INTERIM REPORT
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2015






FISKARS

Fiskars third quarter 2015: Strong sales growth and solid underlying business performance, updated outlook for the full-year 2015

Quarterly highlights

- Net sales in Q3 2015 increased by 62% to EUR 288.8 million (Q3 2014: 178.4).
- Using comparable exchange rates and excluding the acquired watering and WWRD businesses, net sales increased by 4%.
- Operating profit decreased in Q3 2015 to EUR -1.6 million (13.7), mainly due to non-recurring items.
- Operating profit excluding non-recurring items decreased in Q3 2015 by 38% to EUR 10.4 million (16.8). WWRD had a net negative impact of EUR 7.8 million, mainly due to purchase price allocation charges and other WWRD acquisition related costs, which impact the result in 2015 only.
- Operative earnings per share were EUR -0.18 (0.27). Reported earnings per share (EPS), which includes changes in the fair value of the investment portfolio, amounted to EUR -0.83 (0.27).
- Fiskars completed the acquisition of WWRD on July 1, 2015 and extended its portfolio with iconic luxury home and lifestyle brands.
- Outlook for 2015 updated: full-year 2015 net sales are expected to increase from 2014 levels and operating profit excluding non-recurring items to be above 2014 levels. Previously, full-year net sales were expected to increase from 2014 levels and operating profit excluding non-recurring items to be at 2014 levels.

Fiskars President and CEO, Kari Kauniskangas:

“Fiskars performed well during the third quarter, with both the Europe & Asia-Pacific and Americas segments demonstrating solid growth. Despite the challenging economic climate in Europe and Asia, particularly in Finland and Japan, Fiskars demonstrated continued growth in net sales in the regions, supported by the recently acquired WWRD business, which performed according to our expectations. Had WWRD been consolidated from January 1, 2015, the consolidated income statement would show pro forma revenue of EUR 929 million during the first nine months of the year.

Even if our reported results declined due to one-time items, I’m very pleased with our operative performance, given the tough market climate in some countries. As a result of the solid quarter, we updated our full-year outlook for 2015. We increased our expectations for the operating profit excluding non-recurring items and now expect it to be above 2014 levels.

The results were primarily driven by the strong performance of the Living business in Europe and the Functional business across all regions. Our business also grew in the Asia-Pacific region despite the difficult environment in Japan. As previously communicated, our operating profit was impacted by the amortization of acquisition related items such as inventory revaluation and other transaction costs.

We remain focused on improving our competitiveness and continuously developing the company, while keeping our sales engine running at full speed. The integration planning with WWRD has started well and there are several areas where we have confirmed opportunities and identified new possibilities for value creation. We will focus on developing the brands and embracing their unique strengths, while pursuing common success factors, such as company culture, in-store excellence, omni-channel presence as well as common platforms and processes.”

Group key figures

EUR million	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Net sales	288.8	178.4	62%	772.2	563.5	37%	767.5
Operating profit (EBIT)	-1.6	13.7		33.5	40.4	-17%	42.7
Non-recurring items[1)]	-12.0	-3.1	291%	-14.8	-8.5	73%	-17.0
EBIT excl. non-recurring items	10.4	16.8	-38%	48.3	48.9	-1%	59.6
Share of profit from associated company		11.3			30.0		30.0
Net change in the fair value of investment portfolio	-67.2			-16.6			27.9
Profit before taxes[2)]	-76.9	26.2		42.4	70.1	-40%	768.7
Profit for the period[2)]	-67.7	21.8		24.1	55.1	-56%	773.3
Operative earnings/share, EUR[3)]	-0.18	0.27		0.31	0.67	-54%	0.76

Earnings/share, EUR[4)]	-0.83	0.27		0.28	0.67	-58%	9.44
Equity per share, EUR				13.74	7.84	75%	14.06
Cash flow from operating activities[5)]	-0.1	26.1		-14.0	39.1		87.0
Equity ratio, %				63%	60%		73%
Net gearing, %				28%	30%		11%
Capital expenditure	12.6	15.7	-19%	24.5	27.7	-11%	35.0
Personnel (FTE), average	7,784	4,199	85%	5,626	4,177	35%	4,243

[1)] In Q3 2015, mainly goodwill impairment related to the planned rationalization of a non-core product range in Americas and items related to the Supply Chain 2017 program. In 2014, the EMEA 2015 restructuring program costs, write-downs and bargain purchase gain (badwill) related to the acquisition of the watering business.
[2)] FY 2014 includes a non-recurring gain from the sale and revaluation of Wärtsilä shares of EUR 676.0 million on October 9, 2014.
[3)] Excluding net change in the fair value of the investment portfolio and dividends received. In FY 2014, excluding also the non-recurring gain from the sale and revaluation of Wärtsilä shares on October 9, 2014.
[4)] FY 2014 includes EUR 8.25 from the sale and revaluation of Wärtsilä shares on October 9, 2014.
[5)] Including Wärtsilä dividend of EUR 26.9 million in Q1 2014.

Further information:

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Analysts and media conference:

An analysts and media conference will be held at 10 a.m. on October 28, 2015, at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at www.fiskarsgroup.com.

FISKARS INTERIM REPORT, JANUARY–SEPTEMBER 2015

GROUP PERFORMANCE

The comparison period figures have been restated as a result of the organizational change in 2014. The sales and operating profit of the recently acquired WWRD business is divided into two reporting segments, Europe & Asia-Pacific and the Americas. WWRD net sales are also reported as part of the Living products business unit as of July 1, 2015.

Net sales

Net sales, EUR million	Q3 2015	Q3 2014	Change	Change cn*	Q1–Q3 2015	Q1–Q3 2014	Change	Change cn*	2014
Group	288.8	178.4	62%	53%	772.2	563.5	37%	29%	767.5
Europe & Asia-Pacific	187.6	117.5	60%	61%	437.1	366.1	19%	20%	506.7
Americas	119.1	57.6	107%	74%	333.3	176.0	89%	57%	235.1
Other	6.1	5.9	4%	4%	31.7	30.1	5%	5%	37.8

* Currency neutral

Fiskars Group net sales in Q3 2015

Fiskars Group's consolidated net sales increased by 62% to EUR 288.8 million (Q3 2014: 178.4), driven by good sales performance in both Europe & Asia-Pacific as well as the Americas segment. Using comparable currency rates and excluding the watering business acquired in 2014 and WWRD business acquired in 2015, sales increased by 4%.

Fiskars Group net sales in January–September 2015

Fiskars Group's net sales amounted to EUR 772.2 million in the first nine months of 2015 (Q1–Q3 2014: 563.5). Using comparable exchange rates and excluding the watering business and WWRD, net sales increased by 4%.

Operating profit

Operating profit (EBIT), EUR million	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Group	-1.6	13.7		33.5	40.4	-17%	42.7
Europe & Asia-Pacific	5.3	8.5	-38%	20.2	22.0	-8%	25.8
Americas	-0.2	6.5		26.3	23.3	13%	27.4
Other and eliminations	-6.7	-1.3	401%	-13.0	-4.9	163%	-10.6

Fiskars Group operating profit in Q3 2015

Fiskars Group's third quarter operating profit totaled EUR -1.6 million (13.7). The Group recorded EUR -12.0 million (-3.1) of non-recurring items during the third quarter mainly relating to the Supply Chain 2017 program in Europe and goodwill impairment related to the planned rationalization of a non-core product range in the Americas.

Operating profit excluding non-recurring items decreased in Q3 2015 by 38% to EUR 10.4 million (16.8). WWRD had a net negative impact of EUR 7.8 million, mainly due to purchase price allocation charges and other WWRD acquisition related costs. The majority of the WWRD acquisition related costs impact the result in the second half of 2015 only.

Fiskars Group operating profit in January-September 2015

Fiskars Group's operating profit during the first nine months of 2015 totaled EUR 33.5 million (40.4).

The Group's operating profit excluding non-recurring items decreased by 1% to EUR 48.3 million in the first nine months of 2015 (Q1–Q3 2014: 48.9). WWRD had a net negative impact of EUR 10.7 million, mainly due to purchase price allocation charges and other WWRD acquisition related costs. The majority of the WWRD acquisition related costs impact the result in the second half of 2015 only.

REPORTING SEGMENTS AND BUSINESS UNITS

Fiskars Group's three reporting segments are Europe & Asia-Pacific, Americas, and Other and the business is divided in three business units Living Products, Functional Products and Outdoor Products. Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, boats business, corporate headquarters, and shared services.

Business units in Q3 2015

Q3 2015 and January–September 2015

Net sales, EUR million	Q3 2015	Q3 2014	Change	Change cn*	Q1–Q3 2015	Q1–Q3 2014	Change	Change cn*	2014
Living Products	141.1	57.2	147%	146%**	250.2	159.3	57%	56%**	238.5
Functional Products	116.6	93.2	25%	18%***	426.9	319.7	34%	25%***	410.2
Outdoor Products	25.4	22.5	13%	-3%	64.8	55.7	16%	-2%	82.7
Other	5.6	5.4	4%	4%	30.4	28.8	5%	5%	36.0

* Currency neutral
** Excluding the acquired WWRD business, currency neutral Living Products net sales increased by 5% in Q3 2015 and by 6% in Q1–Q3 2015.
*** Excluding the acquired watering business, currency neutral Functional Products net sales increased by 6% in Q3 2015 and by 4% in Q1–Q3 2015.

Europe & Asia-Pacific segment

Q3 2015 and January–September 2015

EUR million	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Net sales	187.6	117.5	60%*	437.1	366.1	19%*	506.7
Operating profit (EBIT)	5.3	8.5	-38%	20.2	22.0	-8%	25.8
EBIT excl. non-recurring items	11.4	11.6	-2%	27.7	30.1	-8%	43.1
Capital expenditure	9.2	13.1	-30%	15.6	19.1	-18%	22.5
Personnel (FTE), average	6,250	3,345	87%	4,242	3,279	29%	3,296

* Currency neutral change in net sales Q3 2015 61% and Q1–Q3 2015 20%.

Europe & Asia-Pacific in Q3 2015

Net sales in the Europe & Asia-Pacific segment increased during the third quarter of 2015 by 60% to EUR 187.6 million (Q3 2014: 117.5). Using comparable currency rates and excluding the WWRD business, sales increased by 5%. The sales performance of the Living Products business unit was strong in Europe & Asia-Pacific as momentum continued for the Iittala, Rörstrand, and Royal Copenhagen brands. The combined sales of WWRD brands increased in the Europe and Asia-Pacific segment from the comparison period. The Functional business recovered from a tough second quarter and generated solid sales driven by both the garden and kitchen categories, supported by promotional activities.

The segment recorded an operating profit excluding non-recurring items of EUR 11.4 million (11.6), supported by a strong quarter in Europe and negatively impacted by WWRD acquisition related items. The building of a new infrastructure continued during the third quarter in the Asia-Pacific region.

During the third quarter, the Living business expanded its presence in Asia and opened nine new stores and shop-in-shops in Japan and Korea.

Europe & Asia-Pacific in January–September 2015

Net sales in the Europe & Asia-Pacific segment increased during the first nine months of 2015 by 19% to EUR 437.1 million (Q1–Q3 2014: 366.1). Using comparable currency rates and excluding the WWRD business, sales increased by 2%.

Operating profit excluding non-recurring items amounted to EUR 27.7 million (30.1) during the first nine months of 2015. In total, EUR 7.5 million (8.1) of non-recurring costs were recorded during the period in the Europe & Asia-Pacific segment.

During the first nine months of 2015, the Living business has continued to build its organization in the Asia-Pacific region and expanded the branded retail network with 22 new stores or shop-in-shops in Japan, China, Korea and Taiwan.

Americas segment

Q3 2015 and January–September 2015

EUR million	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Net sales	119.1	57.6	107%*	333.3	176.0	89%*	235.1
Operating profit (EBIT)	-0.2	6.5		26.3	23.3	13%	27.4
EBIT excl. non-recurring items	5.7	6.5	-13%	33.5	23.3	44%	26.2
Capital expenditure	1.6	0.8	102%	3.1	3.0	1%	5.2
Personnel (FTE), average	1,192	568	110%	1,046	576	81%	618

* Currency neutral change in net sales Q3 2015 was 74% and in Q1–Q3 2015 57%.

The Americas in Q3 2015

Net sales in the Americas segment increased by 107% to EUR 119.1 million (Q3 2014: 57.6) in the third quarter. Using comparable currency rates and excluding the watering and WWRD businesses, sales increased by 3%.

The sales growth was generated by both the Living and Functional businesses. The Living business sales were driven by the acquired WWRD business, which faced a slight decline from the comparison period. The Functional business continued to grow, driven by the sales of school, office and craft products and record sales during the Back to School season. Outdoor business sales decreased slightly compared to the previous year, impacted primarily by the timing of orders and reduced volumes with a major customer.

The segment’s operating profit excluding non-recurring items decreased to EUR 5.7 million (6.5). A favorable product and customer mix supported the Functional products business unit’s performance during the quarter, while the watering business had a negative impact on the result as expected.

The Americas in January–September 2015

Net sales in the Americas segment increased by 89% to EUR 333.3 million (Q3 2014: 176.0) in the first nine months of 2015. Using comparable currency rates and excluding the watering and WWRD businesses, sales increased by 6%.

The segment’s operating profit excluding non-recurring items increased to EUR 33.5 million (23.3) during the same period.

Other segment

Q3 2015 and January–September 2015

EUR million	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Net sales	6.1	5.9	4%*	31.7	30.1	5%*	37.8
Operating profit (incl. eliminations)	-6.7	-1.3	401%	-13.0	-4.9	163%	-10.6
Net change in fair value of investments valued at FVTPL**	-67.2			-16.6			27.9
Investments at FVTPL**	452.3						766.7

Capital expenditure (incl. eliminations)	1.9	1.7	9%	5.9	5.6	5%	7.4
Personnel (FTE), average	343	285	20%	338	321	5%	330

* Currency neutral change in net sales Q3 2015 was 4% and in Q1–Q3 2015 5%.
** FVTPL = Fair value through profit or loss

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

Other in Q3 2015

Net sales in the segment were EUR 6.1 million (Q3 2014: 5.9) in the third quarter, consisting of the boats business, timber sales, and rental income. The operating profit for the quarter was EUR -6.7 million (-1.3).

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

At the end of the period, the market value of Fiskars active investments was EUR 452.3 million, consisting of shares in Wärtsilä valued at EUR 381.1 million, with a closing price of EUR 35.47 per Wärtsilä share, and investments into short term interest rate funds valued at EUR 71.2 million. The negative net change in fair value recorded in the profit and loss statement amounted to EUR -67.2 million during the third quarter.

Other in January–September 2015

Net sales in the segment were EUR 31.7 million (Q3 2014: 30.1) in the first nine months of the year, consisting of the boats business, timber sales, and rental income. The operating profit for the period was EUR -13.0 million (-4.9), primarily impacted by WWRD acquisition related costs.

The negative net change in the fair value of Fiskars active investments recorded in the profit and loss statement amounted to EUR -16.6 million during the first nine months of 2015.

Research and development

The Group's research and development expenditure totaled EUR 4.2 million (Q3 2014: 3.2) in the third quarter of 2015, equivalent to 1.5% (1.8%) of net sales. During the first nine months of the year, research and development expenditures totaled EUR 12.4 million (10.3), equivalent to 1.6% (1.8%) of net sales.

Personnel

Personnel (FTE), average	Q3 2015	Q3 2014	Change	Q1–Q3 2015	Q1–Q3 2014	Change	2014
Group	7,784	4,199	85%	5,626	4,177	35%	4,243
Europe & Asia-Pacific	6,250	3,345	87%	4,242	3,279	29%	3,296
Americas	1,192	568	110%	1,046	576	81%	618
Other	343	285	20%	338	321	5%	330

The average number of full-time equivalent employees (FTE) was 7,784 (Q3 2014: 4,199) in the third quarter, of whom 6,250 (3,345) were in Europe & Asia-Pacific, 1,192 (568) in the Americas, and 343 (285) in the Other segment. The increase was mainly driven by the acquired watering and WWRD businesses.

In the first nine months of the year, the Group employed an average of 5,626 (4,177) FTE employees.
At the end of September, the Group had a total of 8,482 employees (4,391) on the payroll, of whom 1,464 (1,663) are in Finland.

Financial items and net result

The net change in the fair value of investments through profit or loss amounted to EUR -67.2 million during the third quarter of 2015 and to EUR -16.6 million during the first nine months of the year. The change in the market value of the company's holdings in Wärtsilä amounted to EUR -67.4 million in the third quarter of 2015 and to EUR -18.2 million in the first nine months of 2015, with a closing price of EUR 35.47 at the end of September per Wärtsilä share. In order to fund the acquisition of WWRD, the company sold most of its investments in short term interest rate funds during the second quarter. The value of investments sold during the first nine months of the year amounted to EUR 330.5 million, including a gain of EUR 1.5 million recorded in 2015.

Other financial income and expenses amounted to EUR -7.2 million (1.5) in the third quarter of 2015. In the first nine months of 2015 these amounted to EUR 26.1 million (0.2), including EUR 11.4 million of dividends received on Wärtsilä shares and EUR 16.1 million (3.4) of foreign exchange differences. Future cash flow hedges accounted for EUR -4.7 million and currency derivatives related to financial investments accounted for EUR 19.5 million of the total foreign exchange differences in the first nine months of the year.

Profit before taxes was EUR -76.9 million (26.2) in the third quarter of 2015. Income taxes in the third quarter were EUR 9.3 million (-4.4). Earnings per share were EUR -0.83 (0.27), of which operative earnings per share were EUR -0.18 (0.27). Profit before taxes for the first nine months of the year was EUR 42.4 million (70.1). Income taxes in the first nine months of the year were EUR -18.2 million (-15.0). Earnings per share were EUR 0.28 (0.67), of which operative earnings per share were EUR 0.31 (0.67).

Fiskars restructuring and profit improvement programs

Fiskars is transforming the company into a global integrated consumer goods company. To support the transformation, Fiskars has launched programs that relate to operations, structures, and systems in Europe as well as the global supply chain network in Europe and Asia. The programs are progressing according to their announced schedules.

Investment program in Europe

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

At the moment approximately 70% of the business volume targeted by the program is running through common systems and processes. The implementation period of the program is running to 2016. The program is proceeding according to plan.

EMEA 2015 restructuring program

In 2013, Fiskars launched a restructuring program to optimize operations and sales units in Europe. The EMEA 2015 program will be completed by the end of this year. The total cost of the program will be approximately EUR 25 million, EUR 4 million less than originally estimated at the time of the program launch. The targeted annual cost savings of the program are approximately EUR 13 million and exceed the previously announced estimate of EUR 9–11 million. The majority of the savings are expected to materialize in the Group’s results as of the end of 2015, once the program has been fully implemented. The program costs are recorded as non-recurring items.

Supply Chain 2017 program

During the third quarter of 2015 Fiskars announced a restructuring program to continue the optimization of 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 from 2015 until 2017, which are planned to be recorded as non-recurring charges, of which EUR 6.2 million were recorded in Europe during the third quarter of 2015. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings would be achieved gradually, and the majority of the savings are expected to materialize in the Group’s results after the program has been completed, which is estimated to be by the end of 2017.

As a part of the program, Fiskars announced planned changes in the ceramics production in Finland on September 9, 2015. The company plans to transfer the manufacture of ceramics products from its Helsinki ceramics factory to a partner network during 2016. The employee consultations with the Helsinki ceramics factory employee representatives were started in mid-September.

Impairment charges

Fiskars recorded a goodwill impairment charge of EUR 5.0 million during the quarter related to the planned rationalization of a non-core product range in the Americas.

Cash flow, balance sheet, and financing

The third-quarter cash flow from operating activities decreased to EUR -0.1 million (Q3 2014: 26.1), negatively impacted mainly by the change in working capital related to the recent acquisition. Cash flow from investing activities was EUR -305.9 million (-12.3), including the acquisition of WWRD with a cash flow effect of EUR -294.1 million. Cash flow from financing activities was EUR -97.2 million (-11.9) in the third quarter.

During the first nine months of the year, cash flow from operating activities was EUR -14.0 million (39.1), negatively impacted mainly by the change in working capital related to the two recent acquisitions. In addition, Wärtsilä dividends have been moved from cash flow from operating activities to cash flow from investing activities. Cash flow from investing activities was EUR -10.5 million (-24.3) during the first nine months of the year. Cash flow from financing activities was EUR 16.5 million (-15.9) during the first nine months of the year.

Capital expenditure for the third quarter totaled EUR 12.6 million (15.7), mainly relating to replacements, new product development and the company’s five-year investment program in EMEA. Depreciation, amortization and impairment were EUR 18.2 million (6.6) in the third quarter. The increase was primarily due to the goodwill impairment related to the planned rationalization of a non-core product range in the Americas, impairment related to the Supply Chain 2017 program as well as depreciation in the WWRD entities. Capital expenditure in the first nine months of the year totaled EUR 24.5 million (27.7) and depreciation, amortization and impairment were EUR 31.8 million (20.5).

Fiskars working capital totaled EUR 260.3 million (124.4) at the end of September. The increase in working capital can be attributed to the growth of inventories and accounts receivables due to the acquisitions of the watering business and WWRD and foreign exchange differences. The equity ratio increased to 63% (60%) and net gearing was 28% (30%).

Cash and cash equivalents at the end of the period totaled EUR 25.2 million (8.9) and investments in short term interest rate funds were valued at EUR 71.2 million. Interest-bearing debt amounted to EUR 347.5 million (204.8). At the end of the period, the shares in Wärtsilä were valued at EUR 381.1 million, with a closing price of EUR 35.47 per Wärtsilä share, resulting in total market value of Fiskars active investments of EUR 452.3 million, including the short term interest rate funds mentioned above.

Short-term borrowing totaled EUR 264.5 million (158.1) and long-term borrowing totaled 83.0 million (46.7). Short-term borrowing mainly consists of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (480.0) in unused, committed long-term credit facilities with Nordic banks.

Changes in organization and management

Fiskars’ Executive Board was strengthened as of September 15, 2015 when Alexander Matt joined the company from Adidas and took on the role of Senior Vice President, Brand and Marketing, and member of the Executive Board.

Shares and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. The Board of Directors was authorized to acquire and convey company shares but this authorization was not used during the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The average share price during the third quarter was EUR 19.06 (Q3 2014: 18.94). At the end of September, the closing price was EUR 18.00

(EUR 20.32) per share and Fiskars had a market capitalization of EUR 1,474.3 million (1,664.3). The number of shares traded in January-September was 5.2 million (4.0), which represent 6.4% (4.9%) of the total number of shares.

The total number of shareholders was 18,313 (16,360) at the end of September. Fiskars did not receive any flagging announcements arising from changes in major shareholdings during the quarter.

Risks and business uncertainties

Fiskars business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report 2014 and on the company's web site www.fiskarsgroup.com/investors.

Fiskars Group entities are subject to tax audits in several countries. It is possible that these tax audits may lead to re-assessment of its taxes. In June 2015, Fiskars Corporation received a tax audit report proposing re-assessment of taxes relating to the fiscal year of 2011. Fiskars has provided its response to the tax audit report, after which the matter has proceeded to the tax office which makes the decision on the matter. In the opinion of the Fiskars' management, the taxes have been reported and levied correctly and no re-assessment should be made. An unfavorable decision by the tax office would be appealed by Fiskars, in which case the litigation may take several years. The proposed re-assessment would result in a negative effect on Fiskars' result of approximately EUR 22 million and on cash flow of approximately EUR 22 million. The aforesaid does not take into account potential interest, litigation expenses or potential penalties.

The company does not consider any other material changes to have taken place in the risks and market uncertainties presented in the Annual Report 2014.

Outlook for the full-year 2015

Fiskars has today updated its outlook for 2015. Full-year 2015 net sales are expected to increase from 2014 levels and operating profit excluding non-recurring items to be above 2014 levels. Previously, full-year net sales were expected to increase from 2014 levels and operating profit excluding non-recurring items to be at 2014 levels.

The majority of the increase in net sales will come from the addition of the watering and WWRD businesses. Fiskars' solid performance during the third quarter allows moderately better expectations for the full-year 2015 operating profit excluding non-recurring items.

As previously communicated, Fiskars has done an initial evaluation of the impact of the WWRD business which is reported as part of the Living Products business unit as of July 1, 2015. The acquisition of WWRD is estimated to have a neutral effect on Fiskars' operating profit during 2015, and a positive effect on Fiskars' operating profit during 2016.

Despite the overall economic uncertainty, Fiskars continues the determined execution of its strategy. The company plans to expand its retail network in Asia and increase investments in brands in Europe. The integration and turnaround of the watering business is progressing according to plan. The watering business, as earlier communicated, is not expected to generate a profit on a full-year basis in 2015. The integration planning with WWRD has started, leveraging experiences from previous integrations.

The 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 in the profit and loss statement and thus the volatility of Fiskars' net results.

Helsinki, Finland, October 27, 2015

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	7–9 2015	7–9 2014	Change %	1–9 2015	1–9 2014	Change %	1–12 2014
Net sales	288.8	178.4	62	772.2	563.5	37	767.5
Cost of goods sold	-183.5	-105.0	75	-482.6	-335.6	44	-457.0
Gross profit	105.3	73.4	44	289.5	227.9	27	310.4
Other operating income	2.2	2.1	5	4.1	3.5	17	5.9
Sales and marketing expenses	-66.3	-37.4	77	-160.0	-120.5	33	-168.4
Administration expenses	-31.7	-20.9	52	-79.3	-59.8	33	-80.6
Research and development costs	-4.2	-3.2	34	-12.4	-10.3	21	-14.6
Other operating expenses	-1.8	-0.3		-3.5	-0.5		-10.0
Goodwill impairment	-5.0			-5.0			
Operating profit (EBIT)*	-1.6	13.7		33.5	40.4	-17	42.7
Change in fair value of biological assets	-0.9	-0.3	238	-0.6	-0.5	21	-0.3
Share of profit from associate		11.3			30.0		30.0
Gain on sale and revaluation of associate shares							676.0
Investments at fair value through profit or loss - net change in fair value	-67.2			-16.6			27.9
Other financial income and expenses	-7.2	1.5		26.1	0.2		10.5
Profit before taxes	-76.9	26.2		42.4	70.1	-40	786.7
Income taxes	9.3	-4.4		-18.2	-15.0	21	-13.4
Profit for the period	**-67.7**	**21.8**		**24.1**	**55.1**	**-56**	**773.3**
				-43.06%			
Attributable to:							
Equity holders of the parent company	-68.1	21.8		23.2	55.0	-58	773.1
Non-controlling interest	0.4	0.1		0.9	0.2	429	0.2
Earnings for equity holders of the parent company per share, euro (basic and diluted)	-0.83	0.27		0.28	0.67	-58	9.44
*Operating profit excl. NRIs (detailed in notes)	10.4	16.8	-38	48.3	48.9	-1	59.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7–9 2015	7–9 2014	1–9 2015	1–9 2014	1–12 2014
Profit for the period	**-67.7**	**21.8**	**24.1**	**55.1**	**773.3**
Other comprehensive income for the period:					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	0.3	5.4	5.6	4.1	3.6
Change in associate recognized directly in other comprehensive income		3.6		6.5	6.5
Transferred to income statement					6.2
Cash flow hedges	0.4	-0.0	0.0	-0.2	-0.0
Items that will not be reclassified to profit or loss:					
Defined benefit plan, actuarial gains (losses) net of tax	0.1	-0.1	-0.1	-0.1	-1.1
Change in associate recognized directly in other comprehensive income		0.3		-0.1	-0.1
Other comprehensive income for the period net of tax total	0.7	9.2	5.5	10.1	15.1
Total comprehensive income for the period	**-67.0**	**31.0**	**29.6**	**65.3**	**788.4**
Attributable to:					
Equity holders of the parent company	-67.2	30.9	28.8	65.1	788.0
Non-controlling interest	0.3	0.1	0.8	0.2	0.4

CONSOLIDATED BALANCE SHEET

EUR million	9/2015	9/2014	Change %	12/2014
ASSETS				
Non-current assets				
Goodwill	229.5	112.5	104	112.7
Other intangible assets	305.6	179.0	71	171.9
Property, plant & equipment	164.0	101.0	62	104.7
Biological assets	41.0	41.5	-1	41.6
Investment property	4.8	5.3	-8	4.9
Investments in associates		113.9		
Financial assets				
Financial assets at fair value through profit or loss	13.8	9.1	51	11.1
Other investments	7.1	5.0	40	5.0
Deferred tax assets	38.2	30.1	27	26.8
Non-current assets total	804.0	597.4	35	478.8
Current assets				
Inventories	253.7	145.8	74	168.2
Trade and other receivables	230.4	132.8	74	129.2
Income tax receivables	9.2	4.1	122	8.0
Interest-bearing receivables	4.1	0.4	923	5.1
Investments at fair value through profit or loss	452.3			766.7
Cash and cash equivalents	25.2	8.9	184	33.6
Current assets total	974.9	292.0	234	1,110.7
Non-current assets held for sale	13.5	181.7		
Assets total	**1,792.3**	**1,071.1**	**67**	**1,589.5**
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	1,125.0	641.8	75	1,151.9
Non-controlling interest	3.4	1.2	171	1.3
Equity total	1,128.4	643.1	75	1,153.2
Non-current liabilities				
Interest-bearing liabilities	83.0	46.7	78	31.5
Other liabilities	8.3	5.1	61	6.4
Deferred tax liabilities	47.4	40.5	17	39.1
Pension liability	13.3	8.3	61	9.3
Provisions	5.1	4.6	9	4.5
Non-current liabilities total	157.0	105.2	49	90.9
Current liabilities				
Interest-bearing liabilities	264.5	158.1	67	128.9
Trade and other payables	223.9	153.4	46	210.2
Income tax liabilities	9.1	4.9	85	1.9
Provisions	6.5	6.4	1	4.4
Current liabilities total	503.9	322.8	56	345.5
Liabilities directly associated with the non-current assets held for sale	3.0			
Equity and liabilities total	**1,792.3**	**1,071.1**	**67**	**1,589.5**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	7–9 2015	7–9 2014	1–9 2015	1–9 2014	1–12 2014
Cash flow from operating activities					
Profit before taxes	-76.9	26.2	42.4	70.1	786.7
Adjustments for					
Depreciation, amortization and impairment	18.2	6.6	31.8	20.5	28.5
Share of profit from associate		-11.3		-30.0	-30.0
Gain on sale and revaluation of associate shares					-676.0
Gain/loss on sale and loss on scrap of non-current assets	-0.6	-0.4	-1.1	-0.4	8.5
Investments at fair value through profit or loss - net change in fair value	67.2		16.6		-27.9
Other financial items	7.2	-1.5	-26.1	-0.2	-10.4
Change in fair value of biological assets	0.9	0.3	0.6	0.5	0.3
Change in provisions and other non-cash items	4.5	-1.0	2.2	-2.2	-6.1
Cash flow before changes in working capital	20.5	19.0	66.4	58.3	73.6
Changes in working capital					
Change in current assets, non-interest-bearing	11.8	18.3	-38.7	13.1	17.0
Change in inventories	-3.4	-4.2	8.0	-22.2	-20.5
Change in current liabilities, non-interest-bearing	-24.0	-2.3	-50.3	-22.1	9.6
Cash flow from operating activities before financial items and taxes	4.9	30.7	-14.5	27.0	79.8
Dividends received from associate				26.9	26.9
Financial income received and costs paid	0.1	-1.1	16.9	-4.1	-5.4
Taxes paid	-5.1	-3.5	-16.4	-10.7	-14.3
Cash flow from operating activities (A)	-0.1	26.1	-14.0	39.1	87.0
Cash flow from investing activities					
Acquisition of subsidiaries	-294.1		-294.1		-19.7
Investments in financial assets	-31.1		-36.8	-0.1	-400.1
Capital expenditure on fixed assets	-12.6	-15.7	-24.5	-27.7	-35.0
Proceeds from sale of fixed assets	0.7	2.1	1.3	2.2	2.4
Proceeds from sale of associate shares					639.1
Proceeds from sale of investments at fair value through profit or loss	30.1		330.5		
Other dividends received	0.0		11.4		
Cash flow from other investments	1.1	1.3	1.8	1.3	1.3
Cash flow from investing activities (B)	-305.9	-12.3	-10.5	-24.3	187.8
Cash flow from financing activities					
Change in current receivables	13.8	0.7	7.2	1.9	-2.8
Borrowings of non-current debt	50.1		50.1		32.7
Repayment of non-current debt	-0.9	-11.4	-8.4	-11.8	-44.6
Change in current debt	-159.8	0.5	47.2	51.2	11.4
Payment of financial lease liabilities	-0.3	-1.6	-0.7	-2.1	-2.4
Cash flow from other financing items	0.0	-0.1	-0.3	-0.0	0.2
Dividends paid	-0.2		-78.5	-55.0	-245.6
Cash flow from financing activities (C)	-97.2	-11.9	16.5	-15.9	-251.1
Change in cash (A+B+C)	**-403.2**	**1.9**	**-7.9**	**-1.0**	**23.7**
Cash at beginning of period	429.3	6.8	33.6	9.7	9.7
Translation difference	-0.9	0.2	-0.4	0.2	0.2
Cash at end of period	25.2	8.9	25.2	8.9	33.6

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to the equity holders of the parent company						
EUR million	Share capital	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	Non-controlling interest	Total
Dec 31, 2013	**77.5**	**-18.7**	**-2.6**	**-6.7**	**582.2**	**0.9**	**632.7**
Total comprehensive income for the period		12.5	-2.3	-0.2	55.0	0.3	65.3
Changes due to acquisitions					-0.0	0.2	0.2
Dividends paid					-54.9	-0.2	-55.1
Sep 30, 2014	**77.5**	**-6.2**	**-4.9**	**-6.9**	**582.3**	**1.2**	**643.1**
Total comprehensive income for the period		2.0	3.9	4.7	712.4	0.0	723.1
Dividends paid					-213.0		-213.0
Dec 31, 2014	**77.5**	**-4.2**	**-1.0**	**-2.2**	**1,081.7**	**1.3**	**1,153.2**
Total comprehensive income for the period		5.6	0.0	-0.1	23.2	0.8	29.6
Changes due to acquisitions						1.7	1.7
Dividends paid					-55.7	-0.4	-56.1
Sep 30, 2015	**77.5**	**1.5**	**-0.9**	**-2.2**	**1,049.3**	**3.4**	**1,128.4**

KEY FIGURES*	9/2015	9/2014	Change %	12/2014
Equity/share, EUR	13.74	7.84	75	14.06
Equity ratio	63%	60%		73%
Net gearing	28%	30%		11%
Net interest-bearing liabilities, EUR million	317.7	195.1		121.3
Personnel (FTE), average	5,626	4,177	35	4,243
Personnel, end of period	8,482	4,391	93	4,832
Number of shares outstanding end of period, thousands**	81,905	81,905		81,905
Weighted average number of outstanding shares during period, thousands**	81,905	81,905		81,905

*Please see the annual financial statements 2014 for the calculation of key figures
**Excluding treasury shares

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

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

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2015:
- Amendments to IAS 19 Employee Benefits
- Annual improvements to IFRSs 2010–2012 cycle and 2011–2013 cycle

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

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

OPERATING SEGMENTS**

EUR million	7–9 2015	7–9 2014	Change %	1–9 2015	1–9 2014	Change %	1–12 2014
Net sales							
Europe & Asia-Pacific	187.6	117.5	60	437.1	366.1	19	506.7
Americas	119.1	57.6	107	333.3	176.0	89	235.1
Other	6.1	5.9	4	31.7	30.1	5	37.8
Inter-segment sales*	-24.0	-2.5	851	-29.9	-8.6	247	-12.1
Group total	**288.8**	**178.4**	**62**	**772.2**	**563.5**	**37**	**767.5**
Operating profit (EBIT)							
Europe & Asia-Pacific	5.3	8.5	-38	20.2	22.0	-8	25.8
Americas	-0.2	6.5		26.3	23.3	13	27.4
Other and eliminations	-6.7	-1.3	401	-13.0	-4.9	163	-10.6
Group total	**-1.6**	**13.7**		**33.5**	**40.4**	**-17**	**42.7**
Depreciation, amortization and impairment							
Europe & Asia-Pacific	8.6	3.2	168	14.9	10.5	42	14.3
Americas	7.2	1.4	421	10.6	3.8	177	5.9
Other and eliminations	2.3	2.0	14	6.3	6.2	2	8.3
Group total	**18.2**	**6.6**	**173**	**31.8**	**20.5**	**55**	**28.5**
Capital expenditure							
Europe & Asia-Pacific	9.2	13.1	-30	15.6	19.1	-18	22.5
Americas	1.6	0.8	102	3.1	3.0	1	5.2
Other and eliminations	1.9	1.7	9	5.9	5.6	5	7.4
Group total	**12.6**	**15.7**	**-19**	**24.5**	**27.7**	**-11**	**35.0**
*Inter-segment sales							
Europe & Asia-Pacific	-22.1	-1.2		-24.7	-4.8		-6.9
Americas	-1.4	-0.9		-3.8	-2.4		-3.3
Other	-0.5	-0.5		-1.4	-1.4		-1.8

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

Order book

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

BUSINESS UNITS

EUR million	7–9 2015	7–9 2014	Change %	1–9 2015	1–9 2014	Change %	1–12 2014
Net sales							
Living Products	141.1	57.2	147	250.2	159.3	57	238.5
Functional Products	116.6	93.2	25	426.9	319.7	34	410.2
Outdoor Products	25.4	22.5	13	64.8	55.7	16	82.7
Other	5.6	5.4	4	30.4	28.8	5	36.0
Group total	**288.8**	**178.4**	**62**	**772.2**	**563.5**	**37**	**767.5**

NON-RECURRING ITEMS EUR million	7–9 2015	7–9 2014	Change %	1–9 2015	1–9 2014	Change %	1–12 2014
EMEA 2015 restructuring program	0.1	-3.1	105	-1.3	-8.1	-85	-10.6
Integration of watering business	-0.9			-2.3			
Supply Chain 2017 program	-6.2			-6.2			
Goodwill impairment related to a non-core product range in Americas*	-5.0			-5.0			
Write down of ERP related intangible assets							-7.0
Gain from bargain purchase**							1.7
Trademark impairment							-0.4
Other asset impairments					-0.4		
Other non-recurring items					-0.1		-0.7
Total	**-12.0**	**-3.1**	**291**	**-14.8**	**-8.5**	**73**	**-17.0**

*The planned rationalization of a non-core product range in Americas was considered as an indication of potential impairment of goodwill allocated to that business. As the planned rationalization is likely to have a negative impact on future cash flows of that business, goodwill was impaired and thus written down, resulting in an impairment loss of EUR 5.0 million.

**Related to the acquisition of the watering business

INTANGIBLE AND TANGIBLE ASSETS EUR million	9/2015	9/2014	12/2014
Intangible assets and goodwill			
Book value, Jan 1	284.6	282.9	282.9
Currency translation adjustment	0.7	0.9	1.3
Acquisitions	256.7		
Additions*	4.7	14.1	16.7
Amortization and impairment	-11.8	-6.4	-9.2
Decreases and transfers	0.2		-7.0
Book value at end of period	**535.2**	**291.5**	**284.6**
Investment commitments for intangible assets	4.4	4.1	6.0
Tangible assets, investment property and non-current assets held for sale			
Book value, Jan 1	109.6	106.5	106.5
Currency translation adjustment	1.5	2.2	2.7
Acquisitions	72.0		5.3
Additions	19.5	13.9	18.9
Depreciation and impairment	-19.9	-13.8	-19.2
Decreases and transfers	-0.5	-2.5	-4.5
Book value at end of period	**182.3**	**106.3**	**109.6**
Investment commitments for property, plant and equipment	7.4	3.9	2.7

*Comparison period Q1–Q3 2014 includes the acquisition of the Hackman brand, the cash flow effects of which took place in July 2014.

CONTINGENCIES AND PLEDGED ASSETS EUR million	9/2015	9/2014	12/2014
As security for own commitments			
Lease commitments	85.8	53.9	55.1
Guarantees	17.2	14.1	11.2
Other contingencies*	20.8	22.3	22.9
Total	123.7	90.3	89.1
Guarantees as security for third-party commitments			
The Group has no guarantees as security for third-party commitments.			
Contingencies and pledged assets total	**123.7**	**90.3**	**89.1**

*Other contingencies include a commitment of USD 22 million to invest in private equity funds.

Tax risks

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to re-assessment of taxes. Fiskars Corporation has in June 2015 received a tax audit report proposing re-assessment of taxes relating to the fiscal year of 2011. Fiskars has provided its response to the tax audit report and the matter has proceeded to the tax office which makes the decision on the matter. In the opinion of the Fiskars' management, the taxes have been reported and levied correctly and no re-assessment should be made. An unfavorable decision by the tax office would be appealed by Fiskars, in which case the litigation may take several years.

The proposed re-assessment would result in a negative effect on Fiskars's result of approximately EUR 22 million and on cash flow of approximately EUR 22 million. The aforesaid does not take into account potential interest expenses, which by the end of the 2015 would amount to approximately EUR 5 million, litigation expenses or potential penalties.

Fiskars believes that the tax auditors' reassessment proposal will not be sustained.

DERIVATIVES

EUR million	9/2015	9/2014	12/2014
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	401.9	236.3	417.3
Foreign exchange options			205.9
Interest rate swaps	108.4	65.9	65.9
Electricity forward agreements	1.7	1.4	1.5
Fair value of derivatives			
Foreign exchange forwards and swaps	0.8	0.4	5.4
Interest rate swaps	-1.8	-2.5	-2.2
Electricity forward agreements	-0.4	-0.2	-0.2

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 JPY against EUR and appreciation of THB and GBP against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	SEK	GBP	JPY
Operational currency position	-28.3	27.3	-23.6	22.0
Exchange rate sensitivity of the operations*	2.8	-2.7	2.4	-2.2

*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

9/2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	452.3		13.8	466.1
Other investments	0.4		6.7	7.1
Derivative assets		0.8		0.8
Total assets	452.7	0.8	20.5	**473.9**
Derivative liabilities		2.2		2.2
Total liabilities		2.2		**2.2**

9/2014

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			9.1	9.1
Other investments	0.3		4.7	5.0
Derivative assets		0.4		0.4
Total assets	0.3	0.4	13.8	**14.5**
Derivative liabilities		2.7		2.7
Total liabilities		2.7		**2.7**

12/2014

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

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, 2013		**9.0**	**0.3**	**5.1**	**14.4**
Change in fair value		0.1	0.0	-0.4	-0.3
Book value, Sep 30, 2014		**9.1**	**0.3**	**4.7**	**14.2**
Additions	400.0				400.0
Transfer from investments in associates	113.9				113.9
Decreases		-1.6			-1.6
Change in fair value	252.8	3.6	0.0	-0.0	256.3
Book value, Dec 31, 2014	**766.7**	**11.1**	**0.3**	**4.7**	**782.8**
Additions	33.0	4.0			37.0
Acquisitions				1.9	1.9
Decreases	-330.5	-1.8			-332.3
Change in fair value	-16.9	0.4	0.0	0.1	-16.3
Book value, Sep 30, 2015	**452.3**	**13.8**	**0.4**	**6.7**	**473.1**

Investments at fair value through profit or loss comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist mainly of 10,743,764 shares in Wärtsilä with fair value of EUR 381.1 million and of investments into short interest rate funds with fair value of EUR 71.2 million. A 10% change in the Wärtsilä share price would have an impact of EUR 38.1 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 investments comprise mostly of non-current receivables and unlisted shares and they are measured at the lower of cost and fair value.

RELATED PARTY TRANSACTIONS

There have been no material related party transactions during January–September 2015.

ACQUISITIONS AND DIVESTMENTS

On 10 May 2015, Fiskars agreed to buy 100% of the shares in KPS LuxCo S.à.r.l., the holding company of the WWRD group, including its brands and business operations from the U.S. based private equity firm KPS Capital Partners. The transaction was subject to the completion of the antitrust filing under the U.S. Hart-Scott-Rodino Antitrust Improvements Act (HSR Act) and was completed on 1 July 2015.

The purchase price payable was USD 437 million, equaling EUR 391 million, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the acquired business on the closing date. The consideration transferred amounted to USD 345 million (EUR 308 million). Additionally, Fiskars repaid WWRD's interest-bearing debt of USD 114 million (EUR 102 million). Fiskars financed the acquisition by monetizing its holdings in short term interest rate funds.

WWRD owns a portfolio of luxury home and lifestyle brands: Wedgwood (established in 1759), Waterford (1783), Royal Doulton (1815), Royal Albert (1904) and Rogaŝka (1665). WWRD has a global footprint and has manufacturing sites in England, Ireland, Slovenia and Indonesia. The retail store structure consists of 226 own stores, of which 76 are owned by WWRD and the remaining 150 are concession stores. WWRD products are also sold in luxury and premium department stores and by specialty retailers in over 100 countries and 10,000 locations. WWRD employs 3,800 employees across 14 countries.

The provisional goodwill of EUR 121 million arising from the acquisition is not expected to be deductible for income tax purposes. Intangible assets also include trademarks and customer relationships.

By the end of Q3 2015, EUR 7 million of acquisition related costs have been charged to administration expenses in the consolidated income statement.

Had WWRD been consolidated from 1 January 2015, the consolidated income statement would show pro forma revenue of EUR 929 million and net profit of EUR 21 million. The acquired WWRD has been consolidated as of 1 July 2015.

The purchase price allocation is provisional. The following table summarises the consideration paid for WWRD, provisional amounts for the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

EUR million	
Non-current assets	
Intangible assets (excl. goodwill)	136
Property, plant & equipment	58
Deferred tax assets	6
Other non-current assets	2
Non-current assets total	**203**
Current assets	
Inventories	94
Trade and other receivables	57
Cash and cash equivalents	15
Current assets total	**166**
Non-current assets held for sale*	**13**
Assets total	**382**
Non-current liabilities	
Interest bearing liabilities	105
Other non-current liabilities	9
Non-current liabilities total	**114**
Current liabilities	
Interest bearing debt	0
Trade and other current liabilities	75
Current liabilities total	**75**
Liabilities directly associated with the non-current assets held for sale*	**3**
Non-controlling interest**	**2**
Net assets	**188**
Consideration transferred	308
Goodwill	**121**

*Relates to land to be sold in Europe & Asia-Pacific

**Non-controlling interest is recognised and measured based on the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Acquisition of U.S. watering brands Nelson and Gilmour in 2014

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

Sale of significant part of Wärtsilä shares in 2014

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