

Q2

INTERIM REPORT
APRIL 1 – JUNE 30, 2013



Helsinki, August 2, 2013

FISKARS

Fiskars' second quarter 2013: Strong operating result, regained sales momentum after soft start to the year

Second quarter 2013 in brief:

- Net sales increased by 8% to EUR 217.6 million (Q2 2012: 201.1)
- Comparable net sales (currency-neutral and excluding Royal Copenhagen) at 2012 levels
- Operating profit (EBIT) increased by 32% to EUR 26.1 million (19.7)
- Operating profit (EBIT) excluding non-recurring items increased by 41% to EUR 27.8 million (19.7)
- Earnings per share were EUR 0.33 (1.33, including EUR 1.06 per share from the sale of Wärtsilä shares)
- Cash flow from operating activities was EUR 15.4 million (18.8)
- Outlook for 2013 unchanged: full-year net sales and operating profit excl. non-recurring items to be above 2012 levels

Fiskars' President and CEO, Kari Kauniskangas:

"I'm proud of Fiskars' performance in the second quarter. We were able to regain sales momentum in core garden categories after the poor start to the year and our Home business grew despite difficult market conditions. Royal Copenhagen has proven to be an excellent strategic fit and continued to perform well.

Fiskars' operating profit excluding non-recurring items, EUR 27.8 million, represented the company's best quarterly performance ever. This is the result of a combination of strong sales execution, successful inventory management, improved operational efficiency and a favorable product mix. To continue our consistent strategic transformation we launched a restructuring program for the EMEA region to optimize the end-to-end supply chain and sales operations.

For the full year, we maintain our guidance and expect both sales and operating profit excluding non-recurring items to grow. During the latter half of the year, previously announced changes in manufacturing and roll-outs of common systems and processes will temporarily affect operational efficiency negatively and increase fixed costs."

Group key figures

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	217.6	201.1	8%	408.0	389.5	5%	747.8
Operating profit (EBIT)*	26.1	19.7	32%	40.6	36.8	10%	63.9
Operating profit excl. non-recurring items	27.8	19.7	41%	44.4	36.8	21%	63.1
Share of profit from associated company	10.3	8.5	20%	19.6	18.3	7%	47.8
Change in the fair value of biological assets	0.3	0.8	-62%	0.6	0.3	73%	5.6
Profit before taxes*	35.9	116.0	-69%	60.7	140.6	-57%	200.4
Profit for the period*	27.2	108.7	-75%	48.1	128.7	-63%	178.9
Earnings per share, EUR	0.33	1.33	-75%	0.59	1.57	-63%	2.18
Equity per share, EUR				7.28	7.74	-6%	7.56
Cash flow from operating activities**	15.4	18.8	-18%	17.4	32.9	-47%	95.0
Equity ratio, %				57%	64%		66%
Net gearing, %				34%	8%		12%
Capital expenditure	10.2	7.7	33%	20.3	12.4	64%	32.8
Personnel (FTE), average	4,126	3,384	22%	4,103	3,381	21%	3,364

* Including non-recurring restructuring costs of 2.1 MEUR in Q1 2013 relating to the re-location of Fiskars Sweden and 1.7 MEUR in Q2 2013 relating to the restructuring of glass factories and the Home business area, and a non-recurring profit from the sale of Wärtsilä shares of EUR 87.0 million in Q2 2012

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

Further information:

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

News conference:

An analyst and press conference on the second quarter results will be held on August 2, 2013, at 10:00 am at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at www.fiskarsgroup.com.

FISKARS' INTERIM REPORT, JANUARY–JUNE 2013

GROUP PERFORMANCE

Operating environment in Q2 2013

The overall economic climate remained uncertain in Europe, and prospects for the euro area were weak. Consumer confidence did not improve significantly and retail sales trended down in many markets. Weather conditions improved around mid-April after a late start to the spring.

In the Americas, May showed positive signs for the economy but the quarter ended on a weaker note with relatively stagnant retail sales. The federal budget sequester continued to cause uncertainty, impacting local, state and federal government spending.

Net sales and operating profit

In the second quarter of 2013, Fiskars' consolidated net sales amounted to EUR 217.6 million (Q2 2012: EUR 201.1 million), an 8% increase over last year reflecting the addition of Royal Copenhagen. Comparable sales (currency-neutral and excluding Royal Copenhagen) remained at the previous year's levels. Sales in Europe increased by 15%, while reported euro-nominated sales in the Americas came close to last year's.

In the first half of the year, Fiskars' net sales amounted to EUR 408.0 million (Q1-Q2 2012: EUR 389.5 million). Using comparable exchange rates and excluding Royal Copenhagen in Q1-Q2 2013, comparable net sales decreased by 3%.

Net sales, EUR million	Q2 2013	Q2 2012	Change	Change cn*	Q1-Q2 2013	Q1-Q2 2012	Change	Change cn*	2012
Group	217.6	201.1	8%	8%	408.0	389.5	5%	5%	747.8
EMEA	149.6	130.4	15%	14%	284.4	261.0	9%	9%	501.9
Americas	71.3	72.3	-1%	-1%	129.3	131.2	-1%	-1%	250.4
Other	1.7	1.3	31%	31%	3.2	3.3	-2%	-2%	6.3

* currency-neutral

Net sales for EMEA (Europe, Middle East, and Asia-Pacific) between April and June totaled EUR 149.6 million (Q2 2012: 130.4), and EUR 71.3 million (72.3) for the Americas.

During the first half of the year, net sales for EMEA amounted to EUR 284.4 million (Q1-Q2 2012: 261.0) and EUR 129.3 million (131.2) for the Americas.

Operating profit (EBIT), EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Group	26.1	19.7	32%	40.6	36.8	10%	63.9
EMEA	16.6	10.9	52%	24.6	22.8	8%	42.6
Americas	11.8	12.8	-8%	20.7	20.9	-1%	34.2
Other	-2.3	-4.0	-42%	-4.7	-6.9	-31%	-12.9

In the second quarter, the Group's operating profit excluding non-recurring items increased by 41%. The company recorded EUR 1.7 million in non-recurring items in EMEA related to the restructuring of glass factories and the Home business area. Operating profit increased by 32% to EUR 26.1 million (Q2 2012: 19.7), benefiting from strong development in EMEA. Operating profit for EMEA increased by 52% to EUR 16.6 million (10.9), due to increased operational efficiency and a favorable product mix. In addition, Fiskars' inventory management was efficient both at working through stock from the poor first quarter and reducing slow-moving inventory. Operating profit for the Americas decreased by 8% and amounted to EUR 11.8 million (12.8). This total was affected by decreased volumes of institutional sales in the Outdoor business.

During the first half of the year, the Group's operating profit excluding non-recurring items increased by 21% to EUR 44.4 million (Q1-Q2 2012: 36.8). EMEA recorded an operating profit of EUR 24.6 million for the period (22.8), an increase of 8%. Operating profit for the Americas decreased by 1% and amounted to EUR 20.7 million (20.9).

Financial items and net result

Fiskars' share of profit from its associated company, Wärtsilä, during the second quarter was EUR 10.3 million (8.5), and EUR 19.6 million (18.3) during the first half of the year. The change in the fair value of standing timber was EUR 0.3 million (0.8) in April–June and EUR 0.6 million in January–June (0.3).

The second-quarter net financial result was EUR -0.8 million (0.1). Profit before taxes was EUR 35.9 million (116.0, incl. a non-recurring profit of EUR 87.0 million from the sale of Wärtsilä shares). Earnings per share were EUR 0.33 (1.33, of which 1.06 per share from the sale of Wärtsilä shares).

During the first half of the year, net financial costs totaled EUR -0.1 million (-1.9) and profit before taxes was EUR 60.7 million (140.6, including a non-recurring profit of EUR 87.0 million from sale of Wärtsilä shares). Earnings per share were EUR 0.59 (1.57) during the first half of the year.

Updated scope and cost estimate for EMEA investment program

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 was estimated to total approximately EUR 50 million.

During the first half of 2013, Fiskars reviewed the scope of the investment program and decided to expand the program's scope to additional interfaces and the recently acquired Royal Copenhagen. Accordingly, the total investment related to the program will amount to approximately EUR 65 million by the end of 2015.

The implementation of the common systems began in 2012, and significant implementations will take place in 2013 and 2014. Most of the implementation costs typically incur in the initial phases of a project, and Fiskars estimates that annual investments in the program (including both operational and capital expenses) will decrease after 2013. Depreciations related to the program will increase gradually and their impact on the Group's results will be at its highest levels 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, and will be recorded as a non-recurring expense. EUR 2.1 million related to the upcoming re-location of the Swedish sales office has already been recorded in the Q1 2013 results. In Q2 2013, Fiskars recorded EUR 0.7 million related to the consolidation of the Group's glass manufacturing operations in Finland and EUR 1.0 million related to the restructuring of the Home business area.

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

Cash flow, balance sheet, and financing

Second-quarter cash flow from operating activities was EUR 15.4 million (18.8). Cash flow from investing activities was EUR -9.9 million (119.2, including proceeds from the sale of Wärtsilä shares totaling EUR 126.4 million). Cash flow from financing activities was EUR -3.9 million (-130.2) in the second quarter. In Q2 2012, proceeds from the sale of Wärtsilä shares were also reflected in cash flow from financing activities as a repayment of short-term debt and investment in short-term financial assets.

During the first half of the year, cash flow from operating activities was EUR 17.4 million (32.9). The first-quarter cash flow includes dividends paid by the associated company Wärtsilä totaling EUR 25.6 million (26.8). Cash flow from investing activities was EUR -69.9 million during the first six months (115.0, including 126.4 million from the sale of Wärtsilä shares) and included a net of cash effect of EUR -49.5 million from the acquisition of Royal Copenhagen. Cash flow from financing activities was EUR 43.9 million (-141.5).

Capital expenditure totaled EUR 10.2 million (7.7) in the second quarter. The investments were mainly related to the five-year investment program in EMEA, replacement investments and new product development. Capital expenditure in the first half of the year totaled EUR 20.3 million (12.4).

Depreciation was EUR 5.7 million (5.9) in Q2 and EUR 11.3 million (10.9) in the first half of the year.

Fiskars' working capital totaled EUR 123.3 million (109.3) at the end of June. The equity ratio decreased to 57% (64%) and net gearing increased to 34% (8%) mainly due to the acquisition of Royal Copenhagen.

Cash and cash equivalents at the end of the period totaled EUR 7.6 million (12.6). At the end of the period, Fiskars also had short-term financial assets amounting to EUR 0.9 million (62.9). Net interest-bearing debt amounted to EUR 200.7 million (51.3). The increase in net interest-bearing debt is reflected as an increase of EUR 84 million in short-term borrowing and a decrease of EUR 62 million in financial assets, mainly attributable to the extra dividends paid in Q3 2012 and the acquisition of Royal Copenhagen in Q1 2013. Short-term borrowing totaled EUR 137.3 million (53.7) and long-term borrowing EUR 72.3 million (73.6) at the end of the period. Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In addition, Fiskars had EUR 430.0 million (455.0) in unused, committed long-term credit facilities with Nordic banks.

Research and development

The Group's research and development expenditures totaled EUR 3.4 million (2.4) in the second quarter, corresponding to 1.6% (1.2%) of net sales. During the first half of the year, research and development expenditures totaled EUR 5.7 million (4.8), equivalent to 1.4% (1.2%) of net sales. As of January 1, 2013, Fiskars changed its accounting policy regarding the classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This has impacted the cost of goods sold positively and research and development costs negatively for Q2 2012, the first half of the year and the full year 2012, by EUR 0.6 million, EUR 1.3 million and EUR 2.1 million, respectively.

Personnel

The Group employed an average of 4,126 (3,384) full-time equivalent employees (FTEs) in the second quarter, of which 3,319 (2,634) are in EMEA, 568 (546) in the Americas, and 239 (204) in Other.

In the first half of the year, the Group employed an average of 4,103 (3,381) full-time equivalent employees. At the end of June, the Group had a total of 4,273 employees (3,621) on the payroll, of whom 1,632 (1,704) in Finland. The increase was mainly due to the acquisition of Royal Copenhagen in January 2013.

Personnel (FTE), average	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Group	4,126	3,384	22%	4,103	3,381	21%	3,364
EMEA	3,319	2,634	26%	3,309	2,630	26%	2,604
Americas	568	546	4%	561	549	2%	550
Other	239	204	17%	233	202	16%	210

OPERATING SEGMENTS AND BUSINESS AREAS

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

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

Business areas in Q2 2013

Net sales, EUR million*	Q2 2013	Q2 2012	Change	Change cn**	Q1-Q2 2013	Q1-Q2 2012	Change	Change cn**	2012
Home	95.4	75.2	27%	26%***	173.4	140.2	24%	23%	319.5
Garden	87.3	87.9	-1%	-1%	169.8	179.1	-5%	-5%	290.9
Outdoor	33.8	37.3	-10%	-10%	62.7	67.9	-8%	-8%	133.3
Other	1.1	0.7	51%	51%	2.1	2.2	-5%	-5%	4.1

* Fiskars has reclassified certain product groups from business area Home to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly: Garden net sales increased and Home net sales decreased in Q2 2012, H1 and FY 2012, by EUR 0.6 million, EUR 1.0 million and EUR 3.3 million, respectively.

** Currency-neutral

*** Excluding Royal Copenhagen and currency with comparable exchange rates, Home net sales increased by 4%

EMEA in Q2 2013

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	149.6	130.4	15%	284.4	261.0	9%	501.9
Operating profit	16.6	10.9	52%	24.6	22.8	8%	42.6
Capital expenditure	4.0	1.9	114%	7.0	3.5	101%	8.4
Personnel (FTE), average	3,319	2,634	26%	3,309	2,630	26%	2,604

Net sales in EMEA increased by 15% to EUR 149.6 million (130.4) due to the acquisition of Royal Copenhagen and good development in the Home business area. Using comparable currency rates and excluding Royal Copenhagen, comparable net sales increased by 2%.

Home sales in EMEA included the positive effect of the acquisition of Royal Copenhagen, which continued to develop well. Also excluding Royal Copenhagen, sales developed favorably in key Nordic and Central European markets. Knife and licensed product sales drove gains in the Kitchen category while Living was affected by soft business-to-business sales in Finland.

Following a late start to the spring season, the Garden business was able to recover in core garden and yard care categories. Net sales exceeded last year's levels slightly despite softness in container gardening sales.

Sales of outdoor products reached 2012 levels thanks to successful sales campaigns. Boat sales came close to last year's levels despite a significant contraction of the boat market as a whole.

The segment recorded an operating profit of EUR 16.6 million (10.9), which included a EUR 1.7 million non-recurring charge related to the EMEA 2015 restructuring program. Performance in the EMEA region benefited from good operational efficiency and a favorable Garden product mix.

Americas in Q2 2013

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	71.3	72.3	-1%	129.3	131.2	-1%	250.4
Operating profit	11.8	12.8	-8%	20.7	20.9	-1%	34.2
Capital expenditure	1.8	1.3	36%	2.6	2.0	30%	4.4
Personnel (FTE), average	568	546	4%	561	549	2%	550

Net sales in the Americas decreased by 1% to EUR 71.3 million (72.3), as a decline in Outdoor sales outweighed the growth in the School, Office and Craft business.

School, Office and Craft product sales increased, reflecting a good start to back-to-school sales.

The Garden business performed below the previous year's level due to a decrease in container gardening sales. Sales in the core cutting tool and wood preparation categories were up.

Sales of Outdoor products were clearly below last year, weighed down by the continued slump in government spending and de-stocking by some commercial customers.

The segment's operating profit was EUR 11.8 million (12.8), which reflected the decreased volumes in Outdoor products.

Other in Q2 2013

EUR million	Q2 2013	Q2 2012	Change	Q1-Q2 2013	Q1-Q2 2012	Change	2012
Net sales	1.7	1.3	31%	3.2	3.3	-2%	6.3
Operating profit	-2.3	-4.0	-42%	-4.7	-6.9	-31%	-12.9
Capital expenditure	4.4	4.5	-2%	10.7	6.9	55%	20.0
Personnel (FTE), average	239	204	17%	233	202	16%	210

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

Net sales were EUR 1.7 million (1.3) in the second quarter and EUR 3.2 million (3.3) in the first half of the year, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -2.3 million (-4.0) and EUR -4.7 million (-6.9) for the first half of the year.

Wärtsilä

Fiskars' holding in 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' share of Wärtsilä's profit totaled EUR 10.3 million (8.5) in April-June and EUR 19.6 million (18.3) during the first half of the year. At the end of June, the market value of Fiskars' Wärtsilä shares was EUR 857.2 million (661.3) or EUR 10.47 (8.07) per Fiskars share, with a closing price of EUR 33.43 (25.79) per Wärtsilä share. The book value of these shares in Fiskars' consolidated balance sheet was EUR 259.5 million (249.6).

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

Share and shareholders

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

The Board of Directors was authorized to acquire and convey company shares but this authorization was not used during the quarter. The share capital remained unchanged at EUR 77,510,200.

Fiskars' shares are traded in the Large Cap segment of NASDAQ OMX Helsinki. The average share price was EUR 17.24 (14.89) in Q2 2013. At the end of June, the closing price was EUR 17.19 (14.40) per share and Fiskars had a market capitalization of EUR 1,408.0 million (1,179.4). The number of shares traded during the quarter was 0.8 million (1.6), which is 0.9% (1.9%) of the total number of shares.

The total number of shareholders was 16,422 (15,556) at the end of June. Fiskars was not informed of any significant changes among its largest shareholders during the quarter.

Risks and business uncertainties

Fiskars has detailed its overall business risks and risk management in its Annual Report for 2012 and on the company web site. The company does not consider any material changes to have taken place during the reporting period to the risks and market uncertainties presented in the Annual Report for 2012.

Outlook for 2013

There was no significant improvement in Fiskars' general operating environment during the second quarter. During the latter half of the year, previously announced changes in manufacturing and roll-outs of common systems and processes will temporarily impact operational efficiency negatively and increase fixed costs.

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

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

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

Helsinki, Finland, August 1, 2013

FISKARS CORPORATION
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	4-6 2013	4-6 2012	Change %	1-6 2013	1-6 2012	Change %	1-12 2012
Net sales	217.6	201.1	8	408.0	389.5	5	747.8
Cost of goods sold*	-130.5	-128.5	2	-243.8	-247.4	-1	-473.2
Gross profit	87.1	72.7	20	164.2	142.1	16	274.6
Other operating income	1.0	0.4	142	1.6	0.7	133	2.1
Sales and marketing expenses	-42.3	-32.3	31	-81.3	-64.0	27	-128.9
Administration expenses	-16.2	-18.5	-12	-38.0	-36.9	3	-73.5
Research and development costs*	-3.4	-2.4	40	-5.7	-4.8	18	-10.3
Other operating expenses	-0.1	-0.1	4	-0.2	-0.1	53	-0.1
Operating profit (EBIT)**	26.1	19.7	32	40.6	36.8	10	63.9
Change in fair value of biological assets	0.3	0.8	-62	0.6	0.3	73	5.6
Share of profit from associate	10.3	8.5	20	19.6	18.3	7	47.8
Gain on sale of associate shares		87.0	-100		87.0	-100	87.0
Other financial income and expenses	-0.8	0.1		-0.1	-1.9	-94	-3.8
Profit before taxes	35.9	116.0	-69	60.7	140.6	-57	200.4
Income taxes	-8.7	-7.4	18	-12.7	-11.9	6	-21.5
Profit for the period	27.2	108.7	-75	48.1	128.7	-63	178.9
Attributable to:							
Owners of the Company	27.3	108.7	-75	47.9	128.7	-63	178.9
Non-controlling interest	-0.0			0.2			
Earnings for owners of the Company per share, euro (basic and diluted)	0.33	1.33	-75	0.59	1.57	-63	2.18

* As of January 1, 2013, Fiskars changed its accounting policy regarding classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This has impacted Cost of goods sold positively and Research and development costs negatively for Q2 2012, first half-year and full year 2012, by EUR 0.6 million, EUR 1.3 million and EUR 2.1 million, respectively.

** Operating profit excl. non-recurring items 27.8 19.7 41 44.4 36.8 21 63.1

Non-recurring items include restructuring costs of 2.1 MEUR in Q1 2013 relating to the re-location of Fiskars Sweden and 1.7 MEUR in Q2 2013 relating to the restructuring of glass factories and the Home business area, and a profit from the sale of Wärtsilä shares of EUR 87.0 million in Q2 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6 2013	4-6 2012	1-6 2013	1-6 2012	1-12 2012
Profit for the period	27.2	108.7	48.1	128.7	178.9
Other comprehensive income for the period:					
Items that may be reclassified subsequently to profit or loss:					
Translation differences	-4.3	5.4	-3.1	3.1	-1.0
Change in associate recognized directly in other comprehensive income	-5.9	-1.6	-11.2	-1.1	0.3
transferred to income statement		-0.1		-0.1	-0.1
Cash flow hedges	0.2	-1.0	0.4	-0.4	-0.8
Items that will not be reclassified to profit or loss:					
Defined benefit plan, actuarial gains (losses) net of tax	0.0	0.4	0.0	0.4	-0.5
Change in associate recognized directly in other comprehensive income	0.1		-3.6		
Other comprehensive income for the period net of tax total	-9.7	3.1	-17.5	1.8	-2.2
Total comprehensive income for the period	17.5	111.8	30.5	130.5	176.7
Attributable to:					
Owners of the Company	17.6	111.8	30.4	18.7	176.7
Non-controlling interest	-0.1		0.2		

CONSOLIDATED BALANCE SHEET

EUR million	6/2013	6/2012	Change %	12/2012
ASSETS				
Non-current assets				
Goodwill	115.9	88.9	30	88.6
Other intangible assets	171.1	130.2	31	140.7
Property, plant & equipment	101.4	91.3	11	90.0
Biological assets	41.8	36.0	16	41.2
Investment property	5.1	5.8	-13	5.5
Investments in associates	259.5	249.6	4	280.4
Financial assets				
Shares at fair value through profit and loss	10.6	10.0	6	9.7
Other investments	5.0	1.2	321	0.8
Deferred tax assets	36.1	27.1	33	25.8
Non-current assets total	746.5	640.1	17	682.6
Current assets				
Inventories	135.1	129.5	4	118.0
Trade and other receivables	151.2	144.6	5	116.0
Income tax receivables	2.4	3.1	-23	1.9
Interest-bearing receivables	0.9	62.9	-99	0.5
Cash and cash equivalents	7.6	12.6	-40	16.4
Current assets total	297.2	352.7	-16	252.8
Assets total	1,043.7	992.8	5	935.4
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the owners of the Company	596.0	634.0	-6	618.9
Non-controlling interest	0.9			
Equity total	597.0	634.0	-6	618.9
Non-current liabilities				
Interest-bearing liabilities	72.3	73.6	-2	69.3
Other liabilities	4.4	3.6	23	4.1
Deferred tax liabilities	47.2	46.6	1	44.3
Pension liability	8.1	6.5	25	7.3
Provisions	8.8	4.2	110	3.9
Non-current liabilities total	140.8	134.5	5	129.0
Current liabilities				
Interest-bearing liabilities	137.3	53.7	156	20.4
Trade and other payables	159.8	157.3	2	156.6
Income tax liabilities	5.5	10.5	-47	7.9
Provisions	3.2	2.8	14	2.6
Current liabilities total	305.9	224.3	36	187.5
Equity and liabilities total	1,043.7	992.8	5	935.4

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	4-6 2013	4-6 2012	1-6 2013	1-6 2012	1-12 2012
Cash flow from operating activities					
Profit before taxes	35.9	116.0	60.7	140.6	200.4
Adjustments for					
Depreciation, amortization and impairment	5.7	5.9	11.3	10.9	21.9
Share of profit from associate	-10.3	-8.5	-19.6	-18.3	-47.8
Gain on sale of associate shares		-87.0		-87.0	-87.0
Investment income	0.0	-0.1	0.0	-0.2	-0.1
Financial items	0.8	-0.1	0.1	1.9	3.8
Change in fair value of biological assets	-0.3	-0.8	-0.6	-0.3	-5.6
Change in provisions and other non-cash items	-4.7	0.3	-0.9	-0.8	2.4
Cash flow before changes in working capital	27.1	25.9	51.0	46.9	88.1
Changes in working capital					
Change in current assets, non-interest-bearing	-1.7	12.2	-23.6	-17.5	10.6
Change in inventories	9.5	-5.5	-9.4	-10.7	-5.0
Change in current liabilities, non-interest-bearing	-10.7	-8.1	-8.8	-1.7	-0.5
Cash flow from operating activities before financial items and taxes	24.1	24.5	9.2	16.9	93.2
Dividends received from associate			25.6	26.8	26.8
Financial costs paid (net)	-1.2	-1.1	-2.4	-2.6	-4.6
Taxes paid	-7.6	-4.6	-15.0	-8.2	-20.3
Cash flow from operating activities (A)	15.4	18.8	17.4	32.9	95.0
Cash flow from investing activities					
Acquisitions of subsidiaries	0.4		-49.5		
Investments in financial assets	0.0		-0.1		-0.2
Capital expenditure on fixed assets	-10.3	-7.3	-20.3	-12.1	-32.7
Proceeds from sale of fixed assets	0.0	0.5	0.0	0.8	0.9
Proceeds from sale of associate shares		126.4		126.4	126.4
Cash flow from other investments	0.0	-0.3	0.0	-0.2	0.1
Cash flow from investing activities (B)	-9.9	119.2	-69.9	115.0	94.5
Cash flow from financing activities					
Change in current receivables	1.2	-61.2	-0.4	-62.4	0.1
Borrowings of non-current debt	-0.2	0.0	0.2	0.0	0.1
Repayment of non-current debt	-0.1		-16.2		-2.5
Change in current debt	-4.7	-66.9	114.7	-25.5	-61.2
Payment of financial lease liabilities	-0.5	-2.0	-0.9	-2.7	-3.5
Cash flow from other financing items	0.3	-0.1	-0.3	-0.1	-0.0
Dividends paid			-53.2	-50.8	-112.2
Cash flow from financing activities (C)	-3.9	-130.2	43.9	-141.5	-179.2
Change in cash (A+B+C)	1.6	7.8	-8.6	6.4	10.3
Cash at beginning of period	6.3	4.8	16.4	6.1	6.1
Translation difference	-0.3	0.1	-0.2	0.1	-0.1
Cash at end of period	7.6	12.6	7.6	12.6	16.4

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Equity attributable to the owners of the Company							Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings			
31 Dec, 2011	77.5	-0.9	2.0	0.1	-0.3	475.9		554.3	
Total comprehensive income for the period			2.1	-0.8	0.4	128.7		130.5	
Dividends paid						-50.8		-50.8	
30 Jun, 2012	77.5	-0.9	4.2	-0.7	0.1	553.7		634.0	
Total comprehensive income for the period			-5.0	1.9	-1.0	50.3		46.3	
Dividends paid						-61.4		-61.4	
31 Dec, 2012	77.5	-0.9	-0.8	1.3	-0.8	542.6		618.9	
Changes due to acquisitions							0.8	0.8	
Total comprehensive income for the period			-9.0	-4.9	-3.6	47.9	0.2	30.5	
Cancellation of treasury shares		0.9				-0.9			
Dividends paid						-53.2		-53.2	
30 Jun, 2013	77.5		-9.8	-3.7	-4.5	536.4	0.9	597.0	

KEY FIGURES*

	6/2013	6/2012	Change %	12/2012
Equity/share, EUR	7.28	7.74	-6	7.56
Equity ratio	57%	64%		66%
Net gearing	34%	8%		12%
Net interest-bearing liabilities, EUR million	200.7	51.3	291	72.4
Personnel (FTE), average	4,103	3,381	21	3,364
Personnel, end of period	4,273	3,621	18	3,449
Number of shares outstanding end of period, thousands**	81,905	81,905		81,905
Weighted average number of outstanding shares during period, thousands**	81,905	81,905		81,905

* Please see the annual financial statements 2012 for the calculation of key figures

** Excluding treasury shares

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This unaudited interim report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements, except for a reclassification of certain costs relating to product development in the income statement between Cost of goods sold and Research and development costs. Figures for the comparison periods have been restated to correspond to the changed accounting principles. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The Group has implemented new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2013. Of these the most important ones are:

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

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

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

OPERATING SEGMENTS

EUR million	4-6	4-6	Change	1-6	1-6	Change	1-12
	2013	2012	%	2013	2012	%	2012
Net sales							
EMEA	149.6	130.4	15	284.4	261.0	9	501.9
Americas	71.3	72.3	-1	129.3	131.2	-1	250.4
Other	1.7	1.3	31	3.2	3.3	-2	6.3
Inter-segment sales*	-5.0	-2.9	75	-8.9	-6.1	47	-10.8
GROUP TOTAL	217.6	201.1	8	408.0	389.5	5	747.8

Operating profit (EBIT)

EMEA	16.6	10.9	52	24.6	22.8	8	42.6
Americas	11.8	12.8	-8	20.7	20.9	-1	34.2
Other and eliminations	-2.3	-4.0	-42	-4.7	-6.9	-32	-12.9
GROUP TOTAL	26.1	19.7	32	40.6	36.8	10	63.9

Depreciation, amortization and impairment

EMEA	4.0	3.3	21	7.7	6.9	11	14.3
Americas	1.0	2.1	-54	1.9	3.0	-35	4.8
Other and eliminations	0.8	0.5	57	1.7	1.1	52	2.7
GROUP TOTAL	5.7	5.9	-2	11.3	10.9	3	21.9

Capital expenditure

EMEA	4.0	1.9	114	7.0	3.5	101	8.4
Americas	1.8	1.3	36	2.6	2.0	30	4.4
Other and eliminations	4.4	4.5	-2	10.7	6.9	55	20.0
GROUP TOTAL	10.2	7.7	33	20.3	12.4	64	32.8

* Inter-segment sales

EMEA	-2.0	-1.9		-4.7	-4.2		-6.9
Americas	-2.5	-0.4		-3.1	-0.8		-1.7
Other	-0.6	-0.5		-1.1	-1.1		-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	4-6	4-6	Change	1-6	1-6	Change	1-12
	2013	2012	%	2013	2012	%	2012
Net sales							
Home*	95.4	75.2	27	173.4	140.3	24	319.5
Garden*	87.3	87.9	-1	169.8	179.1	-5	290.9
Outdoor	33.8	37.3	-10	62.7	67.9	-8	133.3
Other	1.1	0.7	51	2.1	2.2	-5	4.1
GROUP TOTAL	217.6	201.1	8	408.0	389.5	5	747.8

* Fiskars has reclassified certain product groups from business area Home to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly. Resulting from this, Garden net sales increased and Home net sales decreased in Q2 2012, first half-year 2012 and full year 2012, by EUR 0.6 million, EUR 1.0 million and EUR 3.3 million, respectively.

INTANGIBLE AND TANGIBLE ASSETS

6/2013 6/2012 12/2012

EUR million**Intangible assets and goodwill**

Book value, Jan 1	229.3	213.8	213.8
Currency translation adjustment	-0.1	0.5	-0.1
Acquisitions and divestments	49.5		
Additions	10.7	6.9	19.9
Amortization and impairment	-2.4	-2.2	-4.7
Decreases and transfers	-0.0	0.1	0.3
Book value at end of period	286.9	219.1	229.3

Investment commitments for intangible assets	0.5	2.9	3.3
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Tangible assets and investment property

Book value, Jan 1	95.5	100.6	100.6
Currency translation adjustment	-0.6	0.7	0.3
Acquisitions and divestments	10.9		
Additions	9.6	5.5	12.9
Depreciation and impairment	-8.8	-8.8	-17.1
Decreases and transfers	-0.0	-0.8	-1.3
Book value at end of period	106.5	97.2	95.5

Investment commitments for property, plant and equipment	6.1	2.7	7.6
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CONTINGENCIES AND PLEDGED ASSETS

6/2013 6/2012 12/2012

EUR million**As security for own commitments**

Lease commitments	47.9	44.1	41.3
Other contingencies	2.5	2.7	1.8
Total	50.4	46.8	43.1

Guarantees as security for third-party commitments

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

As security for subsidiaries' commitments

Guarantees	15.4	14.0	12.2
Total	65.8	60.7	55.2

Litigation

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

DERIVATIVES

6/2013 6/2012 12/2012

EUR million**Nominal amounts of derivatives**

Foreign exchange forwards and swaps	137.0	178.8	107.4
Foreign exchange options	2.9		
Interest rate swaps	45.9	32.5	32.5
Electricity forward agreements	2.4	2.6	2.9

Market value vs. nominal amounts of derivatives

Foreign exchange forwards and swaps	0.2	-0.7	0.4
Foreign exchange options	0.6		
Interest rate swaps	-2.7	-1.4	-1.9
Electricity forward agreements	-0.4	-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, NOK and JPY against EUR and appreciation of USD against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	USD	SEK	NOK	JPY
Operational currency position	-27.2	20.4	14.9	10.0
Exchange rate sensitivity of the operations*	2.7	-2.0	-1.5	-1.0

* 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

6/2013

EUR million

	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			10.6	10.6
Other investments			5.0	5.0
Derivative assets		0.8		0.8
Total assets		0.8	15.5	16.3
Derivative liabilities		3.1		3.1
Total liabilities		3.1		3.1

6/2012

EUR million

	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			10.0	10.0
Other investments			1.2	1.2
Derivative assets		0.0		0.0
Total assets		0.0	11.1	11.1
Derivative liabilities		2.4		2.4
Total liabilities		2.4		2.4

12/2012

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

Fair value categories

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

Investments, hierarchy level 3

EUR million	At fair value through profit and loss	Other
Book value, 31 Dec, 2011	8.9	1.2
Additions	0.3	
Decreases	-0.0	-0.1
Change in fair value through profit and loss	0.9	
Book value, 30 Jun, 2012	10.0	1.2
Additions	0.0	
Decreases	-0.1	-0.3
Change in fair value through profit and loss	-0.2	
Book value, 31 Dec, 2012	9.7	0.8
Additions	0.1	0.0
Acquisitions	0.0	4.1
Change in fair value through profit and loss	0.8	
Book value, 30 Jun, 2013	10.6	5.0

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

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

RELATED PARTY TRANSACTIONS

The dividend from Wärsilä EUR 25.6 million is reported as Dividends received from associate in the Consolidated Statement of Cash Flows. The dividend was received during the first quarter of 2013.

ACQUISITIONS AND DIVESTMENTS

Acquisition of Royal Copenhagen

On January 4, 2013 Fiskars acquired 100% of the shares in Royal Copenhagen A/S and Royal Scandinavian Modern KK Japan from Royal Scandinavia A/S, whose controlling parent company was the Danish private equity group, Axcel. The total consideration payable (debt-free enterprise value) for the shares was DKK 490 million, equaling approximately EUR 66 million, less net debt and working capital adjustments as per closing of the transaction. The transaction was financed using Fiskars' existing credit programs.

Upon completion of the transaction, Royal Copenhagen became a part of Fiskars' Home business area. The acquisition is expected to have a positive effect on Fiskars Group's EBIT from 2013 onwards. As of the acquisition date, the consolidated statement of comprehensive income for the first half of 2013 includes EUR 31 million of net sales and EUR 1 million of loss for the period.

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

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

EUR million

Non-current assets

Intangible assets (excl. goodwill)	22.1
Property, plant & equipment	10.9
Financial assets	4.2
Deferred tax assets	11.8
Non-current assets total	48.9

Current assets

Inventories	7.9
Trade and other receivables	14.5
Cash and cash equivalents	2.7
Current assets total	25.1

Non-current liabilities

Interest-bearing liabilities	19.9
Non-interest-bearing liabilities	1.5
Deferred tax liabilities	5.5
Pension liability and provisions	2.8
Non-current liabilities total	29.7

Current liabilities

Interest-bearing debt	4.3
Trade payables and other current liabilities	14.5
Current liabilities total	18.9

Non-controlling interests*

0.8

Net assets	24.6
Consideration transferred	52.0
Goodwill	27.4

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

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

There have been no divestments in the reporting period.

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

Sale of part of Wärtsilä shares

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

