

2013

FINANCIAL STATEMENTS RELEASE

JANUARY 1 - DECEMBER 31, 2013



Helsinki, February 7, 2014

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Fiskars year 2013: Strong financial result, transformation programs on track

2013 in brief:

- Net sales increased 7% to EUR 798.6 million (2012: 747.8)
- Comparable net sales (currency neutral and excluding Royal Copenhagen) decreased 2%
- Operating profit (EBIT) decreased 4% to EUR 61.0 million (63.9)
- Operating profit excluding non-recurring items increased 17% to EUR 73.8 million (63.1)
- Cash flow from operating activities was EUR 81.0 million (95.0)
- Earnings per share were EUR 1.14 (2.18, incl. EUR 1.06 from the sale of Wärtsilä shares)
- The Board proposes a dividend of EUR 0.67 per share (0.65)
- Outlook for 2014: 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 due to planned growth initiatives and increased depreciation and amortization

Fourth quarter 2013 in brief:

- Net sales increased 12% to EUR 212.6 million (Q4 2012: 190.3)
- At comparable currency rates and excluding Royal Copenhagen, net sales increased 1%
- Operating profit (EBIT) decreased 11% to EUR 11.7 million (13.0)
- Operating profit excluding non-recurring items increased 7% to EUR 14.0 million (13.0)
- Non-recurring restructuring costs related to the EMEA 2015 program totaled EUR 2.3 million
- Earnings per share were EUR 0.40 (0.39)
- Cash flow from operating activities was EUR 40.6 million (38.6)

Fiskars President and CEO, Kari Kauniskangas:

“In 2013, Fiskars once again delivered a strong financial performance – for the fourth year in a row we recorded the company’s best operating profit excluding non-recurring items – amidst volatile market conditions and while undergoing major structural changes and system implementations. In addition to Royal Copenhagen becoming part of the group, key contributing factors were focused cost management and development of the product offer.

From a sales perspective, our performance was mixed. Consolidated net sales increased, but comparable net sales were a disappointment, due to softness in the Outdoor business and adverse performance in Home categories. Finland, one of our biggest markets, was severely impacted by a weak retail environment and also by a major process and IT system change towards the end of the year. We outperformed and gained share in many markets, however, and I am especially proud of how our Garden business was able to recover after a weak spring selling season.

Fiskars transformation into an integrated consumer goods company is on track, but there is still much that we need to do to achieve our growth ambition. We believe that we have significant distribution gain potential in Central Europe, and our other growth engine will be the fast-growing markets in Eastern Europe and Asia-Pacific. To accelerate growth in these increasingly important markets, we plan to increase spending in the coming years in brand recognition across markets and in sales talent for the Asia-Pacific region. In addition we plan to invest in new category expansion ventures. These initiatives will affect our operating profit in the short term, but they will be key to unleashing the growth potential of our brand portfolio.

In 2014, there is no quick recovery in sight for the Finnish retail environment. Considering our exposure to Finland and the divestment of our UK-based pottery business at the end of 2013, we expect our full-year net sales for 2014 to remain at 2013 levels. Due to the planned growth initiatives and increasing depreciation and amortization related to our five-year investment program, operating profit excluding non-recurring items is expected to be at or slightly below 2013 levels.”

The full-year figures stated in this release are audited.

Group key figures

EUR million	Q4 2013	Q4 2012	Change	2013	2012	Change
Net sales	212.6	190.3	12%	798.6	747.8	7%
Operating profit (EBIT)	11.7	13.0	-11%	61.0	63.9	-4%
Non-recurring items*	-2.3			-12.8	0.8	
EBIT excl. non-recurring items	14.0	13.0	7%	73.8	63.1	17%
EBIT before depreciation, amortization and impairment (EBITDA) excl. non-recurring items	21.9	19.0	15%	98.1	84.9	15%
Share of profit from associated company	19.1	19.7	-3%	50.8	47.8	6%
Change in the fair value of biological assets	0.1	4.6	-98%	0.7	5.6	-87%
Profit before taxes**	29.8	37.0	-19%	108.3	200.4	-46%
Profit for the period**	32.7	31.9	3%	94.0	178.9	-47%
Earnings per share, EUR***	0.40	0.39	3%	1.14	2.18	-48%
Equity per share, EUR				7.71	7.56	2%
Cash flow from oper. act.****	40.6	38.6	5%	81.0	95.0	-15%
Equity ratio, %				61%	66%	
Net gearing, %				24%	12%	
Capital expenditure	8.4	11.6	-28%	37.2	32.8	14%
Personnel (FTE), average	4,092	3,324	23%	4,087	3,364	21%

* In Q4 2013 EMEA 2015 restructuring costs, FY 2013 EMEA 2015 restructuring costs and impairment charges and in 2012 release of a provision related to the sale of Silva in 2011

** Including non-recurring profit from the sale of Wärtsilä shares of EUR 87.0 million in 2012

*** Including EUR 1.06 from the sale of Wärtsilä shares in 2012

**** Including a Wärtsilä dividend of EUR 25.6 million in 2013 and EUR 26.8 million in 2012

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 fourth quarter and full year results will be held on February 7, 2014, 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 FINANCIAL STATEMENT RELEASE FOR 2013

The full-year figures stated in this release are audited.

GROUP PERFORMANCE

Operating environment in Q4 2013

Consumer confidence in the Nordic countries improved in the last quarter, except for Finland, where indicators were down and retail sales were low despite aggressive campaigning and pricing activities.

In North America, the year ended with positive signals from economic indicators, such as improving consumer confidence and employment rates. Holiday season sales experienced modest, campaign-driven growth. Inventory and purchasing control remained a priority among retailers.

Operating environment in 2013

In 2013, the market environment showed some signs of improvement in many European markets, with the exception of Finland, where the retail environment was weak and holiday season sales were challenging and price-driven. The European markets suffered from unusually poor weather in the important spring selling season, which reduced traffic in stores and which left its mark on the Garden retailer landscape. Overall consumer confidence was still low in many key markets and retailers were on the lookout for ways to decrease inventory risk and manage costs.

In North America, cold weather also lingered across the United States and spring sell-out from Garden retail was slow. Sentiment was more positive than in Europe, but riddled with volatility due to concerns about the economy. Government funding issues dampened institutional spending and added to general uncertainty.

Net sales and operating profit in Q4 2013

In the fourth quarter of 2013 Fiskars consolidated net sales increased by 12% to EUR 212.6 million (Q4 2012: EUR 190.3 million), with Royal Copenhagen accounting for the increase. Using comparable exchange rates, and excluding Royal Copenhagen, consolidated net sales increased by 1%.

Sales in EMEA (Europe, Middle East, and Asia-Pacific) increased by 20% to EUR 160.1 million (132.9) due to the acquisition of Royal Copenhagen, which became a part of the Group in January 2013. Comparable net sales, with comparable exchange rates and excluding Royal Copenhagen, increased 3%. Net sales for the Americas decreased by 6% EUR 55.1 million (58.5) due to weakening of the US dollar.

Net sales, EUR million	Q4 2013	Q4 2012	Change	Change cn*	2013	2012	Change	Change cn*
Group	212.6	190.3	12%	15%	798.6	747.8	7%	8%
EMEA	160.1	132.9	20%	23%	564.2	501.9	12%	13%
Americas	55.1	58.5	-6%	-1%	245.1	250.4	-2%	0%
Other	1.8	1.5	16%	16%	6.5	6.3	3%	3%

* currency neutral

Operating profit (EBIT), EUR million	Q4 2013	Q4 2012	Change	2013	2012	Change
Group	11.7	13.0	-11%	61.0	63.9	-4%
EMEA	11.8	10.9	9%	39.9	42.6	-6%
Americas	3.2	5.2	-39%	31.4	34.2	-8%
Other	-3.3	-3.1	9%	-10.3	-12.9	-20%

Fourth quarter operating profit totaled EUR 11.7 million, down 11% from the previous year as the company recorded EUR 2.3 million non-recurring costs in EMEA during the quarter and depreciation and amortization related to the five-year investment program increased. Excluding non-recurring items, operating profit increased by 7% to EUR 14.0 million (13.0), due to good development for Royal Copenhagen.

For EMEA, operating profit totaled EUR 11.8 million (10.9), up 9%. Excluding non-recurring restructuring costs, operating profit in EMEA increased by 30%. Operating profit for the Americas decreased by 39% and amounted to EUR 3.2 million (5.2), as a result of soft sales in the Garden and Outdoor businesses.

Net sales and operating profit in 2013

In 2013, Fiskars net sales increased by 7% to EUR 798.6 million (2012: EUR 747.8 million) mainly due to the acquisition of Royal Copenhagen. Comparable net sales, using comparable exchange rates and excluding Royal Copenhagen, decreased by 2%. Net sales for EMEA amounted to EUR 564.2 million (501.9). Comparable net sales in EMEA decreased by 1% due to decreased Home sales whereas comparable sales in the Americas remained flat. Net sales for the Americas totaled EUR 245.1 million (250.4).

The Group's operating profit excluding non-recurring items grew by 17% to EUR 73.8 million (63.1), reaching again an all-time high. This positive development was driven by the strong performance of Royal Copenhagen and supported by offer and cost management. The Group recorded a total of EUR 8.2 million EMEA 2015 restructuring costs and EUR 4.6 million impairment charges in EMEA during the year, which resulted in operating profit decreasing by 4% to EUR 61.0 million (63.9). The depreciation and amortization related to the five-year investment program in EMEA increased compared to previous year.

Operating profit for EMEA amounted to EUR 39.9 million for the year (42.6). Non-recurring costs amounted to EUR 12.8 million. In the Americas, operating profit for the segment decreased by 8% in 2013, totaling EUR 31.4 million (34.2). The contraction of outdoor sales contributed to the decrease in profit.

Financial items and net result in Q4 2013

In the fourth quarter, Fiskars share of the profit of its associated company, Wärtsilä, was EUR 19.1 million (Q4 2012: 19.7), and the change in the fair value of biological assets was EUR 0.1 million (4.6 due to inventory of forestry assets).

Fourth quarter net financial items totaled EUR -1.0 million (2012: -0.3).

Profit before taxes was EUR 29.8 million (37.0). Income taxes in Q4 were EUR 2.9 million positive (EUR -5.2 million negative), mainly because of the recalculation of deferred tax liabilities due to the announcement of a lower Finnish corporate tax rate for 2014. Earnings per share were EUR 0.40 (0.39).

Financial items and net result in 2013

Fiskars share of profit from its associated company, Wärtsilä, in 2013 was EUR 50.8 million (2012: 47.8). The change in the fair value of biological assets was EUR 0.7 million (5.6 due to inventory of forestry assets).

Net financial costs totaled EUR -4.3 million (-3.8). Profit before taxes was EUR 108.3 million (200.4, incl. EUR 87.0 million from the sale Wärtsilä shares). Income taxes for the entire year were EUR -14.3 million (-21.5). The main reason for the decrease was the recalculation of deferred tax liabilities due to the announcement of a lower Finnish corporate tax rate for 2014. Earnings per share were EUR 1.14 (2.18) for the financial year.

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 at 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 largest implementations took place in the third quarter of 2013. Around 60% of business volume targeted by the program is now running through common systems and processes. The implementations temporarily impacted sales and operational efficiency during the last quarter.

Fiskars estimates that annual investments in the program (including both operational and capital expenses) will decrease after 2013, whereas depreciation and amortization related to the program will increase gradually 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 was 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 8.2 million were recorded in 2013. They related to the relocation of the Swedish sales office, restructuring of the Group's manufacturing operations in Finland, restructuring of the Home business area and divestment of the UK-based Sankey pottery business and the reorganization of the Group's entities in Denmark.

As part of the program, Fiskars divested its local UK-based Sankey plastic pottery business and production at the end of the 2013. The divested business had sales of EUR 8.5 million in 2013.

To further improve efficiency and quality in the Group's manufacturing facilities, Fiskars is considering investments totaling over EUR 10 million in connection with the restructuring program.

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.

Impairment charges

Related to the divestment of the UK-based Sankey business and production, Fiskars recorded a goodwill impairment charge in EMEA of EUR 3.7 million in the third quarter of 2013. In addition, Fiskars recorded a real-estate write-down of EUR 0.9 million in the third quarter.

Cash flow, balance sheet, and financing in Q4 2013

Fourth-quarter cash flow from operating activities was EUR 40.6 million (Q4 2012: 38.6), including cash-based EMEA 2015 restructuring charges. Cash flow from investing activities was EUR -6.3 million (-11.6) and cash flow from financing activities was EUR -30.6 million (-15.2).

Capital expenditure totaled EUR 8.4 million (11.6). Expenditure was mainly related to replacements, new product development, and the platform investment program in EMEA. Depreciation, amortization and impairment were EUR 7.6 million (5.9) in the quarter.

Cash flow, balance sheet, and financing in 2013

Cash flow from operating activities was EUR 81.0 million (2012: 95.0), which was affected by cash-based EMEA 2015 restructuring charges. The cash flow includes dividends paid by the associated company, Wärtsilä, totaling EUR 25.6 million (26.8).

Cash flow from investing activities was EUR -84.6 million (94.5, including proceeds from the sale of Wärtsilä shares totaling EUR 126.4 million) during the year, which included the acquisition of Royal Copenhagen. Cash flow from financing activities was EUR -2.7 million (-179.2, including payment of extra dividend) for January–December 2013.

Capital expenditure in 2013 totaled EUR 37.2 million (32.8). The increase in capital expenditure is mostly related to replacement investments in glass production. The company also continued to invest in new product development. Investments related to the five-year investment program launched in EMEA decreased compared to 2012.

Depreciation, amortization and impairment were EUR 29.2 million (21.9) in 2013. The increase in depreciation and amortization was mostly related to the five-year investment program in EMEA.

Fiskars working capital totaled EUR 88.3 million (71.4) at the end of December. The increase in working capital can be attributed to the addition of Royal Copenhagen and an increase in trade receivables. The equity ratio decreased to 61% (66%) and net gearing was 24% (12%).

Cash and cash equivalents at the end of the period totaled EUR 9.7 million (16.4). Net interest-bearing debt amounted to EUR 152.6 million (72.4). The increase in net interest-bearing debt is mainly attributable to the acquisition of Royal Copenhagen. Short-term borrowing totaled EUR 108.8 million (20.4) and long-term borrowing EUR 56.2 million (69.3). Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In addition, Fiskars had EUR 450 million (430) in unused, committed long-term credit facilities with Nordic banks.

In December 2013, Fiskars signed two EUR 100 million revolving credit facilities, which replaced the company's existing EUR 80 million and EUR 100 million revolving credit facilities signed in December 2007. The new facilities have a tenor of five years and serve for general corporate financing purposes.

Research and development

The Group's research and development expenditure totaled EUR -4.5 million (Q4 2012: -3.2) in the fourth quarter, equivalent to 2.1% (1.7%) of net sales. During January–December, research and development expenditure totaled EUR -13.3 million (2012: -10.3), equivalent to 1.7% (1.4%) 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 reclassified. This decreased the cost of goods sold and increased research and development costs by EUR 0.5 million in Q4 2012 and EUR 2.1 million in the full year 2012.

Personnel

The average number of full-time equivalent employees (FTE) was 4,092 (Q4 2012: 3,324) in the fourth quarter, of which 3,273 (2,560) were in EMEA, 580 (544) in the Americas, and 240 (220) in the Other segment. The increase was mainly due to the acquisition of Royal Copenhagen.

In January–December, the average number of full-time equivalent employees (FTE) was 4,087 (2012: 3,364). At the end of December, the Group had a total of 4,330 employees (3,449) on the payroll, of whom 1,582 (1,610) were located in Finland.

Personnel (FTE), average	Q4 2013	Q4 2012	Change	2013	2012	Change
Group	4,092	3,324	23%	4,087	3,364	21%
EMEA	3,273	2,560	28%	3,282	2,604	26%
Americas	580	544	7%	568	550	3%
Other	240	220	9%	237	210	13%

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 (Living, Kitchen and School, Office, and Craft), Garden, and Outdoor (outdoor equipment and Boats).

Business areas in Q4 2013

Net sales, EUR million	Q4 2013	Q4 2012	Change	Change cn**	2013	2012	Change	Change cn**
Home*	124.7	99.9	25%	27%***	386.2	319.5	21%	22%
Garden*	54.3	54.1	0%	4%	284.5	290.9	-2%	-1%
Outdoor	32.4	35.3	-8%	-4%	123.7	133.3	-7%	-5%
Other	1.2	1.0	24%	24%	4.2	4.1	2%	2%

* Fiskars has reclassified certain product groups from the Home business area to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly: Garden net sales increased and Home net sales decreased by EUR 1.1 million in Q4 2012 and by EUR 3.3 million in FY 2012.

** currency neutral

*** Home net sales remained at last year's level excluding Royal Copenhagen and with comparable exchange rates

EMEA in Q4 2013

EUR million	Q4 2013	Q4 2012	Change	2013	2012	Change
Net sales	160.1	132.9	20%	564.2	501.9	12%
Operating profit	11.8	10.9	9%	39.9	42.6	-6%
Capital expenditure	5.6	2.9	89%	16.6	8.4	97%
Personnel (FTE), average	3,273	2,560	28%	3,282	2,604	26%

Net sales in EMEA increased 20% to EUR 160.1 million (Q4 2012: 132.9), mainly due to the acquisition of Royal Copenhagen. Currency neutral sales, excluding Royal Copenhagen, increased 3%.

The Home business benefited from Royal Copenhagen, which continued its strong performance. Excluding Royal Copenhagen, sales did not reach 2012 levels. This was the result of a combination of weak demand in Finland, streamlining of the product offering and the temporary negative effects of a system implementation. Sales in the Central sales region were boosted by Kitchen expansion and sales in Asia also developed positively.

The Garden business enjoyed a strong end to the year, thanks to successful business-to-business initiatives and marketing campaigns.

Outdoor sales were up, boosted by continued business-to-business campaigns. Boat sales also slightly exceeded the previous year's sales in declining markets.

The segment reached an operating profit excluding non-recurring items of EUR 14.2 million (10.9). The increase reflected the addition of Royal Copenhagen and determined cost control. EUR 2.3 million non-recurring costs related to the EMEA 2015 restructuring program were recorded during the quarter.

EMEA in 2013

Net sales in EMEA increased 12% to EUR 564.2 million (2012: 501.9), due to the acquisition of Royal Copenhagen. Comparable sales, currency neutral and excluding Royal Copenhagen, decreased 1%.

Net sales in the Home business increased, driven by the acquisition of Royal Copenhagen. Excluding Royal Copenhagen, sales of homeware decreased. The Home business was affected by the weak retail environment in Finland and temporary negative impact of a system change. In addition, Home sales were impacted by changes in channel management and streamlining of the offering.

Net sales in the Garden business were slightly below the previous year due to currency effects. With comparable currency rates, sales were flat. Strong sales efforts and marketing campaigns helped boost garden sales in the second half of the year and offset the poor spring selling season.

Sales of Outdoor products grew, as successful business-to-business initiatives brought Gerber's tools to new consumers across Eastern Europe. The Boat business was slightly up despite an overall decline in the market and Buster maintained its market leadership.

The segment recorded an operating profit excluding non-recurring items of EUR 52.7 million (41.8) despite an increase in IT costs and depreciation and amortization related to the five-year investment program. Royal

Copenhagen contributed to the increase in operating profit, as did cost control measures. The Group recorded a total of EUR 8.2 million non-recurring costs related to the EMEA 2015 program during the year, and in addition an EUR 4.6 million impairment of goodwill and real estate.

Americas in Q4 2013

EUR million	Q4 2013	Q4 2012	Change	2013	2012	Change
Net sales	55.1	58.5	-6%	245.1	250.4	-2%
Operating profit	3.2	5.2	-39%	31.4	34.2	-8%
Capital expenditure	1.5	1.5	-2%	5.5	4.4	26%
Personnel (FTE), average	580	544	7%	568	550	3%

Net sales in the Americas decreased 6% to EUR 55.1 million (Q4 2012: 58.5), due to the weakening of the US dollar and soft development in the Garden and Outdoor businesses. Using comparable currency rates, sales decreased by 1%.

Garden net sales were clearly behind those of the comparison period, as promotions at key retailers did not reach the previous year's levels.

Sales of School, Office, and Craft products were boosted by increased placement within the scissors category and an increase in online sales.

In the Outdoor business area, loss of listings and tightened inventory management at key retailers affected sales in the commercial segment and institutional sales were also soft.

The segment's operating profit was EUR 3.2 million (5.2). Volume loss in the Outdoor and Garden businesses contributed to the decrease.

Americas in 2013

Net sales in the Americas decreased 2% to EUR 245.1 million (2012: 250.4), weighed by softness in Outdoor and Garden sales, as well as the US dollar. Using comparable currency rates, sales remained at the previous year's level.

Garden net sales were slightly below the previous year's levels as a result of decreased distribution of pottery. Core garden tool categories performed well and increased distribution boosted Fiskars market share.

Sales of School, Office, and Craft products increased, driven by innovation within the scissors category that helped gain additional placement and a good back-to-school season.

The Outdoor business area was impacted by considerably decreased demand in the institutional channels. Sales in commercial channels were flat.

The segment's operating profit amounted to EUR 31.4 million (34.2), as volume loss and the product mix in the Outdoor business outweighed good performance in School, Office, and Craft products.

Other in Q4 and in 2013

EUR million	Q4 2013	Q4 2012	Change	2013	2012	Change
Net sales	1.8	1.5	16%	6.5	6.3	3%
Operating profit	-3.3	-3.1	9%	-10.3	-12.9	-20%
Capital expenditure	1.3	7.1	-82%	15.1	20.0	-24%
Personnel (FTE), average	240	220	9%	237	210	13%

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

Net sales were EUR 1.8 million (Q4 2012: 1.5) in the fourth quarter and EUR 6.5 million (2012: 6.3) for January–December, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -3.3 million (Q4 2012: -3.1) and EUR -10.3 million (2012: -12.9) for January–December.

Associated company 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.

The legal merger of Fiskars Group's and Investor AB's interests in Wärtsilä took place on February 7, 2013. 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 2013, equaling 21.8% of Wärtsilä's shares and votes.

Wärtsilä's Annual General Meeting was held on March 7, 2013. The Chairman of Fiskars Board, Kaj-Gustaf Bergh, and Fiskars Board members, Alexander Ehrnrooth and Paul Ehrnrooth, were re-elected to Wärtsilä's Board of Directors. The Board of Directors appointed Kaj-Gustaf Bergh as Vice Chairman.

Wärtsilä's Annual General Meeting decided to pay a dividend of EUR 1.00 per share (EUR 0.90), which resulted in dividend income of EUR 25.6 million (26.8) for Fiskars.

Fiskars share of Wärtsilä's profit totaled EUR 19.1 million (Q4 2012: 19.7) during the fourth quarter and EUR 50.8 million (2012: 47.8) for January–December. At the end of December, the market value of Fiskars Wärtsilä shares was EUR 917.2 million (2012: 839.0) or EUR 11.20 (10.24) per Fiskars share, with a closing price of EUR 35.77 (EUR 32.72) per Wärtsilä share. The book value of these shares on the consolidated balance sheet was EUR 286.1 million (280.4).

Acquisition of Royal Copenhagen

The acquisition of the renowned Danish premium porcelain company Royal Copenhagen, announced on December 12, 2012, was completed on January 4, 2013, and Royal Copenhagen became a part of Fiskars Home business area.

The debt-free enterprise value was approximately EUR 66 million, and the acquisition increased Fiskars net interest-bearing debt. The Group's total assets were increased by EUR 101 million on the acquisition date and it contributed EUR 73 million to Group's net sales in 2013. Royal Copenhagen performed well in 2013 and had a positive effect on Fiskars operating profit in the EMEA region.

Changes in management

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

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

New sales Region Asia-Pacific and new name for the EMEA segment

On December 11, 2013 Fiskars announced that it would establish a new sales region for Asia-Pacific as of January 1, 2014 to accelerate growth in the region. The Asia-Pacific sales region will contain Fiskars sales units in Australia, China, Japan, South Korea, and Taiwan. In addition, the new sales region will be responsible for all distributor-based sales in the region. As President of the new sales region and a member of the Group's Executive Team, Fiskars has appointed Matteo Gaeta, MBA, who will be based in Shanghai, China.

Following the establishment of the Asia-Pacific sales region, Fiskars EMEA segment will be renamed "Europe and Asia-Pacific" and it will consist of three sales regions: North, Central, and Asia-Pacific. The

North sales region consists of the Nordic countries and Russia, as well as Fiskars export sales. The Central sales region is responsible for sales and general management in the key Central European markets.

Share and shareholders

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

On February 7, 2013 the Board of Directors of Fiskars Corporation announced a decision to cancel all 118,099 treasury shares held by the company, equaling 0.14% of the shares of the company. The cancellation was registered on February 15, 2013, and the number of the Corporation's shares now totals 81,905,242.

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

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

Fiskars shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. The average share price during the fourth quarter was EUR 18.99 (Q4 2012: 15.90) and EUR 18.20 in 2013 (2012: 15.67). At the end of December, the closing price was EUR 19.55 (EUR 16.69) per share and Fiskars had a market capitalization of EUR 1,601.2 million (1,367.0, excluding treasury shares). The number of shares traded during January–December was 3.0 million (4.9), which is 3.7% (6.0%) of the total number of shares.

The total number of shareholders was 16,352 (16,148) as of the end of December. Fiskars was not informed of any significant change among its largest shareholders during the year. Fiskars shareholder structure and main shareholders at the end of the year are detailed in the financial statements.

Corporate Governance

Fiskars complies with the Finnish Corporate Governance Code issued by the Securities Market Association, which came into force on October 1, 2010. Fiskars Corporate Governance Statement for 2013 in accordance with Recommendation 51 of the Code will be published in week 8, 2014 as a separate report.

Fiskars also complies with the insider regulations of NASDAQ OMX Helsinki Ltd., latest updated on October 9, 2009, and the company's internal insider guidelines latest updated on January 1, 2013.

The ultimate decision-making power is vested in the annual general meeting of shareholders, who elects the members of the board of directors. The terms of office of members will run to the end of the following annual general meeting. The board of directors is responsible for appointing, and if necessary, dismissing the managing director. Fiskars Articles of Association do not contain matters that could materially affect a public tender offer of the company's securities.

Annual General Meeting for 2013

The Annual General Meeting (AGM) of Shareholders of Fiskars Corporation was held on March 14, 2013. The AGM approved the financial statements for 2012 and discharged the members of the Board and the President and CEO from liability. It was decided to pay a dividend of EUR 0.65 per share, totaling EUR 53.2 million. The dividend was paid on March 26, 2013.

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, Karsten Slotte, and Jukka Suominen were all re-elected. The term of the Board members will expire at the end of the AGM in 2014. 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 a maximum of 4,000,000 of Fiskars own shares 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, 2014.

Constitutive meeting of the Board

Convening after the Annual General Meeting, the Board of Directors re-elected Kaj-Gustaf Bergh as Chairman, and Alexander Ehrnrooth and Paul Ehrnrooth as Vice Chairmen.

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

Annual General Meeting 2014

Fiskars Corporation's Annual General Meeting will be held on March 12, 2014 starting at 3 p.m. at the Helsinki Exhibition & Convention Centre. The invitation to the meeting will be published separately.

The distributable equity of the Parent Company at the end of the 2013 fiscal year was EUR 822.5 million (778.8). The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.67 (0.65) per share be paid for 2013.

The number of shares entitling holders to a dividend totaled 81,905,242. The proposed distribution of dividends would thus be EUR 54.9 million (53.2). This would leave EUR 767.6 million of distributable profit funds at the Parent Company.

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

Risks and business uncertainties

Fiskars business, net sales, and financial performance may be affected by several uncertainties. Fiskars Corporation details the overall business risks and risk management in its Annual Report and on its web site.

The principal business uncertainties are related to the following:

- Decline of general market conditions and consumer demand in Fiskars main market areas, Europe and North America
- Loss of or reduced sales to major retail customers and serious disruptions in the distribution channel
- Sudden or significant fluctuations in raw material and energy prices or availability; the most important raw materials being steel, aluminum, and plastic
- Steering and availability disruptions related to supply chain and country risks, especially regarding suppliers in Asia
- Decrease in consumer confidence in Fiskars brands
- Adverse weather conditions, which particularly affect the Garden business area
- Changes in currency exchange rates that may affect Fiskars competitiveness and the reported net sales of the Group, its operating results, and balance sheet negatively
- Negative effects related to acquisitions, despite careful due diligence processes
- Major decline in the profit of associated company Wärtsilä or its dividends
- Delay in the five-year process and IT program that was launched in 2010 or failure to reach the program's financial goals

Litigation

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

Outlook for 2014

Economic indicators are trending mildly positively in many of Fiskars key markets in Europe and North America, but consumer and trade behavior is expected to remain cautious. The retail environment in Finland developed poorly during 2013 and no recovery can be expected in 2014. At the end of 2013 Fiskars divested its local pottery business in the UK, which will affect sales as of 2014.

Fiskars is half-way through its five-year investment program in EMEA. Annual investment related to the program has started to decrease, whereas depreciation and amortization start to increase. To accelerate growth, the company plans to increase spending on brand recognition, strengthening the newly established Asia-Pacific sales region, as well as 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, February 7, 2014

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
Net sales	212.6	190.3	12	798.6	747.8	7
Cost of goods sold	-123.2	-120.5	2	-475.3	-473.2	0
Gross profit	89.4	69.8	28	323.2	274.6	18
Other operating income	1.0	0.4	162	3.1	2.1	50
Sales and marketing expenses	-47.0	-35.0	34	-164.7	-128.9	28
Administration expenses	-25.9	-18.8	38	-82.0	-73.5	12
Research and development costs	-4.5	-3.2	40	-13.3	-10.3	29
Other operating expenses	-1.3	-0.1		-1.5	-0.1	
Goodwill impairment				-3.7		
Operating profit (EBIT)*	11.7	13.0	-11	61.0	63.9	-4
Change in fair value of biological assets	0.1	4.6	-98	0.7	5.6	-87
Share of profit from associate	19.1	19.7	-3	50.8	47.8	6
Gain on sale of associate shares					87.0	-100
Other financial income and expenses	-1.0	-0.3	282	-4.3	-3.8	13
Profit before taxes	29.8	37.0	-19	108.3	200.4	-46
Income taxes	2.9	-5.2		-14.3	-21.5	-33
Profit for the period	32.7	31.9	3	94.0	178.9	-47
Attributable to:						
Owners of the Company	32.6	31.9	2	93.7	178.9	-48
Non-controlling interest	0.1			0.3		
Earnings for owners of the Company per share, euro (basic and diluted)	0.40	0.39	2	1.14	2.18	-48
* Operating profit excl. non-recurring items (detailed in notes)	14.0	13.0	7	73.8	63.1	17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Profit for the period	32.7	31.9	94.0	178.9
Other comprehensive income for the period:				
Items that may be reclassified subsequently to profit or loss:				
Translation differences	-3.4	-1.3	-8.5	-1.0
Change in associate recognized directly in other comprehensive income transferred to income statement	-3.3	-1.0	-13.9	0.3
Cash flow hedges	0.1	-0.1	0.5	-0.8
Items that will not be reclassified to profit or loss:				
Defined benefit plan, actuarial gains (losses) net of tax	-0.3	-1.0	-0.2	-0.5
Change in associate recognized directly in other comprehensive income	-1.7		-5.6	
Other comprehensive income for the period net of tax total	-8.5	-3.4	-27.7	-2.2
Total comprehensive income for the period	24.2	28.5	66.3	176.7
Attributable to:				
Owners of the Company	24.2	28.5	66.1	176.7
Non-controlling interest	0.0		0.2	

CONSOLIDATED BALANCE SHEET

EUR million	12/2013	12/2012	Change %
ASSETS			
Non-current assets			
Goodwill	111.9	88.6	26
Other intangible assets	170.9	140.7	22
Property, plant & equipment	100.5	90.0	12
Biological assets	42.0	41.2	2
Investment property	6.0	5.5	10
Investments in associates	286.1	280.4	2
Financial assets			
Shares at fair value through profit and loss	10.5	9.7	8
Other investments	3.9	0.8	369
Deferred tax assets	31.3	25.8	22
Non-current assets total	763.1	682.6	12
Current assets			
Inventories	119.4	118.0	1
Trade and other receivables	138.5	116.0	19
Income tax receivables	6.1	1.9	220
Interest-bearing receivables	2.3	0.5	369
Cash and cash equivalents	9.7	16.4	-41
Current assets total	275.9	252.8	9
Assets total	1,039.1	935.4	11
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the owners of the Company	631.8	618.9	2
Non-controlling interest	0.9		
Equity total	632.7	618.9	2
Non-current liabilities			
Interest-bearing liabilities	56.2	69.3	-19
Other liabilities	6.1	4.1	49
Deferred tax liabilities	39.8	44.3	-10
Pension liability	8.6	7.3	18
Provisions	5.9	3.9	51
Non-current liabilities total	116.7	129.0	-10
Current liabilities			
Interest-bearing liabilities	108.8	20.4	434
Trade and other payables	172.0	156.6	10
Income tax liabilities	3.7	7.9	-53
Provisions	5.2	2.6	101
Current liabilities total	289.7	187.5	54
Equity and liabilities total	1,039.1	935.4	11

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	10-12 2013	10-12 2012	1-12 2013	1-12 2012
Cash flow from operating activities				
Profit before taxes	29.8	37.0	108.3	200.4
Adjustments for				
Depreciation, amortization and impairment	7.6	5.9	29.2	21.9
Share of profit from associate	-19.1	-19.7	-50.8	-47.8
Gain on sale of associate shares				-87.0
Investment income / cost	0.2	0.1	0.2	-0.1
Financial items	1.0	0.3	4.2	3.8
Change in fair value of biological assets	-0.1	-4.6	-0.7	-5.6
Change in provisions and other non-cash items	4.1	3.1	3.6	2.4
Cash flow before changes in working capital	23.5	22.1	94.0	88.1
Changes in working capital				
Change in current assets, non-interest-bearing	-9.1	10.3	-14.4	10.6
Change in inventories	12.5	9.8	-0.5	-5.0
Change in current liabilities, non-interest-bearing	22.2	4.3	7.3	-0.5
Cash flow from operating activities before financial items and taxes	49.2	46.6	86.5	93.2
Dividends received from associate			25.6	26.8
Financial costs paid (net)	-1.7	-1.0	-5.5	-4.6
Taxes paid	-6.9	-7.1	-25.6	-20.3
Cash flow from operating activities (A)	40.6	38.6	81.0	95.0
Cash flow from investing activities				
Acquisition of subsidiaries			-49.5	
Investments in financial assets		-0.2	-0.1	-0.2
Capital expenditure on fixed assets	-8.5	-11.7	-37.5	-32.7
Proceeds from sale of fixed assets	0.8	0.0	1.1	0.9
Proceeds from sale of business	1.0		1.0	
Proceeds from sale of associate shares				126.4
Cash flow from other investments	0.4	0.3	0.4	0.1
Cash flow from investing activities (B)	-6.3	-11.6	-84.6	94.5
Cash flow from financing activities				
Change in current receivables	-1.6	0.3	-1.8	0.1
Borrowings of non-current debt	0.0	0.0	0.1	0.1
Repayment of non-current debt	-3.6	-1.6	-20.0	-2.5
Change in current debt	-25.1	-13.7	74.2	-61.2
Payment of financial lease liabilities	-0.4	-0.4	-1.7	-3.5
Cash flow from other financing items	0.1	0.2	-0.2	-0.0
Dividends paid			-53.2	-112.2
Cash flow from financing activities (C)	-30.6	-15.2	-2.7	-179.2
Change in cash (A+B+C)	3.6	11.8	-6.3	10.3
Cash at beginning of period	6.5	4.8	16.4	6.1
Translation difference	-0.5	-0.2	-0.5	-0.1
Cash at end of period	9.7	16.4	9.7	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			-2.8	1.2	-0.5	178.9		176.7
Dividends paid						-112.2		-112.2
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			-17.9	-3.9	-5.8	93.7	0.2	66.3
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
31 Dec, 2013	77.5		-18.7	-2.6	-6.7	582.2	0.9	632.7

KEY FIGURES*

	12/2013	12/2012	Change %
Equity/share, EUR	7.71	7.56	2
Equity ratio	61%	66%	
Net gearing	24%	12%	
Net interest-bearing liabilities, EUR million	152.6	72.4	111
Personnel (FTE), average	4,087	3,364	21
Personnel, end of period	4,330	3,449	26
Number of shares outstanding end of period, thousands**	81,905	81,905	
Weighted average number of outstanding shares during period, thousands**	81,905	81,905	

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

** Excluding treasury shares

NOTES TO THE FINANCIAL STATEMENT RELEASE

ACCOUNTING PRINCIPLES

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

As of January 1, 2013, Fiskars changed its accounting policy regarding the classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This decreased the cost of goods sold and increased research and development costs for by EUR 0.5 million in Q4 2012 and EUR 2.1 million in the full year 2012.

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
- Annual improvements to IFRSs 2009-2011
- Amendments to IFRS 7 Financial Instruments: Disclosures.

Fiskars has applied the accounting treatment for the recognition of actuarial gains and losses in other comprehensive income that was allowed as an alternative according to the previous IAS 19 and is now the requisite according to the revised IAS 19. The comparative figures have not been restated as the other amendments to the standard had no material impact on the consolidated financial statements.

The adoption of the other 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	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
Net sales						
EMEA	160.1	132.9	20	564.2	501.9	12
Americas	55.1	58.5	-6	245.1	250.4	-2
Other	1.8	1.5	16	6.5	6.3	3
Inter-segment sales*	-4.4	-2.6	69	-17.2	-10.8	60
GROUP TOTAL	212.6	190.3	12	798.6	747.8	7
Operating profit (EBIT)						
EMEA	11.8	10.9	9	39.9	42.6	-6
Americas	3.2	5.2	-39	31.4	34.2	-8
Other and eliminations	-3.3	-3.1	9	-10.3	-12.9	-20
GROUP TOTAL	11.7	13.0	-11	61.0	63.9	-4
Depreciation, amortization and impairment						
EMEA	5.2	4.0	27	21.1	14.3	47
Americas	0.7	0.9	-17	3.7	4.8	-24
Other and eliminations	1.8	1.0	77	4.4	2.7	61
GROUP TOTAL	7.6	5.9	29	29.2	21.9	33
Capital expenditure						
EMEA	5.6	2.9	89	16.6	8.4	97
Americas	1.5	1.5	-2	5.5	4.4	26
Other and eliminations	1.3	7.1	-82	15.1	20.0	-24
GROUP TOTAL	8.4	11.6	-28	37.2	32.8	14
* Inter-segment sales						
EMEA	-1.4	-1.6		-8.2	-6.9	
Americas	-2.5	-0.4		-6.8	-1.7	
Other	-0.6	-0.5		-2.2	-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	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
Net sales						
Home*	124.7	99.9	25	386.2	319.5	21
Garden*	54.3	54.1	0	284.5	290.9	-2
Outdoor	32.4	35.3	-8	123.7	133.3	-7
Other	1.2	1.0	24	4.2	4.1	2
GROUP TOTAL	212.6	190.3	12	798.6	747.8	7

* Fiskars has reclassified certain product groups from the Home business area to Garden as of January 1, 2013, and the figures for the comparison periods have been adjusted accordingly: Garden net sales increased and Home net sales decreased by 1.0 MEUR in Q4 2012 and by 3.3 MEUR in FY 2012.

NON-RECURRING ITEMS

EUR million	10-12 2013	10-12 2012	Change %	1-12 2013	1-12 2012	Change %
EMEA 2015 restructuring program	-2.3			-8.2		
Goodwill impairment relating to the Sankey business				-3.7		
Write-down of a real estate				-0.9		
Release of provision relating to the sale of Silva					0.8	
Total	-2.3			-12.8	0.8	

INTANGIBLE AND TANGIBLE ASSETS**EUR million**

	12/2013	12/2012
Intangible assets and goodwill		
Book value, Jan 1	229.3	213.8
Currency translation adjustment	-0.5	-0.1
Acquisitions	49.4	
Additions	14.7	19.9
Amortization and impairment	-10.0	-4.7
Decreases and transfers	-0.0	0.3
Book value at end of period	282.9	229.3

Investment commitments for intangible assets	3.6	3.3
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Tangible assets and investment property

Book value, Jan 1	95.5	100.6
Currency translation adjustment	-0.9	0.5
Acquisitions	10.9	
Additions	22.5	12.9
Depreciation and impairment	-18.8	-17.2
Decreases and transfers	-2.6	-1.3
Book value at end of period	106.5	95.5

Investment commitments for property, plant and equipment	3.1	7.6
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CONTINGENCIES AND PLEDGED ASSETS**EUR million**

	12/2013	12/2012
As security for own commitments		
Lease commitments	53.8	41.3
Other contingencies	2.8	1.8
Total	56.6	43.1

Guarantees as security for third-party commitments

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

As security for subsidiaries' commitments

Guarantees	13.9	12.2
Total	70.5	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**EUR million**

12/2013 12/2012

Nominal amounts of derivatives

Foreign exchange forwards and swaps	197.1	107.4
Interest rate swaps	55.9	32.5
Electricity forward agreements	1.8	2.9

Market value vs. nominal amounts of derivatives

Foreign exchange forwards and swaps	-0.6	0.4
Interest rate swaps	-2.4	-1.9
Electricity forward agreements	-0.4	-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	22.8	15.0	-13.8
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

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		0.0
Total assets		0.0	14.1	14.4
Derivative liabilities		3.4		3.4
Total liabilities		3.4		3.4

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	Level 1	Level 3	Other
Book value, Dec 31, 2011			8.9	1.2
Additions			0.3	
Decreases			-0.1	-0.4
Change in fair value through profit and loss			0.6	
Book value, Dec 31, 2012			9.7	0.8
Additions			0.1	0.3
Acquisitions		0.3	0.0	3.5
Decreases			-0.4	-0.8
Change in fair value through profit and loss			0.8	
Book value, Dec 31, 2013		0.3	10.2	3.9

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 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 2013 includes EUR 73 million of net sales and EUR 5 million of profit 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

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, to Strata Products Ltd. The divestment is a part of Fiskars' EMEA 2015 restructuring program, which aims to optimise the company's supply chain and align sales units with the company's operating model. The Sankey business had a turnover of EUR 8.5 million in 2013.

The following divestment in 2012 has an impact on the comparability of the figures:**Sale of part of Wärtsilä shares**

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

