

INTERIM REPORT  
JANUARY 1 - MARCH 31  
**2015**



**FISKARS**

## **Fiskars first quarter 2015: Strong start to the year supported by newly acquired watering business**

### **First quarter 2015 in brief:**

- Net sales increased by 25% to EUR 230.0 million (Q1 2014: 184.1)
- Comparable net sales (currency neutral and excluding the 2014 acquired watering business) increased by 5%
- Operating profit (EBIT) increased by 91% to EUR 15.7 million (8.2)
- Operating profit excluding non-recurring items increased by 33% to EUR 17.0 million (12.8)
- Change in fair value of investments and other financial income and expenses amounted to EUR 81.5 million (-1.3)
- Cash flow from operating activities was EUR -14.0 million (6.6) due to the increase in working capital brought about by the acquired watering business
- Earnings per share were EUR 0.95 (0.14)
- Operative earnings per share were EUR 0.54 (0.14)
- Outlook for 2015 unchanged: full-year net sales are expected to increase from 2014 levels and operating profit excluding non-recurring items to be below 2014 levels due to increased investment into growth initiatives.

### **Fiskars President and CEO, Kari Kauniskangas:**

“Fiskars had a solid first quarter especially in the US where sales were supported by the newly acquired watering business. Functional products performed well in the Americas segment and the Outdoor business saw growth in the first quarter after a challenging year in 2014.

The integration and turnaround work of the US watering business has started and is proceeding according to plan. The watering business, as earlier communicated, is not expected to generate a profit on a full year basis in 2015.

Living products had a strong quarter in Europe with new product launches being well received. Sales developed favorably in most categories and we were pleased with the positive development of the Iittala, Royal Copenhagen, and Rörstrand brands. Fiskars continued to build its organization in the Asia-Pacific region and expanded the Iittala branded retail network during the quarter with five new Iittala stores in China, Korea and Taiwan.

Fiskars Other segment now includes investments currently valued at over 800 million euros. The valuation of the investments is treated as a financial asset at fair value through profit or loss. This will significantly increase the volatility of Fiskars financial items in the profit and loss statement and thus the volatility of Fiskars net result.

Our strategic work is progressing well and our outlook for 2015 remains unchanged: full-year net sales are expected to increase from 2014 levels and operating profit excluding non-recurring items to be below 2014 levels due to increased investment into growth initiatives.”

**Group key figures**

EUR million	Q1 2015	Q1 2014	Change	2014
Net sales	230.0	184.1	25%	767.5
Operating profit (EBIT)	15.7	8.2	91%	42.7
Non-recurring items <sup>1)</sup>	-1.3	-4.6	-72%	-17.0
EBIT excl. non-recurring items	17.0	12.8	33%	59.6
Share of profit from associated company		7.9		30.0
Net change in the fair value of investment portfolio	42.2			27.9
Profit before taxes <sup>2)</sup>	97.6	14.6	568%	786.7
Profit for the period <sup>2)</sup>	78.0	11.9	555%	773.3
Operative earnings/share, EUR <sup>3)</sup>	0.54	0.14	271%	0.76
Earnings/share, EUR <sup>4)</sup>	0.95	0.14	556%	9.44
Equity per share, EUR	14.46	7.20	101%	14.06
Cash flow from oper. act. <sup>5)</sup>	-14.0	6.6	-311%	87.0
Equity ratio, %	71%	57%		73%
Net gearing, %	18%	35%		11%
Capital expenditure	5.7	5.4	6%	35.0
Personnel (FTE), average	4,617	4,128	12%	4,243

<sup>1)</sup> In Q1 2015, EMEA 2015 restructuring costs and in 2014, EMEA 2015 restructuring costs, writedowns and bargain purchase gain (badwill)

<sup>2)</sup> FY 2014 includes a non-recurring gain from the sale and revaluation of Wärtsilä shares of EUR 676.0 million on Oct 9, 2014

<sup>3)</sup> Excl. the net change in the fair value of investment portfolio and in FY 2014, also the non-recurring gain from the sale and revaluation of Wärtsilä shares in Oct 9, 2014

<sup>4)</sup> FY 2014 includes EUR 8.25 from the sale and revaluation of Wärtsilä shares on Oct 9, 2014

<sup>5)</sup> Including a Wärtsilä dividend of EUR 11.4 million in Q1 2015 and EUR 26.9 million in Q1 2014.

**Further information:**

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- COO & CFO Teemu Kangas-Kärki, tel. +358 204 39 5703

**Analyst and press conference:**

An analyst and press conference will be held on April 30, 2015, at 10:00 am at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at [www.fiskarsgroup.com](http://www.fiskarsgroup.com).

## FISKARS INTERIM REPORT, JANUARY–MARCH 2015

### GROUP PERFORMANCE

#### Operating environment

The economic situation in Europe remained challenging with political tension, falling oil prices and deflation worries remaining the biggest drivers. The first quarter however saw some slightly positive signs of improvement in retail and consumer sentiment. The situation in Finland remained challenging throughout the first quarter with no foreseeable positive changes in the economic environment or consumer spending. The retail environment in Finland is expected to change as major retailers continue adapting their business models to the changing environment.

In North America the retail environment developed favorably, driven by positive income, housing and job market development. Expectations for the future still remain cautious in North America as recent economic indicators have not been as strong as previously expected.

Economic growth in China shows to be slowing down and the Japanese market has not shown signs of recovery from last year's macroeconomic and fiscal situation which continued to affect consumers' willingness to spend.

#### Net sales and operating profit

In the first quarter of 2015, Fiskars consolidated net sales increased by 25% to EUR 230.0 million (Q1 2014: EUR 184.1 million), as the Americas segment had a strong quarter in all product categories including the acquired watering business and Living products sales were boosted in the Europe & Asia-Pacific segment. Using comparable exchange rates and excluding the acquired watering business, consolidated net sales increased by 5%.

The comparison period figures have been restated as a result of the organizational change in 2014. Sales in Europe & Asia-Pacific increased by 2% to EUR 127.3 million (124.6) supported by strong sales in the Living business in Europe. With comparable exchange rates net sales increased by 3%. Net sales for the Americas increased by 87% to EUR 95.0 million (50.9). This solid performance was supported by the acquired watering business and the strengthening of the US dollar. Using comparable currency rates and excluding the acquired watering business, sales increased by 12%.

Net sales, EUR million	Q1 2015	Q1 2014	Change	Change cn*	2014
Group	230.0	184.1	25%	20%	767.5
Europe & Asia-Pacific	127.3	124.6	2%	3%	506.7
Americas	95.0	50.9	87%	58%	235.1
Other	10.5	11.7	-10%	-10%	37.8

\* Currency neutral

Operating profit (EBIT), EUR million	Q1 2015	Q1 2014	Change	2014
Group	15.7	8.2	91%	42.7
Europe & Asia-Pacific	7.3	4.6	58%	25.8
Americas	10.7	5.2	107%	27.4
Other and eliminations	-2.4	-1.6	46%	-10.6

First quarter operating profit totaled EUR 15.7 million (8.2), up 91% from the previous year driven by positive development in the US and supported by the acquired watering business and the strengthening of the US dollar. The Group recorded EUR 1.3 million (4.2) of non-recurring items during the first quarter mainly relating to the EMEA 2015 restructuring program. Excluding non-recurring items, operating profit increased by 33% to EUR 17.0 million (12.8).

#### Financial items and net result

Net change in the fair value of investments through profit and loss amounted to EUR 42.2 million in January–March. The change in the market value of the company's holdings of shares in Wärtsilä amounted to EUR

41.0 million and the change in value of investments into funds amounted to EUR 1.2 million. Fiskars investments into funds comprise largely of investments into short term interest rate funds.

Other financial income and expenses amounted to EUR 39.3 million, including EUR 11.4 million of dividends received on Wärttilä shares and EUR 28.8 million of foreign exchange differences. Future cash flow hedges accounted for EUR 1.6 million and currency derivatives related to financial investments accounted for EUR 26.3 million of the total foreign exchange differences. The company is prepared to change part of its EUR denominated financial investments into investments in USD, and therefore the company holds foreign exchange forwards with a face value of USD 248.9 million in total.

Profit before taxes was EUR 97.6 million (14.6). Income taxes in the first quarter were EUR 19.7 million (2.7). Earnings per share were EUR 0.95 (0.14), of which operative earnings per share were EUR 0.54 (0.14).

### **Investment program in Europe**

In December 2010, Fiskars launched an investment program to create competitive structures, systems, and processes in Europe, including a new, shared enterprise resource planning (ERP) system. The investment related to the program is estimated at EUR 65 million, of which approximately EUR 55 million had been recorded by the end of 2014.

70% of the business volume targeted by the program is now running through common systems and processes. The implementation period of the program is running to 2016. The program is proceeding according to plan and the latest deployment in Denmark was completed in the first quarter.

### **EMEA 2015 restructuring program**

In 2013, Fiskars launched a restructuring program to optimize operations and sales units in Europe. The EMEA 2015 program aims to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program was estimated at EUR 25–30 million. Program costs will be recorded as non-recurring items.

In the first quarter of 2015, Fiskars recorded EUR 1.2 million (Q1 2014: 4.2) of EMEA 2015 program costs, which included costs related to the restructuring of the Group's operations in Denmark. As part of the restructuring of the Group's operations in Denmark Fiskars distribution center in Silkeborg was closed in January 2015 and the integration of Fiskars Denmark and Royal Copenhagen into a common sales unit was completed in March 2015.

The targeted annual cost savings of the program are EUR 9–11 million once the program is fully implemented. The targeted cost savings are on track, and the majority of the savings are expected to materialize in the Group's results as of the end of 2015.

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

First-quarter cash flow from operating activities before financial items and taxes amounted to EUR -51.9 million (Q1 2014: -18.2). The change on previous year is mainly due to a one time increase in working capital brought about by the recently acquired watering business. Cash flow from operating activities totaled EUR -14.0 million (6.6) and it includes dividends from Wärttilä shares totaling EUR 11.4 million (26.9) and net financial income of EUR 29.2 million (-1.3). Cash flow from investing activities was EUR -6.4 million (-5.4). Cash flow from financing activities was EUR -2.3 million (-5.4).

Capital expenditure for the first quarter totaled EUR 5.7 million (5.4), mainly relating to replacements, new product development, and the platform investment program in Europe & Asia-Pacific region. Depreciation, amortization and impairment were EUR 6.8 million (7.3) in the quarter.

Fiskars working capital totaled EUR 178.6 million (120.4) at the end of March. The increase in working capital can be attributed to the growth of inventories and accounts receivables due to the acquisition of the watering business and foreign exchange differences. The equity ratio increased to 71% (57%) and net gearing was 18% (35%).

Cash and cash equivalents at the end of the period totaled EUR 11.7 million (5.4). Net interest-bearing debt amounted to EUR 217.9 million (206.3). EUR 401.3 million investments into short-term interest rate funds are not included in the net interest-bearing debt. Short-term borrowing totaled EUR 205.8 million (166.6) and long-term borrowing totaled EUR 31.4 million (48.4). Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (450.0) in unused, committed long-term credit facilities with Nordic banks.

### Research and development

The Group's research and development expenditure totaled EUR -3.7 million (Q1 2014: -3.2) in the first quarter, equivalent to 1.6% (1.7%) of net sales.

### Personnel

The average number of full-time equivalent employees (FTE) was 4,617 (Q1 2014: 4,128) in the first quarter, of whom 3,285 (3,198) were in Europe & Asia-Pacific, 996 (583) in the Americas, and 335 (348) in the Other segment. The increase was mainly due to the acquired watering business.

At the end of the quarter, the Group had a total of 4,831 employees (4,367) on the payroll, of whom 1,515 (1,532) were located in Finland.

Personnel (FTE), average	Q1 2015	Q1 2014	Change	2014
Group	4,617	4,128	12%	4,243
Europe & Asia-Pacific	3,285	3,198	3%	3,296
Americas	996	583	71%	618
Other	335	348	-4%	330

### OPERATING SEGMENTS AND BUSINESS UNITS

As of the fourth quarter 2014, Fiskars three reporting segments are Europe & Asia-Pacific, Americas and Other. Wärtsilä no longer forms a separate reporting segment, and the remaining Wärtsilä shares are treated as financial assets at fair value through profit or loss in the Other segment.

As of January 1, 2015, the Group's financial reporting was adjusted to reflect the new organization. As a part of the new structure, Home and Garden product categories of the Europe & Asia-Pacific segment were reorganized into two business units: Functional products and Living products. Replacing the former Home and Garden business areas, Fiskars reports its global Garden, Kitchen and School, Office and Craft sales as "Functional products" and global Living products sales as "Living products". Outdoor products remains as before with the exclusion of the boat business which was moved from the Europe & Asia-Pacific segment to the Other segment and its sales are reported as part of the Other segment.

### Business units in Q1 2015

Net sales, EUR million	Q1 2015	Q1 2014	Change	Change cn*	2014
Living products	52.8	51.2	3%	3%	238.5
Functional products	148.5	108.1	37%	31%**	410.2
Outdoor products	18.7	13.6	38%	18%	82.7
Other	10.0	11.2	-10%	-10%	36.0

\* Currency neutral

\*\* Excluding acquired watering business, currency neutral Functional product net sales increased by 6% in Q1 2015.

### Europe & Asia-Pacific in Q1 2015

EUR million	Q1 2015	Q1 2014	Change	2014
Net sales	127.3	124.6	2%	506.7
Operating profit (EBIT)	7.3	4.6	58%	25.8
EBIT excl. non-recurring items	8.5	8.8	-4%	43.1
Capital expenditure	3.1	2.7	16%	22.5
Personnel (FTE), average	3,285	3,198	3%	3,296

Net sales in the Europe & Asia-Pacific segment increased by 2% to EUR 127.3 million (Q1 2014: 124.6) driven by strong sales in Living products in Europe. New product launches were well received and the license business along with the interior product category performed well.

The Living business was soft in the Asia-Pacific region and net sales decreased compared to the previous year mainly due to the softness in Japan which offset the growth in other countries. The Japanese market continued to be affected by the macroeconomic and fiscal situation from 2014.

Functional products' net sales in the first quarter were at previous year's levels and Fiskars core garden and yard care categories performed well in the key Central European markets.

The segment recorded an operating profit excluding non-recurring items of EUR 8.5 million (8.8) impacted by the ramp up cost of the business in the Asia-Pacific region. Altogether EUR 1.2 million (4.2) of non-recurring costs were recorded during the quarter in Europe.

### Americas in Q1 2015

EUR million	Q1 2015	Q1 2014	Change	2014
Net sales	95.0	50.9	87%	235.1
Operating profit	10.7	5.2	107%	27.4
Capital expenditure	0.5	0.8	-42%	5.2
Personnel (FTE), average	996	583	71%	618

Net sales in the Americas segment increased 87% to EUR 95.0 million (Q1 2014: 50.9), driven by the strengthening of the US dollar and the acquired watering business. Using comparable currency rates and excluding the acquired watering business, sales increased by 12%.

Garden core categories in the Functional products business continued to have strong growth despite the cooler start of gardening season. School, Office, and Craft products' sales increased compared to the previous year's levels due to distribution gains.

Outdoor sales were up year-on-year due to increase institutional sales and growth in the home center channel.

The segment's operating profit increased to EUR 10.7 million (5.2), which included EUR 0.1 million of non-recurring items. The business operations developed favorably and the acquired watering business contributed to the results.

### Other in Q1 2015

EUR million	Q1 2015	Q1 2014	Change	2014
Net sales	10.5	11.7	-10%	37.8
Operating profit (incl. eliminations)	-2.4	-1.6	46%	-10.6
Capital expenditure (incl. eliminations)	2.2	2.0	12%	7.4
Personnel (FTE), average	335	348	-4%	330

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

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

At the end of the period, the market value of Fiskars active investments were EUR 810.2 million, consisting of financial assets that are publicly quoted on an active market. The net change in fair value recorded in profit and loss amounted to EUR 42.2 million during the first quarter.

Net sales in the segment were EUR 10.5 million (Q1 2014: 11.7) in the first quarter, consisting of the boats business, timber sales and rental income. The operating profit for the quarter was EUR -2.4 million (Q1 2014: -1.6).

## Changes in organization and management

There were no significant changes in the management or in the organizational structure in the reporting period.

### Annual General Meeting 2015

The Annual General Meeting (AGM) of Shareholders of Fiskars Corporation was held on March 12, 2015. The AGM approved the financial statements for 2014 and discharged the members of the Board and the President and CEO from liability. It was decided to pay a dividend of EUR 0.68 per share, totaling EUR 55.7 million. The dividend was paid on March 23, 2015.

The Annual General Meeting decided that Section 5 of the Articles of Association of the company be amended as follows: "The Board of Directors consists of at least five and not more than ten ordinary members." The amendment of the Articles of Association was registered to the Finnish Trade Register on March 13, 2015.

The Annual General Meeting decided that the Board of Directors shall consist of ten members. Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Ingrid Jonasson Blank and Karsten Slotte were re-elected. Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were elected as new members. The term of the Board members will expire at the end of the Annual General Meeting in 2016. 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 and convey a maximum of 4,000,000 of 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 June 30, 2016.

### Constitutive meeting of the Board and Board Committees

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

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

### Shares and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242.

The Board of Directors was authorized to acquire and convey company shares but this authorization was not used during 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 average share price during the first quarter was EUR 18.24 (Q1 2014: 20.50). At the end of March, the closing price was EUR 17.74 (EUR 19.36) per share and Fiskars had a market capitalization of EUR 1,453.0 million (1,585.7). The number of shares traded during the quarter was 2.0 million (2.6), which is 2.5% (3.2%) of the total number of shares.

The total number of shareholders was 18,743 (16,322) at the end of March. Fiskars was not informed of any significant change among its largest shareholders during the quarter.

### 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 2014 and on the

company's web site [www.fiskarsgroup.com/investors](http://www.fiskarsgroup.com/investors). The company does not consider any material changes to have taken place in the risks and market uncertainties presented in the Annual Report 2014.

### **Events after the reporting period**

There were no significant events after the reporting period.

### **Outlook for 2015**

Fiskars expects the Group's net sales for 2015 to increase from the previous year. The majority of the increase is expected from the addition of the watering business and favorable exchange rates.

Despite the overall economic uncertainty, Fiskars continues the determined execution of its strategy. The company plans to expand its retail network in Asia, and the integration and turnaround of the newly acquired US watering business has begun and is progressing according to plan. The watering business, as earlier communicated, is not expected to generate a profit on full year basis in 2015. In addition, Fiskars plans to increase investments in brands in Europe. These efforts will increase costs and, together with the amortization related to the investment program, lead Fiskars to expect that its operating profit excluding non-recurring items for the year 2015 will be below 2014 levels.

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

Helsinki, Finland, April 30, 2015

**FISKARS CORPORATION**  
Board of Directors

**CONSOLIDATED INCOME STATEMENT**

<b>EUR million</b>	1-3 2015	1-3 2014	Change %	1-12 2014
<b>Net sales</b>	230.0	184.1	25	767.5
Cost of goods sold	-140.6	-112.6	25	-457.0
<b>Gross profit</b>	89.5	71.5	25	310.4
Other operating income	0.3	0.5	-36	5.9
Sales and marketing expenses	-46.5	-41.4	12	-168.4
Administration expenses	-23.8	-19.2	24	-80.6
Research and development costs	-3.7	-3.2	14	-14.6
Other operating expenses	-0.1	-0.1	-4	-10.0
<b>Operating profit (EBIT)*</b>	15.7	8.2	91	42.7
Change in fair value of biological assets	0.4	-0.2		-0.3
Share of profit from associate		7.9		30.0
Gain on sale and revaluation of associate shares				676.0
Investments at fair value through profit or loss - net change in fair value	42.2			27.9
Other financial income and expenses	39.3	-1.3		10.5
<b>Profit before taxes</b>	97.6	14.6	568	786.7
Income taxes	-19.7	-2.7	622	-13.4
<b>Profit for the period</b>	<b>78.0</b>	<b>11.9</b>	<b>555</b>	<b>773.3</b>
Attributable to:				
Equity holders of the parent company	77.7	11.8	556	773.1
Non-controlling interest	0.2	0.1	358	0.2
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.95	0.14	556	9.44
* Operating profit excl. NRIs (detailed in notes)	17.0	12.8	33	59.6

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>EUR million</b>	1-3 2015	1-3 2014	1-12 2014
<b>Profit for the period</b>	<b>78.0</b>	<b>11.9</b>	<b>773.3</b>
<b>Other comprehensive income for the period:</b>			
Items that may be reclassified subsequently to profit or loss:			
Translation differences	10.9	-0.3	3.6
Change in associate recognized directly in other comprehensive income		1.0	6.5
Transferred to income statement			6.2
Cash flow hedges	0.0	-0.1	-0.0
Items that will not be reclassified to profit or loss:			
Defined benefit plan, actuarial gains (losses) net of tax	-0.2	-0.0	-1.1
Change in associate recognized directly in other comprehensive income			-0.1
<b>Other comprehensive income for the period net of tax total</b>	<b>10.7</b>	<b>0.7</b>	<b>15.1</b>
<b>Total comprehensive income for the period</b>	<b>88.7</b>	<b>12.6</b>	<b>788.4</b>
Attributable to:			
Equity holders of the parent company	88.2	12.6	788.0
Non-controlling interest	0.5	0.1	0.4

## CONSOLIDATED BALANCE SHEET

EUR million	3/2015	3/2014	Change 12/2014 %	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	113.4	111.9	1	112.7
Other intangible assets	172.3	170.1	1	171.9
Property, plant & equipment	108.0	99.5	8	104.7
Biological assets	42.0	41.8	1	41.6
Investment property	4.8	5.8	-16	4.9
Investments in associates		268.1		
Financial assets				
Financial assets at fair value through profit or loss	11.4	9.1	25	11.1
Other investments	5.6	5.2	8	5.0
Deferred tax assets	27.2	32.1	-15	26.8
<b>Non-current assets total</b>	<b>484.7</b>	<b>743.6</b>	<b>-35</b>	<b>478.8</b>
<b>Current assets</b>				
Inventories	178.4	132.4	35	168.2
Trade and other receivables	183.6	153.2	20	129.2
Income tax receivables	3.9	2.4	64	8.0
Interest-bearing receivables	7.2	2.9	148	5.1
Investments at fair value through profit or loss	810.2			766.7
Cash and cash equivalents	11.7	5.4	116	33.6
<b>Current assets total</b>	<b>1,194.9</b>	<b>296.3</b>	<b>303</b>	<b>1,110.7</b>
<b>Assets total</b>	<b>1,679.6</b>	<b>1,039.9</b>	<b>62</b>	<b>1,589.5</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity attributable to the equity holders of the parent company	1,184.4	589.4	101	1151.9
Non-controlling interest	1.5	1.0	50	1.3
<b>Equity total</b>	<b>1,185.9</b>	<b>590.4</b>	<b>101</b>	<b>1153.2</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	31.4	48.4	-35	31.5
Other liabilities	7.5	5.2	45	6.4
Deferred tax liabilities	44.4	39.8	12	39.1
Pension liability	9.5	8.4	12	9.3
Provisions	4.3	6.5	-33	4.5
<b>Non-current liabilities total</b>	<b>97.1</b>	<b>108.2</b>	<b>-10</b>	<b>90.9</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	205.8	166.6	24	128.9
Trade and other payables	178.1	163.7	9	210.2
Income tax liabilities	9.1	3.9	135	1.9
Provisions	3.5	7.0	-50	4.4
<b>Current liabilities total</b>	<b>396.5</b>	<b>341.3</b>	<b>16</b>	<b>345.5</b>
<b>Equity and liabilities total</b>	<b>1,679.6</b>	<b>1,039.9</b>	<b>62</b>	<b>1,589.5</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>EUR million</b>	1-3 2015	1-3 2014	1-12 2014
<b>Cash flow from operating activities</b>			
Profit before taxes	97.6	14.6	786.7
Adjustments for			
Depreciation, amortization and impairment	6.8	7.3	28.5
Share of profit from associate		-7.9	-30.0
Gain on sale and revaluation of associate shares			-676.0
Gain/loss on sale and loss on scrap of non-current assets	-0.0	0.1	8.5
Investments at fair value through profit or loss - net change in fair value	-42.2		-27.9
Other financial items	-39.3	1.3	-10.4
Change in fair value of biological assets	-0.4	0.2	0.3
Change in provisions and other non-cash items	-1.9	1.5	-6.1
Cash flow before changes in working capital	20.5	17.2	73.6
Changes in working capital			
Change in current assets, non-interest-bearing	-45.8	-12.3	17.0
Change in inventories	0.5	-12.9	-20.5
Change in current liabilities, non-interest-bearing	-27.0	-10.2	9.6
Cash flow from operating activities before financial items and taxes	-51.9	-18.2	79.8
Dividends received from associate		26.9	26.9
Other dividends received	11.4		
Financial income received and costs paid	29.2	-1.3	-5.4
Taxes paid	-2.8	-0.8	-14.3
<b>Cash flow from operating activities (A)</b>	<b>-14.0</b>	<b>6.6</b>	<b>87.0</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries			-19.7
Investments in financial assets	-1.3	-0.0	-400.1
Capital expenditure on fixed assets	-5.7	-5.4	-35.0
Proceeds from sale of fixed assets	0.0	0.0	2.4
Proceeds from sale of associate shares			639.1
Cash flow from other investments	0.6	0.0	1.3
<b>Cash flow from investing activities (B)</b>	<b>-6.4</b>	<b>-5.4</b>	<b>187.8</b>
<b>Cash flow from financing activities</b>			
Change in current receivables	-2.1	-0.6	-2.8
Borrowings of non-current debt	0.0		32.7
Repayment of non-current debt	-7.5	-0.1	-44.6
Change in current debt	80.4	50.4	11.4
Payment of financial lease liabilities	-0.2	-0.3	-2.4
Cash flow from other financing items	-0.4	0.0	0.2
Dividends paid	-72.5	-54.9	-245.6
<b>Cash flow from financing activities (C)</b>	<b>-2.3</b>	<b>-5.4</b>	<b>-251.1</b>
<b>Change in cash (A+B+C)</b>	<b>-22.7</b>	<b>-4.2</b>	<b>23.7</b>
Cash at beginning of period	33.6	9.7	9.7
Translation difference	0.8	-0.0	0.2
Cash at end of period	11.7	5.4	33.6

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company					Non-controlling interest	Total
	Share capital	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
<b>31 Dec, 2013</b>	<b>77.5</b>	<b>-18.7</b>	<b>-2.6</b>	<b>-6.7</b>	<b>582.2</b>	<b>0.9</b>	<b>632.7</b>
Total comprehensive income for the period		0.1	0.6	0.0	11.8	0.1	12.6
Dividends paid					-54.9		-54.9
<b>31 Mar, 2014</b>	<b>77.5</b>	<b>-18.6</b>	<b>-2.0</b>	<b>-6.7</b>	<b>539.2</b>	<b>1.0</b>	<b>590.4</b>
Total comprehensive income for the period		14.4	1.1	4.5	755.5	0.2	775.8
Changes due to divestments					0.0	0.2	0.2
Dividends paid					-213.0	-0.2	-213.1
<b>31 Dec, 2014</b>	<b>77.5</b>	<b>-4.2</b>	<b>-1.0</b>	<b>-2.2</b>	<b>1,081.7</b>	<b>1.3</b>	<b>1,153.2</b>
Total comprehensive income for the period		10.6	0.0	-0.2	77.7	0.5	88.7
Dividends paid					-55.7	-0.3	-55.9
<b>31 Mar, 2015</b>	<b>77.5</b>	<b>6.4</b>	<b>-0.9</b>	<b>-2.3</b>	<b>1,103.8</b>	<b>1.5</b>	<b>1,185.9</b>

## KEY FIGURES\*

	3/2015	3/2014	Change %	12/2014
Equity/share, EUR	14.46	7.20	101	14.06
Equity ratio	71%	57%		73%
Net gearing	18%	35%		11%
Net interest-bearing liabilities, EUR million	217.9	206.3	6	121.3
Personnel (FTE), average	4,617	4,128	12	4,243
Personnel, end of period	4,831	4,367	11	4,832
Number of shares outstanding end of period, thousands**	81,905	81,905		81,905
Weighted average number of outstanding shares during period, thousands**	81,905	81,905		81,905

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

\*\* Excluding treasury shares

## NOTES TO THE INTERIM REPORT

## 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. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2015:

- Amendments to IAS 19 Employee Benefits
- Annual improvements to IFRSs 2010-2012 cycle and 2011-2013 cycle

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

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

Operating segments**	1-3	1-3	Change	1-12
EUR million	2015	2014	%	2014
<b>Net sales</b>				
Europe & Asia-Pacific	127.3	124.6	2	506.7
Americas	95.0	50.9	87	235.1
Other	10.5	11.7	-10	37.8
Inter-segment sales*	-2.8	-3.0	-6	-12.1
<b>Group total</b>	<b>230.0</b>	<b>184.1</b>	<b>25</b>	<b>767.5</b>
<b>Operating profit (EBIT)</b>				
Europe & Asia-Pacific	7.3	4.6	58	25.8
Americas	10.7	5.2	107	27.4
Other and eliminations	-2.4	-1.6	46	-10.6
<b>Group total</b>	<b>15.7</b>	<b>8.2</b>	<b>91</b>	<b>42.7</b>
<b>Depreciation, amortization and impairment</b>				
Europe & Asia-Pacific	3.1	4.0	-22	14.3
Americas	1.7	1.2	42	5.9
Other and eliminations	1.9	2.1	-8	8.3
<b>Group total</b>	<b>6.8</b>	<b>7.3</b>	<b>-8</b>	<b>28.5</b>
<b>Capital expenditure</b>				
Europe & Asia-Pacific	3.1	2.7	16	22.5
Americas	0.5	0.8	-42	5.2
Other and eliminations	2.2	2.0	12	7.4
<b>Group total</b>	<b>5.7</b>	<b>5.4</b>	<b>6</b>	<b>35.0</b>
* Inter-segment sales				
Europe & Asia-Pacific	-1.6	-1.7		-6.9
Americas	-0.8	-0.9		-3.3
Other	-0.5	-0.5		-1.8

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

#### 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.

BUSINESS UNITS	1-3	1-3	Change	1-12
EUR million	2015	2014	%	2014
<b>Net sales</b>				
Living	52.8	51.2	3	238.5
Functional	148.5	108.1	37	410.2
Outdoor	18.7	13.6	38	82.7
Other	10.0	11.2	-10	36.0
<b>Group total</b>	<b>230.0</b>	<b>184.1</b>	<b>25</b>	<b>767.5</b>
<b>NON-RECURRING ITEMS</b>				
EMEA 2015 restructuring program	-1.2	-4.2	-72	-10.6
Write-down of ERP related intangible assets				-7.0
Gain from bargain purchase*				1.7
Trademark impairment				-0.4
Other non-recurring items	-0.1	-0.4	-77	-0.7
<b>Total</b>	<b>-1.3</b>	<b>-4.6</b>	<b>-72</b>	<b>-17.0</b>

\*Related to the acquisition of the watering business

<b>INTANGIBLE AND TANGIBLE ASSETS</b>	3/2015	3/2014	12/2014
<b>EUR million</b>			
<b>Intangible assets and goodwill</b>			
Book value, Jan 1	284.6	282.9	282.9
Currency translation adjustment	1.2	0.0	1.3
Additions	1.9	1.3	16.7
Amortization and impairment	-1.9	-2.2	-9.2
Decreases and transfers	0.0		-7.0
<b>Book value at end of period</b>	<b>285.7</b>	<b>282.0</b>	<b>284.6</b>
Investment commitments for intangible assets	5.3	4.7	6.0
<b>Tangible assets and investment property</b>			
Book value, Jan 1	109.6	106.5	106.5
Currency translation adjustment	3.9	0.0	2.7
Acquisitions			5.3
Additions	3.9	4.1	18.9
Depreciation and impairment	-4.9	-5.1	-19.2
Decreases and transfers	0.3	-0.2	-4.5
<b>Book value at end of period</b>	<b>112.8</b>	<b>105.3</b>	<b>109.6</b>
Investment commitments for property, plant and equipment	7.4	5.6	2.7
<b>CONTINGENCIES AND PLEDGED ASSETS</b>			
<b>EUR million</b>	3/2015	3/2014	12/2014
<b>As security for own commitments</b>			
Lease commitments	61.1	48.5	55.1
Other contingencies*	26.6	2.3	22.9
Total	87.8	50.8	77.9
<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	11.8	13.6	11.2
<b>Contingencies and pledged assets total</b>	<b>99.6</b>	<b>64.4</b>	<b>89.1</b>

\*Other contingencies include a commitment of USD 27 million (EUR 25 million) to invest in private equity funds.

#### Litigation

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

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to re-assessment of taxes.

**DERIVATIVES**

3/2015 3/2014 12/2014

**EUR million****Nominal amounts of derivatives**

Foreign exchange forwards and swaps	390.0	155.2	417.3
Foreign exchange options	232.4		205.9
Interest rate swaps	58.4	55.9	65.9
Electricity forward agreements	1.5	1.8	1.5

**Fair value of derivatives**

Foreign exchange forwards and swaps	-3.7	-0.2	5.4
Interest rate swaps	-2.1	-2.5	-2.2
Electricity forward agreements	-0.2	-0.5	-0.2

Derivatives have been valued at market value. Of the foreign exchange derivatives, forwards and swaps with nominal value of EUR 231.3 million and foreign exchange options with nominal value of EUR 232.4 million relate to financial investments. There would be a gain of EUR 23.5 million or loss of EUR 13.4 million in case USD appreciated or depreciated 10% from the closing rate of 1.0759. At the end of the period all financial investments were denominated in euros. Foreign exchange forwards and swaps include also agreements related to hedging of future cash flows and financial items with aggregate nominal value of EUR 158.7 million.

**EXCHANGE RATE SENSITIVITY OF THE OPERATIONS**

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

<b>EUR million</b>	USD	SEK	THB	NOK
Operational currency position	-40.1	24.7	-26.5	19.2
Exchange rate sensitivity of the operations*	4.0	-2.5	2.7	-1.9

\* 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 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 currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

3/2015

<b>EUR million</b>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	810.2		11.4	821.6
Other investments	0.4		5.2	5.6
<b>Total assets</b>	<b>810.6</b>		<b>16.6</b>	<b>827.1</b>
Derivative liabilities		6.0		6.0
<b>Total liabilities</b>		<b>6.0</b>		<b>6.0</b>

3/2014

<b>EUR million</b>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			9.1	9.1
Other investments	0.3		4.8	5.2
<b>Total assets</b>	<b>0.3</b>		<b>13.9</b>	<b>14.2</b>
Derivative liabilities		3.2		3.2
<b>Total liabilities</b>		<b>3.2</b>		<b>3.2</b>

12/2014

<b>EUR million</b>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	766.7		11.1	777.8
Other investments	0.3		4.7	5.0
Derivative assets		5.4		5.4
<b>Total assets</b>	<b>767.0</b>	<b>5.4</b>	<b>15.8</b>	<b>788.2</b>
Derivative liabilities		2.4		2.4
<b>Total liabilities</b>		<b>2.4</b>		<b>2.4</b>

**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.

<b>Investments</b> <b>EUR million</b>	At fair value through profit or loss		Other		Total
	Level 1	Level 3	Level 1	Level 3	
<b>Book value, Dec 31, 2013</b>		<b>9.0</b>	<b>0.3</b>	<b>5.1</b>	<b>14.4</b>
Change in fair value		0.0	0.0	-0.2	-0.2
<b>Book value, Mar 31, 2014</b>		<b>9.1</b>	<b>0.3</b>	<b>4.8</b>	<b>14.2</b>
Additions	400.0				400.0
Transfer from investments in associates	113.9				113.9
Decreases		-1.6			-1.6
Change in fair value	252.8	3.6	0.0	-0.1	256.2
<b>Book value, Dec 31, 2014</b>	<b>766.7</b>	<b>11.1</b>	<b>0.3</b>	<b>4.7</b>	<b>782.8</b>
Additions	1.3				1.3
Decreases		-0.6			-0.6
Change in fair value	42.2	0.9	0.1	0.5	43.6
<b>Book value, Mar 31, 2015</b>	<b>810.2</b>	<b>11.4</b>	<b>0.4</b>	<b>5.2</b>	<b>827.1</b>

The investments comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist mainly of 9,918,764 shares in Wärtsilä with fair value of EUR 408.9 million and of investments into short interest rate funds with fair value of EUR 401.3 million. A 10% change in the Wärtsilä share price would have an impact of EUR 40.9 million in the results before taxes. Risk associated to investments into short interest rate funds are considered to be low. Unlisted shares are measured at cost (level 3) since their fair value cannot be determined reliably. The fair value of unlisted funds is based on the market value reported by the fund

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

**RELATED PARTY TRANSACTIONS**

There have been no related party transactions during the first quarter of 2015.

**ACQUISITIONS AND DIVESTMENTS**

There have been no acquisitions or divestments in 2015.

**2014**

The following acquisition and divestment in the comparison period have an impact on the comparability of figures:

**Acquisition of U.S. watering brands Nelson and Gilmour**

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

**Sale of significant part of Wärtsilä shares**

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

