

FISKARS

FINANCIAL STATEMENTS

16

CONTENTS

Report by the Board of Directors for the year 2016	2
Consolidated financial statements, IFRS	
Consolidated income statement and statement of comprehensive income	10
Consolidated balance sheet	12
Consolidated statement of cash flows	14
Statement of changes in consolidated equity	15
Notes to the consolidated financial statements	
1. Accounting principles for the consolidated financial statements, IFRS	16
2. Segment information	23
3. Adjustments to operating profit	27
4. Acquisitions and divestments	28
5. Other operating income	30
6. Total expenses	30
7. Employee benefits and number of personnel	31
8. Financial income and expenses	32
9. Income taxes	32
10. Earnings per share	35
11. Intangible assets	35
12. Property, plant and equipment	38
13. Biological assets	39
14. Investment property	40
15. Financial assets	41
16. Inventories	42
17. Trade and other receivables	42
18. Non-current assets held for sale	43
19. Share capital	43
20. Finance	44
21. Employee defined benefit obligations	50
22. Provisions	55
23. Trade and other payables	56
24. Commitments	57
25. Related party transactions	57
26. Share based payments	60
27. Subsidiaries and other participations	62
28. Subsequent events	64

Financial indicators

Five years in figures	65
Share related figures	66
Calculation of financial indicators	67
Shares	68
Shareholders	69
Parent company financial statements, FAS	
Parent company income statement	71
Parent company balance sheet	72
Parent company statement of cash flows	74
Notes to the parent company financial statements	
1. Parent company accounting principles, FAS	76
2. Net sales	77
3. Other operating income	77
4. Total expenses	78
5. Fees paid to the company's auditors	78
6. Personnel costs and number of employees	78
7. Financial income and expenses	79
8. Appropriations	80
9. Income taxes	80
10. Intangible assets	80
11. Tangible assets	81
12. Investments	82
13. Inventories	83
14. Receivables from subsidiaries	83
15. Prepayments and accrued income	84
16. Cash and cash equivalents	84
17. Shareholders' equity	84
18. Appropriations	85
19. Non-current liabilities	85
20. Liabilities to subsidiaries	85
21. Accruals and deferred income	85
22. Lease obligations	85
23. Contingencies and pledged assets	86
24. Derivative contracts	86
Board's proposal for distribution of profits and signatures	87
Auditor's report	88

REPORT BY THE BOARD OF DIRECTORS FOR THE YEAR 2016

Year 2016 in brief: Significant increase in net sales and operating profit

The year 2016 was marked by strong progress on Fiskars' strategic journey, with all-time high net sales and adjusted operating profit. This was a major achievement, especially as the integration of the watering business and the English & Crystal Living business are both on-going.

The performance in the fourth quarter was driven by the Scandinavian Living and Functional businesses. While the Fiskars team was going through many changes, including the introduction of a new organizational structure, new leadership teams and plans to increase efficiencies, net sales was in line with the previous year despite divestments, and the adjusted operating profit nearly doubled, amounting to EUR 33.0 million during the fourth quarter.

The turnaround of the watering business has progressed faster than originally planned and the business contributed positively to earnings already in 2016. The English & Crystal Living business is being managed with a strong focus on improving working capital and operational efficiency. Fiskars continued to strengthen all of the key international brands and increase the consumer focus.

During 2016, Fiskars took several steps in developing the company into a world-class consumer goods company with a family of iconic lifestyle brands. Fiskars is focusing on building businesses and brands that have the potential to grow globally, and in line with this target, the company has divested businesses that do not fit into the strategy. In addition, Fiskars is continuously seeking ways to operate with more efficiency and agility, and saw efforts begin to generate results during the year.

During 2016, cash flow from operating activities amounted to EUR 83.8 million (47.6) including the negative effect of EUR 28.3 million due to the tax reassessment decision in Finland announced in July 2016. Earnings per share were EUR 0.78 (1.04) and operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.56 (0.16).

Fiskars is transitioning to a biannual dividend distribution policy. The Board of Directors proposes a normal dividend of EUR 0.71 per share be paid in March 2017. To facilitate the transition to the new policy, the Board of Directors proposes a dividend of EUR 0.35 per share be paid in September 2017.

Group performance

NET SALES AND OPERATING PROFIT 2016

In 2016, Fiskars Group's three reporting segments were Europe & Asia-Pacific, Americas, and Other, and the business was divided into three business units: Living, Functional and Outdoor.

The Living business unit consists of the English & Crystal Living business, including Waterford, Wedgwood, Royal Albert, Royal Doulton and other brands, and the Scandinavian Living business, which includes Iittala, Rörstrand, Royal Copenhagen and other brands.

The Fiskars, Gilmour, and Leborgne brands belong to the Functional business unit. The Gerber brand belongs to the Outdoor business unit.

Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business, which was previously part of the Other segment, in early January 2016.

Net sales, EUR million	2016	2015	Change	Comparable change*
Group	1,204.6	1,107.1	8.8%	1.6%
Europe & Asia-Pacific	769.4	663.6	15.9%	0.5%
Americas	489.0	451.2	8.4%	-0.1%
Other	5.7	40.5	-86.0%	10.2%

* Using comparable exchange rates, excluding the divested boats business, the U.S. container gardening business, Spring USA in Q4 2015 and the English & Crystal Living business in the first half of 2016

Operating profit (EBIT), EUR million	2016	2015	Change
Group	82.7	46.5	78%
Europe & Asia-Pacific	37.4	34.9	7%
Americas	53.2	28.1	90%
Other and eliminations	-8.0	-16.5	-52%

Fiskars Group's consolidated net sales increased by 8.8% to EUR 1,204.6 million (2015: 1,107.1). Comparable net sales increased by 1.6%, driven by the Functional business.

Fiskars Group's operating profit during 2016 totaled EUR 82.7 million (2015: 46.5). Adjustments to operating profit amounted to EUR -11.1 million (-18.6) during 2016, resulting in an adjusted operating profit of EUR 93.8 million (65.1). Costs related to the acquisition of the English & Crystal Living business impacted the operating profit and the adjusted operating profit in 2015.

Operating profit for the Europe and Asia-Pacific segment totaled EUR 37.4 million (34.9) during 2016. The adjusted operating profit for the segment increased by 2%, totaling EUR 46.1 million (45.3), driven by increased efficiencies and the Scandinavian Living and Functional businesses.

Operating profit for the Americas segment increased by 90%, amounting to EUR 53.2 million (28.1). The adjusted operating profit for the segment increased by 60%, totaling EUR 57.8 million (36.1), driven by all businesses in the Americas segment.

Reporting segments and business units

BUSINESS UNITS IN 2016

Net sales, EUR million	2016	2015	Change	Comparable change*
Living Products	598.0	450.1	32.9%	1.5%
Functional Products	513.6	524.5	-2.1%	2.9%
Outdoor Products	89.1	93.8	-5.0%	-5.3%

* Using comparable exchange rates, excluding the divested boats business, the U.S. container gardening business, Spring USA in Q4 2015 and the English & Crystal Living business in the first half of 2016

EUROPE & ASIA-PACIFIC SEGMENT IN 2016

EUR million	2016	2015	Change
Net sales	769.4	663.6	15.9%*
Operating profit (EBIT)	37.4	34.9	7%
Adjusted operating profit	46.1	45.3	2%
Capital expenditure	21.9	20.2	8%
Personnel (FTE), average	6,603	4,923	34%

* Using comparable exchange rates and excluding the English & Crystal Living business in the first half of 2016 net sales in the Europe & Asia-Pacific segment increased by 0.5% in 2016

Net sales in the Europe & Asia-Pacific segment increased by 15.9% to EUR 769.4 million (2015: 663.6) during 2016, primarily driven by the English & Crystal Living business. Net sales increased by 0.5% on a comparable basis.

The segment recorded an adjusted operating profit of EUR 46.1 million (45.3) during 2016. The increase was primarily driven by the performance of the Scandinavian Living and Functional businesses as well as increased efficiencies.

Net sales of Fiskars, Rörstrand and Royal Copenhagen branded products increased during 2016, supported by successful launches, and campaigns in several categories, including scissors, garden and yard care, and snow tools. A focus on in-store merchandizing and point-of-sale activities in the Functional business contributed to the increase in net sales. After softness earlier in the year, net sales increased in the Scandinavian Living business during the fourth quarter.

AMERICAS SEGMENT IN 2016

EUR million	2016	2015	Change
Net sales	489.0	451.2	8.4%*
Operating profit (EBIT)	53.2	28.1	90%
Adjusted operating profit	57.8	36.1	60%
Capital expenditure	9.3	4.0	131%
Personnel (FTE), average	1,235	1,154	7%

* Using comparable exchange rates, excluding the divested container gardening business, excluding Spring USA in Q4 2015, as well the English & Crystal Living business in the first half of 2016, net sales in the Americas decreased by 0.1% in FY 2016

Net sales in the Americas segment increased by 8.4% to EUR 489.0 million (2015: 451.2) during 2016, supported by the English & Crystal Living business. Comparable year-on-year net sales were flat in the segment in 2016. Net sales in the garden, watering and school, office and craft categories increased. In addition, the launch of striking tools in the U.S. supported net sales in the building and fixing category.

The segment recorded an adjusted operating profit of EUR 57.8 million (36.1), driven by all the businesses in the Americas segment. In addition, the watering business contributed positively, driven by increased efficiency and exits from several unfavorable sales agreements during the past year.

OTHER SEGMENT IN 2016

EUR million	2016	2015	Change
Net sales*	5.7	40.5	-86.0%
Operating profit**	-8.0	-16.5	-52%
Adjusted operating profit**	-10.0	-16.3	-39%
Net change in fair value of investments valued at FVTPL***	6.1	56.1	-89%
Investments at FVTPL***	464.4	520.0	-11%
Capital expenditure**	6.4	8.2	-21%
Personnel (FTE), average	161	339	-52%

* Using comparable exchange rates and excluding the divested boats business net sales increased by 10.2% in FY 2016

** Including eliminations between segments

*** FVTPL = Fair value through profit or loss

The Other segment contains the Group's investment portfolio, real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business in early 2016, which had previously been part of the Other segment.

Net sales in the segment decreased to EUR 5.7 million (2015: 40.5) in 2016, and consisted of timber sales and rental income. The decrease is due to the sale of the boats business. The operating profit for the period was EUR -8.0 million (-16.5). The adjusted operating profit of the Other segment was EUR -10.0 million (-16.3).

At the end of the period, the market value of Fiskars' active investments was EUR 464.4 million (December 31, 2015: 520.0), consisting of shares in Wärtsilä valued at EUR 464.4 million (458.7), with a closing price of EUR 42.68 (42.15) per Wärtsilä share. Fiskars no longer has any investments in short-term interest rate funds (December 31, 2015: 61.4).

The net change in fair value of investments recorded in the profit and loss statement amounted to EUR 6.1 million (56.1) during 2016.

RESEARCH AND DEVELOPMENT

The Group's research and development expenses totaled EUR 18.0 million (2015: 18.0) during 2016, equivalent to 1.5% (1.6%) of net sales.

PERSONNEL

Personnel (FTE), average	2016	2015*	Change
Group	8,000	6,416	25%
Europe & Asia-Pacific	6,603	4,923	34%
Americas	1,235	1,154	7%
Other	161	339	-52%

* The personnel figures for FY 2015 have been restated to include the FTE figures for the English & Crystal Living for July 2015.

At the end of December 2016, the Group employed 8,560 (9,003) employees, of whom 1,224 (1,509) were in Finland.

Fiskars’ transformation process

With the vision to create a positive, lasting impact on the quality of life we live – Making the everyday extraordinary – Fiskars is on a journey to become an integrated consumer goods company with a family of iconic lifestyle brands. The company took several steps during 2016 to move this process forward.

Divestment of businesses

In January 2016, Fiskars completed the sale of its boats business, announced on November 11, 2015. The sale included shares in Inha Works Ltd. as well as the Buster brand and related factory real estate in Ähtäri, Finland. Fiskars sold its container gardening business in the U.S in January 2016. The transaction included the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Florida, U.S. In addition, Fiskars sold Spring USA, a U.S.-based provider of foodservice equipment in September 2016 and completed the sale of its European Ebertsankey container gardening business in December 2016.

These divestments generated a positive effect on cash flow during 2016. They did not have a significant impact on Fiskars’ financial position or results during 2016.

Alignment program

In November 2016, Fiskars launched an Alignment program to proceed in the transformation. The program focuses on the structural changes in the organization, proposed headcount reductions announced in November 2016, and the full integration of the English & Crystal Living business, acquired in 2015.

Fiskars proposed to reduce headcount in areas where there are overlaps or potential to seek efficiencies. Including the addition of a number of new positions, the net reduction of Fiskars' personnel was estimated to be 130 positions globally. As a conclusion of the employee consultations initiated in Finland in November 2016, the

maximum number of headcount being reduced was 19. The process continues in other countries and timelines vary from one country to another. Plans are subject to information and consultation with employees and their representatives according to local legislation.

The total costs of the program are approximately EUR 15 million in 2016–2017. They are recorded as adjustments to the operating profit, of which EUR 8.4 million had been recorded by the end of 2016. The targeted annual cost savings are approximately EUR 14 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, starting in 2017 and with the full effect in 2018.

Supply Chain 2017 program

During the third quarter of 2015 Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million in 2015–2017. They are reported as adjustments to operating profit, of which EUR 11.1 million had been recorded in Europe by the end of 2016. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is expected to be completed by the end of 2017.

During 2016, as part of the program, Fiskars completed the transfer of manufacturing operations from the Helsinki ceramics factory to a partner network, and decided to centralize the manufacturing of garden cutting tools at Fiskars' manufacturing site in Poland, with the Functional products factory in Billnäs, Finland concentrating on manufacturing axes, scissors, and snow tools.

In addition, Fiskars established a partner-operated Central European distribution center in the Netherlands to drive quality and efficiency, and to support growth initiatives. In 2016, Fiskars started deliveries from the new distribution center, to which the regional distribution center operations had been transferred from Germany and France. Fiskars will also transfer the logistics of Fiskars-branded products from the UK, Poland and Hungary to the Netherlands.

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 were updated to EUR 65 million during the first half of 2013, and approximately EUR 65 million had been recorded by the end of 2016.

The entire business volume targeted by the program is running through common systems and processes. The program was completed as planned by the end of 2016. Fiskars continues to invest in IT systems and processes to ensure a competitive infrastructure in building global businesses and brands.

Financial items and net result in 2016

The net change in the fair value of investments through profit or loss amounted to EUR 6.1 million (2015: 56.1) during 2016, consisting mainly of Fiskars' holdings in Wärtsilä.

Other financial income and expenses amounted to EUR 4.4 million (23.2) in 2016, including EUR 13.1 million (11.4) of dividends received on Wärtsilä shares and EUR -0.5 million (13.9) of foreign exchange differences.

Profit before taxes was EUR 92.8 million (125.5) and income taxes were EUR -27.4 million (-39.2) for 2016. During 2016 earnings per share were EUR 0.78 (1.04) and operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.56 (0.16).

Cash flow, balance sheet, and financing in 2016

During 2016, cash flow from operating activities before financial items and taxes amounted to EUR 120.7 million (2015: 50.2). Cash flow from operating activities amounted to EUR 83.8 million (47.6) including the negative effect of EUR 28.3 million due to the tax reassessment decision in Finland announced in July 2016. Cash flow from investing activities was EUR 78.8 million (-5.9), including the positive cash flow of EUR 61.7 million from the sale of investments in short-term interest rate funds and EUR 46.1 million from the sale of the Spring USA, boats

business, and container gardening business in the U.S. and other non-current assets held for sale. Cash flow from financing activities was EUR -164.1 million (-56.0).

Capital expenditure for 2016 totaled EUR 37.6 million (32.4) and depreciation, amortization, and impairment were EUR 37.4 million (42.8). Depreciation, amortization and impairment in 2015 included a goodwill impairment related to the divestment of the container gardening business in the Americas and an impairment related to the Supply Chain 2017 program.

Fiskars' working capital totaled EUR 217.8 million (190.5) at the end of December. The increase in working capital is due to the increase in income tax receivables related to the tax reassessment decision (EUR 28.3 million). Inventories decreased by EUR 9.7 million during 2016. The equity ratio increased to 69% (65%) and net gearing was 12% (21%).

Cash and cash equivalents at the end of the period totaled EUR 17.7 million (19.7). At the end of the period, the shares in Wärtsilä were valued at EUR 464.4 million (458.7).

Short-term borrowing totaled EUR 10.9 million (86.7) and long-term borrowing totaled EUR 182.4 million (182.9). Short-term borrowing mainly consisted of bank overdrafts and in 2015, also of commercial papers issued by Fiskars Corporation. Net interest-bearing debt amounted to EUR 152.4 million (249.4). In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

Changes in organization and management

On January 18, 2016, Ulrik Garde Due was appointed as the President of Living business and a member of the Executive Board.

On October 7, 2016, Matteo Gaeta, President, Asia-Pacific stepped down from the Executive Board.

On November 10, 2016 Fiskars announced plans to change its organizational structure and Group Executive Board effective from January 1, 2017, with the aim of leveraging the full potential of its strong brands, building company-wide capabilities and increasing speed and alignment. Fiskars' new organizational structure features two Strategic Business Units (SBU's): Living and Functional.

Fiskars Executive Leadership Team, previously the Executive Board, is responsible for the Group's strategy and priorities and consists of the following members as of January 1, 2017:

- Kari Kauniskangas, President and CEO, and in his role as the President, SBU Functional
- Teemu Kangas-Kärki, Chief Operating Officer and Chief Financial Officer
- Nina Ariluoma, Senior Vice President, Human Resources
- Ulrik Garde Due, President, SBU Living

Other significant events during 2016

New reporting structure

Following the changes in the organizational structure announced on November 10, 2016, Fiskars will revise its financial reporting structure. As of Q1 2017, Fiskars' three primary reporting segments are: Living, Functional and Other. In addition, Fiskars will report group-level net sales for three secondary reporting segments: Americas, Europe and Asia-Pacific. To provide a basis for comparison, Fiskars will present restated, unaudited financial quarterly 2016 results for segments before the Q1 2017 interim report is published.

Corporate Governance

Fiskars complies with the Finnish Corporate Governance Code issued by the Securities Market Association, which came into force on January 1, 2015. Fiskars' Corporate Governance Statement for 2016 in accordance with Reporting requirements of the Code will be published in week 7 of 2017 as a separate report.

Ultimate decision-making power is vested in the Annual General Meeting of shareholders, which elects the members of the Board of Directors. Members of the Board are appointed until the end of the following Annual General Meeting. The Board of Directors is responsible for appointing, and if necessary, dismissing the President and CEO. Fiskars' Articles of Association do not contain matters that could materially affect a public tender offer of the company's securities.

Dividend for the financial year 2015

The Annual General Meeting 2016, held on March 9, 2016 decided to pay a dividend of EUR 0.70 per share, for the financial period that ended on December 31, 2015 totaling EUR 57.3 million. The dividend was paid on March 18, 2016.

Shares and shareholders

Fiskars Corporation has one share series (FIS1V; as of January 2, 2017: FSKRS). All shares carry one vote and equal rights. The number of shares in the Corporation totals 81,905,242. Fiskars Corporation held 187,828 of its own shares at the end of 2016. 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 2016 was EUR 16.98 (2015:18.69). At the end of December, the closing price was EUR 17.60 (EUR 18.74) per share and Fiskars had a market capitalization of EUR 1,438.2 million (1,534.9). The number of shares traded on Nasdaq Helsinki and in alternative market places from January to December was 3.0 million (6.7), which represents 3.7% (8.1%) of the total number of shares.

The total number of shareholders was 18,643 (18,426) at the end of December 2016.

Flagging notifications

During the review period January–December 2016, Fiskars was informed of the following changes among its shareholders:

On February 10, 2016 Fiskars received a notification that the holdings of the shares and voting rights of Virala Oy Ab had increased above the 15% flagging threshold. At that time, the aggregate holdings of Virala Oy Ab totaled 12,300,000 shares in Fiskars Corporation, corresponding to 15.02% of Fiskars Corporation's shares and voting rights.

On May 26, 2016, Fiskars received a notification that control in Turret Oy Ab was transferred to Paul Ehrnrooth. Paul Ehrnrooth, Turret Ab Oy, Jacob Ehrnrooth and Sophia Ehrnrooth signed a shareholder's agreement where all parties agreed to vote in Fiskars Corporation's General Meetings in accordance with the position of Turret Oy Ab. The parties of the shareholder's agreement agreed on a mutual pre-emption right, if any of the parties plans to sell Fiskars Corporation's shares. The voting rights held by Paul Ehrnrooth increased above the 15% flagging threshold. After passing the threshold for flagging notification, Paul Ehrnrooth's indirect holdings corresponded to 11.39% of the shares and 15.28% of the voting rights in Fiskars Corporation.

Purchase of own shares

The Board of Directors decided on March 9, 2016 to commence acquiring the company's own shares on the basis of the authorization given by the Annual General Meeting. Fiskars held 187,828 of its own shares at the end of the fourth quarter.

Board authorizations

The Annual General Meeting for 2016 decided to authorize the Board to decide on the transfer of a maximum of 4,000,000 of the company's own shares (share issue) held as treasury shares in one or several instalments, either against or without consideration. The company's own shares held as treasury shares may be transferred for example as consideration in corporate acquisitions or industrial reorganizations or for the development of the capital structure of the company, or as part of its incentive system. The Board of Directors is authorized to decide on all other terms and conditions regarding the transfer of the company's own shares held as treasury shares. The transfer of the company's own shares may be carried out in deviation from the shareholders' pre-emptive rights to the company's shares (directed issue). The authorization is effective until June 30, 2017.

Board and Board Committees

The Annual General Meeting for 2016 decided that the Board of Directors shall consist of ten members. Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Ingrid Jonasson Blank, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. Jyri Luomakoski was elected as a new member. The term of the Board members will expire at the end of the Annual General Meeting in 2017.

In the constitutive meeting of the Board held after the Annual General Meeting 2016, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as the Vice Chairman of the Board. Further, the Board decided to renew the previous year's three Board Committees: the Audit Committee, the Compensation Committee and the Nomination and Strategy Committee. The Board decided to establish an Investment Committee.

The Board appointed Jyri Luomakoski (Chairman), Alexander Ehrnrooth, Gustaf Gripenberg, Ingrid Jonasson Blank, Louise Fromond, and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (Chairman), Inka Mero and Peter Sjölander were appointed as the members of the Compensation Committee. The Board appointed Paul Ehrnrooth (Chairman), Alexander Ehrnrooth and Fabian Månsson as the members of the Nomination and Strategy Committee. Paul Ehrnrooth (Chairman), Alexander Ehrnrooth and Jyri Luomakoski were appointed as members of the Investment Committee.

Risks and business uncertainties

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

The performance of the world's major economies has been subdued for some time and prolonged low consumer confidence in key markets or an uncertain geopolitical environment could have a material adverse impact on the Group's net sales and profit.

Demand for some of the Group's products, particularly garden tools and watering products, is dependent on the weather during the spring, while demand for snow tools depends on the winter conditions. Unfavorable weather conditions such as cold and rainy weather during the spring or no snow in the winter, can have a negative impact on sales of these products.

Sales of living products are heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

By diversifying its manufacturing footprint the company is increasingly exposed to new risks related to its supply chain. The company has its own manufacturing operations in several locations, and most of its suppliers are located outside Fiskars' key markets. Disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers.

Fiskars is also increasingly exposed to legal, economic, political and regulatory risks related to the countries in which Fiskars and its suppliers have manufacturing facilities, potentially impacting product availability. Failure to meet demands on performance and safety could expose Fiskars to the risk of product recall and even liability for damages in the event that its products cause injury to consumers or damage to property.

Fiskars is exposed to performance, availability and security risks related to common, centralized infrastructure solutions and the increased dependency of operations on centralized platforms. Technical problems or disruption in the access to business-critical information in connection with system implementations or the inability to fully utilize the implemented processes and systems may affect Fiskars' ability to execute essential business processes such as invoicing and deliveries.

Complex and changing tax legislation in multiple jurisdictions where Fiskars operates may create uncertainties relating to tax obligations towards various authorities. Fiskars faces an increasing administrative burden resulting from reporting and disclosure requirements. Increased tax enforcement activity may lead to double taxation and additional costs in the forms of penalties and interest.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. In July 2016 Fiskars received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax

increases as a result of a tax audit carried out in 2014. Fiskars and its external advisors consider the decision unfounded and did not recognize the related taxes and other costs in the income statement. Fiskars has appealed the decision to the Board of Adjustment in the Finnish Large Taxpayers' Office. Fiskars will continue the appeal process in court, if necessary, in which case the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

A significant part of the Group's operations are located outside of the euro zone. Consolidated financial figures are reported in euros, which means that the Group is exposed to a translation risk. Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates.

Fiskars' financial investment portfolio consists of shares in Wärtsilä and of other financial investments. Other financial investments may include investments in funds, shares, bonds, and other financial instruments. The financial investment portfolio may lose value for several reasons. The most relevant risks are considered to be a decline in stock markets or changes in interest rates.

Events after the reporting period

On February 8, 2017, Fiskars established long-term financial targets that cover four areas: growth, profitability, capital structure, and dividend:

- Growth: The average annual net sales growth to exceed 5%, through a combination of organic growth and targeted acquisitions
- Profitability: EBITA margin to exceed 10%
- Capital structure: Net gearing* below 100%
- Dividend: Fiskars aims to distribute a stable, over time increasing dividend, to be paid biannually

* Net gearing ratio is the ratio of interest-bearing debt, less interest-bearing receivables and cash and bank equivalents, divided by total equity.

Outlook for 2017

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

Fiskars operates globally, with a considerable part of the business in the U.S. Translation exposure may have a material impact on reported financial figures. The fourth quarter is significant both in terms of net sales and adjusted operating profit. The adjusted EBITA excludes restructuring costs, impairment charges, integration related costs, and gain and loss from the sale of businesses.

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 and earnings per share.

Proposal for distribution of dividend

Fiskars' aim is to distribute a stable, over time increasing dividend, to be paid biannually. The Board of Directors proposes a normal dividend of EUR 0.71 per share be paid in March 2017. To facilitate the transition to the new policy, the Board of Directors proposes a dividend of EUR 0.35 per share be paid in September 2017

According to the balance sheet of the parent company at the end of the 2016 financial period, the distributable equity of the parent company was EUR 997.1 million (2015: 1,030.8). The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.71 and 0.35 per share shall be paid for the financial period that ended on December 31, 2016. The dividend shall be paid in two instalments. The first instalment of EUR 0.71 per share shall be paid to the shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the dividend record day March 13, 2017. The payment day proposed by the Board for this instalment is March 20, 2017.

The second instalment of EUR 0.35 per share shall be paid in September 2017. The second instalment shall be paid to shareholders who are registered in the company's shareholders' register maintained by Euroclear Finland Ltd. on the dividend record day, which, together with the payment day, shall be decided by the Board of Directors in its meeting scheduled for September 7, 2017. The dividend record day for the second instalment would be September 11, 2017 and the dividend payment day September 18, 2017 at the latest.

On the date of this financial statement release, the number of shares entitling their holders to a dividend was 81,717,414. The proposed distribution of dividends would thus be EUR 86.6 million (57.3). This would leave EUR 910.5 million (973.5) of distributable earnings at the parent company.

No material changes have taken place in the financial position of the company since the end of the financial period. The financial standing of the company is good and, according to the Board of Directors' assessment, distributing the proposed dividend will not compromise the company's solvency.

Helsinki, Finland, February 7, 2017

FISKARS CORPORATION

Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Consolidated income statement

EUR million	Note	2016		2015	
Net sales	2	1,204.6		1,107.1	
Cost of goods sold	6	-701.8		-687.0	
Gross profit		502.9	42%	420.2	38%
Other operating income	5	18.5		4.9	
Sales and marketing expenses	6	-298.3		-244.5	
Administration expenses	6	-115.0		-106.5	
Research and development costs	6	-18.0		-18.0	
Other operating expenses	6	-7.4		-4.6	
Goodwill impairment	6			-5.0	
Operating profit (EBIT)		82.7	7%	46.5	4%
Change in fair value of biological assets	13	-0.5		-0.2	
Investments at fair value through profit or loss - net change in fair value	8	6.1		56.1	
Other financial income and expenses	8	4.4		23.2	
Profit before taxes		92.8	8%	125.5	11%
Income taxes	9	-27.4		-39.2	
Profit for the period		65.4	5%	86.4	8%
Attributable to:					
Equity holders of the parent company		64.1		85.1	
Non-controlling interest		1.3		1.2	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	10	0.78		1.04	

Consolidated statement of comprehensive income

EUR million	Note	2016	2015
Profit for the period		65.4	86.4
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Translation differences		25.1	11.6
Cash flow hedges		-0.3	-0.0
Items that will not be reclassified to profit or loss			
Defined benefit plan, actuarial gains (losses), net of tax	21	-0.3	-1.4
Other comprehensive income for the period, net of tax		24.5	10.2
Total comprehensive income for the period		89.9	96.5
Attributable to:			
Equity holders of the parent company		88.5	95.2
Non-controlling interest		1.4	1.3

The notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

EUR million	Note	Dec 31, 2016	Dec 31, 2015		
ASSETS					
Non-current assets					
Goodwill	11	229.7		237.4	
Other intangible assets	11	296.3		303.2	
Property, plant & equipment	12	159.7		157.4	
Biological assets	13	40.9		41.4	
Investment property	14	4.9		4.9	
Financial assets					
Financial assets at fair value through profit or loss	15	20.4		14.9	
Other investments	15	9.7		7.0	
Deferred tax assets	9	30.2		37.7	
Non-current assets total		791.7	45%	804.0	44%
Current assets					
Inventories	16	224.6		234.3	
Trade and other receivables	17	203.6		211.0	
Income tax receivables		35.9		2.8	
Interest-bearing receivables		22.0		0.0	
Investments at fair value through profit or loss	15	464.4		520.0	
Cash and cash equivalents	15	17.7		19.7	
Current assets total		968.3	55%	987.9	54%
Non-current assets held for sale	18			41.4	2%
Assets total		1,760.1	100%	1,833.3	100%

EUR million	Note	Dec 31, 2016		Dec 31, 2015	
EQUITY AND LIABILITIES					
Equity					
Equity attributable to the equity holders of the parent company		1,218.1		1,190.8	
Non-controlling interest		1.9		3.3	
Equity total	19	1,220.1	69%	1,194.0	65%
Non-current liabilities					
Interest-bearing liabilities	20	182.4		182.9	
Other liabilities		9.9		10.7	
Deferred tax liabilities	9	52.7		50.0	
Pension liability	21	14.1		13.9	
Provisions	22	7.1		4.6	
Non-current liabilities total		266.2	15%	262.0	14%
Current liabilities					
Interest-bearing liabilities	20	10.9		86.7	
Trade and other payables	23	237.8		237.4	
Income tax liabilities		8.6		20.3	
Provisions	22	16.6		10.5	
Current liabilities total		273.8	16%	354.7	19%
Liabilities directly associated with the non-current assets held for sale	18			22.5	1%
Equity and liabilities total		1,760.1	100%	1,833.3	100%

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

EUR million	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	92.8	125.5
Adjustments for		
Depreciation, amortization and impairment	37.4	42.8
Gain/loss on sale and loss on scrap of non-current assets	-8.2	-2.7
Investments at fair value through profit or loss - net change in fair value	-6.1	-56.1
Other financial items	-4.4	-23.2
Change in fair value of biological assets	0.5	0.2
Change in provisions and other non-cash items	-20.5	14.5
Cash flow before changes in working capital	91.4	101.2
Changes in working capital		
Change in current assets, non-interest bearing	7.2	-22.1
Change in inventories	24.0	16.4
Change in current liabilities, non-interest bearing	-1.9	-45.3
Cash flow from operating activities before financial items and taxes	120.7	50.2
Financial income received and costs paid	23.2	15.4
Taxes paid	-60.2	-18.0
Cash flow from operating activities (A)	83.8	47.6
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries		-289.4
Investments in financial assets	-6.6	-41.8
Capital expenditure on fixed assets	-37.6	-32.4
Proceeds from sale of fixed assets	2.1	4.0
Proceeds from sale of non-current assets held for sale	34.1	
Proceeds from sale of subsidiary shares	12.0	
Proceeds from sale of investments at fair value through profit or loss	61.7	340.5
Other dividends received	13.1	11.4
Cash flow from other investments	0.0	1.8
Cash flow from investing activities (B)	78.8	-5.9
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	-3.2	
Change in current receivables	-22.0	2.2
Borrowings of non-current debt	0.0	149.9
Repayment of non-current debt	-0.9	-23.5
Change in current debt	-78.0	-104.6
Payment of finance lease liabilities	-1.4	-0.8
Cash flow from other financing items	0.0	-0.5
Dividends paid	-58.7	-78.7
Cash flow from financing activities (C)	-164.1	-56.0
Change in cash and cash equivalents (A+B+C)	-1.5	-14.4
Cash and cash equivalents at beginning of period	19.7	33.6
Translation difference	-0.5	0.5
Cash and cash equivalents at end of period	17.7	19.7

The notes are an integral part of these consolidated financial statements.

Statement of changes in consolidated equity

EUR million	Equity attributable to shareholders of the parent company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
Dec 31, 2014	77.5		-4.2	-1.0	-2.2	1,081.7	1.3	1,153.2
Translation differences			11.5				0.1	11.6
Cash flow hedges				-0.0				-0.0
Defined benefit plan, actuarial gains (losses), net of tax					-1.4			-1.4
Other comprehensive income for the period, net of tax, total			11.5	-0.0	-1.4		0.1	10.2
Profit for the period						85.1	1.2	86.4
Total comprehensive income for the period			11.5	-0.0	-1.4	85.1	1.3	96.5
Changes due to acquisitions					-0.7		1.3	0.6
Purchase of treasury shares								
Dividends paid						-55.7	-0.6	-56.3
Dec 31, 2015	77.5		7.3	-1.0	-4.3	1,111.2	3.3	1,194.0
Translation differences			25.0				0.1	25.1
Cash flow hedges				-0.3				-0.3
Defined benefit plan, actuarial gains (losses), net of tax					-0.3			-0.3
Other comprehensive income for the period, net of tax, total	0.0	0.0	25.0	-0.3	-0.3	0.0	0.1	24.5
Profit for the period						64.1	1.3	65.4
Total comprehensive income for the period	0.0	0.0	25.0	-0.3	-0.3	64.1	1.4	89.9
Changes due to divestments					0.0	-0.6	-1.3	-1.9
Purchase of treasury shares		-3.2						-3.2
Dividends paid						-57.3	-1.5	-58.8
Dec 31, 2016	77.5	-3.2	32.3	-1.2	-4.6	1,117.3	1.9	1,220.1

The notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles for the consolidated financial statements, IFRS

Fiskars Corporation is a Finnish public limited liability company listed on Nasdaq Helsinki and domiciled in Raasepori, Finland. The registered address of Fiskars Corporation is Hämeentie 135 A, Helsinki, Finland. Fiskars Corporation is the parent company of the group. The group manufactures and markets branded consumer products globally. Fiskars' operating segments are Europe and Asia-Pacific, Americas, and Other. The operations are divided into business units Living products, Functional products and Outdoor products. In addition the group has Real Estate operations. The group's international key brands are Fiskars, Gerber, Iittala, Royal Copenhagen, Waterford and Wedgwood.

The financial statements are authorized for issue by the Board of Directors of Fiskars Corporation. According to the Finnish Limited Liability Companies' Act, the shareholders have a possibility to approve or reject or make a decision on altering the financial statements in the Annual General Meeting to be held after the publication of the financial statements.

BASIS OF PREPARATION

The consolidated financial statements of Fiskars Corporation ("Fiskars" or "the group") are prepared in accordance with International Financial Reporting Standards (IFRS) in force at December 31, 2016 as adopted by the European Union. International Financial Reporting Standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements are prepared on historical cost basis except for financial assets and financial liabilities which are presented at fair value through profit or loss, and biological assets as well as assets and liabilities related to defined benefit pension plans that are measured at fair value.

Items included in the financial statements of each of the group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the parent company's functional currency. The presentation is in millions of euro with one decimal.

USE OF ESTIMATES

The preparation of financial statements in conformity with IFRS requires the management to make judgments and assumptions that affect the recognition and measurement of financial statement items. These estimates and associated assumptions are based on historical experience and other justified assumptions that are believed to be reasonable under the circumstances at the end of the reporting period. These estimates form the basis for judgments of the items in the financial statements. Development of markets and general economic situation may affect the variables underlying the estimates and actual results may differ significantly from these estimates. Such estimates mainly relate to the assumptions made in

- impairment testing (Note 11),
- amount of obsolete inventory (Note 16),
- recognition of impairment losses on trade receivables (Note 17),
- restructuring provisions (Note 22),
- determination of defined benefit pension obligations (Note 21),
- value appraisalment of biological assets (Note 13) and
- the probability of deferred tax assets being recovered against future taxable profits (Note 9).

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company, Fiskars Corporation, and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. Acquired or established subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

Subsidiaries are consolidated using the acquisition method. Intra-group transactions, profit distribution, receivables, liabilities and unrealized gains between group companies are eliminated in consolidation. The profit or loss for the financial year attributable to the owners and non-controlling interest is presented in the income statement and the total comprehensive income for the financial year attributable to the owners and non-controlling interest is presented in the statement of comprehensive income. The non-controlling interest in equity is presented within equity, separately from the equity of the owners of the parent.

Investments in associates in which Fiskars has a significant influence but not control are accounted for using the equity method. Significant influence usually exists when the group holds over 20% of the voting power of the entity or when the group otherwise has significant influence but not control.

TRANSLATION OF FOREIGN CURRENCY ITEMS

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period monetary assets and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognized in the income statement and presented under financial items, except for exchange differences related to trade receivables and trade payables that are presented within operating profit. Non-monetary items denominated in foreign currencies are translated using the exchange rate at the date of the transaction, except for those items carried at fair value that are translated using rates prevailing at the date when the fair value was determined.

Translation of financial statements of foreign subsidiaries

In the consolidated financial statements income statements, statements of comprehensive income and cash flows of foreign subsidiaries are translated into the parent company's currency at the average exchange rates for the period. Their balance sheet items are translated at exchange rates prevailing at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and presented under translation differences in equity. Exchange differences resulting from the translation of profit or loss and comprehensive income at the average rate in the income statement and in the statement of comprehensive income, and the balance sheet at the closing rate, are recognized in other comprehensive income and they are included under translation differences in equity. The effective portions of the gains or losses on those financial instruments hedging net investments in foreign operations are recognized similarly. When the group disposes of all, or part of, that subsidiary, the translation differences accumulated in equity are transferred to profit or loss as part of the gain or loss on disposal.

NET SALES AND REVENUE RECOGNITION PRINCIPLES

Net sales are shown net of indirect taxes, rebates, and exchange differences on trade receivables denominated in foreign currencies. Revenue from the sale of goods is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Revenue related to the Myiittala loyalty program is allocated between the loyalty program and other components of the sale. The amount allocated to the loyalty program is recognized as revenue when customers use the vouchers or when it is apparent that the vouchers will no longer be redeemed. Royalty income has been included in revenue since 2016. There are no such long-term projects in the group for which the revenue would be recognized using the percentage-of-completion (POC) method.

OTHER OPERATING INCOME AND EXPENSES

Other operating income includes income other than that associated with the sale of goods or services, such as gain on disposal or sale of fixed assets, rental income, releases of certain provisions and other similar income not classified to revenue. Other operating expenses as well include losses on the disposal or sale of fixed assets, integration costs and other similar expenses not classified to other cost items. Royalty income was presented in other operating income until financial year 2015, after that it was transferred to revenue.

PENSION OBLIGATIONS

Group companies have various pension plans in accordance with local conditions and practices in the countries in which they operate. The plans are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan the group pays fixed contributions into a separate entity. If the entity does not hold sufficient assets to pay all employees the benefits in question, the group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. Most of the plans that group companies have are classified as defined contribution plans and related contributions are charged to the income statement in the year in which the payment obligation has arisen.

The costs for defined benefit pension plans are calculated and recognized under the terms of the plan based on actuarial calculations. Pension costs are recognized as expenses over the employees' service period. The pension obligation is measured as the present value of the estimated future contributions deducted by the fair value of plan assets at the end of the reporting period. Changes in the estimates in the actuarial calculations may influence the reported pension obligations and pension costs. Actuarial gains and losses are recognized in other comprehensive income.

OPERATING PROFIT

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. In Fiskars the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations, amortizations and possible impairments and other operating expenses. The operating profit includes operating results of Fiskars' operating segments Europe and Asia-Pacific, Americas, and Other. The net change in fair value of investments through profit and loss, consisting of Fiskars' holdings in Wärtsilä, and change in fair value of biological assets are presented as separate line items below EBIT in the income statement.

INTANGIBLE ASSETS

An intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Goodwill

Goodwill represents the group's share of difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired measured at the acquisition date. Goodwill is stated at historical cost less any accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least annually. For this purpose goodwill has been allocated to cash-generating units or, in case of an associate, the goodwill is included within the carrying amount of the associate in question. The recoverable amount of the unit is compared annually or more often if there are indications of impairment, with its carrying amount to determine potential impairment.

Contingent consideration will be measured at fair value and subsequently re-measured through profit or loss. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Research and development costs

Research and development costs are expensed as they are incurred, except for those development costs that are capitalized if the criteria in IAS 38 are met. Capitalized development costs consisting of mainly direct labor costs and external services are recognized as intangible assets.

Intangible assets not yet available for use are tested annually for impairment. Subsequent to initial recognition capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis over their useful lives, from 3 to 6 years.

Other intangible assets

Other intangible assets include among other patents, capitalized development costs, software, as well as trademarks and customer relationships acquired in business combinations. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment. Intangible assets

in this class are amortized on a straight-line basis over their known or expected useful lives. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- | | |
|--------------------------|------------|
| • Software | 3–10 years |
| • Customer relationships | 5–15 years |
| • Other | 3–10 years |

Intangible assets with an indefinite useful life such as trademarks or brand names acquired in business combinations are not amortized but they are tested at least annually for impairment.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, if applicable. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- | | |
|---------------------------|-----------------|
| • Buildings | 20–40 years |
| • Machinery and equipment | 3–10 years |
| • Land and water | No depreciation |

Gains and losses on sales and disposals of items of property, plant, and equipment are presented under other operating income and other operating expenses.

LEASES

Leases, in which the group takes over from the lessor substantially all the risks and rewards of ownership, are classified as finance leases. Assets leased under finance leases are recognized under property, plant, and equipment at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the commencement of the lease term. The associated obligations are recognized in interest-bearing financial liabilities. The lease payments are divided into finance cost and amortization of the lease liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Lease payments made under an operating lease are recognized as an expense on a straight-line basis over the lease term.

INVESTMENT PROPERTY

The properties that are not used in the group's operations or which are held to earn rental revenue or increase in value are classified as investment property. These properties are measured at cost less accumulated depreciation and impairment. Investment properties are depreciated over 20–40 years. Land is not depreciated.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The group operations have been divided into cash-generating units (CGU) that are smaller than operating segments. The carrying amounts of the assets relating to these CGUs are reviewed for impairment indicators annually at the end of the reporting period. The recoverable amounts of the following assets are also estimated annually irrespective whether there is any indication for impairment: goodwill, intangible assets with indefinite useful lives and unfinished intangible assets.

To determine a potential impairment the carrying amount of the asset is compared or the carrying amounts of the CGU's net assets are compared against the recoverable amount of that asset or CGU. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value less costs to sell. An impairment loss is recognized for an asset when its carrying amount exceeds its recoverable amount. An impairment loss previously recognized for items of property, plant, and equipment as well as for intangible assets other than goodwill is reversed subsequently only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized for the asset in prior years. An impairment loss recognized for goodwill is not reversed.

BIOLOGICAL ASSETS

Biological assets consist of standing timber in the group's forests in Finland. These assets are measured at fair value less estimated point-of-sale costs. The fair value resulting from both net growth and change in the market value of standing timber is presented as a separate line item in the income statement after operating profit (EBIT). The revenue from the sale of standing timber is presented in the income statement within the operating profit.

For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A non-current asset (or a disposal group) as well as assets and liabilities associated with a discontinued operation are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The recognition criteria are regarded to be met when a sale is highly probable, the asset (or a disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification.

As from classification date a non-current asset (or a disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated or amortized any more. Assets classified as held for sale, disposal groups, items recognized in other comprehensive income associated with the assets classified as held for sale as well as liabilities included in the disposal group are presented separately in the balance sheet.

A discontinued operation is a component of the group's business that has been disposed of or will be disposed of in accordance with a coordinated plan. It represents a separate major line of business or geographical area of operations. The profit or loss of a discontinued operation is reported separately from the continuing operations in the consolidated statement of comprehensive income.

INVENTORIES

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in first-out (FIFO) method. The cost of finished goods and work-in-progress comprise direct purchase and manufacturing cost, other direct costs and a proportion of the related production overheads based on normal operating capacity. Net realizable value is the estimated amount that can be realized from the sale in normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories.

FINANCIAL INSTRUMENTS

Financial assets

Fiskars classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Financial assets are classified at initial recognition based on their purpose of use. For investments not at fair value through profit or loss, the directly attributable transaction costs are included in the original costs of the financial assets. All purchases or sales of financial assets are recognized or derecognized using trade date

accounting. The group derecognizes financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards to an external party.

Financial assets at fair value through profit or loss

In this category are classified such financial assets that are held for trading or are designated as financial assets at fair value through profit or loss upon initial recognition (the fair value option). In Fiskars this category comprises the investments in listed securities and those derivative instruments that do not meet the hedge accounting criteria or for which hedge accounting is not applied.

These financial assets are measured at fair value both at initial recognition and subsequently. The fair values of the listed securities are based on quoted rates at the end of the reporting period and fair value changes, both realized and unrealized gains and losses are recognized in the income statement under financial items. The fair value measurement principles of derivative instruments are described below under Derivatives and hedge accounting.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The group does not hold them for trading or designate them as available for sale upon initial recognition. This category comprises trade receivables and other receivables under current receivables as well as non-current loan receivables that are presented under the item Other investments in the consolidated balance sheet.

Loans and other receivables are measured at amortized cost. The estimate made for doubtful receivables is based on the risks of individual items. Resulting from this assessment the carrying amounts of receivables are adjusted to measure their probable value. Loans and receivables are included in current or non-current assets based on their nature; in the latter class for maturities greater than 12 months after the end of the reporting period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as either loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. In Fiskars this category comprises the investments in unlisted securities. If their fair values cannot be determined reliably, they are measured at cost. Available-for-sale financial assets are included in non-current assets unless the group intends to dispose of them within 12 months of the end of the reporting period in which case they are included in current assets.

Cash and cash equivalents

The balance sheet item Cash and cash equivalents includes cash, i.e. cash in hand and deposits held at call with banks, and cash equivalents. Cash equivalents comprise highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The items included in cash equivalents have original maturities of maximum three months from the date of acquisition. Bank overdrafts are included within current interest-bearing financial liabilities.

Financial liabilities and borrowing costs

Fiskars classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (includes derivative liabilities) and financial liabilities measured at amortized cost. A financial liability is recognized initially at fair value. For financial liabilities measured at amortized cost, the directly attributable transaction costs are included in the original cost. Subsequently financial liabilities are carried at amortized cost using the effective interest method, except for derivative liabilities that are measured at fair value. Financial liabilities are classified as non-current or current; the latter group comprises all those financial liabilities for which the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. The group removes a financial liability (or a part of it) from its balance sheet only when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Credit fees related to loan commitments are treated as transaction costs to the extent it is likely that the loans will not be drawn down. Remaining credit fees are amortized over the expected loan term.

Derivatives and hedge accounting

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. Derivatives are initially valued at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items.

Fiskars has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in Other comprehensive income. On balance sheet date, such derivatives consisted of interest derivatives hedging certain loans.

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.

PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the group as a result of a past event has a present legal or constructive obligation, it is probable that the obligation will be realized and a reliable estimate can be made of the amount of the obligation. A provision for restructuring is recognized when a detailed formal plan has been prepared and when there is a valid expectation relating those affected that the plan will be carried out. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognized as a separate asset, but only when receipt of the compensation is virtually certain.

The group may be a party to lawsuits and legal processes concerning the group's business operations. A related provision is recognized in the financial statements when the amount of the expenditure can be estimated reliably and it is more likely than not that they will be realized. Otherwise these contingent liabilities are disclosed in the notes.

INCOME TAXES

The group's tax expense comprises current tax based on group companies' taxable profit for the period and the change of deferred taxes. The current tax charge is calculated using the tax rate enacted or substantively enacted at the end of the reporting period. Deferred tax liabilities or deferred tax assets are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using tax rates enacted or substantively enacted at the end of the reporting period. Temporary differences arise, inter alia, from tax loss carry-forwards, depreciation differences, provisions, defined benefit pension plans, fair value measurement of derivative financial instruments, biological assets, and eliminated intra-group inventory margins as well as from the fair value adjustments made to assets and liabilities in business combinations. A deferred tax liability is recognized on the undistributed profits of subsidiaries and associates if the distribution of profit is probable and it will result in tax consequences. A deferred tax liability is recorded to its full amount and a deferred tax asset is recognized at the amount of the estimated probable tax benefit. Income tax is recognized in profit or loss, unless it relates to items recognized in other comprehensive income. In such case any related tax effects are also recognized similarly.

DIVIDENDS

Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

NEW AND AMENDED STANDARDS APPLIED IN FINANCIAL YEAR ENDED

As from January 1, 2016 the group has applied the following new or amended standards that have come into effect:

- Annual Improvements to IFRSs 2012–2014 cycle (effective for financial years beginning on or after 1 July 2016). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. Their impacts vary standard by standard but are not significant.
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative (effective for financial years beginning on or after January 1, 2016). The amendment elaborates on the effect of materiality on the presentation of notes, subtotals and the order of notes. The amendments are estimated not to have a material impact on the consolidated financial statements.
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception (effective for financial years beginning on or after January 1, 2016). The amendments provide an exemption from consolidation of subsidiaries for entities that meet the definition of investment entity. This change is not relevant to the group.
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective for financial years beginning on or after January 1, 2016). The amendments reinstates the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. This change is not relevant to the group.
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for financial years beginning on or after January 1, 2016). The amendments prohibit using a revenue-based depreciation method for items of property, plant and equipment and introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. These amendments have no effect on the group financial statements.

- Amendments to IAS 16 and IAS 41: Bearer Plants (effective for financial years beginning on or after January 1, 2016). The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment. These amendments have no effect on the group financial statements.
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for financial years beginning on or after January 1, 2016). The amendment provides guidance on how to account for the acquisition of a joint operation that constitutes a business. The amendment has no effect on the group financial statements.

Other new or amended standards or interpretations had no impact on the consolidated financial statements.

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE IN FUTURE FINANCIAL YEARS

Fiskars has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

These new or amended standards have been endorsed for use by the European Union:

- IFRS 15 Revenue from Contracts with Customers (effective for financial years beginning on or after January 1, 2018). The new standard establishes a 5-step model on how to account for revenue from contracts with customers. The new standard will replace current IAS 18 and IAS 11 standards and related interpretations. Accounting for sales revenue may happen over time or in a point in time, and the transfer of control is a central criterion. The new standard will increase the number of notes to be disclosed. Fiskars expects the standard to cause changes in the accounting principles with certain items, but material changes in reported figures are not expected as major revenue types will not be significantly affected. The group has evaluated the effects of the standard and in some instances expects the standard to affect timing of recognizing license and royalty income services purchased from customers where distinct services are expected to be separately recognized as selling costs based on fair value of the service and service-type warranties in circumstances where extra warranties or long guarantee periods are provided by Fiskars.

These new or amended standards have not been endorsed for use by the European Union yet:

- IFRS 9 Financial Instruments and subsequent amendments (effective for financial years beginning on or after January 1, 2018). The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 changes the classification and valuation of financial assets and includes a new model for estimating impairment of financial assets, which is based on expected credit losses. Classification of financial liabilities corresponds for the most part to the current requirements of IAS 39. Hedge accounting will continue to have three types of hedging relationships. Hedge accounting may be applied to more risk positions than earlier and the principles of hedge accounting have been aligned risk management. Fiskars expects the standard to cause changes in the accounting principles, but material changes in reported figures are not expected. The group is currently further evaluating the effects of the standard.
- IFRS 16 Leases (effective for financial years beginning on or after January 1, 2019). The new standard replaces IAS 17 Leases. IFRS 16 requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The group will continue evaluating the effects of the standard during 2017.

Other new or amended standards or interpretations are not expected to impact the consolidated financial statements.

2. Segment information

Fiskars' operating segments were Europe & Asia-Pacific, Americas, and Other in 2016 and 2015. The operations are divided into business units Living products, Functional products and Outdoor products. The operating segments are identified on the basis of management reporting, which is organized by geographical areas. Sales of the 2015 acquired English & Crystal Living (WWRD) are reported as part of the Living products sales.

OPERATING SEGMENTS Europe & Asia-Pacific

The revenues comprise of sales of Living, Functional and Outdoor products to retailers in Europe, Middle-East and Asia-Pacific. In addition, living products are sold directly to consumers via own stores and outlets.

Americas

The revenues comprise of sales of Living, Functional and Outdoor products to retailers in USA, Canada and Latin America.

Other

The revenues comprise mainly of rental income from Real Estate and timber sales in Finland. Segment Other covers Real Estate unit, investment portfolio, corporate headquarter functions and shared services. Fiskars completed the sale of its boats business in early January 2016, previously part of the Other segment.

Business activities between the segments are not significant. Inter-segment sales are made on an arm's length basis. Real Estate owns real estates in Finland and leases them to subsidiaries in Finland e.g. for use as production facilities.

The President and CEO monitors the operating results of the segments separately for the purpose of making decisions. Significant portion of segment assets and liabilities are based on geographical location of the assets. Financial income and costs and income taxes are managed on group basis and accordingly not allocated to operating segments.

In the Americas the Fiskars branded products' distribution and logistics are managed and consumer preferences followed centrally. In the Europe & Asia-Pacific area the markets and distribution are more diversified, but from the customer point of view the business units operate in a common environment.

UNALLOCATED ITEMS

The unallocated items of the Income Statement contain corporate level costs and income. Unallocated assets comprise mainly of items related to corporate administration, tax receivables, loan receivables, equity instruments and financial investments. Unallocated liabilities comprise non-current and current debt and tax liabilities. Also part of the restructuring costs are unallocated.

No single customer of Fiskars accounts for more than 10% share of the Group's total net sales.

REPORTING BY OPERATING SEGMENT**2016**

EUR million	Europe & Asia-Pacific	Americas	Other	Unallocated and eliminations	Group total
Net sales, external	716.7	484.1	3.8		1,204.6
Net sales, inter-segment	52.7	4.9	1.8	-59.4	0.0
Net sales	769.4	489.0	5.7	-59.4	1,204.6
Operating profit excl. adjustments to operating profit	46.1	57.8	-10.0	0.0	93.8
Adjustments to EBIT*	-8.7	-4.5	2.0		-11.1
Operating profit	37.4	53.2	-8.0	0.0	82.7
Change in fair value of biological assets			-0.5		-0.5
Financial income and expenses				10.5	10.5
Profit before taxes					92.8
Income taxes				-27.4	-27.4
Profit for the period					65.4
Assets	953.4	391.0	1,327.1	-911.4	1,760.1
Liabilities	489.2	171.5	381.7	-502.4	540.0
Capital expenditure	21.9	9.3	6.4		37.6
Depreciations, amortizations and impairment	20.9	6.9	9.6		37.4

* Includes EUR 6.0 million relating to sale of Spring USA, EUR 3.8 million related to sale of boats business, EUR 2.1 million related to container gardening business, EUR -5.2 million provisions and impairments related to the divestment of the Ebertsankey container gardening business, EUR -4.7 million related to the Supply Chain 2017 program and EUR -14.5 million related to integration activities and other minor adjustments.

2015

EUR million	Europe & Asia-Pacific	Americas	Other	Unallocated and eliminations	Group total
Net sales, external	622.1	446.4	38.7		1,107.1
Net sales, inter-segment	41.5	4.9	1.8	-48.2	0.0
Net sales	663.6	451.2	40.5	-48.2	1,107.1
Operating profit excl. adjustments to operating profit	45.3	36.1	-16.3	0.0	65.1
Adjustments to EBIT*	-10.5	-8.0	-0.2		-18.6
Operating profit	34.9	28.1	-16.5	0.0	46.5
Change in fair value of biological assets			-0.2		-0.2
Other financial income and expenses				79.3	79.3
Profit before taxes					125.5
Income taxes				-39.2	-39.2
Profit for the period					86.4
Assets	948.5	376.4	1,414.4	-906.0	1,833.3
Liabilities	680.2	165.0	438.2	-644.2	639.2
Capital expenditure	20.2	4.0	8.2		32.4
Depreciations, amortizations and impairment	21.7	12.7	8.4	0.0	42.8

* Includes EUR -6.4 million relating to Supply Chain 2017 program, EUR -5.0 million goodwill impairment related to the sale of the container gardening business in Americas in 2016, EUR -3.0 million relating to integration of watering business, EUR -2.6 million relating to the EMEA 2015 restructuring program, EUR -1.5 million relating to write-down of machinery and equipment due to planned rationalization of a non-core product range in Europe and EUR -0.2 million of other non-recurring items.

BUSINESS UNITS

Business units are Living, Functional and Outdoor products. Net sales for the business units are reported based on the nature of the sales of the products sold to customers. Sales between the business units are insignificant.

Net sales by business units

EUR million	2016	2015
Functional Products	513.6	524.5
Living Products	598.0	450.1
Outdoor Products	89.1	93.8
Other	3.9	38.8
Total	1,204.6	1,107.1

Information about geographical areas

EUR million	2016	2015
Net sales in Finland	227.6	257.8
Net sales in the USA	490.8	453.6
Net sales in other countries	486.2	395.7
Total	1,204.6	1,107.1

EUR million	2016	2015
Assets in Finland*	209.1	207.7
Assets in the USA*	139.7	141.5
Assets in other countries*	412.7	417.0
Total	761.6	766.3

* Non-current assets other than deferred tax assets

FISKARS NEW REPORTING STRUCTURE

As of January 1, 2017, following the implementation of a new strategic business unit-based organization, the Group's financial reporting was changed to reflect the new organization. As a part of the new structure, Fiskars will shift from a region-based organization and form two strategic business units (SBUs): Living and Functional. There will also be a third primary reporting segment, Other. SBU Living will consist of the Scandinavian Living business, including Iittala, Rörstrand, Royal Copenhagen and other brands as well as the English & Crystal Living

business, including Waterford, Wedgwood, Royal Albert, Royal Doulton and other brands. SBU Functional will consist of brands including Fiskars, Gerber and Gilmour. The current Outdoor business will operate as a part of the SBU Functional. In addition, Fiskars will report group-level net sales for three secondary reporting segments: Americas, Europe and Asia-Pacific.

The preliminary net sales for 2016 according to the new segment and business unit structure is presented below.

Net sales by segments	
EUR million	2016
Living	598.0
Functional	602.7
Other	0.1
Unallocated and eliminations	3.8
Group total	1,204.6

Net sales by geographical areas	
EUR million	2016
Americas	489.0
Europe	648.2
Asia-Pacific	174.4
Unallocated and eliminations	-106.9
Total	1,204.6

3. Adjustments to operating profit

Exceptional and material transactions outside the ordinary course of business are treated as adjustments to operating profit. These include items such as gains and losses on disposal of business operations, impairments, costs of discontinued significant business operations, restructuring costs and costs of integrating acquired businesses, major product recalls and fines and penalties. Gains and losses are presented in the income statement as an income or expense on the relevant line item and function. Impairments have been presented in the income statement in depreciation, amortization and impairment of the relevant function or on line impairment when the impairment concerns goodwill. Write-downs are presented in other operating expenses.

SUPPLY CHAIN 2017 PROGRAM

During the third quarter of 2015 Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million between 2015 and 2017. They are reported as adjustments to operating profit, of which EUR 4,7 million was recorded in Europe during 2016, and EUR 11.1 million by the end of 2016. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is expected to be completed by the end of 2017.

During 2016, as part of the program, Fiskars completed the transfer of manufacturing operations from the Helsinki ceramics factory to a partner network, and decided to centralize the manufacturing of garden cutting tools at Fiskars' manufacturing site in Poland, with the Functional products factory in Billnäs, Finland concentrating on manufacturing axes, scissors, and snow tools.

In addition, Fiskars established a partner-operated Central European distribution center in the Netherlands to drive quality and efficiency, and to support growth initiatives. In 2016, Fiskars started deliveries from the new distribution center, where the regional distribution center operations had been transferred from Germany and France. Fiskars will transfer the logistics of Fiskars-branded products from the UK, Poland and Hungary to the Netherlands as well.

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 were updated to EUR 65 million during first half of 2013, and approximately EUR 65 million had been recorded by the end of 2016.

At the moment the entire business volume targeted by the program is running through common systems and processes. As planned, the program was completed by the end of 2016. Fiskars continues to invest in IT systems and processes to ensure a competitive infrastructure in building global businesses and brands.

OTHER ADJUSTMENTS TO OPERATING PROFIT IN 2016

The Supply Chain 2017 program amounted to EUR -4.7 million in 2016 and Integration activities costs in 2016 amounted to EUR -14.5 million. Sale of Boats amounted to EUR 3.8 million, sale of container gardening business in the Americas amounted 2.1 million EUR, Ebertsankey related provisions and impairments EUR -5.2 million and gain on sale of Spring USA to EUR 6.0 million in 2016. Other adjustments to operating profit totalled EUR 1.4 million in 2016.

EUR million	2016	2015
EMEA 2015 restructuring program		-2.6
Supply Chain 2017 program	-4.7	-6.4
Sale of boats business	3.8	-0.2
Ebertsankey related provisions and impairments	-5.2	-1.5
Sale of Spring USA	6.0	
Sale of container gardening business and related goodwill impairment	2.1	-5.0
Integration activities	-14.5	-3.0
Other non-recurring items	1.4	
Total	-11.1	-18.6

4. Acquisitions and divestments

2016

DIVESTMENT OF THE BOATS BUSINESS

On January 4, 2016, Fiskars completed the sale of its boats business to Yamaha Motor Europe N.V., announced on 11 November, 2015. The sale included shares in Inha Works Ltd. as well as the Buster brand and related factory real estate in Ähtäri, Finland. The sale generated a positive effect on cash flow. However, it did not have a significant impact on Fiskars Corporation's financial position or result during 2016.

DIVESTMENT OF THE CONTAINER GARDENING BUSINESS IN THE U.S.

On January 22, 2016, Fiskars sold its container gardening business in the U.S. to Bloem, LLC. The transaction included the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Florida, U.S. The sale generated a positive effect on cash flow, however it did not have a significant impact on Fiskars Corporation's financial position or result during 2016.

DIVESTMENT OF TWO BUSINESSES IN SEPTEMBER

In September 2016, Fiskars entered into an agreement to divest its European Ebertsankey container gardening business to Good(s) Factory BV, a member of the Elho Group, European market leader in synthetic pottery and related products. In addition, Fiskars sold Spring USA, the U.S.-based provider of foodservice equipment, to an affiliate of ShoreView Industries.

In the full year 2015, the net sales of Spring USA and Ebertsankey were in the aggregate EUR 26 million and operating profit EUR 3 million. The divestment of Spring USA generated a positive effect on cash flow during the third quarter of 2016. The divestment of Ebertsankey was completed during the Q4 2016. The divestments did not have a significant impact on Fiskars' financial position or results during 2016.

2015

ACQUISITION OF WWRD (ENGLISH & CRYSTAL LIVING BUSINESS) IN 2015

On May 10, 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 July 1, 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.

The goodwill of EUR 128 million arising from the acquisition is not deductible for income tax purposes. Intangible assets also include trademarks and customer relationships.

The purchase price allocation has been completed with no changes in 2016. The following table summarizes the consideration paid for WWRD, the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

EUR million	2016	2015
Non-current assets		
Intangible assets		134.0
Property, plant & equipment		59.4
Deferred tax assets		6.8
Other non-current assets		1.5
Non-current assets total		201.7
Current assets		
Inventories		93.4
Trade and other receivables		56.8
Cash and cash equivalents		15.0
Current assets total		165.2
Non-current assets held for sale*		12.9
Assets total		379.8
Non-current liabilities		
Interest bearing liabilities		105.0
Other non-current liabilities		9.3
Non-current liabilities total		114.3
Current liabilities		
Interest bearing debt		0.6
Trade and other current liabilities		81.0
Current liabilities total		81.6
Liabilities directly associated with the non-current assets held for sale*		2.9
Non-controlling interest**		1.3
Net assets		179.6
Consideration transferred		308.1
Goodwill		128.5

*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.

5. Other operating income

EUR million	2016	2015
Divestment of business	12.7	
Release of provision related to rented facilities	2.4	
Net gain on disposal of fixed assets	0.9	2.9
Rental income	0.3	0.5
Other income	2.3	1.4
Total	18.5	4.9

6. Total expenses

TOTAL EXPENSES BY NATURE

EUR million	2016	2015
Materials and supplies	573.2	552.4
Change in inventory	0.7	26.1
External services	54.6	60.7
Employee benefits	337.1	291.3
Depreciation and amortization	37.4	37.9
Impairment	0.0	5.0
Other costs	137.4	92.2
Total	1,140.5	1,065.6

OTHER OPERATING EXPENSES

EUR million	2016	2015
Loss on sale of fixed assets	0.4	0.1
Loss on scrap of fixed assets	2.5	0.2
Integration activities	1.7	2.9
Other costs	2.8	1.5
Total	7.4	4.6

DEPRECIATION, AMORTIZATION AND IMPAIRMENT BY ASSET CATEGORY

EUR million	2016	2015
Buildings	4.8	4.4
Machinery and equipment	18.4	22.1
Intangible assets	13.9	10.6
Investment property	0.4	0.5
Goodwill impairment		5.2
Total	37.4	42.8

FEES PAID TO COMPANIES' AUDITORS

EUR million	2016	2015
Audit fees	1.3	1.3
Audit related fees	0.0	0.0
Tax consultation	0.8	0.2
Other non-audit fees	0.3	0.1
Total	2.5	1.6

The appointed auditor for the financial years 2015 and 2016 was KPMG.

7. Employee benefits and number of personnel

EMPLOYEE BENEFITS

EUR million	2016	2015
Wages and salaries	267.7	238.0
Other compulsory personnel costs	40.8	32.7
Pension costs, defined contribution plans	18.2	17.6
Pension costs, defined benefit plans	1.2	1.0
Other post employment benefits	1.7	0.7
Termination benefits	7.6	1.3
Total	337.1	291.3

PERSONNEL AT THE END OF PERIOD

	2016	2015
Finland	1,224	1,509
Slovenia	903	893
UK	654	771
Other Europe	1,488	1,417
USA	1,127	1,229
Indonesia	1,152	1,249
Thailand	566	522
Other	1,446	1,413
Total	8,560	9,003

PERSONNEL (FTE) IN AVERAGE

	2016	2015
Direct	5,215	3,507
Indirect	2,785	2,909
Total	8,000	6,416

* The personnel figures for FY 2015 have been restated to include the FTE figures for the English & Crystal Living for July 2015.

Fiskars has adopted the following definitions for employee reporting:

Personnel, end of period = active employees in payroll at the end of period

Personnel (FTE), average = full-time equivalent number of employees according to worked volume during the period

Direct = production workers

Indirect = other employees than production workers

8. Financial income and expenses

EUR million	2016	2015
Dividends received from investments at fair value through profit and loss	13.1	11.4
Interest income on cash and bank	0.0	0.0
Net change in fair value of current investments at fair value through profit or loss	6.1	56.1
Net change in fair value of other investments at fair value through profit or loss	0.0	3.4
Derivative revaluation gains, at fair value through profit or loss	0.8	0.3
Exchange gains on commercial hedges	0.8	0.0
Other exchange gains	0.0	20.9
Financial income total	20.8	92.1
Interest expenses on debt at amortized cost	-6.8	-4.4
Interest cost on finance leasing at amortized cost	-0.1	-0.2
Net change in fair value of other investments at fair value through profit or loss	-1.1	0.0
Exchange losses on commercial hedges	0.0	-7.0
Other exchange losses	-1.3	0.0
Other financial expenses	-0.9	-1.2
Financial expense total	-10.3	-12.8
Financial income and expenses total	10.6	79.3

9. Income taxes

INCOME TAXES IN THE INCOME STATEMENT

EUR million	2016	2015
Current year income taxes	-22.1	-33.0
Prior year income taxes	5.6	-2.2
Change in deferred taxes	-10.9	-4.0
Income taxes total	-27.4	-39.2

In July 2016 Fiskars received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliged the company to pay a total of EUR 28.3 million in additional tax, interest expenses and punitive tax increases as a result of a tax audit carried out in 2014. Fiskars and its external advisors consider the decision unfounded and did not recognize the related taxes and other costs in the income statement

RECONCILIATION OF INCOME TAXES

EUR million	2016	2015
Tax rate for the parent company	20.0%	20.0%
Profit before taxes	92.8	125.5
Income tax using the tax rate for the parent company	-18.6	-25.1
Effect of tax rates in foreign jurisdictions	-7.2	-5.0
Prior year income taxes	5.6	-2.2
Other tax exempt income	7.7	2.9
Non-deductible expenses	-1.3	-4.2
Effect of change of tax rates	-1.6	0.0
Tax recognized against unrecognized tax assets and unrecognized tax on loss	-4.6	-3.2
Change in valuation of tax assets	-1.8	-1.9
Other items	-5.6	-0.6
Income taxes recognized in profit and loss	-27.4	-39.2

TAXES IN OTHER COMPREHENSIVE INCOME

2016

EUR million	Total	Tax	Net
Translation differences	25.1		25.1
Cash flow hedges	-0.3	0.1	-0.3
Defined benefit plan actuarial gains (losses)	-0.3	0.0	-0.3
Other comprehensive income for the period, total	24.4	0.1	24.5

2015

EUR million	Total	Tax	Net
Translation differences	11.6		11.6
Cash flow hedges	-0.0	0.0	-0.0
Defined benefit plan actuarial gains (losses)	-1.7	0.3	-1.4
Other comprehensive income for the period, total	9.9	0.3	10.2

DEFERRED INCOME TAXES IN THE BALANCE SHEET

2016

Deferred tax assets

EUR million	Jan 1, 2016	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2016
Post-employment benefit	3.9	-0.1	0.0	0.8	-0.0	4.7
Provisions and accruals	34.7	-9.8		-6.0	-0.2	18.7
Effects on consolidation and eliminations	17.4	-3.1		2.8		17.1
Property, plant & equipment	3.6	0.6		-0.6	-0.1	3.6
Tax losses and credits carried forward net of valuation allowance	9.0	-1.4		3.2	-0.1	10.7
Other temporary differences	1.3	-1.1	0.1	-0.6		-0.2
Total deferred tax assets	70.0	-14.9	0.1	-0.4	-0.4	54.5
Offset against deferred tax liabilities	-32.3	5.5		2.4		-24.3
Net deferred tax assets	37.7	-9.4	0.1	2.1	-0.4	30.2

Deferred tax liabilities

EUR million	Jan 1, 2016	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2016
Property, plant & equipment	12.9	-2.6		-0.6		9.6
Fair value adjustments	14.8	0.7		0.0		15.5
Effects on consolidation and eliminations*	32.7	-2.2		13.2		43.6
Other temporary differences*	21.8	0.2		-13.8	-0.0	8.3
Total deferred tax liabilities	82.2	-4.0		-1.2	-0.0	77.0
Offset against deferred tax assets	-32.3	5.5		2.4		-24.3
Net deferred tax liabilities	50.0	1.5		1.2	-0.0	52.7

Deferred tax assets (+) / liabilities (-), net -12.2 -22.5

* Consist mainly of adjustments to fair value in acquisitions

2015

Deferred tax assets

EUR million	Jan 1, 2015	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2015
Post-employment benefit	2.8	0.1	0.3	0.3	0.5	3.9
Provisions and accruals	13.8	6.9		0.8	13.3	34.7
Effects on consolidation and eliminations	1.5	-1.2		-0.1	17.2	17.4
Property, plant & equipment	2.5	-0.3		-0.1	1.4	3.6
Tax losses and credits carried forward net of valuation allowance	17.1	-10.8		0.0	2.7	9.0
Other temporary differences	-1.0	1.8	0.0	0.1	0.4	1.3
Total deferred tax assets	36.7	-3.4	0.3	1.1	35.4	70.0
Offset against deferred tax liabilities	-10.0	3.8	-0.0	-0.2	-25.9	-32.3
Net deferred tax assets	26.8	0.3	0.3	0.9	9.6	37.7

Deferred tax liabilities

EUR million	Jan 1, 2015	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2015
Property, plant & equipment	6.1	-0.9		0.5	7.2	12.9
Fair value adjustments	10.7	4.2				14.8
Effects on consolidation and eliminations*	26.4	0.2		-0.0	6.1	32.7
Other temporary differences*	5.9	-2.8		0.1	18.7	21.8
Total deferred tax liabilities	49.1	0.6		0.6	32.0	82.2
Offset against deferred tax assets	-10.0	3.8	-0.0	-0.2	-25.9	-32.3
Net deferred tax liabilities	39.1	4.4	-0.0	0.4	6.1	50.0

Deferred tax assets (+) / liabilities (-), net -12.4 -12.2

* Consist mainly of adjustments to fair value in acquisitions

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The Group has full control of the timing of dividend distribution in subsidiaries and therefore no deferred tax liability has been recorded on retained earnings of subsidiaries.

Taxes relating to cash flow hedges and actuarial gains and losses have been recorded into other comprehensive income.

The deferred tax asset on tax losses carried forward, net of valuation allowance, amounted to EUR 10.7 million (9.0) at the end of the financial year. Deferred tax allowance is recorded to offset deferred tax assets in order to recognize the deferred tax assets only to the extent that it is probable that future taxable profits will be available. The tax losses carried forward on the basis of which the deferred tax asset is recognized will not expire in the following five years. Income taxes recorded in the income statement and in other comprehensive income are specified earlier in this note 9.

10. Earnings per share

The basic earnings per share is the annual net profit attributable to ordinary shareholders of the parent company divided by the weighted average number of shares outstanding during the year. Fiskars Corporation does not have any current share option programs or other diluting financial instruments, so the diluted earnings per share is the same as basic.

	2016	2015
Net profit attributable to the ordinary shareholders of the parent company, EUR million	64.1	85.1
Number of shares	81,905,242	81,905,242
Weighted average number of shares outstanding	81,825,369	81,905,242
Earnings per share, EUR (basic)	0.78	1.04
Earnings per share, EUR (diluted)	0.78	1.04

11. Intangible assets**2016**

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	244.5	247.6	62.0	74.7	10.9	639.6
Translation differences	-2.4	1.8	-0.7	-0.4	-0.0	-1.7
Acquisitions and divestments	-5.8	0.0				-5.9
Additions		0.5	3.8	0.1	1.8	6.3
Decreases		0.0	-0.0	-9.5		-9.6
Transfers between asset groups			3.5	0.0	-3.1	0.4
Historical cost, Dec 31	236.2	249.9	68.6	64.9	9.7	629.2
Accumulated amortization and impairment, Jan 1	7.1	4.1	38.5	49.2		99.0
Translation differences	-0.6	-0.1	0.1	0.1		-0.4
Acquisitions and divestments		0.0		0.0		0.0
Amortization for the period		0.3	10.7	2.9		13.9
Decreases		0.0	0.0	-9.5		-9.5
Transfers between asset groups			0.3			0.3
Accumulated amortization and impairment, Dec 31	6.5	4.4	49.6	42.8		103.3
Net book value, Dec 31	229.7	245.5	19.0	22.1	9.7	526.0

Investment commitments for intangible assets 0.0

2015

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	141.1	138.4	40.0	57.0	13.8	390.3
Translation differences	6.5	1.9	2.1	0.7	0.2	11.4
Acquisitions and divestments	128.5	106.9	11.0	21.2		267.6
Additions		0.5	5.5	0.3	0.6	6.8
Decreases	-31.6		-0.0	-0.3		-31.9
Transfer to non-current assets held for sale			-0.3	-4.4		-4.7
Transfers between asset groups			3.7	0.2	-3.7	0.2
Historical cost, Dec 31	244.5	247.6	62.0	74.7	10.9	639.6
Accumulated amortization and impairment, Jan 1	28.4	3.7	24.5	49.1		105.7
Translation differences	5.1	0.2	2.4	0.6		8.3
Acquisitions and divestments			4.0	1.1		5.1
Amortization for the period		0.3	7.8	2.5		10.6
Impairment for the period	5.2					5.2
Decreases	-31.6		-0.0	-0.1		-31.8
Transfer to non-current assets held for sale			-0.2	-4.0		-4.2
Transfers between asset groups			0.1			0.1
Accumulated amortization and impairment, Dec 31	7.1	4.1	38.5	49.2		99.0
Net book value, Dec 31	237.4	243.4	23.4	25.5	10.9	540.6
Investment commitments for intangible assets						2.7

IMPAIRMENT TESTS

Goodwill is not amortized but is tested at least annually for impairment. Goodwill has been allocated to cash-generating units as follows:

EUR million	2016	2015
Europe & Asia-Pacific	171.3	175.2
Americas	58.4	62.2
Total	229.7	237.4

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The geographical segments, which form the CGUs, are Europe & Asia-Pacific and Americas. The recoverable amounts from CGUs are determined with value in use method, using five-year discounted cash flow projections, based on strategic plans approved by management. Cash flows for the period extending over the planning period are calculated using the terminal value method. The discount rate is the weighted average post-tax cost of capital (WACC) as defined by Fiskars. The components of the WACC are risk-free rate, market risk premium, company-specific risk premium, industry specific equity beta, cost of debt and debt to equity ratio.

On the basis of the impairment calculations made, there has been no need for other impairment of goodwill for any CGU for the period ended December 31, 2016 and 2015. An impairment of goodwill of EUR 5.0 million was made in 2015 due to the forthcoming sale of container gardening business in Americas in 2016, the sale was finalised January 2016.

Fiskars has 10 trademarks whose aggregate carrying amount is EUR 231.1 million (2015: 242.7). Since the benefits from trademarks are indefinite, they are not amortized but are tested at least annually for impairment using a relief from royalty method. Cash flows attributable to trademarks are derived by identifying revenues from sales of products belonging to each trademark. The value in use of trademarks is determined on a discounted cash flow method basis, derived from five-year cash flow projections, based on strategic plans approved by the management. Cash flows for the period extending over the planning period are calculated using the terminal value method.

On the basis of the impairment calculations made there has been no need for impairment of trademarks for the periods ended December 31, 2016 and 2015.

KEY PARAMETERS APPLIED IN IMPAIRMENT TESTING

%	2016		2015	
	Goodwill*	Trademarks**	Goodwill*	Trademarks**
Increase in net sales on average	1.0	1.0	1.8	1.8
Steady growth rate in projecting terminal value	2.0	2.0	2.5	3.0
Discount rate, pre-tax, average	8.1	9.0	8.3	9.0

* The increases in net sales, used in impairment testings, are on average more moderate than strategic plans for the planning period. The EBIT used in impairment testing is the CGU's actual three previous years average EBIT-% of sales. This is consistently used for all periods in the five year discounted cash flow projections.

** Used one percentage point higher risk premium than in goodwill testing.

SENSITIVITY ANALYSES

Sensitivity analyses of goodwill have been carried out for the valuation of each CGU by making downside scenarios for key parameters. The management views that no reasonably possible change in any of the key parameters would lead to impairment as the recoverable amounts exceed the carrying amounts considerably.

Sensitivity analyses of trademarks have been carried out for the valuation of each trademark by making downside scenarios for key parameters. The management views that excluding the Gingher trademark, no reasonably possible change in any of the key parameters would lead to impairment. The recoverable amount of the Gingher trademark currently exceeds its carrying amount of EUR 3.5 million by EUR 1.9 million, and an increase of 3.5 percentage point in pre-tax discount rate would result in the recoverable amount being equal to the carrying amount.

12. Property, plant and equipment

2016	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
EUR million						
Historical cost, Jan 1	24.1	107.1	17.4	194.7	9.9	353.3
Translation differences	-0.1	-2.0	0.6	3.8	0.0	2.3
Acquisitions and divestments		0.0		-0.1	0.0	-0.1
Additions	0.1	4.6		14.6	13.6	33.0
Decreases	-1.0	-10.2		-54.4	0.0	-65.5
Transfers between asset groups	0.0	2.7		9.0	-12.2	-0.4
Historical cost, Dec 31	23.1	102.3	17.9	167.7	11.4	322.5
Accumulated depreciation and impairment, Jan 1	0.8	42.1	17.1	135.8		195.8
Translation differences		0.7	0.6	3.8		5.0
Depreciation for the period		4.5	0.3	18.6		23.3
Impairment for the period				0.0		0.0
Acquisitions and divestments		0.0		0.0		0.0
Decreases		-9.9		-51.3		-61.2
Transfers between asset groups		0.3		-0.5		-0.2
Accumulated depreciation and impairment, Dec 31	0.8	37.6	17.9	106.4		162.8
Net book value, Dec 31	22.3	64.7	0.0	61.3	11.4	159.7
Investment commitments for tangible assets						7.4

2015	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
EUR million						
Historical cost, Jan 1	15.9	68.2	15.6	164.3	4.9	268.8
Translation differences	0.1	-3.3	1.8	-10.2	-0.6	-12.2
Acquisitions and divestments	7.8	30.3		80.0	24.9	142.9
Additions	0.1	2.4		10.8	12.2	25.4
Decreases	-0.1	-6.7		-34.1	-0.1	-41.0
Transfer to non-current assets held for sale	-0.0	-3.8		-25.9	-0.3	-30.0
Transfers between asset groups	0.4	20.0		9.9	-31.0	-0.7
Historical cost, Dec 31	24.1	107.1	17.4	194.7	9.9	353.3
Accumulated depreciation and impairment, Jan 1	0.8	32.8	15.0	115.5		164.1
Translation differences		-3.7	1.7	-12.1		-14.1
Depreciation for the period		4.1	0.4	18.3		22.8
Impairment for the period				4.1		4.1
Acquisitions and divestments		17.3		66.1		83.5
Decreases		-6.1		-33.5		-39.6
Transfer to non-current assets held for sale		-2.0		-22.8		-24.8
Transfers between asset groups		-0.2		0.1		-0.1
Accumulated depreciation and impairment, Dec 31	0.8	42.1	17.1	135.8		195.8
Net book value, Dec 31	23.3	65.0	0.3	58.9	9.9	157.4
Investment commitments for tangible assets						9.2

13. Biological assets

EUR million	2016	2015
Fair value, Jan 1	41.4	41.6
Increase due to growth	2.0	1.6
Change in wood prices	-0.2	-0.8
Harvested timber	-2.2	-1.1
Fair value, Dec 31	40.9	41.4

Fiskars owns some 11,000 hectares of forest and land in Finland. For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Natural Resources Institute Finland, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

The fair value measurements of biological assets are categorized within level 3 of the fair value hierarchy.

14. Investment property

EUR million	2016	2015
Historical cost, Jan 1	13.3	13.2
Translation differences	0.1	-0.3
Additions	0.4	0.1
Decreases	-2.5	-0.1
Reclassification from property, plant and equipment	0.0	0.4
Historical cost, Dec 31	11.3	13.3
Accumulated depreciation, Jan 1	8.4	8.2
Translation differences	0.1	-0.3
Depreciation and impairment for the period	0.4	0.5
Decreases	-2.5	-0.1
Accumulated depreciation and impairment, Dec 31	6.3	8.4
Net book value, Dec 31	4.9	4.9

Investment Property comprises the parent company's buildings and zoned and unbuilt lots for detached houses in Fiskars Village, Finland. The lease agreement concerning the leasing properties of Fiskars Brands, Inc. in the U.S. was terminated at the end of the year.

FAIR VALUE

Properties in Fiskars Village are unique in their cultural and historical values. Therefore it is not possible to determine a comparable market value on those properties.

BOOK VALUES BY COUNTRIES

EUR million	2016	2015
Finland	4.9	4.9
USA		0.0
Total	4.9	4.9

15. Financial assets

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR million	Level 1		Level 3	
	2016	2015	2016	2015
Book value, Jan 1	520.0	766.7	14.9	11.1
Additions		37.8	7.2	4.0
Decreases	-61.7	-340.5	-0.7	-1.8
Change in fair value through profit or loss	6.1	56.1	-1.1	1.5
Book value, Dec 31	464.4	520.0	20.4	14.9

Investments at fair value through profit or loss comprise listed shares and unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist mainly of 10,881,781 shares in Wärtsilä. A 10% change in the Wärtsilä share price would have an impact of EUR 46.4 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 funds (level 3). Changes in the fair value are recognized in the income statement.

OTHER INVESTMENTS

EUR million	Level 1		Level 3	
	2016	2015	2016	2015
Book value, Jan 1	0.4	0.3	6.6	4.7
Acquisitions				1.9
Additions			2.7	
Other changes	0.0	0.1	0.0	0.0
Book value, Dec 31	0.4	0.4	9.3	6.6

Other financial assets comprise listed and unlisted shares as well as non-current receivables. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (level 1). Unlisted shares and other investments are measured at the lower of cost and fair value (level 3).

CASH AND CASH EQUIVALENTS

EUR million	2016	2015
Cash at bank	17.7	19.7
Other current investments	22.0	
Total, Dec 31	39.7	19.7

16. Inventories

EUR million	2016	2015
Raw materials and consumables	25.5	26.2
Work in progress	19.7	20.3
Finished goods	211.3	239.1
Advance payments	0.1	0.1
Gross value of inventories	256.6	285.7
Inventory provision to the carrying value	-32.0	-51.4
Total, Dec 31	224.6	234.3

17. Trade and other receivables

EUR million	2016	2015
Trade receivables	175.1	173.6
Derivatives	1.4	
Other receivables	4.8	6.8
Prepaid expenses and accrued income	22.3	30.6
Total, Dec 31	203.6	211.0

AGING OF TRADE RECEIVABLES

EUR million	2016	2015
Not fallen due	156.8	151.0
1–30 days past due	18.1	15.4
31–60 days past due	0.5	6.5
61–90 days past due	0.6	2.8
91–120 days past due	0.9	0.4
Over 120 days past due	2.8	3.5
Less provision for bad debts, Dec 31	-4.7	-6.0
Total, Dec 31	175.1	173.6

TRADE RECEIVABLES IN CURRENCIES

EUR million	2016	2015
US Dollars (USD)	73.4	63.2
Euros (EUR)	38.7	39.9
Danish Krones (DKK)	18.7	18.1
Swedish Kronas (SEK)	8.5	7.9
Japanese Yens (JPY)	8.3	10.3
United Kingdom Pounds (GBP)	4.9	10.4
Other currencies	22.6	23.7
Total, Dec 31	175.1	173.6

Trade receivables are widely spread geographically. The biggest customers are major retailers with solid credit ratings. Credit loss risks are estimated to be moderate. The maximum exposure to credit risk is the carrying amount of the trade receivables.

18. Non-current assets held for sale

There were no non-current assets held for sale at the end of December 2016.

Non-current assets held for sale at the end of December 2015 included land to be sold in the acquired WWRD business during 2016 together with the assets and liabilities of the boats business and the assets of the container gardening business in Americas. Fiskars signed an agreement on November 11, 2015 to sell its Boats business to Yamaha Motor Europe N.V. The transaction, which included the sale of shares in Inha Works Ltd. as well as

the sale of the Buster brand and related factory real estate in Ähtäri, Finland, classified into non-current assets held for sale on December 31, 2015, was completed on January 4, 2016. Fiskars Brands, Inc. sold its container gardening business in the U.S. to Bloem, LLC on January 22, 2016 as it was classified for non-current assets held for sale on December 31, 2015. The transaction included the sale of the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Apopka, Florida, U.S.

EUR million	2016	2015
Non-current assets held for sale		
Tangible and intangible assets		18.7
Inventories		11.5
Other assets		11.2
Total non-current assets held for sale		41.4
Liabilities directly associated with the non-current assets held for sale		
Interest-bearing liabilities		12.8
Provisions		0.3
Other non-interest bearing liabilities		9.4
Total liabilities directly associated with the non-current assets held for sale		22.5

19. Share capital

SHARE CAPITAL AND TREASURY SHARES

	2016 pcs 1,000	2015 pcs 1,000	2016 EUR million	2015 EUR million
Share capital, Jan 1	81,905.2	81,905.2	77.5	77.5
Share capital, Dec 31	81,905.2	81,905.2	77.5	77.5

Fiskars Corporation does not have treasury shares.

Treasury shares, Jan 1		
Change	187,8	3,2
Treasury shares, Dec 31	187,8	3,2

NUMBER OF SHARES AND VOTES

	Dec 31, 2016			Dec 31, 2015		
	Number of shares	Number of votes	Share capital EUR	Number of shares	Number of votes	Share capital EUR
Shares (1 vote/share)	81,905,242	81,905,242	77,510,200	81,905,242	81,905,242	77,510,200
Total	81,905,242	81,905,242	77,510,200	81,905,242	81,905,242	77,510,200

Fiskars Corporation has a single class of shares. Shares have no nominal value.

20. Finance

NON-CURRENT INTEREST BEARING DEBT

	2016		2015	
	Fair value	Carrying amount	Fair value	Carrying amount
EUR million				
Loans from credit institutions	181.0	181.0	181.6	181.6
Financial leasing debt	1.4	1.4	1.3	1.3
Total, Dec 31	182.4	182.4	182.9	182.9

All interest-bearing debts are valued at amortized cost. The fair values of interest-bearing debts have been calculated by discounting the cash flow of the debt by the market rate at the end of reporting period (fair value hierarchy level 2).

FINANCE LEASE DEBT

EUR million	2016	2015
Finance lease liabilities are payable as follows:		
Less than one year	0.5	0.9
Between one and five years	1.5	1.2
More than five years	0.1	0.2
Minimum lease payments, total	2.1	2.3

EUR million	2016	2015
Present value of minimum lease payments:		
Less than one year	0.4	0.8
Between one and five years	1.3	1.1
More than five years	0.1	0.2
Present value of minimum finance lease payments, total	1.8	2.1

Future finance charges	0.3	0.2
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CURRENT INTEREST BEARING DEBT

	2016		2015	
	Fair value	Carrying amount	Fair value	Carrying amount
EUR million				
Bank overdrafts	9.6	9.6	7.2	7.2
Commercial papers			77.8	77.8
Finance leasing debt	0.4	0.4	0.8	0.8
Other	0.8	0.8	0.9	0.9
Total, Dec 31	10.9	10.9	86.7	86.7

MATURITY OF LIABILITIES

As of December 31, 2016 the Group has unused credit facilities EUR 300 million (300) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2016 was 2.5 years (3.5). Agreements concerning credit facilities and long term loans include among others covenants for the solidity. Non-compliance with the covenants would lead to a premature expiry of the agreements. Potential default would require material deterioration of the solidity from the current.

2016							
EUR million	2017	2018	2019	2020	2021	Later	Total
Bank overdrafts	9.6						9.6
Other debt	0.8						0.8
Loans from credit institutions		31.0		100.0		50.0	181.0
interests	1.4	1.4	1.3	1.3	1.0	0.5	6.9
Finance leasing	0.4	0.3	0.3	0.3	0.3	0.1	1.8
interests	0.1	0.1	0.1	0.0	0.0	0.0	0.3
Trade payables	85.4						85.4
Derivative liabilities	1.6						1.6
Total, Dec 31	99.4	32.8	1.7	101.7	1.4	50.6	287.5
	34.6%	11.4%	0.6%	35.4%	0.5%	17.6%	100.0%

2015							
EUR million	2016	2017	2018	2019	2020	Later	Total
Bank overdrafts	7.2						7.2
Commercial papers	77.8						77.8
interests	0.2						0.2
Other debt	0.9						0.9
Loans from credit institutions		1.6	30.0		100.0	50.0	181.6
interests	1.4	1.4	1.3	1.3	1.3	1.0	7.6
Finance leasing	0.8	0.4	0.3	0.3	0.2	0.2	2.1
interests	0.1	0.0	0.0	0.0	0.0	0.0	0.2
Trade payables	82.6						82.6
Derivative liabilities	2.1						2.1
Total, Dec 31	173.0	3.4	31.6	1.6	101.5	51.2	362.2
	47.8%	0.9%	8.7%	0.4%	28.0%	14.1%	100.0%

Sensitivity analysis of currency exposure

The exchange rate sensitivity analysis in accordance with IFRS 7 has been carried out by examining how the profit before taxes or consolidated group equity would be impacted by a 10% devaluation of a currency against all other currencies. Impact from a 10% appreciation of a currency against all other currencies would be opposite. The analysis of impact on profit includes internal and external foreign currency denominated financial items of the parent company in the selected currencies. Commercial cash flows consist of net foreign currency flows of

purchases and sales estimated to take place during the following year by the business units and hedged internally. Financial items include foreign currency denominated loans, deposits and external derivatives. The selected currencies represent approximately 90% of the commercial net foreign currency flows. The sensitivity analysis on the group consolidated equity illustrates translation risk related to the foreign currency denominated equity.

EUR million	2016			2015		
	Impact on result before taxes			Impact on result before taxes		
	Estimated commercial cash flows	Other financial items	Impact on group equity	Estimated commercial cash flows	Other financial items	Impact on group equity
AUD	-2.6	2.6	-1.3	-2.1	2.1	-1.2
CAD	-1.7	1.7	-0.8	-1.4	1.4	-0.7
GBP	1.1	-1.1	-2.0	2.4	-2.4	11.3
IDR	1.5	-1.5	0.0	1.3	-1.3	0.0
JPY	-2.5	2.5	-1.8	-2.3	2.3	-2.4
SEK	-2.3	2.3	-4.6	-2.1	2.1	-4.1
THB	3.8	-3.8	-0.5	2.9	-2.9	-0.4
USD	-0.2	0.2	-23.4	1.4	-1.4	-19.9

Average interest rates and sensitivity analysis of interest expenses

The sensitivity of interest expenses on changes in interest rates has been presented by simulating a permanent one percentage unit raise in interest rates at the end of the reporting year. The Corporation's net interest bearing debt as of December 31, 2016 was EUR 152.4 million (249.4) and the average interest reset period was 15 months (16). A permanent one percentage point raise in all interest rates would increase the corporation's annual

interest costs by EUR 0.7 million (1.3) assuming no change in the amount of the net debt.

The table below shows the Corporation's net interest bearing debt, currency derivatives, average interest rates on loans and interest rate sensitivity by major currencies.

2016						
EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	161.1	5.7	0.8	0.9	-16.1	152.4
Currency derivatives	-73.9	0.7	8.8	34.3	30.1	0.0
Net debt and currency derivatives	87.2	6.4	9.6	35.2	14.0	152.4
Average interest rate on loans (p.a.)	1.0%	3.0%				
Interest rate sensitivity	0.1	0.1	0.1	0.4	0.1	0.7

2015						
EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	258.0	2.1	0.5	1.8	-13.0	249.4
Currency derivatives	-252.1	34.9	151.2	47.2	18.8	0.0
Net debt and currency derivatives	5.9	37.0	151.7	49.0	5.8	249.4
Average interest rate on loans (p.a.)	1.0%	5.9%				
Interest rate sensitivity	-1.2	0.5	1.5	0.4	0.1	1.3

Nominal amounts of derivatives

EUR million	2016	2015
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	212.0	375.9
Electricity forward agreements	0.4	1.5
Interest rate swaps		13.4
Cash flow hedges:		
Interest rate swaps	80.0	80.0

Fair value of derivatives

EUR million	2016	2015
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	1.3	0.0
Electricity forward agreements	0.1	-0.3
Interest rate swaps		-0.4
Cash flow hedges:		
Interest rate swaps	-1.6	-1.4

Derivatives have been valued at fair value, which has been determined by using generally accepted valuation techniques supported by observable market data (fair value hierarchy level 2). Derivatives are recognised at fair value through profit and loss except for cash flow hedges, which are recorded in equity.

Maturity of derivatives

2016				
EUR million	2017	2018	Later	Total
Foreign exchange forwards and swaps	212.0			212.0
Electricity forward agreements	0.4			0.4
Interest rate swaps		30.0	50.0	80.0
Total, Dec 31	212.4	30.0	50.0	292.4

2015				
EUR million	2016	2017	Later	Total
Foreign exchange forwards and swaps	375.9			375.9
Electricity forward agreements	0.6	0.4	0.6	1.5
Interest rate swaps	13.4		80.0	93.4
Total, Dec 31	389.9	0.4	80.6	470.8

FAIR VALUE OF FINANCIAL INSTRUMENTS

2016

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	464.4		20.4	484.8
Other investments	0.4		9.3	9.7
Total assets	464.8		29.7	494.4
Derivative liabilities		-1.6		-1.6
Total liabilities		-1.6		-1.6

2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	520.0		14.9	534.9
Other investments	0.4		6.6	7.0
Total assets	520.4		21.5	541.9
Derivative liabilities		2.1		2.1
Total liabilities		2.1		2.1

For the definition of fair value category levels please see the accounting principles in note 1.

FINANCIAL RISK MANAGEMENT

Financial risks are managed by the corporate treasury, in accordance with a set of risk management principles approved by the Board of Directors.

Currency risk

Currency risk is linked to changes in the value of Fiskars' cash flows, its balance sheet, and/or its competitiveness resulting from changes in exchange rates. Fiskars' currency position is split between its transaction position and translation position, both of which are managed separately.

Transaction risk

Transaction risk results from the possibility that the value of expected cash flow denominated in a particular currency may change as a result of changes in exchange rates. The objective of Fiskars' approach to managing its transaction risk is to reduce the impact of changes in exchange rates on the Group's budgeted profitability and cash flows. Business units are responsible for managing the currency risks associated with their projected and agreed commercial cash flows. Units hedge their exposure using currency forwards with the corporate treasury.

Transaction risk is measured by net of the Group's commercial and financial receivables and liabilities denominated in foreign currencies. The net position is hedged by currency derivatives in accordance with the treasury policy approved by the Board of Directors. Currency forwards and swaps are the most widely used instruments in hedging currency risks.

Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the appreciation of THB, IDR and GBP against EUR and depreciation of JPY, AUD and SEK against EUR. Higher levels of imports indirectly expose Fiskars to risks linked to changes in the local currencies of its suppliers, of which the most important is the Chinese renminbi.

Fiskars does not apply hedge accounting as defined under IAS 39 for transaction risk purposes. All gains and losses made on currency derivatives are booked in the income statement. Had hedge accounting been applied to currency derivatives Fiskars' consolidated profit before tax for 2016 would have been EUR 0.8 million below the reported figure (7.0 million above reported in 2015).

Translation risk

Translation risk refers to the impact that changes in exchange rates can have on the consolidated balance sheet, and which can affect the value of balance sheet assets, equity, and debt liabilities. In addition to balance sheet values, changes in exchange rates can also result in changes in key indicators, such as equity ratio and gearing. In 2016 Fiskars Group's translation risk was not significant and it was not hedged. The currency distribution of the Group's balance sheet is monitored regularly.

Interest rate risk

Interest rate risk refers to possible changes in cash flow or in the value of assets or liabilities resulting from changes in interest rates. Interest rate risk is measured by the average reset period of interest rates of financial assets and liabilities. The average reset period reflects the time it takes on average for the change in interest rates to effect on the interest costs of net debt portfolio. The risk is quantified in monetary terms as the change in interest costs during the observation period caused by a permanent one percentage point rise in interest rates. The shorter the average reset period, the more unpredictable are the interest costs and thus the higher the interest rate risk.

Derivatives are used in the management of interest rate risks. The objective is to maintain the average reset period within the agreed limits of 4 to 18 months as set in the treasury policy. As of December 31, 2016 the nominal amount of outstanding interest rate derivatives was EUR 80.0 million (2015: 93.4). The Group's interest-bearing net debt as of December 31, 2016 was EUR 152.4 million (249.4). 46% (62%) of net debt was linked to variable interest rates. Taking into consideration the effect of interest rate derivatives, 54% (38%) of net debt was linked to fixed interest rates. The average interest rate reset period of interest-bearing debt was 15 months (16).

Sensitivity of interest expenses on changes in market rates has been calculated by assuming permanent one percentage unit increase change in market rates and assuming no change in net debt during the year. The calculated impact on the consolidated result before tax would be EUR 0.7 million (1.3) in 2017.

At the end of the year Fiskars held investments amounting to EUR 22.0 million in commercial papers that mature during the first quarter of 2017.

Liquidity and re-financing risk

Liquidity risk refers to the possibility of the Group's financial assets proving insufficient to cover its business needs or a situation in which arranging such funding would result in substantial additional costs. The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations of the Group at all times while minimizing interest costs. Liquidity is considered to be the sum of cash and cash equivalents and available committed credit lines.

Re-financing risk refers to the possibility of such a large amount of liabilities falling due over such a short space of time that the re-financing needed might be unavailable or prohibitively expensive. The objective is to minimize the re-financing risk by diversifying the maturity structure of the debt portfolio.

The Group has extensive unused credit facilities at its disposal to guarantee its liquidity. As of the end of the year, the unutilized committed revolving credit facilities totaled EUR 300.0 million (2015: 300.0) and overdraft facilities EUR 38.4 million (20.8). In addition, the Group's parent company in Finland has a commercial paper program with a number of leading banks amounting to EUR 400.0 million, of which none was utilized as of the end of the year (2015: EUR 78.0 million).

Commodity risk

Fiskars may use derivatives to hedge its exposure to commodity price fluctuations where appropriate. At the end of the year, the Group held no commodity derivative contracts other than electricity futures with a nominal value of EUR 0.4 million (1.5) recognized at fair value through the income statement.

Credit risk

Corporate treasury is responsible for evaluating and monitoring financial counterparty risk. The Group minimizes this risk by limiting its counterparties to a limited number of major banks and financial institutions and by working within agreed counterparty limits. Business units are responsible for monitoring customer credit risks. The Group's clientele is extensive and even the largest customer represent less than 10% of the outstanding receivables. As of the end of the year, the Group's trade receivables totaled EUR 175.1 million (173.6), and the financial statements include provisions for bad debt related to trade receivables totaling EUR 4.7 million (6.0).

Management of capital

Fiskars is not subject to any externally imposed capital requirements (other than possible local company law requirements effective in the jurisdictions where Fiskars Group companies are active).

The Group's objectives when managing capital are:

- To safeguard the Corporation's capacity to fund its operations and take care of its obligations under all business conditions
- To maintain a balanced business and investment portfolio that provides return both on short and long term to its shareholders
- To maintain possibilities to act on potential investment opportunities

21. Employee defined benefit obligations

Most of Fiskars Group's pension plans are defined contribution plans. The acquired WWRD business has defined benefit plans in Indonesia, Japan and Slovenia. The defined benefit plans in the U.S., Great Britain and Germany are closed plans, and future pay increases will not impact the valuation. The Group also has supplementary pension plans in Finland which are classified as defined benefit plans. Each plan is operated in accordance with local conditions and practices of the respective country. Authorized actuaries have performed the actuarial calculations for the defined benefit plans.

The main unfunded plans are in the US, Germany, Indonesia, Japan and Slovenia. Plans in Finland and Norway are taken care of by local pension insurance companies. The Group estimates its contributions to the plans during 2017 to be EUR 1.5 (1.6) million.

CHARACTERISTICS OF THE DEFINED BENEFIT PLANS AND RISKS ASSOCIATED WITH THEM

Plan	Net liability		Description and risks
	2016	2015	
Finland	0.1	0.1	There are 27 eligible members in the Finnish pension plans. The plans are either funded insured pension plans, which are closed, or unfunded pension promises. Benefits of the plans are old age pension, disability pension, family pension and funeral grant. Pension increases are based on either insurance companies' own indexes or TyEL index. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Germany	1.3	1.3	There are 85 eligible members in the German pension plans. The plans are either unfunded individual pension promises, or unfunded pension plans, which are closed. Benefits of the plans are old age pension, disability pension and widow's/widower's pension. Pension increases, if any, are based on inflation. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Thailand	0.4	0.3	There are 543 eligible members in the Thai pension plan, which is a retirement benefit plan. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Norway	-0.1	-0.1	There are 15 eligible members in the Norwegian pension plan. The plan is an insured, funded and closed pension plan. Benefits of the plan are old age pension, disability pension, widow's/widower's pension and children's pension. There are no guaranteed minimum pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
UK	0.8	1.5	There are 180 eligible members in the British pension plan, which is a closed pension fund. The plan has surplus (asset) of GBP 3.6 (3.2) million at end of 2016, which is not recognized as an assets due to asset ceiling. Benefits of the plan are old age pension, early retirement pension, widow's/widower's pension and death benefit. Pension increases are based on inflation. Main risks are volatility of equity instruments, changes in bond yields, increase in life expectancy and inflation risk. UK legislation requires the board to carry out actuarial valuations at least every three years and to target full funding against a basis that prudently reflects the fund's risk exposure, including the strength of the covenant offered to the fund by Fiskars UK Limited. The most recent actuarial valuation was carried out as at March 31, 2014. Fiskars UK Limited has agreed to pay annual contributions of GBP 0.5 million until March 31, 2018. The remaining payments have been recorded as a liability as at December 31, 2016.
USA	5.9	6.0	There is one eligible member in the American pension plan, which is an unfunded pension obligation. Benefits of the plan are old age pension and widow's/widower's pension. There are no pension increases. Main risks are changes in bond yields and increase in life expectancy.
Indonesia	3.8	2.5	There are 1,095 eligible members in the Indonesian pension plan, which is an unfunded retirement benefit plan. Benefits of the plan are severance pay, death benefit and disability benefit. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Japan	1.4	1.2	There are 130 eligible members in the Japanese pension plan, which is a funded and insured pension and retirement allowance plan. Benefits of the plan are old-age pension, death benefit and retirement allowance. There are no pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Slovenia	1.0	1.1	There are 912 eligible members in the Slovenian pension plans, which are unfunded retirement benefit plans. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Total net liability	14.5	13.9	

CHANGES IN NET DEFINED BENEFIT LIABILITY

EUR million	Present value of obligation	Fair value of plan assets	Total	Additional liability and effect of asset ceiling	Total
Jan 1, 2016	30.8	-22.9	7.9	5.9	13.9
Current service cost	0.7		0.7		0.7
Interest expense (+) or income (-)	1.0	-0.7	0.3	0.2	0.5
Past service cost and gains and losses from settlements	0.0		0.0		0.0
Total included in personnel expenses (Note 7)	1.7	-0.7	1.0	0.2	1.2
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		-2.2	-2.2		-2.2
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	-0.1		-0.1		-0.1
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	3.1		3.1		3.1
Experience adjustment gains (-) and losses (+)	0.2		0.2		0.2
Changes in asset ceiling, excluding amounts included in interest			0.0	-0.3	-0.3
Remeasurement gains (-) and losses (+) included in OCI	3.1	-2.2	1.0	-0.3	0.7
Translation differences	-1.5	2.5	1.1	-0.6	0.4
Employer contributions		-1.5	-1.5		-1.5
Benefits paid	-1.4	1.3	0.0		0.0
Other changes			0.0	-0.1	-0.1
Dec 31, 2016	32.9	-23.4	9.4	5.0	14.5

EUR million	Present value of obligation	Fair value of plan assets	Total	Additional liability and effect of asset ceiling	Total
Jan 1, 2015	22.3	-18.6	3.7	3.3	7.0
Acquisitions	6.8	-2.4	4.4		4.4
Current service cost	0.4		0.4		0.4
Interest expense (+) or income (-)	1.0	-0.7	0.3	0.1	0.4
Past service cost and gains and losses from settlements	0.2		0.2		0.2
Total included in personnel expenses (Note 7)	1.6	-0.7	0.9	0.1	1.0
Return on plan assets, excluding amounts included in interest, (gain -) and (loss +)		-0.0	-0.0		-0.0
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.2		0.2		0.2
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	-0.4		-0.4		-0.4
Experience adjustment gains (-) and losses (+)	0.2		0.2		0.2
Changes in asset ceiling, excluding amounts included in interest			0.0	0.8	0.8
Remeasurement gains (-) and losses (+) included in OCI	-0.1	-0.0	-0.1	0.8	0.6
Translation differences	1.6	-1.1	0.5	0.2	0.7
Employer contributions		-1.4	-1.4		-1.4
Benefits paid	-1.4	1.4	0.0		0.0
Other changes				1.5	1.5
Dec 31, 2015	30.8	-22.9	8.0	5.9	13.9

PLAN ASSETS BY ASSET CATEGORY

EUR million	2016		2015	
	Quoted	Unquoted	Quoted	Unquoted
Equity instruments	14.7		15.3	
Bonds	4.9		4.3	
Property	0.4		0.4	
Insurance contracts		3.1		2.7
Cash and cash equivalents	0.2		0.3	
Other	0.0		0.0	
Total	20.2	3.1	20.2	2.7

PRINCIPAL ACTUARIAL ASSUMPTIONS AT THE BALANCE SHEET DATE

%	2016	2015
Discount rate		
Great Britain	2.7	3.9
Other countries	0.4-7.54	0.8–8.9
Future salary increases		
Great Britain	n/a	n/a
Other countries	n/a / 0.0–5.0	n/a / 0.0–5.0
Future pension increases		
Great Britain	0–3.3	0–3.2
Other countries	n/a / 0.0–5.0	n/a / 0.0–5.0

SENSITIVITY ANALYSIS

A reasonably possible change to one of the relevant actuarial assumptions at the reporting date holding other assumptions constant, would have affected the defined benefit obligation as shown below.

EUR million	2016		2015	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
Great Britain				
Discount rate (0.5% change)	-1.1	1.2	-1.1	1.2
Future salary (0.5% change)	n/a	n/a	n/a	n/a
Future pension (0.25% change)	0.1	-0.1	0.2	-0.2
Other Group companies, total				
Discount rate (0.5% change)	-0.8	0.9	-0.6	0.7
Future salary (0.5% change)	0.1	-0.1	0.3	-0.2
Future pension (0.25% change)	0.1	-0.1	0.1	-0.1

The weighted average of the duration of the defined benefit obligation: 12.7 (11.5)
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

22. Provisions

Warranty provisions relate to products sold and are reviewed and adjusted regularly to reflect the estimated cash outflows to settle the warranty claims. Restructuring provisions mainly relate to the Supply Chain 2017 program and integration activities.

Other provisions include, among others, provisions for legal expenses and estimated costs for refurbishment of premises.

2016
LONG-TERM PROVISIONS

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	0.4	0.1	4.1	4.6
Translation differences	0.0	-0.0	0.0	0.0
Additions	0.0		4.2	4.2
Used provisions			-1.1	-1.1
Change in estimates				
Reversals			-0.7	-0.7
Provisions, Dec 31	0.4	0.1	6.6	7.1

SHORT-TERM PROVISIONS

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	3.5	3.9	3.0	10.5
Translation differences	0.1	0.0	0.1	0.2
Additions	0.1	10.0	0.7	10.9
Used provisions	-0.0	-3.3	-1.8	-5.0
Change in estimates	0.2		-0.1	0.2
Reversals			-0.0	-0.0
Provisions, Dec 31	3.9	10.8	1.9	16.6

2015
LONG-TERM PROVISIONS

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.0	0.1	3.4	4.5
Translation differences	-0.0	0.0	-0.0	-0.0
Acquisitions			0.9	0.9
Additions	0.2		0.2	0.3
Used provisions	-0.2		-0.2	-0.4
Change in estimates	-0.1			-0.1
Reversals	-0.5		-0.1	-0.6
Provisions, Dec 31	0.4	0.1	4.1	4.6

SHORT-TERM PROVISIONS

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	3.0	1.2	0.2	4.4
Translation differences	0.2	0.0	0.0	0.2
Additions			2.7	2.7
Used provisions	0.5	4.1	0.2	4.8
Change in estimates	-0.4	-1.4		-1.8
Reversals	0.2		-0.1	0.1
Provisions, Dec 31	3.5	3.9	3.0	10.5

23. Trade and other payables

EUR million	2016	2015
Trade payables	85.4	82.6
Other debt	20.3	24.4
Accrued expenses and deferred income:		
Interests	2.2	1.8
Wages, salaries and social costs	48.5	47.8
Customer rebates and commissions	35.8	35.4
Other	45.7	45.4
Total, Dec 31	237.8	237.4

Other accrued expenses and deferred income comprise periodization of bought materials and supplies, annual rebates for clients and other accrued items.

24. Commitments

OPERATING LEASE OBLIGATIONS

EUR million	2016	2015
Payments next year	27.8	30.3
Payments between one and five years	67.5	53.0
Payments later	21.3	8.1
Total, Dec 31	116.6	91.3

CONTINGENCIES AND PLEDGED ASSETS

EUR million	2016	2015
Guarantees	19.1	26.2
Lease commitments	116.6	91.3
Other contingencies*	15.3	21.7
Total pledged assets and contingencies, Dec 31	151.0	139.2

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

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.

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. In July 2016 Fiskars received a tax reassessment decision from the Finnish Large Taxpayers' Office, which obliged the company to pay in total EUR 28.3 million in additional tax, interest expenses and punitive tax increases as a result of a tax audit carried out in 2014.

Fiskars and its external advisors consider the decision unfounded and did not recognize the related taxes and other costs in the income statement. Fiskars has appealed the decision to the Board of Adjustment in the Finnish Large Taxpayers' Office. Fiskars will continue the appeal process in court, if necessary, in which case the process may take years. The dispute concerns intra-group loans forgiven by the company in 2003 and their tax treatment in subsequent tax years.

25. Related party transactions

Fiskars' related parties are members of the Fiskars Board of Directors and Executive Board, other key management persons, and individual shareholders with control or significant influence over the company, as well as entities controlled or significantly influenced by them or their family members. In addition, associated companies of Fiskars are also regarded as related parties.

Fiskars Finland Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception.

Fiskars had no significant transactions, liabilities or receivables with related parties during 2016.

EUR million	2016	2015
Rent	0,2	0,2
Capital loan	0,2	0,2

SHAREHOLDINGS OF THE BOARD AND KEY MANAGEMENT, DECEMBER 31

Includes also holdings of Board and key management and their related parties.

	2016				2015			
	Direct holdings	Holdings of closely related persons	Holdings of closely related entities	Total	Direct holdings	Holdings of closely related persons	Holdings of closely related entities	Total
Ehrnrooth Alexander	855,000		12,650,000	13,505,000	855,000		12,220,000	13,075,000
Ehrnrooth Paul 1)	0		9,330,961	9,330,961	8,205		9,322,756	9,330,961
Fromond Louise	1,250,705		8,541,612	9,792,317	601,135		8,541,612	9,142,747
Gripenberg Gustaf	243,320	60,006	4,057,289	4,360,615	243,320	60,006	4,057,289	4,360,615
Jonasson Blank Ingrid	0		0	0	0		0	0
Luomakoski Jyri***	0		0	0				
Mero Inka*	0		0	0	0		0	0
Månsson Fabian*	0		2,000	2,000	0		0	0
Sjölander Peter*	0		0	0	0		0	0
Slotte Karsten*****					1,000		0	1,000
Sotamaa Ritva*	1,000		0	1,000	1,000		0	1,000
Ariluoma Nina	0		0	0	0		0	0
Enckell Thomas	2,300		0	0	0		0	0
Gaeta Matteo*****					0		0	0
Gaggl Risto	0		0	0	0		0	0
Kangas-Kärki Teemu	6,000		0	6,000	2,000		0	2,000
Kass Robert	0		0	0	0		0	0
Garde Due Ulrik****	0		0	0				
Kauniskangas Kari	34,097		0	34,097	31,097		0	31,097
Matt Alexander**	0		0	0	0		0	0
Tonnesen Paul	0		0	0	0		0	0
Westerlund Frans	0		0	0	0		0	0

The Directors and the CEO do not have any debts to the company; nor has the company given pledges or taken on other responsibilities in their names. The shareholdings of the Board and key management represent in total 45.3% of the outstanding shares of the company.

1) Paul Ehrnrooth, Turret Ab Oy, Jacob Ehrnrooth and Sophia Ehrnrooth have signed a shareholder's agreement where all parties have agreed to vote in Fiskars Corporation's General Meetings in accordance with the position of Turret Oy Ab. The parties of the shareholder's agreement have agreed on a mutual pre-emption right, if any of the parties plans to sell Fiskars Corporation's shares.

* Member of the Board of Directors as of March 12, 2015.

** Member of the Executive Board as of September 15, 2015.

*** Member of the Board of Directors as of March 8, 2016

**** Member of the Executive Board as of January 18, 2016

***** Member of the Board of Directors until March 9, 2016

***** Member of the Executive Board until October 7, 2016

REMUNERATION OF THE BOARD AND KEY MANAGEMENT

EUR thousand	2016			2015		
	Salaries and fees	Statutory pension	Supplementary pension*	Salaries and fees	Statutory pension	Supplementary pension*
Bergh Kaj-Gustaf				14.3		
Böer Ralf				15.8		
Ehrnrooth Alexander	75.0			77.3		
Ehrnrooth Paul	120.0			124.5		
Fromond Louise	57.0			58.5		
Gripenberg Gustaf	57.8			62.3		
Jonasson Blank Ingrid	77.0			77.5		
Luomakoski Jyri	47.3					
Mero Inka	56.3			43.5		
Mondolot Christine				15.8		
Månsson Fabian	75.0			57.8		
Sjölander Peter	75.0			57.8		
Slotte Karsten	13.5			62.3		
Sotamaa Ritva	77.0			59.8		
Kauniskangas Kari	1,248.4	194.1	94.5	926.9	112.0	83.4
Executive board excl. President & CEO	4,693.2	375.6	221.5	3,444.4	135.5	169.4
Total	6,672.3	569.7	316.0	5,098.0	247.6	252.8

The key management consists of the Board of Directors, the President & CEO and the members of the Corporate Management Team (Executive Board). The figures are presented on an accrual basis.

* The key management has a collective supplementary pension insurance, which includes an old-age pension at the retirement age of 60 years, vested rights under certain conditions and indemnity payable at death. The amount of pension income is based on the insurance savings. The employer's contribution to the insurance plan is 20% of the preceding year's base salary of the CEO and 16%-20% of the preceding year's base salary of the Executive Board excl. the CEO.

26. Share based payments

LONG-TERM INCENTIVE PLANS 2016–2018 AND 2015-2017, SETTLED IN SHARES AND CASH

In February 2015, The Board of Directors decided on a new long-term incentive plan for the Group’s Chief Executive Officer and Chief Operating Officer. The targets for the plan are based on the company’s total shareholder return. No reward will be paid if targets are not met or if the participant’s employment ends before reward payment. Similar plan was instituted for 2016.

The vesting period for the long-term incentive plan is three years. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2015 will therefore be paid during the first quarter of 2018 and bonuses for 2016 in the first quarter of 2019.

If the targets of the plan are reached, rewards will be paid to participants after the end of the vesting period. The reward will be paid in company’s shares and as a cash payment which is intended to cover taxes and tax-related costs arising from the share reward. If all targets are reached, the maximum reward payable in shares on the basis of the 2016–2018 vesting period would amount to 17,500 shares and the 2015-2017 vesting period would amount to 17,500 shares in the company. Shares to be awarded under the plan will be acquired in public trading arranged by Nasdaq Helsinki, and thus the share plan is not expected to have a diluting effect on the ownership of the company’s shareholders.

Amount of share incentives and terms and assumptions in the fair value calculation	2016-2018 plan	2015–2017 plan
Maximum number of shares granted	17,500	17,500
Grant date	Feb 4, 2016	Feb 5, 2015
Grant date share price, EUR	17.21	19.50
Estimated realization of share price after vesting and restriction period	20.35	21.86
Expense recorded during the financial year (EUR million)	0.1	0.2
Liability at the end of the financial year (EUR million)	0.1	0.2
Vesting period starts	Feb 4, 2016	Feb 5, 2015
Vesting period ends	Dec 31, 2018	Dec 31, 2017
Estimated realization of earnings criteria at the beginning of earning period, %	100%	100%
Number of participants in the plan	2	2

LONG-TERM INCENTIVE PLAN 2014–2016, SETTLED IN CASH

Participants in the long-term incentive plans are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. No reward will be paid if targets are not met or if the participant’s employment ends before reward payment.

A positive change in the value of the Company’s shares related to its own operations (excluding the impact of investments at fair value through profit or loss on the share price) during the vesting period may increase the final cash payout by up to 50% and for the President and CEO by up to 100% (multiplier effect).

The earning criteria apply during the first year of the vesting period, which for other executives except for CEO is followed by two additional years. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2014 will therefore be paid during the first quarter of 2017. For the CEO, half of the bonus vests after a two year vesting period and the other half after a three year vesting period.

The targets for the incentive plans are based on the company’s consolidated net sales and operative cash flow and for the President and CEO, the targets were tied to net sales and EBIT.

Terms and assumptions of the long-term incentive plans	2014–2016 plan
Grant date	Mar 12, 2014
Achieved base amount for the plan (EUR million)	0.9
Multiplier effect (EUR million)	0.4
Realization rate (multiplier effect in %)	47%
Vesting period starts	Mar 12, 2014
Vesting period ends	Dec 31, 2016
Number of participants in the plan	19

27. Subsidiaries and other participations

Fiskars Oyj Abp completed the sale of its boats business on January 4, 2016 including shares in Inha Works Ltd. Fiskars also sold Spring (U.S.A.) Corporation shares in September 2016.

On December 31, 2016, Ferraria Oy Ab and Kiinteistö Oy Danskog Gård merged into the parent company Fiskars Oyj Abp.

SHARES IN SUBSIDIARIES

			% of share capital	% of voting power	Nature of main activities
	Domicile				
Fiskars Americas Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Fiskars Brands, Inc.	Madison, WI	US	100.0	100.0	P
Fiskars Brands Global Holdings LLC	Madison, WI	US	100.0	100.0	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	0.002	0.002	D
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	0.002	0.002	D
Fiskars Canada, Inc.	Toronto	CA	100.0	100.0	S
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	99.998	99.998	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	99.998	99.998	D
Consumer Brands (Hong Kong) Co., Limited	Hongkong	HK	1.0	1.0	H
Fiskars Europe Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Consumer Brands (Hong Kong) Co., Limited	Hong Kong	HK	99.0	99.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	98.0	98.0	H
Fiskars Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	H
Fiskars Finland Oy Ab	Helsinki	FI	100.0	100.0	P
ZAO Fiskars Brands Rus	St. Petersburg	RU	100.0	100.0	P
Fiskars Finland Oy Ab, Hungarian Branch Office	Budapest	HU	100.0	100.0	S
Fiskars (Thailand) Co., Limited	Bangkok	TH	1.0	1.0	H
Fispo Sp. z o.o.	Warsaw	PL	100.0	100.0	D
Fiskars Sweden AB	Höganäs	SE	100.0	100.0	S
Nilsjohan AB	Höganäs	SE	100.0	100.0	D
Fiskars Estonia AS	Tallinn	EE	100.0	100.0	S
Fiskars Benelux B.V.	Oosterhout	NL	100.0	100.0	S
iittala BVBA	Antwerpen	BE	0.5	0.5	S
iittala BVBA	Antwerpen	BE	99.5	99.5	S
Fiskars Silkeborg A/S	Silkeborg	DK	100.0	100.0	S
Fiskars Denmark A/S	Glostrup	DK	100.0	100.0	P
Royal Copenhagen GmbH	Cologne	DE	100.0	100.0	S
Royal Copenhagen (Japan) Ltd	Tokyo	JP	100.0	100.0	S
Royal Copenhagen Korea Ltd	Seoul	KR	100.0	100.0	S
Royal Copenhagen Taiwan Ltd	Taipei	TW	100.0	100.0	S
Royal Copenhagen Thailand Ltd	Saraburi	TH	60.0	60.0	P
Fiskars Gardening Equipment (Ningbo), Co., Ltd.	Ningbo	CN	100.0	100.0	P
RC Heritage Center Ltd, Thailand	Saraburi	TH	99.0	99.0	P
Fiskars Asia Pacific Limited	Hongkong	HK	100.0	100.0	S
Fiskars Consumer Goods (Shanghai) Co., Ltd	Shanghai	CN	100.0	100.0	S
Fiskars Deutschland GmbH	Herford	DE	100.0	100.0	D
Fiskars France S.A.S.	Wissous	FR	100.0	100.0	P
Fiskars Germany GmbH	Herford	DE	100.0	100.0	S
iittala GmbH	Solingen	DE	100.0	100.0	S

Fiskars Italy S.r.l.	Premana	IT	100.0	100.0	P
Fiskars Norway AS	Oslo	NO	100.0	100.0	P
Fiskars Polska Sp. z o.o.	Slupsk	PL	100.0	100.0	P
Fiskars Spain S.L.U.	Madrid	ES	100.0	100.0	S
Fiskars UK Limited	Bridgend	GB	100.0	100.0	S
Vikingate Limited	Nottingham	GB	100.0	100.0	D
Fiskars (Australia) Pty Limited	Melbourne	AU	100.0	100.0	S
UAB Fiskars Lithuania	Vilnius	LT	100.0	100.0	S
Fiskars Latvia SIA	Riga	LV	100.0	100.0	S
Fiskars Czech s.r.o.	Prague	CZ	100.0	100.0	S
Ab Åbo Båtvarf - Turun Veneveistämö Oy	Turku	FI	100.0	100.0	D
Avlis AB	Stockholm	SE	100.0	100.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	1.0	1.0	H
WWRD LuxCo S.à.r.l.	Luxembourg	LU	100.0	100.0	H
WWRD Canada, Inc	New Brunswick	CA	100.0	100.0	S
WWRD UK/Ireland, Ltd.	Stoke-on-Trent	GB	100.0	100.0	D
WWRD Ireland IPCo LLC	Wilmington, DE	US	100.0	100.0	H
WWRD IPCo. LLC	Wilmington, DE	US	100.0	100.0	H
Wedgwood/Doulton USA Acqco 1 Inc.	Wilmington, DE	US	100.0	100.0	H
Wedgwood/Doulton USA Acqco 2 Inc.	Wilmington, DE	US	100.0	100.0	H
WWRD US, LLC	Wilmington, DE	US	100.0	100.0	S
WWRD United Kingdom, Ltd.	Stoke-on-Trent	GB	100.0	100.0	P
WWRD United Kingdom, Ltd., Beijing Branch Office	Beijing	CN	100.0	100.0	H
WWRD IPCO UK LLC	Wilmington, DE	US	100.0	100.0	H
WWRD Ireland Limited	Waterford	IE	100.0	100.0	P
WWRD IPCO I LLC	Wilmington, DE	US	100.0	100.0	H
Steklarna Rogaška d.o.o.	Rogaška Slatina	SI	100.0	100.0	P
Steklarski HRAM d.o.o.	Rogaška Slatina	SI	100.0	100.0	S
Rogaška Kristal d.o.o.	Zagreb	HR	100.0	100.0	S
Rogaska America Inc	New York	US	100.0	100.0	S
WWRD Netherlands MidCo B.V.	Amsterdam	NL	100.0	100.0	H
WWRD Australia Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	S
WWRD Australia Pty Ltd, New Zealand Branch	Auckland	NZ	100.0	100.0	S
Josiah Wedgwood & Sons Pty Ltd	Arndell Park, NSW	AU	100.0	100.0	D
Waterford Wedgwood Australia Limited	Stoke-on-Trent	GB	100.0	100.0	D
Waterford Wedgwood Trading Singapore Pte Limited	Singapore	SG	100.0	100.0	H
Wedgwood Consulting Shanghai Ltd. PRC	Shanghai	CN	100.0	100.0	D
Waterford Wedgwood (Taiwan) Limited	Taipei	TW	100.0	100.0	S
Waterford Wedgwood Hong Kong Ltd	Hong Kong	HK	100.0	100.0	S
Waterford Wedgwood Doulton Commercial (Shanghai) Ltd.	Shanghai	CN	100.0	100.0	S
Waterford Wedgwood Japan Limited	Tokyo	AU	100.0	100.0	S
PT Doulton (Indonesia)	Tangerang	ID	96.2	96.2	P
				Holding, management or services	H
				Production and sales	P
				Sales	S
				Dormant	D

28. Subsequent events

After the balance sheet date, no significant events have taken place within the Group.

FINANCIAL INDICATORS

Five years in figures

		2016	2015	2014	2013	2012
Net sales	EUR million	1,204.6	1,107.1	767.5	798.6	747.8
of which outside Finland	EUR million	977.0	849.4	632.8	657.6	579.1
in percent of net sales	%	81.1	76.7	82.5	82.3	77.4
export from Finland	EUR million	24.3	57.1	61.8	66.2	54.5
Percentage change of net sales	%	8.8	44.3	-3.9	6.8	0.7
Gross profit	EUR million	502.9	420.2	310.4	323.2	274.6
in percent of net sales	%	41.7	38.0	40.4	40.5	36.7
Operating profit (EBIT)	EUR million	82.7	46.5	42.7	61.0	63.9
in percent of net sales	%	6.9	4.2	5.6	7.6	8.5
Operating profit excluding non-recurring items	EUR million	93.8	65.1	59.6	73.8	63.1
Share of profit from associate	EUR million			30.0	50.8	47.8
Change in fair value of biological assets	EUR million	-0.5	-0.2	-0.3	0.7	5.6
Financial items net	EUR million	10.6	79.3	714.3	-4.2	83.2
in percent of net sales	%	0.9	7.2	93.1	-0.5	11.1
Profit before taxes	EUR million	92.8	125.5	786.7	108.3	200.4
in percent of net sales	%	7.7	11.3	102.5	13.6	26.8
Income tax	EUR million	-27.4	-39.2	-13.4	-14.3	-21.5
Profit for the period attributable to the equity holders of the company	EUR million	64.1	85.1	773.1	93.7	178.9
in percent of net sales	%	5.3	7.7	100.7	11.7	23.9
Non-controlling interests' share of profit	EUR million	1.3	1.2	0.2	0.3	
Employee benefits	EUR million	337.1	291.3	209.8	202.1	173.3
Depreciation, amortization and impairment	EUR million	37.4	42.8	28.5	29.2	21.9
in percent of net sales	%	3.1	3.9	3.7	3.7	2.9
Cash flow from operating activities	EUR million	83.8	47.6	87.0	81.0	95.0
Capital expenditure	EUR million	37.6	32.4	35.0	37.5	32.7
in percent of net sales	%	3.1	2.9	4.6	4.7	4.4
Research and development costs in income statement	EUR million	18.0	18.0	14.6	13.3	10.3
in percent of net sales	%	1.5	1.6	1.9	1.7	1.4
Capitalized development costs	EUR million	0.0	0.0	0.5	0.7	1.1
Equity attributable to equity holders of the company	EUR million	1,218.1	1,190.8	1,151.9	631.8	618.9
Non-controlling interest	EUR million	1.9	3.3	1.3	0.9	
Equity total	EUR million	1,220.1	1,194.0	1,153.2	632.7	618.9
Net interest bearing liabilities	EUR million	152.4	249.4	121.3	152.6	72.4
Working capital	EUR million	217.8	190.5	93.3	88.3	71.4
Balance sheet total	EUR million	1,760.1	1,833.3	1,589.5	1,039.1	935.4
Return on investment	%	6.8	8.4	73.8	15.1	28.9
Return on equity	%	5.4	7.4	86.6	15.0	30.5
Equity ratio	%	69.3	65.1	72.6	60.9	66.2
Net gearing	%	12.5	20.9	10.5	24.1	11.7
Personnel (FTE), average		8,000	6,303	4,243	4,087	3,364
Personnel, end of period		8,560	9,003	4,832	4,330	3,449
of which outside Finland		7,336	7,715	3,300	2,748	1,839

Share related figures

		2016	2015	2014	2013	2012
Share capital	EUR million	77.5	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR/share	0.78	1.04	9.44	1.14	2.18
Operative earnings per share	EUR/share	0.56	0.35	0.76	1.14	2.18
Dividend per share*	EUR/share	0.71+0.35	0.70	0.68	3.27	0.65
Dividend	EUR million	86.6	57.3	55.7	267.8	53.2
Equity per share	EUR/share	14.91	14.54	14.06	7.71	7.56
Adjusted average price	EUR/share	17.11	18.69	20.35	18.20	16.00
Adjusted lowest price per share	EUR/share	15.00	17.30	17.33	16.20	13.60
Adjusted highest price per share	EUR/share	18.74	21.07	22.30	19.70	17.49
Adjusted price per share, Dec 31	EUR/share	17.60	18.74	17.99	19.55	16.69
Market value of shares	EUR million	1,438.2	1,534.9	1,473.5	1,601.2	1,367.0
Number of shares	1,000 pcs	81,905.2	81,905.2	81,905.2	81,905.2	82,023.3
Number of treasury shares	1,000 pcs	187.8				118.1
Number of shares traded	1,000 pcs	2,838.0	6,185.3	6,898.3	3,042.1	4,883.3
Price per earnings		22.5	18.0	1.9	17.1	7.7
Dividend per earnings	percent	135.5	67.4	7.2	286.8	29.8
Dividend yield	percent	6.0	3.7	3.8	16.7	3.9
Number of shareholders, Dec 31		18,643	18,426	17,828	16,352	16,148

* Board's proposal.

Basic and diluted earnings per share are equal, as the company has no potential ordinary shares.

Calculation of financial indicators

Earnings before depreciation and amortization	=	Operating profit + depreciation and amortization + impairment	
Return on investment in %	=	$\frac{\text{Profit for the period} + \text{income taxes} + \text{interest and other financial expenses}}{\text{Equity, total} + \text{interest-bearing liabilities}}$ (average of beginning and end of year amounts)	x100
Return on equity in %	=	$\frac{\text{Profit for the period}}{\text{Equity, total}}$ (average of beginning and end of year amounts)	x100
Equity ratio in %	=	$\frac{\text{Equity, total}}{\text{Balance sheet total}}$	x100
Net gearing in %	=	$\frac{\text{Interest-bearing liabilities} - \text{interest-bearing receivables} - \text{cash and bank}}{\text{Equity, total}}$	x100
Earnings per share	=	$\frac{\text{Profit attributable to equity holders of the company}}{\text{Weighted average number of outstanding ordinary shares}}$	
Operative earnings per share	=	$\frac{\text{Profit attributable to equity holders of the company excl. gain on sale and revaluation of Wärtsilä (2014) and changes in the fair value of investments at fair value through profit or loss}}{\text{Weighted average number of outstanding ordinary shares}}$	
Equity per share	=	$\frac{\text{Equity attributable to equity holders of the company}}{\text{Number of outstanding ordinary shares}}$	
Adjusted average share price	=	$\frac{\text{Value of shares traded during the period}}{\text{Number of shares traded during the period, adjusted for emissions}}$	
Market capitalization	=	Number of outstanding ordinary shares Dec 31 x market quotation Dec 31	
Price per earnings (P/E)	=	$\frac{\text{Market quotation per share, Dec 31}}{\text{Earnings per share}}$	
Dividend per earnings in %	=	$\frac{\text{Dividend paid}}{\text{Profit attributable to equity holders of the company}}$	x100
Dividend per share	=	$\frac{\text{Dividend paid}}{\text{Number of outstanding shares, Dec 31}}$	
Dividend yield in %	=	$\frac{\text{Dividend per share}}{\text{Market quotation, Dec 31 adjusted for emissions}}$	x100

SHARES

Number of shares, votes and share capital

Fiskars Corporation's shares are traded in the Large Cap segment of Nasdaq Helsinki. The Company has one series of shares FIS1V (as of January 2, 2017: FSKRS). All shares carry one vote each and have equal rights.

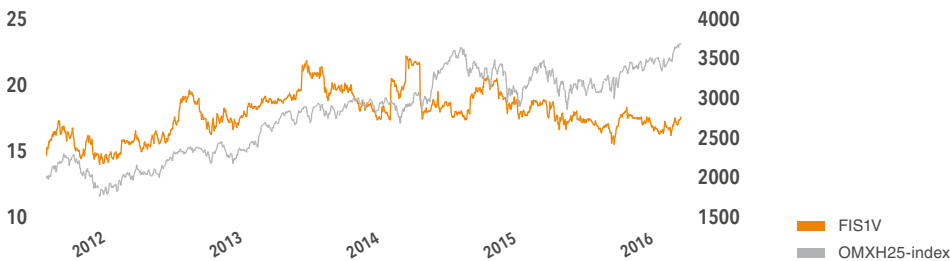
The total number of shares at the end of 2016 81,905,242 (81,905,242). The share capital remained unchanged in 2016 at EUR 77,510,200.

Share details

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FIS1V (as of January 2, 2017: FSKRS)
Segment	Large Cap
Industry	3000 Consumer Goods
Supersector	3700 Personal & Household Goods
Shares as of Dec 31, 2016	81,905,242

Fiskars share price development

EUR, Jan 1, 2011–Dec 31, 2016



Treasury shares

As of the end of the year, Fiskars owned 187,828 treasury shares, corresponding to 0.2% of the Corporation's shares and votes. The Company has acquired the shares at the Nasdaq Helsinki in accordance with the authorizations of the general meetings of the shareholders. The acquisitions have been made from March through December 2016.

Board authorizations

The Annual General Meeting for 2016 decided to authorize the Board to acquire and convey a maximum 4,000,000 of Fiskars' own shares. Both authorizations will remain in force until June 30, 2017.

Changes in the number of shares, 2012–2016

	Total
Total shares, Dec 31, 2012	82,023,341
Feb 15, 2013	-118,099 Cancellation of treasury shares
Total shares, Dec 31, 2013	81,905,242
Total shares, Dec 31, 2014	81,905,242
Total shares, Dec 31, 2015	81,905,242
Total shares, Dec 31, 2016	81,905,242
Treasury shares Dec 31, 2016	187,828

SHAREHOLDERS

Fiskars Corporation had 18,643 (18,426) shareholders as of the end of the year. Approximately 2.9% (3.5) of the share capital was owned by shareholders outside Finland or nominee-registered shareholders.

Management shareholding

On December 31 2016, the Board members, the President & CEO and the CFO and their controlled entities and their managed entities together with a family member, owned a total of 37,031,990 (35,884,414) shares corresponding to 45.2% (43.8) of the Company's shares and votes. The Company did not have any share option programs.

Share ownership, December 31, 2016

	Number of shareholders	%	Number of shares and votes	%
Private companies	633	3.40	35,189,652	42.96
Financial and insurance institutions	19	0.10	1,452,580	1.77
Public sector organizations	7	0.04	3,843,732	4.69
Non-profit organizations	218	1.17	9,506,265	11.61
Households	17,659	94.72	29,512,833	36.03
Outside Finland	98	0.53	290,440	0.36
Nominee registered	9	0.05	2,109,740	2.58
Total	18,643	100.00	81,905,242	100.00

Distribution of shares, December 31, 2016

Number of shares	Number of shareholders	%	Number of shares and votes	%
1-100	7,563	40.57	415,896	0.51
101-500	7,062	37.88	1,850,179	2.26
501-1,000	1,861	9.98	1,427,656	1.74
1,001-10,000	1,895	10.17	5,166,020	6.31
10,001-100,000	197	1.06	5,436,156	6.64
100,001-1,000,000	52	0.28	18,221,245	22.25
1,000,001-	13	1.07	49,388,090	60.30
Total	18,643	100.00	81,905,242	100.00

Major shareholders, December 31, 2016

		Total shares	% of shares and votes
1	Virala Oy Ab	12,650,000	15.44
2	Turret Oy Ab	9,330,961	11.39
3	Holdix Oy Ab	8,541,612	10.43
4	I.A. von Julins Sterbhus	2,689,120	3.28
5	Sophie von Julins Foundation	2,560,000	3.13
6	Oy Julius Tallberg Ab	2,554,350	3.12
7	Varma Mutual Pension Insurance Company	2,469,326	3.01
8	Ehrnrooth Jacob Robert Göran	1,626,939	1.99
9	Ehrnrooth Sophia	1,558,630	1.90
10	Fromond Louise	1,250,705	1.53
11	Fromond Anna	1,250,088	1.53
12	Ilmarinen Mutual Pension Insurance Company	1,202,500	1.47
13	Ehrnrooth Albert	855,372	1.04
14	Ehrnrooth Alexander	855,000	1.04
15	Wrede Anna Helena Sophie	821,790	1.00
16	Hartwall Peter	748,450	0.91
17	Lindsay von Julin & Co Ab	733,320	0.90
18	Therman Anna Maria Elisabeth	722,436	0.88
19	Stiftelsen för Åbo Akademi	647,307	0.79
20	Gripenberg Gerda Margareta Lindsay	628,974	0.77
20 major shareholders		53,696,880	65.55

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company income statement

EUR	Note	2016	2015
Net sales	2	138,312,057.80	380,429,050.85
Cost of goods sold	4	-67,483,965.52	-307,603,888.12
Gross profit		70,828,092.28	72,825,162.73
		51%	19%
Administration expenses	4	-52,944,614.44	-22,981,888.86
Other operating income	3	6,396,555.54	1,192,917.72
Other operating expenses	4	-13,232.25	
Operating profit		24,266,801.13	51,036,191.59
		18%	13%
Financial income and expenses	7	612,428.56	493,907,364.41
Profit (loss) before appropriations and taxes		24,879,229.69	544,943,556.00
Appropriations	8		
Change in cumulative accelerated depreciation		191,025.00	183,235.52
Group contribution		3,700,000.00	3,941,938.00
Income taxes	9	-401,609.12	-10,030,573.34
Profit (loss) for the period		28,368,645.57	539,038,156.18

Parent company balance sheet

EUR	Note	Dec 31, 2016	Dec 31, 2015		
ASSETS					
Non-current assets					
Intangible assets	10	37,568,188.42		42,414,391.97	
Tangible assets	11				
Land and water		15,975,550.91		15,576,936.08	
Buildings		11,793,808.60		13,556,145.42	
Machinery and equipment		1,296,560.30		1,248,561.43	
Construction in progress		620,368.87		529,817.78	
Tangible assets total		29,686,288.68		30,911,460.71	
Investments	12				
Holdings in subsidiaries		554,128,319.26		424,342,031.96	
Receivables from subsidiaries		5,133,972.22		5,000,000.00	
Other shares		13,592,093.80		6,991,709.56	
Investments total		572,854,385.28		436,333,741.52	
Non-current assets total		640,108,862.38	44%	509,659,594.20	33%
Current assets					
Inventories	13	458,736,841.98		499,606,288.05	
Non-current loan receivables		37,368.58		37,368.58	
Current receivables					
Trade receivables		145,499.29		91,871.74	
Receivables from subsidiaries	14	298,915,220.88		510,956,922.38	
Other receivables		50,002,653.68		358,093.86	
Prepayments and accrued income	15	6,225,275.59		5,815,161.84	
Current receivables total		355,288,649.44		517,222,049.82	
Cash and cash equivalents	16	57,010.71		382,190.64	
Current assets total		814,119,870.71	56%	1,017,247,897.09	67%
Assets total		1,454,228,733.09	100%	1,526,907,491.29	100%

EUR	Note	Dec 31, 2016	Dec 31, 2015		
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	17				
Share capital		77,510,200.00		77,510,200.00	
Revaluation reserve		3,774,707.40		3,786,443.38	
Fair value reserve		-1,642,199.00			
Treasury shares		-3,178,176.50			
Other reserves		3,204,313.18		3,204,313.18	
Retained earnings		973,505,079.90		491,777,173.55	
Profit (loss) for the financial year		28,368,645.57		539,038,156.18	
Shareholders' equity total		1,081,542,570.55	74%	1,115,316,286.29	73%
Appropriations	18	509,301.44		700,326.44	
Liabilities					
Non-current	19				
Loans from credit institutions		180,152,803.98		180,000,000.00	
Non-current liabilities total		180,152,803.98		180,000,000.00	
Current					
Loans from credit institutions		4,582,389.90		84,129,911.74	
Trade payables		2,320,519.43		2,500,739.64	
Liabilities to subsidiaries	20	167,929,356.49		123,086,153.60	
Income tax payable				5,655,759.86	
Other payables		9,134,706.39		8,053,175.87	
Accruals and deferred income	21	8,057,084.91		7,465,137.85	
Current liabilities total		192,024,057.12		230,890,878.56	
Liabilities total		372,176,861.10	26%	410,890,878.56	27%
Shareholders' equity and liabilities total		1,454,228,733.09	100%	1,526,907,491.29	100%

Parent company statement of cash flows

EUR	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before appropriations and taxes	28,579,229.69	548,885,494.00
Adjustments for		
Depreciation, amortization and impairment	11,690,759.04	1,969,060.08
Reversal of impairment of financial assets in inventories		-34,263,873.26
Investment income	-5,241,522.86	-1,192,907.22
Interest income and dividends	-18,446,052.46	-586,458,251.92
Net exchange gains and losses	275,628.10	-15,936,411.45
Interest expenses and other financial costs	3,867,087.18	4,370,859.87
Impairment of shares in and receivables from subsidiaries	632,771.42	92,709,860.49
Group contributions	-3,700,000.00	-3,941,938.00
Change in provisions and other non-cash items	-952,913.66	-8,162.52
Cash flow before changes in working capital	16,704,986.45	6,133,730.07
Changes in working capital		
Change in current assets, non-interest bearing	-1,359,700.37	622,214.87
Change in inventories	61,030,968.99	301,172,842.48
Change in current liabilities, non-interest bearing	-3,251,056.53	-2,264,818.21
Cash flow from operating activities before financial items and taxes	73,125,198.54	305,663,969.21
Dividends received	13,058,212.20	11,406,653.60
Financial income received	5,141,873.78	8,157,250.24
Financial expenses paid	-3,813,201.78	-4,369,251.48
Taxes paid	-32,751,336.39	-1,665,378.15
Cash flow from operating activities (A)	54,760,746.35	319,193,243.42

EUR	2016	2015
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of shares in subsidiaries, WWRD LuxCo S.à.r.l.		-176,908,238.86
Investments in other subsidiaries	-150,000,000.00	-9,000,000.00
Repayment of equity from subsidiaries, Avlis AB		150,000,000.00
Proceeds from sale of subsidiaries	8,121,803.03	
Dividends from subsidiaries, Avlis AB	400,000.00	566,298,240.00
Investments in financial assets	-6,562,806.86	-4,013,362.01
Investments in intangible assets and property, plant & equipment	-6,531,637.13	-1,360,826.36
Proceeds from sale of property, plant & equipment and other investments	1,976,334.99	1,261,786.32
Sale of other holdings		1,782,690.11
Change in long term loan receivables	-133,972.22	-1,184,025.56
Cash flow from investing activities (B)	-152,730,278.19	526,876,263.64
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares	-3,178,176.50	
Change of non-current debt		127,500,000.00
Change in current debt	-30,923,248.85	-707,722,042.61
Change in current receivables	185,137,508.66	-219,400,187.43
Dividends paid	-57,333,669.40	-78,076,715.71
Group contribution received/paid	3,941,938.00	9,400,000.00
Cash flow from financing activities (C)	97,644,351.91	-868,298,945.75
Change in cash and cash equivalents (A+B+C)	-325,179.93	-22,229,438.69
Cash and cash equivalents at beginning of period	382,190.64	22,611,629.33
Cash and cash equivalents at end of period	57,010.71	382,190.64

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Parent company accounting principles, FAS

The financial statements of Fiskars Oyj Abp have been prepared in accordance with the Finnish Accounting Act and Ordinance and other statutes regulating the preparation of financial statements (Finnish Accounting Standards, FAS). The financial statements are presented in euro.

The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates.

COMPARABILITY OF THE PREVIOUS FINANCIAL YEAR DATA

On December 31, 2016, Ferraria Oy Ab and Kiinteistö Oy Danskog Gård, subsidiaries of Fiskars Oyj Abp, merged into the parent company, which has an impact on the comparability of the balance sheet. On December 31, 2015, Fiskars Services Oy Ab, subsidiary of Fiskars Abp, merged into the parent company, which has an impact on the comparability of income statement.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period balances in foreign currencies are translated using the exchange rate prevailing at the end of the reporting period. Foreign exchange derivatives are recognized at market values and changes in market values are recognized in the income statement.

NET SALES

Net sales are defined as invoiced amount less indirect taxes, rebates and exchange rate differences related to sales. Revenue is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Royalty income from trademarks held by Fiskars Corporation is recorded as net sales. Revenue from the sale of securities, dividends and other corresponding income from securities classified as inventories and other income such as service revenue are also recorded as net sales.

LEASING ARRANGEMENTS

Lease payments are expensed as incurred. Future leasing payment obligations are reported as contingent liabilities. Rent income, when the company acts as a lessor, is recorded as net sales.

PENSION BENEFIT PLANS

The statutory and possible supplementary pension plans for the Finnish companies' employees are funded through payments to independent pension insurance companies.

INCOME TAXES

Income taxes consist of the aggregate current tax expense based on the Finnish tax rules and adjustments to prior year taxes. The parent company does not account for deferred taxes as a stand-alone entity.

DERIVATIVES AND HEDGE ACCOUNTING

Derivatives not designated as hedging instruments are recognized at fair value through profit and loss. Derivatives are initially valued at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items.

Fiskars has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in fair value reserve in equity. On balance sheet date, such derivatives consisted of interest derivatives hedging certain loans.

TANGIBLE AND INTANGIBLE ASSETS AND OTHER LONG-TERM INVESTMENTS

Tangible and intangible assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued.

Revaluations are based on market values at time of the revaluation. Revaluation reserves are adjusted for decreases in the market value of land holdings. When revalued real estate is sold, the respective share in the revaluation reserve is transferred to retained earnings.

Tangible and intangible assets are depreciated and amortized over their expected useful lives. The following expected useful lives are applied:

- | | |
|---------------------------|-----------------|
| • Intangible assets | 3–10 years |
| • Buildings | 20–40 years |
| • Vehicles | 4 years |
| • Machinery and equipment | 3–10 years |
| • Land and water | No depreciation |

Investments in subsidiaries are stated in the balance sheet at cost or at net realizable value if the net realizable value is significantly and permanently impaired. An impairment loss may be reversed until the original acquisition cost, when the value of the investment has been restored.

INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Financial assets in inventories are stated at the lower of cost and fair value.

RECEIVABLES

Receivables are valued at the lower of book value and recoverable value.

PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. These are booked as provisions in Balance sheet and as corresponding items in Income statement.

APPROPRIATIONS

Appropriations in the parent company balance sheet consist of depreciation in excess of plan and possible given or received group contributions.

2. Net sales

EUR	2016	2015
Sale of financial assets in inventories	61,738,835.02	340,521,820.78
Dividends from financial assets in inventories	13,058,137.20	11,406,578.60
IC Service fee	34,653,063.00	
Royalties	23,900,217.67	23,423,650.91
Lease income	1,838,835.51	3,475,306.19
Other	3,122,969.40	1,601,694.37
Total	138,312,057.80	380,429,050.85

3. Other operating income

EUR	2016	2015
Net gain on sale of property, plant and equipment	549,503.48	1,192,907.22
Net gain on sale of subsidiary shares	4,702,101.89	
Merger result from Ferraria Ab and Danskog Gård Ab	977,059.45	
Other income	167,890.72	10.50
Total	6,396,555.54	1,192,917.72

4. Total expenses

TOTAL EXPENSES BY NATURE

EUR	2016	2015
Materials and supplies	-9,671.60	-25,115.45
Purchases of financial assets in inventory		-37,796,188.51
Change in inventory	-61,030,968.99	-266,908,969.23
Employee benefits	-19,794,206.91	-7,567,817.03
Depreciation, amortization and impairment	-11,690,759.04	-1,969,060.08
External services	-1,480,831.47	-250,921.37
Other	-26,422,141.95	-16,067,705.31
Total	-120,428,579.96	-330,585,776.98

OTHER OPERATING EXPENSES

EUR	2016	2015
Loss on sale of property, plant and equipment	-10,082.51	
To subsidiaries	-3,149.74	
Total	-13,232.25	

5. Fees paid to the company's auditors

EUR	2016	2015
Audit fees	-120,000.00	-192,130.81
Tax consultation	-552,186.63	-26,347.87
Other	-145,413.87	-2,125.00
Total	-817,600.50	-220,603.68

6. Personnel costs and number of employees

PERSONNEL COSTS

EUR	2016	2015
Wages and salaries	-16,045,477.50	-6,359,009.59
Pension costs	-2,773,109.60	-948,233.70
Other personnel costs	-975,619.81	-260,573.74
Total	-19,794,206.91	-7,567,817.03

NUMBER OF EMPLOYEES

	2016	2015
Average (FTE)	182	46
End of period	187	178

7. Financial income and expenses

EUR	2016	2015
Dividend income		
From group companies	400,000.00	566,298,240.00
From other parties	75.00	75.00
Dividend income, total	400,075.00	566,298,315.00
Interest and financial income from non-current investments		
From group companies	6,990,816.31	5,956,419.54
Interest and financial income from non-current investments, total	6,990,816.31	5,956,419.54
Other interest and financial income		
From other parties	716,738.05	25,788,533.55
Other interest and financial income, total	716,738.05	25,788,533.55
Interest and financial income, total	7,707,554.36	31,744,953.09
Interest and other financial expenses		
To subsidiaries		
Interest expenses	-238,309.55	-900,015.27
Change in provisions for credit losses	-632,771.42	-309,860.49
Interest and other financial expenses to other parties	-6,624,119.83	-10,526,027.92
Interest and other financial expenses, total	-7,495,200.80	-11,735,903.68
Impairment of non-current investments		
Subsidiaries*		-92,400,000.00
Impairment of non-current investments, total		-92,400,000.00
Total financial income and expenses	612,428.56	493,907,364.41
Net exchange gains and losses included in financial items	-275,628.10	15,936,411.45

* Impairment loss of shares in Avlis AB, subsidiary of Fiskars Corporation

8. Appropriations

EUR	2016	2015
Change in cumulative accelerated depreciation	191,025.00	183,253.52
Group contribution received	3,700,000.00	5,410,000.00
Group contribution paid		-1,468,062.00
Total	3,891,025.00	4,125,191.52

9. Income taxes

EUR	2016	2015
Current year taxes for profit before extraordinary items	-1,274,957.42	-9,075,703.93
Tax for approriations	-778,205.00	-788,387.60
Income tax for previous periods	1,651,553.30	-166,481.81
Income taxes per income statement	-401,609.12	-10,030,573.34

10. Intangible assets

EUR	2016	2015
Historical cost, Jan 1	64,761,719.48	9,317,728.53
Transferred in a merger*	49,718.33	47,584,768.08
Additions	5,569,243.36	8,034,383.02
Transfers	20,633.70	-175,160.15
Historical cost, Dec 31	70,401,314.87	64,761,719.48
Accumulated amortization and impairment, Jan 1	22,347,327.51	2,057,635.36
Transferred in a merger*		19,576,093.80
Amortization for the period	10,485,798.94	713,598.35
Accumulated amortization and impairment, Dec 31	32,833,126.45	22,347,327.51
Net book value, Dec 31	37,568,188.42	42,414,391.97

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

* Ferraria Oy Ab and Kiinteistö Oy Danskog Gård, subsidiaries of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2016.

11. Tangible assets

2016	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
EUR					
Historical cost, Jan 1	5,863,753.70	37,063,651.28	5,717,308.75	529,817.78	49,174,531.51
Transferred in a merger**	343,622.23	487,069.99			830,692.22
Additions	54,909.05	430,305.46	178,328.81	298,850.45	962,393.77
Decreases	-15,810.46	-5,860,690.83	-324,017.18		-6,200,518.47
Transfers	27,629.99	53,768.05	106,267.62	-208,299.36	-20,633.70
Historical cost, Dec 31	6,274,104.51	32,174,103.95	5,677,888.00	620,368.87	44,746,465.33
Accumulated depreciation and impairment, Jan 1		23,507,505.86	4,468,747.32		27,976,253.18
Transferred in a merger**		355,750.20			355,750.20
Depreciation for the period		1,003,130.91	201,829.19		1,204,960.10
Decreases		-4,486,091.62	-289,248.81		-4,775,340.43
Accumulated depreciation and impairment, Dec 31		20,380,295.35	4,381,327.70		24,761,623.05
Revaluation, Jan 1	9,713,182.38				9,713,182.38
Decreases	-11,735.98				-11,735.98
Revaluation, Dec 31	9,701,446.40				9,701,446.40
Book value Dec 31, 2016	15,975,550.91	11,793,808.60	1,296,560.30	620,368.87	29,686,288.68

2015	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
EUR					
Historical cost, Jan 1	5,759,338.83	36,180,039.69	5,426,147.76	580,803.38	47,946,329.66
Acquisitions			64,029.83	41,349.96	105,379.79
Additions	98,489.94	687,080.30	260,358.47	488,467.82	1,534,396.53
Decreases	-46,075.07	-258,379.58	-107,119.82		-411,574.47
Transfers	52,000.00	454,910.87	73,892.51	-580,803.38	0.00
Historical cost, Dec 31	5,863,753.70	37,063,651.28	5,717,308.75	529,817.78	49,174,531.51
Accumulated depreciation and impairment, Jan 1		22,681,291.66	4,324,446.10		27,005,737.76
Transferred in a merger*			57,955.87		57,955.87
Depreciation for the period		1,077,362.30	178,099.43		1,255,461.73
Decreases		-251,148.10	-91,754.08		-342,902.18
Accumulated depreciation and impairment, Dec 31		23,507,505.86	4,468,747.32		27,976,253.18
Revaluation, Jan 1	9,713,389.19				9,713,389.19
Decreases	-206.81				-206.81
Revaluation, Dec 31	9,713,182.38				9,713,182.38
Book value Dec 31, 2015	15,576,936.08	13,556,145.42	1,248,561.43	529,817.78	30,911,460.71

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

** Ferraria Oy Ab and Kiinteistö Oy Danskog Gård, subsidiaries of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2016.

12. Investments

2016	Holdings in	Receivables from	Other shares	Total
EUR	subsidiaries	subsidiaries		
Historical cost, Jan 1	516,742,031.96	5,000,000.00	7,796,431.02	529,538,462.98
Additions	149,031,217.22	133,972.22	6,562,806.86	155,727,996.30
Decreases	-1,080,701.14			-1,080,701.14
Changes due to merger***	-18,164,228.78		37,577.38	-18,126,651.40
Historical cost, Dec 31	646,528,319.26	5,133,972.22	14,396,815.26	666,059,106.74
Write-downs, Jan 1	-92,400,000.00		-804,721.46	-93,204,721.46
Write-downs, Dec 31	-92,400,000.00		-804,721.46	-93,204,721.46
Net book value, Dec 31, 2016	554,128,319.26	5,133,972.22	13,592,093.80	572,854,385.28

2015	Holdings in	Receivables from	Other shares	Total
EUR	subsidiaries	subsidiaries		
Historical cost, Jan 1	485,754,293.10	3,815,974.44	5,565,759.12	495,136,026.66
Additions	189,990,238.86	5,000,000.00	4,013,362.01	199,003,600.87
Decreases	-150,000,000.00	-3,815,974.44	-1,782,690.11	-155,598,664.55
Changes due to merger*	-9,002,500.00			-9,002,500.00
Historical cost, Dec 31	516,742,031.96	5,000,000.00	7,796,431.02	529,538,462.98
Write-downs, Jan 1			-804,721.46	-804,721.46
Decreases**	-92,400,000.00			-92,400,000.00
Write-downs, Dec 31	-92,400,000.00		-804,721.46	-93,204,721.46
Net book value, Dec 31, 2015	424,342,031.96	5,000,000.00	6,991,709.56	436,333,741.52

* Fiskars Services Oy Ab, subsidiary of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2015.

** Impairment loss of shares in Avlis AB, subsidiary of Fiskars Corporation

*** Ferraria Oy Ab and Kiinteistö Oy Danskog Gård, subsidiaries of Fiskars Corporation, merged to Fiskars Corporation on December 31, 2016.

SHARES IN SUBSIDIARIES

	Number of shares	Domicile		% of share capital	% of voting power	Book value
Avlis AB	25,641,347	Stockholm	SE	100.0	100.0	375,994.66
Fiskars Americas Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	163,674,315.82
Fiskars (Thailand) Co., Ltd.	100	Bangkok	TH	1.0	1.0	2,409.12
WWRD LuxCo S.à.r.l.	10,000	Luxembourg	LU	100.0	100.0	280,001,214.08
Ab Åbo Båtvarf - Turun Veneveistämö Oy	150	Turku	FI	100.0	100.0	2,522.82
Total Dec 31, 2016						554,128,319.26

Ferraria Oy Ab and Kiinteistö Oy Danskog Gård merged into Fiskars Corporation December 31, 2016.

OTHER SHARES

	Book value
Other shares owned by the parent company	13,592,093.80
Total, Dec 31, 2016	13,592,093.80

13. Inventories

EUR	2016	2015
Finished goods	20,161,522.92	
Financial assets	438,575,319.06	499,606,288.05
Total, Dec 31	458,736,841.98	499,606,288.05

EUR	2016	2015
Market value of financial assets in inventories	464,434,413.08	520,032,229.98
Book value of financial assets in inventories	438,575,319.06	499,606,288.04
Difference	25,859,094.02	20,425,941.94

14. Receivables from subsidiaries

EUR	2016	2015
Trade receivables	7,175,667.22	4,927,107.50
Loan receivables	124,330,098.93	274,599,747.82
Other receivables	161,021,390.82	219,930,671.42
Prepayments and accrued income	6,388,063.91	11,499,395.64
Total, Dec 31	298,915,220.88	510,956,922.38

15. Prepayments and accrued income

EUR	2016	2015
Prepaid and accrued interest	1,798,917.04	1,852,583.82
Other prepayments and accruals	4,426,358.55	3,962,578.02
Total, Dec 31	6,225,275.59	5,815,161.84

16. Cash and cash equivalents

EUR	2016	2015
Cash and cash equivalents	57,010.71	382,190.64
Total, Dec 31	57,010.71	382,190.64

17. Shareholders' equity

EUR	2016	2015
Share capital, Jan 1	77,510,200.00	77,510,200.00
Share capital, Dec 31	77,510,200.00	77,510,200.00
Revaluation reserve, Jan 1	3,786,443.38	3,786,650.19
Decrease	-11,735.98	-206.81
Revaluation reserve, Dec 31	3,774,707.40	3,786,443.38
Fair value reserve, Jan 1	0.00	
Decrease	-1,642,199.00	
Fair value reserve, Dec 31	-1,642,199.00	
Treasury shares, Jan 1	0.00	
Increase	-3,178,176.50	
Treasury shares, Dec 31	-3,178,176.50	
Other reserves, Jan 1	3,204,313.18	3,204,313.18
Other reserves, Dec 31	3,204,313.18	3,204,313.18
Retained earnings, Jan 1	1,030,815,329.73	547,475,793.68
Dividends	-57,333,669.40	-55,698,620.13
Other changes	23,419.57	
Net profit	28,368,645.57	539,038,156.18
Retained earnings, Dec 31	1,001,873,725.47	1,030,815,329.73
Distributable earnings, Dec 31	997,053,349.97	1,030,815,329.73
Shareholders' equity total, Dec 31	1,081,542,570.55	1,115,316,286.29

18. Appropriations

EUR	2016	2015
Depreciation in excess of plan, Jan 1	700,326.44	883,561.96
Changes during the year	-191,025.00	-183,235.52
Depreciation in excess of plan, Dec 31	509,301.44	700,326.44

The deferred tax liabilities, 20.0% from appropriations, have not been recognized.

19. Non-current liabilities

EUR	2016	2015
Loans from credit institutions payable		
between one and five years	130,152,803.98	130,000,000.00
in more than five years	50,000,000.00	50,000,000.00
Loans from credit institutions, total	180,152,803.98	180,000,000.00
Non-current liabilities, total	180,152,803.98	180,000,000.00

20. Liabilities to subsidiaries

EUR	2016	2015
Trade payables	412,507.33	3,037,534.02
Other liabilities	167,461,374.97	118,517,356.20
Accruals and deferred income	55,474.19	1,531,263.38
Total, Dec 31	167,929,356.49	123,086,153.60

21. Accruals and deferred income

EUR	2016	2015
Interests	1,419,374.75	1,360,405.50
Wages, salaries and social costs	5,247,416.79	4,530,522.99
Other	1,390,293.37	1,574,209.36
Total, Dec 31	8,057,084.91	7,465,137.85

22. Lease obligations

EUR	2016	2015
Payments next year	1,061,703.13	4,266,597.83
Payments later	7,941,250.24	226,541.71
Total, Dec 31	9,002,953.37	4,493,139.54

23. Contingencies and pledged assets

EUR	2016	2015
As security for own commitments	14,136,000.00	20,438,000.00
Lease commitments	9,002,953.37	4,493,139.54
Guarantees as security for subsidiaries' commitments	19,110,000.00	26,215,000.00
Total, Dec 31	42,248,953.37	51,146,139.54

24. Derivative contracts

Nominal value, EUR	2016	2015
Foreign exchange forwards and swaps	542,780,845.04	654,055,711.18
Electricity forward agreements		1,541,556.00
Interest rate swaps	80,000,000.00	80,000,000.00
Total, Dec 31	622,780,845.04	735,597,267.18

Fair value, EUR	2016	2015
Foreign exchange forwards and swaps	527,577.93	616,703.24
Electricity forward agreements		-346,409.00
Interest rate swaps	-1,642,198.52	-1,380,727.53
Total, Dec 31	-1,114,620.59	-1,110,433.29

BOARD’S PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable earnings of the parent company at the end of the 2016 fiscal year were EUR 997.1 million (1,030.8). The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.71 and 0.35 per share shall be paid for 2016. The number of shares entitling to a dividend totaled 81,717,414. The proposed distribution of dividend would thus be EUR 86,620,458.84. This would leave EUR 910.5 million of distributable earnings at the parent company.

No material changes have taken place in the financial position of the company since the end of the fiscal year. The financial standing of the company is good and, according to the Board of Directors’ assessment, distributing the proposed dividend will not compromise the company’s solvency.

Signatures to the Financial Statements and the Board of Directors’ Report

Helsinki, February 7, 2017

Alexander Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Gustaf Gripenberg

Ingrid Jonasson Blank

Jyri Luomakoski

Inka Mero

Fabian Månsson

Peter Sjölander

Ritva Sotamaa

Kari Kauniskangas
President and CEO

The Auditor’s Note

Our auditor’s report has been issued today.

Helsinki, February 7, 2017
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

AUDITOR’S REPORT

To the Annual General Meeting of Fiskars Corporation

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fiskars Corporation (business identity code 0214036-5) for the year ended 31 December, 2016. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial performance, financial position and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

VALUATION OF GOODWILL - CONSOLIDATED ACCOUNTING PRINCIPLES AND NOTE 11

Key audit matter

- The goodwill in consolidated balance sheet has increased to €230 million due to significant acquisitions in previous years.
- Goodwill is tested for impairment annually. Estimating future cash flows in impairment tests involves a significant amount of management judgment particularly on growth in net sales, profitability and discount rates.
- The Company prepares impairment testing of goodwill for the financial statements on a discounted cash flow method basis with sensitivity analyses.

Our response

- We have assessed critically management’s judgments and assumptions, which have been used to prepare the cash flow projections for the coming years.
- We have used our valuation specialists for evaluating the appropriateness of used discount rate and the technical correctness of the calculations as well as used assumptions with relation to market and industry-specific information.
- In addition, we have evaluated the adequacy of sensitivity analyses and the appropriate presentation of notes related to impairment testing of goodwill in the notes of financial statements.

VALUATION OF TRADEMARKS - CONSOLIDATED ACCOUNTING PRINCIPLES AND NOTE 11

Key audit matter

- Trademarks in consolidated balance sheet has increased to €231 million due to significant acquisitions in previous years.
- Based on company’s determination, the benefits from trademarks are indefinite and thus they are not amortized but are tested at least annually for impairment.
- The Company prepares impairment testing of trademarks for the financial statements using “relief from royalty” method. Estimating future cash flows in impairment tests involves a significant amount of management judgment particularly on trademark-specific sales and discount rates.

Our response

- We have assessed critically management’s judgments and assumptions, which have been used to prepare the cash flow projections for the coming years.
- We have used our valuation specialists for evaluating the appropriateness of used assumptions and the discount rate as well as the technical correctness of the calculations.
- In addition, we have evaluated the adequacy of sensitivity analyses and the appropriate presentation of notes related to impairment testing of trademarks in the notes of financial statements.

VALUATION OF INVENTORY - CONSOLIDATED ACCOUNTING PRINCIPLES AND NOTE 16

Key audit matter

- The Group manufactures and sells consumer products and is subject to changing consumer demands.
- Valuation of inventories requires management judgment on future sales and to assess the appropriate level of provisioning for products which may be destroyed or sold below cost as a result of a change in consumer demand.

Our response

- For both finished goods and raw materials, we have evaluated the basis for the valuation of inventory, the consistency of applying accounting policies and practices as well as the rationale for the recording of individual inventory provisions.
- Based on aforementioned procedures, we have assessed whether both finished goods and raw materials inventory provisions have been prepared in line with group policy and are supportable on the basis of historical trends as well as management’s expectations on future sales.

REVENUE RECOGNITION - CONSOLIDATED ACCOUNTING PRINCIPLES AND NOTE 2

Key audit matter

- The Group's net sales (2016: €1205 million) is a significant item in the financial statements consisting of a large number of transactions as well as diverse pricing and rebate agreements.
- Revenue from the sale of goods is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery.
- Revenue recognition includes the risk of revenue being recognized in incorrect period as well as management judgments on appropriate accounting for adjustments related to both customer and sales campaign specific rebates and provisions.

Our response

- We have evaluated the appropriateness of the company's revenue recognition policies with relation to the principles of revenue recognition determined in IFRS.
- We have reviewed relevant IT systems and the internal control environment in the sales process to ensure appropriateness of recognizing sales transactions and price changes.
- In addition, we have performed substantive procedures to different revenue streams in the perspective of completeness and accuracy and assessed the transactions, which require management judgment.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE PRESIDENT AND CEO FOR THE FINANCIAL STATEMENTS

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the President and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the President and CEO are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the President and CEO's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Other Information

The Board of Directors and the President and CEO are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the report of the Board of Directors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 7 February, 2017

KPMG OY AB

Virpi Halonen

Authorized Public Accountant, KHT

