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FINANCIAL STATEMENT RELEASE
January 1 - December 31, 2014

FISKARS

Fiskars year 2014: Continued good operational efficiency, weaker sales

2014 in brief:
- Net sales decreased by 4% to EUR 767.5 million (2013: 798.6)
- Comparable net sales (currency neutral and excluding 2013 divested pottery business) decreased by 1%
- Operating profit (EBIT) decreased by 30% to EUR 42.7 million (61.0)
- Operating profit excluding non-recurring items decreased by 19% to EUR 59.6 million (73.8)
- Non-recurring profit from the sale and revaluation of Wärtsilä shares was EUR 676.0 million
- Cash flow from operating activities was EUR 87.0 million (81.0)
- Earnings per share were EUR 9.44 (1.14)
- Operative earnings per share (excl. the sale and revaluation of Wärtsilä shares and the change in fair value of the investment portfolio) were EUR 0.76 (1.14)
- The Board proposes a dividend of EUR 0.68 per share (EUR 0.67 paid in March 2014 and extra dividend of EUR 2.60 in December 2014)
- Outlook for 2015: full-year net sales are expected to increase from 2014 levels and operating profit excluding non-recurring items to be below 2014 levels due to increased investment into growth initiatives

Fourth quarter 2014 in brief:
- Net sales decreased by 4% to EUR 203.9 million (Q4 2013: 212.6)
- At comparable currency rates and excluding the pottery business divested in 2013, net sales decreased by 5%
- Operating profit (EBIT) decreased by 81% to EUR 2.3 million (11.7)
- Operating profit excluding non-recurring items decreased by 24% to EUR 10.7 million (14.0)
- Non-recurring costs amounted to EUR 8.4 million (2.3)
- Non-recurring profit from the sale and revaluation of Wärtsilä shares was EUR 676.0 million
- Earnings per share were EUR 8.77 (0.40)
- Operative earnings per share were EUR 0.09 (0.40)
- Cash flow from operating activities was EUR 47.9 million (40.6)

Fiskars President and CEO, Kari Kauniskangas:

“2014 was a milestone year for Fiskars – in addition to celebrating its 365th anniversary, the company took several significant strategic steps in its transformation. We ended the year with a new corporate structure and organization, including a separate organization for the Asia-Pacific region. In line with our growth strategy we launched our kitchen business internationally and expanded into watering with an acquisition. Strategically and financially, the most significant step was the divestment of the majority of our holdings in Wärtsilä, which released funds for our shareholders in the form of an extra dividend and for the company to be used for financing future growth over time.

Looking at 2014 from a sales perspective I am not satisfied with our performance, and the year ended with a dissatisfactory quarter. During the year there were factors outside of our control, such as currencies and weather conditions. However, we also faced challenges with availability in Europe in the early part of the year and in the US we had challenges in our outdoor business. Actions were initiated, and we saw improvements in the second half of the year. Despite the drop in sales volume, we maintained good operational efficiency and improved our gross margin.

In 2015, Fiskars expects the Group’s net sales to increase from the previous year. The majority of the increase is expected from the addition of the watering businesses and we also foresee growth in our comparable net sales.

Despite the overall economic uncertainty, Fiskars strong financial position and positive cash flow enable us to continue the determined execution of our strategy in 2015 to lay the foundation for our future international growth. We will ramp up our business and retail network in Asia, and the integration and turnaround of the newly acquired US watering business has started. In addition, we plan to increase investments in our brands in Europe. These strategically important efforts will increase our costs and, together with the amortization related to our five-year investment program, lead us to expect that our operating profit excluding non-recurring items for 2015 will be below 2014 levels.”

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

Group key figures

EUR million	Q4 2014	Q4 2013	Change	2014	2013	Change
Net sales	203.9	212.6	-4%	767.5	798.6	-4%
Operating profit (EBIT)	2.3	11.7	-81%	42.7	61.0	-30%
Non-recurring items[1)]	-8.4	-2.3	261%	-17.0	-12.8	33%
EBIT excl. non-recurring items	10.7	14.0	-24%	59.6	73.8	-19%
EBITDA[2)] excl. non-recurring items	18.3	21.9	-16%	86.9	98.1	-11%
Share of profit from associated company		19.1		30.0	50.8	-41%
Net change in the fair value of investment portfolio	27.9			27.9		
Profit before taxes[3)]	716.6	29.8	2302%	786.7	108.3	626%
Profit for the period[3)]	718.2	32.7	2096%	773.3	94.0	723%
Operative earnings/share, EUR[4)]	0.09	0.40	-56%	0.76	1.14	-26%
Earnings/share, EUR[5)]	8.77	0.40	2100%	9.44	1.14	725%
Equity per share, EUR				14.06	7.71	82%
Cash flow from oper. act.[6)]	47.9	40.6	18%	87.0	81.0	7%
Equity ratio, %				73%	61%	
Net gearing, %				11%	24%	
Capital expenditure	7.4	8.5	-14%	35.0	37.5	-6%
Personnel (FTE), average	4,443	4,092	9%	4,243	4,087	4%

1) In Q4 2014 EMEA 2015 restructuring costs, writedowns and bargain purchase gain (badwill) and in 2013 EMEA 2015 restructuring costs and impairment charges
2) EBIT before depreciation, amortization, and impairment
3) Including non-recurring profit from the sale and revaluation of Wärtsilä shares of EUR 676.0 million on Oct 9, 2014
4) Excl. non-recurring profit from the sale and revaluation of Wärtsilä shares and the net change in the fair value of investment portfolio
5) Including EUR 8.25 from the sale and revaluation of Wärtsilä shares on Oct 9, 2014
6) Including a Wärtsilä dividend of EUR 26.9 million in 2014 and EUR 25.6 million in 2013

Further information:
- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- COO & CFO Teemu Kangas-Kärki, tel. +358 204 39 5703

News conference:
An analyst and press conference on the fourth quarter and full year results will be held on February 6, 2015, 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 2014

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

GROUP PERFORMANCE

Operating environment in Q4 2014

The overall economic situation in Europe did not improve, and the year ended on a pessimistic note amid political tension, falling oil prices, and deflation worries. Retailers and especially department stores strived to adapt their business model to the changing environment. Consumer purchasing was driven by aggressive campaigning and promotional activities. A mild autumn and warm December decreased the demand for snow tools. In Finland, the retail segment continued to struggle, and consumers' willingness to spend contracted.

In North America, the year ended with economic indicators trending favorably and cautiously positive signals from the retail sector. Disposable income has increased partly due to falling gasoline prices and improved unemployment situation.

In Japan, business sentiment was slightly negative, and the macroeconomic and political situation affected consumers' willingness to spend.

Operating environment in 2014

In Europe, early spring generated some positive momentum in the garden segment. The overall economic sentiment weakened towards the end of the year, however, the year ended with a clearly more uncertain sentiment amid increased international political tension, falling oil prices, and deflation worries. Retailers continued to implement structural changes and efficiency measures including consolidation and cross-border purchasing functions. In Finland, the retail market continued to struggle, with lower traffic in stores, contracting consumer spending and promotion-driven purchasing.

In North America, business sentiment and consumer confidence were cautiously positive from the beginning of the year, although freezing weather reduced traffic in the first quarter of the year. The year ended with economic indicators trending favorably and cautiously positive signals from the retail segment. Consumers' disposable income increased partly due to falling gasoline prices and improved employment situation.

In Japan, consumers' willingness to spend was affected in the spring positively by the change in value added tax and in the latter half of the year negatively by the macroeconomic and political situation.

Net sales and operating profit in Q4 2014

In the fourth quarter of 2014, Fiskars consolidated net sales decreased by 4% to EUR 203.9 million (Q4 2013: EUR 212.6 million), as Home and Garden sales decreased in Europe and Asia-Pacific. Using comparable exchange rates, and excluding the UK pottery business that was divested at the end of 2013, consolidated net sales decreased by 5%.

Sales in Europe and Asia-Pacific decreased by 9% to EUR 145.5 million (160.1) due to soft sales in the Home and Garden businesses. Comparable net sales, with comparable exchange rates and excluding the divested pottery business, decreased by 7%. Net sales for the Americas increased by 10% to EUR 60.8 million (55.1) mainly due to the strengthening of the US dollar.

Net sales, EUR million	Q4 2014	Q4 2013	Change	Change cn*	2014	2013	Change	Change cn*
Group	203.9	212.6	-4%	-5%	767.5	798.6	-4%	-2%
Europe and Asia-Pacific	145.5	160.1	-9%	-7%	533.6	564.2	-5%	-4%
Americas	60.8	55.1	10%	2%	240.0	245.1	-2%	-1%
Other	1.4	1.8	-24%	-24%	6.8	6.5	6%	6%

* Currency neutral

Operating profit (EBIT), EUR million	Q4 2014	Q4 2013	Change	2014	2013	Change
Group	2.3	11.7	-81%	42.7	61.0	-30%
Europe and Asia-Pacific	3.6	11.8	-69%	25.2	39.9	-37%
Americas	4.4	3.2	40%	28.1	31.4	-11%
Other and eliminations	-5.8	-3.3	74%	-10.7	-10.3	4%

Fourth quarter operating profit totaled EUR 2.3 million (11.7), down 81% from the previous year as the company recorded EUR 9.5 million (2.3) in non-recurring costs in Europe and Asia-Pacific during the quarter. Amortization related to the five-year investment program also increased. Excluding non-recurring items, operating profit decreased by 24% to EUR 10.7 million (14.0), due in part to the volume loss in Europe and Asia-Pacific and the timing of costs in the Other segment.

For the Europe and Asia-Pacific segment, operating profit totaled EUR 3.6 million (11.8), down 69%. Excluding non-recurring costs, operating profit for the segment decreased by 8% and totaled EUR 13.1 million (14.2). Operating profit for the Americas increased by 40% and amounted to EUR 4.4 million (3.2), which included a EUR 1.7 million bargain purchase gain (badwill) related to the acquisition of the Bosch Garden and Watering business. Excluding non-recurring items, operating profit for the segment remained on the same level and totaled EUR 3.2 million (3.2).

Net sales and operating profit in 2014

In 2014, Fiskars net sales decreased by 4% to EUR 767.5 million (2013: EUR 798.6 million) mainly due to currencies and the divestment of the UK pottery business at the end of 2013. Comparable net sales, using comparable exchange rates and excluding the divested pottery business, decreased by 1%. Net sales for Europe & Asia-Pacific segment amounted to EUR 533.6 million (564.2). Comparable net sales in Europe & Asia-Pacific decreased by 2% due to decreased Garden and Outdoor sales and comparable sales in the Americas decreased by 1%. Net sales for the Americas totaled EUR 240.0 million (245.1).

The Group’s operating profit excluding non-recurring items decreased by 19% to EUR 59.6 million (73.8) due to reduced sales and increase in amortization related to the five-year investment program. The Group recorded a total of EUR 10.6 million (8.2) in EMEA 2015 restructuring costs, EUR 7.7 million (4.6) in write-downs and impairment charges in Europe & Asia-Pacific, and EUR 1.7 million of badwill in the Americas during the year. Including these non-recurring items, operating profit decreased by 30% to EUR 42.7 million (61.0). The amortization related to the five-year investment program in Europe increased compared to the previous year.

Operating profit for Europe and Asia-Pacific amounted to EUR 25.2 million (39.9) for the year. Non-recurring costs amounted to EUR 18.0 million (12.8), and operating profit for Europe & Asia-Pacific excluding non-recurring costs amounted to EUR 43.2 million (52,7) for the year. In the Americas, operating profit for the segment decreased by 11% in 2014, totaling EUR 28.1 million (31.4). Excluding non-recurring items, operating profit in the Americas totaled EUR 26.8 million (31.4). The contraction of outdoor sales and product mix contributed to the decrease in profit. During the last quarter, Fiskars recorded EUR 1.7 million of badwill, as the fair value of the acquired net assets of the watering business were higher than the purchase price.

Financial items and net result in Q4 2014

Fiskars treated Wärtsilä as an associated company until October 9, 2014, when the majority of the Group’s holding in Wärtsilä was divested. In the fourth quarter of 2014, Wärtsilä was no longer treated as an associated company. In the fourth quarter of 2013, Fiskars’ share of profit from the associated company was EUR 19.1 million.

The transaction including the sale of Wärtsilä shares for EUR 639.1 million was completed on October 9, 2014 and Fiskars recorded a non-recurring profit of EUR 453.5 million from the sale. As Wärtsilä ceased to be treated as Fiskars associated company, the remaining Wärtsilä shares were valued at market value. This reclassification resulted in a non-recurring unrealized revaluation gain of EUR 222.4 million. The remaining Wärtsilä shares, along with the rest of the company’s active investment portfolio, are treated as financial assets at fair value through profit or loss in the Other segment. After establishing the investment portfolio, Fiskars recorded a EUR 27.9 million net gain from the change in the portfolio's fair value during the fourth quarter.

Fourth quarter other financial items totaled EUR 10.3 million (2013: -1.0). Foreign exchange gains contributed to the change.

Profit before taxes was EUR 716.6 million (29.8). Due to increase in deferred tax assets, income taxes in Q4 were positive EUR 1.6 million (positive EUR 2.9 million, including a positive effect from the recalculation of deferred tax liabilities due to the announcement of a lower Finnish corporate tax rate for 2014). Earnings per share were EUR 8.77 (0.40), of which operative earnings per share (excluding the sale and reclassification of Wärtsilä shares and the net change in the fair value of the investment portfolio) were EUR 0.09 (0.40).

Financial items and net result in 2014

Fiskars treated Wärtsilä as an associated company until October 9, 2014, when the majority of the Group's holding in Wärtsilä was divested. From January 1 until then, the share of profit from the associated company was EUR 30.0 million (full year 2013: 50.8).

The sale of Wärtsilä shares for EUR 639.1 million was completed on October 9, 2014 and Fiskars recorded a non-recurring profit of EUR 453.5 million. As Wärtsilä ceased to be treated as Fiskars associated company, the remaining Wärtsilä shares were valued at market value. This reclassification resulted in a non-recurring unrealized valuation gain of EUR 222.4 million. The remaining Wärtsilä shares, along with the rest of the active investment portfolio, are treated as financial assets at fair value through profit or loss in the Other segment. After forming the investment portfolio, Fiskars recorded a EUR 27.9 million net gain from the change in the portfolio's fair value during 2014.

Other financial items totaled EUR 10.5 million (-4.3). Foreign exchange rate gains contributed to the change. Profit before taxes was EUR 786.7 million (108.3). Income taxes for the entire year were EUR 13.4 million (14.3). Earnings per share were EUR 9.44 (1.14), of which operative earnings per share (excluding the sale and reclassification of Wärtsilä shares and the net change in fair value of investment portfolio) were EUR 0.76 (1.14).

Five-year investment program in Europe

In December 2010, Fiskars launched a five-year investment program to create competitive structures, systems, and processes in Europe, including a new, shared enterprise resource planning (ERP) system. The investment related to the program is estimated at EUR 65 million, of which approximately EUR 55 million had been recorded by the end of 2014.

The largest implementations took place in the third quarter of 2013 and 60% of the business volume targeted by the program is now running through common systems and processes. Changes related to these implementations impacted sales and operational efficiency during the last quarter of 2013 and also contributed to availability challenges in the Home business during the first and second quarters of 2014. No major implementations took place during 2014.

Fiskars took action to mitigate the potential impacts of upcoming implementations and to ensure business stability. As a part of these measures, the implementation period of the program was extended to 2016.

In December 2014, Fiskars announced that the estimated lifespan of some of the first system implementations within the program have been reduced due to a re-evaluation of the program's roadmap. Accordingly, Fiskars recognized a non-recurring EUR 7.0 million write-down against the intangible assets in its result for the fourth quarter of 2014.

Annual cash flow spending in the program (including both operational and capital expenses) has started to decrease since 2013, and amortization related to the program was higher in 2014 than in 2013.

EMEA 2015 restructuring program

In June 2013, Fiskars launched a restructuring program to optimize operations and sales units in Europe. The “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.

In the fourth quarter of 2014, Fiskars recorded EUR 2.5 million (2.3) of EMEA 2015 program costs, which included costs related to the restructuring of the Group’s operations in Denmark and the United Kingdom. The restructuring of the Group’s operations in Italy were finalized during the quarter and local manufacturing sites were closed. In 2014, EMEA 2015 expenses totaled EUR 10.6 million (EUR 8.2 million). In addition to the re-organization of the Group’s businesses in connection with the adoption of the regional organization, they included costs related to the restructuring of the Group’s operations in Denmark and Italy and the consolidation of glass manufacturing operations in Finland. The consolidation of the group’s glass manufacturing sites and the extension of the Iittala Glass factory were completed during the first quarter.

The targeted annual cost savings of the program are EUR 9–11 million once the program is fully implemented. The targeted cost savings are on track, and the majority of the savings are expected to materialize in the Group’s results as of the end of 2015.

Cash flow, balance sheet, and financing in Q4 2014

Fourth-quarter cash flow from operating activities was EUR 47.9 million (Q4 2013: 40.6). Cash flow from investing activities was EUR 211.9 million (-6.3), which included EUR 639.1 million from the sale of Wärtsilä shares, investment of EUR 400.0 million into financial assets at fair value through profit and loss and the EUR 19.7 million negative cash effect of the acquisition of the Bosch Garden and Watering business. Cash flow from financing activities was EUR -235.1 million (-30.6), including an extra dividend payment net of withholding tax of EUR -190.6 million.

Capital expenditure for the quarter totaled EUR 7.4 million (8.5). Expenditure was mainly related to replacements, new product development, and the platform investment program in Europe and Asia-Pacific. Depreciation, amortization and impairment were EUR 8.0 million (EUR 7.6 million, including a EUR 3.7 million goodwill impairment) in the quarter.

Cash flow, balance sheet, and financing in 2014

In 2014, cash flow from operating activities was EUR 87.0 million (2013: 81.0). The cash flow includes dividends paid by Wärtsilä, totaling EUR 26.9 million (25.6).

Cash flow from investing activities was EUR 187.8 million (-84.6, including the acquisition of Royal Copenhagen), including proceeds from the sale of Wärtsilä shares of EUR 639.1 million, investment of EUR 400.0 million into financial assets at fair value through profit and loss and the EUR 19.7 million negative cash effect of the acquisition of the Bosch Garden and Watering business. Cash flow from financing activities was EUR -251.1 million (-2.7) for January–December 2014, including an extra dividend payment net of withholding tax of EUR -190.6 million.

Capital expenditure, excluding the acquisition of the Hackman brand in 2014, totaled EUR 25.0 million (37.5). This included replacement investments and capacity expansions. The company also continued to invest in new product development. Investments related to the five-year investment program decreased compared to 2013.

Depreciation, amortization, and impairment were EUR 28.5 million in 2014, (29.2, which included EUR 3.7 million goodwill impairment charges). Amortization related to the five-year investment program in Europe & Asia-Pacific increased compared to 2013.

Fiskars working capital totaled EUR 93.3 million (88.3) at the end of December. The increase in working capital can be attributed to the growth of inventories due to the acquisition of the watering business and slow sales. The equity ratio increased to 73% (61%) and net gearing was 11% (24%).

Cash and cash equivalents at the end of the period totaled EUR 33.6 million (9.7). Net interest-bearing debt amounted to EUR 121.3 million (152.6). Net interest-bearing debt decreased in connection with the sale of Wärtsilä shares and the use of proceeds from the sale. Short-term borrowing totaled EUR 128.9 million (108.8) and long-term borrowing totaled EUR 31.5 million (56.2). Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (450.0) in unused, committed long-term credit facilities with Nordic banks. Fiskars and its financers agreed in December 2014 to reduce the total sum of the corporation’s binding revolving credit facilities from EUR 480.0 million to EUR 300.0 million.

Research and development

The Group’s research and development expenditure totaled EUR 4.3 million (Q4 2013: 4.5) in the fourth quarter, equivalent to 2.1% (2.1%) of net sales. During January–December, research and development expenditure totaled EUR 14.6 million (2013: 13.3), equivalent to 1.9% (1.7%) of net sales.

Personnel

The average number of full-time equivalent employees (FTE) was 4,443 (Q4 2013: 4,092) in the fourth quarter, of whom 3,474 (3,273) were in Europe & Asia-Pacific, 733 (580) in the Americas, and 236 (240) in the Other segment. The increase was mainly due to the acquisition of the US watering business.

In January–December, the average number of full-time equivalent employees (FTE) was 4,243 (2013: 4,087). At the end of December, the Group had a total of 4,832 employees (4,330) on the payroll, of whom 1,661 (1,722) were located in Finland.

Personnel (FTE), average	Q4 2014	Q4 2013	Change	2014	2013	Change
Group	4,443	4,092	9%	4,243	4,087	4%
Europe and Asia-Pacific	3,474	3,273	6%	3,370	3,282	3%
Americas	733	580	26%	631	568	11%
Other	236	240	-2%	243	237	2%

OPERATING SEGMENTS AND BUSINESS AREAS

Until October 2014, Fiskars operating segments were Europe & Asia-Pacific, the Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters, and shared services). Following the sale of the majority of the Group’s holding in Wärtsilä on October 9, 2014, Wärtsilä ceased to be treated as an associated company and a separate operating segment. As of the fourth quarter of 2014, Fiskars reporting segments are Europe & Asia-Pacific, Americas, and Other.

In 2014, the company’s business areas were Home (Living, Kitchen and School, Office, and Craft), Garden, and Outdoor (outdoor equipment and Boats).

As of January 1, 2015, the Group’s financial reporting will be adjusted to reflect the new organization. As a part of the new structure, Fiskars Europe & Asia-Pacific Home and Garden product categories will be reorganized into two business units: Functional products and Living products. Replacing the current Home and Garden business areas, Fiskars will report its global Garden, Kitchen and School, Office and Craft sales as “Functional products” and global Living product sales as “Living products”. In conjunction with this, the Boat business will be moved from the Europe and Asia-Pacific segment to the Other segment and its sales will be reported as part of the Other businesses.

Business areas in Q4 2014

Net sales, EUR million	Q4 2014	Q4 2013	Change	Change cn*	2014	2013	Change	Change cn*
Home	119.3	124.7	-4%	-4%	380.5	386.2	-1%	0%
Garden	50.5	54.3	-7%	-8%**	268.2	284.5	-6%	-4%**
Outdoor	33.5	32.4	3%	-2%	114.2	123.7	-8%	-7%
Other	0.7	1.2	-41%	-41%	4.5	4.2	8%	8%

* Currency neutral
** Excluding divested pottery business, currency neutral Garden net sales decreased by 5% in Q4 2014 and 0% in 2014

Europe and Asia-Pacific in Q4 2014

EUR million	Q4 2014	Q4 2013	Change	2014	2013	Change
Net sales	145.5	160.1	-9%	533.6	564.2	-5%
Operating profit (EBIT)	3.6	11.8	-69%	25.2	39.9	-37%
EBIT exl. non-recurring items	13,1	14,2	-8%	43,2	52,7	-18%
Capital expenditure	3.7	5.6	-34%	23.3	16.6	40%
Personnel (FTE), average	3,474	3,273	6%	3,370	3,282	3%

Net sales in Europe and Asia-Pacific decreased by 9% to EUR 145.5 million (Q4 2013: 160.1) due to a decrease in Home and Garden sales.

Sales in the Home business were down compared to the previous year. Sales were affected in Europe by a decrease in customer loyalty campaigns and sluggish cookware sales, and in Asia by market softness. The Living business was boosted by good performance in tabletop and good traction for glassware in Europe. Homeware sales in Japan were affected by the macroeconomic and political situation.

For Garden, the fourth quarter was disappointing as the sale of snow tools contracted due to the mild weather. Core garden and yard care categories performed well, but could not outweigh the previous year's successful customer loyalty campaigns.

Outdoor sales were flat as a positive development in Boat sales was offset by a decrease in outdoor product sales compared to the previous year, in which successful business-to-business campaigns gave outdoor products a strong sales boost.

The segment reached an operating profit excluding non-recurring items of EUR 13.1 million (14.2). The decrease was mainly due to volume loss in the Home and Garden businesses. Altogether EUR 9.5 million (2.3) of non-recurring costs were recorded during the quarter, including EMEA 2015 restructuring costs and a writedown.

Europe and Asia-Pacific in 2014

Net sales in Europe and Asia-Pacific decreased by 5% to EUR 533.6 million (2013: 564.2) due to a decrease in Garden and Outdoor sales and the divestment of the UK pottery business at the end of 2013. Comparable sales (currency neutral and excluding the divested business) decreased by 2%.

Net sales in the Home business were at previous year's levels. Living sales were slightly positive, as good performance in tabletop and glassware categories in Europe outweighed the decrease in customer loyalty campaigns and availability problems during the first half of the year. Kitchen sales were below the previous year's level, mainly due to weak cookware sales. Strong new products drove licensed product sales.

Net sales for the Garden business were disappointing, ending below the previous year's levels even when excluding the pottery business that was divested at the end of 2013. Sales in the first half of the year were affected by insufficient product availability, in addition to which sales of snow tools were sluggish due to mild weather both at the beginning and the end of the year. Despite the availability issues and the previous year's successful customer loyalty campaigns, core garden and yard care categories developed positively year on year and Fiskars continued to increase its market share.

Outdoor sales were below 2013 levels, both in outdoor products and boats. For Outdoor products the comparison year was marked with strong business-to-business initiatives across several markets.

The segment recorded an operating profit excluding non-recurring items of EUR 43.2 million (52.7), a decrease of 18%, which was mainly attributable to volume loss in the Garden and Outdoor businesses. The Group recorded a total of EUR 10.6 million (8.2) in non-recurring costs related to the EMEA 2015 program during the year, as well as EUR 7.7 (4.6) million in write-downs and impairment of goodwill.

Americas in Q4 2014

EUR million	Q4 2014	Q4 2013	Change	2014	2013	Change
Net sales	60.8	55.1	10%	240.0	245.1	-2%
Operating profit	4.4	3.2	40%	28.1	31.4	-11%
Capital expenditure	1.9	1.6	15%	5.2	5.7	-10%
Personnel (FTE), average	733	580	26%	631	568	11%

Net sales in the Americas increased 10% to EUR 60.8 million (Q4 2013: 55.1), driven by the strengthening of the US dollar and good development in the Garden business. Using comparable currency rates, sales increased by 2%.

Garden sales developed strongly, boosted by good performance in pottery and wood preparation tools. Fiskars also continued to solidify its position in core cutting tools. The acquired watering business did not yet have a material effect on Garden sales.

Sales of School, Office, and Craft products were close to the previous year’s levels. Fiskars maintained its leading position in key categories and strengthened its market share.

Outdoor sales were down year-on-year due to decreased promotional activities at some key retailers. Outdoor business performed strongly in the industrial and home center channels, and also institutional sales increased.

The segment’s operating profit was EUR 4.4 million (3.2), which included EUR 1.7 million of non-recurring badwill from the acquisition of the watering business. Excluding non-recurring items operating profit for the segment was at previous year’s levels due to product mix changes.

Americas in 2014

Net sales in the Americas decreased by 2% to EUR 240.0 million (2013: 245.1), weighed down by softness in Outdoor sales. Using comparable currency rates, sales decreased by 1%.

Garden net sales were above the previous year’s levels despite the cold and rainy weather during the important spring selling season. Fiskars ended the year with a strong last quarter for Garden, with good pottery and axe performance boosting sales.

Sales of School, Office, and Craft products were flat year-on-year. Fiskars maintained its leading position in key categories and strengthened its market share during the important back-to-school season.

The Outdoor business did not match the previous year’s performance. Sales in the commercial segment were impacted, especially in the first half of the year, by business challenges and also decreased promotional activities. Sales in the industrial and institutional channels increased from the previous year.

The segment’s operating profit amounted to EUR 28.1 million (31.4), the main driver for the decrease being volume loss in the Outdoor business.

Other in Q4 2014 and in 2014

EUR million	Q4 2014	Q4 2013	Change	2014	2013	Change
Net sales	1.4	1.8	-24%	6.8	6.5	6%
Operating profit (incl. eliminations)	-5.8	-3.3	74%	-10.7	-10.3	-4%
Capital expenditure (incl. eliminations)	1.8	1.3	39%	6.6	15.1	-56%
Personnel (FTE), average	236	240	-2%	243	237	2%

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

Following the divestment of the majority of the Group's holding in Wärtsilä, the remaining Wärtsilä shares, along with the rest of the Group's active investment portfolio are treated as financial assets at fair value through profit or loss in the Other segment.

Fiskars intends to utilize the remaining proceeds from the sale of Wärtsilä shares to finance the execution of the company's branded consumer goods growth strategy both organically and through acquisitions. Meanwhile, the plan is to gradually build a diversified investment portfolio.

At the end of the period, the market value of Fiskars active investment portfolio was EUR 766.7 million, consisting of financial assets that are publicly quoted on an active market. The net change in fair value recorded in profit and loss amounted to EUR 27.9 million during the fourth quarter and the full year.

Net sales were EUR 1.4 million (Q4 2013: 1.8) in the fourth quarter and EUR 6.8 million (2013: 6.5) for January–December, largely consisting of timber sales and rental income. The operating profit for the quarter was EUR -5.8 million (Q4 2013: -3.3) due to the timing of costs and EUR -10.7 million (2013: -10.3) for January–December.

Wärtsilä

Until October 2014, Fiskars holding in Wärtsilä amounted to 13.0% of the shares and votes (13.0) and Wärtsilä was accounted for as an associated company, forming one of Fiskars operating segments.

Fiskars share of Wärtsilä's profit from January 1 until October 9, 2014 totaled EUR 30.0 million (in the whole 2013: 50.8). No share of profit from associate was recorded in the last quarter of 2014 (Q4 2013: EUR 19.1 million).

Fiskars announced on September 19, 2014 that Fiskars, Investor, and their joint venture, Avlis AB, had signed an agreement according to which Investor would acquire 15.8 million shares, or 8% of the capital and votes in Wärtsilä from Avlis for EUR 639.1 million, or EUR 40.55 per Wärtsilä share. Since April 2012, Investor and Fiskars had had a joint venture for their ownership interests in Wärtsilä, which during the third quarter represented 21.8% of the capital and votes. Fiskars Group's holding in Wärtsilä through the joint venture was 13.0% and Investor's 8.8%.

The transaction including the sales of Wärtsilä shares to Investor was completed on October 9, 2014 and the joint venture structure was dissolved. Fiskars recorded a non-recurring profit from the sale of EUR 453.5 million in its Q4 2014 results. As Wärtsilä ceased to be treated as Fiskars associated company, the remaining Wärtsilä shares were valued at market value. This reclassification resulted in a non-recurring unrealized valuation gain of EUR 222.4 million.

The Group's segment reporting was changed accordingly, and Wärtsilä no longer forms an operating segment. The remaining Wärtsilä shares are treated as financial assets at fair value through profit or loss in the Other segment.

Acquisition of Bosch Garden and Watering business

In September, 2014, Fiskars signed an agreement to purchase the Bosch Garden and Watering business, including leading U.S. watering brands Gilmour and Nelson, from the Robert Bosch Tool Corporation in order to strengthen and diversify the Group's garden and yard care portfolio.

The acquisition was completed on December 19, 2014, and watering became a part of the Fiskars Americas segment on that day. Fiskars recorded non-recurring badwill of EUR 1.7 million in its fourth quarter results as the purchase price was lower than the fair value of the acquired net assets.

The purchase price for the business and related net assets was USD 26.1 million (EUR 21.2 million). The Group's total assets were increased by EUR 33.7 million on the acquisition date. The acquisition did not contribute materially to the Group's net sales or operating profit excluding non-recurring items in 2014.

For 2014, the pro forma net sales of the acquired watering business as a stand-alone entity totaled EUR 76.5 million, operating profit EUR -1.3 million and net result EUR -0.8 million.

Fiskars expects to record non-recurring expenses related to the integration of the business in 2015 and 2016. The acquisition is estimated to have a negative effect on Fiskars EBIT excluding non-recurring items in 2015. Over time, Fiskars will pursue synergies by augmenting product innovation, leveraging category adjacencies, and streamlining processes across brands as opportunities arise.

Changes in organization and management

As announced in 2013, Fiskars established an Asia-Pacific sales region as of January 2014, and the EMEA segment was renamed Europe and Asia-Pacific. Matteo Gaeta was appointed as President of Sales Region Asia-Pacific. In March 2014, Fiskars appointed Robert Kass as President of the company's Outdoor Americas business.

During the year three members of the Group's Executive Board left the company: General Counsel Jutta Karlsson at the end of April, CFO Ilkka Pitkänen in May and Chief Strategy Officer Max Alfthan in November.

On September 12, 2014, Teemu Kangas-Kärki was appointed as the Group's Chief Operating and Financial Officer (COO and CFO). He also became deputy to the CEO and a member of the Group's Executive Board. The role of Chief Operating Officer is new within Fiskars. Previously, he worked as the President of the Home business area.

As of December 1, 2014, the Group adopted a new, regional organization, and restructured the Group's businesses in Europe and Asia-Pacific as a part of the company's ongoing EMEA 2015 restructuring program. In the new organization, Fiskars two geographic reporting segments, Europe & Asia-Pacific and Americas, consist of four business regions: Europe, Asia-Pacific, Fiskars Americas, and Gerber Americas. The previous European sales regions, North and Central, were consolidated into one sales organization within the business region Europe. In conjunction with this, the Europe & Asia-Pacific product categories in the Garden and Home business areas were regrouped into the new business units: Living Products and Functional Products.

The business region Presidents were appointed as members of the Group's Executive Board and Fiskars' Executive Team was dissolved.

Fiskars' Executive Board consisted of the following members as of December 1, 2014:

- Kari Kauniskangas, President and CEO
- Teemu Kangas-Kärki, Chief Operating Officer and Chief Financial Officer (COO & CFO)
- Nina Ariluoma-Hämäläinen, Senior Vice President, Human Resources
- Thomas Enckell, President, Europe (previously President of Garden Europe & Asia-Pacific business area)
- Matteo Gaeta, President, Asia-Pacific (previously President of Sales Region Asia-Pacific)
- Risto Gaggl, Senior Vice President, Supply Chain
- Robert Kass, President, Gerber Americas (previously President of business area Outdoor Americas).

- Paul Tonnesen, President, Fiskars Americas (previously President of business areas Garden and SOC Americas)
- Frans Westerlund, Chief Information Officer (CIO)

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.

Ultimate decision-making power is vested in the Annual General Meeting of shareholders, which elects the members of the Board of Directors. Members of the Board are appointed until 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.

Dividend and extra dividend for the financial year 2013

The Annual General Meeting for 2014, held on March 12, 2014, decided to pay a dividend of EUR 0.67 per share, totaling EUR 54.9 million. The dividend was paid on March 24, 2014.

Following the sale of 8% of the shares in Wärtsilä by Fiskars subsidiary, Avlis AB, for EUR 639.1 million, Fiskars Extraordinary General Meeting of shareholders, held on December 9, 2014, decided that an extra dividend of EUR 2.60 per share was to be distributed to Fiskars shareholders. The extra dividend amounted to EUR 213 million in total and was paid on December 18, 2014.

Shares and shareholders

Fiskars Corporation has one share series (FIS1V). All shares carry one vote and equal rights. The number of shares in the Corporation 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.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The average share price during the fourth quarter was EUR 20.60 (Q4 2013: 18.99) and EUR 20.35 in 2014 (2013: 18.20). At the end of December, the closing price was EUR 17.99 (EUR 19.55) per share and Fiskars had a market capitalization of EUR 1,473.5 million (1,601.2). The number of shares traded during January–December was 6.9 million (3.0), which is 8.4% (3.7%) of the total number of shares.

The total number of shareholders was 17,828 (16,352) 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.

Board authorizations

The Annual General Meeting for 2014 decided to authorize the Board to acquire and convey a maximum of 4,000,000 of Fiskars own shares, which represents 4.9% of the Corporation's shares. Both authorizations will remain in force until June 30, 2015.

The authorizations may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation. The shares can be acquired in one or several installments, using the unrestricted shareholders' equity of the company. The shares may be acquired in derogation to the pre-emptive right of the shareholders to the shares of the company in public trading on Nasdaq Helsinki at market price.

The Board of Directors is authorized to decide on all other terms and conditions regarding the acquisition of its own shares and to determine to whom and in what order the shares shall be conveyed. The shares can be conveyed in one or several installments, either against payment or without payment in derogation of the pre-emptive right of shareholders to company shares. The shares may also be conveyed through public trading.

Board and Board Committees

The Annual General Meeting for 2014 set the number of board members at nine. Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, and Karsten Slotte were re-elected and Christine Mondollot was elected as a new member of the board. The Board members' term of office will expire at the end of the Annual General Meeting in 2015.

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

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

Risks and business uncertainties

Fiskars business, net sales, and financial performance may be affected by several uncertainties. Fiskars Group 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:

- Macroeconomic risk and consumer demand
- Customer relationships
- Brands and corporate reputation
- Innovation and new product development
- Intellectual property rights
- People and culture
- Supply chain
- Raw materials and components
- Product risk
- Weather and seasonality
- Investment program in Europe
- Information technology
- Acquisitions
- Currency rates
- Financial investments
- Taxation

In 2014, Fiskars sales were affected by macroeconomic risk and consumer demand, especially in Finland, challenges in customer relationships and product risk in Outdoor Americas, weather and seasonality in Europe (low snowfall), the investment program in Europe, and negative currency rates in the first half of the year.

In 2015, Fiskars does not foresee a change to the better in the macroeconomic situation and consumer demand in Finland.

The addition of the watering business has increased the weather and seasonality risk in the Americas and the Group's exposure to the US dollar. The first and second quarters are important selling season for both garden and yard care and watering products, and the late autumn and winter for snow tools.

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.

Fiskars Group's entities are subject to tax audits in several countries. It is possible that tax audits may lead to re-assessment of taxes.

Fiskars Other segment now includes an investment portfolio, which is treated as financial assets at fair value through profit or loss. This will increase the volatility of Fiskars financial items in the profit and loss statement and thus the volatility of Fiskars net result.

Outlook for 2015

Fiskars expects the Group's net sales for 2015 to increase from the previous year. The majority of the increase is expected from the addition of the watering business.

Despite the overall economic uncertainty, Fiskars continues the determined execution of its strategy. The company plans to expand its retail network in Asia, and the integration and turnaround of the newly acquired US watering business has begun. In addition, Fiskars plans to increase investments in brands in Europe. These efforts will increase costs and, together with the amortization related to the five-year investment program, lead Fiskars to expect that its operating profit excluding non-recurring items for the year 2015 will be below 2014 levels.

Fiskars Other segment now includes an investment portfolio, which is treated as financial assets at fair value through profit or loss. This will increase the volatility of Fiskars financial items in the profit and loss statement and thus the volatility of Fiskars net result.

Proposal for distribution of dividend

At the end of 2014, the distributable equity of the parent company was EUR 547.5 million (822.5). The Board of Directors proposes to the Annual General Meeting of shareholders, to be held on March 12, 2015, that a dividend of EUR 0.68 (0.67 and extra dividend of 2.60) per share be paid for 2014.

On the date of this financial statement release, the number of shares entitling holders to a dividend was 81,905,242. The proposed distribution of dividends would thus be EUR 55.7 million (54.9). This would leave EUR 491.8 (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.

Helsinki, Finland, February 6, 2015

FISKARS CORPORATION
Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	10-12 2014	10-12 2013	Change %	1-12 2014	1-12 2013	Change %
Net sales	203.9	212.6	-4	767.5	798.6	-4
Cost of goods sold	-121.4	-123.2	-1	-457.0	-475.3	-4
Gross profit	82.5	89.4	-8	310.4	323.2	-4
Other operating income	2.4	1.0	154	5.9	3.1	88
Sales and marketing expenses	-47.9	-47.0	2	-168.4	-164.7	2
Administration expenses	-20.9	-25.9	-19	-80.6	-82.0	-2
Research and development costs	-4.3	-4.5	-4	-14.6	-13.3	10
Other operating expenses	-9.5	-1.3	628	-10.0	-1.5	563
Goodwill impairment					-3.7	
Operating profit (EBIT)*	2.3	11.7	-81	42.7	61.0	-30
Change in fair value of biological assets	0.2	0.1	146	-0.3	0.7	
Share of profit from associate		19.1		30.0	50.8	-41
Gain on sale and revaluation of associate shares	676.0			676.0		
Investments at fair value through profit or loss - net change in fair value	27.9			27.9		
Other financial income and expenses	10.3	-1.0		10.5	-4.3	
Profit before taxes	716.6	29.8	2302	786.7	108.3	626
Income taxes	1.6	2.9	-44	-13.4	-14.3	-7
Profit for the period	**718.2**	**32.7**	**2096**	**773.3**	**94.0**	**723**
Attributable to:						
Equity holders of the parent company	718.1	32.6	2100	773.1	93.7	725
Non-controlling interest	0.1	0.1	12	0.2	0.3	-7
Earnings for equity holders of the parent company per share, euro (basic and diluted)	8.77	0.40	2100	9.44	1.14	725
* Operating profit excl. NRIs (detailed in notes)	10.7	14.0	-24	59.6	73.8	-19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Profit for the period	**718.2**	**32.7**	**773.3**	**94.0**
Other comprehensive income for the period:				
Items that may be reclassified subsequently to profit or loss:				
Translation differences	-0.5	-3.4	3.6	-8.5
Change in associate recognized directly in other comprehensive income		-3.3	6.5	-13.9
Transferred to income statement	6.2		6.2	
Cash flow hedges	0.1	0.1	-0.0	0.5
Items that will not be reclassified to profit or loss:				
Defined benefit plan, actuarial gains (losses) net of tax	-1.0	-0.3	-1.1	-0.2
Change in associate recognized directly in other comprehensive income		-1.7	-0.1	-5.6
Other comprehensive income for the period net of tax total	4.9	-8.5	15.1	-27.7
Total comprehensive income for the period	**723.1**	**24.2**	**788.4**	**66.3**
Attributable to:				
Equity holders of the parent company	723.1	24.2	788.0	66.1
Non-controlling interest	0.0	0.0	0.4	0.2

CONSOLIDATED BALANCE SHEET

EUR million	12/2014	12/2013	Change %
ASSETS			
Non-current assets			
Goodwill	112.7	111.9	1
Other intangible assets	171.9	170.9	1
Property, plant & equipment	104.7	100.5	4
Biological assets	41.6	42.0	-1
Investment property	4.9	6.0	-18
Investments in associates		286.1	-100
Financial assets			
Financial assets at fair value through profit or loss	12.2	10.5	17
Other investments	3.9	3.9	0
Deferred tax assets	26.8	31.3	-15
Non-current assets total	478.8	763.1	-37
Current assets			
Inventories	168.2	119.4	41
Trade and other receivables	129.2	138.5	-7
Income tax receivables	8.0	6.1	32
Interest-bearing receivables	5.1	2.3	119
Investments at fair value through profit or loss	766.7		
Cash and cash equivalents	33.6	9.7	248
Current assets total	1 110.7	275.9	303
Assets total	**1 589.5**	**1 039.1**	**53**
EQUITY AND LIABILITIES			
Equity			
Equity attributable to the equity holders of the parent company	1 151.9	631.8	82
Non-controlling interest	1.3	0.9	45
Equity total	1 153.2	632.7	82
Non-current liabilities			
Interest-bearing liabilities	31.5	56.2	-44
Other liabilities	6.4	6.1	5
Deferred tax liabilities	39.1	39.8	-2
Pension liability	9.3	8.6	8
Provisions	4.5	5.9	-24
Non-current liabilities total	90.9	116.7	-22
Current liabilities			
Interest-bearing liabilities	128.9	108.8	18
Trade and other payables	210.2	172.0	22
Income tax liabilities	1.9	3.7	-50
Provisions	4.4	5.2	-15
Current liabilities total	345.5	289.7	19
Equity and liabilities total	**1 589.5**	**1 039.1**	**53**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Cash flow from operating activities				
Profit before taxes	716.6	29.8	786.7	108.3
Adjustments for				
Depreciation, amortization and impairment	8.0	7.6	28.5	29.2
Share of profit from associate		-19.1	-30.0	-50.8
Gain on sale and revaluation of associate shares	-676.0		-676.0	
Gain/loss on sale and loss on scrap of non-current assets	8.9	0.2	8.5	0.2
Investments at fair value through profit or loss - net change in fair value	-27.9		-27.9	
Other financial items	-10.2	1.0	-10.4	4.2
Change in fair value of biological assets	-0.2	-0.1	0.3	-0.7
Change in provisions and other non-cash items	-3.8	4.1	-6.1	3.6
Cash flow before changes in working capital	15.3	23.5	73.6	94.0
Changes in working capital				
Change in current assets, non-interest-bearing	3.9	-9.1	17.0	-14.4
Change in inventories	1.7	12.5	-20.5	-0.5
Change in current liabilities, non-interest-bearing	31.7	22.2	9.6	7.3
Cash flow from operating activities before financial items and taxes	52.7	49.2	79.8	86.5
Dividends received from associate			26.9	25.6
Financial costs paid (net)	-1.3	-1.7	-5.4	-5.5
Taxes paid	-3.6	-6.9	-14.3	-25.6
Cash flow from operating activities (A)	47.9	40.6	87.0	81.0
Cash flow from investing activities				
Acquisition of subsidiaries	-19.7		-19.7	-49.5
Investments in financial assets	-400.0		-400.1	-0.1
Capital expenditure on fixed assets	-7.4	-8.5	-35.0	-37.5
Proceeds from sale of fixed assets	0.2	0.8	2.4	1.1
Proceeds from sale of business		1.0		1.0
Proceeds from sale of associate shares	639.1		639.1	
Cash flow from other investments	-0.2	0.4	1.3	0.4
Cash flow from investing activities (B)	211.9	-6.3	187.8	-84.6
Cash flow from financing activities				
Change in current receivables	-4.7	-1.6	-2.8	-1.8
Borrowings of non-current debt	33.6	0.0	32.7	0.1
Repayment of non-current debt	-33.7	-3.6	-44.6	-20.0
Change in current debt	-39.8	-25.1	11.4	74.2
Payment of financial lease liabilities	-0.3	-0.4	-2.4	-1.7
Cash flow from other financing items	0.4	0.1	0.2	-0.2
Dividends paid	-190.6		-245.6	-53.2
Cash flow from financing activities (C)	-235.1	-30.6	-251.1	-2.7
Change in cash (A+B+C)	**24.7**	**3.6**	**23.7**	**-6.3**
Cash at beginning of period	8.9	6.5	9.7	16.4
Translation difference	-0.0	-0.5	0.2	-0.5
Cash at end of period	33.6	9.7	33.6	9.7

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Attributable to the equity holders of the parent company							
EUR million	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings	Non-controlling interest	Total
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**
Changes due to divestments						-0.0	0.2	0.2
Total comprehensive income for the period			14.5	1.6	4.5	767.4	0.4	788.4
Dividends paid						-267.8	-0.2	-268.0
31 Dec, 2014	**77.5**		**-4.2**	**-1.0**	**-2.2**	**1 081.7**	**1.3**	**1 153.2**

KEY FIGURES*

KEY FIGURES*	12/2014	12/2013	Change %
Equity/share, EUR	14.06	7.71	82
Equity ratio	73%	61%	
Net gearing	11%	24%	
Net interest-bearing liabilities, EUR million	121.3	152.6	-21
Personnel (FTE), average	4 243	4 087	4
Personnel, end of period	4 832	4 330	12
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 2013 for the calculation of key figures
** Excluding treasury shares

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

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

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2014:
- IFRS 10 Consolidated Financial Statements and subsequent amendments
- IFRS 11 Joint Arrangements and subsequent amendments
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Amendments to IAS 32 Financial instruments: Presentation
- Amendments to IAS 36 Impairment of Assets
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 21 Levies.

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

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

OPERATING SEGMENTS	10-12	10-12	Change	1-12	1-12	Change
EUR million	2014	2013	%	2014	2013	%
Net sales						
Europe & Asia-Pacific	145.5	160.1	-9	533.6	564.2	-5
Americas	60.8	55.1	10	240.0	245.1	-2
Other	1.4	1.8	-24	6.8	6.5	6
Inter-segment sales*	-3.7	-4.4	-15	-13.0	-17.2	-25
GROUP TOTAL	**203.9**	**212.6**	**-4**	**767.5**	**798.6**	**-4**
Operating profit (EBIT)						
Europe & Asia-Pacific	3.6	11.8	-69	25.2	39.9	-37
Americas	4.4	3.2	40	28.1	31.4	-11
Other and eliminations	-5.8	-3.3	74	-10.7	-10.3	4
GROUP TOTAL	**2.3**	**11.7**	**-81**	**42.7**	**61.0**	**-30**
Depreciation, amortization and impairment						
Europe & Asia-Pacific	4.0	5.2	-22	15.3	21.1	-28
Americas	2.1	0.7	192	5.9	3.7	61
Other and eliminations	1.9	1.8	7	7.3	4.4	67
GROUP TOTAL	**8.0**	**7.6**	**5**	**28.5**	**29.2**	**-2**
Capital expenditure						
Europe & Asia-Pacific	3.7	5.6	-34	23.3	16.6	40
Americas	1.9	1.6	15	5.2	5.7	-10
Other and eliminations	1.8	1.3	39	6.6	15.1	-56
GROUP TOTAL	**7.4**	**8.5**	**-14**	**35.0**	**37.5**	**-6**
* Inter-segment sales						
Europe & Asia-Pacific	-2.3	-1.4		-7.4	-8.2	
Americas	-0.9	-2.5		-3.3	-6.8	
Other	-0.6	-0.6		-2.3	-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	10-12	10-12	Change	1-12	1-12	Change
EUR million	2014	2013	%	2014	2013	%
Net sales						
Home	119.3	124.7	-4	380.5	386.2	-1
Garden	50.5	54.3	-7	268.2	284.5	-6
Outdoor	33.5	32.4	3	114.2	123.7	-8
Other	0.7	1.2	-41	4.5	4.2	8
GROUP TOTAL	**203.9**	**212.6**	**-4**	**767.5**	**798.6**	**-4**

NON-RECURRING ITEMS	10-12	10-12	Change	1-12	1-12	Change
EUR million	2014	2013	%	2014	2013	%
EMEA 2015 restructuring program	-2.5	-2.3	7	-10.6	-8.2	30
Write-down of ERP related intangible assets	-7.0			-7.0		
Gain from bargain purchase*	1.7			1.7		
Trademark impairment	-0.4			-0.4		
Goodwill impairment related to the Sankey business					-3.7	
Write-down of a real estate					-0.9	
Other non-recurring items	-0.2			-0.7		
Total	**-8.4**	**-2.3**	**264**	**-17.0**	**-12.8**	**33**

*Related to the acquisition of the watering business

INTANGIBLE AND TANGIBLE ASSETS

EUR million	12/2014	12/2013
Intangible assets and goodwill		
Book value, Jan 1	282.9	229.3
Currency translation adjustment	1.3	-0.5
Acquisitions		49.4
Additions	16.7	14.7
Amortization and impairment	-9.2	-10.0
Decreases and transfers	-7.0	-0.0
Book value at end of period	**284.6**	**282.9**
Investment commitments for intangible assets	6.0	3.6
Tangible assets and investment property		
Book value, Jan 1	106.5	95.5
Currency translation adjustment	2.7	-0.9
Acquisitions	5.3	10.9
Additions	18.9	22.5
Depreciation and impairment	-19.2	-18.8
Decreases and transfers	-4.5	-2.6
Book value at end of period	**109.6**	**106.5**
Investment commitments for property, plant and equipment	2.7	3.1

CONTINGENCIES AND PLEDGED ASSETS

EUR million	12/2014	12/2013
As security for own commitments		
Lease commitments	55.1	53.8
Other contingencies*	22.9	2.8
Total	77.9	56.6

*Other contingencies include a commitment of USD 25 million (EUR 20 million) to invest in a private equity fund.

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

As security for subsidiaries' commitments		
Guarantees	11.2	13.9
Total	**89.1**	**70.5**

Litigation

Fiskars is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted. Taking into account all available information to date the outcome is not expected to have material impact on the financial position of the Group.
Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to re-assesment of taxes.

DERIVATIVES

EUR million	12/2014	12/2013
Nominal amounts of derivatives		
Foreign exchange forwards and swaps	417.3	197.1
Foreign exchange options	205.9	
Interest rate swaps	65.9	55.9
Electricity forward agreements	1.5	1.8
Fair value of derivatives		
Foreign exchange forwards and swaps	5.4	-0.6
Interest rate swaps	-2.2	-2.4
Electricity forward agreements	-0.2	-0.4

Derivatives have been valued at market value. Of the foreign exchange derivatives foreign exchange forwards and swaps with nominal value of EUR 205 million and foreign exchange options with nominal value of EUR 206 million relate to financial investments. There would be a gain of EUR 20.4 million or loss of EUR 15.7 million in case USD appreciated of depreciated 10% from the year end rate of 1.2141. At the end of the year all financial investments were denominated in euros. Foreign exchange forwards and swaps include also agreements related to hedging of future cash flows and financial items with aggregate nominal value of EUR 212 million.

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	THB	NOK
Operational currency position	-32.9	24.4	-23.1	18.5
Exchange rate sensitivity of the operations*	3.3	-2.4	2.3	-1.9

* 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

12/2014

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	767.0		11.9	778.9
Other investments			3.9	3.9
Derivative assets		5.4		5.4
Total assets	767.0	5.4	15.8	**788.2**
Derivative liabilities		2.4		2.4
Total liabilities		2.4		**2.4**

12/2013

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

Fair value categories

Hierarchy level 1 includes financial assets that are publicly quoted in an active market. 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	At fair value through profit or loss		Other
EUR million	Level 1	Level 3	
Book value, Dec 31, 2012		**9.7**	**0.8**
Additions		0.1	0.3
Acquisitions			3.5
Decreases		-0.4	-0.8
Change in fair value through profit or loss	0.3	0.8	
Book value, Dec 31, 2013	**0.3**	**10.2**	**3.9**
Additions	400.0		
Transfer from investments in associates	113.9		
Decreases		-1.6	
Change in fair value through profit or loss	252.8	3.3	
Book value, Dec 31, 2014	**767.0**	**11.9**	**3.9**

The investments comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). Level 1 investments consist of 9,881,781 shares in Wärtsilä with fair value of EUR 366.5 million and of investments into short interest rate funds with fair value of EUR 400.1 million. A 10% change in the Wärtsilä share price would have an impact of EUR 36.7 million in the results before taxes. Risk associated to investments into short interest rate funds are considered to be modest. Unlisted shares are measured at cost (level 3) since their fair value cannot be determined reliably. The fair value of unlisted funds is based on the market value reported by the fund (level 3). Changes in the fair value are booked in the income statement.

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

RELATED PARTY TRANSACTIONS

The dividend from Wärtsilä EUR 26.9 million is reported as dividends received from associate in the consolidated statement of cash flows. The dividend was received during the first quarter of 2014.

At the end of June 2014, Fiskars sold 9.9% of its shares in Inha Works Ltd. to the company's management.

ACQUISITIONS AND DIVESTMENTS

2014

Acquisition of U.S. watering brands Nelson and Gilmour

On December 19, 2014, Fiskars acquired the Bosch Garden and Watering business, including leading U.S. watering brands Gilmour and Nelson, from the Robert Bosch Tool Corporation in order to strengthen and diversify Fiskars' garden and yard care portfolio. Based in Peoria, Illinois, USA, the product assortment of the watering business includes hoses, hose ends, sprinklers, nozzles, and watering timers under the Gilmour and Nelson brands. The acquisition includes all related assets and leases, as well as manufacturing operations in Missouri in the USA and Ningbo in China. The watering business employs approximately 440 people in total, about 270 of whom are in the U.S. The purchase price for the business and related net assets was USD 26.1 million, equaling approximately EUR 21.2 million. The transaction was financed by Fiskars' existing credit facilities.

A bargain purchase gain of EUR 1.7 million arising from the acquisition relates to liabilities where all the conditions to recognize a provision are not yet met. Fiskars believes that it was able to acquire the watering business for less than the fair value of its assets because of the seller's intent to exit its Garden and Watering operations. The bargain purchase gain is not expected to be taxed for income tax purposes.

Upon completion of the transaction, the watering business became a part of Fiskars' Americas segment. As of the acquisition date, the consolidated comprehensive income for 2014 includes EUR 1.7 million of net sales and EUR 0.3 million of loss for the financial year contributed by the watering business. Had the watering business been consolidated from January 1, 2014, the consolidated statement of income would show pro forma revenue of EUR 76.5 million, operating loss of EUR 1.3 million and a net loss of EUR 0.8 million for the watering business. Similarly, Fiskars Group consolidated statement of income would show pro forma revenue of EUR 842.3 million and profit for the period of EUR 772.8 million.

The costs of advisory and valuation services related to the acquisition totaled EUR 1.7 million. These costs have been included in the "Administration expenses" item on the consolidated income statement. The bargain purchase gain is recognized in the income statement and is included in the item "Other operating income". The acquired watering business was consolidated into the consolidated financial statements as of 19 December 2014.

The following table summarizes the preliminary fair value of identifiable assets acquired and liabilities assumed at the acquisition date, as well as the consideration transferred and the bargain purchase gain:

EUR million	
Property, plant & equipment	**5.3**
Deferred tax assets	**1.6**
Non-current assets total	**6.9**
Inventories	**25.2**
Trade and other receivables	**0.2**
Cash and cash equivalents	**1.4**
Current assets total	**26.8**
Deferred tax liabilities	**2.5**
Non-current liabilities total	**2.5**
Trade payables and other current liabilities	**8.3**
Current liabilities total	**8.3**
Net assets	**22.9**
Consideration transferred	**21.2**
A gain from a bargain purchase	**1.7**

Sale of significant part of Wärtsilä shares

On Sep 19, 2014 Fiskars, Investor and their joint venture Avlis AB signed an agreement according to which Investor acquired 15.8 million shares, or 8% of the capital and votes in Wärtsilä from Avlis for EUR 639.1 million, or EUR 40.55 per share. As a result, these shares were classified as a non-current asset held for sale in the Q3 2014 interim report. The transaction was completed on 9 Oct, 2014.

The joint venture structure was dissolved on Oct 9, 2014 and Fiskars retains an ownership stake in Wärtsilä representing 5.01% of the capital and votes. The non-recurring gain from the sale of Wärtsilä shares to Investor amounted to EUR 453.5 million.

Following the decrease in the Fiskars ownership of Wärtsilä it ceased to be treated as Fiskars' associated company, and the Group's segment reporting was changed accordingly. As a consequence, the remaining Wärtsilä shares were classified as financial assets at fair value through profit or loss. This reclassification resulted in a non-recurring unrealized valuation gain of EUR 222.4 million. Later changes in the market value have been reported in the Other segment.

In addition, Investor will pay an additional consideration to Fiskars' subsidiary Avlis (50% of profit the first year, 40% the second year and 30% the third year) in the event the acquired shares are divested at a higher price during a three year period. During that period, Fiskars and Investor have agreed in a shareholders' agreement to mutual first right of refusal provisions as well as a right for Fiskars to participate on equal terms if Investor were to divest the acquired shares.

2013

Acquisition of Royal Copenhagen

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

Divestment of UK Sankey business

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

FISKARS

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