

FISKARS

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Q1 INTERIM REPORT
JANUARY 1 - MARCH 31, 2014

FISKARS

Fiskars first quarter 2014: Challenging start to the year

First quarter 2014 in brief:

- Net sales decreased 3% to EUR 184.1 million (Q1 2013: 190.4)
- At comparable currency rates, sales decreased 1%
- Operating profit (EBIT) decreased 44% to EUR 8.2 million (14.6)
- Operating profit excluding non-recurring items decreased 23% to EUR 12.8 million (16.6)
- Non-recurring costs related to the EMEA 2015 restructuring program totaled EUR 4.2 million (2.1)
- Earnings per share were EUR 0.14 (0.25)
- Cash flow from operating activities increased to EUR 6.6 million (2.1)
- Outlook for 2014 unchanged: full-year net sales are expected to be at 2013 levels and operating profit excluding non-recurring items to be at or slightly below 2013 levels

Fiskars President and CEO, Kari Kauniskangas:

"Fiskars sales were impacted by adverse currency development across markets during the first quarter. Consolidated net sales decreased by EUR 6.3 million, of which no less than EUR 4.9 million was due to declines in currency rates. Currency rates could even have a significant effect on Fiskars full-year sales. Both our Home and Garden businesses were set for a strong start to the year, but faced headwinds in the form of product availability in Europe and cold weather in the US. Growth in the Home business was boosted by the earlier timing of strong new product launches. The Garden business was flat year-on-year, although the start of 2013 was unusually weak.

In the Americas, Outdoor performance was disappointing. We need to make sure that we serve our customers in a way that is consistent with our brand promise and to re-build best-in-class relationships with our key retail partners is now a priority for Outdoor and its new leadership in place since March. It will, however, take time to regain the momentum lost during the first quarter.

Our operating profit for the quarter was heavily impacted by volume losses in the Outdoor business and the EMEA 2015 restructuring program. Even excluding non-recurring items, profitability was not satisfactory, and we will take determined action to drive sales and to adjust our cost levels. We remain confident that our strategic work is making good progress and keep our outlook for 2014 unchanged: full year sales are expected to be at 2013 levels and operating profit excluding non-recurring items is expected to be at or slightly below 2013 levels."

Group key figures

EUR million	Q1 2014	Q1 2013	Change	2013
Net sales	184.1	190.4	-3%	798.6
Operating profit (EBIT)*	8.2	14.6	-44%	61.0
Non-recurring items*	-4.6	-2.1	118%	-12.8
Operating profit excluding non-recurring items	12.8	16.6	-23%	73.8
EBIT before depreciation, amortization and impairment (EBITDA) excl. non-recurring items	19.2	22.1	-13%	98.1
Share of profit from associated company	7.9	9.4	-15%	50.8
Change in the fair value of biological assets	-0.2	0.3		0.7
Profit before taxes*	14.6	24.9	-41%	108.3
Profit for the period*	11.9	20.9	-43%	94.0
Earnings per share, EUR	0.14	0.25	-43%	1.14
Equity per share, EUR	7.20	7.06	2%	7.71
Cash flow from operating activities**	6.6	2.1	214%	81.0
Equity ratio, %	57%	55%		61%
Net gearing, %	35%	36%		24%
Capital expenditure	5.4	10.1	-46%	37.2
Personnel (FTE), average	4,128	4,081	1%	4,087

* Non-recurring charges in Q1 2014 related to the EMEA 2015 restructuring program and asset impairments

** Including a Wärtsilä dividend of EUR 26.9 million in Q1 2014 (25.6)

Further information:

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

FISKARS INTERIM REPORT, JANUARY–MARCH 2014

GROUP PERFORMANCE

Operating environment

The retail landscape in Finland continued to be weak: traffic in stores has slowed, sales were promotion-driven, and retailers reported poor sales figures. Early spring boosted the Garden sector all over Northern Europe and also drove demand and consumer sentiment in Central Europe. In Japan, the anticipated rise in value-added tax boosted retail sales as consumers rushed to stores to make their purchases with the lower tax.

In North America, business sentiment and consumer confidence were cautiously positive, even though freezing weather reduced traffic in stores. Easter weekend, which generally kicks off the season in terms of retail traffic, was four weeks later this year compared to last year. Major retailers continued to focus on inventory management.

Net sales and operating profit

Fiskars consolidated net sales in the first quarter of 2014 decreased by 3% to EUR 184.1 million (Q1 2013: EUR 190.4 million) due to weakening currencies across markets and decrease in Outdoor sales in the Americas. Using comparable exchange rates, net sales decreased by 1%.

Net sales, EUR million	Q1 2014	Q1 2013	Change	Change cn*	2013
Group	184.1	190.4	-3%	-1%	798.6
Europe & Asia-Pacific	133.7	134.7	-1%	1%	564.2
Americas	51.8	58.0	-11%	-7%	245.1
Other	2.0	1.6	25%	25%	6.5

* currency neutral

Net sales for Europe and Asia-Pacific were EUR 133.7 million (134.7) and EUR 51.8 million (58.0) for the Americas. Net sales in Europe and Asia-Pacific were affected by weakening currencies, product availability problems, and the divestment of the UK-based pottery business at the end of 2013. Using comparable exchange rates, sales in the region increased by 1%. In the Americas, sales were affected by weakening currencies and soft performance in the Outdoor business, and amounted to EUR 51.8 million (EUR 58.0 million). The currency-neutral decrease in sales was 7%.

Operating profit (EBIT), EUR million	Q1 2014	Q1 2013	Change	2013
Group	8.2	14.6	-44%	61.0
Europe & Asia-Pacific	4.8	8.0	-40%	39.9
Americas	5.3	9.0	-41%	31.4
Other	-1.8	-2.4	-24%	-10.3

The Group's operating profit decreased by 44% to EUR 8.2 million (14.6) mainly due to loss of volume in the Outdoor business and non-recurring EMEA 2015 restructuring expenses which totaled EUR 4.2 million (2.1) during the quarter. Excluding non-recurring items, operating profit decreased by 23%. Excluding non-recurring items, the operating profit for Europe and Asia-Pacific decreased 7% to EUR 9.4 million (10.1) as the company increased spending on brands and depreciation related to the Group's five-year investment program also increased. Operating profit for the Americas fell 41% to EUR 5.3 million (9.0), mostly due to loss of Outdoor volume.

Financial items and net result

Fiskars share of profit from its associated company, Wärtsilä, during the first quarter was EUR 7.9 million (9.4), and the change in the fair value of standing timber was EUR -0.2 million (0.3).

Net financial items were EUR -1.3 million (0.6). The first-quarter profit before taxes totaled EUR 14.6 million (24.9). Earnings per share were EUR 0.14 (0.25).

Investment program in Europe and Asia-Pacific

In December 2010, Fiskars launched a five-year investment program to create competitive structures, systems, and processes in EMEA, including a new, shared enterprise resource planning (ERP) system. The investment related to the program is estimated at EUR 65 million.

The largest implementations took place in the third quarter of 2013. Changes related to these implementations impacted sales and operational efficiency during the last quarter of 2013 and also contributed to availability challenges in the Home business during the first quarter 2014.

Fiskars is taking steps to mitigate the potential impacts of upcoming implementations and to ensure business stability. As a part of these measures, the implementation period of the program will be extended to the year 2016.

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

EMEA 2015 restructuring program

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in the EMEA region. The planned "EMEA 2015" program aims to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program is estimated at EUR 25–30 million for 2013 and 2014.

At the beginning of 2014 Fiskars decided to shift some initiatives originally planned for 2014 to 2015, which means that some of the program's costs will be recorded in 2015. Program costs will be recorded as non-recurring expenses.

Of the total expenses related to the program, EUR 4.2 million were recorded in the first quarter of 2014, which included, among other things, costs related to the planned restructuring of the Group's operations in Italy.

The consolidation of Fiskars glass manufacturing operations in Finland and the related extension of the glass factory in Iittala were finalized during the quarter.

The targeted annual cost savings of the program are EUR 9–11 million once the program is fully implemented. The targeted cost savings will be achieved gradually, and the full impact of the savings is expected to materialize in the Group's results starting from the end of 2015.

Cash flow, balance sheet, and financing

Cash flow from operating activities was EUR 6.6 million (2.1) in the first quarter, including dividends paid by the associated company, Wärtsilä, totaling EUR 26.9 million (25.6). The lower operating profit was offset by tighter working capital management and lower taxes paid.

Cash flow from investing activities was EUR -5.4 million (-60.0, which included a net cash effect of EUR -49.9 million resulting from the acquisition of Royal Copenhagen). Cash flow from financing activities amounted to EUR -5.4 million (47.7, where the acquisition of Royal Copenhagen was reflected as an increase in current debt).

Capital expenditure totaled EUR 5.4 million (10.1) in the first quarter. Depreciation was EUR 7.3 million (5.5). The company's five-year investment program in EMEA accounted for the majority of the investments and the increase in depreciation.

Fiskars working capital was EUR 120.4 million (118.0) at the end of March, equity ratio was 57% (55%) and net gearing was 35% (36%).

Cash and cash equivalents at the end of the period totaled EUR 5.4 million (6.3). Net interest-bearing debt amounted to EUR 206.3 million (205.8). Short-term borrowing totaled EUR 166.6 million (141.1) and long-term borrowing EUR 48.4 million (73.5). Short-term borrowing is mainly in the form of commercial papers

issued by Fiskars Corporation. In addition, Fiskars had EUR 450.0 million (430.0) in unused, committed long-term credit facilities, mainly with major Nordic banks.

Research and development

The Group's research and development expenditure totaled EUR -3.2 million (-2.3), equivalent to 1.7% (1.2%) of net sales.

Personnel

The Group employed an average of 4,128 (4,081) full-time equivalent employees (FTEs) in the quarter: 3,285 (3,298) people in Europe and Asia-Pacific, 596 (555) in the Americas, and 248 (228) in the Other segment. At the end of the quarter, the Group had a total of 4,367 employees (4,273) on the payroll, of whom 1,532 (1,629) were located in Finland.

Personnel (FTE), average	Q1 2014	Q1 2013	Change	2013
Group	4,128	4,081	1%	4,087
Europe & Asia-Pacific	3,285	3,298	0%	3,282
Americas	596	555	7%	568
Other	248	228	9%	237

OPERATING SEGMENTS AND BUSINESS AREAS

In connection with establishing an Asia-Pacific sales region, Fiskars operating segment EMEA was renamed Europe and Asia-Pacific as of January 1, 2014. Fiskars operating segments are now Europe and Asia-Pacific, Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters and shared services).

The company's business areas are Home (Living, Kitchen and School, Office & Craft), Garden, and Outdoor (outdoor equipment and boats).

Business areas in Q1 2014

Net sales, EUR million	Q1 2014	Q1 2013	Change	Change cn*	2013
Home	79.3	78.0	2%	4%	386.2
Garden	80.0	82.5	-3%	0%	284.5
Outdoor	23.4	28.9	-19%	-17%	123.7
Other	1.4	1.0	39%	39%	4.2

* currency neutral

Europe & Asia-Pacific in Q1 2014

EUR million	Q1 2014	Q1 2013	Change	2013
Net sales	133.7	134.7	-1%	564.2
Operating profit	4.8	8.0	-40%	39.9
Capital expenditure	2.8	3.0	-7%	16.6
Personnel (FTE), average	3,285	3,298	0%	3,282

Net sales in Europe and Asia-Pacific decreased 1% to EUR 133.7 million (134.7), weighed down by the divestment of the Sankey pottery business at the end of 2013 and weakening of currencies in several markets. Using comparable currency rates, net sales increased by 1%. Growth was partly hampered by availability problems in both the Home and Garden businesses.

Home sales developed positively in Europe and Asia-Pacific, boosted by Royal Copenhagen and the license business, which launched strong new products earlier than the previous year. Overall, the Living business did not reach the previous year's levels due to availability issues and a decrease in business-to-business initiatives. The Kitchen business continued to streamline and harmonize its product portfolio, which impacted sales negatively. Core Fiskars-branded products, however, performed well with increased distribution in key Central European markets.

Net sales in the Garden business were partly affected by adverse development in currencies, the divestment of the UK-based pottery business at the end of 2013, and product availability problems. Comparable sales increased, led by a sell-in for spring marketing campaigns, particularly in the core wood preparation and plant care categories.

Sales in the Outdoor business did not reach 2013 levels, as Gerber sales reflected adjustments related to the previous year's business-to-business initiatives and Boat sales shifted towards smaller models in the challenging market environment.

The segment recorded an operating profit of EUR 4.8 million (8.0), which included EUR 4.6 million (2.1) of non-recurring items, of which EUR 4.2 million was attributable to the EMEA 2015 restructuring program and EUR 0.4 million to asset impairments. Excluding non-recurring items, operating profit in the region totaled EUR 9.4 million (10.1). Operating profit was additionally impacted by increased spending on brands in line with the company's growth strategy, and growth in depreciation and amortization related to the Group's five-year investment program.

Americas in Q1 2014

EUR million	Q1 2014	Q1 2013	Change	2013
Net sales	51.8	58.0	-11%	245.1
Operating profit	5.3	9.0	-41%	31.4
Capital expenditure	1.0	0.8	14%	5.5
Personnel (FTE), average	596	555	7%	568

Net sales in the Americas fell by 11% to EUR 51.8 million (58.0), mostly due to the weakening of the US dollar and a decrease in Outdoor sales. Using comparable currency rates, sales decreased by 7%.

The Garden business was on par with the previous year despite freezing weather gripping most of the US and major retailers tightening their inventory management. Sales were boosted by increased pottery placement.

Sales of School, Office, and Craft (SOC) products were off to a slow start to the year with a soft sell-out, particularly for paper-crafting tools.

Sales of Outdoor products were considerably below the previous year's figures. The outdoor sell-in was significantly affected by insufficient service levels in the commercial segment. Sales in institutional channels were also down from the previous year.

The segment's operating profit was EUR 5.3 million (9.0). The decrease was mainly due to volume loss in the Outdoor business.

Other in Q1 2014

EUR million	Q1 2014	Q1 2013	Change	2013
Net sales	2.0	1.6	25%	6.5
Operating profit	-1.8	-2.4	-24%	-10.3
Capital expenditure	1.7	6.3	-73%	15.1
Personnel (FTE), average	248	228	9%	237

Fiskars Other segment contains the Real Estate unit, corporate headquarters, and shared services. Net sales were EUR 2.0 million (1.6) in the first quarter, largely consisting of timber sales and rental income. Operating profit was EUR -1.8 million (-2.4).

Wärtsilä

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

Fiskars Group agreed with Investor in February 2012 to join interests to create a strong long-term owner for Wärtsilä. Fiskars Group and Investor AB's joint venture, Avlis AB, and its subsidiary, Avlis Invest AB, held a

total of 42,948,325 Wärtsilä shares at the end of March 2014, equaling 21.8% of Wärtsilä's shares and votes.

During the first quarter of 2014, Fiskars share of Wärtsilä's profit totaled EUR 7.9 million (9.4). At the end of the reporting period, the market value of Fiskars Wärtsilä shares was EUR 1,011.0 million (898.7) or EUR 12.34 (10.97) per Fiskars share, with a closing price of EUR 39.43 (35.05) per Wärtsilä share. On the consolidated balance sheet, the book value of shares was EUR 268.1 million (255.0).

Wärtsilä's Annual General Meeting was held on March 6, 2014. The Chairman of Fiskars Board, Paul Ehrnrooth and Fiskars Board members Kaj-Gustaf Bergh and Alexander Ehrnrooth were re-elected to Wärtsilä's Board of Directors. Wärtsilä's Board of Directors then elected Kaj-Gustaf Bergh as its vice chairman.

Wärtsilä's Annual General Meeting decided to pay a dividend of EUR 1.05 per share (EUR 1.00), which resulted in dividend income of EUR 26.9 million (25.6) for Fiskars.

Changes in organization and management

As announced in December 2013, Fiskars established an Asia-Pacific sales region as of January 2014, and the EMEA segment was renamed Europe and Asia-Pacific. The segment consists now of three sales regions: North, Central, and Asia-Pacific. Matteo Gaeta was appointed President of Sales Region Asia-Pacific and member of the Group's Executive Team.

On February 10, 2014 Fiskars announced that General Counsel, member of the Group's Executive Board, Jutta Karlsson would leave Fiskars at the end of April to assume a new position outside the company.

On March 17, 2014 Fiskars appointed Robert Kass as President of the company's Outdoor Americas business and member of the Group's Executive Team.

Annual General Meeting for 2014

The Annual General Meeting (AGM) of Shareholders of Fiskars Corporation was held on March 12, 2014. The AGM approved the financial statements for 2013 and discharged the members of the Board and the President and CEO from liability. It was decided to pay a dividend of EUR 0.67 per share, totaling EUR 54.9 million. The dividend was paid on March 24, 2014.

The number of board members was set at nine. Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, and Karsten Slotte were re-elected and Christine Mondollot elected as a new member of the board. The term of the board members will expire at the end of the AGM in 2015. KPMG Oy Ab was re-elected as company auditor, and nominated Authorized Public Accountant Virpi Halonen as responsible auditor.

The AGM decided to authorize the Board to acquire and convey a maximum of 4,000,000 of Fiskars own shares. The Board may also decide on the acquisition and conveyance of shares in derogation of the pre-emptive right of shareholders to company shares. Both authorizations will remain in force until June 30, 2015.

Constitutive meeting of the Board and Board Committees

Convening after the Annual General Meeting, the Board of Directors elected Paul Ehrnrooth as Chairman, and Alexander Ehrnrooth as Vice Chairman. The Board decided to establish an Audit Committee, a Compensation Committee, and a Nomination and Strategy Committee.

The Board appointed Gustaf Gripenberg chairman of the Audit Committee and, as its other members, Alexander Ehrnrooth, Louise Fromond, Ingrid Jonasson Blank, and Karsten Slotte. The Board appointed Paul Ehrnrooth chairman of the Compensation Committee and, as its other members, Ralf Böer, Christine Mondollot, and Karsten Slotte. The Board appointed Paul Ehrnrooth chairman of the Nomination and Strategy Committee and, as its other members, Alexander Ehrnrooth and Kaj-Gustaf Bergh.

Share and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of the Corporation's shares totals 81,905,242.

The Board of Directors had authorizations to acquire and convey company shares but these were not used during the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of the NASDAQ OMX Helsinki stock exchange. The average share price during the quarter was EUR 20.50 (18.37). At the end of March, the closing price was EUR 19.36 (17.50) per share. Fiskars had a market capitalization of EUR 1,585.7 million (1,433.3) at the end of the quarter. The number of shares traded during the quarter was 2.6 million (1.1), which is 3.2% (1.3%) of the total number of shares.

The total number of shareholders was 16,322 (16,479) at the end of March. Fiskars was not informed of any significant changes among its largest shareholders during the quarter.

Risks and business uncertainties

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

Outlook for 2014

Fiskars first quarter 2014 was unsatisfactory, with challenges in availability and customer service. Currencies in several markets developed adversely, and based on first-quarter exchange rates, currency rates could have a significant effect on Fiskars full-year sales. Fiskars will formulate action plans to drive sales and to adjust cost levels during the balance of the year.

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

We expect the Group's full-year net sales for 2014 to be at 2013 levels and operating profit excluding non-recurring items to be at or slightly below 2013 levels.

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

Helsinki, Finland, May 5, 2014

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	1-3 2014	1-3 2013	Change %	1-12 2013
Net sales	184.1	190.4	-3	798.6
Cost of goods sold	-112.6	-113.3	-1	-475.3
Gross profit	71.5	77.1	-7	323.2
Other operating income	0.5	0.6	-16	3.1
Sales and marketing expenses	-41.4	-39.0	6	-164.7
Administration expenses	-19.2	-21.8	-12	-82.0
Research and development costs	-3.2	-2.3	38	-13.3
Other operating expenses	-0.1	-0.1	128	-1.5
Goodwill impairment				-3.7
Operating profit (EBIT)*	8.2	14.6	-44	61.0
Change in fair value of biological assets	-0.2	0.3	-154	0.7
Share of profit from associate	7.9	9.4	-15	50.8
Other financial income and expenses	-1.3	0.6		-4.3
Profit before taxes	14.6	24.9	-41	108.3
Income taxes	-2.7	-4.0	-32	-14.3
Profit for the period	11.9	20.9	-43	94.0
Attributable to:				
Owners of the Company	11.8	20.7	-43	93.7
Non-controlling interest	0.1	0.2	-72	0.3
Earnings for owners of the Company per share, euro (basic and diluted)	0.14	0.25	-43	1.14
 * Operating profit excl. non-recurring items (detailed in notes)	 12.8	 16.6	 -23	 73.8

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3 2014	1-3 2013	1-12 2013
Profit for the period	11.9	20.9	94.0
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences	-0.3	1.1	-8.5
Change in associate recognized directly in other comprehensive income	1.0	-5.3	-13.9
Cash flow hedges	-0.1	0.1	0.5
Items that will not be reclassified to profit or loss:			
Defined benefit plan, actuarial gains (losses) net of tax	-0.0	-0.0	-0.2
Change in associate recognized directly in other comprehensive income	0.0	-3.8	-5.6
Other comprehensive income for the period net of tax total	0.7	-7.8	-27.7
Total comprehensive income for the period	12.6	13.0	66.3
Attributable to:			
Owners of the Company	12.6	12.8	66.1
Non-controlling interest	0.1	0.2	0.2

CONSOLIDATED BALANCE SHEET

EUR million	3/2014	3/2013	Change %	12/2013
ASSETS				
Non-current assets				
Goodwill	111.9	116.5	-4	111.9
Other intangible assets	170.1	168.1	1	170.9
Property, plant & equipment	99.5	101.2	-2	100.5
Biological assets	41.8	41.5	1	42.0
Investment property	5.8	5.3	10	6.0
Investments in associates	268.1	255.0	5	286.1
Financial assets				
Shares at fair value through profit and loss	10.3	10.0	2	10.5
Other investments	4.0	5.0	-20	3.9
Deferred tax assets	32.1	37.1	-13	31.3
Non-current assets total	743.6	739.6	1	763.1
Current assets				
Inventories	132.4	144.4	-8	119.4
Trade and other receivables	153.2	153.2	0	138.5
Income tax receivables	2.4	2.1	14	6.1
Interest-bearing receivables	2.9	2.1	37	2.3
Cash and cash equivalents	5.4	6.3	-14	9.7
Current assets total	296.3	308.1	-4	275.9
Assets total	1,039.9	1,047.6	-1	1,039.1
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the owners of the Company	589.4	578.4	2	631.8
Non-controlling interest	1.0	1.0	2	0.9
Equity total	590.4	579.4	2	632.7
Non-current liabilities				
Interest-bearing liabilities	48.4	73.5	-34	56.2
Other liabilities	5.2	4.6	12	6.1
Deferred tax liabilities	39.8	46.5	-14	39.8
Pension liability	8.4	8.4	1	8.6
Provisions	6.5	9.0	-29	5.9
Non-current liabilities total	108.2	142.0	-24	116.7
Current liabilities				
Interest-bearing liabilities	166.6	141.1	18	108.8
Trade and other payables	163.7	174.6	-6	172.0
Income tax liabilities	3.9	7.0	-44	3.7
Provisions	7.0	3.4	104	5.2
Current liabilities total	341.3	326.2	5	289.7
Equity and liabilities total	1,039.9	1,047.6	-1	1,039.1

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3 2014	1-3 2013	1-12 2013
Cash flow from operating activities			
Profit before taxes	14.6	24.9	108.3
Adjustments for			
Depreciation, amortization and impairment	7.3	5.5	29.2
Share of profit from associate	-7.9	-9.4	-50.8
Investment income / cost	0.1	0.0	0.2
Financial items	1.3	-0.6	4.2
Change in fair value of biological assets	0.2	-0.3	-0.7
Change in provisions and other non-cash items	1.5	3.9	3.6
Cash flow before changes in working capital	17.2	23.9	94.0
Changes in working capital			
Change in current assets, non-interest-bearing	-12.3	-21.9	-14.4
Change in inventories	-12.9	-18.9	-0.5
Change in current liabilities, non-interest-bearing	-10.2	2.0	7.3
Cash flow from operating activities before financial items and taxes	-18.2	-14.9	86.5
Dividends received from associate	26.9	25.6	25.6
Financial costs paid (net)	-1.3	-1.2	-5.5
Taxes paid	-0.8	-7.5	-25.6
Cash flow from operating activities (A)	6.6	2.1	81.0
Cash flow from investing activities			
Acquisition of subsidiaries		-49.9	-49.5
Investments in financial assets	-0.0	-0.1	-0.1
Capital expenditure on fixed assets	-5.4	-10.1	-37.5
Proceeds from sale of fixed assets	0.0	0.0	1.1
Proceeds from sale of business			1.0
Cash flow from other investments	0.0		0.4
Cash flow from investing activities (B)	-5.4	-60.0	-84.6
Cash flow from financing activities			
Change in current receivables	-0.6	-1.6	-1.8
Borrowings of non-current debt	0.0	0.4	0.1
Repayment of non-current debt	-0.1	-16.1	-20.0
Change in current debt	50.4	119.4	74.2
Payment of financial lease liabilities	-0.3	-0.4	-1.7
Cash flow from other financing items	0.0	-0.7	-0.2
Dividends paid	-54.9	-53.2	-53.2
Cash flow from financing activities (C)	-5.4	47.7	-2.7
Change in cash (A+B+C)	-4.2	-10.2	-6.3
Cash at beginning of period	9.7	16.4	16.4
Translation difference	0.0	0.1	-0.5
Cash at end of period	5.4	6.3	9.7

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Equity attributable to the owners of the Company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
31 Dec, 2012	77.5	-0.9	-0.8	1.3	-0.8	542.6		618.9
Changes due to acquisitions							0.7	0.7
Total comprehensive income for the period			0.1	-4.3	-3.8	20.7	0.3	13.0
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
31 Mar, 2013	77.5		-0.6	-3.0	-4.6	509.2	1.0	579.4
Total comprehensive income for the period			-18.1	0.4	-2.0	73.1	-0.1	53.3
31 Dec, 2013	77.5		-18.7	-2.6	-6.7	582.2	0.9	632.7
Total comprehensive income for the period			0.1	0.6	0.0	11.8	0.1	12.6
Dividends paid						-54.9		-54.9
31 Mar, 2014	77.5		-18.6	-2.0	-6.7	539.2	1.0	590.4

KEY FIGURES*

	3/2014	3/2013	Change %	12/2013
Equity/share, EUR	7.20	7.06	2	7.71
Equity ratio	57%	55%		61%
Net gearing	35%	36%		24%
Net interest-bearing liabilities, EUR million	206.3	205.8	0	152.6
Personnel (FTE), average	4,128	4,081	1	4,087
Personnel, end of period	4,367	4,273	2	4,330
Number of shares outstanding end of period, thousands**	81,905	81,905		81,905
Weighted average number of outstanding shares during period, thousands**	81,905	81,905		81,905

* Please see the annual financial statements 2013 for the calculation of key figures

** Excluding treasury shares

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

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

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2014:

- IFRS 10 Consolidated Financial Statements and subsequent amendments
- IFRS 11 Joint Arrangements and subsequent amendments
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 32 Financial instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 21 Levies.

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

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

OPERATING SEGMENTS

EUR million	1-3 2014	1-3 2013	Change %	1-12 2013
Net sales				
Europe & Asia-Pacific	133.7	134.7	-1	564.2
Americas	51.8	58.0	-11	245.1
Other	2.0	1.6	25	6.5
Inter-segment sales*	-3.3	-3.9	-15	-17.2
GROUP TOTAL	184.1	190.4	-3	798.6
Operating profit (EBIT)				
Europe & Asia-Pacific	4.8	8.0	-40	39.9
Americas	5.3	9.0	-41	31.4
Other and eliminations	-1.8	-2.4	-24	-10.3
GROUP TOTAL	8.2	14.6	-44	61.0
Depreciation, amortization and impairment				
Europe & Asia-Pacific	4.3	3.7	17	21.1
Americas	1.2	1.0	25	3.7
Other and eliminations	1.8	0.8	114	4.4
GROUP TOTAL	7.3	5.5	33	29.2
Capital expenditure				
Europe & Asia-Pacific	2.8	3.0	-7	16.6
Americas	1.0	0.8	14	5.5
Other and eliminations	1.7	6.3	-73	15.1
GROUP TOTAL	5.4	10.1	-46	37.2
* Inter-segment sales				
Europe & Asia-Pacific	-1.8	-2.7		-8.2
Americas	-0.9	-0.6		-6.8
Other	-0.6	-0.6		-2.2

Order book

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

BUSINESS AREAS

EUR million	1-3 2014	1-3 2013	Change %	1-12 2013
Net sales				
Home	79.3	78.0	2	386.2
Garden	80.0	82.5	-3	284.5
Outdoor	23.4	28.9	-19	123.7
Other	1.4	1.0	39	4.2
GROUP TOTAL	184.1	190.4	-3	798.6

NON-RECURRING ITEMS

EUR million	1-3 2014	1-3 2013	Change %	1-12 2013
EMEA 2015 restructuring program	-4.2	-2.1	101	-8.2
Goodwill impairment relating to the Sankey business				-3.7
Write-down of a real estate				-0.9
Other asset impairments	-0.4			
Total	-4.6	-2.1	118	-12.8

INTANGIBLE AND TANGIBLE ASSETS**EUR million**

	3/2014	3/2013	12/2013
Intangible assets and goodwill			
Book value, Jan 1	282.9	229.3	229.3
Currency translation adjustment	0.0	0.2	-0.5
Acquisitions		49.9	49.4
Additions	1.3	6.4	14.7
Amortization and impairment	-2.2	-1.2	-10.0
Decreases and transfers		-0.0	-0.0
Book value at end of period	282.0	284.6	282.9

Investment commitments for intangible assets	4.7	0.0	3.6
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Tangible assets and investment property

Book value, Jan 1	106.5	95.5	95.5
Currency translation adjustment	0.0	0.7	-0.9
Acquisitions		10.9	10.9
Additions	4.1	3.7	22.5
Depreciation and impairment	-5.1	-4.4	-18.8
Decreases and transfers	-0.2	-0.0	-2.6
Book value at end of period	105.3	106.4	106.5

Investment commitments for property, plant and equipment	5.6	6.8	3.1
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CONTINGENCIES AND PLEDGED ASSETS**EUR million**

	3/2014	3/2013	12/2013
As security for own commitments			
Lease commitments	48.5	46.4	53.8
Other contingencies	2.3	1.9	2.8
Total	50.8	48.3	56.6

Guarantees as security for third-party commitments

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

As security for subsidiaries' commitments

Guarantees	13.6	15.0	13.9
Total	64.4	63.3	70.5

Litigation

Fiskars is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted. Taking into account all available information to date the outcome is not expected to have material impact on the financial position of the Group.

DERIVATIVES**EUR million**

	3/2014	3/2013	12/2013
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	155.2	144.5	197.1
Foreign exchange options		5.9	
Interest rate swaps	55.9	45.9	55.9
Electricity forward agreements	1.8	2.6	1.8
Market value vs. nominal amounts of derivatives			
Foreign exchange forwards and swaps	-0.2	0.4	-0.6
Foreign exchange options		0.9	
Interest rate swaps	-2.5	-3.2	-2.4
Electricity forward agreements	-0.5	-0.3	-0.4

Foreign exchange derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the depreciation of SEK and NOK against EUR and appreciation of USD and THB against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	USD	SEK	NOK	THB
Operational currency position	-28.2	22.6	15.2	-13.9
Exchange rate sensitivity of the operations*	2.8	-2.3	-1.5	1.4

* Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged

Most of the foreign exchange risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars does not apply hedge accounting to currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

FAIR VALUE OF FINANCIAL INSTRUMENTS

3/2014

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	0.3		9.9	10.3
Other investments			4.0	4.0
Derivative assets				0.0
Total assets	0.3		13.9	14.2
Derivative liabilities		3.2		3.2
Total liabilities		3.2		3.2

3/2013

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	0.3		10.0	10.3
Other investments			5.0	5.0
Derivative assets		1.4		1.4
Total assets		1.4	15.0	16.4
Derivative liabilities		3.5		3.5
Total liabilities		3.5		3.5

12/2013

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	0.3		10.2	10.5
Other investments			3.9	3.9
Derivative assets				0.0
Total assets	0.3		14.1	14.4
Derivative liabilities		3.4		3.4
Total liabilities		3.4		3.4

Fair value categories

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

Investments

EUR million	At fair value through profit and loss	Level 1	Level 3	Other
Book value, Dec 31, 2012			9.7	0.8
Additions			0.1	
Acquisitions				4.1
Decreases			-0.0	
Change in fair value through profit and loss			0.3	
Book value, Mar 31, 2013			10.0	5.0
Additions				0.3
Acquisitions				-0.6
Decreases			-0.4	-0.8
Change in fair value through profit and loss		0.3	0.5	
Book value, Dec 31, 2013		0.3	10.2	3.9
Additions				
Acquisitions				
Decreases				
Change in fair value through profit and loss			-0.3	0.0
Book value, Mar 31, 2014		0.3	9.9	4.0

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

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

RELATED PARTY TRANSACTIONS

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

ACQUISITIONS AND DIVESTMENTS

There have been no acquisitions or divestments in 2014.

In 2014, there were the following acquisition and divestment, of which the latter has an impact on the comparability of the figures:

Acquisition of Royal Copenhagen

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

Divestment of UK Sankey business

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

