

Q3

INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2013



Helsinki, November 1, 2013

FISKARS

Fiskars' third quarter 2013: Strong performance maintained through determined efforts

Third quarter 2013 in brief:

- Net sales increased by 6% to EUR 177.9 million (Q3 2012: 168.0)
- Comparable net sales (currency neutral and excluding Royal Copenhagen) at 2012 levels
- Operating profit (EBIT) decreased by 38% to EUR 8.7 million (14.0)
- Operating profit (EBIT) excluding non-recurring items increased by 17% to EUR 15.4 million (13.2)
- Non-recurring restructuring costs related to the previously announced EMEA 2015 program totaled EUR 2.0 million and impairment charges were EUR 4.6 million
- Earnings per share were EUR 0.16 (0.22)
- Cash flow from operating activities was EUR 23.1 million (23.5)
- Outlook for 2013 unchanged: full-year net sales and operating profit excluding non-recurring items to be above 2012 levels

Fiskars' President and CEO, Kari Kauniskangas:

"During the third quarter, our sales force pushed on with determination and maintained good momentum in our core categories. In effect, our garden business performed strongly in a quarter that is usually low season and in a year that had a weak start. In Europe, the first ever pan-European garden campaign gained traction for the fall season and successful business-to-business initiatives brought both the Fiskars and Gerber brands to new consumers in Central and Eastern Europe. In the Americas, we expanded the distribution of our superior axes. These are exciting and encouraging examples of how our strategy is coming to life.

The good performance in the third quarter is the result of a joint effort across the whole organization. The clarity of our common direction and unrelenting focus paid off in the form of operational efficiency and controlled cost levels. This enabled us to deliver a clear increase in operating profit excluding non-recurring items while our structural evolution continued with changes in the supply chain and the single biggest system implementation of our five-year investment program."

Group key figures

EUR million	Q3 2013	Q3 2012	Change	Q1–Q3 2013	Q1–Q3 2012	Change	2012
Net sales	177.9	168.0	6%	586.0	557.5	5%	747.8
Operating profit (EBIT)*	8.7	14.0	-38%	49.4	50.8	-3%	63.9
Operating profit excluding non-recurring items	15.4	13.2	17%	59.8	50.0	20%	63.1
Share of profit from associated company	12.1	9.8	24%	31.7	28.1	13%	47.8
Change in the fair value of biological assets	0.1	0.7	-88%	0.7	1.0	-32%	5.6
Profit before taxes**	17.8	22.8	-22%	78.5	163.4	-52%	200.4
Profit for the period**	13.2	18.4	-28%	61.3	147.1	-58%	178.9
Earnings per share, EUR***	0.16	0.22	-28%	0.75	1.79	-58%	2.18
Equity per share, EUR				7.42	7.21	3%	7.56
Cash flow from operating activities****	23.1	23.5	-2%	40.5	56.4	-28%	95.0
Equity ratio, %				59%	64%		66%
Net gearing, %				31%	17%		12%
Capital expenditure	8.6	8.8	-3%	28.8	21.2	36%	32.8
Personnel (FTE), average	4,049	3,371	20%	4,085	3,377	21%	3,364

* Incl. non-recurring costs of the EMEA 2015 program of 2.1 MEUR in Q1 2013, 1.7 MEUR in Q2 2013 and 2.0 MEUR in Q3 2013. In addition, in Q3 2013 a real-estate write-down of 0.9 MEUR and a goodwill impairment of 3.7 MEUR in EMEA

** Incl. a 87.0 MEUR non-recurring profit from the sale of Wärsilä shares in Q2 2012 and 0.8 MEUR from the release of a provision in Q3 2012

*** Including EUR 1.06 per share from the sale of Wärsilä shares in Q2 2012

**** Including a dividend from Wärsilä of 25.6 MEUR in Q1 2013 (26.8)

Further information:

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- CFO Ilkka Pitkänen, tel. +358 204 39 5054

News conference:

A news conference on the third quarter results will be held on Nov 1, 2013, at 10:00 am 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 2013

GROUP PERFORMANCE

Operating environment in Q3 2013

The business environment and consumer confidence started to improve in Europe during the third quarter but demand was still cautious and volatile. In Finland, however, economic indicators were negative and the retail environment weak, with many retailers reporting a strong decline in sales towards the end of the quarter.

In North America, federal budget uncertainty continued and businesses were conservative with their spending. Employment continued to improve, albeit slowly, and retail sales growth slowed from the first half of the year. Institutional spending continued to be affected by the federal budget issues.

Net sales and operating profit

In the third quarter of 2013, Fiskars' consolidated net sales increased by 6% and amounted to EUR 177.9 million (Q3 2012: EUR 168.0 million). The increase was mainly due to the acquisition of Royal Copenhagen in January 2013; using comparable exchange rates and excluding Royal Copenhagen, sales remained at 2012 levels. Sales in Europe were boosted by the addition of Royal Copenhagen and an increase in Garden sales. Sales in the Americas increased thanks to strong development in the Garden business, but sales reported in euro were flat due to a weakening in the US dollar.

In the first nine months of 2013, Fiskars' net sales amounted to EUR 586.0 million (Q1–Q3 2012: EUR 557.5 million). Using comparable exchange rates and excluding Royal Copenhagen in Q1–Q3 2013, comparable net sales decreased by 2%.

Net sales, EUR million	Q3 2013	Q3 2012	Change	Change cn*	Q1-Q3 2013	Q1-Q3 2012	Change	Change cn*	2012
Group	177.9	168.0	6%	10%	586.0	557.5	5%	6%	747.8
EMEA	119.8	108.0	11%	13%	404.2	369.0	10%	10%	501.9
Americas	60.7	60.7	0%	6%	190.0	191.9	-1%	1%	250.4
Other	1.4	1.4	-1%	-1%	4.7	4.8	-2%	-2%	6.3

* Currency-neutral

Net sales for EMEA (Europe, Middle East, and Asia-Pacific) between July and September totaled EUR 119.8 million (Q3 2012: 108.0). Net sales for the Americas totaled EUR 60.7 million (60.7).

In January–September, net sales for EMEA amounted to EUR 404.2 million (Q1–Q3 2012: 369.0) and net sales were EUR 190.0 million (191.9) for the Americas.

Operating profit (EBIT), EUR million	Q3 2013	Q3 2012	Change	Q1-Q3 2013	Q1-Q3 2012	Change	2012
Group	8.7	14.0	-38%	49.4	50.8	-3%	63.9
EMEA	3.4	8.9	-62%	28.0	31.8	-12%	42.6
Americas	7.6	8.0	-6%	28.3	28.9	-2%	34.2
Other	-2.2	-3.0	-25%	-6.9	-9.8	-29%	-12.9

In the third quarter, the Group's operating profit totaled 8.7 million, down 38% from the previous year, as non-recurring costs in EMEA came to EUR 6.6 million for the quarter. Excluding non-recurring items, operating profit increased by 17% to EUR 15.4 million (Q3 2012: 13.2), boosted by the acquisition of Royal Copenhagen, operational efficiency and cost control measures in EMEA. During the reporting period the group recorded non-recurring restructuring costs in EMEA of EUR 2.0 million related to the EMEA 2015 restructuring program, a real-estate write-down of EUR 0.9 million and a goodwill impairment of EUR 3.7 million (Q3 2012: income of EUR 0.8 million from the release of a provision).

In EMEA, operating profit excluding non-recurring items for the period increased by 24% to EUR 10.0 million (8.1). Operating profit for the Americas decreased by 6% in the third quarter and amounted to EUR 7.6 million (8.0).

In January–September, the Group's operating profit excluding non-recurring items increased by 20% to EUR 59.8 million (Q1–Q3 2012: 50.0). EMEA recorded an operating profit of EUR 38.5 million for the period

(31.0), an increase of 24% excluding non-recurring items. Operating profit for the Americas decreased by 2%, amounting to EUR 28.3 million (28.9).

Financial items and net result

Fiskars' share of profit from its associated company, Wärtsilä, during the third quarter was EUR 12.1 million (9.8), and EUR 31.7 million (28.1) in January–September. The change in the fair value of standing timber was EUR 0.1 million (0.7) in July–September and EUR 0.7 million (1.0) in January–September.

Third-quarter net financial items totaled EUR -3.1 million (-1.6). Profit before taxes was EUR 17.8 million (22.8). Earnings per share were EUR 0.16 (0.22).

During the first nine months, net financial costs totaled EUR -3.3 million (-3.5) and profit before taxes was EUR 78.5 million (163.4, including a profit of EUR 87.0 million from the sale of Wärtsilä shares in Q2 2012). Earnings per share were EUR 0.75 (1.79 of which 1.06 was from the sale of Wärtsilä shares) during the first nine months.

EMEA 2015 restructuring program

In June 2013, Fiskars announced a restructuring program to optimize its operations and sales units in the EMEA region. The total cost of the planned "EMEA 2015" program is estimated at EUR 25–30 million for 2013 and 2014, and will be recorded as non-recurring expenses. Of these, EUR 3.8 million were recorded in Q1–Q2 2013.

In Q3 2013, Fiskars recorded a total of EUR 2.0 million non-recurring restructuring charges as a part of the EMEA 2015 program. These included EUR 0.8 million of charges related to the restructuring of the Group's ceramics factory in Helsinki.

Impairment charges

Fiskars recorded a goodwill impairment charge in EMEA of EUR 3.7 million and a real-estate write-down of EUR 0.9 million during the quarter.

Cash flow, balance sheet, and financing

Third-quarter cash flow from operating activities was EUR 23.1 million (23.5). Cash flow from investing activities was EUR -8.4 million (-8.9). Cash flow from financing activities was EUR -16.0 million in the third quarter (-22.5).

In January–September, cash flow from operating activities was EUR 40.5 million (56.4), which included the first-quarter dividends paid by the associated company, Wärtsilä, totaling EUR 25.6 million (26.8). Cash flow from investing activities was EUR -78.3 million (106.1) during the first nine months. In Q2 2012, cash flow from investing activities included proceeds from the sale of Wärtsilä shares totaling EUR 126.4 million. Cash flow from financing activities in January–September 2013 was EUR 27.9 million (-164.0).

Capital expenditure totaled EUR 8.6 million (8.8) in the third quarter. The investments were mainly related to the five-year platform investment program in EMEA and replacement investments. The company also continued to invest in new product development. Capital expenditure in January–September totaled EUR 28.8 million (21.2).

Depreciation, amortization, and impairment charges were EUR 10.3 million (5.0) in the third quarter and EUR 21.6 million (16.0) in January–September.

Fiskars' working capital totaled EUR 109.6 million (96.4) at the end of September. The equity ratio decreased to 59% (64%) and net gearing was 31% (17%).

Cash and cash equivalents at the end of the period totaled EUR 6.5 million (4.8). Net interest-bearing debt amounted to EUR 186.1 million (100.2). The increase in net interest-bearing debt is mainly attributable to an increase of EUR 88.2 million in short-term borrowing used for the Royal Copenhagen acquisition. Short-term borrowing totaled EUR 122.5 million (34.3) and long-term borrowing was EUR 71.3 million (71.8) at the end of the period. Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In

addition, Fiskars had EUR 430 million (455) in unused, committed long-term credit facilities with Nordic banks.

Research and development

The Group's research and development expenditures totaled EUR 3.1 million (2.2) in the third quarter, corresponding to 1.7% (1.3%) of net sales. In January–September, research and development expenditures totaled EUR 8.8 million (7.1), equivalent to 1.5% (1.3%) of net sales. As of January 1, 2013, Fiskars changed its accounting policy regarding the classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This decreased the cost of goods sold and increased research and development costs by EUR 0.3 million in Q3 2012, EUR 1.6 million in the first three quarters 2012 and EUR 2.1 million in the full year 2012.

Personnel

The average number of full-time equivalent employees (FTE) was 4,049 (3,371) in the third quarter, of which 3,236 (2,595) are in EMEA, 570 (558) in the Americas, and 243 (218) in Other.

In January–September, the average number of full-time equivalent employees was 4,085 (3,377). At the end of September, the Group had a total of 4,312 employees (3,495) on the payroll, of whom 1,606 (1,656) were located in Finland. The increase was mainly due to the acquisition of Royal Copenhagen in January 2013.

Personnel (FTE), average	Q3 2013	Q3 2012	Change	Q1–Q3 2013	Q1–Q3 2012	Change	2012
Group	4,049	3,371	20%	4,085	3,377	21%	3,364
EMEA	3,236	2,595	25%	3,284	2,618	25%	2,604
Americas	570	558	2%	564	552	2%	550
Other	243	218	12%	237	207	14%	210

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 (Living, Kitchen, and School, office, and craft), Garden, and Outdoor (outdoor equipment and boats).

Business areas in Q3 2013

Net sales, EUR million*	Q3 2013	Q3 2012	Change	Change cn**	Q1–Q3 2013	Q1–Q3 2012	Change	Change cn**	2012
Home	88.2	79.3	11%	14%***	261.5	219.6	19%	20%	319.5
Garden	60.3	57.7	5%	9%	230.1	236.8	-3%	-2%	290.9
Outdoor	28.6	30.1	-5%	1%	91.3	98.0	-7%	-5%	133.3
Other	0.9	0.9	-4%	-4%	3.0	3.1	-4%	-4%	4.1

* Fiskars has reclassified certain product groups from the Home business area to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly: Garden net sales increased and Home net sales decreased by 1.2 MEUR in Q3 2012, 2.2 MEUR in Q1–Q3 2012 and by 3.3 MEUR in FY 2012.

** Currency-neutral

*** Excluding Royal Copenhagen and currency with comparable exchange rates, Home net sales decreased by 7%.

EMEA in Q3 2013

EUR million	Q3 2013	Q3 2012	Change	Q1–Q3 2013	Q1–Q3 2012	Change	2012
Net sales	119.8	108.0	11%	404.2	369.0	10%	501.9
Operating profit	3.4	8.9	-62%	28.0	31.8	-12%	42.6
Capital expenditure	4.0	2.0	102%	11.0	5.5	101%	8.4
Personnel (FTE), average	3,236	2,595	25%	3,284	2,618	25%	2,604

Net sales in EMEA increased by 11% to EUR 119.8 million (108.0) driven by the addition of Royal Copenhagen. Excluding Royal Copenhagen and using comparable exchange rates, comparable net sales decreased by 2% as Home sales contracted compared with the previous year.

Net sales for Home products were affected by the weak retail environment in Finland. In addition, a major system implementation impacted deliveries in Nordic countries. Royal Copenhagen continued to perform well.

Net sales in the Garden business increased during the quarter, but the reported increase was dampened by currency effects. A pan-European campaign boosted sales of lawn and yard care products and successful business-to-business initiatives brought Fiskars products to new consumers in Eastern and Central Europe.

Successful business-to-business campaigns also accounted for a strong increase in sales of outdoor products. Boat sales reached the previous year's levels despite an overall decline in boat markets.

The segment recorded an operating profit of EUR 10.0 million excluding non-recurring items (8.1), reflecting the addition of Royal Copenhagen and operational efficiency. A total of EUR 2.0 million of non-recurring restructuring costs related to the EMEA 2015 program were recorded during the quarter and EUR 5.8 million during the first nine months. In the third quarter, Fiskars also recorded a EUR 3.7 million goodwill impairment loss in EMEA and a real-estate write-down of EUR 0.9 million.

Americas in Q3 2013

EUR million	Q3 2013	Q3 2012	Change	Q1–Q3 2013	Q1–Q3 2012	Change	2012
Net sales	60.7	60.7	0%	190.0	191.9	-1%	250.4
Operating profit	7.6	8.0	-6%	28.3	28.9	-2%	34.2
Capital expenditure	1.4	0.8	70%	4.0	2.8	42%	4.4
Personnel (FTE), average	570	558	2%	564	552	2%	550

Net sales in the Americas were affected by the weakening of the US dollar and came to the previous year's levels of EUR 60.7 million (60.7). Using comparable exchange rates, net sales in the Americas increased by 6% due to strong growth in the Garden business.

The Garden business performed strongly, with strong progress in wood preparation and increased placement among key customers.

Net sales for School, office, and craft (SOC) products were close to the previous year's levels, as a good back-to-school season matched the success of last year's crafting tool product launches.

Outdoor sales reached the previous year's levels since the decline in institutional sales was offset by good development in the commercial segment. Sales in commercial channels developed positively, driven by the survival category.

Operating profit for the segment came to EUR 7.6 million (8.0).

Other in Q3 2013

EUR million	Q3 2013	Q3 2012	Change	Q1–Q3 2013	Q1–Q3 2012	Change	2012
Net sales	1.4	1.4	-1%	4.7	4.8	-2%	6.3
Operating profit	-2.2	-3.0	-25%	-6.9	-9.8	-29%	-12.9
Capital expenditure	3.2	6.0	-47%	13.9	12.9	8%	20.0
Personnel (FTE), average	243	218	12%	237	207	14%	210

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

Net sales were EUR 1.4 million (1.4) in the third quarter and EUR 4.7 million (4.8) in January–September, largely consisting of timber sales and rental income. Operating profit for the quarter was EUR -2.2 million (-3.0) and EUR -6.9 million (-9.8) for January–September.

Wärtsilä

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

Fiskars' share of Wärtsilä's profit totaled EUR 12.1 million (9.8) during the third quarter and EUR 31.7 million (28.1) in January–September. At the end of the period, the market value of Fiskars' Wärtsilä shares was EUR 855.9 million (691.0) or EUR 10.45 (8.44) per Fiskars share, with a closing price of EUR 33.38 (26.95) per Wärtsilä share. The book value of these shares in the consolidated balance sheet was EUR 271.9 million (261.9).

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 September 2013, equaling 21.8% of Wärtsilä's shares and votes.

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 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.

On September 30, 2013 Fiskars announced that the unclaimed shares issued in the 2004 bonus issue – a total of 17,084 shares – were sold during the period September 26–27, 2013. The right to claim from the deposited funds shall expire after four years.

Fiskars shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. The average share price during the quarter was EUR 18.34 (15.46). At the end of September, the closing price was EUR 18.68 (14.96) per share. Fiskars had a market capitalization of EUR 1,530.0 million (1,225.3), as of the end of the quarter. The number of shares traded in January–September was 0.6 million (3.0), which is 0.8% (3.6%) of the total number of shares.

The total number of shareholders was 16,378 (15,744) as of the end of September. 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 2012 and on the company web site. The company does not consider any material changes to have taken place during the reporting period concerning the risks and market uncertainties presented in the Annual Report for 2012.

Changes in management

Fiskars' Executive Board was strengthened as of September 16, 2013 with two new members, the group's new Senior Vice President, Human Resources, Nina Ariluoma-Hämäläinen and Chief Information Officer Frans Westerlund. Frans Westerlund has worked as Fiskars' CIO since 2009 and has been a member of Fiskars' Executive Team. Fiskars' previous VP, Human Resources, Timo Leskinen, who was a member of Fiskars' Executive Team left the company at the end of July to assume a new position.

Jason Landmark, President of Fiskars' Outdoor Americas business and a member of Fiskars' Executive Team, accepted a position outside the company and left the company on November 1, 2013. Tom Genereux, VP, Finance for Outdoor Americas has been appointed interim head of Fiskars' Outdoor Americas business.

Outlook for 2013

The business environment and consumer confidence in Europe started to improve during the third quarter, except for Finland, which is a significant market for Fiskars. Previously announced changes in manufacturing and significant rollouts of common systems and processes took place in the third quarter, and the uncertainty related to these major changes may temporarily impact sales and operational efficiency during the rest of the year, and increase fixed costs.

Following the acquisition of Royal Copenhagen, the weight of the fourth quarter in full-year sales and profit has further increased. Negative issues related to demand for Home products during the last quarter could affect the full-year results.

Fiskars' outlook for 2013 is unchanged and Fiskars expects the Group's full-year 2013 net sales and operating profit excluding non-recurring items to be above 2012 levels.

The associated company, Wärtsilä, will continue to have a major impact on Fiskars' profit and cash flow in 2013.

Helsinki, Finland, October 31, 2013

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	1-12 2012
Net sales	177.9	168.0	6	586.0	557.5	5	747.8
Cost of goods sold*	-108.4	-105.3	3	-352.2	-352.7	0	-473.2
Gross profit	69.6	62.7	11	233.8	204.8	14	274.6
Other operating income	0.5	1.0	-47	2.2	1.7	27	2.1
Sales and marketing expenses	-36.4	-29.9	22	-117.7	-93.9	25	-128.9
Administration expenses	-18.1	-17.8	2	-56.2	-54.7	3	-73.5
Research and development costs*	-3.1	-2.2	39	-8.8	-7.1	25	-10.3
Other operating expenses	0.0	0.1	-90	-0.2	-0.0		-0.1
Goodwill impairment**	-3.7			-3.7			
Operating profit (EBIT)***	8.7	14.0	-38	49.4	50.8	-3	63.9
Change in fair value of biological assets	0.1	0.7	-88	0.7	1.0	-32	5.6
Share of profit from associate	12.1	9.8	24	31.7	28.1	13	47.8
Gain on sale of associate shares					87.0	-100	87.0
Other financial income and expenses	-3.1	-1.6	101	-3.3	-3.5	-7	-3.8
Profit before taxes	17.8	22.8	-22	78.5	163.4	-52	200.4
Income taxes	-4.6	-4.4	4	-17.2	-16.3	5	-21.5
Profit for the period	13.2	18.4	-28	61.3	147.1	-58	178.9
Attributable to:							
Owners of the Company	13.2	18.4	-28	61.1	147.1	-58	178.9
Non-controlling interest	0.0			0.2			
Earnings for owners of the Company per share, euro (basic and diluted)	0.16	0.22	-28	0.75	1.79	-58	2.18

* As of January 1, 2013, Fiskars changed its accounting policy regarding the classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This decreased the cost of goods sold and increased research and development costs for by EUR 0.3 million in Q3 2012, EUR 1.6 million in the first three quarters and EUR 2.1 million in the full year 2012.

** Planned restructuring of a business unit in the EMEA Garden business area was considered as an indication of a potential impairment of goodwill allocated to that business unit. As planned restructuring is likely to have a negative impact on future cash flows of that business unit, goodwill was impaired and thus written down, resulting in an EUR 3.7 million impairment loss.

*** Operating profit excl. non-recurring items

Non-recurring items include restructuring costs of 3.8 MEUR in Q1-Q2 2013 and 2.0 MEUR in Q3 2013 relating to the EMEA 2015 restructuring program, 3.7 MEUR in Q3 2013 relating to goodwill impairment loss and 0.9 MEUR in Q3 2013 relating to a write-down of a real estate asset. In Q2 2012, non-recurring items included a profit from the sale of Wärtsilä shares of EUR 87.0 million, and in Q3 2012 income of EUR 0.8 million from the release of a provision related to the sale of Silva.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9 2013	7-9 2012	1-9 2013	1-9 2012	1-12 2012
Profit for the period	13.2	18.4	61.3	147.1	178.9
Other comprehensive income for the period:					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-2.0	-2.8	-5.2	0.3	-1.0
Change in associate recognized directly in other comprehensive income transferred to income statement	0.5	2.5	-10.7	1.3	0.3
				-0.1	-0.1
Cash flow hedges	0.0	-0.3	0.4	-0.8	-0.8
Items that will not be reclassified to profit or loss:					
Defined benefit plan, actuarial gains (losses) net of tax	0.0	0.0	0.1	0.5	-0.5
Change in associate recognized directly in other comprehensive income	-0.3		-3.9		
Other comprehensive income for the period net of tax total	-1.7	-0.6	-19.3	1.2	-2.2
Total comprehensive income for the period	11.5	17.8	42.0	148.2	176.7
Attributable to:					
Owners of the Company	11.5	17.8	41.9	148.2	176.7
Non-controlling interest	0.0		0.2		

CONSOLIDATED BALANCE SHEET

EUR million	9/2013	9/2012	Change %	12/2012
ASSETS				
Non-current assets				
Goodwill	112.0	88.8	26	88.6
Other intangible assets	172.3	134.7	28	140.7
Property, plant & equipment	100.8	90.6	11	90.0
Biological assets	41.9	36.6	14	41.2
Investment property	5.7	5.6	1	5.5
Investments in associates	271.9	261.9	4	280.4
Financial assets				
Shares at fair value through profit and loss	10.5	9.7	8	9.7
Other investments	4.9	1.1	339	0.8
Deferred tax assets	37.0	28.0	32	25.8
Non-current assets total	757.1	657.2	15	682.6
Current assets				
Inventories	136.0	132.1	3	118.0
Trade and other receivables	131.6	126.4	4	116.0
Income tax receivables	1.5	4.0	-62	1.9
Interest-bearing receivables	0.7	0.8	-12	0.5
Cash and cash equivalents	6.5	4.8	36	16.4
Current assets total	276.4	268.1	3	252.8
Assets total	1,033.5	925.3	12	935.4
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the owners of the Company	607.5	590.4	3	618.9
Non-controlling interest	0.9			
Equity total	608.4	590.4	3	618.9
Non-current liabilities				
Interest-bearing liabilities	71.3	71.8	-1	69.3
Other liabilities	4.8	4.0	19	4.1
Deferred tax liabilities	47.4	45.7	4	44.3
Pension liability	7.8	6.1	27	7.3
Provisions	8.8	4.2	111	3.9
Non-current liabilities total	140.1	131.9	6	129.0
Current liabilities				
Interest-bearing liabilities	122.5	34.3	257	20.4
Trade and other payables	152.9	153.2	0	156.6
Income tax liabilities	6.7	12.9	-48	7.9
Provisions	3.0	2.6	14	2.6
Current liabilities total	285.0	203.0	40	187.5
Equity and liabilities total	1,033.5	925.3	12	935.4

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	7-9 2013	7-9 2012	1-9 2013	1-9 2012	1-12 2012
Cash flow from operating activities					
Profit before taxes	17.8	22.8	78.5	163.4	200.4
Adjustments for					
Depreciation, amortization and impairment	10.3	5.0	21.6	16.0	21.9
Share of profit from associate	-12.1	-9.8	-31.7	-28.1	-47.8
Gain on sale of associate shares				-87.0	-87.0
Investment income / cost	-0.0	-0.0	0.0	-0.2	-0.1
Financial items	3.1	1.6	3.3	3.5	3.8
Change in fair value of biological assets	-0.1	-0.7	-0.7	-1.0	-5.6
Change in provisions and other non-cash items	0.4	0.1	-0.4	-0.6	2.4
Cash flow before changes in working capital	19.4	19.1	70.5	65.9	88.1
Changes in working capital					
Change in current assets, non-interest-bearing	18.3	17.8	-5.3	0.3	10.6
Change in inventories	-3.6	-4.0	-13.0	-14.7	-5.0
Change in current liabilities, non-interest-bearing	-6.1	-3.2	-14.9	-4.8	-0.5
Cash flow from operating activities before financial items and taxes	28.1	29.7	37.3	46.6	93.2
Dividends received from associate			25.6	26.8	26.8
Financial costs paid (net)	-1.5	-1.0	-3.8	-3.7	-4.6
Taxes paid	-3.6	-5.1	-18.6	-13.3	-20.3
Cash flow from operating activities (A)	23.1	23.5	40.5	56.4	95.0
Cash flow from investing activities					
Acquisitions of subsidiaries			-49.5		
Investments in financial assets	-0.0		-0.1		-0.2
Capital expenditure on fixed assets	-8.6	-9.0	-29.0	-21.0	-32.7
Proceeds from sale of fixed assets	0.2	0.1	0.2	0.9	0.9
Proceeds from sale of associate shares				126.4	126.4
Cash flow from other investments		0.0	0.0	-0.2	0.1
Cash flow from investing activities (B)	-8.4	-8.9	-78.3	106.1	94.5
Cash flow from financing activities					
Change in current receivables	0.2	62.1	-0.2	-0.3	0.1
Borrowings of non-current debt	-0.1	0.0	0.1	0.0	0.1
Repayment of non-current debt	-0.2	-0.9	-16.4	-0.9	-2.5
Change in current debt	-15.4	-21.9	99.3	-47.5	-61.2
Payment of financial lease liabilities	-0.5	-0.4	-1.3	-3.1	-3.5
Cash flow from other financing items	0.0	-0.0	-0.3	-0.2	-0.0
Dividends paid		-61.4	-53.2	-112.2	-112.2
Cash flow from financing activities (C)	-16.0	-22.5	27.9	-164.0	-179.2
Change in cash (A+B+C)	-1.3	-7.9	-9.9	-1.4	10.3
Cash at beginning of period	7.6	12.6	16.4	6.1	6.1
Translation difference	0.2	0.0	0.0	0.1	-0.1
Cash at end of period	6.5	4.8	6.5	4.8	16.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Equity attributable to the owners of the Company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
31 Dec, 2011	77.5	-0.9	2.0	0.1	-0.3	475.9		554.3
Total comprehensive income for the period			0.3	0.4	0.5	147.1		148.2
Dividends paid						-112.2		-112.2
30 Sep, 2012	77.5	-0.9	2.3	0.6	0.1	510.7		590.4
Total comprehensive income for the period			-3.1	0.7	-1.0	31.9		28.5
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			-11.6	-3.7	-3.8	61.1	0.2	42.0
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
30 Sep, 2013	77.5		-12.4	-2.5	-4.7	549.6	0.9	608.4

KEY FIGURES*

	9/2013	9/2012	Change %	12/2012
Equity/share, EUR	7.42	7.21	3	7.56
Equity ratio	59%	64%		66%
Net gearing	31%	17%		12%
Net interest-bearing liabilities, EUR million	186.1	100.2	86	72.4
Personnel (FTE), average	4,085	3,377	21	3,364
Personnel, end of period	4,312	3,495	23	3,449
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 2012 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, except for a reclassification of certain costs relating to product development in the income statement between Cost of goods sold and Research and development costs. Figures for the comparison periods have been restated to correspond the changed accounting principles. 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, 2013. Of these the most important ones are:

- Amendments to IAS 1 Presentation of Financial Statements
- Amendment to IAS 19 Employee Benefits
- IFRS 13 Fair Value Measurement
- Amendments to IFRS 7 Financial Instruments: Disclosures.

The adoption of the 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 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	1-12 2012
Net sales							
EMEA	119.8	108.0	11	404.2	369.0	10	501.9
Americas	60.7	60.7	0	190.0	191.9	-1	250.4
Other	1.4	1.4	-1	4.7	4.8	-2	6.3
Inter-segment sales*	-4.0	-2.1	89	-12.8	-8.2	58	-10.8
GROUP TOTAL	177.9	168.0	6	586.0	557.5	5	747.8
Operating profit (EBIT)							
EMEA	3.4	8.9	-62	28.0	31.7	-12	42.6
Americas	7.6	8.0	-6	28.3	28.9	-2	34.2
Other and eliminations	-2.2	-3.0	-25	-6.9	-9.8	-29	-12.9
GROUP TOTAL	8.7	14.0	-38	49.4	50.8	-3	63.9
Depreciation, amortization and impairment							
EMEA	8.3	3.4	144	16.0	10.3	55	14.3
Americas	1.0	1.0	3	3.0	4.0	-26	4.8
Other and eliminations	1.0	0.6	51	2.6	1.7	51	2.7
GROUP TOTAL	10.3	5.0	105	21.6	16.0	35	21.9
Capital expenditure							
EMEA	4.0	2.0	102	11.0	5.5	101	8.4
Americas	1.4	0.8	70	4.0	2.8	42	4.4
Other and eliminations	3.2	6.0	-47	13.9	12.9	8	20.0
GROUP TOTAL	8.6	8.8	-3	28.8	21.2	36	32.8
* Inter-segment sales							
EMEA	-2.1	-1.0		-6.8	-5.2		-6.9
Americas	-1.3	-0.5		-4.3	-1.3		-1.7
Other	-0.6	-0.5		-1.7	-1.6		-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	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	1-12 2012
Net sales							
Home*	88.2	79.3	11	261.5	219.6	19	319.5
Garden*	60.3	57.7	5	230.1	236.8	-3	290.9
Outdoor	28.6	30.1	-5	91.3	98.0	-7	133.3
Other	0.9	0.9	-4	3.0	3.1	-4	4.1
GROUP TOTAL	177.9	168.0	6	586.0	557.5	5	747.8

* Fiskars has reclassified certain product groups from business area Home to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly. Resulting from this, Garden net sales increased and Home net sales decreased in Q3 2012, first three quarters 2012 and full year 2012, by EUR 1.2 million, EUR 2.2 million and EUR 3.3 million, respectively.

INTANGIBLE AND TANGIBLE ASSETS

9/2013 9/2012 12/2012

EUR million**Intangible assets and goodwill**

Book value, Jan 1	229.3	213.8	213.8
Currency translation adjustment	-0.3	0.3	-0.1
Acquisitions and divestments	49.5		
Additions	13.4	12.6	19.9
Amortization and impairment	-7.4	-3.3	-4.7
Decreases and transfers	-0.1	0.2	0.3
Book value at end of period	284.4	223.5	229.3

Investment commitments for intangible assets	3.8	3.1	3.3
--	-----	-----	-----

Tangible assets and investment property

Book value, Jan 1	95.5	100.6	100.6
Currency translation adjustment	-1.1	0.6	0.3
Acquisitions and divestments	10.9		
Additions	15.5	8.6	12.9
Depreciation and impairment	-14.0	-12.7	-17.1
Decreases and transfers	-0.2	-1.0	-1.3
Book value at end of period	106.5	96.3	95.5

Investment commitments for property, plant and equipment	4.4	1.6	7.6
--	-----	-----	-----

CONTINGENCIES AND PLEDGED ASSETS

9/2013 9/2012 12/2012

EUR million**As security for own commitments**

Lease commitments	46.5	42.6	41.3
Other contingencies	2.3	2.0	1.8
Total	48.8	44.6	43.1

Guarantees as security for third-party commitments

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

As security for subsidiaries' commitments

Guarantees	14.4	14.3	12.2
Total	63.2	58.8	55.2

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

9/2013 9/2012 12/2012

EUR million**Nominal amounts of derivatives**

Foreign exchange forwards and swaps	204.5	209.5	107.4
Foreign exchange options	0.0		
Interest rate swaps	45.9	32.5	32.5
Electricity forward agreements	2.1	2.5	2.9

Market value vs. nominal amounts of derivatives

Foreign exchange forwards and swaps	-0.4	-0.1	0.4
Foreign exchange options	0.0		
Interest rate swaps	-2.6	-1.8	-1.9
Electricity forward agreements	-0.2	-0.3	-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	-27.7	23.3	15.5	-14.7
Exchange rate sensitivity of the operations*	2.8	-2.3	-1.6	1.5

* 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

9/2013

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			10.5	10.5
Other investments			4.9	4.9
Derivative assets		0.0		0.0
Total assets		0.0	15.5	15.5
Derivative liabilities		3.2		3.2
Total liabilities		3.2		3.2

9/2012

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			9.7	9.7
Other investments			1.1	1.1
Derivative assets		0.0		0.0
Total assets		0.0	10.9	10.9
Derivative liabilities		2.2		2.2
Total liabilities		2.2		2.2

12/2012

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			9.7	9.7
Other investments			0.8	0.8
Derivative assets		0.4		0.4
Total assets		0.4	10.5	10.9
Derivative liabilities		2.3		2.3
Total liabilities		2.3		2.3

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, hierarchy level 3

EUR million	At fair value through profit and loss	Other
Book value, Dec 31, 2011	8.9	1.2
Additions	0.3	
Decreases	-0.0	-0.1
Change in fair value through profit and loss	0.6	
Book value, Sep 30, 2012	9.7	1.1
Additions	0.0	
Decreases	-0.1	-0.3
Change in fair value through profit and loss	0.0	
Book value, Dec 31, 2012	9.7	0.8
Additions	0.1	0.0
Acquisitions	0.0	4.1
Change in fair value through profit and loss	0.8	
Book value, Sep 30, 2013	10.5	4.9

The investments at fair value through profit and loss include 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 25.6 million is reported as Dividends received from associate in the Consolidated Statement of Cash Flows. The dividend was received during the first quarter of 2013.

ACQUISITIONS AND DIVESTMENTS**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 from Royal Scandinavia A/S, whose controlling parent company was the Danish private equity group, Axcel. The total consideration payable (debt-free enterprise value) for the shares was DKK 490 million, equaling approximately EUR 66 million, less net debt and working capital adjustments as per closing of the transaction. The transaction was financed using Fiskars' existing credit programs.

Upon completion of the transaction, Royal Copenhagen became a part of Fiskars' Home business area. The acquisition is expected to have a positive effect on Fiskars Group's EBIT from 2013 onwards. As of the acquisition date, the consolidated statement of comprehensive income for the first three quarters of 2013 includes EUR 47.0 million of net sales and EUR 0.9 million of loss for the period.

The acquisition-related costs paid for advisory and valuation services have totalled EUR 1.2 million, of which EUR 1.1 million were expensed in 2012 and EUR 0.1 million in Q1 2013. These costs have been included in item "Administration expenses" of the consolidated income statement. Goodwill arising from the acquisition amounted to EUR 27.4 million, and is related to Fiskars' strengthening position in the Nordic countries, as well as in Asia, where Royal Copenhagen ranks among the leading brands selling premium dining products. Goodwill will not be deductible for income tax purposes.

The following table summarises the final amounts of identifiable assets acquired and liabilities assumed at the acquisition date, as well as the final amounts of the consideration transferred and arising goodwill:

EUR million

Non-current assets	
Intangible assets (excl. goodwill)	22.1
Property, plant & equipment	10.9
Financial assets	4.2
Deferred tax assets	11.8
Non-current assets total	48.9
Current assets	
Inventories	7.9
Trade and other receivables	14.5
Cash and cash equivalents	2.7
Current assets total	25.1
Non-current liabilities	
Interest-bearing liabilities	19.9
Non-interest-bearing liabilities	1.5
Deferred tax liabilities	5.5
Pension liability and provisions	2.8
Non-current liabilities total	29.7
Current liabilities	
Interest-bearing debt	4.3
Trade payables and other current liabilities	14.5
Current liabilities total	18.9
Non-controlling interests*	0.8
Net assets	24.6
Consideration transferred	52.0
Goodwill	27.4

The acquired entities have been consolidated to the consolidated financial statements as of January 4, 2013.

* Non-controlling interests are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets

There have been no divestments in the reporting period.

The following divestment in 2012 has an impact on the comparability of the figures:

Sale of part of Wärtsilä shares

In April 2012, Fiskars' subsidiary Avlis AB sold 2.1% of the shares in Wärtsilä to Investor at a price of EUR 30.90 per Wärtsilä share, totaling approximately EUR 126.8 million. Fiskars holding in Wärtsilä amounts to 13.0% of the shares and votes. Wärtsilä will continue to form one of Fiskars' reported operating segments and to be treated as an associated company, as Fiskars considers that it continues to have a significant influence in Wärtsilä.

