsinki stock exchange. The average share price during the quarter was EUR 16.11 (19.34). At the end of March, the closing price was EUR 15.00 (17.00) per share. Fiskars had a market capitalization of EUR 1,228.6 million (1,392.5), excluding treasury shares, as of the end of the quarter. The number of shares traded during the quarter was 0.9 million (2.2), which is 1.1% (2.7%) of the total number of shares.

The total number of shareholders was 15,540 (13,506) at the end of March. Fiskars was not informed of any significant changes among its largest shareholders during the quarter.

The Board of Directors of Fiskars Corporation decided on February 9, 2012 that the shares issued in the bonus issue completed in 2004, based on the bonus issue resolution made on December 3, 2004, that have still not been accepted are to be accepted no later than February 28, 2013. In the event they have not been accepted by February 28, 2013 at the latest, they will be declared forfeited.

### **Risks and business uncertainties**

Fiskars Corporation has detailed the overall business risks and risk management in its Annual Report for 2011 and on the company's web site. The company does not consider any material changes to have taken place during the reporting period in the risks and market uncertainties presented in the Annual Report for 2011.

### **Outlook for 2012**

There was no significant change in Fiskars' general operating environment during the first quarter. Adverse weather conditions in key markets during the rest of the peak garden season or negative issues related to demand for Home products during the last quarter could affect the full-year results.

Fiskars will continue implementing its integrated company strategy and the investment program in EMEA. The company will also continue investments in new product development and marketing in order to improve its product offering and competitive position.

We expect full-year 2012 net sales and operating profit excluding non-recurring items to be at 2011 levels.

The associated company, Wärtsilä, will continue to have a major impact on Fiskars' profit and cash flow in 2012.

Helsinki, Finland, May 2, 2012

### **FISKARS CORPORATION**

Board of Directors

**CONSOLIDATED INCOME STATEMENT**

M€	1-3 2012	1-3 2011	Change %	1-12 2011
<b>Net sales</b>	188.3	189.3	-1	742.5
Cost of goods sold	-119.6	-122.2	-2	-483.3
<b>Gross profit</b>	68.8	67.1	2	259.2
Other operating income	0.3	0.5	-40	2.2
Sales and marketing expenses	-31.7	-32.1	-1	-126.3
Administration expenses	-18.4	-16.8	10	-64.0
Research and development costs	-1.8	-2.3	-23	-8.6
Other operating expenses	0.0	0.0		-9.7
<b>Operating profit (EBIT)</b>	17.1	16.4	5	52.8
Change in fair value of biological assets	-0.4	-0.6	-28	-1.0
Share of profit from associate	9.8	11.2	-12	42.7
Gain on sale of associate shares		69.8		69.8
Other financial income and expenses	-2.0	-1.8	11	-2.4
<b>Profit before taxes</b>	24.5	94.9	-74	161.8
Income taxes	-4.6	-3.1	48	-5.5
<b>Profit for the period</b>	<b>20.0</b>	<b>91.8</b>	<b>-78</b>	<b>156.3</b>

Earnings for owners of the Company per share, euro (basic and diluted)	0.24	1.12	-78	1.91
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**OTHER COMPREHENSIVE INCOME**

M€	1-3 2012	1-3 2011	1-12 2011
Profit for the period	20.0	91.8	156.3
Translation differences	-2.4	-6.5	3.9
transferred to income statement			-0.5
Change in associate recognized directly in other comprehensive income	0.5	0.3	-2.0
transferred to income statement		-0.4	-0.4
Cash flow hedges	0.6	0.4	-0.5
Defined benefit plan, actuarial gains (losses), net of tax	0.0	0.0	-0.3
Other comprehensive income for the period, net of tax, in total	-1.3	-6.1	0.2
<b>Total comprehensive income for the period</b>	<b>18.7</b>	<b>85.7</b>	<b>156.5</b>

**CONSOLIDATED BALANCE SHEET**

M€	3/2012	3/2011	Change %	12/2011
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	88.4	88.2	0	88.6
Other intangible assets	126.4	123.8	2	125.2
Property, plant & equipment	92.6	95.1	-3	94.4
Biological assets	35.2	36.1	-2	35.6
Investment property	6.0	7.3	-19	6.2
Investments in associates	285.1	271.6	5	300.8
Financial assets				
Shares at fair value through profit and loss	8.8	6.4	38	8.9
Other investments	1.2	1.3	-9	1.2
Deferred tax assets	26.7	17.1	56	27.0
<b>Non-current assets total</b>	<b>670.5</b>	<b>646.9</b>	<b>4</b>	<b>688.0</b>
<b>Current assets</b>				
Inventories	123.5	142.4	-13	118.3
Trade and other receivables	155.1	151.5	2	125.2
Income tax receivables	2.5	1.0	161	2.7
Cash and cash equivalents	4.8	5.0	-5	6.1
<b>Current assets, total</b>	<b>285.8</b>	<b>299.8</b>	<b>-5</b>	<b>252.2</b>
<b>Assets total</b>	<b>956.3</b>	<b>946.7</b>	<b>1</b>	<b>940.2</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to the owners of the Company	522.3	483.5	8	554.3
<b>Equity total</b>	<b>522.3</b>	<b>483.5</b>	<b>8</b>	<b>554.3</b>
<b>Non-current liabilities</b>				
Interest bearing debt	74.3	74.5	0	75.4
Other liabilities	3.3	3.2	2	4.1
Deferred tax liabilities	45.3	45.0	1	45.0
Pension liability	7.9	8.0	-1	8.2
Provisions	5.2	5.0	5	5.6
<b>Non-current liabilities total</b>	<b>136.0</b>	<b>135.8</b>	<b>0</b>	<b>138.4</b>
<b>Current liabilities</b>				
Interest bearing debt	126.1	154.7	-19	82.5
Provisions	2.0	2.4	-15	2.1
Trade and other payables	161.5	160.0	1	154.9
Income tax payable	8.5	10.4	-18	8.0
<b>Current liabilities total</b>	<b>298.1</b>	<b>327.4</b>	<b>-9</b>	<b>247.5</b>
<b>Equity and liabilities total</b>	<b>956.3</b>	<b>946.7</b>	<b>1</b>	<b>940.2</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>M€</b>	1-3 2012	1-3 2011	1-12 2011
<b>Cash flow from operating activities</b>			
Profit before taxes	24.5	94.9	161.8
Adjustments for			
Depreciation	5.1	5.5	21.5
Share of profit from associate	-9.8	-11.2	-42.7
Gain on sale of associated shares	0.0	-69.8	-69.8
Investment income	-0.1	-0.1	5.5
Interest expenses	2.0	1.8	2.3
Change in fair value of biological assets	0.4	0.6	1.0
Change in provisions and other non-cash items	-1.1	-0.9	-3.0
Cash flow before changes in working capital	21.0	21.0	76.9
Changes in working capital			
Change in current assets, non-interest bearing	-29.8	-32.3	-7.1
Change in inventories	-5.2	-11.6	10.0
Change in current liabilities, non-interest bearing	6.4	16.6	9.9
Cash flow from operating activities before financial items and taxes	-7.6	-6.3	89.6
Dividends from associate	26.8	40.9	40.9
Financial costs paid (net)	-1.5	-1.4	-5.9
Taxes paid	-3.6	-1.2	-17.2
<b>Cash flow from operating activities (A)</b>	<b>14.1</b>	<b>32.0</b>	<b>107.4</b>
<b>Cash flow from investing activities</b>			
Acquisitions and investments in financial assets		-0.1	-0.2
Capital expenditure on fixed assets	-4.7	-5.2	-24.4
Proceeds from sale of fixed assets	0.4	0.2	0.6
Sale of shares in associated		109.7	109.7
Sale of shares in subsidiaries			6.3
Cash flow from other investments	0.1	0.0	0.3
<b>Cash flow from investing activities (B)</b>	<b>-4.2</b>	<b>104.7</b>	<b>92.3</b>
<b>Cash flow from financing activities</b>			
Borrowings of non-current debt	0.0	0.0	1.3
Repayment of non-current debt		0.0	-0.1
Change in current debt	41.4	20.2	-41.9
Payment of financial lease liabilities	-0.7	-0.4	-2.5
Cash flow from other financing items	-1.2	-1.5	-0.6
Dividends paid	-50.8	-155.6	-155.6
<b>Cash flow from financing activities (C)</b>	<b>-11.2</b>	<b>-137.3</b>	<b>-199.5</b>
<b>Change in cash (A+B+C)</b>	<b>-1.4</b>	<b>-0.7</b>	<b>0.3</b>
Cash at beginning of period	6.1	5.8	5.8
Translation difference	0.0	-0.1	0.0
Cash at end of period	4.8	5.0	6.1

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**

M€	Share capital	Treasury shares	Cumul. transl.diff.	Retained earnings	Total
<b>Dec 31, 2010</b>	<b>77.5</b>	<b>-0.8</b>	<b>-0.3</b>	<b>477.1</b>	<b>553.5</b>
Total comprehensive income for the period			-7.9	93.6	85.7
Dividends paid				-155.6	-155.6
<b>Mar 31, 2011</b>	<b>77.5</b>	<b>-0.8</b>	<b>-8.2</b>	<b>415.0</b>	<b>483.5</b>
Total comprehensive income for the period			10.2	60.7	70.8
Increase of treasury shares		-0.1			-0.1
<b>Dec 31, 2011</b>	<b>77.5</b>	<b>-0.9</b>	<b>2.0</b>	<b>475.7</b>	<b>554.3</b>
Total comprehensive income for the period			-2.9	21.6	18.7
Dividends paid				-50.8	-50.8
<b>Mar 31, 2012</b>	<b>77.5</b>	<b>-0.9</b>	<b>-0.9</b>	<b>446.5</b>	<b>522.3</b>

**KEY FIGURES\***

	3/2012	3/2011	Change %	12/2011
Equity/share, euro	6.38	5.90	8	6.77
Equity ratio	55%	51%		59%
Net gearing	37%	46%		27%
Net interest bearing debt, EUR million	193.6	222.2	-13	150.8
Personnel (FTE), average	3,377	3,640	-7	3,545
Personnel, end of period	3,556	3,908	-9	3,574
Number of shares outstanding end of period in thousands**	81,905	81,911		81,905
Weighted average number of outstanding shares during period, in thousands**	81,905	81,911		81,909

\* Please see the annual financial statements 2011 for the calculation of key figures.

\*\* Excluding treasury shares.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS****ACCOUNTING PRINCIPLES**

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

The Group has implemented new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2012. Of these the most important are:

- Amendments to IFRS 7 Financial Instruments: Disclosures
- Amendments to IAS 12 Income Taxes

The adoption of the standards above had no impact on the reported results or financial position.

**Use of estimates:**

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

<b>OPERATING SEGMENTS</b>	1-3	1-3	Change	1-12
<b>M€</b>	2012	2011	%	2011
<b>Net sales</b>				
EMEA	130.6	134.0	-3	516.8
Americas	58.9	58.1	1	232.5
Other	2.0	1.7	18	6.2
Inter-segment sales*	-3.2	-4.5	-30	-12.9
<b>GROUP TOTAL</b>	<b>188.3</b>	<b>189.3</b>	<b>-1</b>	<b>742.5</b>
<b>Operating profit (EBIT)</b>				
EMEA	11.9	11.6	3	33.7
Americas	8.2	7.6	8	30.5
Other and eliminations	-2.9	-2.8	6	-11.4
<b>GROUP TOTAL</b>	<b>17.1</b>	<b>16.4</b>	<b>5</b>	<b>52.8</b>
<b>Depreciation, amortization and impairment</b>				
EMEA	3.6	3.9	-9	15.1
Americas	0.9	1.1	-21	4.5
Other and eliminations	0.6	0.4	25	1.9
<b>GROUP TOTAL</b>	<b>5.1</b>	<b>5.5</b>	<b>-8</b>	<b>21.5</b>
<b>Capital expenditure</b>				
EMEA	1.6	4.0	-60	13.4
Americas	0.7	0.8	-9	3.9
Other and eliminations	2.4	0.4	550	7.5
<b>GROUP TOTAL</b>	<b>4.7</b>	<b>5.1</b>	<b>-8</b>	<b>24.7</b>
* Inter-segment sales				
EMEA	-2.3	-3.0		-7.0
Americas	-0.4	-1.0		-3.8
Other	-0.5	-0.5		-2.1

**Order book**

Short delivery times are a prerequisite in Fiskars' operations. Therefore, the backlog of orders and changes in it are not of significant importance.

<b>BUSINESS AREAS</b>	1-3	1-3	Change	1-12
<b>M€</b>	2012	2011	%	2011
<b>Net sales</b>				
Home	65.5	62.9	4	306.3
Garden	90.8	93.1	-2	294.3
Outdoor	30.6	32.1	-5	137.8
Other	1.5	1.2	24	4.1
<b>GROUP TOTAL</b>	<b>188.3</b>	<b>189.3</b>	<b>-1</b>	<b>742.5</b>

<b>INTANGIBLE AND TANGIBLE ASSETS</b>	3/2012	3/2011	12/2011
<b>M€</b>	<hr/>		
<b>Intangible assets and goodwill</b>			
Book value, Jan. 1	213.8	214.0	214.0
Currency translation adjustment	-0.3	-1.1	-0.2
Acquisitions and divestments			-3.4
Additions	2.4	0.2	5.0
Amortization and impairment	-1.1	-1.4	-4.6
Decreases and transfers	0.0	0.3	3.1
<b>Book value at end of period</b>	<b>214.9</b>	<b>212.0</b>	<b>213.8</b>
Investment commitments for intangible assets	2.1		
<b>Tangible assets and investment property</b>			
Book value, Jan. 1	100.6	102.5	102.5
Currency translation adjustment	-0.1	-0.9	0.0
Acquisitions and divestments			-0.9
Additions	2.3	5.0	19.7
Depreciation and impairment	-4.0	-4.1	-16.8
Decreases and transfers	-0.3	-0.1	-3.9
<b>Book value at end of period</b>	<b>98.6</b>	<b>102.4</b>	<b>100.6</b>
Investment commitments for property, plant and equipment	2.2		

<b>CONTINGENCIES AND PLEDGED ASSETS</b>	3/2012	3/2011	12/2011
<b>M€</b>	<hr/>		
<b>As security for own commitments</b>			
Lease commitments	44	54	46
Other contingencies	2	1	2
<b>Total</b>	<b>46</b>	<b>55</b>	<b>48</b>
<b>Guarantees as security for third-party commitments</b>			
The Group has no guarantees as security for third-party commitments.			
<b>As security for subsidiaries' commitments</b>			
Guarantees	13	13	13
<b>Total</b>	<b>60</b>	<b>69</b>	<b>61</b>

#### 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. The court case related to Iittala in the Market Court was closed in 2012.

<b>DERIVATIVES</b>	3/2012	3/2011	12/2011
<b>M€</b>			
<b>Nominal amounts of derivatives</b>			
Forward exchange contracts	187	164	208
Interest rate swaps	33	24	23
Electricity forward agreements	3	2	2
<b>Market value vs. nominal amounts of derivatives</b>			
Forward exchange contracts	0	-1	1
Interest rate swaps	-1	0	-1
Electricity forward agreements	0	1	0

Forward exchange contracts have been valued at market value.

#### EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Approximately 10% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the depreciation of GBP, SEK and NOK against USD and EUR. Foreign exchange risks are hedged primarily through the use of currency forwards and swaps. Change in valuation of currency derivatives is included in the income statement without applying hedge accounting.

<b>M€</b>	USD	SEK	NOK	GBP
Operational currency position	-24.9	16.0	13.9	8.4
Exchange rate sensitivity of the operations*	2.5	-1.6	-1.4	-0.8

\* Illustrates the impact of 10% exchange rate depreciation on the Group's annual profit before taxes.

#### RELATED PARTY TRANSACTIONS

The dividend from Wärtsilä EUR 26.8 million is reported as Dividends from associate in the Consolidated Statement of Cash Flows. The dividend was received during the first quarter of 2012.

#### ACQUISITIONS AND DIVESTMENTS

There have been no acquisitions or divestments in the reporting period.

The following acquisitions and divestments in 2011 have an impact on the comparability of the figures:

##### Sale of part of Wärtsilä shares

Fiskars wholly-owned subsidiary Avlis AB sold 1,974,320 Wärtsilä shares, corresponding to 11.7% of its Wärtsilä holding, worth EUR 110.6 million, mainly to international institutional investors during the first quarter of 2011. Fiskars Group recorded a profit of approximately EUR 69.8 million from the sale.

##### Divestment of Silva Sweden AB shares

Fiskars sold the shares of its subsidiary Silva Sweden AB in July 2011. Silva has been a part of Fiskars' Outdoor business area. Fiskars recorded a non-recurring sales loss of EUR 5.3 million in the third quarter results. The sale of the shares had a total positive impact on cash flow from investment activities of EUR 6.3 million.

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

On April 24, 2012, Fiskars Group agreed with Investor AB to join interests to create a strong long-term owner for Wärtsilä Corporation. The legal merging of Fiskars Group's and Investor AB's interests will take place in due course, but the parties will act in concert concerning the Wärtsilä ownership as of the said date. As part of the agreement, Fiskars' subsidiary Avlis AB has sold 2.08 percent of the shares in Wärtsilä to Investor AB at a price of EUR 30.90 per Wärtsilä share, totaling approximately EUR 126.8 million. Fiskars Group will record a non-recurring profit of around EUR 87 million in its Q2 2012 results from the transaction.

Following the sale of 2.08 % of Wärtsilä shares to Investor, Fiskars holding in Wärtsilä amounts to 13.00 % of the shares and votes. The market value of Fiskars Group's Wärtsilä shares was EUR 724.1 million (or EUR 8.84 per Fiskars share) based on the closing price of April 23, 2012 and the book value of the shares is EUR 245.8 million.

The joint ownership of Fiskars Group and Investor AB exceeded 1/5 (20%) of Wärtsilä's votes, after Investor AB through its subsidiary purchased more Wärtsilä shares on April 26, 2012. Following the transaction, Fiskars Group and Investor AB together owned 40,317,168 shares or 20.44% of Wärtsilä's share capital and votes as of April 26, 2012.

Wärtsilä will continue to form one of Fiskars' reported operating segments and to be treated as an associated company, as Fiskars considers that it continues to have a significant influence in Wärtsilä.

