

# Q3

INTERIM REPORT  
JANUARY 1 –  
SEPTEMBER 30, 2011



Helsinki, October 27, 2011

**FISKARS**

## Third quarter: Net sales and operating profit up

### Third quarter 2011 in brief:

- Net sales increased 4% to EUR 165.3 million (Q3 2010: 159.5)
- At comparable currency rates, net sales increased 6%, and, excluding Silva in Q3 2010, 9 %
- Operating profit excluding non-recurring items increased 2% to EUR 13.1 million (12.9)
- Operating profit (EBIT) decreased 47% to EUR 6.8 million (12.9), mainly due to the non-recurring sales loss related to the divestment of Silva
- Earnings per share were EUR 0.17 (0.29)
- Cash flow from operating activities was EUR 25.3 million (18.3)
- Outlook for 2011 unchanged: full-year net sales and operating profit excluding non-recurring items are expected to increase compared to 2010

### Fiskars President and CEO, Kari Kauniskangas:

"Fiskars' net sales continued to grow during the third quarter, and many of our businesses strengthened their position. Given the challenging market conditions and the divestment of Silva in July, I am very pleased with our sales performance. Our business has so far been relatively resilient to the economic downturn, thanks to our strong brands and products that cater to both consumers' needs and passions.

Our operating profit excluding non-recurring items remained at last year's level, despite increases in raw material costs and the weakening of the US dollar.

Moving into the important holiday season, our focus is on securing sales in an uncertain economic environment. We are keeping our full-year guidance unchanged and expect full-year net sales and operating profit excluding non-recurring items to be above 2010 levels."

### Group key figures

EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Net sales	165.3	159.5	4%	555.2	525.3	6%	715.9
Operating profit (EBIT)*	6.8	12.9	-47%	42.1	47.7	-12%	49.1
Operating profit excluding non-recurring items	13.1	12.9	2%	48.4	47.7	1%	60.4
Share of profit from associated company	7.5	17.3	-56%	29.3	35.9	-18%	65.9
Change in the fair value of standing timber	-0.1	-0.6		-0.9	-1.8		-2.2
Profit before taxes**	14.8	26.6	-44%	138.3	76.3	81%	106.7
Profit for the period**	13.6	24.1	-43%	129.7	65.4	98%	94.3
Earnings per share, EUR	0.17	0.29		1.58	0.80		1.15
Equity per share, EUR				6.37	6.57	-3%	6.76
Cash flow from operating activities***	25.3	18.3	38%	65.5	63.0	4%	92.6
Equity ratio, %				57%	55%		57%
Net gearing, %				36%	41%		36%
Capital expenditure	4.6	3.5	33%	14.9	11.0	35%	18.6
Personnel (FTE), average	3,463	3,631	-5%	3,606	3,594	0%	3,612

\* Including a non-recurring loss of EUR 5.3 million related to the sale of Silva and a EUR 1.1 million non-recurring loss related to product recalls in Q3 2011

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

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

### Further information:

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

### News conference:

An analyst and press conference on the third quarter results will be held on October 27, 2011, at 10:00 am at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available at [www.fiskarsgroup.com](http://www.fiskarsgroup.com).

# FISKARS' INTERIM REPORT, JANUARY - SEPTEMBER 2011

## GROUP PERFORMANCE

### Operating environment in Q3 2011

The economic environment remained uncertain during the third quarter and predicting the business environment remained challenging.

In Europe, consumer confidence has declined steeply in Fiskars' main markets and consumer demand seemed to slow in the Nordic countries. The retail environment remained soft in most European markets and retailers were reluctant to increase their stock levels. Trade was increasingly cautious and tended to focus on working capital.

In North America, consumer sentiment remained low amid uncertainty surrounding the weakening economic outlook. The buying power and confidence of middle-class consumers was simultaneously eroding, and increasingly frugal shoppers were making fewer trips to stores and hunting for bargains. U.S. retailers were keeping stock levels tight and putting off additional buying decisions until they see signs of consumer spending.

### Net sales and operating profit

In the third quarter of 2011 Fiskars' consolidated net sales increased by 4% to EUR 165.3 million (Q3 2010: EUR 159.5 million) despite the divestment of Silva, which was made during the quarter. Using comparable exchange rates, consolidated net sales increased by 6% and comparable sales (excluding Silva in Q3 2010) increased 9 %. Both segments contributed to the sales increase, led by the Garden business in EMEA and the Outdoor business in the Americas.

In January - September, Fiskars' net sales increased by 6% to EUR 555.2 million (Q1-Q3 2010: EUR 525.3 million). Using comparable exchange rates, consolidated net sales increased by 7%.

Net sales, EUR million	Q3 2011	Q3 2010	Change	Change cn*	Q1-Q3 2011	Q1-Q3 2010	Change	Change cn*	2010
Group	165.3	159.5	4%	6%	555.2	525.3	6%	7%	715.9
EMEA	113.7	112.2	1%	1%	385.2	359.1	7%	6%	502.4
Americas	52.0	49.2	6%	15%	175.6	172.7	2%	9%	223.1

\* currency neutral

Net sales for EMEA (Europe, Middle East, and Asia-Pacific) between July and September totaled EUR 113.7 million (Q3 2010: 112.2), and EUR 52.0 million (49.2) for the Americas.

In January - September, net sales for EMEA amounted to EUR 385.2 million (Q1-Q3 2010: 359.1) and for the Americas to EUR 175.6 million (172.7).

Operating profit (EBIT), EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Group	6.8	12.9	-47%	42.1	47.7	-12%	49.1
EMEA	4.6	9.3	-51%	25.4	33.3	-24%	33.1
Americas	4.5	5.4	-16%	23.8	22.8	5%	28.1
Other	-2.3	-1.8		-7.1	-8.4		-12.1

Excluding non-recurring items, third quarter operating profit amounted to EUR 13.1 million (12.9). As a result of the non-recurring loss related to the sale of the Silva business and non-recurring product recall costs, third quarter operating profit decreased by 47% to EUR 6.8 million (Q3 2010: 12.9).

Excluding non-recurring items, operating profit for EMEA increased to EUR 9.9 million. Weighed by the non-recurring loss related to the sale of Silva, the operating profit for EMEA decreased by 51% to EUR 4.6 million (9.3) for the quarter. Excluding non-recurring items, operating profit for the Americas increased to EUR 5.5 million despite weakening of the US dollar. In the Americas, Fiskars recorded a EUR 1.1 million non-recurring product recall cost during the quarter and operating profit for the segment decreased by 16%, amounting to EUR 4.5 million (5.4).

In January - September, the Group's operating profit excluding non-recurring items grew to EUR 48.4 million. Including non-recurring items, operating profit decreased by 12% to EUR 42.1 million (Q1-Q3 2010: 47.7). Fiskars recorded an operating profit for EMEA of EUR 25.4 million for the period (33.3), a decrease of 24%. Operating profit for the Americas increased by 5% and amounted to EUR 23.8 million (22.8).

### **Financial items and net result**

Fiskars' share of profit from its associated company, Wärtsilä, during the third quarter was EUR 7.5 million (17.3), and in January - September EUR 29.3 million (35.9). The change in the fair value of standing timber was EUR -0.1 million (-0.6) in July - September and EUR -0.9 (-1.8) million in January - September.

Third quarter net financial items totaled EUR 0.6 million (-2.9), including gains of EUR 2.9 million related to the fair value of currency derivatives. Fiskars does not apply hedge accounting to the valuation of currency derivatives. Financial expenses excluding fair value gains came in at EUR 2.3 million.

Profit before taxes was EUR 14.8 million (26.6) and earnings per share were EUR 0.17 (0.29) in July-September.

In January - September, net financial costs totaled EUR 2.0 million (5.5) and profit before taxes was EUR 138.3 million (76.3). In Q1 2011, Fiskars recorded a profit of EUR 69.8 million from the sale of part of its shareholding in Wärtsilä. Earnings per share were EUR 1.58 (0.80) in January - September.

### **Cash flow, balance sheet, and financing**

Third quarter cash flow from operating activities was EUR 25.3 million (18.3). Cash flow from investing activities was EUR 0.9 million (-3.5) and cash flow after investing activities was EUR 26.2 million (14.8) in the third quarter. On July 8, 2011, Fiskars' wholly owned subsidiary, Avlis AB, divested its subsidiary Silva Sweden AB. The sale had a positive impact on cash flow from investment activities of approximately EUR 5.0 million during the third quarter.

In January - September, cash flow from operating activities was EUR 65.5 million (63.0). The first quarter cash flow includes dividends paid by the associated company, Wärtsilä, totaling EUR 40.9 million (29.5). Cash flow from investing activities was EUR 100.6 million (-8.7) during the first nine months. Cash flow from investing activities during the first quarter includes proceeds from the sale of Wärtsilä shares totaling EUR 109.7 million. Cash flow after investing activities was EUR 166.1 million (54.3) in January - September.

Capital expenditure totaled EUR 4.6 million (3.5) in the third quarter. The investments were mainly related to capacity expansion and new product development. Capital expenditure in January - September totaled EUR 14.9 million (11.0).

Depreciation was EUR 5.2 million (5.9) in the third quarter and EUR 16.0 million (17.5) in January - September.

Fiskars' working capital totaled EUR 111.6 million (114.7) at the end of September. The equity ratio increased to 57% (55%) and net gearing was 36% (41%).

Cash and cash equivalents at the end of the period totaled EUR 4.7 million (5.2). Net interest-bearing debt amounted to EUR 186.1 million (221.7). Short-term borrowing totaled EUR 116.7 million (151.2) and long-term borrowing EUR 74.7 million (76.1). Short-term borrowing mainly consists of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 455 million (405) in unused, committed long-term credit facilities with Nordic banks.

On August 10, 2011, Fiskars signed a EUR 100 million revolving credit facility, which replaced the company's existing EUR 50 million revolving credit facility signed in November 2007. The new facility has a tenor of five years and serves for general corporate purposes.

### **Divestment of Silva**

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

As a result of the sale of Silva, Fiskars recorded a non-recurring operating loss of EUR 5.3 million in its third-quarter results. The sale had a positive impact on cash flow from investment activities of EUR 5.0 million during the quarter. Silva's sales peak towards the end of the year, and the sale will reduce Fiskars' net sales during the second half of 2011 by around EUR 12 million and operating profit by around EUR 1 million.

## Research and development

The Group's research and development expenditure totaled EUR 1.7 million (2.0) in the third quarter, equivalent to 1.0% (1.3%) of net sales. During January - September, research and development expenditure totaled EUR 6.2 million (6.0).

## Personnel

The Group employed an average of 3,463 (3,631) full-time equivalent (FTE) employees in the third quarter, of which 2,719 (2,858) were in EMEA, 556 (610) in the Americas, and 188 (164) in Other.

In January - September, the Group employed an average of 3,606 (3,594) FTE employees. At the end of September, the Group had a total of 3,623 employees (3,899) on the payroll, of whom 1,687 (1,617) were located in Finland. The decrease in the number of employees is mainly due to the divestment of the Silva business in July, 2011.

Personnel (FTE), average	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Group	3,463	3,631	-5%	3,606	3,594	0%	3,612
EMEA	2,719	2,858	-5%	2,862	2,848	0%	2,864
Americas	556	610	-9%	566	599	-6%	597
Other	188	164	15%	179	148	21%	151

## OPERATING SEGMENTS AND BUSINESS AREAS

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

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

## Business areas in Q3 2011

Net sales, EUR million	Q3 2011	Q3 2010	Change	Change cn *	Q1-Q3 2011	Q1-Q3 2010	Change	Change cn *	2010
Home	77.3	78.8	-2%	-1%	213.7	213.8	0%	1%	309.4
Garden	58.4	50.0	17%	20%	235.1	217.7	8%	9%	274.5
Outdoor	28.6	29.5	-3%	2%	103.3	91.0	13%	18%	128.3

\*) currency neutral

## EMEA in Q3 2011

EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Net sales	113.7	112.2	1%	385.2	359.1	7%	502.4
Operating profit	4.6	9.3	-51%	25.4	33.3	-24%	33.1
Capital expenditure	2.1	2.7	-25%	9.4	7.4	27%	12.9
Personnel (FTE), average	2,719	2,858	-5%	2,862	2,848	0%	2,864

Driven by the Garden business, net sales in EMEA increased 1% to EUR 113.7 million (112.2), despite the Silva divestment in July, 2011.

Net sales of homeware products were flat during the quarter, with the main markets remaining at or below 2010 levels. Net sales for the school, office and craft products were higher than in the third quarter of 2010.

Net sales in the Garden business increased, driven by increased distribution and sales of snow tools, which strengthened Fiskars' position in several key markets. Other categories also performed well during the quarter.

Outdoor sales decreased significantly due to the divestment of the Silva business in July, 2011. Boat sales grew, and Buster continued to gain market share.

The segment recorded an operating profit excluding non-recurring items of EUR 9.9 million (9.3).

### Americas in Q3 2011

EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Net sales	52.0	49.2	6%	175.6	172.7	2%	223.1
Operating profit	4.5	5.4	-16%	23.8	22.8	5%	28.1
Capital expenditure	1.3	0.6	101%	2.8	2.8	1%	3.4
Personnel (FTE), average	556	610	-9%	566	599	-6%	597

Net sales in the Americas increased 6% to EUR 52.0 million (49.2), with good development across all businesses, led by Outdoor. Using comparable currency rates, sales increased by 15%.

Garden net sales grew, driven by successful cutting tool campaigns. Lawn-mowers continued to perform well.

Growth in net sales for school, office, and craft (SOC) products continued based on good back-to-school sales and successful listings.

The Outdoor business area continued its strong growth, driving gains within the knife, multi-tool and equipment categories. Institutional sales performed above 2010 levels.

The segment's operating profit excluding non-recurring items was EUR 5.5 million (5.4). Strong performance in Outdoor contributed to this development. The segment recorded a EUR 1.1 million non-recurring loss related to a product recall of Garden outdoor power equipment.

### Other in Q3 2011

EUR million	Q3 2011	Q3 2010	Change	Q1-Q3 2011	Q1-Q3 2010	Change	2010
Net sales	1.6	1.7	-10%	4.7	4.6	2%	6.2
Operating profit	-2.3	-1.8		-7.1	-8.4		-12.1
Capital expenditure	1.3	0.1		2.7	0.9		2.3
Personnel (FTE), average	188	164	15%	179	148	21%	151

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

Net sales were EUR 1.6 million (1.7) in the third quarter and EUR 4.7 million (4.6) for January - September, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -2.3 million (-1.8) and EUR -7.1 million (-8.4) for January - September.

### Wärtsilä

Fiskars holds 15.1% (17.1%) of the shares and votes of its associated company, Wärtsilä Corporation. Fiskars' share of Wärtsilä's profit totaled EUR 7.5 million (17.3) during the third quarter and EUR 29.3 million (35.9) in January - September. In the end of September, the market value of Fiskars' Wärtsilä shares was EUR 532.7 million (806.4) or EUR 6.50 (9.85) per Fiskars share, with a closing price of EUR 17.91 (47.87 or 23.94, split-adjusted) per Wärtsilä share. The book value of these shares in the consolidated balance sheet was EUR 287.3 million (326.9).

### Share and shareholders

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

The total number of shares at the end of the period was 82,023,341, including 118,099 (112,619) treasury shares. Treasury shares correspond to 0.14% (0.14%) of the Corporation's shares and votes. The share capital remained unchanged at EUR 77,510,200.

On August 11, 2011, the Board of Directors decided to utilize the authorization given by the Annual General Meeting on March 16, 2011 to acquire the company's own shares. The maximum number of shares to be acquired is 100,000, corresponding to less than 1% of the total number of shares. The share buyback will end by the end of the next Annual General Meeting in 2012 at the latest. The shares will be acquired in public trading on the NASDAQ OMX Helsinki exchange. Fiskars acquired a total of 5,480 of its own shares during the third quarter.

Fiskars shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. The average share price during the quarter was EUR 14.00 (13.11). At the end of September, the closing price was EUR 14.15 (14.26) per share and Fiskars had a market capitalization of EUR 1,159.0 million (1,168.0), excluding treasury shares. The number of shares traded during January - September was 4.9 million (3.5), which is 6.0% (4.3%) of the number of shares.

The total number of shareholders was 14,914 (12,102) as of the end of September. Fiskars was not informed of any significant change among its largest shareholders during the quarter.

### **Risks and business uncertainties**

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

### **Outlook for 2011**

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

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

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

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

Helsinki, Finland, October 26, 2011

### **FISKARS CORPORATION**

Board of Directors

**CONSOLIDATED INCOME STATEMENT**

	7-9	7-9	Change	1-9	1-9	Change	1-12
M€	2011	2010	%	2011	2010	%	2010
<b>Net sales</b>	165.3	159.5	4	555.2	525.3	6	715.9
Cost of goods sold	-109.5	-101.0	8	-363.3	-336.9	8	-462.3
<b>Gross profit</b>	55.8	58.5	-5	192.0	188.5	2	253.6
Other operating income	0.3	0.4		1.3	1.7		2.1
Sales and marketing expenses	-28.1	-28.5	-1	-93.6	-88.7	5	-122.4
Administration expenses	-13.7	-15.3	-10	-45.6	-47.6	-4	-64.1
Research and development costs	-1.7	-2.0	-14	-6.2	-6.0	2	-8.5
Other operating expenses	-5.7	-0.2		-5.8	-0.2		-0.3
Goodwill impairment	0.0			0.0			-11.3
<b>Operating profit (EBIT)</b>	6.8	12.9	-47	42.1	47.7	-12	49.1
Change in fair value of biological assets	-0.1	-0.6		-0.9	-1.8		-2.2
Share of profit from associate	7.5	17.3	-56	29.3	35.9	-18	65.9
Gain on sale of associate shares	0.0			69.8			
Other financial income and expenses	0.6	-2.9		-2.0	-5.5	-64	-6.1
<b>Profit before taxes</b>	14.8	26.6	-44	138.3	76.3	81	106.7
Income taxes	-1.2	-2.6		-8.6	-11.0		-12.4
<b>Profit for the period</b>	<b>13.6</b>	<b>24.1</b>	<b>-43</b>	<b>129.7</b>	<b>65.4</b>	<b>98</b>	<b>94.3</b>

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

0.17	0.29	1.58	0.80	1.15
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**OTHER COMPREHENSIVE INCOME**

	7-9	7-9	1-9	1-9	1-12
M€	2011	2010	2011	2010	2010
Profit for the period	13.6	24.1	129.7	65.4	94.3
Translation differences	6.7	-11.1	-2.0	7.4	10.1
transferred to income statement	-0.5	0.0	-0.5	0.0	0.0
Change in associate recognized directly in other comprehensive income	-2.1	0.0	-2.1	3.8	-12.5
transferred to income statement	0.0		-0.4		
Cash flow hedges	-0.6	-0.2	-0.4	-0.6	-0.1
Defined benefit plan, actuarial gains (losses), net of tax	0.0	0.0	0.0	0.0	-0.5
Other comprehensive income for the period, net of tax, in total	3.6	-11.3	-5.4	10.6	-3.1
<b>Total comprehensive income for the period</b>	<b>17.2</b>	<b>12.8</b>	<b>124.3</b>	<b>75.9</b>	<b>91.2</b>



**CONSOLIDATED BALANCE SHEET**

	9/2011	9/2010	Change %	12/2010
<b>M€</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	88.2	99.8	-12	88.6
Other intangible assets	118.8	126.3	-6	125.4
Property, plant & equipment	95.0	92.4	3	95.0
Biological assets	35.8	37.1	-4	36.7
Investment property	7.1	7.8	-8	7.6
Investments in associates	287.3	326.9	-12	341.0
Financial assets				
Shares at fair value through profit and loss	6.7	3.5	91	6.7
Other investments	1.3	1.8	-24	1.6
Deferred tax assets	18.6	15.5	20	15.2
<b>Non-current assets total</b>	<b>658.8</b>	<b>711.0</b>	<b>-7</b>	<b>717.7</b>
<b>Current assets</b>				
Inventories	126.7	140.2	-10	133.0
Trade and other receivables	125.6	108.3	16	119.6
Income tax receivables	7.8	6.2	26	3.0
Cash and cash equivalents	4.7	5.2	-10	5.8
<b>Current assets, total</b>	<b>264.7</b>	<b>259.9</b>	<b>2</b>	<b>261.3</b>
<b>Assets total</b>	<b>923.5</b>	<b>970.9</b>	<b>-5</b>	<b>979.0</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to the owners of the Company	522.1	538.1	-3	553.5
<b>Equity total</b>	<b>522.1</b>	<b>538.1</b>	<b>-3</b>	<b>553.5</b>
<b>Non-current liabilities</b>				
Interest bearing debt	74.7	76.1	-2	76.2
Other liabilities	3.4	2.4	42	2.8
Deferred tax liabilities	43.8	46.5	-6	45.8
Pension liability	7.9	8.8	-11	8.7
Provisions	4.9	5.2	-5	5.2
<b>Non-current liabilities total</b>	<b>134.8</b>	<b>139.1</b>	<b>-3</b>	<b>138.7</b>
<b>Current liabilities</b>				
Interest bearing debt	116.7	151.2	-23	130.1
Provisions	1.8	2.5	-28	2.5
Trade and other payables	133.8	130.2	3	146.6
Income tax payable	14.5	9.9	47	7.6
<b>Current liabilities total</b>	<b>266.7</b>	<b>293.7</b>	<b>-9</b>	<b>286.8</b>
<b>Equity and liabilities total</b>	<b>923.5</b>	<b>970.9</b>	<b>-5</b>	<b>979.0</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

<b>M€</b>	<b>7-9 2011</b>	<b>7-9 2010</b>	<b>1-9 2011</b>	<b>1-9 2010</b>	<b>1-12 2010</b>
<b>Cash flow from operating activities</b>					
Profit before taxes	14.8	26.6	138.3	76.3	106.7
Adjustments for					
Depreciation	5.2	5.9	16.0	17.5	34.9
Share of profit from associate	-7.5	-17.3	-29.3	-35.9	-65.9
Gain on sale of associated shares	0.0		-69.8		
Investment income	5.6	0.1	5.5	-0.8	-0.7
Interest expenses	-0.6	2.9	2.0	5.5	6.3
Change in fair value of biological assets	0.1	0.6	0.9	1.8	2.2
Change in provisions and other non-cash items	-2.2	-3.0	-4.0	-4.8	-6.8
Cash flow before changes in working capital	15.3	15.9	59.7	59.7	76.6
Changes in working capital					
Change in current assets, non-interest bearing	17.8	19.7	-9.3	-1.4	-10.9
Change in inventories	8.1	-6.2	-0.7	-15.4	-6.4
Change in current liabilities, non-interest bearing	-10.0	-7.4	-8.1	5.3	23.0
Cash flow from operating activities before financial items and taxes	31.3	21.9	41.6	48.2	82.3
Dividends from associate	0.0	0.0	40.9	29.5	29.5
Financial costs paid (net)	-1.8	-1.5	-4.8	-6.6	-10.3
Taxes paid	-4.2	-2.1	-12.2	-8.1	-8.9
<b>Cash flow from operating activities (A)</b>	<b>25.3</b>	<b>18.3</b>	<b>65.5</b>	<b>63.0</b>	<b>92.6</b>
<b>Cash flow from investing activities</b>					
Acquisitions and investments in financial assets	0.0		-0.1		-3.5
Capital expenditure on fixed assets	-4.5	-3.7	-14.8	-11.1	-18.5
Proceeds from sale of fixed assets	0.2	0.2	0.4	2.6	3.0
Sale of shares in associated			109.7		
Sale of shares in subsidiaries	5.0		5.0		
Cash flow from other investments	0.2	0.0	0.2	-0.2	0.2
<b>Cash flow from investing activities (B)</b>	<b>0.9</b>	<b>-3.5</b>	<b>100.6</b>	<b>-8.7</b>	<b>-18.8</b>
<b>Cash flow from financing activities</b>					
Borrowings of non-current debt	0.0	1.2	0.1	1.2	1.5
Repayment of non-current debt	0.0	0.0	0.0	-0.3	-15.6
Change in current debt	-26.7	-21.9	-10.2	-44.6	-48.4
Payment of financial lease liabilities	-0.4	-0.4	-1.1	-1.2	-1.6
Cash flow from other financing items	0.6	1.1	-0.1	-0.3	-0.4
Dividends paid			-155.6	-42.6	-42.6
<b>Cash flow from financing activities (C)</b>	<b>-26.5</b>	<b>-20.0</b>	<b>-167.0</b>	<b>-87.8</b>	<b>-107.1</b>
<b>Change in cash (A+B+C)</b>	<b>-0.4</b>	<b>-5.2</b>	<b>-1.0</b>	<b>-33.5</b>	<b>-33.4</b>
Cash at beginning of period	5.0	10.8	5.8	38.6	38.6
Translation difference	0.0	-0.4	-0.2	0.0	0.5
Cash at end of period	4.7	5.2	4.7	5.2	5.8

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**

<b>M€</b>	Share capital	Treasury shares	Cumul. transl.diff.	Retained earnings	Total
<b>Dec 31, 2009</b>	<b>77.5</b>	<b>-0.8</b>	<b>-12.8</b>	<b>440.9</b>	<b>504.8</b>
Total comprehensive income for the period		0.0	9.3	66.6	75.9
Dividends paid				-42.6	-42.6
<b>Sep 30, 2010</b>	<b>77.5</b>	<b>-0.8</b>	<b>-3.5</b>	<b>464.9</b>	<b>538.1</b>
Total comprehensive income for the period			3.1	12.2	15.3
Dividends paid				0.0	0.0
<b>Dec 31, 2010</b>	<b>77.5</b>	<b>-0.8</b>	<b>-0.3</b>	<b>477.1</b>	<b>553.5</b>
Total comprehensive income for the period			-4.0	128.3	124.3
Increase of treasury shares		-0.1			-0.1
Dividends paid				-155.6	-155.6
<b>Sep 30, 2011</b>	<b>77.5</b>	<b>-0.9</b>	<b>-4.3</b>	<b>449.8</b>	<b>522.1</b>

**KEY FIGURES \***

	9/2011	9/2010	Change %	12/2010
Equity/share, euro	6.37	6.57	-3	6.76
Equity ratio	57%	55%	2	57%
Net gearing	36%	41%	-13	36%
Net interest bearing debt, EUR million	186.1	221.7	-16	200.0
Personnel (FTE), average	3,606	3,594	0	3,612
Personnel, end of period	3,623	3,899	-7	3,944
Number of shares outstanding end of period and in average, in thousands **	81,905	81,911		81,911

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

\*\*) Excluding treasury shares

**Currency rates**

	1-9 2011	1-9 2010	Change %	1-12 2010
USD average rate	1.41	1.32	7	1.33
USD end-of-period	1.35	1.36	-1	1.34

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

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

The Group has implemented new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2011. Of these the most important are:

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

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

**Use of estimates:**

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

**OPERATING SEGMENTS**

<b>M€</b>	7-9 2011	7-9 2010	Change %	1-9 2011	1-9 2010	Change %	1-12 2010
<b>Net sales</b>							
EMEA	113.7	112.2	1	385.2	359.1	7	502.4
Americas	52.0	49.2	6	175.6	172.7	2	223.1
Other	1.6	1.7	-10	4.7	4.6	2	6.2
Inter-segment sales *)	-2.0	-3.7		-10.3	-11.0		-15.8
<b>GROUP TOTAL</b>	<b>165.3</b>	<b>159.5</b>	<b>4</b>	<b>555.2</b>	<b>525.3</b>	<b>6</b>	<b>715.9</b>
<b>Operating profit (EBIT)</b>							
EMEA	4.6	9.3	-51	25.4	33.3	-24	33.1
Americas	4.5	5.4	-16	23.8	22.8	5	28.1
Other and eliminations	-2.3	-1.8		-7.1	-8.4		-12.1
<b>GROUP TOTAL</b>	<b>6.8</b>	<b>12.9</b>	<b>-47</b>	<b>42.1</b>	<b>47.7</b>	<b>-12</b>	<b>49.1</b>
<b>Depreciation, amortization and impairment</b>							
EMEA	3.7	4.0	-7	11.4	12.0	-5	27.5
Americas	1.0	1.5	-32	3.2	4.2	-24	5.6
Other and eliminations	0.4	0.4		1.3	1.4		1.8
<b>GROUP TOTAL</b>	<b>5.2</b>	<b>5.9</b>	<b>-13</b>	<b>16.0</b>	<b>17.5</b>	<b>-9</b>	<b>34.9</b>
<b>Capital expenditure</b>							
EMEA	2.1	2.7	-25	9.4	7.4	27	12.9
Americas	1.3	0.6	101	2.8	2.8	1	3.4
Other and eliminations	1.3	0.1		2.7	0.9		2.3
<b>GROUP TOTAL</b>	<b>4.6</b>	<b>3.5</b>	<b>33</b>	<b>14.9</b>	<b>11.0</b>	<b>35</b>	<b>18.6</b>
*) Inter-segment sales							
EMEA	-1.0	-1.8		-5.2	-6.2		-9.4
Americas	-0.5	-1.3		-3.4	-3.0		-4.0
Other	-0.5	-0.6		-1.6	-1.8		-2.4

**Order book**

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

**BUSINESS AREAS**

<b>M€</b>	7-9 2011	7-9 2010	Change %	1-9 2011	1-9 2010	Change %	1-12 2010
<b>Net sales</b>							
Home	77.3	78.8	-2	213.7	213.8	0	309.4
Garden	58.4	50.0	17	235.1	217.7	8	274.5
Outdoor	28.6	29.5	-3	103.3	91.0	13	128.3
Other	1.0	1.1		3.1	2.8		3.8
<b>GROUP TOTAL</b>	<b>165.3</b>	<b>159.5</b>	<b>4</b>	<b>555.2</b>	<b>525.3</b>	<b>6</b>	<b>715.9</b>

**INTANGIBLE AND TANGIBLE ASSETS**

9/2011 9/2010 12/2010

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

Book value, Jan. 1	214.0	224.4	224.4
Currency translation adjustment	-0.3	0.3	1.2
Acquisitions and divestments	-3.7	0.3	0.0
Additions	0.7	0.9	1.2
Amortization and impairment	-4.0	-4.3	-17.2
Decreases and transfers	0.3	4.5	4.4
<b>Book value at end of period</b>	<b>207.0</b>	<b>226.0</b>	<b>214.0</b>

Investment commitments for intangible assets 1.1

**Tangible assets and investment property**

Book value, Jan. 1	102.5	108.0	108.0
Currency translation adjustment	-0.8	1.5	2.0
Acquisitions and divestments	-0.8	0.4	0.0
Additions	14.2	10.2	17.4
Depreciation and impairment	-12.2	-13.5	-17.7
Decreases and transfers	-0.8	-6.4	-7.1
<b>Book value at end of period</b>	<b>102.1</b>	<b>100.2</b>	<b>102.5</b>

Investment commitments for property, plant and equipment 0.8

**CONTINGENCIES AND PLEDGED ASSETS**

9/2011 9/2010 12/2010

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

Lease commitments	46	47	54
Other contingencies	2	5	1
<b>Total</b>	<b>48</b>	<b>52</b>	<b>55</b>

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

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

**As security for subsidiaries' commitments**

Guarantees	11	10	9
<b>Total</b>	<b>59</b>	<b>62</b>	<b>64</b>

**Litigation**

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

**DERIVATIVES**

	9/2011	9/2010	12/2010
<b>M€</b>			
<b>Nominal amounts of derivatives</b>			
Forward exchange contracts	234	184	187
Interest rate swaps	23	24	24
Electricity forward agreements	3	2	2
<b>Market value vs. nominal amounts of derivatives</b>			
Forward exchange contracts	1	-1	1
Interest rate swaps	-1	-1	0
Electricity forward agreements	0	0	1

Forward exchange contracts have been valued at market value.

**EXCHANGE RATE SENSITIVITY OF THE OPERATIONS**

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

<b>M€</b>	USD	GBP	SEK	CAD
Operational currency position	-23.8	8.1	17.4	5.8
Exchange rate sensitivity of the operations*	2.4	-0.8	-1.7	-0.6

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

**RELATED PARTY TRANSACTIONS**

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

**ACQUISITIONS AND DIVESTMENTS****Sale of part of Wärtsilä shares**

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

There were no acquisitions or divestments in 2010.

**Divestment of Silva Sweden AB shares**

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

Fiskars recorded a non-recurring sales loss of EUR 5.3 million in the third quarter results and EUR 1 million positive effect in the income taxes for the period. The disposed cash assets were EUR 0.1 million, intangible and tangible asset EUR 4.5 million and net working capital EUR 6.0 million. The sale of the shares has a total positive impact on cash flow from investment activities of EUR 6.3 million. Part of the sales price (EUR 1.3 million) will be paid in the forth quarter.

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

