

# Q2

INTERIM REPORT  
JANUARY 1 – JUNE 30, 2011



Helsinki, August 5, 2011

**FISKARS**

## Second quarter: Good performance in mixed market conditions

### Second quarter 2011 in brief:

- Net sales increased 2% to EUR 200.6 million (Q2 2010: 195.9)
- At comparable currency rates, net sales increased 6 %
- Operating profit (EBIT) decreased 15% to EUR 19.0 million (22.2)
- Earnings per share were EUR 0.30 (0.35)
- Cash flow from operating activities was EUR 8.2 million (31.4), including a EUR 13 million negative impact related to withheld tax on dividend
- Outlook for 2011 unchanged: full-year net sales and operating profit excluding non-recurring items are expected to increase compared to 2010

### Fiskars President and CEO, Kari Kauniskangas:

"Overall, Fiskars had a good quarter, with many businesses performing above market and increasing their sales. Across our portfolio and segments, however, performance varied from weak to strong. Even within business areas, consumer demand developed unevenly between different geographical segments. At Group level, the weaker US dollar affected Fiskars' consolidated net sales and operating profit. Profit was also negatively impacted by temporary production inefficiencies in EMEA, which were partly related to increased production volumes.

After a strong first-quarter sell-in, consumer demand has developed unevenly from month to month. Given the worries about the economic outlook, consumers are likely to continue weighing their spending decisions carefully. Increasing raw material prices pressure us to increase our sales prices towards the end of the year."

### Group key figures

EUR million	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Net sales	200.6	195.9	2%	389.9	365.9	7%	715.9
Operating profit (EBIT)	19.0	22.2	-15%	35.3	34.8	1%	49.1
Share of profit from associated company	10.6	13.2	-20%	21.7	18.6	17%	65.9
Change in the fair value of standing timber	-0.2	-0.6		-0.7	-1.2		-2.2
Profit before taxes*	28.6	34.0	-16%	123.5	49.7	148%	106.7
Profit for the period*	24.2	28.4	-15%	116.1	41.3	181%	94.3
Earnings per share, EUR	0.30	0.35		1.42	0.50		1.15
Equity per share, EUR				6.16	6.41	-4%	6.76
Cash flow from operating activities**	8.2	31.4	-74%	40.2	44.8	-10%	92.6
Equity ratio, %				53%	53%		57%
Net gearing, %				43%	44%		36%
Capital expenditure	5.1	5.0	2%	10.3	7.6	36%	18.6
Personnel (FTE), average	3,714	3,594	3%	3,677	3,576	3%	3,612

\*Including a non-recurring profit of EUR 69.8 million from the sale of Wärtsilä shares in Q1 2011

\*\*Including Wärtsilä dividend of EUR 40.9 million in Q1 2011 (29.5)

### Further information:

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

### News conference:

An analyst and press conference on the second quarter results will be held on August 5, 2011, at 10:00 am at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at [www.fiskarsgroup.com](http://www.fiskarsgroup.com).

## FISKARS' INTERIM REPORT, JANUARY - JUNE 2011

### GROUP PERFORMANCE

#### Operating environment in Q2 2011

Consumer confidence weakened in Europe, as worries about financial instability and economic outlook increased during the quarter. Consumer demand developed unevenly from country to country and month to month, with some countries experiencing growth while in others consumer demand contracted even despite economic growth.

In North America, the recovery in retail trade was yet again delayed. Value-conscious consumers continue to dominate the marketplace and shoppers restrict their spending while waiting for the unemployment situation to turn around. Institutional spending remained curbed due to federal funding issues.

Overall, the predictability of the business environment weakened. Many positive signals seemed to be followed by a set back and the level of uncertainty increased.

#### Net sales and operating profit

In the second quarter of 2011 Fiskars' consolidated net sales increased by 2% to EUR 200.6 million (Q2 2010: EUR 195.9 million). Using comparable exchange rates, consolidated net sales increased by 6%. Higher sales were driven by the EMEA segment, where all businesses continued good development and especially Boats' sales performance was strong. Due to the weak US dollar, reported euro-nominated sales in the Americas decreased.

In the first half of the year, Fiskars' net sales increased by 7% to EUR 389.9 million (Q1-Q2 2010: EUR 365.9 million). Using comparable exchange rates, consolidated net sales increased by 8%.

Net sales, EUR million	Q2 2011	Q2 2010	Change	Change cn*	Q1-Q2 2011	Q1-Q2 2010	Change	Change cn*	2010
Group	200.6	195.9	2%	6%	389.9	365.9	7%	8%	715.9
EMEA	137.5	127.1	8%	8%	271.5	246.9	10%	9%	502.4
Americas	65.4	71.0	-8%	3%	123.6	123.5	0%	6%	223.1

\* currency neutral

Net sales for EMEA (Europe, Middle East, and Asia-Pacific) between April and June totaled EUR 137.5 million (Q2 2010: 127.1), and EUR 65.4 million (71.0) for the Americas.

During the first half-year, net sales for EMEA amounted to EUR 271.5 million (Q1-Q2 2010: 246.9) and for the Americas to EUR 123.6 million (123.5).

Operating profit (EBIT), EUR million	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Group	19.0	22.2	-15%	35.3	34.8	1%	49.1
EMEA	9.3	14.8	-37%	20.8	24.0	-13%	33.1
Americas	11.7	11.3	4%	19.3	17.5	11%	28.1

In the second quarter the Group's operating profit decreased by 15% to EUR 19.0 million (Q2 2010: 22.2). The operating profit for EMEA decreased 37% to EUR 9.3 million (14.8), due to temporary production inefficiencies and increased marketing investments. Operating profit for the Americas increased by 4% in the second quarter and amounted to EUR 11.7 million (11.3), as good development in the Outdoor and SOC businesses offset lower sales in the Garden business.

During the first half of the year, the Group's operating profit increased by 1% to EUR 35.3 million (Q1-Q2 2010: 34.8). EMEA recorded an operating profit of EUR 20.8 million for the period (24.0), a decrease of 13%. Operating profit for the Americas increased by 11% and amounted to EUR 19.3 million (17.5).

#### Financial items and net result

Fiskars' share of profit from its associated company, Wärtsilä, during the second quarter was EUR 10.6 million (13.2), and EUR 21.7 million (18.6) during the first half of the year. The change in the fair value of standing timber was EUR -0.2 million (-0.6) in April – June and EUR -0.7 million in January – June (-1.2).

Second-quarter net financial costs totaled EUR 0.8 million (0.8) and profit before taxes was EUR 28.6 million (34.0). Earnings per share were EUR 0.30 (0.35).

During the first half-year, net financial costs totaled EUR 2.6 million (2.6) and profit before taxes was EUR 123.5 million (49.7). Earnings per share were EUR 1.42 (0.50) during the first half as a whole.

In February 2011, Fiskars wholly owned subsidiary Avlis AB completed an accelerated book-building offering of part of its shareholding in Wärtsilä Corporation. Avlis AB sold 1,974,320 Wärtsilä shares, corresponding to 11.7% of its holding in Wärtsilä, worth EUR 110.6 million at EUR 56.00 per share (pre-split, equaling EUR 28.00 split-adjusted). The Fiskars Group recorded a profit of EUR 69.8 million from the sale during Q1 2011.

### Cash flow, balance sheet, and financing

Second quarter cash flow from operating activities was EUR 8.2 million (31.4), including a EUR 13 million negative impact related to withheld tax on dividend. Cash flow from investing activities was EUR -5.0 million (-5.0) and cash flow after investing activities was EUR 3.2 million (26.4) in the second quarter.

During the first half of the year, cash flow from operating activities was EUR 40.2 million (44.8). The first quarter cash flow includes dividends paid by associated company Wärtsilä, totaling EUR 40.9 million (29.5). Cash flow from investing activities was EUR 99.7 million (-5.2) during the first six months. Cash flow from investing activities during the first quarter includes proceeds from the sale of Wärtsilä shares totaling EUR 109.7 million. Cash flow after investing activities was EUR 139.9 million (39.6) in the first half of the year.

Capital expenditure totaled EUR 5.1 million (5.0) in the second quarter. The investments were mainly related to capacity expansion and new product development. Capital expenditure in the first half of the year totaled EUR 10.3 million (7.6).

Depreciation was EUR 5.3 million (5.8) in the second quarter and EUR 10.8 million (11.6) in the first half of the year.

Fiskars' working capital totaled EUR 130.3 million (121.1) at the end of June. The equity ratio was unchanged at 53% (53%) and net gearing was 43% (44%).

Cash and cash equivalents at the end of the period totaled EUR 5.0 million (10.8). Net interest-bearing debt amounted to EUR 217.8 million (231.5). Short-term borrowings totaled EUR 150.3 million (164.9) and long-term borrowings EUR 73.8 million (77.8). Short-term borrowings are mainly commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 405.0 million (425.0) in unused, committed long-term credit facilities with Nordic banks.

### Research and development

The Group's research and development expenditure totaled EUR 2.1 million (2.0) in the second quarter, equivalent to 1.1% (1.0%) of net sales. During the first half-year, research and development expenditure totaled EUR 4.4 million (4.0).

### Personnel

The Group employed an average of 3,714 (3,594) full-time equivalent employees (FTEs) in the second quarter, of which 2,962 (2,844) in EMEA, 576 (595) in the Americas, and 176 (155) in Other.

In the first half of the year, the Group employed an average of 3,677 (3,576) full-time equivalent employees. At the end of June, the Group had a total of 4,050 employees (3,911) on the payroll, of whom 1,808 (1,674) were located in Finland.

Personnel (FTE), average	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Group	3,714	3,594	3%	3,677	3,576	3%	3,612
EMEA	2,962	2,844	4%	2,933	2,843	3%	2,864
Americas	576	595	-3%	571	594	-4%	597
Other	176	155	14%	173	139	24%	151

## OPERATING SEGMENTS AND BUSINESS AREAS

Fiskars' operating segments are EMEA (Europe, Middle East, and Asia-Pacific), Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters, and shared services).

The company's business areas are Home (homeware and school, office & craft), Garden, and Outdoor (outdoor equipment and boats).

### Business areas in Q2 2011

Net sales, EUR million	Q2 2011	Q2 2010	Change	Change cn *	Q1-Q2 2011	Q1-Q2 2010	Change	Change cn *	2010
Home	73.5	72.1	2%	5%	136.4	135.1	1%	1%	309.4
Garden	83.6	87.8	-5%	-2%	176.7	167.7	5%	6%	274.5
Outdoor	42.6	35.4	20%	28%	74.7	61.5	22%	25%	128.3

\*) currency neutral

### EMEA in Q2 2011

EUR million	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Net sales	137.5	127.1	8%	271.5	246.9	10%	502.4
Operating profit	9.3	14.8	-37%	20.8	24.0	-13%	33.1
Capital expenditure	3.3	3.0	9%	7.3	4.6	58%	12.9
Personnel (FTE), average	2,962	2,844	4%	2,933	2,843	3%	2,864

Net sales in EMEA increased 8% to EUR 137.5 million (127.1), driven by continued good development in all businesses and especially strong sales performance in Boats. Using comparable currency rates, sales rose 8%.

The Home business area performed well during the quarter. Net sales for home products were higher than in the second quarter of 2010, with Finland and export markets as the main drivers.

Net sales in the Garden business increased, driven by stick tool and wood preparation sales. Investments in marketing and brand-building continued in selected countries during the quarter.

Outdoor sales continued well above 2010 levels, mainly due to continued strong performance in the Boat business.

The segment recorded an operating profit of EUR 9.3 million (14.8). Temporary production inefficiencies caused by increased volumes, recent investments in production capacity, and reorganization of production, as well as higher investments in marketing, contributed to the reduction in operating profit.

### Americas in Q2 2011

EUR million	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Net sales	65.4	71.0	-8%	123.6	123.5	0%	223.1
Operating profit	11.7	11.3	4%	19.3	17.5	11%	28.1
Capital expenditure	0.7	1.4	-49%	1.5	2.1	-29%	3.4
Personnel (FTE), average	576	595	-3%	571	594	-4%	597

Net sales in the Americas decreased by 8% to EUR 65.4 million (71.0) due to the weaker US dollar and poor weather impacting Garden sales. Using comparable currency rates, sales increased by 3%.

Garden net sales decreased during the quarter. Unusual weather conditions led to an exceptionally short selling season, which heavily affected the category sell-out. Nevertheless, within the garden category Fiskars' relative performance was good.

Net sales for school, office, and craft products (SOC) grew, as back-to-school sell-in started well.

The Outdoor business area continued to perform clearly above 2010 levels, with successful product launches boosting the overall category in the commercial segment. Institutional sales remained behind 2010 levels.

The segment's operating profit was EUR 11.7 million (11.3), as strong sales and a favorable product mix in the Outdoor and SOC businesses offset soft Garden sales.

### Other in Q2 2011

EUR million	Q2 2011	Q2 2010	Change	Q1-Q2 2011	Q1-Q2 2010	Change	2010
Net sales	1.4	1.2	16%	3.1	2.8	10%	6.2
Operating profit	-2.0	-3.9		-4.7	-6.6		-12.1
Capital expenditure	1.1	0.5		1.4	0.8		2.3
Personnel (FTE), average	176	155	14%	173	139	24%	151

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

Net sales were EUR 1.4 million (1.2) in the second quarter and EUR 3.1 million (2.8) in the first half of the year, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -2.0 million (-3.9) and EUR -4.7 million (-6.6) for the first half of the year.

### Wärtsilä

Fiskars holds 15.1% (17.1%) of the shares and votes of its associated company, Wärtsilä Corporation. Fiskars' share of Wärtsilä's profit totaled EUR 10.6 million (13.2) during the second quarter and EUR 21.7 million (18.6) during the first half of the year. The market value of Fiskars' Wärtsilä shares was EUR 692.7 million (631.2) or EUR 8.46 (7.71) per Fiskars share, with a closing price of EUR 23.29 (37.47 or 18.74, split-adjusted) per Wärtsilä share. The book value of these shares in the consolidated balance sheet was EUR 281.9 million (309.7).

### Share and shareholders

Fiskars Corporation has one series of shares (FIS1V). All shares carry one vote each and equal rights.

The total number of shares at the end of the period was 82,023,341, including 112,619 treasury shares. Treasury shares correspond to 0.14% of the Corporation's shares and votes. The Board of Directors had authorizations to acquire and convey company shares but these were not used during the reporting period. The share capital remained unchanged at EUR 77,510,200.

Shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. The average share price during the quarter was EUR 17.06 (11.75). At the end of June, the closing price was EUR 16.10 (11.73) per share. Fiskars had a market capitalization of EUR 1,318.8 million (960.8), excluding treasury shares, as of the end of the quarter. The number of shares traded during the first half of the year was 3.8 million (2.4), which is 4.6% (2.9%) of the number of shares.

The total number of shareholders was 13,905 (12,119) as of the end of June. Fiskars was not informed of any significant change among its largest shareholders during the quarter.

### Risks and business uncertainties

Fiskars Corporation has detailed its overall business risks and risk management in its Annual Report for 2010, the company web site, and in its Interim Report for January – March 2011. The company does not consider any material changes to have taken place during the reporting period in the risks and market uncertainties presented in the Annual Report for 2010.

### Events after the review period

On July 8, 2011, Fiskars wholly owned subsidiary Avlis AB sold the shares of its subsidiary Silva Sweden AB to the Swedish investment company, Karnell. Silva has been a part of Fiskars' Outdoor business area. The net sales of the Silva business amounted to EUR 15 million in 2010 and the company employs some 220 people.

As a result of the sale of Silva, Fiskars will record a non-recurring operating loss of approximately EUR 6 million in its third-quarter results. The sale has a positive impact on cash flow from investment activities of approx. EUR 6 million. The Silva business is geared towards the end of the year, and the sale will reduce Fiskars' net sales during the second half of 2011 by around EUR 12 million and operating profit around EUR 1 million.

Fiskars aims at global growth by continuously simplifying its structures and increasing its focus on selected businesses and brands. By selling the Silva business, Fiskars will be able to focus resources towards growing its key international brands – Fiskars, Iittala, and in the outdoor business, Gerber – more effectively by widening their distribution networks in key target markets and new channels.

### **Outlook for 2011**

In the beginning of the year, Fiskars expected the general market situation to remain positive in 2011. Since then, uneasiness about the economic outlook has increased. We expect the trade to continue focusing on working capital, and retailer purchasing to remain cautious.

Fiskars will continue investing in brand-building and new product development. In addition, Fiskars has begun implementing a significant five-year investment program in EMEA, which will increase Fiskars' operating expenses and capital expenditure during the coming years.

Fiskars expects its full-year net sales and operating profit excluding non-recurring items to increase compared to 2010.

Associated company Wärtsilä will continue to have a major impact on Fiskars' profit and cash flow in 2011.

Helsinki, Finland, August 4, 2011

**FISKARS CORPORATION**

Board of Directors

**CONSOLIDATED INCOME STATEMENT**

	4-6	4-6	Change	1-6	1-6	Change	1-12
M€	2011	2010	%	2011	2010	%	2010
<b>Net sales</b>	200.6	195.9	2	389.9	365.9	7	715.9
Cost of goods sold	-131.5	-125.6	5	-253.8	-235.9	8	-462.3
<b>Gross profit</b>	69.1	70.3	-2	136.2	130.0	5	253.6
Other operating income	0.5	0.3		1.0	1.3		2.1
Sales and marketing expenses	-33.3	-30.0	11	-65.4	-60.2	9	-122.4
Administration expenses	-15.1	-16.2	-7	-31.9	-32.2	-1	-64.1
Research and development costs	-2.1	-2.0	4	-4.4	-4.0	11	-8.5
Other operating expenses	-0.1	0.0		-0.1	0.0		-0.3
Goodwill impairment	0.0	0.0		0.0	0.0		-11.3
<b>Operating profit (EBIT)</b>	19.0	22.2	-15	35.3	34.8	1	49.1
Change in fair value of biological assets	-0.2	-0.6		-0.7	-1.2		-2.2
Share of profit from associate	10.6	13.2	-20	21.7	18.6	17	65.9
Gain on sale of associate shares	0.0			69.8			
Other financial income and expenses	-0.8	-0.8	-2	-2.6	-2.6	0	-6.1
<b>Profit before taxes</b>	28.6	34.0	-16	123.5	49.7	148	106.7
Income taxes	-4.3	-5.6		-7.4	-8.4		-12.4
<b>Profit for the period</b>	<b>24.2</b>	<b>28.4</b>	<b>-15</b>	<b>116.1</b>	<b>41.3</b>	<b>181</b>	<b>94.3</b>

Earnings for owners of the Company per share, euro (basic and diluted)

	0.30	0.35		1.42	0.50		1.15
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**OTHER COMPREHENSIVE INCOME**

	4-6	4-6		1-6	1-6		1-12
M€	2011	2010		2011	2010		2010
Profit for the period	24.2	28.4		116.1	41.3		94.3
Translation differences	-2.2	10.2		-8.8	18.5		10.1
Change in associate recognized directly in other comprehensive income	-0.3	1.5		0.0	3.8		-12.5
transferred to income statement	0.0			-0.4			
Cash flow hedges	-0.3	-0.4		0.2	-0.4		-0.1
Defined benefit plan, actuarial gains (losses), net of tax	0.0	0.0		0.0	0.0		-0.5
Other comprehensive income for the period, net of tax, in total	-2.8	11.3		-9.0	21.8		-3.1
<b>Total comprehensive income for the period</b>	<b>21.4</b>	<b>39.7</b>		<b>107.1</b>	<b>63.1</b>		<b>91.2</b>

**CONSOLIDATED BALANCE SHEET**

M€	6/2011	6/2010	Change %	12/2010
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	88.0	100.6	-13	88.6
Other intangible assets	122.7	128.2	-4	125.4
Property, plant & equipment	95.7	94.3	2	95.0
Biological assets	35.9	37.7	-5	36.7
Investment property	7.1	8.6	-17	7.6
Investments in associates	281.9	309.7	-9	341.0
Financial assets				
Shares at fair value through profit and loss	6.8	3.8	81	6.7
Other investments	1.3	1.9	-32	1.6
Deferred tax assets	18.1	18.7	-3	15.2
<b>Non-current assets total</b>	<b>657.5</b>	<b>703.4</b>	<b>-7</b>	<b>717.7</b>
<b>Current assets</b>				
Inventories	139.6	136.1	3	133.0
Trade and other receivables	142.3	132.6	7	119.6
Income tax receivables	3.8	4.6	-18	3.0
Cash and cash equivalents	5.0	10.8	-53	5.8
<b>Current assets, total</b>	<b>290.8</b>	<b>284.1</b>	<b>2</b>	<b>261.3</b>
<b>Assets total</b>	<b>948.3</b>	<b>987.5</b>	<b>-4</b>	<b>979.0</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to the owners of the Company	504.9	525.3	-4	553.5
<b>Equity total</b>	<b>504.9</b>	<b>525.3</b>	<b>-4</b>	<b>553.5</b>
<b>Non-current liabilities</b>				
Interest bearing debt	73.8	77.8	-5	76.2
Other liabilities	3.6	2.5	44	2.8
Deferred tax liabilities	46.0	47.0	-2	45.8
Pension liability	7.7	9.6	-19	8.7
Provisions	5.1	5.3	-3	5.2
<b>Non-current liabilities total</b>	<b>136.3</b>	<b>142.1</b>	<b>-4</b>	<b>138.7</b>
<b>Current liabilities</b>				
Interest bearing debt	150.3	164.9	-9	130.1
Provisions	2.2	3.9	-44	2.5
Trade and other payables	143.7	140.7	2	146.6
Income tax payable	10.8	10.4	4	7.6
<b>Current liabilities total</b>	<b>307.1</b>	<b>320.0</b>	<b>-4</b>	<b>286.8</b>
<b>Equity and liabilities total</b>	<b>948.3</b>	<b>987.5</b>	<b>-4</b>	<b>979.0</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>M€</b>	4-6 2011	4-6 2010	1-6 2011	1-6 2010	1-12 2010
<b>Cash flow from operating activities</b>					
Profit before taxes	28.6	34.0	123.5	49.7	106.7
Adjustments for					
Depreciation	5.3	5.8	10.8	11.6	34.9
Share of profit from associate	-10.6	-13.2	-21.7	-18.6	-65.9
Gain on sale of associated shares	0.0		-69.8		
Investment income	0.0	0.0	-0.1	-0.9	-0.7
Interest expenses	0.8	0.8	2.6	2.6	6.3
Change in fair value of biological assets	0.2	0.6	0.7	1.2	2.2
Change in provisions and other non-cash items	-0.9	0.3	-1.8	-1.8	-6.8
Cash flow before changes in working capital	23.4	28.4	44.3	43.8	76.6
Changes in working capital					
Change in current assets, non-interest bearing	5.3	8.8	-27.1	-21.1	-10.9
Change in inventories	2.8	-7.0	-8.8	-9.2	-6.4
Change in current liabilities, non-interest bearing	-14.7	7.7	1.9	12.7	23.0
Cash flow from operating activities before financial items and taxes	16.7	37.9	10.3	26.3	82.3
Dividends from associate	0.0	0.0	40.9	29.5	29.5
Financial costs paid (net)	-1.6	-3.7	-3.0	-5.0	-10.3
Taxes paid	-6.9	-2.8	-8.1	-6.0	-8.9
<b>Cash flow from operating activities (A)</b>	<b>8.2</b>	<b>31.4</b>	<b>40.2</b>	<b>44.8</b>	<b>92.6</b>
<b>Cash flow from investing activities</b>					
Acquisitions and investments in financial assets	0.0		-0.1		-3.5
Capital expenditure on fixed assets	-5.1	-4.8	-10.3	-7.4	-18.5
Proceeds from sale of fixed assets	0.1	0.2	0.3	2.4	3.0
Sale of shares in associated			109.7		
Cash flow from other investments	0.0	-0.4	0.0	-0.2	0.2
<b>Cash flow from investing activities (B)</b>	<b>-5.0</b>	<b>-5.0</b>	<b>99.7</b>	<b>-5.2</b>	<b>-18.8</b>
<b>Cash flow from financing activities</b>					
Borrowings of non-current debt	0.0	0.0	0.1	0.0	1.5
Repayment of non-current debt	0.0	0.0	0.0	-0.3	-15.6
Change in current debt	-3.7	-21.9	16.5	-22.7	-48.4
Payment of financial lease liabilities	-0.4	-0.5	-0.8	-0.8	-1.6
Cash flow from other financing items	0.8	-0.7	-0.7	-1.4	-0.4
Dividends paid			-155.6	-42.6	-42.6
<b>Cash flow from financing activities (C)</b>	<b>-3.2</b>	<b>-23.1</b>	<b>-140.5</b>	<b>-67.8</b>	<b>-107.1</b>
<b>Change in cash (A+B+C)</b>	<b>0.1</b>	<b>3.2</b>	<b>-0.6</b>	<b>-28.2</b>	<b>-33.4</b>
Cash at beginning of period	5.8	7.4	5.8	38.6	38.6
Translation difference	-0.8	0.1	-0.1	0.4	0.5
Cash at end of period	5.0	10.8	5.0	10.8	5.8

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**

M€	Share capital	Treasury shares	Cumul. transl.diff.	Retained earnings	Total
<b>Dec 31, 2009</b>	<b>77.5</b>	<b>-0.8</b>	<b>-12.8</b>	<b>440.9</b>	<b>504.8</b>
Total comprehensive income for the period		0.0	21.8	41.4	63.1
Dividends paid				-42.6	-42.6
<b>Jun 30, 2010</b>	<b>77.5</b>	<b>-0.8</b>	<b>9.0</b>	<b>439.6</b>	<b>525.3</b>
Total comprehensive income for the period			-9.3	37.4	28.1
Dividends paid				0.0	0.0
<b>Dec 31, 2010</b>	<b>77.5</b>	<b>-0.8</b>	<b>-0.3</b>	<b>477.1</b>	<b>553.5</b>
Total comprehensive income for the period		0.0	-10.3	117.4	107.1
Dividends paid				-155.6	-155.6
<b>Jun 30, 2011</b>	<b>77.5</b>	<b>-0.8</b>	<b>-10.6</b>	<b>438.8</b>	<b>504.9</b>

**KEY FIGURES \***

	6/2011	6/2010	Change %	12/2010
Equity/share, euro	6.16	6.41	-4	6.76
Equity ratio	53%	53%	0	57%
Net gearing	43%	44%	-2	36%
Net interest bearing debt, EUR million	217.8	231.5	-6	200.0
Personnel (FTE), average	3,677	3,576	3	3,612
Personnel, end of period	4,050	3,911	4	3,944
Number of shares outstanding end of period and in average, in thousands	81,911	81,911		81,911

\*) Please see the annual financial statements 2010 for the calculation of key figures.

**Currency rates**

	1-6 2011	1-6 2010	Change %	1-12 2010
USD average rate	1.40	1.33	6	1.33
USD end-of-period	1.45	1.23	18	1.34

**NOTES TO THE INTERIM FINANCIAL STATEMENTS****ACCOUNTING PRINCIPLES**

This interim financial statement bulletin is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements. The interim financial statements are unaudited. 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 new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2011. Of these the most important are:

- Annual improvements to IFRS
- Revised IAS 24 Related party disclosures

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

**Use of estimates:**

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**

	4-6	4-6	Change	1-6	1-6	Change	1-12
M€	2011	2010	%	2011	2010	%	2010
<b>Net sales</b>							
EMEA	137.5	127.1	8	271.5	246.9	10	502.4
Americas	65.4	71.0	-8	123.6	123.5	0	223.1
Other	1.4	1.2	16	3.1	2.8	10	6.2
Inter-segment sales *)	-3.7	-3.4		-8.2	-7.3		-15.8
<b>GROUP TOTAL</b>	<b>200.6</b>	<b>195.9</b>	<b>2</b>	<b>389.9</b>	<b>365.9</b>	<b>7</b>	<b>715.9</b>
<b>Operating profit (EBIT)</b>							
EMEA	9.3	14.8	-38	20.8	24.0	-13	33.1
Americas	11.7	11.3	4	19.3	17.5	11	28.1
Other and eliminations	-2.0	-3.9		-4.7	-6.6		-12.1
<b>GROUP TOTAL</b>	<b>19.0</b>	<b>22.2</b>	<b>-15</b>	<b>35.3</b>	<b>34.8</b>	<b>1</b>	<b>49.1</b>
<b>Depreciation, amortization and impairment</b>							
EMEA	3.8	4.0	-6	7.7	8.0	-4	27.5
Americas	1.1	1.4	-22	2.2	2.7	-19	5.6
Other and eliminations	0.5	0.5		0.9	0.9		1.8
<b>GROUP TOTAL</b>	<b>5.3</b>	<b>5.8</b>	<b>-9</b>	<b>10.8</b>	<b>11.6</b>	<b>-7</b>	<b>34.9</b>
<b>Capital expenditure</b>							
EMEA	3.3	3.0	9	7.3	4.6	58	12.9
Americas	0.7	1.4	-49	1.5	2.1	-29	3.4
Other and eliminations	1.1	0.5		1.4	0.8		2.3
<b>GROUP TOTAL</b>	<b>5.1</b>	<b>5.0</b>	<b>2</b>	<b>10.3</b>	<b>7.6</b>	<b>36</b>	<b>18.6</b>
*) Inter-segment sales							
EMEA	-1.2	-1.9		-4.2	-4.4		-9.4
Americas	-2.0	-0.9		-3.0	-1.7		-4.0
Other	-0.5	-0.6		-1.1	-1.2		-2.4

**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**

	4-6	4-6	Change	1-6	1-6	Change	1-12
M€	2011	2010	%	2011	2010	%	2010
<b>Net sales</b>							
Home	73.5	72.1	2	136.4	135.1	1	309.4
Garden	83.6	87.8	-5	176.7	167.7	5	274.5
Outdoor	42.6	35.4	20	74.7	61.5	22	128.3
Other	0.8	0.6		2.0	1.6		3.8
<b>GROUP TOTAL</b>	<b>200.6</b>	<b>195.9</b>	<b>2</b>	<b>389.9</b>	<b>365.9</b>	<b>7</b>	<b>715.9</b>

**INTANGIBLE AND TANGIBLE ASSETS**

6/2011 6/2010 12/2010

**M€****Intangible assets and goodwill**

Book value, Jan. 1	214.0	224.4	224.4
Currency translation adjustment	-1.3	1.5	1.2
Acquisitions and divestments	0.0	0.2	0.0
Additions	0.5	0.6	1.2
Amortization and impairment	-2.7	-3.0	-17.2
Decreases and transfers	0.3	4.9	4.4
<b>Book value at end of period</b>	<b>210.7</b>	<b>228.8</b>	<b>214.0</b>

Investment commitments for intangible assets 1.8

**Tangible assets and investment property**

Book value, Jan. 1	102.5	108.0	108.0
Currency translation adjustment	-1.2	3.4	2.0
Acquisitions and divestments	0.0	0.4	0.0
Additions	9.8	6.9	17.4
Depreciation and impairment	-8.0	-9.3	-17.7
Decreases and transfers	-0.3	-6.5	-7.1
<b>Book value at end of period</b>	<b>102.9</b>	<b>102.9</b>	<b>102.5</b>

Investment commitments for property, plant and equipment 0.5

**CONTINGENCIES AND PLEDGED ASSETS**

6/2011 6/2010 12/2010

**M€****As security for own commitments**

Lease commitments	50	50	54
Other contingencies	4	5	1
<b>Total</b>	<b>54</b>	<b>55</b>	<b>55</b>

**Guarantees as security for third-party commitments**

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

**As security for subsidiaries' commitments**

Guarantees	12	8	9
<b>Total</b>	<b>66</b>	<b>63</b>	<b>64</b>

**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**

	6/2011	6/2010	12/2010
<b>M€</b>			
<b>Nominal amounts of derivatives</b>			
Forward exchange contracts	159	136	187
Interest rate swaps	24	24	24
Electricity forward agreements	3	2	2
<b>Market value vs. nominal amounts of derivatives</b>			
Forward exchange contracts	-1	1	1
Interest rate swaps	0	0	0
Electricity forward agreements	0	0	1

Forward exchange contracts have been valued at market value.

**EXCHANGE RATE SENSITIVITY OF THE OPERATIONS**

Approximately 10% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the depreciation of GBP, SEK and CAD against USD and EUR. Foreign exchange risks are hedged primarily through the use of currency forwards and swaps. Change in valuation of currency derivatives is included in the income statement without applying hedge accounting.

<b>M€</b>	USD	GBP	SEK	CAD
Operational currency position	-23.9	6.3	16.9	13.0
Exchange rate sensitivity of the operations*	2.4	-0.6	-1.7	-1.3

\*) Illustrates the impact of 10% exchange rate depreciation on the Group's annual profit before taxes.

**RELATED PARTY TRANSACTIONS**

The dividend from Wärtsilä EUR 40.9 million is reported as Dividends from associate in the Consolidated Statement of Cash Flows. The dividend was received during the first quarter of 2011.

**ACQUISITIONS AND DIVESTMENTS**

Fiskars wholly-owned subsidiary Avlis AB sold 1,974,320 Wärtsilä shares, corresponding to 11.7% of its Wärtsilä holding, worth EUR 110.6 million, mainly to international institutional investors during the first quarter of 2011. The price per share was EUR 56.00 (EUR 28.00 split-adjusted). Fiskars Group recorded a profit of approximately EUR 69.8 million from the sale. Following the completion of the sale, Fiskars Groups holding of Wärtsilä amounts to 15.1 % of Wärtsiläs total number of shares and votes, and Fiskars Group remains the largest single holder of Wärtsilä shares.

There were no acquisitions or divestments in 2010.

**MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

Fiskars sold the shares of its subsidiary Silva Sweden AB to the Swedish investment company Karnell in July 2011. Active within the sport and outdoor equipment, such as compasses and headlamps, Silva has been a part of Fiskars' Outdoor business area.

Fiskars will record a non-recurring sales loss of EUR 5.5 million in the third quarter results and EUR 1 million positive effect in the income taxes for the period. The disposed cash assets were EUR 0.1 million, intangible and tangible asset EUR 4.5 million and net working capital EUR 6.0 million. The sale of the shares has a positive impact on cash flow from investment activities of EUR 6.1 million.

The sale of Silva will reduce Fiskars July-December net sales with about EUR 12 million and Fiskars operating profit in the second half of the year with about EUR 1 million. The net sales of the Silva business amounted to EUR 15 million in 2010 and the company employs some 220 people.

