Q1

INTERIM REPORT
JANUARY–MARCH 2017

FISKARS

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INTERIM REPORT JANUARY–MARCH 2017: Strong quarter – net sales and comparable EBITA grew

First quarter 2017 in brief:

- Net sales increased by 3.3% to EUR 306.2 million (Q1 2016: 296.2)
- Comparable net sales[1)] increased by 4.8%
- Comparable[2)] EBITA increased by 28% to EUR 32.0 million (25.0)
- EBITA increased to EUR 30.9 million (26.8)
- Cash flow from operating activities before financial items and taxes amounted to EUR -46.4 million (-36.2)
- Earnings per share (EPS) were EUR 1.07 (0.01). Operative earnings per share[3)] totaled EUR 0.19 (0.10)

Outlook for 2017 unchanged:

Fiskars expects the Group's net sales, excluding the net sales of businesses divested in 2016 (2016: EUR 1,180 million) and comparable EBITA (2016: EUR 107 million) to increase from the previous year.

Interim President and CEO, Fiskars, Teemu Kangas-Kärki:

"Fiskars Group had a strong start to the year, with increased net sales and comparable EBITA. The Functional segment net sales grew in all geographies, and both Living and Functional segments delivered solid results, as the comparable EBITA nearly doubled in the Living segment and grew by 17% in the Functional segment.

The solid first quarter was supported by favorable weather conditions and strong sell-in in the gardening category, the timing of spring campaigns as well as our improved cost structure. In addition, we have succeeded in winning big customer accounts, thanks to our in-store excellence, presence in several markets and customer focus. Inspiring consumers with a family of iconic lifestyle brands is at the core of our business and several of our brands, Fiskars, Royal Copenhagen, Arabia, Gilmour, and Royal Doulton demonstrated double digit growth.

I am pleased with the excellent performance in the Scandinavian Living and Functional businesses, reflecting the persistent work and focus our team has manifested over time. During the first quarter, we continued to see the benefits of the transformation programs that have been initiated during the past few years. The solid results speak of our ability to create value, generate growth with our strong brands and drive operational efficiencies.

The trade continued to face lower traffic in traditional channels, especially in department stores, as consumers continued to move to online and e-commerce platforms across various categories in the Living business. Building omni-channel capabilities with our trade partners, in own retail and digital channels is a strategic priority and we continue to invest in e-commerce to increase net sales in these channels.

Our long-term financial targets, shared earlier this year, outline the ambition level as we determinedly pursue continued profitable growth. The new organization structure with two Strategic Business Units and a global supply chain will help us in increasing cohesion and alignment, both of which we need in order to build global businesses and brands.

Fiskars has a family of globally recognized brands, including Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford, and Wedgwood, a clear purpose to make the everyday extraordinary, and a strong balance sheet that provides us the flexibility to invest in opportunities that can create sustainable value for our stakeholders."

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

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Group key figures

EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	306.2	296.2	3.3%	1,204.6
Comparable net sales[1)]	304.5	290.6	4.8%	1,179.5
EBITA	30.9	26.8	15%	96.7
Items affecting comparability in EBITA[2)]	-1.1	1.8		-10.4
Comparable EBITA	32.0	25.0	28%	107.1
Operating profit (EBIT)	27.4	23.7	16%	82.7
Net change in the fair value of investment portfolio	81.3	-25.7		6.1
Profit before taxes	114.4	3.2		92.8
Profit for the period	88.2	1.5		65.4
Operative earnings/share, EUR[3)]	0.19	0.10	84%	0.56
Earnings/share, EUR	1.07	0.01		0.78
Equity per share, EUR	14.92	13.83	8%	14.91
Cash flow from operating activities before financial items and taxes	-46.4	-36.2	28%	120.7
Equity ratio, %	66%	64%		69%
Net gearing, %	21%	27%		12%
Capital expenditure	7.4	8.2	-10%	37.6
Personnel (FTE), average	7 834	8 092	-3%	8 000

1) Using comparable exchange rates, excluding Spring USA (divested in September 2016) and the container gardening businesses in the U.S. (divested in January 2016) and Europe (divested in December 2016)
2) In Q1 2017, items affecting comparability include costs related to the Alignment program and the sale of Spring USA. In Q1 2016, a gain from the sale of the boats business and the container gardening business in the Americas as well as net costs related to the Supply Chain 2017 program and 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.

IMPACT OF ESMA GUIDELINES

In accordance with the guidelines on alternative performance measures issued by the European Securities and Markets Authority (ESMA) Fiskars Corporation has revised the terminology used in its financial reporting. Alternative Performance Measures (APM) are used to better reflect the operational business performance and to facilitate comparisons between financial periods. APMs should not be considered substitutes for measures of performance in accordance with the IFRS. As of Q1 2017, the term “adjustments” has been changed to the term “items affecting comparability (IAC)”, however the definition remains the same. As before, items affecting comparability are transactions that are not related to recurring business operations, such as restructuring costs, impairment charges, integration related costs, and the gain or loss from the sale of businesses. Correspondingly, “comparable EBITA” is calculated from comparable EBIT by adding back amortization. The items affecting comparability are listed in a table on page 15 of this interim report. Fiskars also uses the APM “operative EPS”, which is earnings per share (EPS) excluding the effects of the dividends from and the change in the fair value of the investment portfolio.

INTERIM REPORT, JANUARY–MARCH 2017

GROUP PERFORMANCE

EUR million	Q1 2017	Q1 2016	Change	Comparable change*	2016
Net sales					
Group	306.2	296.2	3.3%	4.8%	1,204.6
Living	129.2	128.9	0.3%	2.2%	598.1
Functional	176.0	166.4	5.8%	6.8%	602.7
Other	0.9	0.9	-5.2%		3.8
Comparable EBITA					
Group	32.0	25.0	28%		107.1
Living	7.2	3.7	95%		59.4
Functional	26.8	23.0	17%		57.1
Other	-2.1	-1.7	24%		-9.5

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

Fiskars Group's consolidated net sales increased by 3.3% to EUR 306.2 million (Q1 2016: 296.2, which included EUR 9.9 million from divested businesses), driven by the Functional business in all geographies. Comparable net sales increased by 4.8%, supported by both Functional and Living businesses.

The comparable EBITA, i.e. excluding any items affecting comparability (IAC), increased by 28% to EUR 32.0 million (25.0). Items affecting comparability in EBITA amounted to EUR -1.1 million (1.8) and were related mainly to the costs from the Alignment program, which was announced in November 2016. Fiskars Group's first quarter EBITA totaled EUR 30.9 million (Q1 2016: 26.8).

OPERATING ENVIRONMENT

The operating environment remained stable in Europe, with consumer confidence showing a slight increase in the key markets. Economic indicators recovered despite the uncertain political environment in some European markets.

Consumer confidence remained strong in the U.S., although the pace of economic growth slowed down in the region. The wholesale channel faced challenges especially in the tableware category, but the building and fixing categories grew in the U.S. The brick and mortar retail continued to encounter store closures during the first quarter.

After a period of decline, the economic sentiment showed modest improvement in Japan, benefitting from increased tourism. Consumer confidence declined in Australia.

REPORTING SEGMENTS

This interim report 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 group-level 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, and consists of 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 in Q1 2017

EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	129.2	128.9	0.3%*	598.1
Comparable EBITA	7.2	3.7	95%	59.4
Capital expenditure	2.0	3.0	-36%	14.9

* Using comparable exchange rates and excluding the net sales of the divested Spring USA, net sales in the Living segment increased by 2.2% in Q1 2017

Net sales in the Living segment remained at last year’s level and amounted to EUR 129.2 million (Q1 2016: 128.9). Comparable net sales increased by 2.2%. Net sales in the Scandinavian Living business increased, supported by the performance of the Arabia, Royal Copenhagen and Iittala brands. The positive reception to the Finland 100 anniversary products supported net sales in Finland.

Net sales in the English & Crystal Living business remained at last year’s level, excluding the divested Spring USA. Net sales in the direct e-commerce continued to grow. In addition, net sales to hospitality customers increased.

Comparable EBITA for the Living segment increased by 95% and totaled EUR 7.2 million (3.7), driven mainly by the operational performance of the Scandinavian Living business.

Marketing highlights in Q1 2017

The Ambiente fair in Frankfurt, Germany marked an important milestone for the Living business in February, as the English & Crystal Living and Scandinavian Living brands joined forces and the entire Living portfolio was presented to customers for the first time. Close collaboration between the Scandinavian Living and English & Crystal Living businesses is expected to strengthen the impact and efficiency of joint marketing activities towards the trade customers.

After the successful introduction of the partnership between Royal Doulton and the world renowned television host and entrepreneur Ellen DeGeneres, the tableware collection was launched globally during the first quarter of 2017.

Iittala launched a new global range “Teema Tiimi” to complement the classic “Teema” tableware. The range includes bowls and plates for Eastern and Western dishes. The full collection is available in the Asian market and on the Iittala webstore in the EU.

Functional segment in Q1 2017

EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	176.0	166.4	5.8%*	602.7
Comparable EBITA	26.8	23.0	17%	57.1
Capital expenditure	4.3	4.6	-6%	21.8

* Using comparable exchange rates and excluding the net sales of the divested container gardening businesses in the U.S and Europe, net sales in the Functional segment increased by 6.8% in Q1 2017

Net sales in the Functional segment increased by 5.8% to EUR 176.0 million (Q1 2016: 166.4) in all geographies. Comparable net sales increased by 6.8%, supported by spring campaigns, new product launches in Europe, and the yardcare and hardware tool categories in the Americas. In addition, big customer accounts generated increased sales. The net sales of all main brands, Fiskars, Gerber, and Gilmour increased.

Comparable EBITA for the Functional segment increased by 17% and amounted to EUR 26.8 million (23.0), driven by the EMEA and Americas businesses. The profitability of the watering category continued to increase in the U.S, reflecting the turnaround progressing faster than originally planned.

Marketing highlights in Q1 2017

In January, Fiskars Waterwheel received an honorary mention in the Fennia Prize awards. The Fennia Prize, Finland's biggest design competition for companies and organizations, recognizes exemplary use of design in both designing and realizing products, services, business processes or concepts.

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Gerber participated in the Shot Show in January, the single largest sporting goods trade event in America. A renewed presence and number of PR events increased traffic at the show and helped reposition the brand around the expanded "Made In America" product offering.

In February, the 50th anniversary celebrations of Fiskars iconic orange handled scissors were launched at the Ambiente fair in Germany, driving growth in the scissors category in Europe.

In March, Fiskars joined with the National Collegiate Athletic Association (NCAA) in the U.S. for the ninth consecutive year as the official net-cutting scissors during the 2017 NCAA Men's and Women's Basketball Championships.

Other segment in Q1 2017

EUR million	Q1 2017	Q1 2016	Change	2016
Net sales	0.9	0.9	-5.2%	3.8
Comparable EBITA	-2.1	-1.7	24%	-9.5
Net change in fair value of investments valued at FVTPL*	81.3	-25.7		6.1
Investments at FVTPL*	545.7	494.3	10%	464.4
Capital expenditure	1.2	0.6	96%	0.9

* FVTPL = Fair value through profit or loss

Net sales in the Other segment decreased by 5.2% to EUR 0.9 million (Q1 2016: 0.9), and consisted of timber sales and rental income. The comparable EBITA for the Other segment amounted to EUR -2.1 million (-1.7). The investments and net change in the fair value of investments through profit or loss is explained in more detail under the heading Financial items and net results.

Net sales by geography

EUR million	Q1 2017	Q1 2016	Change	Comparable change*	2016
Europe	139.2	135.0	3.1%	6.9%	555.3
Americas	129.7	128.8	0.7%	0.6%	489.9
Asia-Pacific	35.8	33.0	8.5%	2.5%	153.3
Unallocated**	1.5	-0.6			6.2

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

Net sales in Europe increased by 3.1% and amounted to EUR 139.2 million (Q1 2016: 135.0). Comparable net sales increased by 6.9%, driven by the Functional business. Weather conditions were favorable in Central Europe, contributing to the sale of garden products.

Net sales in Americas increased by 0.7% to EUR 129.7 million (128.8). Comparable net sales increased by 0.6%, driven by the Functional business, while the Living business faced challenges due to the distribution channels.

Net sales in Asia-Pacific increased by 8.5% and amounted to EUR 35.8 million (33.0). Comparable net sales increased by 2.5%, driven by the Scandinavian Living business.

Research and development

The Group's research and development expenditure totaled EUR 4.6 million (Q1 2016: 4.4) in the first quarter of 2017, equivalent to 1.5% (1.5%) of net sales.

Personnel

The average number of full-time equivalent employees (FTE) was 7,834 (Q1 2016: 8,092) in the first quarter. At the end of the quarter, the Group employed 8,497 (8,704) employees, of whom 1,192 (1,320) were in Finland. The year-on-year decrease was mainly due to the divestments.

Fiskars' transformation process

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

Alignment program

In November 2016, Fiskars launched an Alignment program to proceed in the transformation. The program focuses 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 are approximately EUR 15 million in 2016–2017. They are recorded as items affecting comparability in EBITA, of which EUR 9.4 million had been recorded by the end of first quarter of 2017. The targeted annual cost savings are approximately EUR 14 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, starting in 2017 and with the full effect in 2018.

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 aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million between 2015 and 2017. They are reported as items affecting comparability in EBITA, of which EUR 11.1 million had been recorded by the end of first quarter of 2017. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is expected to be completed by the end of 2017.

Financial items and net result

Financial items and net result in Q1 2017

Along with the rest of the Group's active investments, shares in Wärtsilä Corporation are treated as financial assets at fair value through profit or loss, which increases the volatility of Fiskars' net results. At the end of the first quarter of 2017, Fiskars owned 10,881,781 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital.

The net change in the fair value of investments through profit or loss amounted to EUR 81.3 million (Q1 2016: -25.7) during the first quarter of 2017. The change in the market value of the company's holdings in Wärtsilä amounted to EUR 81.3 million (-25.9) in the first quarter of 2017, with the closing price of Wärtsilä shares being EUR 50.15 at the end of March.

Other financial income and expenses amounted to EUR 5.5 million (5.8) in the first quarter of 2017, including EUR 7.1 million (13.1) of the first instalment of the dividend received on Wärtsilä shares and EUR -0.1 million (-3.5) of foreign exchange differences. The second instalment of the Wärtsilä dividend will be received in September 2017.

Profit before taxes was EUR 114.4 million (3.2) in the first quarter of 2017. Income taxes for the first quarter were EUR 26.2 million (1.7), mainly due to the change in the market value of the Wärtsilä holding. Earnings per share were EUR 1.07 (0.01). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.19 (0.10). The comparison period figure for operative earnings per share has been restated to also exclude the exchange rate gains related to the investment portfolio.

Cash flow, balance sheet, and financing

Cash flow, balance sheet, and financing in Q1 2017

The first-quarter cash flow from operating activities before financial items and taxes amounted to EUR -46.4 million (Q1 2016: -36.2). The decrease was mainly due to an increase in trade receivables at the end of the first quarter of 2017, which was a result of customer mix and higher net sales in March. Cash flow from financial items and taxes amounted to EUR -6.3 million (2.7). Cash flow from investing activities was EUR 0.2 million (27.4). Cash flow from financing activities was EUR 48.7 million (11.5), the change being mainly due to sale of other current investments and increase in current debt.

Capital expenditure for the first quarter totaled EUR 7.4 million (8.2), mainly relating to replacements. Depreciation, amortization and impairment were EUR 9.3 million (8.9) in the first quarter.

Fiskars' working capital totaled EUR 258.1 million (238.8) at the end of March. The increase in working capital is primarily due to the increase in income tax receivables related to the tax reassessment decision (EUR 28.3 million) as well as increased trade receivables, primarily a result of higher business volume. The equity ratio increased to 66% (64%) and net gearing was 21% (27%). Cash and cash equivalents at the end of the period totaled EUR 14.0 million (24.5). Net interest-bearing debt amounted to EUR 256.8 million (307.0). In addition, the shares in Wärtsilä were valued at EUR 545.7 million (432.8) at the end of the period.

Short-term borrowing totaled EUR 90.2 million (150.9) and long-term borrowing totaled EUR 181.8 million (181.9). Short-term borrowing mainly consisted of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

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. At the same time, the Board of Directors started the recruitment process to select a new President and CEO for the company.

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

Other significant events during the reporting period

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

Annual General Meeting 2017

The Annual General Meeting of shareholders of Fiskars Corporation was held on March 9, 2017. The Annual General Meeting approved the financial statements for 2016 and discharged the members of the Board and the President and CEO from liability. The Annual General Meeting decided in accordance with the proposal by the Board of Directors to pay dividend of EUR 1.06 per share for the financial period that ended on December 31, 2016. The dividend will be paid in two instalments. The first instalment of EUR 0.71 per share was paid on March 20, 2017.

The second instalment of EUR 0.35 per share will be paid in September 2017. The second instalment will 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, 2017. The dividend record date for the second instalment would be September 11, 2017 and the dividend payment date September 18, 2017, at the latest.

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. KPMG Oy Ab was elected as auditor for the term that will expire at the end of the Annual General Meeting in 2018. KPMG Oy Ab has announced that the responsible auditor will be Virpi Halonen, Authorized Public Accountant.

The Annual General Meeting 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 Annual General Meeting 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 authorizations are effective until June 30, 2018 and cancel the corresponding authorizations granted to the Board by the Annual General Meeting on March 9, 2016.

Constitutive meeting of the Board and Board Committees

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.

Shares and shareholders

Fiskars Corporation has one share series (FSKRS; until January 1, 2017: FIS1V). 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 average share price during the first quarter was EUR 19.23 (Q1 2016: 17.32). At the end of March, the closing price was EUR 19.37 (EUR 17.26) per share and Fiskars had a market capitalization of EUR 1,582.8 million (1,413.5). The number of shares traded on Nasdaq Helsinki and in alternative market places from January to March was 1.0 million (0.8), which represents 1.2% (0.9%) of the total number of shares.

The total number of shareholders was 19,087 (18,698) at the end of March 2017.

Flagging notifications

Fiskars was not informed of significant changes among its 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 and on the company's website www.fiskarsgroup.com/investors.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. In July 2016 Fiskars received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases as a result of a tax audit carried out in 2014. Fiskars and its external advisors consider the decision unfounded and did not recognize the related taxes and other costs in the income statement. Fiskars has appealed the decision 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.

Otherwise, no new or changed material risks and uncertainty factors have been identified during the quarter.

Events after the reporting period

There were no significant events after the reporting period.

Outlook for 2017

Fiskars expects the Group's net sales, excluding net sales of businesses divested in 2016 (2016: EUR 1,180 million) and comparable EBITA (2016: EUR 107 million) to increase from the previous year. The comparable EBITA excludes restructuring costs, impairment charges, integration related costs, and gain and loss from the sale of businesses.

Fiskars operates globally with a considerable part of the business in the U.S. Translation exposure may have a material impact on reported financial figures. The fourth quarter is significant both in terms of net sales and profitability.

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

Helsinki, Finland, April 27, 2017

FISKARS CORPORATION
Board of Directors

FISKARS

CONSOLIDATED INCOME STATEMENT

EUR million	Q1 2017	Q1 2016	Change %	Q1–Q4 2016
Net sales	306,2	296,2	3	1 204,6
Cost of goods sold	-173,3	-173,1	0	-701,8
Gross profit	132,8	123,1	8	502,9
Other operating income	0,5	9,1	-94	18,5
Sales and marketing expenses	-75,5	-76,8	-2	-298,3
Administration expenses	-25,6	-26,6	-4	-115,0
Research and development costs	-4,6	-4,4	3	-18,0
Other operating expenses	-0,2	-0,7	-64	-7,4
Operating profit (EBIT)*	27,4	23,7	16	82,7
Change in fair value of biological assets	0,2	-0,6		-0,5
Investments at fair value through profit or loss - net change in fair value	81,3	-25,7		6,1
Other financial income and expenses	5,5	5,8		4,4
Profit before taxes	114,4	3,2		92,8
Income taxes	-26,2	-1,7		-27,4
Profit for the period	**88,2**	**1,5**		**65,4**
Attributable to:				
Equity holders of the parent company	88,0	1,0		64,1
Non-controlling interest	0,1	0,5		1,3
Earnings for equity holders of the parent company per share, euro (basic and diluted)	1,07	0,01		0,78
*Comparable EBITA (detailed in notes)	32,0	25,0	28	107,1

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 2017	Q1 2016	Q1–Q4 2016
Profit for the period	**88,2**	**1,5**	**65,4**
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Translation differences	-0,8	-2,0	25,1
Cash flow hedges	0,3	-0,4	-0,3
Items that will not be reclassified to profit or loss			
Defined benefit plan, actuarial gains (losses) net of tax	0,5	0,3	-0,3
Other comprehensive income for the period net of tax total	0,0	-2,1	24,5
Total comprehensive income for the period	**88,1**	**-0,6**	**89,9**
Attributable to:			
Equity holders of the parent company	87,9	-1,0	88,5
Non-controlling interest	0,2	0,4	1,4

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CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2017	Mar 31 2016	Change %	Dec 31 2016
ASSETS				
Non-current assets				
Goodwill	228,9	232,7	-2	229,7
Other intangible assets	294,1	297,8	-1	296,3
Property, plant & equipment	159,1	155,2	3	159,7
Biological assets	41,1	40,8	1	40,9
Investment property	5,5	4,9	14	4,9
Financial assets				
Financial assets at fair value through profit or loss	19,9	15,7	27	20,4
Other investments	8,7	7,9	10	9,7
Deferred tax assets	30,7	37,7	-18	30,2
Non-current assets total	788,1	792,6	-1	791,7
Current assets				
Inventories	233,2	236,6	-1	224,6
Trade and other receivables	241,9	224,0	8	203,6
Income tax receivables	35,2	4,3		35,9
Interest-bearing receivables	0,0	0,0		22,0
Investments at fair value through profit or loss	545,7	494,3	10	464,4
Cash and cash equivalents	14,0	24,5	-43	17,7
Current assets total	1 070,1	983,7	9	968,3
Non-current assets held for sale		5,6		
Assets total	**1 858,1**	**1 782,0**	**4**	**1 760,1**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	1 219,4	1 132,3	8	1 218,1
Non-controlling interest	2,1	3,4	-37	1,9
Equity total	1 221,5	1 135,7	8	1 220,1
Non-current liabilities				
Interest-bearing liabilities	181,8	181,9	0	182,4
Other liabilities	7,9	8,0	-1	9,9
Deferred tax liabilities	70,0	44,4	58	52,7
Pension liability	14,2	13,3	7	14,1
Provisions	7,2	7,9	-9	7,1
Non-current liabilities total	281,1	255,4	10	266,2
Current liabilities				
Interest-bearing liabilities	90,2	150,9	-40	10,9
Trade and other payables	239,5	209,2	14	237,8
Income tax liabilities	12,7	16,9	-25	8,6
Provisions	13,2	11,1	19	16,6
Current liabilities total	355,5	388,1	-8	273,8
Liabilities directly associated with the non-current assets held for sale		2,7		
Equity and liabilities total	**1 858,1**	**1 782,0**	**4**	**1 760,1**

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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1 2017	Q1 2016	Q1–Q4 2016
Cash flow from operating activities			
Profit before taxes	114,4	3,2	92,8
Adjustments for			
Depreciation, amortization and impairment	9,3	8,9	37,4
Gain/loss on sale and loss on scrap of non-current assets	-0,1	-4,6	-8,2
Investments at fair value through profit or loss - net change in fair value	-81,3	25,7	-6,1
Other financial items	-5,5	-5,8	-4,4
Change in fair value of biological assets	-0,2	0,6	0,5
Change in provisions and other non-cash items	-3,3	-3,7	-20,5
Cash flow before changes in working capital	**33,3**	**24,3**	**91,4**
Changes in working capital			
Change in current assets, non-interest-bearing	-38,0	-19,5	7,2
Change in inventories	-8,6	-5,3	24,0
Change in current liabilities, non-interest-bearing	-33,1	-35,8	-1,9
Cash flow from operating activities before financial items and taxes	**-46,4**	**-36,2**	**120,7**
Financial income received and costs paid	-1,3	14,2	23,2
Taxes paid	-5,0	-11,5	-60,2
Cash flow from operating activities (A)	**-52,7**	**-33,5**	**83,8**
Cash flow from investing activities			
Acquisition of subsidiaries			
Investments in financial assets		-3,8	-6,6
Capital expenditure on fixed assets	-7,2	-8,2	-37,6
Proceeds from sale of fixed assets	0,4	0,5	2,1
Proceeds from sale of non-current assets held for sale		25,8	34,1
Proceeds from sale of subsidiary shares			12,0
Proceeds from sale of investments at fair value through profit or loss	-0,0	0,0	61,7
Other dividends received	7,1	13,1	13,1
Cash flow from other investments			0,0
Cash flow from investing activities (B)	**0,2**	**27,4**	**78,8**
Cash flow from financing activities			
Purchase of treasury shares	-0,1	-0,1	-3,2
Change in current receivables	22,0	0,0	-22,0
Borrowings of non-current debt		15,0	0,0
Repayment of non-current debt	-0,4	-15,9	-0,9
Change in current debt	79,4	64,2	-78,0
Payment of finance lease liabilities	-0,2	-0,2	-1,4
Cash flow from other financing items	-0,2	0,1	0,0
Dividends paid	-51,8	-51,6	-58,7
Cash flow from financing activities (C)	**48,7**	**11,5**	**-164,1**
Change in cash and cash equivalent (A+B+C)	**-3,8**	**5,4**	**-1,5**
Cash and cash equivalent at beginning of period	17,7	19,7	19,7
Translation difference	0,0	-0,6	-0,5
Cash and cash equivalent at end of period	14,0	24,5	17,7

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
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			-1,9	-0,4	0,3	1,0	0,4	-0,6
Changes due to acquisitions					0,0		-0,1	0,0
Purchase of treasury shares		-0,1						-0,1
Dividend distribution						-57,3	-0,2	-57,5
Mar 31, 2016	**77,5**	**-0,1**	**5,5**	**-1,4**	**-4,0**	**1 054,9**	**3,4**	**1 135,7**
Total comprehensive income for the period			26,9	0,2	-0,6	63,0	1,0	90,5
Changes due to divestments						-0,7	-1,2	-1,8
Purchase of treasury shares		-3,0						-3,0
Dividend distribution							-1,3	-1,3
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			-0,9	0,3	0,5	88,0	0,2	88,1
Purchase of treasury shares		-0,1						-0,1
Dividend distribution*						-86,6		-86,6
Mar 31, 2017	**77,5**	**-3,2**	**31,5**	**-0,9**	**-4,1**	**1 118,7**	**2,1**	**1 221,5**

*Dividend distribution includes first installment paid in March 2017 and second installment due for payment in September 2017

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.

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, 2017:
- Annual Improvements to IFRS standards

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. Fiskars expects the standard to cause changes in the accounting principles with certain items, but material changes in reported figures are not expected as major revenue types will not be significantly affected. The group has evaluated the effects of the standard and in some instances expects the standard to affect timing of 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 and service-type warranties in circumstances where extra warranties or long guarantee periods are provided by Fiskars.

IFRS 16 Leases The group will continue evaluating the effects of the standard during 2017.

IFRS 9 Financial Instruments and subsequent amendments. Fiskars expects the standard to cause changes in the accounting principles, but material changes in reported figures are not expected. The group is currently further evaluating the effects of the standard.

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.

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REPORTING SEGMENTS

EUR million	Q1 2017	Q1 2016	Change %	Q1–Q4 2016
Net sales				
Living	129,2	128,9	0	598,1
Functional	176,0	166,4	6	602,7
Other	0,9	0,9	-5	3,8
Group total	**306,2**	**296,2**	**3**	**1 204,6**

EUR million	Q1 2017	Q1 2016	Change %	Q1–Q4 2016
Operating profit (EBIT)				
Living	5,1	0,7	578	49,0
Functional	25,2	20,6	22	40,3
Other	-2,8	2,3	-221	-6,7
Group total	**27,4**	**23,7**	**16**	**82,7**
Depreciation, amortization and impairment				
Living	5,1	5,0	2	20,9
Functional	4,0	3,6	11	15,4
Other	0,2	0,3	-32	1,2
Group total	**9,3**	**8,9**	**5**	**37,4**
Capital expenditure				
Living	2,0	3,0	-36	14,9
Functional	4,3	4,6	-6	21,8
Other	1,2	0,6	96	0,9
Group total	**7,4**	**8,2**	**-10**	**37,6**

NET SALES BY GEORAPHY

EUR million	Q1 2017	Q1 2016	Change %	Q1–Q4 2016
Net sales				
Europe	139,2	135,0	3	555,3
Americas	129,7	128,8	1	489,9
Asia-Pacific	35,8	33,0	9	153,3
Unallocated	1,5	-0,6	346	6,2
Group total	**306,2**	**296,2**	**3**	**1204,6**

OPERATING PROFIT AND COMPARABLE EBITA

EUR million	Q1 2017	Q1 2016	Change %	Q1–Q4 2016
Operating profit (EBIT)	**27,4**	**23,7**	**16**	**82,7**
Amortization	-3,5	-3,1		-14,0
EBITA	**30,9**	**26,8**	**15**	**96,7**
Items affecting comparability in EBITA				
Sale of boats business		-4,3		-3,8
Supply Chain 2017 program		3,3		4,7
Sale of container gardening business and related goodwill impairment		-2,1		-2,1
Sale of Spring USA	0,1			-6,0
Ebertsankey related provisions and impairments				4,4
Alignment program	1,0	1,3		14,5
Other adjustments to operating profit		0,0		-1,4
Total items affecting comparability in EBITA	**1,1**	-1,8		10,4
Comparable EBITA	**32,0**	**25,0**	**28**	**107,1**

INTANGIBLE AND TANGIBLE ASSETS

EUR million	Mar 31 2017	Mar 31 2016	Dec 31 2016
Intangible assets and goodwill			
Book value, Jan 1	526,0	540,6	540,6
Currency translation adjustment	-2,0	-8,3	-1,3
Additions	2,1	1,0	6,3
Divestments			-5,9
Amortization and impairment	-3,1	-3,0	-13,9
Decreases and transfers	0,1	0,1	0,1
Book value at end of period	**523,0**	**530,5**	**526,0**
Investment commitments for intangible assets	1,2	2,0	
Tangible assets and investment property			
Book value, Jan 1	164,6	162,4	162,4
Currency translation adjustment	-19,6	-3,3	-2,7
Divestments			-0,1
Additions	5,7	7,2	33,4
Depreciation and impairment	-5,9	-5,8	-23,7
Decreases and transfers	19,8	-0,3	-4,6
Book value at end of period	**164,7**	**160,1**	**164,6**
Investment commitments for property, plant and equipment	6,0	11,7	7,4

NON-CURRENT ASSETS HELD FOR SALE

EUR million	Mar 31 2017	Mar 31 2016	Dec 31 2016
Tangible and intangible assets		5,6	
Inventories			
Other assets			
Total non-current assets held for sale		**5,6**	
Interest-bearing liabilities			
Provisions			
Other non-interest bearing liabilities		2,7	
Total liabilities directly associated with the non-current assets held for sale		**2,7**	

There were no non-current assets held for sale at the end of March 2017 and December 2016. Non-current assets held for sale at the end of March 2016 included land sold in the acquired English & Crystal Living business during 2016.

CONTINGENCIES AND PLEDGED ASSETS

EUR million	Mar 31 2017	Mar 31 2016	Dec 31 2016
As security for own commitments			
Lease commitments	116,5	90,7	116,6
Guarantees	20,9	18,5	19,1
Other contingencies*	14,6	17,5	15,3
Contingencies and pledged assets total	**152,0**	**126,7**	**151,0**

*Other contingencies include a commitment of USD 15 million to invest in private equity funds.

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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.

In July 2016 Fiskars received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliged the company to pay in total EUR 28.3 million in additional tax, interest expenses and punitive tax increases as a result of a tax audit carried out in 2014.

Fiskars and its external advisors consider the decision unfounded and did not recognize the related taxes and other costs in the income statement. Fiskars has appealed the decision 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	Mar 31 2017	Mar 31 2016	Dec 31 2016
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	222,5	366,8	212,0
Interest rate swaps	80,0	93,4	80,0
Electricity forward agreements	0,4	1,4	0,4
Fair value of derivatives			
Foreign exchange forwards and swaps	-0,9	2,7	1,3
Interest rate swaps	-1,2	-2,2	-1,6
Electricity forward agreements	0,0	-0,4	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 risks relate to the appreciation of THB and GBP against EUR and depreciation of JPY, AUD and SEK against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	JPY	AUD	SEK	CAD	IDR	GBP	USD
Operational currency position	-37,7	24,6	26,0	23,2	16,7	-15,3	-10,8	1,5
Exchange rate sensitivity of the operations*	3,8	-2,5	-2,6	-2,3	-1,7	1,5	1,1	-0,2

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

Mar 31, 2017

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	545,7		19,9	565,6
Other investments	0,4		8,3	8,7
Derivative assets		0,1		0,1
Total assets	**546,1**	**0,1**	**28,2**	**574,4**
Derivative liabilities		2,1		2,1
Total liabilities		**2,1**		**2,1**

Mar 31, 2016

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	494,3		15,7	510,0
Other investments	0,4		7,5	7,9
Derivative assets		2,7		2,7
Total assets	**494,7**	**2,7**	**23,2**	**520,5**
Derivative liabilities		2,6		2,6
Total liabilities		**2,6**		**2,6**

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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		3,7			3,7
Change in fair value	-25,7	-3,0	0,0	0,9	-27,8
Book value, Mar 31, 2016	**494,3**	**15,7**	**0,4**	**7,5**	**517,9**
Additions		3,5		1,8	5,3
Decreases	-61,7	-0,7			-62,4
Change in fair value	31,8	1,8			33,7
Book value, Dec 31, 2016	**464,4**	**20,4**	**0,4**	**9,3**	**494,5**
Additions		7,2		-1,0	6,3
Decreases		-0,7			-0,7
Change in fair value	81,3	-7,0	-0,0		74,2
Book value, Mar 31, 2017	**545,7**	**19,9**	**0,4**	**8,3**	**574,3**

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 545.7 million. A 10% change in the Wärtsilä share price would have an impact of EUR 54.6 million in the results before taxes. Risk associated to investments into short interest rate funds are considered to be low. The fair value of unlisted funds is based on the market value reported by the fund (level 3). Changes in the fair value are recognized in the income statement.

Other 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

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

Acquisitions and divestments in Q1 2017

There were no acquisitions or divestments during Q1 2017.

Sale of the boats business in 2016

Fiskars sold its boats business to Yamaha Motor Europe N.V on January 4, 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. In 2015, boats business net sales amounted to EUR 35 million.

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 January 22, 2016. The transaction included the sale of the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Apopka, Florida, U.S. 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.