FISKARS
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Q2 INTERIM REPORT
JANUARY 1 - JUNE 30, 2014

FISKARS

Fiskars second quarter 2014: Sales and EBIT below expectations, good operational efficiency

Second quarter 2014 in brief:
- Net sales decreased by 8% to EUR 201.0 million (Q2 2013: 217.6)
- Currency-neutral sales decreased by 4%
- Operating profit (EBIT) decreased by 29% to EUR 18.5 million (26.1)
- Operating profit (EBIT) excluding non-recurring items decreased by 30% to EUR 19.4 million (27.8)
- Non-recurring costs related to the EMEA 2015 restructuring program totaled EUR 0.8 million (1.7)
- Earnings per share were EUR 0.26 (0.33)
- Cash flow from operating activities was EUR 6.4 million (15.4)
- Outlook for 2014 was changed in June 2014: full-year net sales and operating profit excl. non-recurring items are expected to be below 2013 levels (previously: net sales to reach 2013 levels and operating profit, excluding non-recurring items, to be at or slightly below 2013 levels)

Fiskars President and CEO, Kari Kauniskangas:
“In the second quarter of 2014, the challenges that affected Fiskars in the first quarter continued: currency changes had a EUR 7.9 million negative impact on sales, some availability issues lingered on in Europe, and the cold and rainy weather affected the start of the gardening season in North America. In addition, the retail environment in Finland continued to decline and sales in Finland – one of the main markets for our Home business – were clearly below expectations.

Despite these headwinds, the group’s comparable sales for the quarter came close to the previous year’s level and underlying performance strengthened as operational efficiency was good. Operating profit excluding non-recurring items was solid but clearly decreased compared to the second quarter of 2013, which was the strongest quarterly performance the company has ever reported. The decrease was due to a planned increase in spending on brands, product launches, and the sales organization, as well as increased depreciation and amortization related to our five-year investment program.

As a consequence of the market development in Finland, it became unlikely that Fiskars could regain sales lost over the early part of the year. Consequently, we updated our full-year outlook in June and now expect 2014 net sales and operating profit, excluding non-recurring items, to be below 2013 levels. This is naturally a disappointment for us, and we plan to actively drive up sales and adjust our cost levels.”

Group key figures

EUR million	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Net sales	201.0	217.6	-8%	385.2	408.0	-6%	798.6
Operating profit (EBIT)*	18.5	26.1	-29%	26.7	40.6	-34%	61.0
Non-recurring items*	-0.9	-1.7	-47%	-5.5	-3.8	43%	-12.8
EBIT excl. non-recurring items (NRI)*	19.4	27.8	-30%	32.1	44.4	-28%	73.8
EBITDA** excl. NRI	25.9	33.5	-23%	45.1	55.7	-19%	98.1
Share of profit from associated company	10.8	10.3	5%	18.7	19.6	-5%	50.8
Change in the fair value of biological assets	-0.1	0.3		-0.2	0.6		0.7
Profit before taxes*	29.3	35.9	-18%	43.9	60.7	-28%	108.3
Profit for the period*	21.4	27.2	-21%	33.3	48.1	-31%	94.0
Earnings per share, EUR	0.26	0.33	-22%	0.40	0.59	-31%	1.14
Equity per share, EUR				7.46	7.28	2%	7.71
Cash flow from operating activities***	6.4	15.4	-58%	13.0	17.4	-25%	81.0
Equity ratio, %				58%	57%		61%
Net gearing, %				34%	34%		24%
Capital expenditure	6.6	10.2	-35%	12.1	20.3	-40%	37.2
Personnel (FTE), average	4,203	4,126	2%	4,166	4,103	2%	4,087

* Non-recurring charges in Q2 2014 related to the EMEA 2015 restructuring program and other restructuring
** Earnings before interest, tax, depreciation, amortization and impairment excl. NRI
*** Including a Wärtsilä dividend of EUR 26.9 million in Q1 2014 (25.6)

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FISKARS INTERIM REPORT, JANUARY–JUNE 2014

GROUP PERFORMANCE

Operating environment in Q2 2014

In Northern Europe, the early spring continued to generate some positive momentum for the Garden segment, whereas in Central Europe an early start to the season seemed to cause a slowdown in the market by May. The retail environment in Finland contracted further and major retailers announced declining sales figures and restructuring plans, including store closures.

In North America, economic indicators trended positively, with consumer confidence reaching a post-recession high in June and unemployment decreasing. The gardening season started slowly due to cold and rainy weather, which also reduced overall retail traffic.

Net sales and operating profit

In the second quarter of 2014, Fiskars consolidated net sales amounted to EUR 201.0 million (Q2 2013: EUR 217.6 million), an 8% decrease compared to last year. With comparable currencies, and excluding the UK pottery business divested at the end of 2013, net sales decreased by 3%.

In the first half of the year, Fiskars net sales amounted to EUR 385.2 million (Q1–Q2 2013: EUR 408.0 million). Using comparable exchange rates, and excluding the UK pottery business divested at the end of 2013, net sales decreased by 1%.

Net sales, EUR million	Q2 2014	Q2 2013	Change	Change cn*	Q1–Q2 2014	Q1–Q2 2013	Change	Change cn*	2013
Group	201.0	217.6	-8%	-4%	385.2	408.0	-6%	-3%	798.6
Europe & Asia-Pacific	134.0	149.6	-10%	-8%	267.7	284.4	-6%	-4%	564.2
Americas	68.5	71.3	-4%	3%	120.3	129.3	-7%	-2%	245.1
Other	1.7	1.7	4%	4%	3.7	3.2	14%	14%	6.5

* Currency-neutral

Net sales for Europe and Asia-Pacific between April and June totaled EUR 134.0 million (Q2 2013: 149.6), a decrease of 10%. Sales were affected by changes in exchange rates, the divestment of the UK-based Sankey pottery business, and soft Home sales in Finland. With comparable currencies and excluding the divested pottery business, net sales for the region decreased by 6%.

The reported euro-denominated sales in the Americas decreased by 4% to EUR 68.5 million (71.3). Using comparable currencies, sales in the Americas increased by 3%, mainly boosted by good development in the School, Office, and Craft business.

During the first half of the year, net sales for Europe and Asia-Pacific amounted to EUR 267.7 million (Q1–Q2 2013: 284.4) with EUR 120.3 million (129.3) for the Americas.

Operating profit (EBIT), EUR million	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Group	18.5	26.1	-29%	26.7	40.6	-34%	61.0
Europe & Asia-Pacific	9.4	16.6	-43%	14.3	24.6	-42%	39.9
Americas	11.7	11.8	0%	17.0	20.7	-18%	31.4
Other	-2.6	-2.3	14%	-4.4	-4.7	-5%	-10.3

In the second quarter, the Group's operating profit excluding non-recurring items decreased by 30%. The company recorded EUR 0.8 million in non-recurring EMEA 2015 restructuring items in Europe and Asia-Pacific, including costs related to the restructuring of the Group's operations in Denmark. Operating profit decreased by 29% to EUR 18.5 million (Q2 2013: 26.1), due to planned increase in spending on brands, product launches, and the sales organization, as well as increased depreciation and amortization related to the Group's five-year platform investment program in Europe. As most of these increases occurred in Europe and Asia-Pacific, where sales also decreased, operating profit for the region decreased by 43% to EUR 9.4 million (16.6). Operating profit for the Americas remained at the same level as the previous year due to the negative impact of currencies and amounted to EUR 11.7 million (11.8).

During the first half of the year, the Group's operating profit excluding non-recurring items decreased by 28% to EUR 32.1 million (Q1–Q2 2013: 44.4). Europe and Asia-Pacific recorded an operating profit of EUR 14.3 million for the period (24.6), a decrease of 42%. Operating profit for the Americas decreased by 18% and amounted to EUR 17.0 million (20.7).

Financial items and net result

Fiskars share of profit from its associated company, Wärtsilä, during the second quarter was EUR 10.8 million (10.3), and EUR 18.7 million (19.6) during the first half of the year. The change in the fair value of biological assets was EUR -0.1 million (0.3) in April–June and EUR -0.2 million in January–June (0.6).

The second-quarter net financial result was EUR 0.1 million (-0.8). Profit before taxes was EUR 29.3 million (35.9). Earnings per share were EUR 0.26 (0.33).

During the first half of the year, net financial costs totaled EUR -1.3 million (-0.1) and profit before taxes was EUR 43.9 million (60.7). Earnings per share were EUR 0.40 (0.59) during the first half of the year.

Investment program in Europe

In December 2010, Fiskars launched a five-year 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 to be EUR 65 million.

The largest implementations took place in the third quarter of 2013. Changes related to these implementations contributed to availability challenges in the Home business during the first and second quarters of 2014. No implementations took place during the first half of 2014.

To mitigate the potential impacts of upcoming implementations and to ensure business stability, the implementation period of the program has been extended to 2016.

Annual spending in the program (including both operational and capital expenses) has decreased since 2013, whereas depreciation and amortization related to the program will gradually increase and its negative impact on the Group's results will be greatest in 2015–2018.

EMEA 2015 restructuring program

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in the EMEA region (now Europe and Asia-Pacific). The "EMEA 2015" program aims to improve the competitiveness and cost structure of the end-to-end supply chain and align sales operations in the region with the company's business model.

The total cost of the program is estimated at EUR 25–30 million for 2013–2015, and will be recorded as a non-recurring expense.

Of the total expenses related to the program, EUR 0.8 million were recorded in the second quarter of 2014, which included costs related to the restructuring of the Group's operations in Denmark.

The targeted annual cost savings of the program are EUR 9–11 million once the program is fully implemented. The targeted cost savings will be achieved gradually, 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

Second-quarter cash flow from operating activities was EUR 6.4 million (15.4) as a result of lower operating profit and planned building up of inventory levels. Cash flow from investing activities was EUR -6.4 million (-9.9). Cash flow from financing activities was EUR 1.3 million (-3.9) in the second quarter.

During the first half of the year, cash flow from operating activities was EUR 13.0 million (17.4). The first-quarter cash flow includes dividends paid by the associated company, Wärtsilä, totaling EUR 26.9 million (25.6). Cash flow from investing activities was EUR -11.8 million during the first six months (-69.9, which included a net cash effect of EUR -49.5 million from the acquisition of Royal Copenhagen). Cash flow from financing activities was EUR -4.1 million (43.9).

Capital expenditure totaled EUR 6.6 million (10.2) in the second quarter and depreciation and amortization was EUR 6.6 million (5.7). Capital expenditure in the first half of the year totaled EUR 12.1 million (20.3) and depreciation and amortization was EUR 13.9 million (11.3). The company's five-year investment program in EMEA accounted for the majority of the decrease in investments and the increase in depreciation and amortization.

Fiskars working capital totaled EUR 120.7 million (123.3) at the end of June. The equity ratio remained at 58% (57%) and net gearing was unchanged at 34% (34%).

Cash and cash equivalents at the end of the period totaled EUR 6.8 million (7.6). At the end of the period, Fiskars also had short-term financial assets amounting to EUR 1.1 million (0.9). Net interest-bearing debt amounted to EUR 208.3 million (200.7). Short-term borrowing totaled EUR 168.5 million (137.3) and long-term borrowing EUR 48.1 million (72.3) at the end of the period. Short-term borrowing mainly consists of commercial papers issued by Fiskars Corporation.

On June 23, 2014 Fiskars signed a EUR 100.0 million revolving credit facility, which replaced an existing EUR 70.0 million revolving credit facility signed in December 2007. The new facility has a tenor of five years and serves for general corporate purposes. At the end of the reporting period, Fiskars had EUR 480.0 million (430.0) in unused, committed long-term credit facilities with Nordic banks.

Research and development

The Group's research and development expenditures totaled EUR -3.9 million (-3.4) in the second quarter, corresponding to 1.9% (1.6%) of net sales. During the first half of the year, research and development expenditures totaled EUR -7.1 million (-5.7), equivalent to 1.8% (1.4%) of net sales.

Personnel

The Group employed an average of 4,203 (4,126) full-time equivalent (FTE) employees in the second quarter, of which 3,355 (3,319) are in Europe and Asia-Pacific, 606 (568) are in the Americas, and 242 (239) are in Other.

In the first half of the year, the Group employed an average of 4,166 (4,103) FTE employees.
At the end of June, the Group had a total of 4,446 employees (4,273) on the payroll, of whom 1,587 (1,632) in Finland.

Personnel (FTE), average	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Group	4,203	4,126	2%	4,166	4,103	2%	4,087
Europe & Asia-Pacific	3,355	3,319	1%	3,320	3,309	0%	3,282
Americas	606	568	7%	601	561	7%	568
Other	242	239	1%	245	233	5%	237

OPERATING SEGMENTS AND BUSINESS AREAS

Fiskars operating segments are Europe and Asia-Pacific, Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters, and shared services). The company's business areas are Home (living, kitchen and school, office & craft), Garden, and Outdoor (outdoor equipment and boats).

Business areas in Q2 2014

Net sales, EUR million	Q2 2014	Q2 2013	Change	Change cn*	Q1–Q2 2014	Q1–Q2 2013	Change	Change cn*	2013
Home	88.6	95.4	-7%	-4%	167.9	173.4	-3%	0%	386.2
Garden	80.6	87.3	-8%	-4%**	160.6	169.8	-5%	-2%**	284.5
Outdoor	30.6	33.8	-9%	-6%	54.0	62.7	-14%	-11%	123.7
Other	1.2	1.1	8%	8%	2.6	2.1	23%	23%	4.2

* Currency-neutral
** Currency-neutral and excluding the divested pottery business, Garden sales were flat

Europe and Asia-Pacific in Q2 2014

EUR million	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Net sales	134.0	149.6	-10%	267.7	284.4	-6%	564.2
Operating profit	9.4	16.6	-43%	14.3	24.6	-42%	39.9
Capital expenditure	3.4	4.0	-15%	6.2	7.0	-12%	16.6
Personnel (FTE), average	3,355	3,319	1%	3,320	3,309	0%	3,282

Net sales in Europe and Asia-Pacific decreased by 10% to EUR 134.0 million (149.6) due to negative currency development, soft Home sales in Finland, and the divestment of the UK-based pottery business at the end of 2013. Using comparable exchange rates and excluding the divested pottery business, net sales for the region decreased by 6%.

Home sales in Europe and Asia-Pacific lagged behind 2013, impacted by the poor retail environment in Finland and soft cookware sales. Sales for the Living business were again lower than the previous year's because of a decrease in business-to-business initiatives and some remaining availability issues. Licensed product sales also decreased, due to strong novelties having been launched earlier than in 2013. Sales of core Fiskars-branded kitchen products, however, continued to perform well.

Net sales in the Garden business were negatively affected by currency changes and the divestment of the UK-based pottery business at the end of 2013. Comparable sales, using comparable currencies and excluding the UK-based pottery business, were roughly in line with the previous year as sales in almost all core garden categories increased.

Sales in the Outdoor business were below 2013 levels. Gerber sales did not match the previous year's, due to lower business-to-business campaign sell-in, and the Boat business was affected by the challenging market environment in Finland and Norway.

The segment recorded an operating profit of EUR 9.4 million (16.6), which included a EUR 0.8 million non-recurring charge related to the EMEA 2015 restructuring program. Performance in the Europe and Asia-Pacific region was affected by poor Home sales in Finland, increased spending on brands, product launches, and the sales organization as planned, as well as increased depreciation and amortization related to the company's five-year platform investment program.

Americas in Q2 2014

EUR million	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Net sales	68.5	71.3	-4%	120.3	129.3	-7%	245.1
Operating profit	11.7	11.8	0%	17.0	20.7	-18%	31.4
Capital expenditure	1.5	1.8	-15%	2.5	2.6	-6%	5.5
Personnel (FTE), average	606	568	7%	601	561	7%	568

Net sales in the Americas decreased by 4% to EUR 68.5 million (71.3), due to the weakening of the US dollar. Using comparable exchange rates, net sales increased by 3%, driven by good development in the School, Office, and Craft and Garden businesses.

School, Office, and Craft product sales increased, reflecting yet another good start to back-to-school sales.

Garden sales increased despite cold and rainy weather, with growth in cutting tools and pottery.

Sales of Outdoor products were higher than in the previous year, with institutional sales picking up and good development in industrial channels. Previously reported issues with service levels in the commercial segment continued to affect sell-in to several major commercial customers.

The segment's operating profit was EUR 11.7 million (11.8), as negative currency development affected the reported operating profit.

Other in Q2 2014

EUR million	Q2 2014	Q2 2013	Change	Q1–Q2 2014	Q1–Q2 2013	Change	2013
Net sales	1.7	1.7	4%	3.7	3.2	14%	6.5
Operating profit	-2.6	-2.3	14%	-4.4	-4.7	-5%	-10.3
Capital expenditure	1.8	4.4	-60%	3.4	10.7	-68%	15.1
Personnel (FTE), average	242	239	1%	245	233	5%	237

Fiskars Other segment contains the Real Estate Unit, corporate headquarters, and shared services.

Net sales were EUR 1.7 million (1.7) in the second quarter and EUR 3.7 million (3.2) in the first half of the year, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -2.6 million (-2.3) and EUR -4.4 million (-4.7) for the first half of the year.

Wärtsilä

Fiskars holding in its associated company, Wärtsilä, amounts to 13.0% of the shares and votes (13.0). Wärtsilä forms one of Fiskars reported operating segments and is treated as an associated company, as Fiskars considers that it has a significant influence on Wärtsilä.

Fiskars Group and Investor AB's joint venture, Avlis AB, and its subsidiary, Avlis Invest AB, held a total of 42,948,325 Wärtsilä shares at the end of June 2014, equaling 21.8% of Wärtsilä's shares and votes.

Fiskars share of Wärtsilä's profit totaled EUR 10.8 million (10.3) in April–June and EUR 18.7 million (19.6) during the first half of the year. At the end of June, the market value of Fiskars' Wärtsilä shares was EUR 928.7 million (857.2) or EUR 11.34 (10.47) per Fiskars share, with a closing price of EUR 36.22 (33.43) per Wärtsilä share. The book value of these shares in Fiskars consolidated balance sheet was EUR 280.4 million (259.5).

Changes in management

The Group's CFO, Ilkka Pitkänen, left his position on May 12, 2014. As an interim measure, VP, Finance Jyri Virrantuomi oversees the company's financial operations.

Shares and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. There are a total of 81,905,242 shares in the Corporation. 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 OMX Helsinki. The average share price was EUR 19.50 (17.24) in Q2 2014. At the end of June, the closing price was EUR 18.35 (17.19) per share and Fiskars had a market capitalization of EUR 1,503.0 million (1,408.0). The number of shares traded during the quarter was 0.7 million (0.8), which is 0.9% (0.9%) of the total number of shares.

The total number of shareholders was 16,201 (16,422) at the end of June. Fiskars was not informed of any significant changes among its largest shareholders during the quarter.

Risks and business uncertainties

Fiskars has detailed its overall business risks and risk management in its Annual Report for 2013 and on the company's web site. The company does not consider any material changes to have taken place during the reporting period to the risks and market uncertainties presented in the Annual Report for 2013.

Outlook for 2014

In the second quarter of 2014, the challenges that affected Fiskars in the first quarter continued: currencies had a significant negative impact on sales and some availability issues lingered on in Europe. Rebuilding momentum in the Outdoor Americas business will take time. During the quarter, the retail environment in Finland declined further and no turn for the better can be expected in the short term. Despite positive business momentum in Europe and the United States, rising tensions in the international political environment may undermine financial stability and consumer confidence.

Fiskars is halfway through its five-year investment program in Europe and annual depreciation and amortization related to the program have started to increase. To accelerate growth, the company plans to increase spending on brand recognition, strengthening the newly established Asia-Pacific sales region, and on new category expansion ventures.

As a consequence of market development in Finland, Fiskars updated its full-year outlook in June. We expect 2014 net sales and operating profit, excluding non-recurring items, to be below 2013 levels. Previously, Fiskars expected full-year net sales to reach 2013 levels and operating profit, excluding non-recurring items, to be at or slightly below 2013 levels.

The associated company, Wärtsilä, will continue to have a major impact on Fiskars profit and cash flow in 2014.

Helsinki, Finland, August 1, 2014

FISKARS CORPORATION
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	4-6 2014	4-6 2013	Change %	1-6 2014	1-6 2013	Change %	1-12 2013
Net sales	201.0	217.6	-8	385.2	408.0	-6	798.6
Cost of goods sold	-118.0	-130.5	-10	-230.6	-243.8	-5	-475.3
Gross profit	83.1	87.1	-5	154.6	164.2	-6	323.2
Other operating income	0.8	1.0	-17	1.4	1.6	-17	3.1
Sales and marketing expenses	-41.8	-42.3	-1	-83.1	-81.3	2	-164.7
Administration expenses	-19.7	-16.2	22	-38.9	-38.0	2	-82.0
Research and development costs	-3.9	-3.4	15	-7.1	-5.7	24	-13.3
Other operating expenses	-0.0	-0.1	-93	-0.2	-0.2	-28	-1.5
Goodwill impairment							-3.7
Operating profit (EBIT)*	18.5	26.1	-29	26.7	40.6	-34	61.0
Change in fair value of biological assets	-0.1	0.3		-0.2	0.6		0.7
Share of profit from associate	10.8	10.3	5	18.7	19.6	-5	50.8
Other financial income and expenses	0.1	-0.8		-1.3	-0.1		-4.3
Profit before taxes	29.3	35.9	-18	43.9	60.7	-28	108.3
Income taxes	-7.9	-8.7	-9	-10.6	-12.7	-16	-14.3
Profit for the period	**21.4**	**27.2**	**-21**	**33.3**	**48.1**	**-31**	**94.0**
Attributable to:							
Owners of the Company	21.3	27.3	-22	33.2	47.9	-31	93.7
Non-controlling interest	0.0	-0.0	260	0.1	0.2	-36	0.3
Earnings for owners of the Company per share, euro (basic and diluted)	0.26	0.33	-22	0.40	0.59	-31	1.14
* Operating profit excl. NRIs (detailed in notes)	19.4	27.8	-30	32.1	44.4	-28	73.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6 2014	4-6 2013	1-6 2014	1-6 2013	1-12 2013
Profit for the period	**21.4**	**27.2**	**33.3**	**48.1**	**94.0**
Other comprehensive income for the period:					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-0.9	-4.3	-1.1	-3.1	-8.5
Change in associate recognized directly in other comprehensive income	1.8	-5.9	2.9	-11.2	-13.9
Cash flow hedges	-0.1	0.2	-0.2	0.4	0.5
Items that will not be reclassified to profit or loss:					
Defined benefit plan, actuarial gains (losses) net of tax	-0.0	0.0	-0.0	0.0	-0.2
Change in associate recognized directly in other comprehensive income	-0.4	0.1	-0.4	-3.6	-5.6
Other comprehensive income for the period net of tax total	0.4	-9.7	1.1	-17.5	-27.7
Total comprehensive income for the period	**21.8**	**17.5**	**34.4**	**30.5**	**66.3**
Attributable to:					
Owners of the Company	21.7	17.6	34.2	30.4	66.1
Non-controlling interest	0.1	-0.1	0.2	0.2	0.2

CONSOLIDATED BALANCE SHEET

EUR million	6/2014	6/2013	Change %	12/2013
ASSETS				
Non-current assets				
Goodwill	112.0	115.9	-3	111.9
Other intangible assets	179.3	171.1	5	170.9
Property, plant & equipment	101.1	101.4	0	100.5
Biological assets	41.7	41.8	0	42.0
Investment property	5.5	5.1	9	6.0
Investments in associates	280.4	259.5	8	286.1
Financial assets				
Shares at fair value through profit and loss	11.4	10.6	7	10.5
Other investments	3.9	5.0	-21	3.9
Deferred tax assets	31.1	36.1	-14	31.3
Non-current assets total	766.4	746.5	3	763.1
Current assets				
Inventories	139.5	135.1	3	119.4
Trade and other receivables	146.8	151.2	-3	138.5
Income tax receivables	3.3	2.4	40	6.1
Interest-bearing receivables	1.1	0.9	22	2.3
Cash and cash equivalents	6.8	7.6	-11	9.7
Current assets total	297.5	297.2	0	275.9
Assets total	**1,063.9**	**1,043.7**	**2**	**1,039.1**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the owners of the Company	610.9	596.1	2	631.8
Non-controlling interest	1.1	0.9	29	0.9
Equity total	612.1	596.9	3	632.7
Non-current liabilities				
Interest-bearing liabilities	48.1	72.3	-33	56.2
Other liabilities	5.2	4.4	19	6.1
Deferred tax liabilities	41.0	47.2	-13	39.8
Pension liability	8.1	8.1	-1	8.6
Provisions	5.5	8.8	-37	5.9
Non-current liabilities total	108.0	140.8	-23	116.7
Current liabilities				
Interest-bearing liabilities	168.5	137.3	23	108.8
Trade and other payables	164.6	159.8	3	172.0
Income tax liabilities	4.4	5.5	-20	3.7
Provisions	6.4	3.2	99	5.2
Current liabilities total	343.9	305.9	12	289.7
Equity and liabilities total	**1,063.9**	**1,043.7**	**2**	**1,039.1**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	4-6 2014	4-6 2013	1-6 2014	1-6 2013	1-12 2013
Cash flow from operating activities					
Profit before taxes	29.3	35.9	43.9	60.7	108.3
Adjustments for					
Depreciation, amortization and impairment	6.6	5.7	13.9	11.3	29.2
Share of profit from associate	-10.8	-10.3	-18.7	-19.6	-50.8
Investment income / cost	-0.1	0.0	0.0	0.0	0.2
Financial items	-0.1	0.8	1.3	0.1	4.2
Change in fair value of biological assets	0.1	-0.3	0.2	-0.6	-0.7
Change in provisions and other non-cash items	-2.8	-4.7	-1.2	-0.9	3.6
Cash flow before changes in working capital	22.2	27.1	39.3	51.0	94.0
Changes in working capital					
Change in current assets, non-interest-bearing	7.0	-1.7	-5.2	-23.6	-14.4
Change in inventories	-5.1	9.5	-18.0	-9.4	-0.5
Change in current liabilities, non-interest-bearing	-9.6	-10.7	-19.8	-8.8	7.3
Cash flow from operating activities before financial items and taxes	14.6	24.1	-3.7	9.2	86.5
Dividends received from associate			26.9	25.6	25.6
Financial costs paid (net)	-1.7	-1.2	-3.0	-2.4	-5.5
Taxes paid	-6.5	-7.6	-7.2	-15.0	-25.6
Cash flow from operating activities (A)	6.4	15.4	13.0	17.4	81.0
Cash flow from investing activities					
Acquisition of subsidiaries		0.4		-49.5	-49.5
Investments in financial assets		0.0	-0.0	-0.1	-0.1
Capital expenditure on fixed assets	-6.6	-10.3	-12.0	-20.3	-37.5
Proceeds from sale of fixed assets	0.0	0.0	0.1	0.0	1.1
Proceeds from sale of business					1.0
Proceeds from sale of subsidiary shares	0.2		0.2		
Cash flow from other investments	0.0	0.0	0.0	0.0	0.4
Cash flow from investing activities (B)	-6.4	-9.9	-11.8	-69.9	-84.6
Cash flow from financing activities					
Change in current receivables	1.8	1.2	1.2	-0.4	-1.8
Borrowings of non-current debt	0.0	0.0	0.0	0.2	0.1
Repayment of non-current debt	-0.2	-0.3	-0.3	-16.2	-20.0
Change in current debt	0.2	-4.7	50.7	114.7	74.2
Payment of financial lease liabilities	-0.3	-0.5	-0.6	-0.9	-1.7
Cash flow from other financing items	-0.1	0.3	-0.1	-0.3	-0.2
Dividends paid	-0.2		-55.0	-53.2	-53.2
Cash flow from financing activities (C)	1.3	-3.9	-4.1	43.9	-2.7
Change in cash (A+B+C)	**1.3**	**1.6**	**-2.9**	**-8.6**	**-6.3**
Cash at beginning of period	5.4	6.3	9.7	16.4	16.4
Translation difference	0.0	-0.3	0.0	-0.2	-0.5
Cash at end of period	6.8	7.6	6.8	7.6	9.7

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Equity attributable to the owners of the Company							
EUR million	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	Non-controlling interest	Total
31 Dec, 2012	**77.5**	**-0.9**	**-0.8**	**1.3**	**-0.8**	**542.6**		**618.9**
Changes due to acquisitions							0.7	0.7
Total comprehensive income for the period			-9.0	-4.9	-3.6	47.9	0.2	30.5
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
30 Jun, 2013	**77.5**		**-9.8**	**-3.7**	**-4.5**	**536.4**	**0.9**	**596.9**
Total comprehensive income for the period			-8.9	1.0	-2.2	45.8	0.0	35.7
31 Dec, 2013	**77.5**		**-18.7**	**-2.6**	**-6.7**	**582.2**	**0.9**	**632.7**
Changes due to divestments						-0.0	0.2	0.2
Total comprehensive income for the period			1.3	-0.0	-0.4	33.2	0.2	34.2
Dividends paid						-54.9	-0.2	-55.0
30 Jun, 2014	**77.5**		**-17.4**	**-2.7**	**-7.1**	**560.5**	**1.1**	**612.1**

KEY FIGURES*

	6/2014	6/2013	Change %	12/2013
Equity/share, EUR	7.46	7.28	2	7.71
Equity ratio	58%	57%		61%
Net gearing	34%	34%		24%
Net interest-bearing liabilities, EUR million	208.3	200.7	4	152.6
Personnel (FTE), average	4,166	4,103	2	4,087
Personnel, end of period	4,446	4,273	4	4,330
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 2013 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, 2014:
- IFRS 10 Consolidated Financial Statements and subsequent amendments
- IFRS 11 Joint Arrangements and subsequent amendments
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 32 Financial instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 21 Levies.

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 EUR million	4-6 2014	4-6 2013	Change %	1-6 2014	1-6 2013	Change %	1-12 2013
Net sales							
Europe & Asia-Pacific	134.0	149.6	-10	267.7	284.4	-6	564.2
Americas	68.5	71.3	-4	120.3	129.3	-7	245.1
Other	1.7	1.7	4	3.7	3.2	14	6.5
Inter-segment sales*	-3.2	-5.0	-35	-6.5	-8.9	-26	-17.2
GROUP TOTAL	**201.0**	**217.6**	**-8**	**385.2**	**408.0**	**-6**	**798.6**
Operating profit (EBIT)							
Europe & Asia-Pacific	9.4	16.6	-43	14.3	24.6	-42	39.9
Americas	11.7	11.8	0	17.0	20.7	-18	31.4
Other and eliminations	-2.6	-2.3	14	-4.4	-4.7	-5	-10.3
GROUP TOTAL	**18.5**	**26.1**	**-29**	**26.7**	**40.6**	**-34**	**61.0**
Depreciation, amortization and impairment							
Europe & Asia-Pacific	3.6	4.0	-10	7.9	7.7	3	21.1
Americas	1.2	1.0	28	2.4	1.9	26	3.7
Other and eliminations	1.8	0.8	116	3.6	1.7	115	4.4
GROUP TOTAL	**6.6**	**5.7**	**14**	**13.9**	**11.3**	**23**	**29.2**
Capital expenditure							
Europe & Asia-Pacific	3.4	4.0	-15	6.2	7.0	-12	16.6
Americas	1.5	1.8	-15	2.5	2.6	-6	5.5
Other and eliminations	1.8	4.4	-60	3.4	10.7	-68	15.1
GROUP TOTAL	**6.6**	**10.2**	**-35**	**12.1**	**20.3**	**-40**	**37.2**
* Inter-segment sales							
Europe & Asia-Pacific	-2.0	-2.0		-3.8	-4.7		-8.2
Americas	-0.6	-2.5		-1.5	-3.1		-6.8
Other	-0.6	-0.6		-1.1	-1.1		-2.2

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 AREAS EUR million	4-6 2014	4-6 2013	Change %	1-6 2014	1-6 2013	Change %	1-12 2013
Net sales							
Home	88.6	95.4	-7	167.9	173.4	-3	386.2
Garden	80.6	87.3	-8	160.6	169.8	-5	284.5
Outdoor	30.6	33.8	-9	54.0	62.7	-14	123.7
Other	1.2	1.1	8	2.6	2.1	23	4.2
GROUP TOTAL	**201.0**	**217.6**	**-8**	**385.2**	**408.0**	**-6**	**798.6**

NON-RECURRING ITEMS EUR million	4-6 2014	4-6 2013	Change %	1-6 2014	1-6 2013	Change %	1-12 2013
EMEA 2015 restructuring program	-0.8	-1.7	31	-5.0	-3.8	31	-8.2
Goodwill impairment relating to the Sankey business							-3.7
Write-down of a real estate							-0.9
Other asset impairments				-0.4			
Other non-recurring items	-0.1			-0.1			
Total	**-0.9**	**-1.7**	**-47**	**-5.5**	**-3.8**	**43**	**-12.8**

INTANGIBLE AND TANGIBLE ASSETS

EUR million	6/2014	6/2013	12/2013
Intangible assets and goodwill			
Book value, Jan 1	282.9	229.3	229.3
Currency translation adjustment	0.1	-0.1	-0.5
Acquisitions		49.5	49.5
Additions*	12.6	10.7	14.7
Amortization and impairment	-4.3	-2.4	-10.0
Decreases and transfers		-0.0	-0.0
Book value at end of period	**291.3**	**286.9**	**282.9**
Investment commitments for intangible assets	2.9	0.5	3.6
Tangible assets and investment property			
Book value, Jan 1	106.5	95.5	95.5
Currency translation adjustment	0.3	-0.6	-0.9
Acquisitions		10.9	10.9
Additions	9.5	9.6	22.5
Depreciation and impairment	-9.5	-8.8	-18.8
Decreases and transfers	-0.2	-0.0	-2.6
Book value at end of period	**106.7**	**106.5**	**106.5**
Investment commitments for property, plant and equipment	4.6	6.1	3.1

* Includes the acquisition of the Hackman brand in Q2 2014, the cash flow effects of which take place in July 2014.

CONTINGENCIES AND PLEDGED ASSETS

EUR million	6/2014	6/2013	12/2013
As security for own commitments			
Lease commitments	45.3	47.9	53.8
Other contingencies	1.7	2.5	2.8
Total	47.0	50.4	56.6

Guarantees as security for third-party commitments
The Group has no guarantees as security for third-party commitments.

	6/2014	6/2013	12/2013
As security for subsidiaries' commitments			
Guarantees	13.9	15.4	13.9
Total	**60.9**	**65.8**	**70.5**

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.

DERIVATIVES

EUR million	6/2014	6/2013	12/2013
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	156.8	137.0	197.1
Foreign exchange options		2.9	
Interest rate swaps	65.9	45.9	55.9
Electricity forward agreements	1.6	2.4	1.8
Market value vs. nominal amounts of derivatives			
Foreign exchange forwards and swaps	-0.1	0.2	-0.6
Foreign exchange options		0.6	
Interest rate swaps	-2.5	-2.7	-2.4
Electricity forward agreements	-0.3	-0.4	-0.4

Foreign exchange 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 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:

EUR million	USD	SEK	NOK	THB
Operational currency position	-28.4	22	15.0	-14.1
Exchange rate sensitivity of the operations*	2.8	-2.2	-1.5	1.4

* 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

6/2014

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	0.3		11.0	11.4
Other investments			3.9	3.9
Total assets	0.3		14.9	**15.3**
Derivative liabilities		3.0		3.0
Total liabilities		3.0		**3.0**

6/2013

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			10.6	10.6
Other investments			5.0	5.0
Derivative assets		0.8		0.8
Total assets		0.8	15.5	**16.3**
Derivative liabilities		3.1		3.1
Total liabilities		3.1		**3.1**

12/2013

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	0.3		10.2	10.5
Other investments			3.9	3.9
Total assets	0.3		14.1	**14.4**
Derivative liabilities		3.4		3.4
Total liabilities		3.4		**3.4**

Fair value categories

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

Investments	At fair value through profit and loss		Other
EUR million	Level 1	Level 3	
Book value, Dec 31, 2012		**9.7**	**0.8**
Additions		0.1	
Acquisitions			4.1
Decreases		-0.0	-0.0
Change in fair value through profit and loss		0.8	
Book value, Jun 30, 2013		**10.6**	**5.0**
Additions			0.3
Acquisitions			-0.6
Decreases		-0.4	-0.8
Change in fair value through profit and loss	0.3		
Book value, Dec 31, 2013	**0.3**	**10.2**	**3.9**
Additions			
Acquisitions			
Decreases			
Change in fair value through profit and loss		0.8	
Book value, Jun 30, 2014	**0.3**	**11.0**	**3.9**

The investments at fair value through profit and loss include listed shares, unlisted shares and unlisted funds. Unlisted shares are measured at cost since their fair value cannot be determined reliably. The fair value of unlisted funds is based on the market value reported by the fund. Changes in the fair value are booked in the income statement.

Other investments comprise of non-current receivables and they are measured at the lower of cost and fair value.

RELATED PARTY TRANSACTIONS

The dividend from Wärtsilä EUR 26.9 million is reported as Dividends received from associate in the Consolidated Statement of Cash Flows. The dividend was received during the first quarter of 2014.

At the end of June 2014, Fiskars sold 9.9% of its shares in Inha Works Ltd. to the company's management.

ACQUISITIONS AND DIVESTMENTS

There have been no acquisitions or divestments in 2014.

In 2013, there were the following acquisition and divestment, of which the latter has an impact on the comparability of the figures:

Acquisition of Royal Copenhagen

On January 4, 2013 Fiskars acquired 100% of the shares in Royal Copenhagen A/S and Royal Scandinavian Modern KK Japan. Royal Copenhagen became a part of Fiskars' Home business area.

Divestment of UK Sankey business

On December 31, 2013, Fiskars sold its UK garden container, propagation and water storage business, Sankey, and the related manufacturing assets. The Sankey business had a turnover of EUR 8.5 million in 2013.

FISKARS

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