FINANCIAL STATEMENT RELEASE

JANUARY–DECEMBER 2017

FISKARS

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FINANCIAL STATEMENT RELEASE 2017: Increase in both comparable net sales and comparable EBITA

Fourth quarter 2017 in brief:

- Net sales decreased by 4.4% to EUR 319.2 million (Q4 2016: 334.1)
- Comparable net sales[1)] decreased by 0.2%
- Comparable[2)] EBITA decreased by 2% to EUR 35.4 million (36.3)
- EBITA increased to EUR 30.6 million (28.1)
- Cash flow from operating activities before financial items and taxes amounted to EUR 103.5 million (77.5)
- Earnings per share (EPS) were EUR -0.56 (0.51). Operative earnings per share[3)] totaled EUR 0.21 (0.23)

January–December 2017 in brief:

- Net sales decreased by 1.6% to EUR 1,185.5 million (2016: 1,204.6)
- Comparable net sales[1)] increased by 1.5%
- Comparable[2)] EBITA increased by 11% to EUR 119.0 million (107.1)
- EBITA increased to EUR 113.2 million (96.7)
- Cash flow from operating activities before financial items and taxes amounted to EUR 130.5 million (120.7)
- Earnings per share (EPS) were EUR 2.04 (0.78). Operative earnings per share[3)] totaled EUR 0.81 (0.56)
- The Board of Directors proposes a dividend of EUR 0.72 per share, to be paid in two installments of EUR 0.36 each, in March and September 2018

Outlook for 2018:

In 2018, Fiskars expects the Group's comparable net sales[1)] and comparable[2)] EBITA to increase from 2017.

President and CEO, Fiskars, Jaana Tuominen:

"The year 2017 was marked by many changes at Fiskars. We took a step forward towards fulfilling our global ambition and shifted from a region-based organization to form two global Strategic Business Units, Living and Functional, and a unified supply chain. We continued to improve our competitiveness with several initiatives, and the outcome of these initiatives supported our profitability already in 2017. Overall, I was pleased with our financial performance, as Fiskars Group increased its net sales, excluding net sales of businesses divested in 2016, and comparable EBITA during 2017. We made progress during the year, however we also experienced challenges in some markets.

Comparable net sales in the Living segment decreased year-on-year, impacted primarily by the negative development in the U.S. and Australia. The Scandinavian Living business consistently delivered during the year and improved its net sales and comparable EBITA also during the fourth quarter. The Scandinavian Living business exceeded our expectations and closed the year with a strong performance by the Iittala, Royal Copenhagen and Arabia brands. The English & Crystal Living business faced challenges throughout the year, especially as the transformation of the retail sector has continued mainly in the U.S. In addition, we have discontinued collaboration with select customers in the U.S., which has negatively affected our topline, however we expect this to positively contribute to our gross margin and brand value. With Ulla Lettijeff, the newly appointed President of SBU Living, and her team, we will continue to revitalize the positioning of our English & Crystal Living brands, including Waterford, Wedgwood, Royal Albert and Royal Doulton, while the improvement of operational excellence remains a high priority in 2018.

The Functional business made solid progress during the year, increasing the comparable net sales and comparable EBITA also during the fourth quarter. The performance in the fourth quarter was supported by increased sales to our existing customers as well as the scissors and hardware categories. Net sales decreased in the Outdoor business, primarily due to the challenges in the knife category and sporting goods sector.

We are gaining further traction from our transformation programs, and today, we operate more efficiently than before. We have focused on removing internal complexities, aligning our ways of working and consistently reducing the number of stock keeping units (SKUs), enabling us to better focus on our core offering and increasing the value of our brands. This work will continue in the future.

We have proceeded on our strategic journey, and are progressing towards our long-term financial targets having improved the EBITA margin in 2017. In 2018, we expect to continue the profitable growth and increase our comparable net sales and comparable EBITA from 2017.

Supported by the newly announced Fiskars Group Leadership Team, I look forward to driving Fiskars forward and creating value for our stakeholders. I'm proud of the Fiskars team, our passion for the brands and our commitment to meeting and exceeding consumers' expectations – making the everyday extraordinary."

1) In 2017, using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016). In the outlook for 2018, comparable net sales excludes the impact of exchange rates, acquisitions and divestments
2) Items affecting comparability in EBITA include items such as restructuring costs, impairment or provisions charges and releases, integration related costs, and gain and loss from the sale of businesses
3) Operative earnings per share do not include net changes in the fair value of the investment portfolio and dividends received

Group key figures

EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales	319.2	334.1	-4.4%	1,185.5	1,204.6	-1.6%
Comparable net sales[1)]	319.4	320.1	-0.2%	1,184.0	1,166.3	1.5%
EBITA	30.6	28.1	9%	113.2	96.7	17%
Items affecting comparability in EBITA[2)]	-4.9	-8.2		-5.8	-10.4	
Comparable EBITA	35.4	36.3	-2%	119.0	107.1	11%
Operating profit (EBIT)	25.8	24.1	7%	97.9	82.7	18%
Net change in the fair value of investment portfolio	-79.4	28.4		107.9	6.1	
Profit before taxes	-53.6	55.6		217.8	92.8	
Profit for the period	-45.8	41.7		167.1	65.4	
Operative earnings/share, EUR[3)]	0.21	0.23	-7%	0.81	0.56	43%
Earnings/share, EUR	-0.56	0.51		2.04	0.78	
Equity per share, EUR				15.53	14.91	4%
Cash flow from operating activities before financial items and taxes	103.5	77.5	33%	130.5	120.7	8%
Equity ratio, %				69%	69%	
Net gearing, %				12%	12%	
Capital expenditure	12.0	9.6	25%	35.4	37.6	-6%
Personnel (FTE), average	7,519	7,933	-5%	7,709	8,000	-4%

1) Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016)
2) In Q4 2017, items affecting comparability consisted mainly of net cost related to the Alignment program, the Supply Chain 2017 program and costs related to the divestment of the European container gardening business. In Q4 2016, items mainly consisted of costs related to the Alignment program
3) Excluding net change in the fair value of the investment portfolio and dividends received. The comparison period has been restated to also exclude the exchange rate gains related to the investment portfolio

CHANGES IN FISKARS REPORTING IN 2018

Based on the new IFRS 9 standard that Fiskars adopted from January 1, 2018 onwards, Fiskars Group will record the change in fair value of the Wärtsilä holding in other comprehensive income instead of recognizing fair value changes in income statement.

Compared to the previous reporting principle, this will transfer the change in fair value of such investments from the income statement to other comprehensive income including deferred taxes. The change will not impact the treatment of those items' balance sheet classification or dividends in the income statement.

From Q1 2018 onwards, Fiskars will not separately report the operative earnings per share, which previously has excluded the net change in the fair value of the investment portfolio and dividends received.

More information on the change is explained in the accounting principles section of this Financial Statement Release.

FISKARS FINANCIAL STATEMENT RELEASE FOR 2017

The full-year figures in this release are audited.

GROUP PERFORMANCE

EUR million	Q4 2017	Q4 2016	Change	Comparable change*	2017	2016	Change	Comparable change*
Net sales								
Group	319.2	334.1	-4.4%	-0.2%	1,185.5	1,204.6	-1.6%	1.5%
Living	187.8	199.4	-5.8%	-2.1%	573.9	598.1	-4.0%	-0.4%
Functional	130.4	133.9	-2.6%	2.4%	607.8	602.7	0.8%	3.4%
Other	1.0	0.8	23.0%	23.0%	3.8	3.8	-0.4%	-0.4%
Comparable EBITA								
Group	35.4	36.3	-2%		119.0	107.1	11%	
Living	38.3	39.4	-3%		70.7	59.4	19%	
Functional	1.0	0.6	62%		59.7	57.1	5%	
Other	-3.8	-3.7	-3%		-11.5	-9.5	-21%	

*Using comparable exchange rates, excluding the divested Spring USA (September 2016) and the divested container gardening businesses in the U.S. (January 2016) and Europe (December 2016)

Fiskars Group in Q4 2017

Fiskars Group's consolidated net sales decreased by 4.4% to EUR 319.2 million (Q4 2016: 334.1, which included EUR 1.0 million from divested businesses). The weakening of the U.S. dollar adversely impacted the reported net sales. Comparable net sales decreased by 0.2%, impacted by the decrease in comparable net sales in the Living segment, partly offset by the increase in the Functional segment.

The comparable EBITA (excluding items affecting comparability) decreased by 2% to EUR 35.4 million (36.3), impacted by the performance of the Living segment, which offset the increase in the Functional segment. Items affecting comparability in EBITA amounted to EUR -4.9 million (-8.2) and were mainly related to the Alignment and the Supply Chain programs. Fiskars Group's fourth quarter EBITA totaled EUR 30.6 million (28.1).

Fiskars Group in January–December 2017

Fiskars Group's consolidated net sales decreased by 1.6% to EUR 1,185.5 million (2016: 1,204.6, which included EUR 24.7 million from divested businesses). Comparable net sales increased by 1.5%, supported by an increase in the Functional segment.

The comparable EBITA increased by 11% to EUR 119.0 million (107.1), supported by the performance of both Living and Functional segments. Items affecting comparability in EBITA amounted to EUR -5.8 million (-10.4) during January–December, and were mainly related to the Alignment program. Fiskars Group's EBITA totaled EUR 113.2 million (96.7) during the year 2017.

OPERATING ENVIRONMENT IN Q4 2017

Overall, the operating environment remained stable during the fourth quarter of 2017 compared to the previous quarter. The economy developed positively in Europe, with consumer confidence remaining at a good level during the fourth quarter, however the tough retail environment persisted in the UK. The DIY-market continued to consolidate, with the share of large companies and e-commerce growing, and smaller businesses suffering.

In the U.S., the economy and home improvement industry continued to show positive signs during the fourth quarter, in line with the development during the whole year. Consumer confidence continued to improve during the fourth quarter, supported by a strong labor market and fiscal reforms. Spending continued to move to online retail.

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In Japan, both consumer confidence and the economic growth continued to develop moderately positively during the fourth quarter. Consumer spending in Australia was weak.

OPERATING ENVIRONMENT IN 2017

In Europe, the operating environment developed moderately positively throughout the year. The retail and consumer confidence increased in many countries, combined with modest economic growth. In the UK, the decreasing purchasing power and uncertainty around Brexit weighed on consumer confidence.

In the U.S., economic growth was mostly at a good level during the year, although the first quarter of 2017 was significantly weaker. Consumer confidence remained strong throughout the year.

For most of the year development in the Asia-Pacific region was subdued, especially regarding consumer confidence in Australia. In Japan, economic data showed modest improvement.

The digital transformation impacted the retail sector throughout the course of the year and has caused some consolidation within the sector, most notably affecting the U.S. market. The transformation has continued to impact mainly the department store channel, as well as some outdoor channels.

REPORTING SEGMENTS

This Financial Statement Release reflects Fiskars' organizational structure that features two Strategic Business Units (SBU): Living and Functional. As of January 1, 2017 Fiskars Group's three primary reporting segments are Living, Functional, and Other. In addition, Fiskars reports net sales for three geographical areas: Europe, Americas, and Asia-Pacific.

SBU Living offers premium and luxury products for tabletop, giftware and interior décor. It consists of the English & Crystal Living and Scandinavian Living businesses. English & Crystal Living business includes brands such as Waterford, Wedgwood, Royal Albert, and Royal Doulton. Scandinavian Living business includes brands such as Iittala, Royal Copenhagen, Rörstrand, and Arabia.

SBU Functional provides tools for use in and around the house as well as outdoors. SBU Functional consists of Functional Americas, Functional EMEA and Outdoor businesses, and includes brands such as Fiskars, Gerber, and Gilmour.

The Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters and shared services.

Living segment

EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales*	187.8	199.4	-5.8%	573.9	598.1	-4.0%
Comparable EBITA	38.3	39.4	-3%	70.7	59.4	19%
Capital expenditure	4.9	5.0	-2%	14.0	14.9	-6%

*Using comparable exchange rates and excluding the net sales of the divested Spring USA (September 2016), net sales in the Living segment decreased by 2.1% in Q4 2017 and by 0.4% in 2017

Living segment in Q4 2017

Net sales in the Living segment decreased year-on-year and amounted to EUR 187.8 million (Q4 2016: 199.4). Comparable net sales decreased by 2.1%, impacted by the English & Crystal Living business. The trading challenges in the U.S. continued to constrain the quarter. In addition, the holiday season in the UK was impacted by low consumer confidence. Net sales in the Scandinavian Living business increased driven by the Finland 100th anniversary products, Black Friday campaigns and the Iittala, Royal Copenhagen and Arabia brands. Living net sales grew in the hospitality and own e-commerce channels.

Comparable EBITA for the Living segment decreased by 3% and amounted to EUR 38.3 million (39.4). The comparable EBITA of the Scandinavian Living business increased, offset by the decline in the English & Crystal Living business.

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Living segment in January–December 2017

Net sales in the Living segment decreased by 4.0% to EUR 573.9 million (2016: 598.1) during the year 2017. Comparable net sales decreased by 0.4%, impacted by the English & Crystal Living business in the U.S. and Australia, while the Scandinavian Living business increased in comparable net sales, especially in the Nordic markets.

Comparable EBITA for the Living segment increased by 19% and totaled EUR 70.7 million (59.4) during the year 2017, driven by the performance of the Scandinavian Living business, offsetting the decline in the English & Crystal Living business.

Marketing highlights in the Living segment in 2017

During the fourth quarter, Arabia introduced a new series of stackable tableware, Mainio Sarastus. The series is versatile, practical, light, and can be used for serving, preparing, and storing food. Mainio Sarastus is inspired by key trends of urbanization and small homes. The Iittala and Rörstrand brands opened their first joint flagship store in central Stockholm, Sweden, and Waterford celebrated New Year's Eve in Times Square, New York. For 19 years, the iconic Waterford Times Square New Year's Eve Ball has counted down to the New Year with celebrators from all over the world.

During 2017, Wedgwood partnered with the Royal Horticultural Society (RHS) in the UK, representing a milestone in the renewal of Wedgwood into a premium British lifestyle brand.

The Ambiente fair in Frankfurt, Germany marked an important milestone for the Living business as the English & Crystal Living and Scandinavian Living brands joined forces and the entire Living portfolio was presented to customers for the first time. The ED Ellen DeGeneres Crafted by Royal Doulton tableware collection was launched globally and Iittala launched a new global range "Teema Tiimi" to complement the classic "Teema" tableware.

In 2017, Finland celebrated the centenary of its independence. Fiskars was one of the official partners of the Finland 100 project, and launched several products from Iittala and Arabia brands. Additionally, Fiskars handed over the park area of Dagmar in Raasepori to Finland for the next hundred years.

The modern classic and one of Iittala's most beloved series, Taika tableware, celebrated its 10-year anniversary with a successful campaign and new product introductions. Rörstrand's Swedish Grace Rose collection started a collaboration with Pink Ribbon, a non-profit organization aimed to support breast cancer patients.

Functional segment

EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales*	130.4	133.9	-2.6%	607.8	602.7	0.8%
Comparable EBITA	1.0	0.6	62%	59.7	57.1	5%
Capital expenditure	6.6	5.7	15%	19.4	21.8	-11%

*Using comparable exchange rates and excluding the net sales of the divested container gardening businesses in the U.S (in January 2016) and Europe (in December 2016), net sales in the Functional segment increased by 2.4% in Q4 2017 and by 3.4% in 2017

Functional segment in Q4 2017

Net sales in the Functional segment decreased by 2.6% to EUR 130.4 million (Q4 2016: 133.9). Comparable net sales increased by 2.4%, supported by increased sales to existing customers and successful Black Friday campaigns in Functional EMEA as well as growth in Functional Americas, while net sales remained flat in the Outdoor business.

Comparable EBITA for the Functional segment increased during the fourth quarter and amounted to EUR 1.0 million (0.6), driven by the improvements in the Functional Americas business, offsetting the decline in the Outdoor business.

Functional segment in January–December 2017

Net sales in the Functional segment increased by 0.8% to EUR 607.8 million (2016: 602.7) during the year 2017. Comparable net sales increased by 3.4%, supported by the growth in Functional EMEA and Functional Americas businesses, offsetting the decline in the Outdoor business in the U.S. The net sales increase was supported by scissors sales globally as well as garden and hardware categories in the U.S. In addition, net sales increased in the in-direct e-commerce channel.

Comparable EBITA for the Functional segment increased by 5% and totaled EUR 59.7 million (57.1) during the year 2017, driven by the Functional Americas and Functional EMEA businesses, offsetting the decline in the Outdoor business in the U.S. The increase was supported primarily by the increased volumes and favorable development of the watering category.

Marketing highlights in the Functional segment in 2017

During the fourth quarter Fiskars won 11 GOOD DESIGN® 2017 Awards, which emphasize quality design of the highest form, function, and aesthetics. The awards were given to a wide range of Fiskars and Gilmour branded products, including cutting tools, knives, scissors and watering products.

In the Nordics, Fiskars launched the Hard Face and Hard Face Steel cookware campaign. The campaign's in-store strategy was consistently implemented in all Nordic markets, for both specialized stores and mass channels, and supported by advertising.

During 2017, Fiskars' orange-handled scissors celebrated their 50th anniversary. With over a billion pairs sold world-wide, they have made Fiskars the biggest scissors brand in the world. In honor of the event, Fiskars invited artists and creative individuals from around the world to participate in the 'Our Scissors' exhibition with their inspired birthday greetings at the Design Museum in Helsinki.

Gerber entered a new category as it introduced a new fishing collection for the adventurous angler, with sales starting in the U.S. in 2018. In addition, Gerber teamed up with Hobie Kayaks - an influential leader in the kayak fishing market.

In one of the world's largest design competitions, Red Dot Design Award, Fiskars was awarded the title "Red Dot: Best of the Best" for top design quality and ground-breaking design to Fiskars PowerGear™ X Pruners and the title "Red Dot" for high design quality to Fiskars PowerGear™ X Tree Pruners.

Fiskars Waterwheel received an honorary mention in the Fennia Prize awards. In addition, Fiskars joined with the National Collegiate Athletic Association (NCAA) in the U.S. for the ninth consecutive year as the official netcutting scissors during the 2017 NCAA Men's and Women's Basketball Championships.

Other segment

EUR million	Q4 2017	Q4 2016	Change	2017	2016	Change
Net sales	1.0	0.8	23.0%	3.8	3.8	-0,4%
Comparable EBITA	-3.8	-3.7	-3%	-11.5	-9.5	-21%
Net change in fair value of investments at FVTPL*	-79.4	28.4		107.9	6.1	
Investments at FVTPL*				572.4	464.4	23%
Capital expenditure	0.5	-1.1		2.0	0.9	112%

*FVTPL = Fair value through profit or loss

Other segment in Q4 2017

Net sales in the Other segment increased year-on-year and amounted to EUR 1.0 million (Q4 2016: 0.8), consisting of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -3.8 million (-3.7). The investments and net change in the fair value of investments through profit or loss is explained in more detail in the Financial items and net result section.

Other segment in January–December 2017

Net sales in the segment remained flat and amounted to EUR 3.8 million during the year 2017 (2016: 3.8), and consisted of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -11.5 million (-9.5).

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Net sales by geography

EUR million	Q4 2017	Q4 2016	Change	Comparable change*	2017	2016	Change	Comparable change*
Europe	165.9	162.2	2.2%	3.2%	568.5	555.3	2.4%	5.7%
Americas	107.2	116.2	-7.7%	-0.7%	463.0	489.9	-5.5%	-2.3%
Asia-Pacific	46.4	53.0	-12.4%	-4.8%	152.8	153.3	-0.3%	1.6%
Unallocated**	-0.3	2.7			1.2	6.2	-80%	-79%

*Using comparable exchange rates, excluding the divested Spring USA (in September 2016), divested container gardening businesses in the U.S (in January 2016) and Europe (in December 2016)
**Geographically unallocated exchange rate differences

Net sales in Q4 2017

Net sales in Europe increased by 2.2% and amounted to EUR 165.9 million (Q4 2016: 162.2). Comparable net sales increased by 3.2%, driven by the Scandinavian Living business, especially in the Nordic countries. The Iittala, Royal Copenhagen and Arabia brands increased their net sales during the quarter. The holiday season in the UK was impacted by low consumer confidence, negatively influencing the English & Crystal Living business.

Net sales in Americas decreased by 7.7% to EUR 107.2 million (116.2). Comparable net sales decreased by 0.7%. While the net sales increased in Functional Americas, the increase was offset by the decrease in the English & Crystal Living and Outdoor businesses, impacted by the continued trading challenges in the U.S. and the low demand in the knife category.

Net sales in Asia-Pacific decreased by 12.4% and amounted to EUR 46.4 million (53.0). Comparable net sales decreased by 4.8%, impacted mainly by the English & Crystal Living business in Australia.

Net sales in January–December 2017

Net sales in Europe increased by 2.4% and amounted to EUR 568.5 million (2016: 555.3). Comparable net sales increased by 5.7%, driven by both the Living and Functional segments. The Scandinavian Living business increased its comparable net sales, especially in the Nordic markets. The increase in the Functional business was supported by increased sales to existing customers.

Net sales in Americas decreased by 5.5% to EUR 463.0 million (489.9). Comparable net sales decreased by 2.3%, impacted by the English & Crystal Living business and the Outdoor business, offsetting the increase in the Functional business.

Net sales in Asia-Pacific remained flat and amounted to EUR 152.8 million (153.3). Comparable net sales increased by 1.6%, driven by both the Living and Functional segments, offsetting the decline in the English & Crystal Living business in Australia.

Research and development

The Group's research and development expenditure totaled EUR 6.4 million (Q4 2016: 4.9) in the fourth quarter of 2017, equivalent to 2.0% (1.5%) of net sales. During the year 2017, research and development expenses totaled EUR 18.8 million (2016: 18.0), equivalent to 1.6% (1.5%) of net sales.

Personnel

The average number of full-time equivalent employees (FTE) was 7,519 (Q4 2016: 7,933) in the fourth quarter. At the end of the quarter, the Group employed 7,932 (8,560) employees, of whom 1,126 (1,224) were in Finland. The year-on-year change was mainly related to the divestments, the Alignment program and unified definitions among retail and manufacturing personnel.

The average number of full-time equivalent employees (FTE) in the Functional segment was 2,289 (2016: 2,354), in the Living segment 5,379 (5,609) and in the Other segment 41 (36) in 2017.

Fiskars' transformation process

Fiskars' vision is to create a positive, lasting impact on the quality of life we live – making the everyday extraordinary. The company has been on a transformation journey to become an integrated consumer goods company with a family of iconic lifestyle brands. The company continued to take steps during the fourth quarter of 2017 to move this process forward.

Alignment program

In November 2016, Fiskars launched the Alignment program to proceed in the transformation. The program focused on the structural changes in the organization, proposed headcount reductions, and the full integration of the English & Crystal Living business, acquired in 2015. The net headcount reduction was estimated to be 130 positions globally.

The total costs of the program were estimated to be approximately EUR 15 million in 2016–2017. They were recorded as items affecting comparability in EBITA, of which EUR 14.1 million had been recorded by the end of the fourth quarter of 2017. The targeted annual cost savings were approximately EUR 14 million.

The majority of the program activities were completed by the end of 2017. The rest of the changes will be finalized during 2018, however the remaining costs are not expected to be material. The targeted annual cost savings of EUR 14 million have been achieved, the majority already in 2017.

Supply Chain 2017 program

During the third quarter of 2015, Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program aimed to improve the competitiveness of Fiskars' manufacturing operations and distribution network. The total costs of the program were estimated to be approximately EUR 20 million between 2015 and 2017, reported as items affecting comparability in EBITA. The targeted annual cost savings were approximately EUR 8 million.

The program was completed by the end of 2017. The total costs of the program were EUR 11.2 million, below the original estimate. The targeted annual cost savings of EUR 8 million have been achieved, the majority already in 2017.

Financial items and net result

Financial items and net result in Q4 2017

Along with the rest of the Group's active investments, the share ownership in the Wärtsilä Corporation is treated as a financial asset at fair value through profit or loss, which has increased the volatility of Fiskars' net results. At the end of the fourth quarter of 2017, Fiskars owned 10,881,781 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital. The number of shares held in Wärtsilä did not change during 2017.

The net change in the fair value of investments through profit or loss, consisting of the company's holdings in Wärtsilä, amounted to EUR -79.4 million (Q4 2016: 28.4) during the fourth quarter of 2017. The closing share price of Wärtsilä was EUR 52.60 (42.68) at the end of the fourth quarter.

Other financial income and expenses amounted to EUR -0.3 million (2.7) in the fourth quarter of 2017, including EUR 1.3 million (4.2) of foreign exchange differences and EUR -1.3 million (-1.5) of net interest costs.

Profit before taxes was EUR -53.6 million (55.6) in the fourth quarter of 2017. Income taxes for the fourth quarter were EUR 7.8 million (-13.9), the change from last year being mainly due to the change in the market value of the Wärtsilä holding. In Q4 2017, the change in the U.S. federal corporate income tax rate reduced Fiskars' deferred tax asset by EUR 4.4 million, with a corresponding deferred tax expense in the income statement. The change in the deferred tax asset does not have any cash flow effect.

Earnings per share were EUR -0.56 (0.51). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.21 (0.23). The comparison period figure for operative earnings per share has been restated to also exclude the exchange rate gains related to the investment portfolio.

Financial items and net result in January–December 2017

The net change in the fair value of investments through profit or loss, consisting of the company's holdings in Wärtsilä, amounted to EUR 107.9 million (2016: 6.1) during the year 2017.

Other financial income and expenses amounted to EUR 11.4 million (4.4) in 2017, including EUR 14.1 million (13.1) in dividends received on Wärtsilä shares, EUR 0.6 million (-0.5) of foreign exchange differences and EUR -5.0 million (-6.9) in interest costs.

Profit before taxes for the year was EUR 217.8 million (92.8). Income taxes in the year 2017 were EUR -50.8 million (-27.4), the change from last year being mainly due to the change in the market value of the Wärtsilä holding.

Earnings per share were EUR 2.04 (0.78). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.81 (0.56).

Cash flow, balance sheet and financing

Cash flow, balance sheet and financing in Q4 2017

The fourth-quarter cash flow from operating activities before financial items and taxes amounted to EUR 103.5 million (Q4 2016: 77.5). The increase was primarily due to changes in working capital. Cash flow from financial items and taxes amounted to EUR -11.4 million (-5.7). Cash flow from investing activities was EUR -3.6 million (-9.7), including EUR -8.8 million of capital expenditure on fixed assets and EUR 5.5 million of proceeds from sale of fixed assets. Cash flow from financing activities was EUR -70.1 million (-76.2), including EUR -45.7 million of change in current debt and EUR -20.0 million of change in current receivables. The comparison figure from Q4 2016 included EUR -51.9 million of changes in current debt and EUR -22.0 million of changes in current receivables.

Capital expenditure for the fourth quarter totaled EUR 12.0 million (9.6), mainly relating to facility expansions and efficiency investments. Depreciation, amortization and impairment were EUR 11.0 million (10.1) in the fourth quarter.

Cash flow, balance sheet and financing in January–December 2017

During 2017, cash flow from operating activities before financial items and taxes amounted to EUR 130.5 million (2016: 120.7). The increase was primarily due to improvements in profitability. Cash flow from financial items and taxes amounted to EUR -26.7 million (-37.0). Cash flow from investing activities was EUR -12.4 million (78.8, including the positive cash flow of EUR 61.7 million from the sale of investments in short-term interest rate funds and EUR 46.1 million from the sale of non-current assets held for sale), including capital expenditure on fixed assets of EUR -32.8 million, positive cash flow from the sale of property of EUR 9.5 million and received dividends of EUR 14.1 million. Cash flow from financing activities was EUR -78.0 million (-164.1) during the year 2017, including the positive cash flow of EUR 2.0 million from the money market investments, EUR -87.0 million (-58.7) in payment of dividends and a EUR 7.3 million (-78.0) increase in current debt.

Capital expenditure for 2017 totaled EUR 35.4 million (37.6), mainly relating to expansions, IT solutions, and efficiency investments. Depreciation, amortization, and impairment were EUR 38.8 million (37.4).

Fiskars' working capital totaled EUR 195.9 million (217.8) at the end of December. The decrease was primarily related to decreased inventories. The equity ratio was 69% (69%) and net gearing was 12% (12%).

Cash and cash equivalents at the end of the period totaled EUR 31.1 million (17.7). Net interest-bearing debt amounted to EUR 147.7 million (152.4). In addition, the shares in Wärtsilä were valued at EUR 572.4 million (464.4) at the end of the year.

Short-term borrowing totaled EUR 48.5 million (10.9) and long-term borrowing totaled EUR 151.4 million (182.4). Short-term borrowing mainly consisted of commercial papers. In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

Changes in organization and management

On February 10, 2017 Fiskars appointed Sari Pohjonen, M.Sc. (Econ) as Chief Financial Officer of Fiskars Group and a member of the Executive Leadership Team.

On February 15, 2017 Kari Kauniskangas, President and CEO of Fiskars Corporation, announced his resignation from the position. The Board of Directors appointed Teemu Kangas-Kärki, the deputy to the CEO and Fiskars' Chief Operating Officer, as interim President and CEO.

On March 31, 2017 Fiskars appointed Paul Tonnesen, MBA, B.Sc. (Marketing) as President, SBU Functional and a member of the Executive Leadership Team.

On June 20, 2017 the Board of Directors of Fiskars Corporation appointed M.Sc. (Chem. Eng) Jaana Tuominen as President and CEO of Fiskars Corporation. Her starting date was October 9, 2017.

Other significant events during 2017

New long-term financial targets

On February 8, 2017 Fiskars established long-term financial targets that cover four areas: growth, profitability, capital structure and dividend:

- Growth: The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions
- Profitability: EBITA margin to exceed 10%
- Capital structure: Net gearing* below 100%
- Dividend: Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

*Net gearing ratio is the ratio of interest-bearing debt, less interest-bearing receivables and cash and bank equivalents, divided by total equity

Corporate Governance

Fiskars complies with the Finnish Corporate Governance Code issued by the Securities Market Association, which came into force on January 1, 2015. Fiskars' Corporate Governance Statement for 2017 in accordance with Reporting requirements of the Code will be published during week 8 of 2018 as a separate report.

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

Shares and shareholders

Fiskars Corporation has one share series (FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 191,467 of its own shares at the end of the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The volume weighted average share price during the fourth quarter was EUR 22.12 (Q4 2016: 16.76), and EUR 20.75 in 2017 (2016: 16.98). At the end of December, the closing price was EUR 23.96 (EUR 17.60) per share and Fiskars had a market capitalization of EUR 1,957.9 million (1,438.2). The number of shares traded on Nasdaq Helsinki and in alternative market places from October to December was 0.9 million (0.8), which represents 1.1% (1.0%) of the total number of shares. In 2017, the number of shares traded was 5.2 million (3.0), which represents 6.4% (3.7%) of the total number of shares.The total number of shareholders was 19,536 (18,643) at the end of December 2017.

Flagging notifications

During the review period January–December 2017, Fiskars was informed of the following changes among its shareholders:

On December 29, 2017, Turret Oy Ab and Holdix Oy Ab as well as certain closely associated persons entered into a co-operation concerning their ownership in Fiskars Corporation. The co-operation comprises a shareholders' agreement between Turret Oy Ab and Holdix Oy Ab which the closely associated persons have undertaken to comply with as applicable. The closely associated persons comprise Paul Ehrnrooth, Jacob Ehrnrooth and Sophia Ehrnrooth, all of whom are closely associated with Turret Oy Ab, as well as Elsa Fromond, Louise Fromond and Anna Fromond, all of whom are closely associated with Holdix Oy Ab. The direct and indirect ownership of Turret Oy Ab and Holdix Oy Ab has exceeded the 25% threshold. The threshold was exceeded on December 29, 2017. Turret Oy Ab, Holdix Oy Ab and the closely associated persons hold in total 23,883,711 shares in Fiskars Corporation, which corresponds to 29.16% of all shares and votes in Fiskars Corporation. The parties have no intention of making a tender offer for Fiskars Corporation and the aggregate ownership will, in accordance with the current strategy, remain below 30%.

Board authorizations

Authorizing the Board of Directors to decide on the acquisition of the company's own shares

The Annual General Meeting for 2017 decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 own shares, in one or several instalments, using the unrestricted shareholders' equity of the company. The company's own shares may be acquired in public trading on Nasdaq Helsinki Ltd at a price formed in 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, 2018 and cancelled the corresponding authorization granted to the Board by the Annual General Meeting on March 9, 2016. The Board of Directors has not utilized this authorization during 2017.

Authorizing the Board of Directors to decide on the transfer of the company's own shares

The Annual General Meeting for 2017 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 instalments, 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 also 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, 2018 and cancelled the corresponding authorization granted to the Board by the Annual General Meeting on March 9, 2016. The Board of Directors has not utilized this authorization during 2017.

Board and Board Committees

The Annual General Meeting decided that the Board of Directors shall consist of ten members. Paul Ehrnrooth, Alexander Ehrnrooth, Ingrid Jonasson Blank, Louise Fromond, Gustaf Gripenberg, Jyri Luomakoski, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. The term of the Board members will expire at the end of the Annual General Meeting in 2018.

Convening after the Annual General Meeting held on March 9, 2017, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as the Vice Chairman. The Board decided to establish an Audit Committee, a Compensation Committee and a Nomination Committee.

The Board appointed Jyri Luomakoski (Chairman), Alexander Ehrnrooth, Louise Fromond, Gustaf Gripenberg and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (Chairman), Ingrid Jonasson Blank, Inka Mero and Peter Sjölander 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 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.

Consumer confidence has been improving in several major markets which are important to Fiskars. However, a decrease in consumer confidence e.g. due to an uncertain geopolitical environment could have an adverse impact on the Group's net sales and profit.

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

A complex and changing legal and regulatory environment and tax legislation may expose the company to compliance and litigation risks, including competition compliance, anti-corruption, human rights, security and data privacy and create uncertainties relating to tax obligations towards various authorities.

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 to property.

Fiskars is increasingly dependent on centralized information technology systems, and breaches, malfunctions or disruptions can prevent the execution of the required business processes either regionally or globally. Cyberattacks and fraud may cause significant financial losses.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. The tax reassessment claim raised by the Finnish Large Taxpayers' Office in 2016, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases, has been appealed against by the company to the Board of Adjustment in the Finnish Large Taxpayers' Office. Fiskars will continue the appeal process in court, if necessary, in which case the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

In December 2017, the U.S. tax reform was signed into law. The legislation includes, among other things, a reduction in the U.S. federal corporate income tax rate from 35% to 21%. The change is expected to have a slightly positive impact on Fiskars' net result from 2018 onwards.

Fiskars operates globally with a considerable part of its business in the U.S. and in other countries outside of the euro zone. Weakening of the U.S. dollar or other currencies relative to the euro may have a material impact on the reported financial figures due to the translation exposure. Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates.

Fiskars' financial investment portfolio consists of shares in Wärtsilä and of other financial investments. The financial investment portfolio may lose value for several reasons.

Events after the reporting period

On January 11, 2018, Fiskars announced the renewal and expansion of its group leadership team. At the same time, Fiskars discontinued the Extended Leadership Team and the Corporate Office to simplify its leadership structure. Fiskars appointed Ulla Lettijeff (M.Sc.Tech) as President, SBU Living and a member of the Fiskars Group Leadership Team. In addition, Fiskars will appoint a Chief Growth Officer (CGO) to the Group Leadership Team. The following new members have also been appointed to the Group Leadership Team: Chief Supply Chain Officer Risto Gaggl (M.Sc.Tech), General Counsel Päivi Timonen (LL.M.) and VP, Corporate Communications and Sustainability Maija Taimi (M.Sc.Econ). Fiskars has also appointed CFO Sari Pohjonen as the Deputy to the CEO.

Chief Operating Officer Teemu Kangas-Kärki, Chief Human Resources Officer Nina Ariluoma and President, SBU Living Ulrik Garde Due leave the company. Nina Ariluoma will continue in her role as Chief Human Resources Officer until the end of March 2018. Fiskars will start the recruitment process for the Chief Growth Officer and a new Chief Human Resources Officer.

After these changes the Fiskars Group Leadership Team consists of nine members:

- Jaana Tuominen, President and CEO
- Sari Pohjonen, Chief Financial Officer and Deputy to the CEO
- Risto Gaggl, Chief Supply Chain Officer
- Ulla Lettijeff, President, SBU Living
- Maija Taimi, VP, Corporate Communications and Sustainability
- Päivi Timonen, General Counsel
- Paul Tonnesen, President, SBU Functional
- Nina Ariluoma, Chief Human Resources Officer (until the end of March 2018. Successor to be appointed later)
- Chief Growth Officer, to be appointed later

Outlook for 2018

In 2018, Fiskars expects the Group's comparable net sales and comparable EBITA to increase from the year 2017.

The comparable net sales excludes the impact of exchange rates, acquisitions and divestments. Items affecting comparability in EBITA excludes restructuring costs, impairment charges, integration related costs, acquisitions and divestments, and gain and loss from the sale of businesses.

Proposal for distribution of dividend

Fiskars' aim is to distribute a stable, over time increasing dividend, to be paid biannually. According to the balance sheet of the parent company at the end of the financial period 2017, the distributable equity of the parent company was EUR 935.1 million (2016: EUR 997.1 million).

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.72 per share shall be paid for the financial period that ended on December 31, 2017. The dividend shall be paid in two instalments. The ex-dividend date for the first instalment of EUR 0.36 per share shall be on March 15, 2018. The first instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date March 16, 2018. The payment date proposed by the Board for this instalment is March 23, 2018.

The second instalment of EUR 0.36 per share shall be paid in September, 2018. The second instalment shall be paid to a shareholder who is registered in the shareholders' register of the company maintained by Euroclear Finland Ltd on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 7, 2018. The ex-dividend date for the second instalment would be September 10, 2018, the dividend record date for the second instalment would be September 11, 2018 and the dividend payment date September 18, 2018, at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,713,775. The proposed distribution of dividends would thus be EUR 58.8 million (86.6). This would leave EUR 876.2 million (910.5) of distributable earnings in the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. 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 6, 2018

FISKARS CORPORATION
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q4 2017	Q4 2016	Change %	Q1–Q4 2017	Q1–Q4 2016	Change %
Net sales	319.2	334.1	-4	1,185.5	1,204.6	-2
Cost of goods sold	-179.9	-185.6	-3	-673.3	-701.8	-4
Gross profit	139.4	148.5	-6	512.2	502.9	2
Other operating income	1.9	2.7	-31	7.1	18.5	-62
Sales and marketing expenses	-81.5	-83.8	-3	-300.2	-298.3	1
Administration expenses	-26.3	-33.3	-21	-99.9	-115.0	-13
Research and development costs	-6.4	-4.9	32	-18.8	-18.0	5
Other operating expenses	-1.2	-5.1	-77	-2.5	-7.4	-66
Operating profit (EBIT)*	25.8	24.1	7	97.9	82.7	18
Change in fair value of biological assets	0.3	0.4		0.7	-0.5	
Investments at fair value through profit or loss - net change in fair value	-79.4	28.4		107.9	6.1	
Other financial income and expenses	-0.3	2.7		11.4	4.4	
Profit before taxes	-53.6	55.6		217.8	92.8	
Income taxes	7.8	-13.9		-50.8	-27.4	
Profit for the period	**-45.8**	**41.7**		**167.1**	**65.4**	
Attributable to:						
Equity holders of the parent company	-46.0	41.6		166.4	64.1	
Non-controlling interest	0.2	0.1		0.7	1.3	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	-0.56	0.51		2.04	0.78	
*Comparable EBITA (detailed in notes)	35.4	36.3	-2	119.0	107.1	11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q4 2017	Q4 2016	Q1–Q4 2017	Q1–Q4 2016
Profit for the period	**-45.8**	**41.7**	**167.1**	**65.4**
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss				
Translation differences	-3.6	13.7	-29.4	25.1
Cash flow hedges	0.1	0.2	0.6	-0.3
Items that will not be reclassified to profit or loss				
Defined benefit plan, actuarial gains (losses) net of tax	-0.5	-0.1	0.2	-0.3
Other comprehensive income for the period net of tax total	-4.0	13.9	-28.6	24.5
Total comprehensive income for the period	**-49.8**	**55.6**	**138.5**	**89.9**
Attributable to:				
Equity holders of the parent company	-50.0	55.4	137.8	88.5
Non-controlling interest	0.2	0.2	0.7	1.4

CONSOLIDATED BALANCE SHEET

EUR million	Dec 31 2017	Dec 31 2016	Change %
ASSETS			
Non-current assets			
Goodwill	221.9	229.7	-3
Other intangible assets	279.5	296.3	-6
Property, plant & equipment	155.1	159.7	-3
Biological assets	41.6	40.9	2
Investment property	3.9	4.9	-21
Financial assets			
Financial assets at fair value through profit or loss	21.7	20.4	7
Other investments	8.7	9.7	-10
Deferred tax assets	29.2	30.2	-3
Non-current assets total	761.7	791.7	-4
Current assets			
Inventories	205.2	224.6	-9
Trade and other receivables	214.4	203.6	5
Income tax receivables	33.2	35.9	-8
Interest-bearing receivables	20.0	22.0	-9
Investments at fair value through profit or loss	572.4	464.4	23
Cash and cash equivalents	31.1	17.7	75
Current assets total	1,076.2	968.3	11
Non-current assets held for sale			
Assets total	**1,837.9**	**1,760.1**	**4**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	1,269.4	1,218.1	4
Non-controlling interest	2.8	1.9	45
Equity total	1,272.1	1,220.1	4
Non-current liabilities			
Interest-bearing liabilities	151.4	182.4	-17
Other liabilities	7.3	9.9	-27
Deferred tax liabilities	73.2	52.7	39
Pension liability	13.3	14.1	-5
Provisions	6.9	7.1	-3
Non-current liabilities total	252.0	266.2	-5
Current liabilities			
Interest-bearing liabilities	48.5	10.9	345
Trade and other payables	246.9	237.8	4
Income tax liabilities	10.0	8.6	17
Provisions	8.4	16.6	-49
Current liabilities total	313.7	273.8	15
Equity and liabilities total	**1,837.9**	**1,760.1**	**4**

FISKARS

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q4 2017	Q4 2016	Q1–Q4 2017	Q1–Q4 2016
Cash flow from operating activities				
Profit before taxes	-53.6	55.6	217.8	92.8
Adjustments for				
Depreciation, amortization and impairment	11.0	10.1	38.8	37.4
Gain/loss on sale and loss on scrap of non-current assets	-0.9	2.4	-4.3	-8.2
Investments at fair value through profit or loss - net change in fair value	79.4	-28.4	-107.9	-6.1
Other financial items	0.4	-2.8	-11.2	-4.4
Change in fair value of biological assets	-0.3	-0.4	-0.7	0.5
Change in provisions and other non-cash items	1.9	-8.9	-8.5	-20.5
Cash flow before changes in working capital	**37.8**	**27.7**	**124.0**	**91.4**
Changes in working capital				
Change in current assets, non-interest-bearing	-3.1	-7.0	-23.8	7.2
Change in inventories	25.2	16.4	8.5	24.0
Change in current liabilities, non-interest-bearing	43.5	40.5	21.8	-1.9
Cash flow from operating activities before financial items and taxes	**103.5**	**77.5**	**130.5**	**120.7**
Financial income received and costs paid	-1.7	0.8	-0.7	23.2
Taxes paid	-9.7	-6.5	-26.0	-60.2
Cash flow from operating activities (A)	**92.0**	**71.8**	**103.8**	**83.8**
Cash flow from investing activities				
Investments in financial assets	-0.2	-3.4	-1.9	-6.6
Capital expenditure on fixed assets	-8.8	-9.6	-32.8	-37.6
Proceeds from sale of fixed assets	5.5	0.3	9.5	2.1
Proceeds from sale of non-current assets held for sale		3.0	-1.3	34.1
Proceeds from sale of subsidiary shares	0.1		0.0	12.0
Proceeds from sale of investments at fair value through profit or loss	-0.2	-0.0	-0.0	61.7
Other dividends received	0.0	0.0	14.1	13.1
Cash flow from other investments	0.0		0.0	0.0
Cash flow from investing activities (B)	**-3.6**	**-9.7**	**-12.4**	**78.8**
Cash flow from financing activities				
Purchase of treasury shares		-1.1	-0.1	-3.2
Change in current receivables	-20.0	-22.0	2.0	-22.0
Borrowings of non-current debt	0.3		0.9	0.0
Repayment of non-current debt	-0.8	-0.5	-1.3	-0.9
Change in current debt	-45.7	-51.9	7.3	-78.0
Payment of finance lease liabilities	-0.5	-0.9	-0.6	-1.4
Cash flow from other financing items	0.6	0.1	0.7	0.0
Dividends paid	-4.0	0.1	-87.0	-58.7
Cash flow from financing activities (C)	**-70.1**	**-76.2**	**-78.0**	**-164.1**
Change in cash and cash equivalent (A+B+C)	**18.4**	**-14.1**	**13.5**	**-1.5**
Cash and cash equivalent at beginning of period	13.0	31.8	17.7	19.7
Translation difference	-0.3	0.1	-0.1	-0.5
Cash and cash equivalent at end of period	31.1	17.7	31.1	17.7

Non-cash changes on interest bearing net debt amounted to EUR 0.3 million arising from unrealized foreign exchange differences.

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company							
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	Non-controlling interest	Total
Dec 31, 2015	**77.5**		**7.3**	**-1.0**	**-4.3**	**1,111.2**	**3.3**	**1,194.0**
Total comprehensive income for the period			25.0	-0.3	-0.3	64.1	1.4	89.9
Changes due to divestments					0.0	-0.6	-1.3	-1.9
Purchase of treasury shares		-3.2						-3.2
Dividend distribution						-57.3	-1.5	-58.8
Dec 31, 2016	**77.5**	**-3.2**	**32.3**	**-1.2**	**-4.6**	**1,117.3**	**1.9**	**1,220.1**
Total comprehensive income for the period			-29.3	0.6	0.2	166.4	0.6	138.5
Capital injected by non-controlling interest							0.7	0.7
Purchase of treasury shares		-0.1						-0.1
Dividend distribution						-86.6	-0.4	-87.0
Dec 31, 2017	**77.5**	**-3.2**	**3.0**	**-0.6**	**-4.4**	**1,197.1**	**2.8**	**1,272.1**

FISKARS

NOTES TO THE FINANCIAL STATEMENT RELEASE

ACCOUNTING PRINCIPLES

This unaudited interim report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements.

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of 1 January 2017:
- Annual Improvements to IFRS standards (IAS7 amendment requiring a new disclosure to consolidated statement of cash flows was added)

Figures presented have been rounded and therefore the sum of individual figures might differ from the presented total figure.

On 1 January 2018, the Group will adopt IFRS 15 and IFRS 9 and on 1 January 2019 the Group will adopt IFRS 16, providing these are approved by the EU by the planned date of adoption.

IFRS 15 Revenue from Contracts with Customers. The standard introduces a five-step model for recognizing revenue. Based on IFRS15 standard, revenues are allocated in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those separately identified goods or services. Recognizing revenue occurs as time passes or at a given moment and the key criterion is the transfer of control.

In Q4 2017, Fiskars has finalized the impact evaluation and summarized results of the standard, has taken necessary actions for standard implementation and prepared needed documentation before standard effective date. Fiskars will start reporting according to IFRS15 during Q1 2018.

Fiskars and its external advisors have observed that the standard causes smaller changes in the accounting principles of certain items that could occur in the future, but changes compared to current reported figures are not identified. Major revenue types and their related items are either similarly treated according to the new standard or the changes do not affect in a way that would change Fiskars' current reported figures. It has been observed that the standard could change consignment arrangement treatment, free of charge items allocation on stand-alone selling prices and timing of recognizing license and royalty income if major changes in underlying business or its volume would occur. It was settled that the new standard does not bring any material expected changes in recognizing license and royalty income, services purchased from customers where distinct services are expected to be separately recognized as selling costs based on fair value of the service or in service-type warranties in circumstances where extra warranties or long guarantee periods are provided by Fiskars.

IFRS 9 Financial Instruments and subsequent amendments. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting and replaces current IAS 39. The impairment model in IFRS 9 is based on the premise of providing for expected losses.

During Q4 2017, Fiskars has finalized an impact analysis and summarized impacts of the standard. Action has also been taken to implement the standard and supporting documentation has been prepared before the standard effective date. Fiskars will start reporting according to IFRS 9 from 1 January 2018. No restatement of prior periods is required by the new standard.

The new standard will primarily cause changes in the accounting principles of financial items and the evaluation of their impairment according to the new expected credit loss model (ECL). It enables to book the change in fair value of investments at fair value, consisting of Fiskars' holdings in Wärtsilä, either in income statement or in other comprehensive income, and from these two options, Fiskars has chosen to start applying reporting the change in fair value of investments at fair value in other comprehensive income. This change compared to previous reporting manner will transfer the change in fair value of such investments from the income statement to other comprehensive income including deferred taxes. The change will not impact the treatment of those items' balance sheet classification or dividends in the income statement. In case Fiskars would already have applied this OCI treatment to investments at fair value in 2017, the profit for the period would have been EUR 86 million smaller and total comprehensive income for the period would have remained the same.

In addition, Fiskars has observed that there will be moderate impacts on the bad debt provisions of trade receivables because of the expected credit loss model introduced by standard. Fiskars has finalized the impact assessment of the standard during the fourth quarter and the implementation of the new ECL model will lead to EUR 1 million increase in bad debt provisions, which will initially be recognised through retained earnings. Fiskars has designed an ECL model where the largest customers globally, representing a significant portion of trade receivables, are aggregated and separately valued with credit rating data and the rest are valued with an average rating data. For aging receivables, the percentages are rising based on best estimates regarding the increased risk of expected credit loss and for the receivables over 180 days past due, 100% are written off.

IFRS 16 Leases. According to the current Leases standard, IAS17, a lessee has to separate leases into finance lease agreements booked on the balance sheet and operating lease agreements classified as off-balance sheet items. According to the forthcoming standard IFRS16, all of the lessees lease agreements will be booked as fixed assets in the balance sheet, except short-term contracts under 12 months and immaterial contracts. The new standard transfers off-balance sheet commitments to the balance sheet, which results in an increase of fixed assets and liabilities and moves former lease expenses to Depreciation and Interest expenses. The amount of commitments was EUR 96 million on 31 December 2017. Agreements treated as commitments however differ from the lease agreements determined by IFRS16 and thus the amount of agreements that will be booked on balance sheet can differ from these commitments.

Based on Fiskars' industry and business model, it acts mostly as lessee in numerous contracts. Major part of the contracts that will be booked on balance sheet are consisting of the lease contracts of stores, offices and warehouses as well as some machinery and equipment. Fiskars has continued with standard workshops and impact analysis during the fourth quarter and will launch a more specified assessment of standard impacts during the first quarter of 2018, as it has been observed that the variety of contracts in the scope of the standard is comprehensive. Fiskars expects that there will be an impact on both accounting principles and reported figures. This change will also impact financial indicators which are based on the balance sheet, such as gearing. Fiskars is planning to use Cumulative Catch-up as its transition method to IFRS 16.

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.

FISKARS

REPORTING SEGMENTS

EUR million	Q4 2017	Q4 2016	Change %	Q1–Q4 2017	Q1–Q4 2016	Change %
Net sales						
Living	187.8	199.4	-6	573.9	598.1	-4
Functional	130.4	133.9	-3	607.8	602.7	1
Other	1.0	0.8	23	3.8	3.8	0
Group total	**319.2**	**334.1**	**-4**	**1185.5**	**1204.6**	**-2**

EUR million	Q4 2017	Q4 2016	Change %	Q1–Q4 2017	Q1–Q4 2016	Change %
Operating profit (EBIT)						
Living	32.8	32.7	0	58.4	49.0	19
Functional	-2.6	-5.2		52.9	40.3	31
Other	-4.4	-3.4	28	-13.4	-6.7	
Group total	**25.8**	**24.1**	**7**	**97.9**	**82.7**	**18**
Depreciation, amortization and impairment						
Living	6.2	5.4	14	21.3	20.9	2
Functional	4.5	4.4	2	16.5	15.4	8
Other	0.3	0.3	-13	1.0	1.2	-21
Group total	**11.0**	**10.1**	**8**	**38.8**	**37.4**	**4**
Capital expenditure						
Living	4.9	5.0	-2	14.0	14.9	-6
Functional	6.6	5.7	15	19.4	21.8	-11
Other	0.5	-1.1		2.0	0.9	112
Group total	**12.0**	**9.6**	**25**	**35.4**	**37.6**	**-6**

NET SALES BY GEOGRAPHY

EUR million	Q4 2017	Q4 2016	Change %	Q1–Q4 2017	Q1–Q4 2016	Change %
Net sales						
Europe	165.9	162.2	2	568.5	555.3	2
Americas	107.2	116.2	-8	463.0	489.9	-5
Asia-Pacific	46.4	53.0	-12	152.8	153.3	0
Unallocated	-0.3	2.7		1.2	6.2	-80
Group total	**319.2**	**334.1**	**-4**	**1,185.5**	**1,204.6**	**-2**

OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q4 2017	Q4 2016	Change %	Q1–Q4 2017	Q1–Q4 2016	Change %
Operating profit (EBIT)	**25.8**	**24.1**	**7**	**97.9**	**82.7**	**18**
Amortization	-4.7	-4.0		-15.3	-14.0	
EBITA	**30.6**	**28.1**	**9**	**113.2**	**96.7**	**17**
Items affecting comparability in EBITA						
Sale of boats business	-0.2			-1.2	-3.8	
Supply Chain 2017 program	0.6	0.0		0.0	4.7	
Sale of container gardening business and related goodwill impairment					-2.1	
Sale of Spring USA	-0.1	0.4		0.0	-6.0	
Ebertsankey related provisions and impairments	0.7	0.3		0.7	4.4	
Alignment program	3.2	8.8		5.7	14.5	
Other adjustments to operating profit	0.6	-1.4		0.6	-1.4	
Total items affecting comparability in EBITA	**4.9**	8.2		**5.8**	10.4	
Comparable EBITA	**35.4**	**36.3**	**-2**	**119.0**	**107.1**	**11**

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Dec 31 2017	Dec 31 2016
Intangible assets and goodwill		
Book value, Jan 1	526.0	540.6
Currency translation adjustment	-17.6	-1.3
Additions	6.9	6.3
Divestments		-5.9
Amortization and impairment	-13.6	-13.9
Decreases and transfers	-0.3	0.1
Book value at end of period	**501.5**	**526.0**
Investment commitments for intangible assets	2.5	
Tangible assets and investment property		
Book value, Jan 1	164.6	162.4
Currency translation adjustment	-4.4	-2.7
Divestments		-0.1
Additions	28.2	33.4
Depreciation and impairment	-23.0	-23.7
Decreases and transfers	-6.4	-4.6
Book value at end of period	**159.0**	**164.6**
Investment commitments for property, plant and equipment	9.1	7.4

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Dec 31 2017	Dec 31 2016
As security for own commitments		
Lease commitments	96.4	116.6
Guarantees	19.9	19.1
Other contingencies*	11.8	15.3
Contingencies and pledged assets total	**128.1**	**151.0**

*Other contingencies include a commitment of USD 13 million to invest in private equity funds.

Tax risks

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. The tax reassessment claim raised by the Finnish Large Taxpayers’ Office in 2016, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases, has been appealed against by the company to the Board of Adjustment in the Finnish Large Taxpayers' Office. Fiskars will continue the appeal process in court, if necessary, in which case the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

DERIVATIVES

EUR million	Dec 31 2017	Dec 31 2016
Nominal amounts of derivatives		
Foreign exchange forwards and swaps	184.9	212.0
Interest rate swaps	80.0	80.0
Electricity forward agreements	1.0	0.4
Fair value of derivatives		
Foreign exchange forwards and swaps	-0.4	1.3
Interest rate swaps	0.1	-1.6
Electricity forward agreements	-0.9	0.1

Derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

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

EUR million	THB	SEK	AUD	JPY	CAD	IDR	USD	NOK
Operational currency position	-38.4	23.3	22.4	15.7	14.8	-13.3	-12.8	8.6
Exchange rate sensitivity of the operations*	3.8	-2.4	-2.2	-1.6	-1.5	1.3	1.3	-0.9

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

Dec 31, 2017

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	572.4		21.7	594.1
Other investments	0.4		8.5	8.9
Derivative assets		0.1		0.1
Total assets	**572.8**	**0.1**	**30.2**	**603.1**
Derivative liabilities		1.3		1.3
Total liabilities		**1.3**		**1.3**

Dec 31, 2016

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	464.4		20.4	484.8
Other investments	0.4		9.3	9.7
Derivative assets		1.4		1.4
Total assets	**464.8**	**1.4**	**29.7**	**495.8**
Derivative liabilities		1.6		1.6
Total liabilities		**1.6**		**1.6**

Fair value categories

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

Investments	At fair value through profit or loss		Other		
EUR million	**Level 1**	**Level 3**	**Level 1**	**Level 3**	**Total**
Book value, Dec 31, 2015	**520.0**	**14.9**	**0.4**	**6.6**	**541.9**
Additions		7.3		2.7	10.0
Decreases	-61.7	-0.7			-62.4
Change in fair value	6.1	-1.1	-0.0		4.9
Book value, Dec 31, 2016	**464.4**	**20.4**	**0.4**	**9.3**	**494.4**
Additions		1.9			1.9
Decreases					
Change in fair value	107.9	-0.5	-0.0	-0.8	106.6
Book value, Dec 31, 2017	**572.4**	**21.7**	**0.4**	**8.5**	**602.9**

Investments at fair value through profit or loss comprise listed shares and 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 a fair value of EUR 572.4 million. A 10% change in the Wärtsilä share price would have an impact of EUR 57.2 million in the results before taxes. 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 financial assets comprise listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments in 2017

There were no acquisitions or divestments during 2017.

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

Sale of the boats business in 2016

Fiskars sold its boats business to Yamaha Motor Europe N.V on 4 January 2016. The transaction included 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.

Sale of the container gardening business in the U.S. in 2016

Fiskars Brands, Inc. sold its container gardening business in the U.S. to Bloem, LLC on 22 January 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. In 2015, container gardening net sales amounted to EUR 23 million.

Divestment of two businesses in September 2016

In September 2016, Fiskars entered into an agreement to divest its European Ebertsankey container gardening business to Good(s) Factory BV, a member of the Elho Group, European market leader in synthetic pottery and related products. The divestment was completed in December 2016. In addition, Fiskars sold Spring USA, the U.S. based provider of foodservice equipment, to an affiliate of ShoreView Industries.

In the full year 2015, the net sales of Spring USA and Ebertsankey were in the aggregate EUR 26 million and operating profit EUR 3 million. The divestment of Spring USA generated a positive effect on cash flow during the third quarter of 2016. The divestments did not have a significant impact on Fiskars' financial position or result during 2016.