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Fiskars to reorganize its businesses in Europe and Asia-Pacific

Fiskars plans to increase agility and to simplify decision-making by adopting a business region –based organization. Establishing business regions and reorganizing the Group’s businesses in Europe and Asia-Pacific is another step in the company’s transformation into a world-class consumer goods company and a part of the company’s ongoing EMEA 2015 restructuring program, which aims to improve the company’s competitiveness and cost structures. The aim is that the proposed new organization would come into effect as of December 1, 2014.

In the proposed new organization, Fiskars two geographic reporting segments, Europe & Asia-Pacific and Americas, would consist of four business regions: Europe, Asia-Pacific, Fiskars Americas and Gerber Americas. Business region presidents would become members of the Group’s Executive Board. The plan is to consolidate the current European sales regions North and Central into one sales organization within the business region Europe. In conjunction with this, the aim is to re-group European product categories in the Garden and Home business areas into new business units Living Products and Functional Products.

The goal of Fiskars proposed new organization is to simplify decision-making and ensure an efficient operating model by minimizing overlapping tasks. The plans to combine functions are expected to lead to a reduction in current business area and support function personnel in Finland. In addition, Fiskars intends to adapt its sales unit in Finland to the structural changes in Finnish retail landscape. Accordingly, Fiskars will initiate an employee consultation process covering altogether 347 employees in Finland. The reduction of employees is estimated to total a maximum of 60 people. Personnel reductions are not expected to take place among production workers at the company’s factories or among personnel at the company’s own retail stores in Finland.

“Moving into a business-region based organization is a natural continuation in Fiskars evolution. By simplifying our way of working we want to take the next step in our transformation in Europe. Our aim is to re-allocate resources into fuelling growth in the Group’s strategic focus areas Asia-Pacific and Central and Eastern Europe while also ensuring the continued strength of our Nordic and North American home markets. The creation of a new business unit Functional Products will further enable us to consolidate our investments in the international expansion of the Fiskars brand.” says Kari Kauniskangas, Fiskars President and CEO. “The success of our brand portfolio is made possible by consistently improving our competitiveness and maintaining agility to respond to the changing international marketplace. It is regretful that these plans may affect our employees and we will do our utmost to find solutions that minimize the impact.”

Business regions

In the proposed new organization, business regions will be responsible for sales and profitability. The plan is to consolidate regional supply chain and support functions into the new business region Europe. **Thomas Enckell**, currently the President of Fiskars Garden business in Europe, has been appointed to lead the planning of the business region Europe. **Matteo Gaeta** would continue as President of business region Asia-Pacific (currently sales region Asia-Pacific), **Paul Tonnesen** as President of business region Fiskars Americas (currently business areas Garden and SOC Americas) and **Rob Kass** as President of business region Gerber Americas (currently business area Outdoor Americas).

Business units Living Products and Functional Products

The other dimension of Fiskars new organization proposal in Europe and Asia-Pacific are focused business units, which continue to be responsible for the brands and the offering. Business unit Living Products, headed by **Päivi Paltola-Pekkola**, would continue to focus on leading Scandinavian design under the brands Iittala, Royal Copenhagen, Arabia and Rörstrand.

In the organizational proposal, Fiskars plans to combine the European Garden and Kitchen categories into a common business unit called Functional Products, which will offer tools in and around the house under the brands Fiskars, Hackman, Leborgne, EbertSankey and a number of local brands. The new business unit will strengthen focus on the Fiskars brand and enable synergies between categories with similar business logic and distribution channels. **Pekka Salmi**, currently Vice President of Fiskars Garden & Yard care business unit in Europe, has been appointed to lead the planning of the Functional Products business unit.

FISKARS CORPORATION

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Established in 1649 as an ironworks in a small Finnish village, Fiskars has grown to be a leading global supplier of consumer products for the home, garden and outdoors. Available in more than 60 countries, Fiskars products solve everyday problems, making daily home, garden and outdoor projects easier and more enjoyable through superior performance and design. Fiskars is listed on NASDAQ OMX Helsinki, and the company's net sales were 799 million euro in 2013. The Group's key international brands are Fiskars, Iittala and Gerber. www.fiskarsgroup.com/365