FISKARS
365
EVERYDAY • SINCE 1649






ANNUAL REPORT **2014**

FISKARS

TABLE OF CONTENTS

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365
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FISKARS 365 – CELEBRATING CENTURIES OF PRIDE, PASSION AND DESIGN. EVERY DAY.

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. As a 365-year-old company, we play an integral role in helping enthusiasts create a better life by empowering people to express their personalities and passions using products trusted by generations.

During our 365 years of business, it is our people who have ensured that we, as a company are positioned for growth, outperform markets, create innovative and beautiful designs and serve our customers' needs in the best possible way.

We can be proud of the fact that our products are relied upon from one generation to the next and the centuries-old tradition of craftsmanship from the small village where the company's story began. The same standards of excellence continue to guide the Fiskars team today, stemming from the core belief that all things, even the simplest, can be made better and smarter.

Fiskars offers leading branded consumer goods for the home, garden and outdoors. Fiskars is the oldest company in Finland, and the company's shares are listed on Nasdaq Helsinki. The Group's key international brands are Fiskars, Iittala and Gerber.

FUNCTIONAL PRODUCTS

Fiskars offers functional tools that are used in and around the house under the brands Fiskars, Nelson, Gilmour, Hackman, Leborgne, EbertSankey and a number of local brands. Fiskars is the world's leading scissors and garden cutting tool brand. In Europe, the brand also offers kitchen tools and in the Americas, products for school, office and craft.

LIVING PRODUCTS

In the Living business, Fiskars strives to be recognized as the global leader renowned for its Scandinavian design. Fiskars Living offers a wide range of products for the tabletop and interior décor under the brands Iittala, Royal Copenhagen, Arabia and Rörstrand.

OUTDOOR PRODUCTS

Fiskars Outdoor offers a wide range of innovative, reliable and essential products for people on the move. The business unit focuses globally on the Gerber brand, which is a leading provider of problem solving, life-saving gear for recreational and professional users.

Read more about
Fiskars Group
www.fiskarsgroup.com

2014 IN BRIEF

2014 was a milestone year for Fiskars – in addition to celebrating its 365th anniversary, the company took several significant strategic steps in its transformation journey.

FROM ST. PETERSBURG TO RIGA TO NEW YORK, media and key customers participated in Fiskars 365 anniversary events to learn about the past, present and the future of Fiskars – and to experience that special "Touch of Orange".

75 YEARS
EST. 1939
OR. U.S.A.

THE NEW FUNCTIONAL FORM COLLECTION was presented to the international trade at Ambiente, Frankfurt, the world's most important consumer homeware trade fair.

AS A BEDROCK BRAND IN PORTLAND, Oregon's Athletic & Outdoor Industry, Gerber celebrated 75 years of category leadership.

HER ROYAL HIGHNESS, Crown Princess Mary of Denmark, joined more than 200 visitors in the grand celebration of new Royal Copenhagen offices and competence center in Copenhagen.

THE ORANGE AND MORE exhibition celebrated the 60's tabletop series Fiskamin, innovation and the color that became a global triumph.

768
MEUR
NET SALES

THE IITTALA GLASS FACTORY, the heart and soul of glass-blowing expertise in Finland, was expanded and refurbished to create a home for our unique glass mass to take shape and come alive in the form of iconic products.

€

59.6
MEUR
OPERATING PROFIT EXCL. NRI

reddot design award

IN CONTINUATION OF A HERITAGE OF AWARD WINNING PRODUCT DESIGN, multiple Fiskars and Iittala products received internationally renowned accolades.

A 12-WEEK "DISCOVER THE DIFFERENCE TOUR" across the U.S. gave consumers in 25 cities an opportunity to try out a variety of Fiskars products, and discover the difference the right tool can make.

THE ROYAL COPENHAGEN FLAGSHIP STORE, in Marunouchi, Tokyo, established already in 1967, was renewed and expanded to emphasize the lifestyle and atmosphere of the home.

WÄRTSILÄ

8% OF WÄRTSILÄ SHARES DIVESTED FOR
639
MEUR

213
MEUR
PAID TO SHAREHOLDERS AS EXTRA DIVIDEND

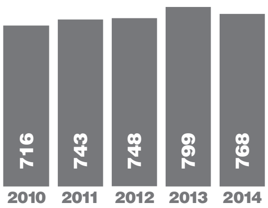
NOW IN ITS SECOND YEAR, Fiskars seasonal autumn campaign, Tidy Up swept across Europe, putting brooms and rakes into the hands of gardeners everywhere.

THE NEWLY FORMED ASIA-PACIFIC organization launched the first Iittala stores in Taiwan and Korea.

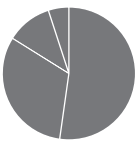
THE GARDEN AND YARD CARE offering was expanded into watering through the acquisition of leading US brands Nelson and Gilmour.

The Group moved into a business region-based organization to increase agility and simplify execution.

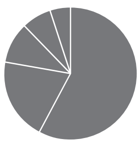
Net sales, EUR million



Net sales by business 2014, %



Net sales by business region, %



“BEING PART OF SHAPING THE FUTURE OF A 365 YEAR LEGACY IS SOMETHING THAT I FEEL WE SHOULD ALL BE VERY PROUD OF. TODAY, ON THIS MOST SPECIAL OF DAYS I WANT TO TAKE THE OPPORTUNITY TO IMMORTALIZE THIS MOMENT AND ADD IT TO THE COMPANY’S 365 YEAR HISTORY FOR GENERATIONS TO COME.“

– Kari Kauniskangas
on October 31, 2014, to Fiskars employees in a global townhall meeting.

PRESIDENT'S REVIEW

In 2014 Fiskars, Finland's oldest company, was proud to celebrate its 365th anniversary. As a company we are stronger than ever before and our transformation into a world-class branded consumer goods company continues according to plan.

During the course of the year, we reflected on how we could simplify our way of working and increase focus towards our customers and consumers. As a result, we reorganized our businesses in Europe and Asia-Pacific and formed a new Executive Board that includes the business region leaders. For me, it is key that we develop Fiskars global way of working and strategic capabilities together as one team.

During the past years Fiskars has invested heavily on building platforms designed for growth. We have freed up cash which we have then re-invested into strengthening and building our brands, and we will continue to do so in the future, but these investments also need to generate sales growth.

Looking at the year from a business perspective we cannot be satisfied with our performance. There were some factors outside of our control, such as currencies and weather conditions, but in Europe, we also faced challenges with availability and in the US we lost momentum with our outdoor customers. Clear action plans were put in place, and we could already see improvements in the second half of the year. In Finland, one of our biggest markets, the economic downturn increasingly impacted the retail landscape and consumer behavior.

Despite these headwinds, many of our sales units did a stellar job and demonstrated a true winning spirit. I am especially pleased that the Outdoor institutional sales are growing again after a long time.

At the moment our kitchen business is in the first stages of its biggest international launch ever. Trade and media response to our meal-centric concepts has been positive, and we have gained distribution in key Central European markets.

In Asia, our strategic journey proceeds according to plan and we are on our way to making the Asia-Pacific region one of the future growth engines of the group.

At the same time we continued to build the portfolio for the future, and acquired the leading US watering brands Nelson and Gilmour to expand our garden offering. This addition brings with it industry-leading expertise in watering, which is one of the largest gardening categories.

Our strategy includes carefully selected acquisitions, which contribute to the company's long-term success. The continued strong performance of Royal Copenhagen during its second year as a part of Fiskars portfolio and local teams opening the first Iittala stores in new Asian markets proved that the esteemed brand was a natural fit with our portfolio and we can achieve significant benefits through this strategy.

As our strategic focus is to become a leader in branded consumer goods, being the largest shareholder of Wärtsilä is no longer a part of our strategy. The divestment of a part of our Wärtsilä holding further strengthens Fiskars financial position and enables us to, over time, accelerate the company's growth.

Fiskars is a one of a kind company. I want to thank you all for being a part of Fiskars unique heritage and sharing our core belief that all things, even the simplest, can be made better and smarter. Every day.

Kari Kauniskangas
President and CEO

STRATEGY

Fiskars has a clear ambition to grow: we want to outperform market growth while maintaining solid long-term profitability. The company's strength lies in our ability to run businesses where we can create value through brand building, innovative smart products and unique design.

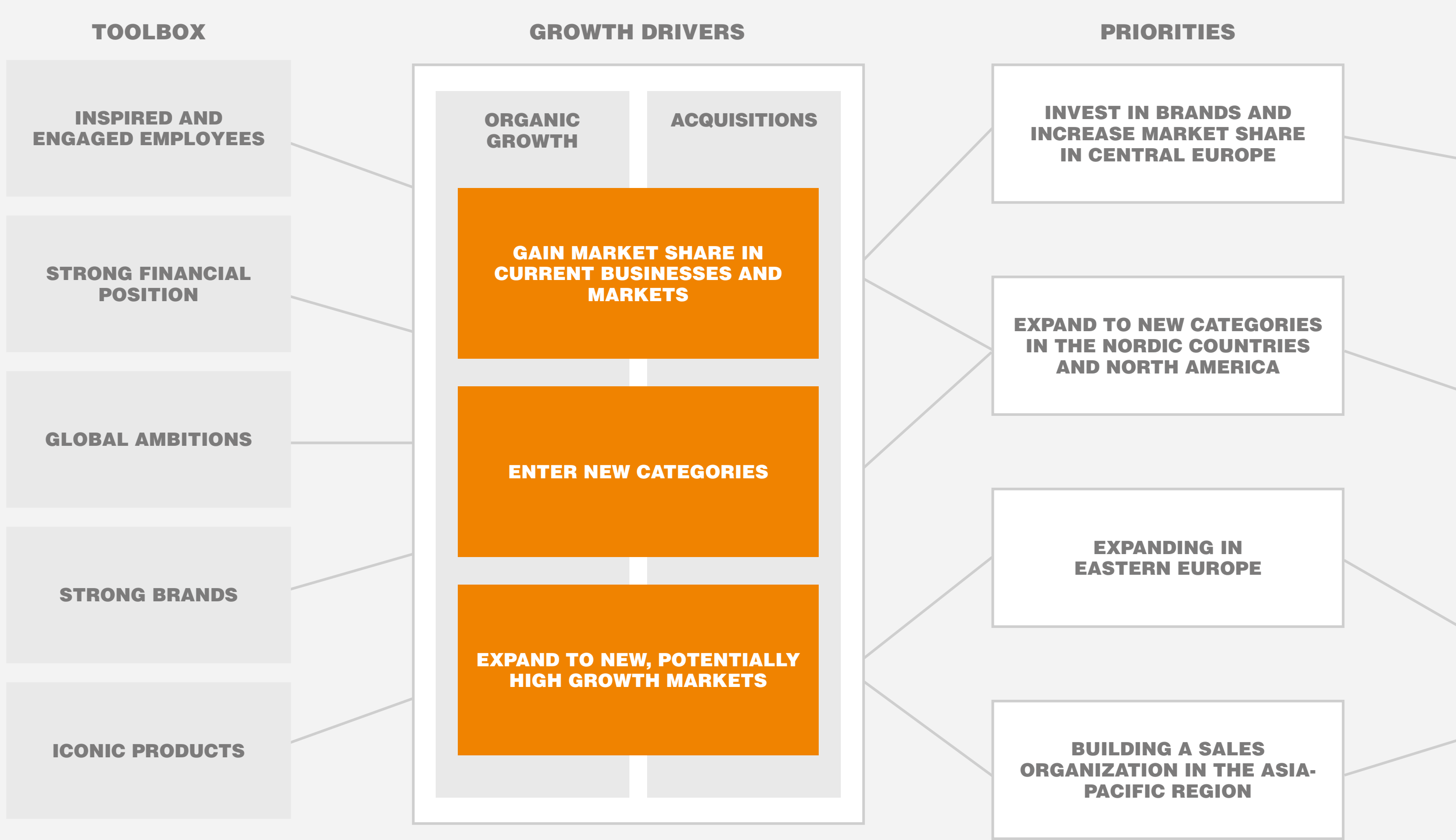
Fiskars strategy aims to get our iconic products into the hands of engaged consumers all over the world and we have designed our business model and organization to ensure that we do this in the smartest way possible. In expanding our business we consider several criteria based on consumer and trade insight, including fit with distribution, opportunities for innovation and brand-worthiness.

Our growth strategy is threefold: to gain market share in current businesses and markets, invest in and enter new categories and to expand into new, potentially high growth markets. This we will do by continuously investing in our brands and sales organization and by excelling in execution – but also through selective acquisitions that fit our business model.

Since 2008 we have consistently evolved towards a focused and efficient branded consumer goods company. As our transformation has progressed, our emphasis has shifted to growth and executing our ambition to expand globally.

In 2014 we took several significant strategic steps. The divestment of the majority of our holding in Wärtsilä strengthened the Group's financial position even further, and will enable us to accelerate our growth as a branded consumer goods company.

STRATEGY FOR GROWTH



The acquisition of the leading US watering brands Nelson and Gilmour strengthens and diversifies our garden and yard care portfolio, which is in alignment with our strategy to expand into adjacent categories that complement our existing portfolio. Over time, Fiskars will pursue synergies by augmenting product innovation, leveraging category adjacencies and streamlining processes across brands.

The reorganization of our business is designed to support our aim 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.

Over the last years we have taken a number of measures to simplify our structures and increase our focus on selected businesses and brands. In 2014 we continued to optimize our product range and adjusted our brand portfolio with Höganäs Keramik becoming a product line under the Rörstrand brand, and Montana and Drive Boats offerings being discontinued.

We continued to streamline our supply chain and, among other things, restructured our operations in Italy to improve competitiveness and increase focus on a pan-European offering. In Denmark, we continued the integration of two sales organizations into one with common processes and systems.

OUR MISSION IS TO ENRICH PEOPLE'S LIVES WITH LASTING PRODUCTS THAT INCREASE ENJOYMENT AND SOLVE EVERYDAY TASKS THROUGH THEIR FUNCTIONALITY, INNOVATION AND DESIGN.

KEY ACHIEVEMENTS IN 2014

- Further strengthening of market share in garden hand tools
- Launch of kitchen tools in Central and Eastern Europe
- Second round of the garden autumn campaign Tidy Up, boosted seasonal sales
- Expansion of Iittala branded retail network in Central Europe

- Entry into watering through the acquisition of leading US brands Nelson and Gilmour
- Strengthening of interior product line with new lighting solutions and accessories
- Launch of a range of wood preparation tools
- Extension of interior gardening offering

- Continued regional expansion in Russia
- Launch of Asia-Pacific organization
- Regional hub in Hong Kong
- Expansion of Iittala branded retail network in Japan
- Launch of Iittala branded retail network in Taiwan and South Korea

TARGET

OUTPERFORMING MARKET GROWTH WHILE MAINTAINING SOLID LONG-TERM PROFITABILITY

BRANDS

Fiskars core competence is developing strong specialist brands that are meaningful and desirable to passionate consumers. Our success depends on our ability to build and fuel these brands for growth so that they stay commercially relevant long into the future. Our key brands Fiskars, Iittala and Gerber are internationally renowned and developed with global ambitions.

EACH OF THE TRUSTED BRANDS IN OUR PORTFOLIO HAS A CLEARLY DEFINED ROLE IN REALIZING OUR GROWTH AMBITION.

KEY INTERNATIONAL BRANDS

FISKARS®

Fiskars is a globally leading brand in scissors and garden hand tools and a proven category innovator for generating growth. Over the past years we have successfully built international brand recognition and consistently increased our market share, rising to the number one position, market by market. Year 2014 marked the international launch of Fiskars kitchen tools.

iittala

What started as a glass factory in Iittala, Finland, today celebrates generations of essential Scandinavian design objects. Iittala has long been a leader in the world of design-conscious tabletop products and its bold move into the interior category has been met with enthusiasm by the design world and those who want to create a Scandinavian ambience at home.

GERBER

Gerber is a leading provider of problem-solving, life-saving gear for recreational and professional users. As a bedrock brand in the outdoor industry, Gerber is dedicated to making knives and tools that combine high quality materials and innovative designs that will stand up to a lifetime of use.

Net sales by brand 2014, %

- Fiskars, **46%**
- Iittala, **11%**
- Gerber, **11%**
- Royal Copenhagen, **10%**
- Other brands, **22%**

LEADING REGIONAL BRANDS

ROYAL COPENHAGEN
Hand-painted Danish porcelain made with the highest standards of craftsmanship

ARABIA 1873
The best loved tableware in Finland - for memorable moments

Rörstrand
Elegant Swedish dining, for almost 300 years

HACKMAN®
Nordic expert in cookware & cutlery

Gilmour
NELSON
Category leaders in watering with longstanding reputations for quality and innovation

LEBORGNE Just work, we care.
Specialist in construction tools for professionals

ebertsankey home for happy plants
Innovative container gardening solutions

Buster®
Leading aluminum boats brand in Europe

LOCAL AND TACTICAL BRANDS

Gingher | Raadvad | Høyang-Polaris | Kaimano | Kitchen Devils

OUR BUSINESSES

In late 2014, Fiskars adopted a regional organization, where the four business regions – Europe, Asia-Pacific, Fiskars Americas and Gerber Americas – are responsible for sales and profitability and focused business units are in charge of brands and offering.

A key dimension of Fiskars new organization are focused business units, which continue to be responsible for developing strong brands and attractive products.

The Garden and Home product categories for Europe and Asia-Pacific were regrouped into the new business units Living Products and Functional Products.

The Garden and Kitchen categories for Europe and Asia-Pacific now form a common business unit called Functional Products, which offers tools in and around the house. The new business unit will strengthen focus on the Fiskars brand and enable synergies between categories with similar business logic and distribution channels.

In the Living business, Fiskars strives to be recognized as the globally leading company renowned for its Scandinavian design. Fiskars Living offers a wide range of products for tabletop and interior décor.

Fiskars Outdoor offers a wide range of innovative, reliable and essential products for people on the move. The business focuses globally on the Gerber brand, which is a leading provider of problem solving, life-saving gear for recreational and professional users. In connection with the reorganization, the boat business was moved to Fiskars Other segment.

OUR AMBITION IS TO BE A CATEGORY LEADER WHO TOGETHER WITH THE TRADE DEFINES AND DRIVES THE ENTIRE CATEGORY, ITS INNOVATION AND GROWTH.

BUSINESS	CATEGORIES	BRANDS	DISTRIBUTION
FUNCTIONAL PRODUCTS Tools in and around the house	Garden & yardcare, Kitchen utensils, cookware, cutlery, scissors, crafting tools, forestry and wood-splitting, watering, container gardening, construction tools	Fiskars Nelson, Gilmour, Hackman, Leborgne, Ebertsankey Gingher, Høyang-Polaris, Kaimano, Kitchen Devils, Raadvad	**INTENSIVE** DIY, garden centers, super and hypermarkets, food & drug stores, e-commerce
LIVING PRODUCTS Leading Scandinavian design	Tableware, glassware, interior, licensing	Iittala Royal Copenhagen Rörstrand, Arabia	**SPECIALTY** Department stores, specialty, own retail & e-commerce
OUTDOOR PRODUCTS Outdoor equipment for a purpose	Essentials, hunting, fishing, camping, tactical, military, industrial	Gerber	**MULTI** Sporting goods, super and hypermarkets, outdoor retailers, DIY/hardware institutional, e-commerce

PRODUCT LAUNCHES

FUNCTIONAL FORM

Functional Form knives and utensils are designed to work perfectly together – both visually and functionally. They make cutting and cooking a joy. Every day.

WOODXPERT

No true WoodXpert handles wood with his or her bare hands. Get the job done without blisters and backaches, while saving energy for the chopping and splitting.

TIMELESS FURNITURE ACCESSORIES FOR THE HOME

Iittala expanded its interior collection with a launch of a series of small accessories for the home designed by Scandinavia's top designers.

Net sales by business region, %

Net sales
EUR 446 MILLION

IN 2014, FISKARS COMMENCED ITS BIGGEST INTERNATIONAL KITCHEN PRODUCT LAUNCH TO DATE.

NORDIC COUNTRIES

OUR POSITION:
- No 1 garden hand tool brand (Fiskars)
- No 1 scissors brand (Fiskars)
- Leading dining and kitchen tool brands (Iittala, Fiskars, Arabia, Rörstrand, Hackman)
- No 1 high-end porcelain brand in Denmark (Royal Copenhagen)

OUR PRIORITIES:
- Maintain and strengthen leading position across categories
- Focus on key international brands
- Leverage additional categories in the Group portfolio

CENTRAL EUROPE

OUR POSITION:
- Leading garden hand tool brand in all main markets (Fiskars)
- Entry stage in Living (Iittala)
- Entry stage in kitchen products (Fiskars)
- Entry stage in outdoor products (Gerber)
- No 1 professional construction hand tool brand in France (Leborgne)
- No 1 in plastic pottery in Germany (Ebertsankey)

OUR PRIORITIES:
- Further strengthen the Fiskars brand in garden categories
- Develop a position in kitchen products
- Gradually expand in dining and interior through own branded retail

EUROPE

Fiskars has established itself as a strong partner for the trade in the European markets. Our sales units work with all major European retailers and consumers across markets can find our products in store and online.

The Group's brands have strong market positions in core categories in the Nordic countries, where they enjoy high awareness and loyalty among consumers. In Central Europe we have significant distribution gain potential, and our other growth engine will be the growing Eastern European markets.

Fiskars is our key brand in the Functional products – garden and kitchen. Fiskars is the leading European brand for garden hand tools and in 2014 we continued to strengthen our market share. Our continued growth will come from leveraging a harmonized portfolio across markets and seasons and from expansion into adjacent categories.

2014 marked the year that Fiskars launched its Kitchen business internationally with the new Functional Form series. Focusing on what we call Kitchen Management, every product has to work functionally and visually perfect together. Building on its reputation as an expert in cutting tools gained through leadership in scissors and garden tools, Fiskars introduced essential cutting tools for better kitchen management. Rather than launching individual products, Fiskars concepts center around the products you need for food occasions such as making a salad.

For the Living business, Iittala is the spearhead brand with a growth focus on Central Europe. During the year we continued to expand Iittala's retail footprint with openings in for example Italy, France and Sweden.

EASTERN EUROPE & RUSSIA

OUR POSITION:
- No 1 garden hand tool brand (Fiskars)
- Entry stage in kitchen products (Fiskars)
- First steps in outdoor category (Gerber)

OUR PRIORITIES:
- Build Fiskars brand awareness
- Expand the Garden business regionally in Russia
- Penetrate the kitchen market

HIGHLIGHTS 2014

THE FUNCTIONAL FORM tools are designed to be visually compatible and create harmony in the kitchen.

FISKARS BOLD AND FRESH APPROACH at Ambiente received a very positive reaction from customers and media alike.

FISKARS IS ABLE to provide retailers and consumers with an exciting kitchen offering across categories.

ROYAL COPENHAGEN'S distinctive design and successfully refreshed brand continued to attract new consumers to create their own unique table setting.

ASIA-PACIFIC

Building a growth engine in the Asia-Pacific markets is one of Fiskars strategic priorities. As of January 2014, a new Asia-Pacific organization assumed the responsibility for promoting Fiskars brand portfolio in the region.

A strong local setup will provide Fiskars with the agility that is needed in these rapidly evolving markets, where adaptation to local market needs is crucial for success.

Led from the newly established Fiskars regional hub in Hong Kong, the Asia-Pacific business region contains sales units in Australia, China, Japan, South Korea and Taiwan. In addition, the regional team is responsible for all distributor-based sales in the region.

After an initial investment period, we expect to see considerable growth in this region as we see multiple opportunities for our portfolio of premium brands in the region. Asia is a growing market in the homeware categories, and the performance of the Iittala and Royal Copenhagen brands has proven that there is strong demand for Scandinavian design in the ever-expanding premium segment.

The opening of the first Iittala shop in shops in Taiwan and South Korea was a landmark step in our strategy to expand the footprint of Iittala's heritage of timeless design to Asian consumers seeking a contemporary lifestyle, leveraging our expertise in markets where Royal Copenhagen has been present for decades and enjoys a strong position as a leading luxury tableware brand.

HIGHLIGHTS 2014

THE ROYAL COPENHAGEN Flagship store in Marunouchi, Tokyo, established already in 1967, was renewed and expanded.

LOCAL TEAMS opened the first Iittala stores in Taiwan and South Korea.

ASIA-PACIFIC regional hub established in Hong Kong.

EXPANDING THE IITTALA AND ROYAL COPENHAGEN BRANDED RETAIL NETWORKS IN KEY ASIAN MARKETS IS ONE OF THE CORNERSTONES OF FISKARS GROWTH STRATEGY.

OUR POSITION:
- No 1 garden cutting tool brand in Australia (Fiskars)
- Well established branded retail network in Japan (Royal Copenhagen, Iittala), South Korea and Taiwan (Royal Copenhagen)
- No 2 in Japan in high-end porcelain (Royal Copenhagen)
- No 1 in South Korea in high-end porcelain (Royal Copenhagen)
- Branded retail introduced in China, South Korea and Taiwan (Iittala)
- Entry stage in China in outdoor products (Gerber)

OUR PRIORITIES:
- Strengthen sales organization
- Expand Living business through branded retail
- Expand Outdoor business
- Investigate opportunities for Kitchen and Garden

KEY PRODUCTS

IITTALA'S TAIKA COLLECTION, designed by world renown Finnish designer Klaus Haapaniemi, is popular in Asia for its unique and very recognizable pattern.

THE BIRDS BY OIVA TOIKKA are appreciated by collectors in Asia and in Japan in particular, as every piece is unique, handmade and mouth blown in Finland.

BLUE FLUTED, ROYAL COPENHAGEN'S Pattern number 1, which will celebrate its 240th anniversary in 2015, is one of the most popular and well recognized symbols of modern elegance in Japan.

Net sales by business region, %

Net sales
EUR 54 MILLION

THE AMERICAS

In the Americas, we continued to solidify the Fiskars brand's position as the undisputed leader in functional products that help create a better life for consumers. Fiskars Outdoor offers a wide range of innovative, reliable and essential products for people on the move, focusing on the Gerber brand.

FISKARS FURTHER STRENGTHENED ITS POSITION AS THE LEADING BRAND IN GARDEN CUTTING TOOLS, SCISSORS AND LONG-HANDLED AXES IN NORTH AMERICA.

FUNCTIONAL PRODUCTS

At the end of 2014, Fiskars strengthened its position as a leader in the garden industry in the Americas through the acquisition of watering brands Nelson and Gilmour. These longstanding, leading brands have reputations for quality and innovation, which not only align with Fiskars own design philosophy but also broaden our category portfolio. The acquisition of this business is a natural fit with our strategy and current businesses, as watering is globally one of the largest garden categories and complementary to Fiskars portfolio.

Fiskars goes beyond tools to create a true, meaningful dialogue and partnership with consumers to support their self expression and achievement of goals. A 12-week tour across the U.S. gave consumers an opportunity to try out a variety of Fiskars products, and discover the difference the right tool can make.

During the back-to-school season Fiskars continued to gain market share, reaffirming its position as the No.1 teacher recommended kids scissors brand. As crafting trends change, Fiskars continues to find ways to refresh the business through product innovations and meaningful partnerships. Expanding our flagship product lines, such as the Amplify Shears collection, and introducing new innovations help provide inspiring ways to engage mixed media crafters.

OUR POSITION:
- No 1 garden cutting tool brand (Fiskars)
- No 1 scissors brand (Fiskars)
- No 1 teacher recommended scissors brand (Fiskars)
- No 1 knife brand (Gerber)
- No 1 survival gear brand (Gerber)
- No 1 supplier of knives and multi-tools to the US military (Gerber)

OUR PRIORITIES:
- Deepen assortment and increase share at key retailers
- Develop profitability of product mix
- Expand into adjacent categories and other departments among retailers
- Turnaround of the watering business

HIGHLIGHTS 2014

FISKARS PRESCHOOL TRAINING SCISSORS feature a unique training lever to help kids as they first develop cutting skills.

A 12-WEEK TOUR ACROSS THE US gave consumers an opportunity to try out a variety of Fiskars products, and discover the difference the right tool can make.

FISKARS PARTNERED WITH DUCK® brand duct tape to launch non-stick scissors that make it easier to cut sticky materials.

Net sales by business region, %

20%
Fiskars Americas

Net sales
EUR 157 MILLION

PRODUCT LAUNCHES

GERBER LAUNCHED six new domestically made Tactical knives to meet the needs of law enforcement officers and soldiers.

THE VITAL SERIES offers the latest in safety and ergonomics for hunters and sportsmen.

THE FREESCAPE SERIES helps family campers solve problems with food preparation, tent lighting and campsite set up.

Net sales by business region, %

Net sales
EUR 75 MILLION

OUTDOOR PRODUCTS

Gerber is a leading provider of problem-solving, life-saving gear for recreational and professional users sold through commercial and institutional channels internationally.

In 2014, Gerber's impact on the community, local industry and category were marked with a number of important trade marketing activities commemorating 75 years of category leadership. After a reflective glance at the past, the iconic American brand is positioning for tomorrow.

In the commercial segment, Gerber gained traction with a select group of Home Center customers, invigorating early success in the industrial channel and supporting significant growth within key accounts. Customer feedback and market response was strong, and is an early indicator of continued momentum.

In the institutional segment, business is shifting in a dynamic environment of irregular spending. Gerber refined its strategy towards domestic national security, such as key federal, state and local agencies and works to build strong channels of trade directly with these agencies as well as through key distribution partners.

Gerber experienced a strategic evolution in people, partners and product in late 2013 and early 2014. Under the direction of new leadership, the organization underwent a strategic realignment that directs more focus to product innovation, quality and delivery. Supported with an improved product development process and an updated sales organization, the team is deeply engaged in growth activities for 2015 and beyond.

OTHER

Following the implementation of a new region-based organization and the decrease in the Group's holding in Wärtsilä, Fiskars Other segment now contains the corporate headquarters, shared services, Real Estate unit, boat business and investment portfolio.

Fiskars strategic goal is to become a world-class branded consumer goods company, and being the largest owner in Wärtsilä is no longer an essential part of our strategy going forward.

Following the sale of 8% of the shares in Wärtsilä, Fiskars Group's holding in Wärtsilä decreased and Wärtsilä ceased to be treated as Fiskars associated company. Wärtsilä no longer forms a separate reporting segment, and the remaining Wärtsilä shares and the rest of the Group's actively managed investment portfolio are treated as financial assets at fair value through profit or loss in the Other segment. This will increase the volatility of financial items in Fiskars profit and loss statement and thus the volatility of Fiskars net result.

The Real Estate business unit is in charge of managing and developing property in Finland that is used by the group for manufacturing or commercial purposes and the group's other real estate assets, including the forests owned by the group. The unit's income consist mainly of timber sales and rental income.

Fiskars Real estate also manages and develops the birthplace of the company, the Fiskars Village. This year Fiskars Village welcomed visitors to join over 100 anniversary events during the year, ranging from the fields of handicrafts and arts, food and tastes to outdoor and musical events.

In connection with the move into a regional organization, the boat business was moved to the Other segment. Buster boats are the most popular boats in Finland, Sweden and Norway. In 2014 Buster maintained its position as the market leader for versatile leisure boating.

HIGHLIGHTS 2014

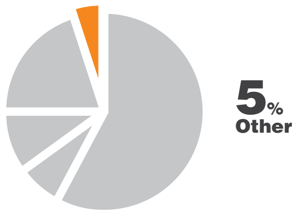
THIS OAK TREE is one of the oldest trees in Fiskars Village, and its estimated age is the same as Fiskars, 365 years. According to old beliefs the joint branches of the tree are known to bring fortune.

FISKARS BUSTER aluminum boat range was strengthened in 2014 with the launch of several new models.

WÄRTSILÄ

WÄRTSILÄ has been a good investment for Fiskars. The sale of Wärtsilä shares in 2014 released funds for our shareholders and the company to be used for financing future growth over time.

Net sales by business region, %



Net sales
EUR 36 MILLION

100%

of the filtered air at the Iittala batch house can be released back into the factory as it is entirely free of dust.

19%

The energy used at Sorsakoski factory has decreased since 2012 through the development of the production process and lighting used at the factory.

Fiskars sustainability direction

Fiskars mission is to enrich lives with lasting products that increase enjoyment and solve everyday problems through their functionality, innovation and design. We want to run and grow our business in a sustainable manner, taking care of the people and the environment around us.

Fiskars sustainability focus areas are:
- Lasting design
- Responsible manufacturing
- Caring for people and communities
- Long-term profitability

We aspire to enable a sustainable everyday life through our products and the way we operate. Our products shall support our customers' sustainable choices at home, in the garden, and outdoors. In product development, we consider the environmental aspects throughout the product lifecycle. Environmental aspects are considered in all business decisions, and we strive to minimize our impact on environment in our business operations.

RESPONSIBLE BUSINESS HAS BEEN THE CORNERSTONE FOR FISKARS LONG-TERM SUCCESS AND THE COMPANY'S 365-YEAR HERITAGE.

SUSTAINABILITY

A 365 year long heritage, lasting design and durable products form the foundation of Fiskars sustainability thinking. Our unique approach to sustainability builds on our values and our Code of Conduct.

In 2014 we continued to focus on ensuring the sustainability of our supply chain, in both our own operations and that of our suppliers. For several years, Fiskars has systematically gathered data on its environmental impacts, such as greenhouse gas emissions, use of materials and waste. In 2014 we continued to develop our data gathering methodology and assessed our compatibility with international reporting standards.

Manufacturing operations represent clear majority of our environmental impact and the biggest contributors are consumption of direct energy, electricity and raw materials. Investments into own manufacturing units in Finland have not only enabled enhanced energy and material efficiency and reduction in waste, but also improved the facilities as working environments.

A good example of this is the expansion and refurbishment of the Iittala glass factory and the construction of the factory's new batch house. Automation of batch production – mixing of the raw materials for the glass mass – and its integration into the manufacturing process means, among other things, significantly higher air quality in the factory. The reuse of dust filtered by the exhaust system means savings in materials and combined with the general upgrading of the factory's facilities, has resulted in considerably less waste from the factory to the landfill. The amount of hazardous waste is also considerably lower than before.

Fiskars is also committed to making a difference in the working conditions at its suppliers' manufacturing units. Active dialogue and development work continued in 2014, including announced and unannounced audits, regular visits by Fiskars quality teams and joint workshops. The emphasis remained on working hours and occupational health and safety, with a focus on building an understanding of each supplier's situation and finding workable solutions. In 2014, Fiskars audit program was extended to suppliers in Europe.

HIGHLIGHTS 2014

BOYS & GIRLS CLUBS
OF AMERICA

FOR THE SECOND YEAR, Fiskars has partnered with Boys & Girls Clubs of America to make a donation with the purchase of every Fiskars classroom scissors to help youth develop skills they need to achieve great futures.

REPLANTING MANGROVE TREES
Employees from Fiskars Bangkok sourcing office joined forces with a strategic supplier to improve the environment in Thailand. Mangrove forests stabilize the coastline, reducing erosion from storm surges, currents, waves and tides.

FOR THE CHILDREN
Is there a better way to start the summer vacation than a fun filled day outdoors? As a part of Fiskars 365 activities, 70 children and adults from SOS Children's Villages were invited to a spend a summer day in the Fiskars Village.

ADDING VALUE IN FOCUS Fiskars annual Supplier Days gathered a group of key suppliers to discuss how to meet new demands for transparency, flexibility and business responsibility and to add business value together.

THE FISKARS TEAM

A transformation as fundamental as the one Fiskars is undergoing requires us all to change the way we work and find new ways to collaborate with each other. These changes are a continuous evolution with smaller and bigger steps following each other over the years, taking us towards our common goal.

Success in a competitive and dynamic global marketplace requires a high level of collaboration and employees who are engaged, committed and passionate about making positive contributions to the business. At Fiskars, we want to excel in execution and be a high performing company and have therefore chosen leadership and engagement as our focus areas.

In 2014 we continued to invest in leadership practices and offered our employees and leaders a wide range of opportunities to develop themselves professionally. To support our global growth ambition, we took the first steps towards one common talent strategy: to promote the abilities and skillsets of all Fiskars employees around the world and to have the right people in each position to build our future success.

We believe that taking a global approach to talent management can be a powerful enabler of our business objectives. We want to increase the mobility of our people to ensure an international mindset and business understanding while at the same time nurturing a local talent pool in new markets such as Asia.

The company's evolution is reflected in its structures and its leadership team. This year we moved into a business-region based organization, and the leaders of our business regions joined the Group's Executive Board. The new Executive Board is collectively in charge of building the company's global way of working while developing the group's strategic capabilities and competencies and creating a strong culture of collaboration.

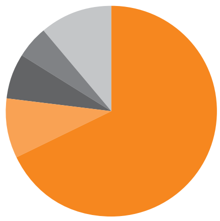
As Fiskars ambition is to be a category leader who together with the trade defines and drives the entire category, we continue to place added emphasis on our sales and marketing competencies and resources to maximize in store and digital opportunities. This focus remains top of mind when reshaping our organization for the future.

EMPLOYEE FACTS	**2014***	**2013**
Average number of employees (FTE)	**4,111**	4,087
Employees in production, %	**40**	40
Employee turnover rate, %**	**3**	3
Part time employees, %**	**14**	13
Gender balance, men/women, %	**45/55**	46/54
Women in the Executive Board, %	**11**	29
Women in the Board of Directors, %	**33**	22
Managers in License to lead training, %	**59*** **	90**
Employees responding to engagement survey, %	**77**	69
Professional employees included in performance management and target setting process, %	**90**	92

* Not including the acquired watering business
** Excluding Royal Copenhagen
*** New managers that joined the company in 2014 and managers in the Asia-Pacific region have not yet started the training

OUR BRAND SUCCESS AND AWARDED DESIGN STEM FROM THE KNOW-HOW AND TALENT OF OUR PEOPLE.

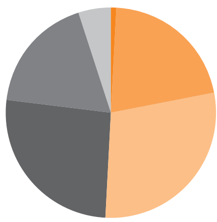
Employees by business region 31 Dec 2014*, %



- Europe, **68%**
- Fiskars Americas, **9%**
- Asia-Pacific, **7%**
- Gerber Americas, **5%**
- Other, **11%**

* Not including the acquired watering business

Employees by age 31 Dec 2014*, %

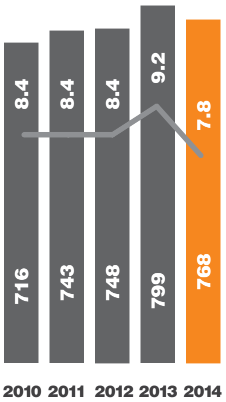


- below 20, **1%**
- 20–29, **21%**
- 30–39, **29%**
- 40–49, **26%**
- 50–59, **18%**
- 60–, **5%**

* Not including the acquired watering business

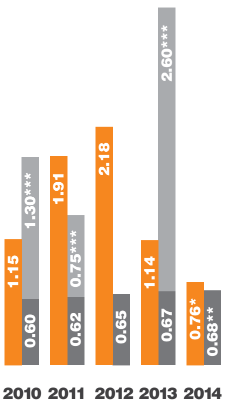
FACTS AND FIGURES

Net sales, EUR million



Net Sales
EBIT excl. non-recurring items, %

Earnings per share, dividend per share, EUR



Earnings/share
Dividend/share

* Operative earnings per share (Earnings per share including the sale and revaluation of Wärtsilä shares and the change in fair value of the investment portfolio was EUR 9.44)

** Board of Directors' proposal

*** extra dividend

In 2014, Fiskars took several significant strategic steps in its transformation.

Strategically and financially, the most significant was the divestment of the majority of our Wärtsilä shares, which released funds for our shareholders in the form of an extra dividend and for the company to be used for financing future growth.

From a sales perspective the year was not satisfactory. 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 profit percentage.

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.

Fiskars strong financial position and positive cash flow enable us to continue the determined execution of our strategy in 2015. Increased investments in our growth initiatives 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.

NET SALES
767.5
EUR million

CHANGE IN COMPARABLE NET SALES
-1%

OPERATING PROFIT EXCL. NON-RECURRING ITEMS
59.6
EUR million

NON-RECURRING PROFIT FROM THE SALE AND REVALUATION OF WÄRTSILÄ SHARES
676.0
EUR million

FAIR VALUE OF INVESTMENT PORTFOLIO 31.12.2014
766.7
EUR million

EXTRA DIVIDEND TO SHAREHOLDERS
213
EUR million

BOARD OF DIRECTORS

1 Paul Ehrnrooth, Chairman of the Board
2 Alexander Ehrnrooth, Vice Chairman
3 Kaj-Gustaf Bergh
4 Gustaf Gripenberg
5 Ralf R. Böer
6 Louise Fromond
7 Ingrid Jonasson Blank
8 Christine Mondollot
9 Karsten Slotte

FISKARS ECONOMIC FOOTPRINT

FROM WÄRTSILÄ DIVESTMENT
639 EUR MILLION

FROM CUSTOMERS (NET SALES)
767.5 EUR MILLION

TO SUPPLIERS (MATERIALS AND SUPPLIES)
369.1 EUR MILLION

EXTERNAL SERVICES USED
67.4 EUR MILLION

INVESTMENTS
35.0 EUR MILLION

TO EMPLOYEES (SALARIES AND EMPLOYEE BENEFITS)
209.8 EUR MILLION

INCOME TAXES PAID
14.3 EUR MILLION

TO SHAREHOLDERS (AS AN EXTRA DIVIDEND)
213 EUR MILLION

PROPOSED DIVIDEND TO SHAREHOLDERS
55.7 EUR MILLION

CASH FLOW FROM OPERATING ACTIVITIES
87.0
EUR million

EQUITY RATIO
73%

NET GEARING
11%

PERSONNEL DEC. 31, 2014
4,832

Read more about
our financial development
www.fiskarsgroup.com

EXECUTIVE BOARD

1 Kari Kauniskangas, President & CEO
2 Teemu Kangas-Kärki, COO & CFO
3 Nina Ariluoma-Hämäläinen, SVP, Human Resources
4 Thomas Enckell, President, Europe
5 Matteo Gaeta, President, Asia-Pacific
6 Risto Gaggl, SVP, Supply Chain
7 Robert Kass, President, Gerber Americas
8 Paul Tonnesen, President, Fiskars Americas
9 Frans Westerlund, Chief Information Officer

THE NEW EXECUTIVE BOARD, including the leaders of the business regions, focuses on the strategic competences and portfolio for the future and creating a strong collaboration culture.

FISKARS AS AN INVESTMENT

Fiskars Group hosts a portfolio of strong premium brands which are carried by the largest retailers in the world. Megatrends such as people's growing interest in well-being, sustainable lifestyle and lasting design as well as the growing trend in self-expression all support our business.

Fiskars has a business model and organization geared for growth; we have built a strong sales network across Europe and North America and invested in talented, engaged people.

The Group's brands have strong market positions in core categories in the Nordic countries and North America. In these markets our brands enjoy high awareness and loyalty among consumers. Together with our extensive relationships with all major retailers this provides us with a solid basis for category expansion.

In Central Europe we have significant distribution gain potential, and our other growth engine will be the fast-growing Eastern European and Asian markets.

Fiskars core competence is to develop category-leading premium brands that are meaningful to consumers. The continued harmonization of product offering provides economies of scale and creates new efficiencies for us and our trade customers. We also expect to gain operational efficiency from the implementation of common business platform in Europe and the streamlining of our supply chain.

A strong balance sheet enables us to make the investments in brands and our sales engine necessary to achieve our future growth ambition. For our shareholders, we can offer a track record of solid shareholder returns and dividend.

Fiskars, Finland's oldest company, has 365 years of quality excellence. The long-term perspective provided by our heritage sets us apart from other companies, be it as an investment, employer or partner for trade, designers and suppliers.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The company has one series of shares traded under the FIS1V code.

SHARE DETAILS

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FIS1V (OMX)
Segment	OMXH Large Cap
Sector ICB Name	3000 Durable Household Products
Super sector	3700 Personal & Household Goods
Shares as of Dec. 31, 2014	81,905,242

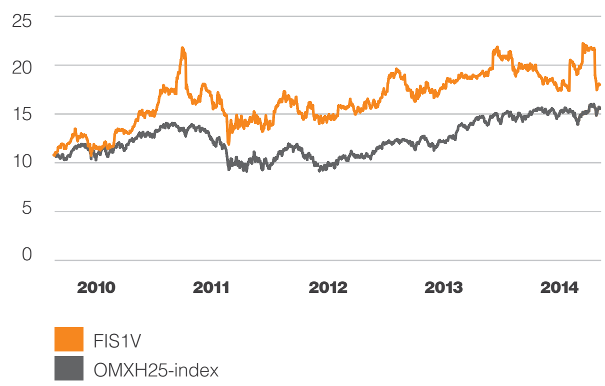
EARNINGS PER SHARE
9.44
EUR

OPERATIVE EARNINGS PER SHARE
0.76
EUR

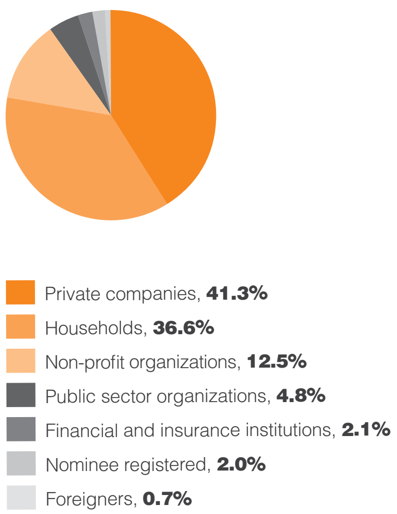
DIVIDEND PROPOSAL
0.68
EUR

NUMBER OF SHAREHOLDERS
17,828
DEC. 31, 2014

Fiskars share price
EUR, Jan 1, 2010–Dec 31, 2014



Share ownership by sector, 31 Dec 2014, %



THANK YOU ALL FOR BEING A PART OF OUR HERITAGE AND SHARING OUR CORE BELIEF THAT ALL THINGS, EVEN THE SIMPLEST, CAN BE MADE BETTER AND SMARTER. EVERY DAY.

FISKARS CORPORATE GOVERNANCE STATEMENT FOR 2014

Introduction

Fiskars Corporation is a Finnish public limited company in which duties and responsibilities are defined according to Finnish law. Fiskars Group comprises the parent company, Fiskars Corporation, and its subsidiaries. The statutory governing bodies of Fiskars Corporation are the General Meeting of Shareholders, Board of Directors, the Managing Director (President and CEO) and the Auditor. Other group management supports the statutory governing bodies of Fiskars Corporation. The Company's domicile is Raseborg.

Corporate governance at Fiskars Corporation is based on the Finnish Limited Liability Companies Act, the rules and regulations concerning publicly listed companies, the Company's Articles of Association, the charters of the Company's Board of Directors and its Committees and the rules and guidelines of NASDAQ OMX Helsinki Ltd. Fiskars is a member of the Finnish Securities Market Association and complies, without exception, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be reviewed at www.cgfinland.fi.

This is the separate Corporate Governance Statement referred to in Recommendation 54 of the Finnish Corporate Governance Code. This statement and the other information required by the Corporate Governance Code, the Company's Financial Statement, the Report by the Board of Directors and the Auditor's Report for the year 2014 are available on the Company's website www.fiskarsgroup.com as of February 16, 2015.

General Meeting of Shareholders

The General Meeting is the highest decision-making body of Fiskars Corporation, where the shareholders participate in the supervision and control of the Company by using their right to speak and vote. The most important tasks of the General Meeting are, among others, the election of the Board of Directors and the adoption of the Annual Accounts. Other tasks of the General Meeting appear from the Articles of Association of the company and from the Finnish Companies Act. The company shall convene one Annual General Meeting for each financial period. An Extraordinary General Meeting shall be convened when necessary. General Meetings shall be held either in Raseborg or Helsinki.

In accordance with the Articles of Association, notices regarding the General Meetings are published on the Company's website and, if deemed necessary by the Board of Directors, in an alternative manner. In 2014, notices were published in the Helsingin Sanomat, Hufvudstadsbladet and Västra Nyland newspapers in addition to the notice published on the Company's website and the company's stock exchange release.

Any shareholder wishing to submit a matter for inclusion on the agenda of the Annual General Meeting should submit a request in writing to the Board of Directors. To be included in the notice of the Annual General Meeting and in the agenda of the Annual General Meeting, the request should be sufficiently concise and the matter must fall within the authority of the Annual General Meeting, as defined in the Finnish Limited Liability Companies Act. Instructions on submitting requests to the Board of Directors and the deadline for requests are published on the Company's website. In 2014, no such requests were submitted to the Board of Directors.

Annual General Meeting for 2014

Fiskars Corporation held its Annual General Meeting for 2014 on March 12, 2014. The meeting approved the Annual Accounts, discharged the members of the Board and the CEO from liability, and decided on the dividend to be paid for the 2013 financial year. The Meeting also decided on the remuneration to be paid to the Board and elected the members, who will serve until the end of the Annual General Meeting in 2015. The Company's auditors were also elected, and remuneration was decided upon. The Meeting authorized the Board to acquire Fiskars own shares and make decisions about conveying them in accordance with separately agreed conditions.

Extraordinary General Meeting for 2014

The Company held an Extraordinary General Meeting of shareholders on December 9, 2014. The meeting decided that an extra dividend of EUR 2.60 per share would be distributed to shareholders based on the annual 2013 financial year. Furthermore, the Extraordinary General Meeting decided to amend the section 2 of the Articles of Association of the Company.

The Board of Directors

Term, composition and independence

The term of office of a Board member is one year and will start from the close of the General Meeting electing the member and expire at the close of the next Annual General Meeting after the election. The number of terms for the members of the Board of Directors is not limited.

In accordance with the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of nine members. The Board of Directors selects a Chairman and a Deputy Chairman from amongst its members. The Board of Directors elected by the Annual General Meeting held on March 12, 2014 is composed of nine members. The General Meeting re-elected Kaj-Gustaf Bergh, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Ingrid Jonasson Blank and Karsten Slotte and elected Christine Mondollot as a new member. Jukka Suominen who served as a Board member until the end of the Annual General Meeting, had informed that he would no longer be available for re-election. In its constitutive meeting held after the Annual General Meeting, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as Deputy Chairman of the Board.

Board members Dec 31, 2014

Paul Ehrnrooth
Born 1965, M.Sc. (Econ.)
Nationality: Finnish
Chairman since 2014, elected to the Board in 2000
Chairman of the Compensation Committee and Nomination and Strategy Committee
Independent of the Company and dependent on significant shareholders

Managing Director & Chairman: Turret Oy Ab 2005–

Primary working experience:
Savox Oy, President and CEO, 1999–2007; several management positions in Wärtsilä Corporation 1994–1999 and Kone Corporation 1993–1994

Other positions of trust:
Chairman of the Board: Savox Group 2004–
Vice Chairman of the Board: Ixonos Oyj 2010–
Member of the Board: Wärtsilä Corporation 2010–

Fiskars shares held directly 31.12.2014: 8,205
Shares held by controlled entities 31.12.2014: 9,095,406

Alexander Ehrnrooth
Born 1974, M.Sc. (Econ.), MBA
Nationality: Finnish
Vice Chairman, elected to the Board in 2000
Member of the Audit Committee and Nomination and Strategy Committee
Independent of the Company and dependent on significant shareholders

CEO of Virala Oy Ab 1995–

Other positions of trust:
Chairman of the Board: Aleba Corporation 2003–, Belgrano Idiomas Oy 1999–
Member of the Board: Munksjö Oyj 2014-, Wärtsilä Corporation 2010–,

Fiskars shares held directly 31.12.2014: 855,000
Shares held by controlled entities 31.12.2014: 11,775,000

Kaj-Gustaf Bergh
Born 1955, B.Sc., LL.M.
Nationality: Finnish
Elected to the Board in 2005, Chairman 2006-2014
Member of the Nomination and Strategy Committee
Independent of the Company and significant shareholders

Managing Director of Föreningen Konstsamfundet r.f. 2006–

Primary working experience:
SEB Asset Management, Director 1998–2001, Ane Gyllenberg Ab,
Chief Executive Officer 1986–1998

Other positions of trust:
Chairman of the Board: Julius Tallberg Oy Ab 2014-, Stockmann Plc 2014-, Sponda Plc 2013-, KSF Media Ab 2007–,
Member of the Board: JM AB 2013 -, Wärtsilä Corporation 2008–, Ramirent Group 2004–

Fiskars shares held directly 31.12.2014: 5,000

Gustaf Gripenberg
Born 1952, D. (Eng.)
Nationality: Finnish
Elected to the Board in 1986
Chairman of the Audit Committee since 2003
Independent of the Company and significant shareholders

Professor, Aalto University 1999–

Primary working experience:
Assistant professor, University of Helsinki 1987–1998

Fiskars shares held directly 31.12.2014: 243,320
Shares held by controlled entities 31.12.2014: 4,057,289

Ralf R. Böer
Born 1948, Juris Doctor
Nationality: USA
Elected to the Board in 2007
Member of the Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:
Founding Partner and Director of Wing Capital Group LLC, 2008- ; Partner Emeritus, Foley & Lardner LLP 2014-, Partner 1981-2014, Chairman & CEO 2002-2011.

Other positions of trust:
Member of the Board: Plexus Corp. 2004–

Fiskars shares held directly 31.12.2014: 5,677

Louise Fromond
Born 1979, LL.M.
Nationality: Finnish
Elected to the Board in 2010
Member of the Audit Committee
Independent of the Company and dependent on significant shareholders

Primary working experience:
University of Helsinki, assistant and doctoral student 2004–2008

Other positions of trust:
Chairman of the Board: Oy Holdix Ab 2010–
Member of the Board: Louise and Göran Ehrnrooth Foundation 2013-, Tremoko Oy Ab 2008–, Bergsrådinnan Sophie von Julins stiftelse 2004–, Fromille Oy Ab 1998–

Fiskars shares held directly 31.12.2014: 601,135
Shares held by controlled entities 31.12.2014: 8,294,050

Ingrid Jonasson Blank
Born 1962, M.Sc (Econ.)
Nationality: Swedish
Elected to the Board in 2010
Member of the Audit Committee
Independent of the Company and significant shareholders

Primary working experience:
ICA Sverige AB, Executive Vice President 2004–2010

Other positions of trust:

Member of the Board: NORM Research & Solutions AB 2014-, Orkla ASA 2013-, Matas A/S 2013- Royal Unibrew A/S 2013-, Musti ja Mirri Oy 2012-, Travel Support & Services Nordic AB 2012-, Ambea AB 2012–, ZetaDisplay AB 2010–, Bilia AB 2006–

Fiskars shares held directly 31.12.2014: 0

Christine Mondollot
Born 1954, M.Sc (Econ)
Nationality: French
Elected to the Board in 2014
Member of the Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:
Virgin Group, CEO, Virgin Stores 2012-2013, Groupe Galleries Lafayette, International Director, Beauty Care Director 2005-2011, BHV, Managing Director 2005-2010, Kodak France/Benelux, CEO of laboratories Kodak and Executive Director of the Consumer Products Division 1999-2004, Saresco, Executive Director 1994-1999

Other positions of trust: Independent Board Director: Fleury Michon 2014-, Vivarte 2014-, Belvédère 2013-

Fiskars shares held directly 31.12.2014: 0

Karsten Slotte
Born 1953, B.Sc. (Econ.)
Nationality: Finnish
Elected to the Board in 2008
Member of the Audit Committee and Compensation Committee
Independent of the Company and significant shareholders

Primary working experience:
Fazer Group, President and CEO 2007–2013, Cloetta Fazer Ab (publ.), President 2002–2006, Cloetta Fazer Konfektyr Ab, Managing Director 2000–2002, Fazer Confectionery Ltd, Managing Director 1997–2000

Other positions of trust:
Member of the Board: Scandi Standard Ab (publ) 2014-, The Onvest Group 2013-, Royal Unibrew A/S 2013-, Finnish-Swedish Chamber of Commerce 2003–, Onninen Oy 2001–

Fiskars shares held directly 31.12.2014: 1,000

All members of the Board are non-executive directors. The Board evaluates the independence of its members annually on a regular basis in compliance with the Recommendation 15 of the Corporate Governance Code. Based on the latest evaluation carried out on March 12, 2014, the Board considered all members of the Board to be independent of the Company. Alexander Ehrnrooth, Paul Ehrnrooth and Louise Fromond are considered to be non-independent of the Company's significant shareholders. A Board member is obligated to provide the Board with sufficient information to enable the Board to evaluate her/his independence.

Main duties of the Board

The Board of Directors is responsible for the Company's governance and proper organization of the operations in accordance with the applicable law and regulation, its Articles of Association and decisions taken by the General Meetings. The Board has confirmed a written Charter for the Board's duties, meeting practice and decision making procedure. The Board's main duties include:

- Managing and appropriately arranging the Company's operations and confirming the Company's business strategy, rolling plan and budget.
- Overseeing the solidity, profitability, and liquidity of the Company, as well as the Company's management.
- Approving the risk management principles followed by the Company.
- Reviewing and adopting the consolidated financial statements, interim reports and related stock exchange releases and the report by the Board of Directors.
- Approving treasury policy.
- Deciding on extraordinary or far-reaching measures, taking the scope and nature of the Company's operations into account, unless these matters come within the responsibilities of the General Meeting of Shareholders.
- Appointing and dismissing the President and CEO and confirming the terms of his service contract, compensation and other financial benefits.
- Appointing the members of the Executive Board, other senior managers, and the internal audit manager, and approving their terms of employment, compensation and other financial benefits.
- Deciding on the principles for the Group's remuneration systems.
- Deciding on group structure and main organization.
- Other statutory duties by virtue of the Finnish Limited Liability Companies' Act and Finnish Corporate Governance Code.

The Board conducts an annual self-evaluation of its work and cooperation with management, facilitated by an external expert.

Meeting activities and meeting attendance of the Board of Directors in 2014

The Board is convened by the Chairman, or if the Chairman is unavailable, by the Vice Chairman, according to the pre-confirmed timetable, with additional meetings whenever needed. The Board has a quorum when more than half of the members are present and one of these is the Chairman or the Vice Chairman. A decision of the Board shall be carried by a majority of those present or, in the case of a tie, the Chairman shall have the casting vote. The Company's President and CEO and CFO participate in the Board meetings, and General Counsel acts as secretary of the Board. Other members of the Group's management and other executives participate in the meetings when needed. Usually one or two Board meetings are held at rotating Fiskars locations.

The Board of Directors convened 15 times during 2014. The average attendance at Board meetings was 97%. Besides the regular annual meeting topics during the financial year, key priorities in 2014 included Wärtsilä ownership strategy, acquisition strategy, the integration of Royal Copenhagen and monitoring the progress of the company's five-year investment program and the EMEA 2015 restructuring program.

Meeting activity and meeting attendance of the Board of Directors 2014

1.1.-31.12.2014	Board of Directors 15 meetings	Audit Committee* 5 meetings	Compensation Committee* 6 meetings	Nomination And Strategy Committee 8 meetings	Marketing working group 4 meetings
Paul Ehrnrooth	15	2	5	8	-
Alexander Ehrnrooth	15	5	-	8	-
Kaj-Gustaf Bergh	14	-	1	8	-
Ralf Böer	15	-	6	-	-
Louise Fromond	15	5	-	-	-
Gustaf Gripenberg	15	5	-	-	-
Ingrid Jonasson Blank	15	3	1	-	4
Christine Mondollot**	12	-	5	-	4
Karsten Slotte	15	5	5	-	4
Jukka Suominen***	2	-	1	-	-

* Committee compositions changed as of March 12, 2014
** Board member as of March 12, 2014
*** Board member until March 12, 2014

Board Committees

The Committees assist the Board by preparing matters falling within the competence of the Board. The Board remains responsible for the duties assigned to a Committee. The Committees have no autonomous decision-making power, and thus the Board makes the decisions within its competence collectively. The Board has confirmed written charters for the Committees that lay down their key duties and operating principles. The Committees report regularly on their work to the Board. The reports include a summary of the matters addressed and measures taken by the Committee. In the constitutive meeting of the Board held after the Annual General Meeting 2014, the Board decided to renew the previous year's three Board Committees: an Audit Committee, a Compensation Committee and a Nomination and Strategy Committee. The Company's General Meeting has not established any committees.

To handle specific tasks, the Board of Directors can also set up a temporary working group consisting of Board members and reporting to the Board of Directors. A temporary working group, the Board Marketing Working Group, was set up during 2014 and comprised three Board members: Ingrid Jonasson Blank, Christine Mondollot and Karsten Slotte. The main task of the working group was to focus on the Company's marketing, channel and brand strategy. The Board Marketing Working Group met four times during 2014 and the average attendance rate was 100%.

Audit Committee

According to the Committee Charter the Audit Committee is responsible for the following activities:

- Monitoring the financial statement reporting process;
- Supervising the financial reporting process;
- Monitoring the efficiency of the Company's internal controls, internal auditing, and risk management;
- Reviewing the description of the main features of the internal controls and risk management associated with the financial reporting process, which is included in the in the Company's Corporate Governance Statement;
- Reviewing and monitoring the main legal actions, claims and other proceedings that Fiskars is involved in;
- Reviewing the annual audit plan, budget and resources of the Company's internal audit function and handling essential audit findings;
- Reviewing the Company's Corporate Governance Statement;
- Monitoring the statutory auditing of the Company's financial statements and consolidated financial statements.
- Evaluating the independence of the Company's statutory Auditors and the provision of related services to the Company.
- Preparing the proposal concerning the election of the Company's Auditors for the Nomination and Strategy Committee.

The members of the Audit Committee as of March 12, 2014 included:

- Gustaf Gripenberg (Chairman)
- Alexander Ehrnrooth
- Louise Fromond
- Ingrid Jonasson Blank
- Karsten Slotte

All the members of the Audit Committee are independent of the Company and majority is also independent of the Company's significant shareholders. The Audit Committee convened five times in 2014 and the attendance of members at meetings was 100%. Besides its ordinary work, the Audit Committee also monitored the progress of the company's five-year investment program and EMEA 2015 restructuring program and discussed the Company's sustainability management and reporting in 2014.

Compensation Committee

According to the Committee Charter the Compensation Committee is responsible for preparing matters related to the appointment and remuneration and other financial benefits of the President and CEO and other Group executives, as well as matters related to the Company's remuneration system.

The following Board members belonged to the Compensation Committee as of March 12, 2014:

- Paul Ehrnrooth (Chairman)
- Ralf Böer
- Christine Mondollot
- Karsten Slotte

All the members of the Compensation Committee are independent of the Company and majority is also independent of the Company's significant shareholders. The Compensation Committee convened six times in 2014 and the attendance of members at meetings was 100%. In 2014, the Compensation Committee discussed the Company's compensation framework and bonus structure.

Nomination and Strategy Committee

According to the Committee Charter the Nomination and Strategy Committee is responsible for the following activities:

- Preparing proposals related to the composition of the Board of Directors to be presented to the General Meeting after consulting major shareholders.
- Preparing proposals to the General Meeting on the remuneration of Board members.
- Preparing proposals to the Board regarding the composition of the Board's committees.
- Preparing the proposal to the General Meeting on the selection of the Company's Auditors based on the proposal by the Audit Committee.
- Confirming the criteria and processes to be used for evaluating the Board's work.
- Dealing with matters relating to the strategy of the Company in co-operation with the management and with focus on company's long-term initiatives.

The following Board members belonged to the Nomination and Strategy Committee as of March 12, 2014:

- Paul Ehrnrooth (Chairman)
- Kaj-Gustaf Bergh
- Alexander Ehrnrooth

All the members of the Compensation Committee are independent of the Company. The Nomination and Strategy Committee convened eight times in 2014 and the attendance of members at meetings was 100%. Among the focus areas of the committee were Wärtsilä ownership strategy, acquisition strategy and preparing other matters related to the company's long-term strategy.

President and CEO

Fiskars Corporation has a Managing Director (President and CEO) who is responsible for the day-to-day management and administration of the Company in accordance with the Finnish Companies' Act, the Company's Articles of Association and the instructions and orders given by the Board and for reporting to the Board on the developments in the Company's business operations and financial situation. He is also responsible for ensuring that the Company's accounting methods comply with the applicable law and that financial matters are managed in a reliable manner. The President and CEO is assisted in these duties by the Executive Board and the Corporate Office.

The current President and CEO is Kari Kauniskangas, M.Sc. (Econ.) (b.1962). He joined the Company in 2008.

Teemu Kangas-Kärki, COO and CFO, was appointed as deputy to the CEO as of September 12, 2014.

The President and CEO is appointed by the Board of Directors, which also decides on the terms and conditions of the President's and CEO's service contract. A written service contract approved by the Board has been made between the Company and the President and CEO.

Executive Board

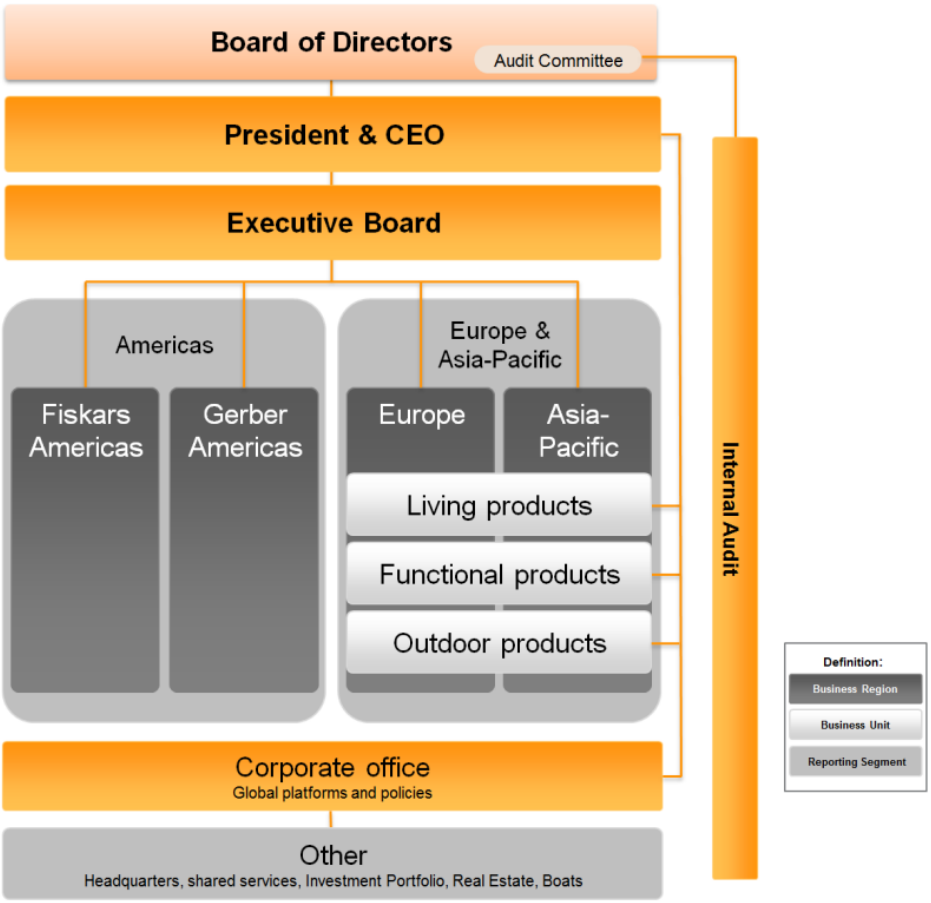
The Executive Board's key focus areas are managing the global business operations through the company's business regions and business units. The Executive Board's focus areas include ensuring strategic business portfolio and competences for the future, group-wide synergies and creating a strong collaboration culture. According to the reorganization carried out at the end of 2014, Fiskars has four business regions: Europe, Asia-Pacific, Fiskars Americas and Gerber Americas. The four business regions carry the commercial responsibility for their respective regions and the business units, Living Products and Functional Products, carry the responsibility for developing and maintaining an attractive offering and strong brand portfolio. At the end of 2014 the Executive Board members held the following positions: President and CEO, COO & CFO, Senior Vice President, Human Resources, Senior Vice President, Supply Chain, Chief Information Officer, President, Europe, President, Asia-Pacific, President Fiskars Americas and President, Gerber Americas.

Other Group management

The Corporate Office focuses on selected global platforms strategies and their implementation, such as finance, tax and treasury, human resources, IT, supply chain, corporate communications and investor relations, legal affairs and IPR and compliance. The Corporate Office supports President and CEO in preparing materials for the Board of Directors' and Executive Board meetings and prepares the Group's financial reporting. In addition, the line management of the Group's Other businesses, Real Estate, Boats and investment portfolio, is within the responsibility of the Corporate office. At the end of 2014, the Corporate Office included the President and CEO, COO & CFO, Senior Vice President, Human Resources, Senior Vice President, Supply Chain, Chief Information Officer, General Counsel and Senior Vice President, Finance, and Director, Corporate Communications.

The corporate management follows the business regions' and the business units' performance and plans through monthly and quarterly reports and meets quarterly with the business regions' management to follow up on key activities and to address strategies for the respective region as well as business model implementation. Significant decisions on regional strategy or investments are discussed and decided in these regional board meetings. Respectively, business unit boards consisting of corporate and business unit management convene twice a year to review category and brand strategies and performance.

Fiskars Organization 2014



Executive Board, December 31, 2014

Kari Kauniskangas
President and CEO, employed 2008
Born 1962, M.Sc. (Econ.)
Nationality: Finnish

Primary working experience:
Amer Sports Corporation, Head of Winter & Outdoor division 2007
Amer Sports Corporation, Senior Vice President,
Sales & Distribution 2004–2007
Amer Sports Europe GmbH, President & GM 1999–2004
Positions of trust:
Member of the Board: Veho Group Oy Ab 2013-

Fiskars shares held directly 31.12.2014: 28,897

Teemu Kangas-Kärki
Chief Operating Officer and Chief Financial Officer (COO & CFO), deputy to the CEO, employed 2008
Born 1966, M.Sc. (Econ.)
Nationality: Finnish

Primary working experience:
Fiskars Corporation, President, Home business area 2012-2014
Fiskars Corporation, Chief Financial Officer 2008–2012
Alma Media Corporation, Chief Financial Officer 2003–2008
Kesko Group, Vice President, Corporate Controller 2002–2003
Kesko Group, Corporate Business Controller 2000–2001
Suomen Nestlé Oy, Finance Director 1999–2000
Smith & Nephew Oy, Financial Manager 1996–1998
Unilever Oy & Gmbh, Marketing Controller and Internal Auditor 1992–1996

Fiskars shares held directly 31.12.2014: 2,000

Nina Ariluoma-Hämäläinen
Senior Vice President, Human Resources, employed 2013
Born 1971, M.Sc. (Psych), EMBA
Nationality: Finnish

Primary working experience:
Nokia Siemens Networks Oy, Head of HR Region, North, East and West, Russia 2013
Nokia Siemens Networks Oy, Head of Region HR for North and East Europe, Russia, CIS and Turkey, Russia 2011-2013
Nokia Siemens Networks Oy, Head of HR for Global Sales 2008-2011
Nokia Oyj, Head of Business HR for Emerging Businesses 2005-2007
Nokia Oyj, Business HR Manager, Nokia Business Infrastructure 2001-2003
Nokia Oyj, Human Resources Manager, Nokia Ventures, US 1999-2000

Fiskars shares held directly 31.12.2014: 0

Thomas Enckell
President, Europe, employed 2007
Born 1963, M.Sc. (Econ.)
Nationality: Finnish

Primary working experience:
Fiskars Corporation, President, Garden EMEA business area 2008-2014
Iittala Group, Sales Director, Wholesale 2007
Iittala Group, Group Director, Iittala Brand and International Sales 2003–2007
Iittala Group, Business Area Director 2000–2003
Designor, Business Area Director 1996–2000

Positions of trust:
Member of the Board: Stala Oy and Stala Tubes Oy 2008-

Fiskars shares held directly 31.12.2014: 0

Matteo Gaeta
President, Asia-Pacific, employed 2014
Born 1971, MBA
Nationality: Italian

Primary working experience:
Safilo Far East, COO and Head of Business Unit Asia 2009-2013
Safilo Far East, Sales Director Asia 2008-2009
Safilo Japan, President, 2003-2008
Safilo Singapore, Managing Director 2001-2003
Safilo Far East, Project Manager 2000-2001
Hasbro Italy, Brand Manager 1999-2000

Fiskars shares held directly 31.12.2014: 0

Risto Gaggl
Senior Vice President, Supply Chain, employed 2011
Born 1968, M.Sc. (Tech)
Nationality: Finnish, Austrian

Primary working experience:
Fiskars, Vice President, Operations, Garden EMEA 2011–2012
Elcoteq SE, Vice President, Business Excellence 2010–2011
Elcoteq SE, Vice President, Business Unit Mobile Devices 2009–2010
Elcoteq Personal Communications,
Vice President, Operations & SCM 2008–2009
Elcoteq Group, various management positions in Finland, Hungary and Estonia 2001–2007

Fiskars shares held directly 31.12.2014: 0

Robert Kass
President, Gerber Americas, employed 2014
Born 1959, MBA, B.Sc.
Nationality: USA

Primary working experience:
Elkay Manufacturing Company, Chief Marketing Officer 2010-2014
American Standard Brands, Vice President & General Manager 2005-2009
American Standard Brands, Vice President, Marketing 2001-2006
Overhead Door Corporation, Vice President, Marketing & Engineering 1996-2001
Black & Decker Household Product Group, various management positions 1987-1996

Fiskars shares held directly 31.12.2014: 0

Paul Tonnesen
President, Fiskars Americas, employed 2007
Born 1964, MBA, B. Sc. (Marketing)
Nationality: USA

Primary working experience:
Elmer´s Products, Inc., Corporate Officer and Senior Vice President Global Sales and Customer Service 2005–2007
Spectrum Brands, Corporate Officer and Vice President Sales 2002–2005
American Safety Razor, Corporate Officer and Vice President Sales and Category Marketing 1998–2002

Positions of trust:
Member of the Board: Milwaukee Institute of Art & Design 2011–
Boys and Girls Club 2011–
Le Moyne College School of Business 2011

Fiskars shares owned 31.12.2014: 0

Frans Westerlund
Chief Information Officer, employed 2009
Born 1966, M. Sc. (Econ.)
Nationality: Finnish

Primary working experience:
Nokia, Director, Process and System Solutions in Nokia Markets 2006–2009
Nokia, Director, Delivery Management in Nokia Information Management 2001–2006
Nokia, Manager, Application Services in Nokia Singapore 2001
Nokia, various positions in Nokia Information Management 1994–2001

Fiskars shares held directly 31.12.2014: 0

Corporate Office, December 31, 2014

Kari Kauniskangas, President and CEO (member of the Executive Board)

Teemu Kangas-Kärki, COO & CFO (member of the Executive Board)

Nina Ariluoma, SVP, HR (member of the Executive Board)

Risto Gaggl, SVP, Supply Chain (member of the Executive Board)

Frans Westerlund, Chief Information Officer (member of the Executive Board)

Anu Ilvonen,
Director, Corporate Communications, Employed 2010
Born 1975, M. Sc. (Econ), M. Soc. Sc.

Primary working experience:
Fiskars Corporation, Communications Manager 2010-2012
NASDAQ OMX Helsinki, Communications Specialist, Communications Manager 2000-2010

Other positions of trust:
Member of the Board of Finnish Investor Relations Society 2011-

Fiskars shares held directly 31.12.2014: 0

Päivi Timonen
General Counsel, Employed 2014
Born 1970, LL.M, trained at the bench

Primary working experience:
Chief Legal Officer, Elektrobit Corporation 2002-2014
Lawyer, Roschier, 1998-2002

Other positions of trust:
Member of the Board, Päätoimija Oyj 2014-

Fiskars shares held directly 31.12.2014: 0

Jyri Virrantuomi
SVP, Finance, Employed 2011
Born 1969, M. Sc (Econ.).

Primary working experience:
Fiskars Corporation, VP, Finance 2011 - 2014
Finnlines Oyj, Head of Group Control and Shared Financial Services 2005-2011
Antalis Oy, Finance Director 2003-2005
Fujitsu Invia Oy Controller, Services Division 2001-2003
Thermo Fisher Scientific Oy, Finance Director 1996-2001
Roxon Oy, Financial Manager 1993-1996

Fiskars shares held directly 31.12.2014: 0

Control systems

The Board of Directors is responsible for the appropriate management and organization of operations. The Board of Directors has approved the principles of internal control, risk management, and internal auditing to be followed within the Group.

In practice, it is the responsibility of the President and CEO, together with the management to put in place and oversee accounting and control mechanisms and other similar mechanisms.

The Risk Management function supports identification, evaluation, and management of risks that may threaten the achievement of Fiskars business goals.

Code of Conduct

Fiskars objective is to pursue long-term profitable business in an ethical and responsible manner. The way of operating for all Fiskars employees, including directors and officers, is defined in the Company's Code of Conduct. The Code of Conduct shall be complied with by all companies belonging to Fiskars Corporation and shall be supplemented by local laws and regulations in case they impose stricter rules. All company rules, guidelines and practices in Fiskars companies must be in full compliance with the Code of Conduct.

All Fiskars employees participate in regular training on the Code of Conduct. The Internal Audit Manager acts as the Corporate Compliance Officer for this Code.

Internal audit

The Internal Audit function has an independent role and audits and reviews how well internal control systems function, the appropriateness and efficiency of functions, and how well guidelines are observed.

The Internal Audit function also strives to promote the development of risk management practices in the Group's business regions and business units. The Company has an internal audit manager, who is administratively subordinate to the President and CEO, but reports to the Board's Audit Committee.

Auditing

The task of statutory auditing is to verify that Fiskars financial statements and Board of Directors' report provide accurate and adequate information on the company's results and financial position. In addition, auditing includes an audit of Fiskars accounting and administration. The Company's Auditors submit the statutory Auditor's report to the Company's shareholders in connection with the Company's financial statements. The Auditors also report their findings to the Board's Audit Committee on a regular basis and at least once a year to the full Board of Directors.

The Company's Annual General Meeting elects an Auditor. Proposals to the Annual General Meeting on the election of Auditors shall be made by the Board's Nomination Committee based on the proposal by the Board's Audit Committee. The Auditors are elected for a term that expires at the end of the following Annual General Meeting.

The Annual General Meeting in 2014 re-elected KPMG Oy Ab, Authorized Public Accountants, as Auditors, with Authorized Public Accountant Virpi Halonen having the principal responsibility. KPMG Oy Ab is also responsible for overseeing and coordinating the auditing of all Group companies.

A total of EUR 0.9 million was paid in audit fees to the auditors employed by Group companies in 2014. In addition, a total of EUR 0.6 million was paid to the auditors in fees for other consultancy services related to tax matters and other advisory services.

Insider administration

Fiskars Insider Policy is based on and comply with the Guidelines for insiders issued by Nasdaq Helsinki.

The Company's permanent public insiders include the members of the Board, the President and CEO and the Company's Auditors. In addition, the Board has also resolved that the members of the Executive Board and Corporate Office are regarded as the Company's permanent public insiders. All permanent public insiders and the statutory information about them, their related parties and the corporations that are controlled by related parties, or in which they exercise influence, have been entered into Fiskars register of public insiders. Fiskars also has a company-specific insider register divided into sub-registers that consist of permanent insiders and of possible insider projects and persons participating in their preparation.

The Company's Legal function monitors the compliance with Insider Guidelines and maintains the Company's insider registers in co-operation with Euroclear Finland Ltd. Information on Public Insiders can be viewed at the Company's website, www.fiskarsgroup.com and at Euroclear Finland Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, tel. +358 20 770 6000.

Internal control and risk management systems related to financial reporting

The financial reporting process refers to activities that generate financial information used in managing the Company and the financial information published in accordance with the requirements of legislation, standards, and other regulations covering the Company's operations.

The role of internal control is to ensure that the Company's management has access to up-to-date, sufficient, and accurate information needed for managing the Company and that the financial reports published by the Company provide an essentially accurate view of the Company's financial position.

Governance

The Parent Company has a Group-level financial management organization that operates under the leadership of the COO & CFO. Financing and financial risk management belong to the Group Treasury function under the responsibility of the COO & CFO.

The business regions and business units are run by their own leadership teams. All the business regions have their own financial management organizations, which also support the business units.

The business regions and country legal units within the regions comprise the base level of financial reporting. Business regions and country sales units are responsible for organizing their own financial management and for the accuracy of their financial reporting.

With the support of the Company, the business regions are responsible for the day-to-day risk management associated with their operations and for monitoring the operations of the finance departments of individual units and country sales units.

The Internal Audit function audits and monitors the efficiency of the reporting process and assesses the reliability of financial reporting.

The Group's Audit Committee, the Group's Board of Directors, the corporate management and the leadership teams of each business region and business unit monitor the development of the financial situation and analyze progress on targets on a monthly basis.

Planning and performance reporting

Setting and monitoring financial targets is an important part of Fiskars management responsibilities. Short-term financial targets are set as part of the annual planning cycle, and progress in achieving these targets is monitored on a monthly basis. Business regions and country legal units report actual monthly financial data and file monthly projections of how financial performance is expected to develop over the remainder of the reporting period. Additionally, business regions update the outlook for the remainder of the reporting period on a monthly basis on an aggregated level.

The Group's financial performance is reviewed monthly using a reporting system that covers all units and operations.

Information from reporting units is consolidated and validated by the Group's financial organization and the data is used to prepare a monthly report for senior management. Monthly reports contain condensed income statements for Fiskars operational segments, business regions and business units, key indicators, and an overview of the major events affecting their businesses. Reports also include a consolidated income statement, balance sheet data, cash flows, and a projection of the expected development of the financial situation covering the remainder of the reporting period.

Accounting principles and financial IT systems

Financial reporting is governed by a set of common principles. The Group applies the IFRS accounting standards approved within the EU and has a common Group chart of accounts. The Group's financial management organization has drawn up guidelines for units, covering the content of financial reporting and the dates within which reporting must take place.

Business regions and country sales units make use of a number of different accounting and financial reporting systems. Group-level financial reporting is handled using one centrally-managed system. Business regions as well as country sales units are responsible for providing data for the Group's reporting system. The Group-level financial management organization is responsible for maintaining the Group's reporting system and for monitoring that appropriate and correct data is fed into the system.

As part of the five-year development program the Company is in the process of implementing a common enterprise resource planning system (ERP) in Europe in order to simplify the financial reporting process and reduce risks associated to the management of several different systems in parallel. The new system will be implemented in phases. The first implementation took place in late 2011, and at the end of 2014 approximately 60 % of business volume targeted by the program was running through the common system.

Risk management

The overall objective of risk management is to identify, evaluate, and manage risks that may threaten the achievement of the Company's business goals. The aim is to secure personnel and assets, ensure the uninterrupted delivery of products to customers, and protect the Company's reputation, brands, and shareholder value from developments or damage that may undermine the Company's profitability or adversely affect its assets.

In relation to financial reporting, the task of risk management is to identify potential threats affecting the financial reporting process that, if they were to become reality, could lead to a situation in which management lacked the up-to-date, sufficient, and essentially accurate information needed to manage the Company and in which financial reports published by the Company did not provide an essentially accurate picture of the Company's financial position.

The principles observed in risk management are included in the risk management policy approved by the Board of Directors. The Board's Audit Committee oversees the efficiency of risk management systems. Responsibility for identifying, evaluating, and also, to large extent, managing Fiskars risks is delegated to business units and support functions. The Group Treasury is responsible for developing and maintaining the methods, tools, and reporting associated with risk management. In addition, it carries out regular risk assessments together with business units and support functions and assists in the preparation of action plans based on the results of these assessments.

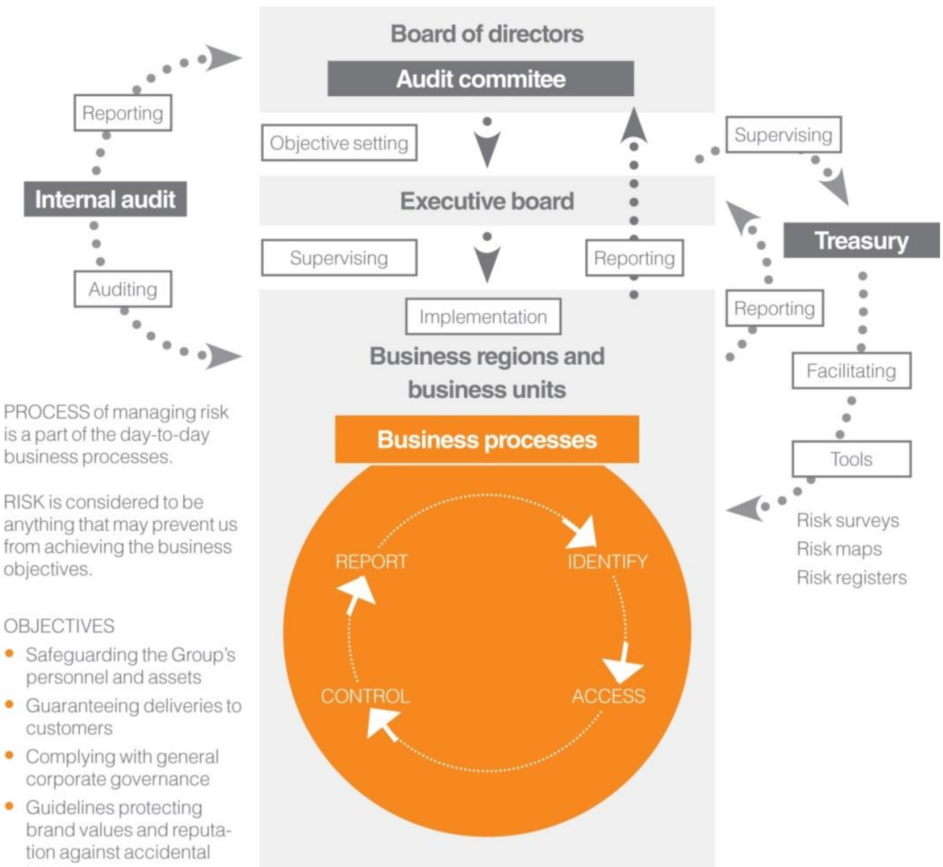
Fiskars has taken out extensive insurance to provide cover for the Group's main assets, business interruptions, transportation, and liabilities. Insurance matters, with the exception of certain types of local insurance, are managed centrally by the Group Treasury. The Group Treasury manages financial risks in accordance with principles approved by the Board of Directors.

Fiskars manages the risks associated with its financial reporting process in a number of ways including the following:

- Maintaining and resourcing an appropriate financial management organization.
- Limiting the rights and responsibilities of individual members of staff appropriately.
- Managing the user rights that give access to the Group's reporting system centrally.
- Issuing guidelines on accounting and reporting.
- Maintaining a common Group chart of accounts.
- Making effective use of IT tools.
- Providing ongoing training for personnel.
- Validating the accuracy of information that is reported as part of the reporting process.

The Company is currently unifying its financial processes and implementing modern IT tools as part of its five-year development program in the EMEA region. With regards to risk management, the objectives are to increase the number of internal checks and controls and to improve the transparency and quality of information used in management decision-making.

Risk management framework



Principal uncertainties

Risk	Description	Effect	Risk management
Strategic risks			
Macroeconomic risk and consumer demand	As Fiskars produces and sells consumer goods, general market conditions and a decline in consumer demand in key market areas could have an adverse effect on the Company's net sales and profitability.	Prolonged low consumer confidence in several key markets due to economic downturn or uncertain geopolitical situation could have a material adverse impact on Group net sales and profit.	Fiskars is engaged in strong brands and product categories which are relatively resilient to moderate economic downturns. Active collaboration with key retail customers can drive sales for both the brand and the retailer. Fiskars strives to continuously diversify its commercial footprint both in terms of geography and product portfolio, which will balance demand fluctuations between markets.
Customer relationships	Fiskars products are primarily sold to wholesalers, retailers, and directly to consumers through the company's own stores and webstores. Many large retailers decide on their product range and suppliers only once annually, and failure to meet customer needs may result in Fiskars losing customers or listings at customers. Retailers, especially in ecommerce, can also have a significant influence in directing consumers' purchasing volumes. Fiskars is exposed to risks from structural changes in retail landscapes and changes in retail business models. These include for example consolidation among retailers and international retailers' increasingly centralized purchasing activity. As a supplier Fiskars is also exposed to retailers' strategic focus on own private label businesses.	Although Fiskars has a diversified customer base, loss of any its largest customers, loss of significant category listings at key channels or decrease in business volume at key customers would have a material adverse impact on the Group's net sales and profits. Market consolidation among retailers increases Fiskars dependence on individual customers and strengthens retailers' purchasing power. This may in turn impact Fiskars profitability.	Fiskars core competence lies in building strong brands that people desire and are willing to pay a premium for. For retailers, specialist brands offer a higher return. Although sales to large individual customers are significant in some of Fiskars businesses, none of the individual customers account for more than 10% of the total net sales of the Group. Fiskars mitigates risks associated to customer relationships and distribution by building best-in-class trade relations and excelling in sales and execution. In recent years, Fiskars has consistently invested in its sales organization and supply chain to meet the evolving customer demands effectively. Fiskars can differentiate from competitors by combining extensive consumer insight with unbiased trade insight. Through our expertise in category management, we aim to assume a trusted advisor role and strengthen our partnership with selected retailers. This will enable us to build the brand experience and expand our retail presence while providing retailers with increased turnover.
Brands and corporate reputation	Fiskars has a number of global, regional and local brands in its portfolio. The company's success depends on its ability to build and fuel strong specialist brands for growth so that they stay commercially relevant. Any adverse event affecting consumer confidence in our brands could have a negative impact on our business.	Major part of the Group's net sales and profits are generated by the three international key brands of the company, of which the Fiskars brand is the biggest. Failure to fulfill the brand promise through for example the product's quality or expanding to areas not consistent with the brand's core could impact consumers' emotional engagement and long-term loyalty to the brand. Usually the negative impact would relate to a specific brand in a specific market. A major reputation crisis could, however spread across markets and have a significant business impact.	Each of Fiskars brands has a clearly defined role in realizing the company's growth ambition. Fiskars continues to invest in its key brands and has established processes to monitor their performance closely. Determined action is taken to mitigate any threat to brand value. When commercializing and expanding its brands, Fiskars carefully considers the entire value chain and what the brand is in consumers' minds, optimizing all aspects to bring value to both trade and end-users. Fiskars has established crisis management and crisis communications procedures to mitigate the potential negative effects of a crisis situation on its corporate

			and brand reputation.
Innovation and new product development	Fiskars brands communicate a promise of high quality and fulfilling user experience. Fulfilling the highest standards in terms of product quality and safety is critical to consumers' trust in our products. Continuous innovation and renewal is the prerequisite for Fiskars leadership position. The company's product development can be affected by complications in development process, and insufficient quality control. Inability to meet consumer needs or to predict changes in consumer preferences could mean that the products developed and launched would not meet commercial targets.	Failure to introduce appealing new products could have significant impact on Fiskars market share and retailers' interest in listing Fiskars products. This, in turn, would affect Fiskars net sales.	Strong design and systematic brand management form the basis for our product development work. Fiskars conducts continuous research on how consumers shop and how they use our products. New products are developed in close co-operation with users, brand management and manufacturing, and the product creation process evaluates the commercial potential of new ideas and concepts carefully.
Intellectual property rights	Fiskars owns and develops a valuable portfolio of strategic intellectual property rights (IPR), which is a key tool for the Group's brands' differentiation. Fiskars is exposed to infringement of its intellectual property rights and failure to protect those rights could lead to counterfeit products gaining market share. In its own product development activities, Fiskars is also exposed to the risk of unintentionally violating other parties' intellectual property rights.	Violation of Fiskars intellectual rights can lead to loss of sales and profits. The insufficient quality or safety of counterfeit products may undermine consumers' confidence in Fiskars brands. Violation by Fiskars of other parties' rights could lead to increased costs and damage to Fiskars reputation.	Fiskars has established cross-functional processes and systems to proactively and effectively manage its global IPR portfolio. Fiskars uses an optimized combination of different types of IPR protection to get the best possible protection for its innovations. Fiskars has monitoring processes and action plans in place to prevent and stop infringing products and practices. Fiskars also actively monitors competitors' intellectual property rights to gain an understanding of the competitive landscape and to avoid the risk of infringing third parties' rights. Training on immaterial rights is mandatory for Fiskars personnel in relevant functions and Fiskars has established processes to ensure that other parties' immaterial rights are respected.
People and culture	The successful execution of Fiskars growth strategy depends on the extent to which the company succeeds in appointing and retaining talented and motivated professionals. Fiskars is undergoing a major transformation, and is exposed to a risk of insufficient commitment to successfully drive and manage the ongoing change programs and execute business models. Lack of commitment to the new operational model can lead to unclear roles and responsibilities, and sub-optimization between functions.	Loss of key personnel in strategic positions, low employee engagement and failure to maintain a high performance culture could impact Fiskars ability to achieve its goals. Restructurings and organizational changes typically involve the risk of creating higher costs than anticipated or not meeting estimated saving targets and losing key personnel.	Strong leadership and building a shared leadership culture continue to be in Fiskars focus. We invest in leadership practices and offering our employees and leaders a wide range of opportunities to learn and develop themselves professionally. Fiskars management is committed to promoting engagement. The company surveys employee engagement regularly to understand how employees feel and think about important topics. Unit leaders are responsible for building action programs to enhance engagement.
Operative risks			
Supply chain	Fiskars production strategy is based on combining own manufacturing with carefully selected supply partners, whose share has increased. Fiskars purchases components and raw materials from several suppliers. Changes in the marketplace can be rapid, and this exposes Fiskars to a risk of failing to ensure that design, quality, price and availability of products at the right place at the	Failure to deliver products at the right time could lead to loss of listings or even loss of customers. Insufficient product availability or other non-compliance with customer agreements can also lead to penalty payments. Failing to meet with consumer expectations on the sustainability on our supply chain could have a negative impact on consumers' trust on our	Our supply chain priorities include efficient and flexible manufacturing capabilities and flexible logistics structures as well as the consolidation of supplier portfolio and ensuring sustainability of our supply chain. Fiskars goal is to build a strong partner network which lives up to our corporate values, high quality standards and our customers' expectations. We require our

	right time are in balance. Through diversifying its manufacturing footprint the company is increasingly exposed to risks related to its supply chain. The company has own manufacturing operations in several locations, and most of its suppliers are located outside Fiskars key markets. Disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers. Fiskars is also increasingly exposed to legal, economic, political and regulatory risks related to the countries of its own or its suppliers' manufacturing facilities, which may impact product availability.	brands.	partners to commit to principles covering labor and human rights, health and safety, the environment, and business ethics. Suppliers are required to follow Fiskars' Supplier Code of Conduct, and audits are carried out to verify compliance. The importance of a seamlessly functioning supply chain continues to increase and we are continuously strengthening our global sourcing operations. Fiskars currently runs regional sourcing offices in Shanghai, Bangkok and Helsinki and focuses on value creation by harmonizing sourcing processes and supplier-base management principles on a global scale.
Raw materials and components	The most important raw materials used in the company's products are steel, aluminum, and plastics. Sudden fluctuations in raw material, component and energy prices or availability can have an impact on Fiskars profitability.	The cost of raw materials is relatively small part of Fiskars cost base, and even significant increase in price of an individual raw material would have fairly limited impact on profitability. Long term availability issues would possibly have a greater impact on sales and profits.	Fiskars uses long-term contracts with some of its raw material suppliers to manage price risks, and derivatives are used to hedge the price of electricity for production plants in Finland. In order to limit the availability risks the company aims to avoid relying on a single source in any of the critical material areas.
Products	Fiskars brands communicate a promise of high quality and functionality, and all products need to be right for their purpose and fulfill all material and quality requirements. For example many of Fiskars homeware products are used in connection with food, and many garden and outdoor products are intended for demanding cutting activities. Failure to meet demands on performance and safety could expose Fiskars to the risk of product recall and even liability for damages in the event that its products had caused injury to consumers or damaged other property. Legislation in many countries may also require Fiskars to recall products in other specific circumstances.	A product recall induces costs that could be material if large number of defective products were to be recalled from several geographical locations. In the worst case defective products might results in personal injury and therefore an obligation for the company to pay damages to consumers that could be substantial and include punitive elements in some jurisdictions. Respectively, in some jurisdictions, government authorities may claim and if successful, collect substantial penalties payable for alleged violation of product safety related regulation.	Fiskars product development process is based on continuous testing and learning, and the company has invested in product development and quality assurance resources. Fiskars ensures by careful quality and product safety related processes that a product is safe and right for its purpose and that all the material and quality requirements are fulfilled.
Weather and seasonality	Demand for some of the Group's products is dependent on the weather, particularly garden tools and watering products during the spring and snow tools during the winter. Unexpected weather conditions such as cold and rainy weather during spring or no snow in the winter can have a negative impact on the sale of these products. The sale of homeware products is heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.	Weather impact would typically be limited to a certain part of the business portfolio. A longer period of unusually poor weather in a larger geographic area could however affect overall traffic in stores. Seasonal variations and weather conditions can lead to short-term fluctuations in demand which may in turn lead to excess inventory of products or lost sales.	Fiskars does not hedge weather risks. Risks associated with demand and product availability during peak season are managed by active sales and marketing activities and by systematic supply chain management. Fiskars strives to have a flexible production structure which can be adjusted at a short notice to meet actual demand. Fiskars strategy is to balance seasonality by developing its portfolio and also by creating secondary seasons through marketing activities.
Investment program in Europe	In December 2010, Fiskars launched a five-year development program in the EMEA region with an investment of approximately EUR 65 million.	Inability to execute business processes can affect Fiskars net sales. Failure to meet customer demands could have a negative impact on	A dedicated project team, including external advisors, has been established to implement the program. The corporate

	This program entails implementation of new common processes and IT systems, including a new common enterprise resource planning (ERP) system. Ineffective project management could delay the execution of the program or increase costs above plans. Technical problems or disruption in the access to business critical information in connection with system implementations or inability to fully utilize the implemented processes and systems may affect Fiskars ability to execute required business processes such as invoicing and deliveries.	customer relationships and lead to loss of listings or even loss of customers, which would impact sales negatively. Insufficient product availability or other non-compliance with customer agreements can also lead to penalty payments.	management team monitors the progress of the program closely and the project's status is regularly reported to the Board of Directors. Each implementation is followed by a stabilization period to mitigate the effects on business process execution.
IT	Fiskars is exposed to performance, availability and security risks related to common, centralized infrastructure solutions and increased dependency of operations on centralized platforms. Unforeseen impact of IT changes to new and existing systems could disrupt business operations and affect Fiskars ability to deliver products.	Lack of access to centralized IT systems causes unavailability of critical business information which can prevent the execution of the required business processes. This could impact business operations and thus financial performance either regionally or globally.	Fiskars mitigates the risk by building the IT solutions using industry best practice processes and proven technologies. The solutions are regularly audited and tested. Training is organized for core competences, which are required for maintaining the functionality and security of the IT solutions. The processes for managing emergency situations and recovery are documented and key personnel have been trained. Changes to new and existing IT systems are done according to standard processes and procedures. All changes are approved, validated and tested before execution to production.
Acquisitions	Acquisitions are a part of Fiskars growth strategy. Despite a careful due diligence process, all acquisitions and integration of acquired businesses include risks. Brands or sales may be adversely affected, key individuals may decide to leave the company, the costs of the integration may exceed expectations and synergy effects may be lower than expected.	Loss of key individuals and failure to meet integration targets may lead to Fiskars not achieving the strategic and commercial objects for the acquisitions. This may affect Fiskars net sales and profitability.	Fiskars mitigates these risks by planning the integration of acquired businesses in advance, by establishing Fiskars' corporate governance principles immediately after the takeover, by setting up a joint integration team and by following the integration and the development of the new company intensively within its corresponding management team, the Executive Board and the Board of Directors of Fiskars.
Financial risks			
Currency rates	A significant part of the Group's operations are located outside of the euro zone. Consolidated financials are reported in Euros, which means that the Group is exposed to a translation risk. In addition less than 20% of Fiskars commercial cash flows are exposed to fluctuations in foreign exchange rates The most significant currency with regards of translation and transaction currency risk is USD.	Changes in foreign exchange rates may have an adverse impact on the reported net sales of the Group, its operating results, balance sheet and cash flow. Changes in foreign exchange rates may also impact Fiskars local competitiveness negatively. Fiskars details its sensitivity to main currencies in its financial statements.	The Company aims to manage currency risks related to commercial cash flows primarily through business means. Acquisition of production inputs and sale of products are primarily denominated in the local currencies of the Group companies. Net estimated exports and imports in foreign currencies is hedged up to 12 months in advance using currency forwards and swaps. The potential adverse impact on reported consolidated financials arising from changes in foreign exchange rates is left unhedged.
Financial investments	The financial investment portfolio of Fiskars consists of shares in Wärtsilä and of other financial investments. Other financial investments may include investments into funds, shares, bonds and other financial instruments denominated mostly in EUR and USD. The financial investment portfolio is	The shares in Wärtsilä together with the other financial investments form an active investment portfolio which is treated as a financial asset at fair value through profit or loss. Valuation of financial assets through profit and loss will increase the volatility of financial items in the profit and loss statement and thus volatility of Fiskars	The investment management principles, including objectives, guidelines and risk management procedures, have been documented in an investment policy approved by the Board of Directors. The risk management measures include limits for various asset classes, instruments and

	exposed to general risks related to financial investments and the investments may lose value because of several reasons. The most relevant risks are considered to be decline in financial markets, changes in interest rates or in foreign currency rates and default (issuer of a security no able to make timely principal and interest payments) risks.	net result. The risk profile of the other financial investments is considered to be of medium grade.	counterparties and it defines risk measurement and risk reporting principles. Fiskars has assigned well-known international asset managers to support the investment activities.
Taxation	Complex and changing tax legislation in multiple jurisdictions where Fiskars operates may create uncertainties relating to tax obligations towards various authorities. At the same time, governments seeking to cut budget deficits are increasing tax enforcement activities and disclosure requirements as they pursue new sources for tax revenues. This, in conjunction with unpredictable behavior or changing interpretation of tax authorities may cause unexpected tax challenges.	Fiskars faces an increasing administrative burden resulting from reporting and disclosure requirements. Increased tax enforcement activity may lead to double taxation and additional costs in forms of penalties and interest. Perceived non-compliance could have an impact on corporate reputation.	We strive to plan and manage our tax affairs efficiently and in compliance with laws and regulations of the jurisdictions in which we operate. In an increasingly complex international tax environment some degree of uncertainty is inevitable. Fiskars actively monitors changes in tax rates and regimes to identify impacts on the group effective tax rate and exercises its judgment and seeks professional advice in assessing its tax liabilities and assets.

FISKARS REMUNERATION STATEMENT FOR THE YEAR 2014

Board's remuneration

The Annual General Meeting decides on the remuneration of the Board of Directors. The Board's Nomination Committee is responsible for preparing proposals for the General Meeting of Shareholders on the remuneration of Board members.

In 2014, the Annual General Meeting decided on the following annual remuneration for the members of the Board of Directors:

- Chairman of the Board: EUR 90,000
- Vice Chairman of the Board: EUR 60,000
- Members of the Board: EUR 45,000

In addition, the Board members are paid EUR 750 per Board or Committee meeting, the Chairman of the Board EUR 1,500 per Board and Committee meeting, and the Chairman of the Audit Committee EUR 1,500 per Audit Committee meeting. The fees for Board members residing abroad per Board and Committee meeting are doubled. In addition, members are reimbursed for their travel and other expenses incurred as a result of their activities on behalf of the Company. To handle specific tasks, the Board of Directors can also set up a temporary working group consisting of Board members. During 2014, a temporary Board Marketing Working Group was established.

Compensation paid to the members of the Board totaled EUR 690,100 in 2014. The members of the Board are not included in Fiskars incentive schemes and they are not employed by the Company.

Remuneration paid to the members of the Board of Directors for the year 2014

Name	Annual remuneration (EUR)	Meeting remuneration (EUR)	Total (EUR)
Paul Ehrnrooth, Chairman as of 12.3.2014	81,250	40,500	121,750
Alexander Ehrnrooth, Vice Chairman	58,750	20,250	79,000
Kaj-Gustaf Bergh, Chairman of the Board until 12.3.2014	53,750	18,650	72,400
Ralf Böer	43,750	30,600	74,350
Louise Fromond	43,750	14,400	58,150
Gustaf Gripenberg, Charman of the Audit Committee	43,750	17,650	61,400
Ingrid Jonasson Blank	43,750	35,100	78,850
Karsten Slotte	43,750	21,900	65,650
Jukka Suominen, until 12.3.2014	10,000	1,800	11,800
Christine Mondollot, as of 12.3.2014	33,750	33,000	66,750
Total	**456,250**	**233,850**	**690,100**

Fiskars compensation philosophy

Fiskars compensation philosophy is based on its core belief that all things, even the simplest, can be made better and smarter through our continuous quest for improvement. Our compensation structures are designed to be market-relevant and performance-based – outstanding performance is rewarded more than average performance. For most of Fiskars employees, from factory floor to senior management, compensation consists of a base salary, bonus and benefits. The total compensation including bonus should be competitive against the relevant market. For all employees, salary is based upon the local general salary level, level of responsibility, contribution to the business, experience and performance. The bonus practice is based upon a philosophy of continuous improvement, which means that Fiskars pays bonuses mainly when it is able to improve business performance compared to the previous year.

Main features of the Executive Board's remuneration

The Board appoints the Managing Director (President and CEO) and confirms the terms of his employment and other compensation. The Board is also responsible for appointing the members of the Executive Board, approving their terms of employment and other compensation, and deciding on the principles for the Group's compensation systems. The Compensation Committee is responsible for preparing matters related to these topics.

In addition to base salary, Fiskars offers its executives variable pay programs to further promote high performance. The company has established an Annual Bonus Plan and a Long-term Incentive Plan.

Finland based Executive Board members have voluntary, contribution-based additional pension insurance. In 2014, Fiskars Corporation had no share-based remuneration programs in place.

Incentive Plan design until earning period 2014

Both Fiskars Annual Bonus Plan and its Long-term Incentive Plan (LTI) are designed to reward for achievements against pre-established goals. Incentive Plan participants are assigned a “target level” that will dictate the incentive payout as a percentage of base pay. Incentive targets represent an overall target opportunity and are not a guarantee that a payout will be made.

Actual incentive payments will be made on the basis of performance against “plan metrics”. The plan metrics may consist of a mix of financial metrics, operational metrics and personal goals. The potential payout ranges from nothing to a maximum percentage of each participant’s annual salary. The maximum level for the President and CEO and the other members of the Executive Board is at maximum 1.5 times the target level.

Participants in the Long-term Incentive Plan are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. The long-term incentive targets are purely financial and, in 2014, they were tied to the Company’s consolidated net sales and operative cash flow. For the President and CEO, LTI targets were tied to net sales and EBIT.

The earning period for the Long-term Incentive Plan is one year, which for other executives but CEO is followed by a two-year vesting period. The bonus will be paid during the quarter following the vesting period. The bonuses for performance in 2014 will be paid during the first quarter of 2017. For the CEO, half of the bonus vests after one year and the other half vests after two years.

A positive change in the value of the Company’s shares related to its own operations (excluding the impact of Wärtsilä on the share price) during the vesting period may increase the final payout by up to 50% and for the President and CEO by up to 100%.

Principles of the Presidents and CEO's incentive scheme in 2014

% of annual base salary	**Minimum**	**Target**	**Maximum**	**Maximum final payout after vesting period ***
Annual Bonus Plan	0	75%	102.5%	N/A
Long-term Incentive Plan	0	75%	270%	540%

* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

Principles of the Executive Board's incentive scheme in 2014

% of annual base salary	**Minimum**	**Target**	**Maximum**	**Maximum final payout after vesting period ***
Annual Bonus Plan	0	20—60%	30—90%	N/A
Long-term Incentive Plan	0	20—60%	30—90%	45—135%

* Depending on the development of the value of the Company's shares related to its own operations, excluding Wärtsilä's impact on the share price.

Bonuses earned and accrued through the Long-term Incentive Plan

Earning period **To be paid, EUR***	**2012** **2015**	**2013** **2016**	**2014** **2017**
President and CEO	95,256	233,137	0
Other members of the Executive Board	70,936	181,209	458,019**

* After having been adjusted by share price multiple

** Including Thomas Enckell, Matteo Gaeta, Teemu Kangas-Kärki and Paul Tonnesen as of 1.1.2014

President and CEO’s remuneration until earning period 2014

The President and CEO’s compensation consists of a salary, annual bonus and the Long-term Incentive Plan. The President and CEO’s target bonus corresponds to 75% of his annual base salary. In 2014 the financial targets of the Annual Bonus Plan were related to net sales growth, EBT excluding Wärtsilä, and gross profit margin and cash flow. His personal goals for the year included a target related to Employee Engagement. The financial targets of the Long-term Incentive Plan were related to net sales and EBIT.

The President and CEO is provided with a voluntary supplementary contribution-based pension, under which the Company contributes 20% of his annual salary excluding bonuses.

The President and CEO’s employment contract will end when he reaches the age of 60. The President and CEO and the Company have a notice period of six months. Remuneration on dismissal by the Company is 12 months’ basic salary, in addition to salary for the six-month notice period.

The salary, benefits, and bonuses paid in 2014 to the President and CEO, Kari Kauniskangas, totaled EUR 1,034,671. Base salary accounted for EUR 416,995, bonuses for the 2013 result came to EUR 229,176 and bonuses for 2011 through the Long-term Incentive Plan came to EUR 388,500.

During the 2014 earning period, the President and CEO did not earn bonuses through the Long-term Incentive Plan.

Principles of the President and CEO's Long-term Incentive Plan 2013-2014

In August 2012, the Board of Directors decided to launch a revised Long-term Incentive Plan for the President and CEO and set his targets for the earning periods of 2013 and 2014 in order to compensate him for accelerated profitable growth and reward him for continuously improving performance.

The President and CEO's bonus payout level in 2014 was set at 30–270% of his annual salary. The final payout is, however, dependent on the Company's share price development during the vesting period. A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) may increase the final payout by up to 200% and a negative change may decrease the final payout by up to 50%.

The earning period for the bonus is one year, which is followed by a vesting period. Half of the bonus vests after one year and the other half vests after two years. The final bonus will be paid during the quarter following the vesting period.

Remuneration of the President and CEO in 2014

EUR	2014	2013	2012
Basic salary	416,995	404,736	403,744
Annual bonus for previous year	229,176	247,542	234,354
Bonus paid through long-term incentive plan	388,500	361,414	409,500
Total	**1,034,671**	**1,013,692**	**1,047,598**
Voluntary pension contribution by the company	80,947	80,749	77,963

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Board are presented on an accrual basis in the notes to Fiskars financial statements for 2014.

Executive Board's remuneration until earning period 2014

The Executive Board's Annual Bonus Plan in 2014 was designed to provide a target bonus equivalent to 20–60% of their annual salary. The earning criteria were tied to the Group's financial targets and, secondarily, to personal, function-specific targets. In 2014, the financial targets were mainly related to net sales growth, EBT excluding Wärtsilä, and gross profit margin. All members had a personal target related to Employee Engagement. Members of the Executive Board can be included in the Long-term Incentive Plan.

Finland based members of the Group's Executive Board have voluntary, contribution-based additional pension insurance under which the Company contributes 14–20% of their annual salaries excluding bonuses. Their retirement ages vary between 60 and 68 years.

In 2014, salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 2,417,940. Base salaries accounted for EUR 953,514. Bonuses for the 2013 result came to EUR 734,833 and bonuses paid through the Long-term Incentive Plan for 2011 amounted to EUR 729,593.

During the 2014 earning period, bonuses earned through the Long-term Incentive Plan, excluding any possible increase due to changes in the share price, totaled EUR 458,019 for the Executive Board (excluding the President and CEO). These bonuses will be paid during the first quarter of 2017.

Remuneration of the other members of the Executive Board* in 2014

EUR	2014	2013	2012
Base salary	953,514	888,068	722,586
Annual bonus for previous year	734,833**	184,856	255,740
Bonus paid through long-term incentive plan	729,593**	120,350	414,005
Total	**2,417,940**	**1,193,274**	**1,392,330**
Voluntary pension contribution by the company	388,239	142,461	98,736

* Including Jutta Karlsson until 30.4.2014, Ilkka Pitkänen until 9.5.2014 and Max Alfthan until 14.11.2014. Teemu Kangas-Kärki starting 12.9.2014, Thomas Enckell Matteo Gaeta, Robert Kass and Paul Tonnesen, starting 1.12.2014

** Including Teemu Kangas-Kärki, Thomas Enckell, Matteo Gaeta and Paul Tonnesen for the full year

The figures in this remuneration are presented on a cash basis. The remuneration of the President and CEO and the rest of the Executive Board are presented on an accrual basis in the notes to Fiskars financial statements for 2014.

Long-term incentive plan 2015-2017

In February 2015, The Board of Directors decided on a new long-term incentive plan for the Group's Executive Board and other key personnel. The plan will form a part of Fiskars remuneration program for its key leaders, and it does not affect the base salaries or annual bonus plan design.

The aim of the new long-term incentive plan is to support the implementation of the company's growth strategy and to align the objectives of key personnel with the shareholders to increase the value of the company.

The new long-term incentive plan consists of a share based plan (Share Plan) as well as a cash reward plan (Cash Plan), and initially it has a performance period of three calendar years, 2015-2017. The Group's Chief Executive Officer Kari Kauniskangas and Chief Operating Officer, Chief Financial Officer Teemu Kangas-Kärki are participants in the Share Plan. They, along with approximately 30 other key senior leaders, including the rest of the Executive Board, are participants in the Cash Plan.

The amount of the reward paid to a key person depends on achieving the pre-established targets. No reward will be paid if targets are not met or if the participant's employment ends before reward payment. The targets for the Share Plan are based on the company's total shareholder return, while the targets for the Cash Plan are based on the growth of the company's turnover and operating profit excluding non-recurring items.

If targets of the plan are reached, rewards will be paid to participants after the end of the performance period. In the Cash Plan, rewards for participants will be paid in cash. In the Share Plan, the reward will be paid in the company's shares and as a cash payment which is intended to cover taxes and tax-related costs arising from the share reward. If all targets are reached, the maximum reward payable in shares on the basis of the 2015-2017 performance period would amount to a total maximum of 22,000 shares in the company. Shares to be awarded under the Share Plan will be acquired in public trading arranged by Nasdaq Helsinki, and thus the share plan is not expected to have a diluting effect on the ownership of the company's shareholders.

The Share Plan participants are subject to a shareholding requirement. No shares earned through the Share Plan can be sold or otherwise conveyed by the participant until a minimum ownership requirement has been reached. The share ownership requirement is 100 % of annual gross base salary for the President and CEO and 50 % for other participants, including Fiskars shares otherwise owned.

The Board may, at its sole discretion, decide to extend the long-term incentive plan with two consecutive three-year performance periods that would start in 2016 and 2017, respectively. In that case, the Board will decide separately for each performance period the participants in the incentive plan and the maximum reward for each participant. The Board of Directors would also decide separately for each performance period the performance criteria and related targets.

REPORT BY THE BOARD OF DIRECTORS FOR THE YEAR 2014

Year 2014 in brief: Continued good operational efficiency, weaker sales

2014 was a milestone year for Fiskars – in addition to celebrating its 365th anniversary, the company took several significant strategic steps in its transformation. The year ended with a new corporate structure and organization, including a separate organization for the Asia-Pacific region. In line with the Group's growth strategy, Fiskars launched its 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 the company's 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 the performance was not satisfactory. Net sales decreased by 4% to EUR 767.5 million (2013: 798.6). At comparable currency rates and excluding the pottery business divested in 2013, net sales 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.

There were factors outside of the company's control, such as currencies and weather conditions. However, Fiskars also faced challenges with availability in Europe in the early part of the year and in the US the company had challenges in our outdoor business. Actions were initiated, and the company saw improvements in the second half of the year. Despite the drop in sales volume, Fiskars maintained good operational efficiency and improved its gross margin.

Cash flow from operating activities was EUR 87.0 million (81.0). Earnings per share were EUR 9.44 (1.14) and 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).

Group Performance

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 2014

Net sales, EUR million	2014	2013	Change	Change cn*
Group	767.5	798.6	-4%	-2%
Europe and Asia-Pacific	533.6	564.2	-5%	-4%
Americas	240.0	245.1	-2%	-1%
Other	6.8	6.5	6%	6%

* Currency neutral

Operating profit (EBIT), EUR million	2014	2013	Change
Group	42.7	61.0	-30%
Europe and Asia-Pacific	25.2	39.9	-37%
Americas	28.1	31.4	-11%
Other and eliminations	-10.7	-10.3	4%

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 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 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, United Kingdom 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 restructuring of the Group's operations in Italy were finalized during the last quarter and local manufacturing sites were closed.

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 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 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 4,243 (2013: 4,087), of which 3,370 in Europe & Asia-Pacific, 631 in the Americas and 243 in Other. 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. The increase was mainly due to the acquisition of the US watering business.

Personnel (FTE), average	2014	2013	Change
Group	4,243	4,087	4%
Europe and Asia-Pacific	3,370	3,282	3%
Americas	631	568	11%
Other	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 2014

Net sales, EUR million	2014	2013	Change	Change cn*
Home	380.5	386.2	-1%	0%
Garden	268.2	284.5	-6%	-4%**
Outdoor	114.2	123.7	-8%	-7%
Other	4.5	4.2	8%	8%

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

Europe and Asia-Pacific in 2014

EUR million	2014	2013	Change
Net sales	533.6	564.2	-5%
Operating profit (EBIT)	25.2	39.9	-37%
EBIT exl. non-recurring items	43,2	52,7	-18%
Capital expenditure	23.3	16.6	40%
Personnel (FTE), average	3,370	3,282	3%

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 2014

EUR million	2014	2013	Change
Net sales	240.0	245.1	-2%
Operating profit	28.1	31.4	-11%
Capital expenditure	5.2	5.7	-10%
Personnel (FTE), average	631	568	11%

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 2014

EUR million	2014	2013	Change
Net sales	6.8	6.5	6%
Operating profit (incl. eliminations)	-10.7	-10.3	-4%
Capital expenditure (incl. eliminations)	6.6	15.1	-56%
Personnel (FTE), average	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 6.8 million (2013: 6.5), largely consisting of timber sales and rental income. The operating profit was 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.

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 was 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 FINANCIAL STATEMENTS, IFRS

Consolidated income statement

EUR million	Note	**2014**		2013	
Net sales	2	**767,5**		798,6	
Cost of goods sold	6	**-457,0**		-475,3	
Gross profit		**310,4**	**40%**	323,2	40%
Other operating income	5	**5,9**		3,1	
Sales and marketing expenses	6	**-168,4**		-164,7	
Administration expenses	6	**-80,6**		-82,0	
Research and development costs	6	**-14,6**		-13,3	
Other operating expenses	6	**-10,0**		-1,5	
Goodwill impairment	6			-3,7	
Operating profit (EBIT)		**42,7**	**6%**	61,0	8%
Change in fair value of biological assets	13	**-0,3**		0,7	
Share of profit from associate	15	**30,0**		50,8	
Gain on sale and revaluation of associate shares	15	**676,0**			
Investments at fair value through profit or loss - net change in fair value	8	**27,9**			
Other financial income and expenses	8	**10,5**		-4,3	
Profit before taxes		**786,7**	**103%**	108,3	14%
Income taxes	9	**-13,4**		-14,3	
Profit for the period		**773,3**	**101%**	94,0	12%
Attributable to:					
Equity holders of the parent company		**773,1**		93,7	
Non-controlling interest		**0,2**		0,3	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	10	**9,44**		1,14	

Consolidated statement of comprehensive income

EUR million	Note	**2014**	2013
Profit for the period		**773.3**	94.0
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		**3.6**	-8.5
Change in associate recognized directly in other comprehensive income	15	**6.5**	-13.9
Transferred to income statement		**6.2**	
Cash flow hedges		**-0.0**	0.5
Items that will not be reclassified to profit or loss:			
Defined benefit plan, actuarial gains (losses), net of tax	21	**-1.1**	-0.2
Change in associate recognized directly in other comprehensive income	15	**-0.1**	-5.6
Other comprehensive income for the period, net of tax		**15.1**	-27.7
Total comprehensive income for the period		**788.4**	66.3
Attributable to:			
Equity holders of the parent company		**788.0**	66.1
Non-controlling interest		**0.4**	0.2

The notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

EUR million	Note	**Dec 31, 2014**		Dec 31, 2013	
ASSETS					
Non-current assets					
Goodwill	11	**112.7**		111.9	
Other intangible assets	11	**171.9**		170.9	
Property, plant & equipment	12	**104.7**		100.5	
Biological assets	13	**41.6**		42.0	
Investment property	14	**4.9**		6.0	
Investments in associates	15			286.1	
Financial assets					
Financial assets at fair value through profit or loss	16	**12.2**		10.5	
Other investments	16	**3.9**		3.9	
Deferred tax assets	9	**26.8**		31.3	
Non-current assets total		**478.8**	**30%**	763.1	73%
Current assets					
Inventories	17	**168.2**		119.4	
Trade and other receivables	18	**129.2**		138.5	
Income tax receivables		**8.0**		6.1	
Interest-bearing receivables		**5.1**		2.3	
Investments at fair value through profit or loss	16	**766.7**			
Cash and cash equivalents	16	**33.6**		9.7	
Current assets total		**1,110.7**	**70%**	275.9	27%
Assets total		**1,589.5**	**100%**	1,039.1	100%
EQUITY AND LIABILITIES					
Equity					
Equity attributable to the equity holders of the parent company		**1,151.9**		631.8	
Non-controlling interest		**1.3**		0.9	
Equity total	19	**1,153.2**	**73%**	632.7	61%
Non-current liabilities					
Interest-bearing liabilities	20	**31.5**		56.2	
Other liabilities		**6.4**		6.1	
Deferred tax liabilities	9	**39.1**		39.8	
Pension liability	21	**9.3**		8.6	
Provisions	22	**4.5**		5.9	
Non-current liabilities total		**90.9**	**6%**	116.7	11%
Current liabilities					
Interest-bearing liabilities	20	**128.9**		108.8	
Trade and other payables	23	**210.2**		172.0	
Income tax liabilities		**1.9**		3.7	
Provisions	22	**4.4**		5.2	
Current liabilities total		**345.4**	**22%**	289.7	28%
Equity and liabilities total		**1,589.5**	**100%**	1,039.1	100%

The notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

EUR million	**2014**	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	**786.7**	108.3
Adjustments for		
Depreciation, amortization and impairment	**28.5**	29.2
Share of profit from associate	**-30.0**	-50.8
Gain on sale and revaluation of associate shares	**-676.0**	
Gain/loss on sale and loss on scrap of non-current assets	**8.5**	0.2
Investments at fair value through profit or loss - net change in fair value	**-27.9**	
Other financial items	**-10.4**	4.2
Change in fair value of biological assets	**0.3**	-0.7
Change in provisions and other non-cash items	**-6.1**	3.6
Cash flow before changes in working capital	**73.6**	94.0
Changes in working capital		
Change in current assets, non-interest bearing	**17.0**	-14.4
Change in inventories	**-20.5**	-0.5
Change in current liabilities, non-interest bearing	**9.6**	7.3
Cash flow from operating activities before financial items and taxes	**79.8**	86.5
Dividends received from associate	**26.9**	25.6
Financial items paid (net)	**-5.4**	-5.5
Taxes paid	**-14.3**	-25.6
Cash flow from operating activities (A)	**87.0**	81.0
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	**-19.7**	-49.5
Investments in financial assets	**-400.1**	-0.1
Capital expenditure on fixed assets	**-35.0**	-37.5
Proceeds from sale of fixed assets	**2.4**	1.1
Proceeds from sale of business		1.0
Proceeds from sale of associate shares	**639.1**	
Cash flow from other investments	**1.3**	0.4
Cash flow from investing activities (B)	**187.8**	-84.6
CASH FLOW FROM FINANCING ACTIVITIES		
Change in current receivables	**-2.8**	-1.8
Borrowings of non-current debt	**32.7**	0.1
Repayment of non-current debt	**-44.6**	-20.0
Change in current debt	**11.4**	74.2
Payment of finance lease liabilities	**-2.4**	-1.7
Cash flow from other financing items	**0.2**	-0.2
Dividends paid	**-245.6**	-53.2
Cash flow from financing activities (C)	**-251.1**	-2.7
Change in cash and cash equivalents (A+B+C)	**23.7**	-6.3
Cash and cash equivalents at beginning of period	**9.7**	16.4
Translation difference	**0.2**	-0.5
Cash and cash equivalents at end of period	**33.6**	9.7

The notes are an integral part of these consolidated financial statements.

Statement of changes in consolidated equity

	Equity attributable to shareholders 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
Dec 31, 2012	**77.5**	**-0.9**	**-0.8**	**1.3**	**-0.8**	**542.6**		**618.9**
Translation differences			-8.4				-0.1	-8.5
Change in associate recognized directly in other comprehensive income			-9.5	-4.4	-5.6			-19.5
Cash flow hedges				0.5				0.5
Defined benefit plan, actuarial gains (losses), net of tax					-0.2			-0.2
Other comprehensive income for the period, net of tax, total			**-17.9**	**-3.9**	**-5.8**		**-0.1**	**-27.7**
Profit for the period						93.7	0.3	94.0
Total comprehensive income for the period			**-17.9**	**-3.9**	**-5.8**	**93.7**	**0.2**	**66.3**
Changes due to aqcuisitions							0.7	0.7
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
Dec 31, 2013	**77.5**		**-18.7**	**-2.6**	**-6.7**	**582.2**	**0.9**	**632.7**
Translation differences			3.5				0.1	3.6
Change in associate recognized directly in other comprehensive income			8.6	-2.1	-0.1			6.4
Transferred to income statement			2.5	3.8				6.2
Transferred to retained earnings					5.7	-5.7		
Cash flow hedges				-0.0				0.0
Defined benefit plan, actuarial gains (losses), net of tax					-1.1			-1.1
Other comprehensive income for the period, net of tax, total			**14.5**	**1.6**	**4.5**	**-5.7**	**0.1**	**15.1**
Profit for the period						773.1	0.2	773.3
Total comprehensive income for the period			**14.5**	**1.6**	**4.5**	**767.4**	**0.4**	**788.4**
Changes due to divestments						-0.0	0.2	0.2
Dividends paid						-267.8	-0.2	-268.0
Dec 31, 2014	**77.5**		**-4.2**	**-1.0**	**-2.2**	**1,081.7**	**1.3**	**1,153.2**

The notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting principles for the consolidated financial statements, IFRS

Fiskars Corporation is a Finnish public limited liability company listed on Nasdaq Helsinki and domiciled in Raasepori, Finland. The registered address of Fiskars Corporation is Hämeentie 135 A, Helsinki, Finland. Fiskars Corporation is the parent company of the Group. The Group manufactures and markets branded consumer products globally. Fiskars' operating segments are Europe and Asia-Pacific, Americas, the associated company Wärtsilä (until October 9, 2014) and Other. The operations were divided to Business Areas Home, Garden and Outdoor until November 30, 2014 and to Living products, Functional products and Outdoor products as of December 1, 2014. In addition the Group has Real Estate operations. The Group's international main brands are Fiskars, Iittala, and Gerber.

The financial statements are authorized for issue by the Board of Directors of Fiskars Corporation. According to the Finnish Limited Liability Companies' Act, the shareholders have a possibility to approve or reject or make a decision on altering the financial statements in the Annual General Meeting to be held after the publication of the financial statements.

Basis of preparation

The consolidated financial statements of Fiskars Corporation ("Fiskars" or "the Group") are prepared in accordance with International Financial Reporting Standards (IFRS) in force at December 31, 2014 as adopted by the European Union. International Financial Reporting Standards, referred to in the Finnish Accounting Act and in ordinances issued based on the provisions of this Act, are standards and their interpretations adopted in accordance with the procedure laid down in regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements are prepared on historical cost basis except for financial assets and financial liabilities which are presented at fair value through profit or loss, and biological assets as well as assets and liabilities related to defined benefit pension plans that are measured at fair value.

Items included in the financial statements of each of the Group's entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the parent company's functional currency. The presentation is in millions of euro with one decimal.

Use of estimates

The preparation of financial statements in conformity with IFRS requires the management to make judgments and assumptions that affect the recognition and measurement of financial statement items. These estimates and associated assumptions are based on historical experience and other justified assumptions that are believed to be reasonable under the circumstances at the end of the reporting period. These estimates form the basis for judgments of the items in the financial statements. Development of markets and general economic situation may affect the variables underlying the estimates and actual results may differ significantly from these estimates. Such estimates mainly relate to the assumptions made in

- impairment testing (Note 11),
- amount of obsolete inventory (Note 17),
- recognition of impairment losses on trade receivables (Note 18),
- restructuring provisions (Note 22),
- determination of defined benefit pension obligations (Note 21),
- value appraisement of biological assets (Note 13) and
- the probability of deferred tax assets being recovered against future taxable profits (Note 9).

Consolidated financial statements

The consolidated financial statements include the parent company, Fiskars Corporation, and all the subsidiaries in which it holds, directly or indirectly, over 50% of the voting rights or over which it otherwise has control. Acquired or established subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

Subsidiaries are consolidated using the acquisition method. Intra-group transactions, profit distribution, receivables, liabilities and unrealized gains between Group companies are eliminated in consolidation. The profit or loss for the financial year attributable to the owners and non-controlling interest is presented in the income statement and the total comprehensive income for the financial year attributable to the owners and non-controlling interest is presented in the statement of comprehensive income. The non-controlling interest in equity is presented within equity, separately from the equity of the owners of the parent.

Investments in associates in which Fiskars has a significant influence but not control are accounted for using the equity method. Significant influence usually exists when the Group holds over 20% of the voting power of the entity or when the Group otherwise has significant influence but not control.

Translation of foreign currency items

Transactions in foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period monetary assets and liabilities are translated using the exchange rate prevailing at the end of the reporting period. Exchange differences arising from translation are recognized in the income statement and presented under financial items, except for exchange differences related to trade receivables and trade payables that are presented within operating profit. Non-monetary items denominated in foreign currencies are translated using the exchange rate at the date of the transaction, except for those items carried at fair value that are translated using at the rates prevailing at the date when the fair value was determined.

Translation of financial statements of foreign subsidiaries

In the consolidated financial statements income statements, statements of comprehensive income and cash flows of foreign subsidiaries are translated into parent company's currency at the average exchange rates for the period. Their balance sheet items are translated at exchange rates prevailing at the end of the reporting period. The resulting exchange differences are recognized in other comprehensive income and presented under translation differences in equity. Exchange differences resulting from the translation of profit or loss and comprehensive income at the average rate in the income statement and in the statement of comprehensive income, and the balance sheet at the closing rate, are recognized in other comprehensive income and they are included under translation differences in equity. The effective portions of the gains or losses on those financial instruments hedging net investments in foreign operations are recognized similarly. When the Group disposes of all, or part of, that subsidiary, the translation differences accumulated in equity are transferred to profit or loss as part of the gain or loss on disposal.

Net sales and revenue recognition principles

Net sales are shown net of indirect taxes, rebates, and exchange differences on trade receivables denominated in foreign currencies. Revenue from the sale of goods is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Revenue related to the Myiittala loyalty program is allocated between the loyalty program and other components of the sale. The amount allocated to the loyalty program is recognized as revenue when customers use the vouchers or when it is apparent that the vouchers will no longer be redeemed. There are no such long-term projects in the Group for which the revenue would be recognized using the percentage-of-completion (POC) method.

Pension obligations

Group companies have various pension plans in accordance with local conditions and practices in the countries in which they operate. The plans are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan the Group pays fixed contributions into a separate entity. If the entity does not hold sufficient assets to pay all employees the benefits in question, the Group will have no legal or constructive obligation to pay further contributions. All other plans not meeting the above criteria are classified as defined benefit plans. Most of plans Group companies have are classified as defined contribution plans and related contributions are charged to the income statement in the year in which the payment obligation has arisen.

The costs for defined benefit pension plans are calculated and recognized under the terms of the plan based on actuarial calculations. Pension costs are recognized as expenses over the employees' service period. The pension obligation is measured as the present value of the estimated future contributions deducted by the fair value of plan assets at the end of the reporting period. Changes in the estimates in the actuarial calculations may influence the reported pension obligations and pension costs. Actuarial gains and losses are recognized in other comprehensive income.

Operating profit

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. In Fiskars the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations, amortizations and possible impairments and other operating expenses. The operating profit includes operating results of Fiskars' operating segments Europe and Asia-Pacific, Americas, and Other. The share of profit or loss of the associate Wärtsilä and the change in fair value of biological assets are presented as separate line items below EBIT in the income statement.

Intangible assets

An intangible asset is initially capitalized in the balance sheet at cost if the cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. Residual values and expected useful lives and are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Goodwill

Goodwill represents the Group's share of difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities, and contingent liabilities acquired measured at the acquisition date. Goodwill is stated at historical cost less any accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least annually. For this purpose goodwill has been allocated to cash-generating units or, in case of an associate, the goodwill is included within the carrying amount of the associate in question. The recoverable amount of the unit is compared annually or more often if there are indications of impairment, with its carrying amount to determine potential impairment.

Contingent consideration will be measured at fair value and subsequently re-measured through profit or loss. All acquisition-related costs, such as experts' fees, will be expensed instead of capitalization. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Research and development costs

Research and development costs are expensed as they are incurred, except for those development costs that are capitalized if the criteria in IAS 38 are met. Capitalized development costs consisting of mainly direct labor costs and external services are recognized as intangible assets.

Intangible assets not yet available for use are tested annually for impairment. Subsequent to initial recognition capitalized development costs are measured at cost less accumulated amortization and accumulated impairment losses. They are amortized on a straight-line basis over their useful lives, from 3 to 6 years.

Other intangible assets

Other intangible assets include among other patents, capitalized development costs, software, as well as trademarks and customer relationships acquired in business combinations. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment. Intangible assets in this class are amortized on a straight-line basis over their known or expected useful lives. Residual values and expected useful lives and are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Software 3–10 years
- Customer relationships 5–15 years
- Other 3–10 years

Intangible assets with an indefinite useful life such as trademarks or brand names acquired in business combinations are not amortized but they are tested at least annually for impairment.

Property, plant and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses, if applicable. Those borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of the assets. Residual values and expected useful lives are reassessed at least at each financial year-end and, if necessary, are adjusted to reflect changes in the expected future economic benefits. The estimated useful lives are as follows:

- Buildings 20–40 years
- Machinery and equipment 3–10 years
- Land and water No depreciation

Gains and losses on sales and disposals of items of property, plant, and equipment are presented under other operating income and other operating expenses.

Leases

Leases in which the Group takes over from the lessor substantially all the risks and rewards of ownership are classified as finance leases. Assets leased under finance leases are recognized under property, plant, and equipment at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments at the commencement of the lease term. The associated obligations are recognized in interest-bearing financial liabilities. The lease payments are divided into finance cost and amortization of the lease liability.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Lease payments made under an operating lease are recognized as an expense on a straight-line basis over the lease term.

Investment property

The properties that are not used in the Group's operations or which are held to earn rental revenue or increase in value are classified as investment property. These properties are measured at cost less accumulated depreciation and impairment. Investment properties are depreciated over 20–40 years. Land is not depreciated.

Impairment of property, plant and equipment and intangible assets

The Group operations have been divided into cash-generating units (CGU) that are smaller than operating segments. The carrying amounts of the assets relating to these CGUs are reviewed for impairment indicators annually at the end of the reporting period. The recoverable amounts of the following assets are also estimated annually irrespective whether there is any indication for impairment: goodwill, intangible assets with indefinite useful lives and unfinished intangible assets.

To determine a potential impairment the carrying amount of the asset is compared or the carrying amounts of the CGU's net assets are compared against the recoverable amount of that asset or CGU. The recoverable amount is the higher of the present value of the future cash flows (value in use) and the fair value less costs to sell. An impairment loss is recognized for an asset when its carrying amount exceeds its recoverable amount. An impairment loss previously recognized for items of property, plant, and equipment as well as for intangible assets other than goodwill is reversed subsequently only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization or depreciation, if no impairment loss had been recognized for the asset in prior years. An impairment loss recognized for goodwill is not reversed.

Biological assets

Biological assets consist of standing timber in Group's forests in Finland. These assets are measured at fair value less estimated point-of-sale costs. The fair value resulting from both net growth and change in the market value of standing timber is presented as a separate line item in the income statement after operating profit (EBIT). The revenue from the sale of standing timber is presented in the income statement within the operating profit.

For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Finnish Forest Research Institute, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

Non-current assets held for sale and discontinued operations

A non-current asset (or a disposal group) as well as assets and liabilities associated with a discontinued operation are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The recognition criteria are regarded to be met when a sale is highly probable, the asset (or a disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary, the management is committed to the plan to sell the asset and the sale is expected to take place within one year from the date of classification.

As from classification date a non-current asset (or a disposal group) held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and it is not depreciated or amortized any more. Assets classified as held for sale, disposal groups, items recognized in other comprehensive income associated with the assets classified as held for sale as well as liabilities included in the disposal group are presented separately in the balance sheet.

A discontinued operation is a component of the Group's business that has been disposed of or will be disposed of in accordance with a coordinated plan. It represents a separate major line of business or geographical area of operations. The profit or loss of a discontinued operation is reported separately from the continuing operations in the consolidated statement of comprehensive income.

Fiskars classified a part of its ownership in Wärtsilä as a non-current asset held for sale in September 2014. These shares were sold in October 2014. There were no other non-current assets or discontinued operations neither in the financial year 2014 nor 2013.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in first-out (FIFO) method. The cost of finished goods and work-in-progress comprise direct purchase and manufacturing cost, other direct costs and a proportion of the related production overheads based on normal operating capacity. Net realizable value is the estimated amount that can be realized from the sale in normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories are presented net of an impairment loss recognized for obsolete and slow-moving inventories.

Financial instruments

Financial assets

Fiskars classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Financial assets are classified at initial recognition based on their purpose of use. For investments not at fair value through profit or loss, the directly attributable transaction costs are included in the original costs of the financial assets. All purchases or sales of financial assets are recognized or derecognized using trade date accounting. The Group derecognizes financial assets when it has lost its right to receive the cash flows or when it has transferred substantially all the risks and rewards to an external party.

Financial assets at fair value through profit or loss

In this category are classified such financial assets that are held for trading or are designated as financial assets at fair value through profit or loss upon initial recognition (the fair value option). In Fiskars this category comprises the investments in listed securities and those derivative instruments that do not meet the hedge accounting criteria or for which hedge accounting is not applied.

These financial assets are measured at fair value both at initial recognition and subsequently. The fair values of the listed securities are based on quoted rates at the end of the reporting period and fair value changes, both realized and unrealized gains and losses are recognized in the income statement under financial items. The fair value measurement principles of the derivative instruments that do not meet the hedge accounting criteria are described below under Derivatives and hedge accounting.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group does not hold them for trading or designate them as available for sale upon initial recognition. This category comprises trade receivables and other receivables under current receivables as well as non-current loan receivables that are presented under the item Other investments in the consolidated balance sheet.

Loans and other receivables are measured at amortized cost. The estimate made for doubtful receivables is based on the risks of individual items. Resulting from this assessment the carrying amounts of receivables are adjusted to measure their probable value. Loans and receivables are included in current or non-current assets based on their nature; in the latter class for maturities greater than 12 months after the end of the reporting period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as either loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. In Fiskars this category comprises the investments in unlisted securities. If their fair values cannot be determined reliably, they are measured at cost. Available-for-sale financial assets are included in non-current assets unless the Group intends to dispose of them within 12 months of the end of the reporting period in which case they are included in current assets.

Cash and cash equivalents

The balance sheet item Cash and cash equivalents includes cash, i.e. cash in hand and deposits held at call with banks, and cash equivalents. Cash equivalents comprise highly liquid investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The items included in cash equivalents have original maturities of maximum three months from the date of acquisition. Bank overdrafts are included within current interest-bearing financial liabilities.

Financial liabilities and borrowing costs

Fiskars classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (includes derivative liabilities) and financial liabilities measured at amortized cost. A financial liability is recognized initially at fair value. For financial liabilities measured at amortized cost, the directly attributable transaction costs are included in the original cost. Subsequently financial liabilities are carried at amortized cost using the effective interest method, except for derivative liabilities that are measured at fair value. Financial liabilities are classified as non-current or current; the latter group comprises all those financial liabilities for which the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. The Group removes a financial liability (or a part of it) from its balance sheet only when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Credit fees related to loan commitments are treated as transaction costs to the extent it is likely that the loans will not be drawn down. Remaining credit fees are amortized over the expected loan term.

Derivatives and hedge accounting

Derivative financial instruments are classified as financial instruments at fair value through profit and loss. Derivatives are recognized initially at cost and subsequently at fair value determined at the end of each reporting period. The fair value of derivatives is based on prevailing market rates or rates derived from the prevailing market rates at the end of the reporting period. Fair value changes are recognized in financial items. Fiskars has applied hedge accounting to changes in the fair value of derivatives designated, qualifying, and effective as cash flow hedges. The changes are recognized in Other comprehensive income.

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.

Provisions and contingent liabilities

A provision is recognized when the Group as a result of a past event has a present legal or constructive obligation, it is probable that the obligation will be realized and a reliable estimate can be made of the amount of the obligation. A provision for restructuring is recognized when a detailed formal plan has been prepared and when there is a valid expectation relating those affected that the plan will be carried out. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If it is possible to receive compensation for part of the obligation from a third party, the compensation is recognized as a separate asset, but only when receipt of the compensation is virtually certain.

The Group may be a party to lawsuits and legal processes concerning Group's business operations. A related provision is recognized in the financial statements when the amount of the expenditure can be estimated reliably and it is more likely than not that they will be realized. Otherwise these contingent liabilities are disclosed in the notes.

Income taxes

The Group's tax expense comprises current tax based on Group companies' taxable profit for the period and the change of deferred taxes. The current tax charge is calculated using the tax rate enacted or substantively enacted at the end of the reporting period. Deferred tax liabilities or deferred tax assets are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using tax rates enacted or substantively enacted at the end of the reporting period. Temporary differences arise, inter alia, from tax loss carry-forwards, depreciation differences, provisions, defined benefit pension plans, fair value measurement of derivative financial instruments, biological assets, and eliminated intra-group inventory margins as well as from the fair value adjustments made to assets and liabilities in business combinations. A deferred tax liability is recognized on the undistributed profits of subsidiaries and associates if the distribution of profit is probable and it will result in tax consequences. A deferred tax liability is recorded to its full amount and a deferred tax asset is recognized at the amount of the estimated probable tax benefit. Income tax is recognized in profit or loss, unless it relates to items recognized in other comprehensive income. In such case any related tax effects are also recognized similarly.

Dividends

Dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

New and amended standards applied in financial year ended

As from January 1, 2014 the Group has applied the following new or amended standards that have come into effect:

- IFRS 10 Consolidated Financial Statements and subsequent amendments. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor when deciding whether an entity should be incorporated within the consolidated financial statements. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard did not impact the consolidated financial statements.
- IFRS 11 Joint Arrangements and subsequent amendments. In the accounting of joint arrangements IFRS 11 focuses on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Jointly controlled entities are accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed. The new standard did not impact the consolidated financial statements.
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including associates, joint arrangements, structured entities and other off-balance sheet vehicles. The new standard expanded the notes the Group provides for its interests in other entities. The new standard did not otherwise impact the consolidated financial statements.
- IAS 27 Separate Financial Statements (revised 2011) and subsequent amendments. The revised standard includes the provisions on separate IFRS financial statements that were left after the control provisions were included in the new IFRS 10. The revised standard did not impact the consolidated financial statements.

- IAS 28 Investments in Associates and Joint Ventures (revised 2011) and subsequent amendments. Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted. As a result of the revised standard ownership in Wärtsilä was divided into investments in associates and non-current assets held for sale in Q3 2014 reporting. The revised standard did not have other impact on consolidated financial statements.
- Amendments to IAS 32 Financial Instruments: Presentation. The amendments provide clarifications on the application of presentation requirements for offsetting financial assets and financial liabilities on the statement of financial position and give more related application guidance. The amendments did not impact the consolidated financial statements.
- Amendments to IAS 36 Impairment of Assets. The objective of the amendments is to clarify that the scope of the disclosures of information about the recoverable amount of assets, where that amount is based on fair value less costs of disposal, is limited to impaired assets. The amended standard did not impact the consolidated financial statements.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement. The amendments made to IAS 39 provide an exception to the requirement to discontinue hedge accounting in certain circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The amendments did not impact the consolidated financial statements.
- IFRIC 21 Levies. The interpretation clarifies the accounting treatment of levies. A liability for a levy is recognised when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation is applicable to all levies other than income taxes, fines, penalties and outflows that are in scope of other standards. The interpretation did not impact the consolidated financial statements.

Other new or amended standards or interpretations had no impact on the consolidated financial statements.

Adoption of new and amended standards and interpretations applicable in future financial years

Fiskars has not yet adopted the following new and amended standards and interpretations already issued by the IASB. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. These amendments have not been endorsed for use by the European Union yet.

- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions (effective for financial years beginning on or after 1 July 2014). The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments are not assessed to have an impact on the consolidated financial statements.
- Annual Improvements to IFRSs 2010–2012 cycle and 2011–2013 cycle (effective for financial years beginning on or after 1 July 2014) and 2012–2014 cycle (effective for financial years beginning on or after 1 January 2016). The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. Their impacts vary standard by standard but are not significant.
- Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements (effective for financial years beginning on or after 1 January 2016). The amendment allows the use of equity method when accounting for subsidiaries and joint ventures and operations in separate financial statements, which has been a local requirement in some jurisdictions. This will allow more entities to use IFRS in their separate financial statements. The amendments do not have an impact on the consolidated financial statements.
- Amendments to IAS 16 Tangible Assets and IAS 41 Agriculture - Bearer Plants (effective for financial years beginning on or after 1 January 2016). The amendment transports bearer plants from the scope of IAS 41 to IAS 16. As a result they will be valued according to the cost model or the revaluation model, whereas IAS 41 required them to be valued to fair value less costs to sell. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments do not have an impact on the consolidated financial statements.
- Amendments to IAS 16 Tangible Assets and IAS 38 Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for financial years beginning on or after 1 January 2016). The amendments forbid the use of a revenue based depreciation method for intangible and tangible assets. This presumption can be overcome only in the limited circumstance when revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments do not have an impact on the consolidated financial statements.
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (effective for financial years beginning on or after 1 January 2016). The amendment requires the acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the principles on business combinations accounting.
- IFRS 14 Regulatory Deferral Accounts (effective for financial years beginning on or after 1 January 2016). This standard includes specific guidance to a first-time adopter on how to account for the effects of a rate-regulated market. The new standard does not have an impact on the consolidated financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for financial years beginning on or after 1 January 2016). The amendment elaborates the instructions related to the sale or contribution of assets between an investor and its associate or joint venture. The amendments do not have an impact on the consolidated financial statements.
- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative (effective for financial years beginning on or after 1 January 2016). The amendment elaborates on the effect of materiality on the presentation of notes, subtotals and the order of notes. The amendments are estimated not to have a material impact on the consolidated financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in associates and joint ventures - Investment Entities: Applying the Consolidation Exception (effective for financial years beginning on or after 1 January 2016). The amendment clarifies that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. A corresponding exception was extended to the application of the equity method to associates and joint ventures. The amendments do not have an impact on the consolidated financial statements.

- IFRS 15 Revenue from Contracts with Customers (effective for financial years beginning on or after 1 January 2017). The new standard establishes a 5-step model on how to account for revenue from contracts with customers. The new standard will replace current IAS 18 and IAS 11 standards and related interpretations. Accounting for sales revenue may happen over time or in a point in time, and the transfer of control is a central criterion. The new standard will increase the number of notes. The group is currently evaluating the possible effects of the standard.
- IFRS 9 Financial Instruments and subsequent amendments (effective for financial years beginning on or after 1 January 2018). The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 changes the classification and valuation of financial assets and includes a new model for estimating impairment of financial assets, which is based on expected credit losses. Classification of financial liabilities corresponds for the most part to the current requirements of IAS 39. Hedge accounting will continue to have three types hedging relationships. Hedge accounting may be applied to more risk positions than earlier and the principles of hedge accounting have been aligned risk management. The group is currently evaluating the possible effects of the standard.

2. Segment information

In 2014 and 2013, Fiskars' operating segments were Europe & Asia-Pacific, Americas, the associated company Wärtsilä (until October, 2014) and Other. The operating segments are indentified on the basis of management reporting, which is organized by geographical areas. The operations are further divided to business areas.

Operating segments

Europe & Asia-Pacific: The revenues comprise of sales of Home, Garden and Outdoor products to retailers in Europe, Middle-East and Asia-Pacific. In addition, homeware products are sold directly to consumers via own stores and outlets.

Americas: The revenues comprise of sales of Home, Garden and Outdoor products to retailers in USA, Canada and Latin America.

Other: The revenues consist mainly of rental income from Real Estate and timber sales in Finland. Other covers Real Estate and corporate headquarter functions.

Associate Wärtsilä: Income from the associate was reported as one operating segment until October 9, 2014.

Business activities between the segments are not significant. Inter-segment sales are made on an arm's length basis. Real Estate owns real estates in Finland and leases them to subsidiaries in Finland e.g. for use as production facilities.

President and CEO monitors the operating results of the segments separately for the purpose of making decisions. Segment assets and liabilities are based on geographical location of the assets. Financial income and costs and income taxes are managed on group basis and accordingly not allocated to operating segments.

In the Americas the Fiskars branded products' distribution, logistics and consumer preferences are managed centrally for the business areas. In the Europe & Asia-Pacific area the markets and distribution are more diversified, but from the customer point of view the business areas operate in a common environment.

Unallocated items

The unallocated items of the Income Statement contain corporate level costs and income. Unallocated assets comprise items related to corporate administration, tax receivables, loan receivables and equity instruments. Unallocated liabilities comprise non-current and current debt and tax liabilities. Also part of the restructuring costs are unallocated.

No single customer of Fiskars accounts for more than 10% share of the Group's total net sales.

Reporting by operating segment
2014

EUR million	Europe & Asia-Pacific	Americas	Other	Associate Wärtsilä	Unallocated and eliminations	Group total
Net sales, external	526.2	236.7	4.6			767.5
Net sales, inter-segment	7.4	3.3	2.3		-13.0	0.0
Net sales	533.6	240.0	6.8		-13.0	767.5
Operating profit excl. non-recurring items	43.2	26.8	-6.0		-4.4	59.6
Non-recurring items*	-18.0	1.3	-0.2			-17.0
Operating profit	25.2	28.1	-6.2		-4.4	42.7
Change in fair value of biological assets			-0.3			-0.3
Share of profit from associate				30.0		30.0
Gain on sale and revaluation of associate shares					676.0	676.0
Other financial income and expenses					38.4	38.4
Profit before taxes						786.7
Income taxes					-13.4	-13.4
Profit for the period						773.3
Assets	593.7	169.0	1,361.6		-534.8	1,589.5
Liabilities	411.6	92.1	277.7		-345.1	436.3
Capital expenditure	23.3	5.2	6.6			35.0
Depreciations, amortizations and impairment	15.3	5.9	3.8		3.5	28.5

* Includes restructuring costs of EUR 10.6 million relating to the EMEA 2015 restructuring program, EUR 7.0 million relating to write-down of ERP related intangible assets, EUR 1.7 million relating to a gain from bargain purchase, EUR 0.4 million trademark impairment and EUR 0.7 million of other non-recurring items.

2013

EUR million	Europe & Asia-Pacific	Americas	Other	Associate Wärtsilä	Unallocated and eliminations	Group total
Net sales, external	556.1	238.3	4.2			798.6
Net sales, inter-segment	8.2	6.8	2.2		-17.2	0.0
Net sales	564.2	245.1	6.5		-17.2	798.6
Operating profit excl. non-recurring items	52.7	31.4	-10.3			73.8
Non-recurring items*	-12.8					-12.8
Operating profit	39.9	31.4	-10.3			61.0
Change in fair value of biological assets			0.7			0.7
Share of profit from associate				50.8		50.8
Financial income and expenses					-4.3	-4.3
Profit before taxes						108.3
Income taxes					-14.3	-14.3
Profit for the period						94.0
Assets	586.5	118.7	561.4	286.1	-513.6	1,039.1
Liabilities	404.9	65.0	259.7		-323.2	406.4
Capital expenditure	16.6	5.5	15.1			37.2
Depreciations, amortizations and impairment	21.1	3.7	4.4			29.2

* Includes restructuring costs of EUR 8.2 million relating to the EMEA 2015 restructuring program, EUR 3.7 million relating to goodwill impairment loss and EUR 0.9 million relating to a write-down of a real estate asset.

Business areas

Business areas are Home, Garden and Outdoor. Net sales for the business areas are reported based on the nature of the sales of the products sold to customers. Sales between the business areas are insignificant.

Net sales by business areas

EUR million	2014	2013
Home	**380.5**	386.2
Garden	**268.2**	284.5
Outdoor	**114.2**	123.7
Other	**4.5**	4.2
Total	**767.5**	798.6

Information about geographical areas

EUR million	2014	2013
Net sales from Finland	**134.6**	141.0
Net sales from the USA	**242.1**	241.7
Net sales from other countries	**390.7**	415.9
Total	**767.5**	798.6

EUR million	2014	2013
Assets in Finland*,**	**206.7**	495.7
Assets in other countries*	**245.3**	241.5
Total	**452.0**	737.1

* Non-current assets other than deferred tax assets.

** Assets in Finland include also the associated company Wärtsilä in 2013.

Fiskars new reporting structure

As of January 1, 2015, following the implementation of a new region-based organization, the Group's financial reporting was changed to reflect the new organization. As a part of the new structure, Fiskars Home and Garden product categories in Europe & Asia-Pacific were 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 one "Functional products" and global Living product sales as one "Living products". In conjunction with this, the Boat business will be moved from the Europe & Asia-Pacific segment to the Other segment and going forward its sales will be reported as part of the Other businesses.

The preliminary net sales for 2014 according to the new segment and business unit structure is presented below.

Net sales by segments

EUR million	2014
Europe and Asia-Pacific	**507.1**
Americas	**235.1**
Other	**38.3**
Unallocated and eliminations	**-13.0**
Group total	**767.5**

Net sales by business units

EUR million	2014
Living	**242.9**
Functional	**405.8**
Outdoor	**82.8**
Other	**36.0**
Total	**767.5**

3. Non-recurring items in operating profit

Exceptional and material transactions outside ordinary course of business are treated as non-recurring items. These include items such as gains and losses on disposal of business operations, impairments, costs of discontinued significant business operations, restructuring costs and costs of integrating acquired businesses, major product recalls and fines and penalties. Gains and losses are presented in the income statement as an income or expense on the relevant line item and function. Impairments have been presented in the income statement in depreciation, amortization and impairment of the relevant function or on line impairment when the impairment concerns goodwill. Write-downs are presented in other operating expenses.

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in the EMEA region. The planned "EMEA 2015" program aims to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program is estimated at EUR 25–30 million for 2013–2015. Program costs will be recorded as non-recurring expenses.

Of the total expenses related to the program, EUR 10.6 million were recorded in 2014 (EUR 8.2 million in 2013). They related mainly to the restructuring of the Italian operations and Fiskars' entities in Denmark together with costs related to the planned reorganization of the Group's businesses in Europe into a business-region-based organization.

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 majority of the savings are expected to materialize in the Group's results as of the end of 2015.

The estimated lifespan of some of the first system implementations within Fiskars five year investment program in Europe have been reduced due to a re-evaluation of the program roadmap. Accordingly, Fiskars recognized a non-recurring EUR 7.0 million write-down against the intangible assets. The acquisition of the watering business resulted in a gain from bargain purchase amounting to EUR 1.7 million.

Gingher trademark was impaired by EUR 0.4 million and recognized as a non-recurring item. Other non-recurring items amounted to EUR 0.7 million in 2014.

EUR million	**2014**	2013
EMEA 2015 restructuring program	**-10.6**	-8.2
Write-down of ERP related intangible assets	**-7.0**	
Gain from bargain purchase related to the watering business	**1.7**	
Trademark impairment	**-0.4**	
Goodwill impairment related to the Sankey business		-3.7
Write-down of a real estate		-0.9
Other non-recurring items	**-0.7**	
Total	**-17.0**	-12.8

4. Acquisitions and divestments

2014

Sale of significant part of Wärtsilä shares

On September 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 October 9, 2014.

The joint venture structure was dissolved on October 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 accounted for 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.

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**

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.

5. Other operating income

EUR million	**2014**	2013
Gain on bargain purchase related to the acquisition of the watering business	**1.7**	
Release of provision related to rented facilities	**1.2**	
Net gain on disposal of fixed assets	**0.8**	0.3
Royalty income	**0.6**	0.7
Rental income	**0.2**	0.6
Divestment of business		0.5
Other income	**1.4**	1.1
Total	**5.9**	3.1

6. Total expenses

Total expenses by nature

EUR million	**2014**	2013
Materials and supplies	**369.1**	377.8
Change in inventory	**-19.6**	5.0
Employee benefits	**209.8**	202.1
Depreciation and amortization	**28.1**	25.5
Impairment	**0.4**	3.7
External services	**67.4**	66.7
Other costs	**75.4**	59.9
Total	**730.7**	740.7

Other operating expenses

EUR million	**2014**	2013
Loss on sale of fixed assets	**0.2**	0.0
Loss on scrap of fixed assets	**9.1**	0.5
Other costs	**0.8**	1.0
Total	**10.0**	1.5

Depreciation, amortization and impairment by asset category

EUR million	**2014**	2013
Land and water		0.8
Buildings	**4.2**	3.4
Machinery and equipment	**14.0**	14.5
Intangible assets	**9.2**	6.3
Investment property	**1.0**	0.4
Goodwill impairment		3.7
Total	**28.5**	29.2

Fees paid to Companies' Auditors

EUR million	**2014**	2013
Audit fees	**0.8**	0.8
Audit related fees	**0.1**	0.0
Tax consultation	**0.5**	0.5
Other non-audit fees	**0.1**	0.3
Total	**1.5**	1.6

The appointed auditor for the financial years 2013 and 2014 was KPMG.

7. Employee benefits and number of personnel

Employee benefits

EUR million	**2014**	2013
Wages and salaries	**167.8**	157.9
Other compulsory personnel costs	**22.7**	20.9
Pension costs, defined contribution plans	**16.4**	16.9
Pension costs, defined benefit plans	**0.3**	0.8
Other post employment benefits	**1.1**	1.1
Termination benefits	**1.6**	4.5
Total	**209.8**	202.1

Personnel at the end of period

	2014	2013
Finland	**1,661**	1,722
Other Europe	**1,396**	1,360
USA	**838**	578
Thailand	**500**	424
Other	**437**	246
Total	**4,832**	4,330

Personnel (FTE) in average

	2014	2013
Direct	**1,533**	1,504
Indirect	**2,710**	2,583
Total	**4,243**	4,087

Fiskars has adopted the following definitions for employee reporting:

Personnel, end of period = active employees in payroll at the end of period

Personnel (FTE), average = full-time equivalent number of employees according to worked volume during the period

Direct = production workers

Indirect = other employees than production workers

8. Financial income and expenses

EUR million	**2014**	2013
Gain on sale and revaluation of associate shares	**676.0**	
Dividends received from investments at fair value through profit and loss		0.0
Interest income on cash and bank	**0.1**	
Net change in fair value of current investments at fair value through profit or loss	**27.9**	
Net change in fair value of other investments at fair value through profit or loss	**2.7**	1.1
Derivative revaluation gains, at fair value through profit or loss	**0.5**	0.5
Exchange gains on commercial hedges	**7.9**	
Other exchange gains	**5.4**	0.3
Financial income total	**720.5**	1.9
Interest expenses on debt at amortized cost	**-4.8**	-3.9
Interest cost on financial leasing at amortized cost	**-0.4**	-0.5
Loss from sale of investments at fair value through profit or loss	**-0.2**	
Exchange losses on commercial hedges		-0.9
Other financial expenses	**-0.8**	-0.8
Financial expense total	**-6.2**	-6.2
Financial income and expenses total	**714.3**	-4.3

9. Income taxes

Income taxes in the income statement

EUR million	**2014**	2013
Current year income taxes	**-9.9**	-19.4
Prior year income taxes	**0.7**	0.6
Change in deferred taxes	**-4.2**	4.4
Income taxes total	**-13.4**	-14.3

Reconciliation of income taxes

EUR million	**2014**	2013
Tax rate for the parent company	**20.0 %**	24.5 %
Profit before taxes	**786.7**	108.3
Income tax using the domestic corporation tax rate	**-157.3**	-26.5
Effect of tax rates in foreign jurisdictions	**-2.1**	-1.5
Income tax for prior years	**0.7**	0.6
Impact of associate	**6.0**	11.2
Effect of sales and revaluation of Wärtsilä shares	**140.7**	
Other tax exempt items	**0.4**	0.3
Non-deductible expenses	**-1.6**	-0.9
Effect of change of tax rates	**-0.1**	6.9
Tax recognized against unrecognized tax assets and unrecognized tax on loss	**-3.6**	-4.2
Change in valuation of tax assets	**-0.2**	-0.8
Other items	**3.6**	0.6
Income taxes recognized in profit and loss	**-13.4**	-14.3

Taxes in other comprehensive income

2014

EUR million	Total	Tax	Net
Translation differences	3.6		3.6
Change in associate recognized directly in other comprehensive income	12.7		12.7
Cash flow hedges	-0.1	0.0	0.0
Defined benefit plan actuarial gains (losses)	-1.5	0.4	-1.1
Defined benefit plan actuarial gains (losses), change in associate	-0.1		-0.1
Other comprehensive income for the period, total	14.6	0.4	15.1

2013

EUR million	Total	Tax	Net
Translation differences	-8.5		-8.5
Change in associate recognized directly in other comprehensive income	-13.9		-13.9
Cash flow hedges	0.8	-0.3	0.5
Defined benefit plan actuarial gains (losses)	-0.2	0.0	-0.2
Defined benefit plan actuarial gains (losses), change in associate	-5.6		-5.6
Other comprehensive income for the period, total	-27.5	-0.2	-27.7

Deferred income taxes in the balance sheet

2014

Deferred tax assets

EUR million	Jan 1, 2014	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2014
Post-employment benefit	2.3	-0.2	0.4	0.2		2.8
Provisions and accruals	16.5	-2.8		0.7	-0.6	13.8
Effects on consolidation and eliminations	0.0	0.2		0.0	1.4	1.5
Property, plant & equipment	3.5	-1.3		0.2	0.0	2.5
Tax losses and credits carried forward net of valuation allowance	13.5	2.6		1.0	0.0	17.1
Other temporary differences	0.2	-0.1		-1.1	0.0	-1.0
Total deferred tax assets	36.1	-1.6	0.4	1.0	0.7	36.7
Offset against deferred tax liabilities	-4.8	-5.7	0.0	-0.2	0.7	-10.0
Net deferred tax assets	31.3	-7.2	0.4	0.8	1.4	26.7

Deferred tax liabilities

EUR million	Jan 1, 2014	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2014
Property, plant & equipment	3.9	0.3		0.2	1.8	6.1
Fair value adjustments	9.8	0.9				10.7
Effects on consolidation and eliminations*	26.3	0.1		0.0		26.4
Other temporary differences	4.7	1.4		-0.2		5.9
Total deferred tax liabilities	44.6	2.7		0.0	1.8	49.1
Offset against deferred tax assets	-4.8	-5.7	0.0	-0.2	0.7	-10.0
Net deferred tax liabilities	39.8	-3.0	0.0	-0.2	2.5	39.1

Deferred tax assets (+) / liabilities (-), net	-8.5					-12.4

* Consist mainly of adjustments to fair value in acquisitions.

2013

Deferred tax assets

EUR million	Jan 1, 2013	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2013
Post-employment benefit	2.7	-0.1	-0.2	-0.1	0.0	2.3
Provisions and accruals	10.1	-1.1		5.5	2.0	16.5
Effects on consolidation and eliminations	0.5	-0.6		0.4	-0.3	0.0
Property, plant & equipment	0.6	-0.1		0.0	3.1	3.5
Tax losses and credits carried forward net of valuation allowance	8.6	-1.5		1.2	5.1	13.5
Other temporary differences	6.1	-0.6	-0.3	-5.4	0.3	0.2
Total deferred tax assets	28.6	-3.9	-0.4	1.6	10.3	36.1
Offset against deferred tax liabilities	-2.9	-1.9				-4.8
Net deferred tax assets	25.8	-5.9	-0.4	1.6	10.3	31.3

Deferred tax liabilities

EUR million	Jan 1, 2013	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Acquisitions and divestments	Dec 31, 2013
Property, plant & equipment	3.6	0.1		0.2		3.9
Fair value adjustments	13.0	-3.2				9.8
Effects on consolidation and eliminations*	26.0	-5.8		0.6	5.4	26.3
Other temporary differences	4.6	0.5	-0.2	-0.2		4.7
Total deferred tax liabilities	47.1	-8.3	-0.2	0.6	5.4	44.6
Offset against deferred tax assets	-2.9	-1.9				-4.8
Net deferred tax liabilities	44.3	-10.3	-0.2	0.6	5.4	39.8
Deferred tax assets (+) / liabilities (-), net	-18.5					-8.5

* Consist mainly of adjustments to fair value in acquisitions.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The Group has full control of the timing of dividend distribution in subsidiaries and therefore no deferred tax liability has been recorded on retained earnings of subsidiaries. Wärtsilä is a public company and its distribution of profit is tax exempt for Fiskars. Taxes relating to cash flow hedges and actuarial gains and losses have been recorded into other comprehensive income. The deferred tax asset on tax losses carried forward, net of valuation allowance, amounted to EUR 17.1 million (13.5) at the end of financial year. Deferred tax allowance is recorded to offset deferred tax assets in order to recognize the deferred tax assets only to the extent that it is probable that future taxable profits will be available. The tax losses carried forward on the basis of which the deferred tax asset is recognized will not expire in the following five years. Income taxes recorded in the income statement and in other comprehensive income are specified earlier in this note 9.

10. Earnings per share

The basic earnings per share is the annual net profit attributable to ordinary shareholders of the parent company divided by the weighted average number of shares outstanding during the year. Fiskars Corporation does not have any current share option programs or other diluting financial instruments,so the diluted earnings per share is the same as basic.

	2014	2013
Net profit attributable to the ordinary shareholders of the parent company, EUR million	**773.1**	93.7
Number of shares	**81,905,242**	81,905,242
Weighted average number of shares outstanding	**81,905,242**	81,905,242
Earnings per share, EUR (basic)	**9.44**	1.14
Earnings per share, EUR (diluted)	**9.44**	1.14

11. Intangible assets

2014

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	135.1	127.4	46.9	57.5	13.3	380.1
Translation differences	6.1	0.6	2.6	-0.9		8.4
Additions		10.3	1.0	0.2	5.1	16.7
Decreases			-12.3	-0.1	-3.0	-15.4
Transfers between asset groups			1.8	0.3	-1.6	0.5
Historical cost, Dec 31	141.1	138.4	40.0	57.0	13.8	390.3
Accumulated amortization, Jan 1	23.1	2.8	23.5	47.7		97.2
Translation differences	5.3	0.2	2.6	-0.9		7.2
Amortization for the period		0.2	6.2	2.4		8.8
Impairment for the period		0.4				0.4
Decreases			-8.3	-0.1		-8.4
Transfers between asset groups			0.5			0.5
Accumulated amortization, Dec 31	28.4	3.7	24.5	49.1		105.7
Net book value, Dec 31	**112.7**	**134.7**	**15.5**	**7.9**	**13.8**	**284.6**

Investment commitments for intangible assets	**6.0**

2013

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	109.3	105.3	28.3	58.5	18.6	319.9
Translation differences	-1.6	-0.1	-0.9	-1.1	0.0	-3.7
Royal Copenhagen acquisition	27.4	22.1				49.4
Additions		0.2	15.0	0.1	-0.5	14.7
Decreases			-0.1	-0.2	-0.0	-0.3
Transfers between asset groups			4.6	0.3	-4.8	0.0
Historical cost, Dec 31	135.1	127.4	46.9	57.5	13.3	380.1
Accumulated amortization, Jan 1	20.7	2.7	21.3	46.0		90.7
Translation differences	-1.3	-0.0	-0.8	-1.1		-3.3
Amortization for the period		0.2	3.2	2.4		5.8
Impairment for the period	3.7			0.5		4.2
Decreases			-0.1	-0.1		-0.2
Accumulated amortization, Dec 31	23.1	2.8	23.5	47.7		97.2
Net book value, Dec 31	111.9	124.6	23.4	9.8	13.3	282.9

Investment commitments for intangible assets	3.6

Impairment tests

Goodwill is not amortized but is tested at least annually for impairment. Goodwill has been allocated to cash-generating units as follows:

EUR million	**2014**	2013
Home	**101.3**	101.1
Garden	**11.4**	10.8
Total	**112.7**	111.9

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The business areas, which form the CGUs, are Home and Garden. The recoverable amounts from CGUs are determined with value in use method, using five-year discounted cash flow projections, based on strategic plans approved by management. Cash flows for the period extending over the planning period are calculated using the terminal value method. The discount rate is the weighted average post-tax cost of capital (WACC) as defined by Fiskars. The components of the WACC are risk-free rate, market risk premium, company-specific risk premium, industry specific equity beta, cost of debt and debt to equity ratio.

On the basis of the impairment calculations made, there has been no need for impairment of goodwill for any CGU for the period ended December 31, 2014. In 2013, goodwill of EUR 3.7 million was impaired due to divesting of Fiskars UK Sankey business which was a part of Garden EMEA business area.

Fiskars has six trademarks whose aggregate carrying amount is EUR 134.0 million (2013: 124.0). Since the benefits from trademarks are indefinite, they are not amortized but are tested at least annually for impairment using a relief from royalty method. Cash flows attributable to trademarks are derived by identifying revenues from sales of products belonging to each trademark. The value in use of trademarks is determined on a discounted cash flow method basis, derived from five-year cash flow projections, based on strategic plans approved by the management. Cash flows for the period extending over the planning period are calculated using the terminal value method.

On the basis of the impairment calculations made, trademark Gingher was impaired by EUR 0.4 million in 2014. There has been no need for other impairment of trademarks for the periods ended December 31, 2014 and 2013.

Key parameters applied in impairment testing

	2014		2013	
%	Goodwill*	Trademarks**	Goodwill*	Trademarks**
Increase in net sales on average	1.8	1.8	1.8	1.8
Steady growth rate in projecting terminal value	2.5	3.0	2.5	3.0
Discount rate, pre-tax, average	8.3	9.6	8.1	9.4

* The increases in net sales, used in impairment testings, are on average more moderate than strategic plans for the planning period. The EBIT used in impairment testing is the CGU's actual three previous years average EBIT-% of sales. This is consistently used for all periods in the five year discounted cash flow projections.

** Used one percentage point higher risk premium than in goodwill testing.

Sensitivity analyses

Sensitivity analyses of goodwill have been carried out for the valuation of each CGU by making downside scenarios for key parameters. The management views that no reasonably possible change in any of the key parameters would lead to impairment as the recoverable amounts exceed the carrying amounts considerably.

Sensitivity analyses of trademarks have been carried out for the valuation of each trademark by making downside scenarios for key parameters. The management views that excluding trademark Gingher, no reasonably possible change in any of the key parameters would lead to impairment. Due to the recognized impairment loss in 2014, the recoverable amount of trademark Gingher currently equals its carrying amount of EUR 3.3 million, which means all adverse changes in assumptions would result in the recoverable amount being less than the carrying amount.

12. Property, plant and equipment

2014

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	15.3	65.1	13.7	170.2	9.5	273.8
Translation differences		0.9	1.9	5.5	0.3	8.5
Acquisitions and divestments	0.3	1.3		4.2		5.8
Additions	0.5	2.0		3.3	13.2	18.9
Decreases	0.0	-8.4		-29.1	-0.1	-37.6
Transfers between asset groups	-0.1	7.3		10.2	-17.9	-0.5
Historical cost, Dec 31	15.9	68.2	15.6	164.3	4.9	268.8
Accumulated depreciation, Jan 1	0.8	34.8	12.9	124.7		173.3
Translation differences		0.4	1.8	3.9		6.0
Depreciation for the period		3.7	0.3	13.9		17.9
Impairment for the period				0.3		0.3
Acquisitions and divestments				0.5		0.5
Decreases		-6.0		-27.2		-33.3
Transfers between asset groups		0.0		-0.5		-0.5
Accumulated depreciation, Dec 31	0.8	32.8	15.0	115.5		164.1
Net book value, Dec 31	**15.1**	**35.5**	**0.6**	**48.7**	**4.9**	**104.7**
Investment commitments for tangible assets						**2.7**

2013

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	16.4	55.9	14.3	164.7	4.9	256.2
Translation differences	0.0	-0.9	-0.6	-4.7	-0.0	-6.2
Acquisitions and divestments		13.2		23.4	0.0	36.6
Additions	0.0	2.6		5.2	14.6	22.5
Decreases	-0.2	-7.1		-26.9		-34.2
Transfers between asset groups		1.3		8.5	-10.0	-0.2
Reclassification to invesment property	-1.0					-1.0
Historical cost, Dec 31	15.3	65.1	13.7	170.2	9.5	273.8
Accumulated depreciation, Jan 1		30.2	13.2	123.0		166.3
Translation differences		-0.2	-0.6	-3.7		-4.5
Depreciation for the period		3.1	0.3	13.3		16.7
Impairment for the period	0.8	0.1		0.8		1.7
Acquisitions and divestments		7.8		18.0		25.7
Decreases		-6.6		-26.5		-33.0
Transfers between asset groups		0.4		-0.1		0.4
Accumulated depreciation, Dec 31	0.8	34.8	12.9	124.7		173.3
Net book value, Dec 31	14.4	30.3	0.8	45.4	9.5	100.5
Investment commitments for tangible assets						3.1

13. Biological assets

EUR million	**2014**	2013
Fair value, Jan 1	**42.0**	41.2
Increase due to growth	**2.0**	1.8
Change in fair value less estimated point-of-sale costs	**-0.2**	0.8
Harvested timber	**-2.1**	-1.8
Fair value, Dec 31	**41.6**	42.0

Fiskars owns some 11,000 hectares of forests in Finland. For valuing biological assets Fiskars applies a three year rolling average price of standing timber, based on the statistics provided by the Finnish Forest Research Institute, and multiplied by the estimated volume of standing timber, taking into account the costs and risks relating to sales.

The fair value measurements of biological assets are categorized within level 2 of the fair value hierarchy.

14. Investment property

EUR million	**2014**	2013
Historical cost, Jan 1	**18.2**	17.6
Translation differences	**1.0**	-0.3
Decreases	**-6.6**	-0.0
Reclassification from property, plant and equipment		1.0
Historical cost, Dec 31	**12.6**	18.2
Accumulated depreciation, Jan 1	**12.2**	12.1
Translation differences	**0.9**	-0.3
Depreciation and impairment for the period	**1.0**	0.4
Decreases	**-6.5**	0.0
Accumulated depreciation and impairment, Dec 31	**7.7**	12.2
Net book value, Dec 31	**4.9**	6.0

Investment Property comprises the parent company's buildings and zoned and unbuilt lots for detached houses in Fiskars Village, Finland, and the leasing properties of Fiskars Brands, Inc. in the US that are not in Group's operational use.

Fair value

Properties in Fiskars Village are unique in their cultural and historical values. Therefore it is not possible to determine a comparable market value on those properties.

The book value of the zoned and unbuilt lots for detached houses in Fiskars Village amounted to EUR 1.0 million as at December 31, 2014. The fair value of those lots, calculated based on average market prices of the area, amounted to EUR 3.5 million.

The book value of the leasing properties of Fiskars Brands, Inc. in the US approximate their fair value.

Book values by countries

EUR million	**2014**	2013
Finland	**4.8**	5.3
USA	**0.2**	0.7
Total	**4.9**	6.0

15. Investments in associates

Investments in associates

EUR million	**2014**	2013
Net book value, Jan 1	**286.1**	280.4
Share of profit in associate	**30.0**	50.8
Dividends received	**-26.9**	-25.6
Share of other comprehensive income	**6.4**	-19.5
Sale of shares	**-181.7**	
Transfer to financial assets	**-113.9**	
Net book value, Dec 31	**0.0**	286.1

Share of other comprehensive income comprises changes in associated company's equity. In October 2014, Fiskars sold 7.99% of its Wärtsilä holding and Wärtsilä was no longer accounted for as an associate as of 9 October 2014. Fiskars Group recorded a profit of EUR 453.5 million from the transaction in its 2014 results. The remaining ownership of 5.01% was classified as a financial asset. The reclassification resulted in an unrealized valuation gain of EUR 222.4 million.

Summary of financial information on the associate

The summary of financial information is based on Wärtsilä's financial statements and interim report which have been prepared in accordance with IFRS. Wärtsilä has been equity accounted in the consolidated financial statements until October 9, 2014.

EUR million	**Q1-Q3 2014**	2013
WÄRTSILÄ OYJ ABP, domicile Helsinki		
Current assets		3,274
Non-current assets		1,935
Current liabilities		2,434
Non-current liabilities		892
Net assets		1,884
Net assets attributable to investee's shareholders		1,844
Net sales	**3,230**	4,654
Profit from continuing operations	**259**	393
Loss from discontinued operations	**-29**	
Other comprehensive income	**49**	-117
Reconciliation of financial information on the associate to net book value in consolidated financial statements		
Ownership %		13.00
Group's interest in net assets		240
Goodwill		46
Net book value of the associate in consolidated financial statements		286
Market value of ownership interest		917

Fiskars' only equity accounted associate was Wärtsilä Corporation. Fiskars' ownership in Wärtsilä was 13.0% of the shares and the votes until 9 October 2014.

Fiskars was the largest single shareholder of Wärtsilä until 9 October 2014 and Fiskars had significant influence through the number of members in the Board of Directors of Wärtsilä. Thus, Fiskars consolidated Wärtsilä as an associated company in accordance with IAS 28.

16. Financial assets

Financial assets at fair value through profit or loss

EUR million	Level 1 2014	Level 1 2013	Level 3 2014	Level 3 2013
Book value, Jan 1	**0.3**		**10.2**	9.7
Acquisitions		0.3		
Transfer from investments in associates	**113.9**			
Additions	**400.0**			0.1
Decreases			**-1.6**	-0.4
Change in fair value through profit or loss	**252.8**		**3.3**	0.8
Book value, Dec 31	**767.0**	0.3	**11.9**	10.2

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. For the definition of levels please see the accounting principles in note 1.

Other investments

EUR million	2014	2013
Book value, Jan 1	**3.9**	0.8
Translation differences		-0.0
Acquisitions		3.5
Additions		0.3
Decreases		-0.8
Other changes		0.0
Book value, Dec 31	**3.9**	3.9

Other financial assets comprise of non-current receivables and they are measured at the lower of cost and fair value (level 3).

Cash and cash equivalents

EUR million	2014	2013
Cash at bank	**33.6**	9.7
Total, Dec 31	**33.6**	9.7

17. Inventories

EUR million	**2014**	2013
Raw materials and consumables	**23.6**	20.2
Work in progress	**10.4**	9.2
Finished goods	**167.7**	111.7
Advance payments	**0.0**	0.2
Gross value of inventories	**201.8**	141.2
Write-down to the carrying value of inventories	**-33.6**	-21.8
Total, Dec 31	**168.2**	119.4

18. Trade and other receivables

EUR million	**2014**	2013
Trade receivables	**106.4**	125.4
Derivatives	**5.4**	
Other receivables	**5.9**	4.4
Prepaid expenses and accrued income	**11.4**	8.7
Total, Dec 31	**129.2**	138.5

Aging of trade receivables

EUR million	**2014**	2013
Not fallen due	**91.3**	104.6
1–30 days past due	**12.9**	17.5
31–60 days past due	**1.8**	2.5
61–90 days past due	**0.6**	0.8
91–120 days past due	**0.2**	0.4
Over 120 days past due	**2.2**	3.9
Less provision for bad debts, Dec 31	**-2.6**	-4.4
Total, Dec 31	**106.4**	125.4

Trade receivables in currencies

EUR million	**2014**	2013
Danish Krones (DKK)	**15.0**	13.3
Euros (EUR)	**33.1**	46.1
Norwegian Krones (NOK)	**2.7**	3.8
Swedish Kronas (SEK)	**6.2**	13.4
United Kingdom Pounds (GBP)	**2.6**	2.5
US Dollars (USD)	**35.4**	29.4
Other currencies	**11.4**	16.9
Total, Dec 31	**106.4**	125.4

Trade receivables are widely spread geographically. The biggest customers are major retailers with solid credit ratings. Credit loss risks are estimated to be moderate. The maximum exposure to credit risk is the carrying amount of the trade receivables.

19. Share capital

Share capital and treasury shares

	2014 pcs 1,000	2013 pcs 1,000	**2014** EUR million	2013 EUR million
Share capital				
Jan 1	**81,905.2**	82,023.3	**77.5**	77.5
Cancellation of treasury shares		-118.1		
Share capital, Dec 31	**81,905.2**	81,905.2	**77.5**	77.5

	2014 pcs 1,000	2013 pcs 1,000	**2014** EUR million	2013 EUR million
Treasury shares				
Jan 1	**0.0**	118.1		0.9
Cancellation		-118.1		-0.9
Treasury shares, Dec 31	**0.0**	0.0		0.0

In February 2013, the Board of Directors decided to cancel all 118.1 thousand treasury shares held by the company, equaling 0.14% of the shares of the company.

Number of shares and votes

	Dec 31, 2014			Dec 31, 2013		
	Number of shares	Number of votes	Share capital EUR	Number of shares	Number of votes	Share capital EUR
Shares (1 vote/share)	**81,905,242**	**81,905,242**	**77,510,200**	81,905,242	81,905,242	77,510,200
Total	**81,905,242**	**81,905,242**	**77,510,200**	81,905,242	81,905,242	77,510,200

Fiskars Corporation has a single class of shares. Shares have no nominal value.

20. Finance

Non-current interest bearing debt

	2014		2013	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Loans from credit institutions	**30.0**	**30.0**	52.6	52.6
Financial leasing debt	**1.5**	**1.5**	3.6	3.6
Total, Dec 31	**31.5**	**31.5**	56.2	56.2

All interest-bearing debts are valued at amortized cost. The fair values of interest-bearing debts have been calculated by discounting the cash flow of the debt by the market rate at the end of reporting period (fair value hierarchy level 2).

Finance lease debt

EUR million	**2014**	2013
Finance lease liabilities are payable as follows:		
Less than one year	**1.1**	2.1
Between one and five years	**1.4**	3.8
More than five years	**0.2**	0.3
Minimum lease payments in total	**2.7**	6.2

EUR million	**2014**	2013
Minimum lease payments, principal:		
Less than one year	**0.9**	1.7
Between one and five years	**1.3**	3.3
More than five years	**0.2**	0.3
Present value of minimum finance lease payments	**2.3**	5.2
Future finance charges	**0.4**	0.9

Current interest bearing debt

	2014		2013	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Bank overdrafts	**4.9**	**4.9**	12.0	12.0
Loans from credit institutions	**22.5**	**22.5**	10.9	10.9
Commercial papers	**94.8**	**94.8**	79.9	79.9
Financial leasing debt	**0.9**	**0.9**	1.7	1.7
Other	**5.9**	**5.9**	4.4	4.4
Total, Dec 31	**128.9**	**128.9**	108.8	108.8

Maturity of liabilities

As of December 31, 2014 the Group has unused credit facilities EUR 300 million (450) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2014 was 4.5 years (3.7). Agreements concerning credit facilities and long term loans include among others covenants for the solidity. Incompliance with the covenants would lead to a premature expiry of the agreements. Potential default would require considerably deterioration of the solidity from the current.

2014

EUR million	2015	2016	2017	2018	2019	Later	Total
Bank overdrafts	4.9						4.9
Commercial papers	94.8						94.8
interests	0.2						0.2
Other debt	5.9						5.9
Loans from credit institutions	22.5			30.0			52.5
interests	0.4	0.3	0.3	0.2			1.2
Financial leasing	0.9	0.7	0.2	0.2	0.1	0.2	2.3
interests	0.2	0.1	0.0	0.0	0.0	0.0	0.4
Trade payables	67.8						67.8
Derivative liabilities	2.4						2.4
Total, Dec 31	199.9	1.1	0.6	30.3	0.2	0.2	232.4

2013

EUR million	2014	2015	2016	2017	2018	Later	Total
Bank overdrafts	12.0						12.0
Commercial papers	79.9						79.9
interests	0.1						0.1
Other debt	4.4						4.4
Loans from credit institutions	10.9	22.5			30.0		63.4
interests	0.6	0.5	0.3	0.3	0.2		1.9
Financial leasing	1.7	1.1	1.0	0.6	0.6	0.3	5.2
interests	0.4	0.3	0.1	0.1	0.0	0.0	0.9
Trade payables	61.2						61.2
Derivative liabilities	1.7	1.0	0.5	0.1			3.4
Total, Dec 31	172.9	25.5	2.0	1.1	30.7	0.3	232.4
	74.5%	10.9%	0.8%	0.5%	13.2%	0.1%	100.0%

Sensitivity analysis of currency exposure

The exchange rate sensitivity analysis in accordance with IFRS 7 has been carried out by examining how the profit before taxes or consolidated group equity would be impacted by a 10% devaluation of a currency against all other currencies. Impact from a 10% appreciation of a currency against all other currencies would be opposite. The analysis of impact on profit includes internal and external foreign currency denominated financial items of the parent company in the selected currencies. Commercial cash flows consist of net foreign currency flows of purchases and sales estimated to take place during the following year by the business units and hedged internally. Financial items include foreign currency denominated loans, deposits and external derivatives. The selected currencies represent approximately 90% of the commercial net foreign currency flows. The sensitivity analysis on the group consolidated equity illustrates translation risk related to the foreign currency denominated equity.

	2014			2013		
	Impact on result before taxes			Impact on result before taxes		
EUR million	Estimated commercial cash flows	Other financial items	Impact on group equity	Estimated commercial cash flows	Other financial items	Impact on group equity
GBP	**-1.0**	**1.0**	**2.9**	-0.9	0.9	2.4
JPY	**-0.8**	**0.8**	**-0.9**	-0.8	0.8	-0.9
NOK	**-1.9**	**1.9**	**-0.9**	-1.5	1.5	-1.2
SEK	**-2.4**	**2.4**	**-2.8**	-2.3	2.3	-3.0
THB	**2.3**	**-2.3**	**-0.3**	1.4	-1.4	-0.3
USD	**3.3**	**-19.0***	**-7.6**	2.8	-2.8	-6.0

* EUR -15.7 million related to financial investments, see also nominal amounts of derivatives below

Average interest rates and sensitivity analysis of interest expenses

The sensitivity of interest expenses on changes in interest rates has been presented by simulating a permanent one percentage unit raise in interest rates at the end of the reporting year. The Corporation's net interest bearing debt as of December 31, 2014 was EUR 121.3 million (152.6) and the average interest reset period was 12 months (14). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 0.7 million (0.8) assuming no change in the amount of the net debt.

The table below shows the Corporation's net interest bearing debt, currency derivatives, average interest rates on loans and interest rate sensitivity by major currencies.

2014

EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	119.3	5.4	-0.2	1.2	-4.4	121.3
Currency derivatives	120.6	-245.9	41.1	62.6	16.3	-5.4
Net debt and currency derivatives	240.0	-240.6	40.8	63.8	11.9	115.9
Average interest rate on loans (p.a.)	1.5%	5.9%				
Interest rate sensitivity	1.8	-2.3	0.4	0.6	0.2	0.7

2013

EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	130.8	21.0	-1.3	1.0	1.0	152.6
Currency derivatives	-67.1	-51.5	33.6	60.3	24.1	-0.6
Net debt and currency derivatives	63.7	-30.5	32.3	61.4	25.1	152.0
Average interest rate on loans (p.a.)	1.5%	3.0%				
Interest rate sensitivity	0.3	-0.4	0.3	0.4	0.2	0.8

Nominal amounts of derivatives

EUR million	**2014**	2013
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**417.3**	197.1
Foreign exchange options	**205.9**	
Electricity forward agreements	**1.5**	1.8
Interest rate swaps	**13.4**	13.4
Cash flow hedges:		
Interest rate swaps	**52.5**	42.5

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.

Fair value of derivatives

EUR million	**2014**	2013
Derivatives not designated in hedge accounting:		
Foreign exchange forwards and swaps	**5.4**	-0.6
Electricity forward agreements	**-0.2**	-0.4
Interest rate swaps	**-0.8**	-1.2
Cash flow hedges:		
Interest rate swaps	**-1.3**	-1.3

Derivatives have been valued at fair value, which has been determined by using generally accepted valuation techniques supported by observable market data (fair value hierarchy level 2). Derivatives are recognised at fair value through profit and loss except for cash flow hedges, which are recorded in equity.

Maturity of derivatives

2014

EUR million	2015	2016	Later	Total
Foreign exchange forwards and swaps	417.3			417.3
Foreign exchange options	205.9			205.9
Electricity forward agreements	0.8	0.3	0.5	1.5
Interest rate swaps	22.5		43.4	65.9
Total, Dec 31	646.5	0.3	43.9	690.7

2013

EUR million	2014	2015	Later	Total
Foreign exchange forwards and swaps	197.1			197.1
Electricity forward agreements	0.8	0.8	0.2	1.8
Interest rate swaps		22.5	33.4	55.9
Total, Dec 31	197.9	23.3	33.6	254.8

Fair value of financial instruments

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

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
Derivative assets				
Total assets	0.3		14.1	14.4
Derivative liabilities		3.4		3.4
Total liabilities		3.4		3.4

For the definition of fair value category levels please see the accounting principles in note 1.

Financial risk management

Financial risks are managed by the corporate treasury, in accordance with a set of risk management principles approved by the Board of Directors.

Currency risk

Currency risk is linked to changes in the value of Fiskars' cash flows, its balance sheet, and/or its competitiveness resulting from changes in exchange rates. Fiskars' currency position is split between its transaction position and translation position, both of which are managed separately.

Transaction risk

Transaction risk results from the possibility that the value of expected cash flow denominated in a particular currency may change as a result of changes in exchange rates. The objective of Fiskars' approach to managing its transaction risk is to reduce the impact of changes in exchange rates on the Group's budgeted profitability and cash flows. Business units are responsible for managing the currency risks associated with their projected and agreed commercial cash flows. Units hedge their exposure using currency forwards with the corporate treasury.

Transaction risk is measured by net of the Group's commercial and financial receivables and liabilities denominated in foreign currencies. The net position is hedged by currency derivatives in accordance with the treasury policy approved by the Board of Directors. Currency forwards and swaps are the most widely used instruments in hedging currency risks.

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. Higher levels of imports indirectly expose Fiskars to risks linked to changes in the local currencies of its suppliers, of which the most important is the Chinese renminbi.

Fiskars does not apply hedge accounting as defined under IAS 39 for transaction risk purposes. All gains and losses made on currency derivatives are booked in the income statement. If hedge accounting had been applied to currency derivatives Fiskars' consolidated profit before tax for 2014 would have been EUR 7.9 million below the reported figure (0.9 million above reported in 2013).

Translation risk

Translation risk refers to the impact that changes in exchange rates can have on the consolidated balance sheet, and which can affect the value of balance sheet assets, equity, and debt liabilities. In addition to balance sheet values, changes in exchange rates can also result in changes in key indicators, such as equity ratio and gearing. In 2014 Fiskars Group's translation risk was not significant and it was not hedged. The currency distribution of the Group's balance sheet is monitored regularly.

Interest rate risk

Interest rate risk refers to possible changes in cash flow or in the value of assets or liabilities resulting from changes in interest rates. Interest rate risk is measured by the average reset period of interest rates of financial assets and liabilities. The average reset period reflects the time it takes on average for the change in interest rates to effect on the interest costs of net debt portfolio. The risk is quantified in monetary terms as the change in interest costs during the observation period caused by a permanent one percentage point rise in interest rates. The shorter the average reset period, the more unpredictable are the interest costs and thus the higher the interest rate risk.

Derivatives are used in the management of interest rate risks. The objective is to maintain the average reset period within the agreed limits of 4 to 18 months as set in the treasury policy. As of December 31, 2014 the nominal amount of outstanding interest rate derivatives was EUR 65.9 million (55.9). The Group's interest-bearing net debt as of December 31, 2014 was EUR 121.3 million (152.6). 44% (61%) of net debt was linked to variable interest rates. Taking into consideration the effect of interest rate derivatives, 56% (39%) of net debt was linked to fixed interest rates. The average interest rate reset period of interest-bearing debt was 12 months (14).

Sensitivity of interest expenses on changes in market rates has been calculated by assuming permanent one percentage unit increase change in market rates and assuming no change in net debt during the year. The calculated impact on the consolidated result before tax would be EUR 0.7 million (0.8) in 2015.

At the end of the year Fiskars held investments amounting to EUR 400.1 million in short-term interest rate funds with low interest rate risk. The fund investments are not included in the interest bearing net debt.

Liquidity and re-financing risk

Liquidity risk refers to the possibility of the Group's financial assets proving insufficient to cover its business needs or a situation in which arranging such funding would result in substantial additional costs. The objective of liquidity management is to maintain an optimal amount of liquidity to fund the business operations of the Group at all times while minimizing interest costs. Liquidity is considered to be the sum of cash and cash equivalents and available committed credit lines.

Re-financing risk refers to the possibility of such a large amount of liabilities falling due over such a short space of time that the re-financing needed might be unavailable or prohibitively expensive. The objective is to minimize the re-financing risk by diversifying the maturity structure of the debt portfolio.

The Group has extensive unused credit facilities at its disposal to guarantee its liquidity. As of the end of the year, the aggregate of unutilized committed revolving credit facilities and overdraft facilities totaled EUR 323.1 million (466.0). In addition, the Group's parent company in Finland has a commercial paper program with a number of leading banks amounting to EUR 400.0 million, of which EUR 94.8 million (79.9) was utilized as of the end of the year.

Commodity risk

Fiskars may use derivatives to hedge its exposure to commodity price fluctuations where appropriate. At the end of the year, the Group held no commodity derivative contracts other than electricity futures with a nominal value of EUR 1.5 million (1.8) recognized at fair value through the income statement.

Credit risk

Corporate treasury is responsible for evaluating and monitoring financial counterparty risk. The Group minimizes this risk by limiting its counterparties to a limited number of major banks and financial institutions and by working within agreed counterparty limits. Business units are responsible for monitoring customer credit risks. The Group's clientele is extensive and even the largest customer represent less than 10% of the outstanding receivables. As of the end of the year, the Group's sales receivables totaled EUR 106.4 million (125.4), and the financial statements include provisions for bad debt related to sales receivables totaling EUR 2.6 million (4.4).

Management of capital

Fiskars is not subject to any externally imposed capital requirements (other than possible local company law requirements effective in the jurisdictions where Fiskars Group companies are active).
The Group's objectives when managing capital are:

- to safeguard the Corporation's capacity to fund its operations and take care of its obligations under all business conditions
- to maintain a balanced business and investment portfolio that provides return both on short and long term to its shareholders
- to maintain possibilities to act on potential investment opportunities.

21. Employee benefit obligations

Most of Fiskars Group’s pension plans are defined contribution plans. The defined benefit plans in the US, Great Britain and Germany are closed plans, and future pay increases will not impact the valuation. The Group also has supplementary pension plans in Finland which are classified as defined benefit plans. Each plan is operated in accordance with local conditions and practices of the respective country. Authorized actuaries have performed the actuarial calculations for the defined benefit plans. The Group is responsible for some post-employment benefits in Italy, but the liabilities recorded are final and as such they are classified as defined contribution plans.

The main non-funded plans are in US and Germany. Plans in Finland and Norway are taken care of by local pension insurance companies. The Group estimates its contributions to the plans during 2015 to be EUR 1.1 million.

EUR million	**2014**	2013
Liabilities for post-employment benefits*	**2.3**	2.7
Net defined benefit pension liabilities**	**7.0**	5.9
Net pension liability total	**9.3**	8.6

* The liabilities for post-employment benefits: Italy EUR 1.3 (1.3) and other 1.0 (1.4) million.

** The net defined benefit liabilities consist of Germany EUR 1.3 (1.2), Norway -0.1 (-0.1), UK 0.0 (0.0), USA 5,4 (4,5), Finland 0.2 (0.1) and Thailand 0.2 (0.1) million.

Characteristics of the defined benefit plans and risks associated with them

Plan	Description and risks
Finland	There are 42 eligible members in the Finnish pension plans. The plans are either funded insured pension plans, which are closed, or unfunded pension promises. Benefits of the plans are old age pension, disability pension, survivor's pension and funeral grant. Pension increases are based on either insurance companies' own indexes or TyEL index. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Germany	There are 92 eligible members in the German pension plans. The plans are either unfunded individual pension promises, or unfunded pension plans, which are closed. Benefits of the plans are old age pension, disability pension and widow's/widower's pension. Pension increases, if any, are based on inflation. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
Thailand	There are 481 eligible members in the Thai pension plan, which is a retirement benefit plan. Benefit of the plan is severance pay. There are no pension increases. Main risks are changes in bond yields and inflation risk.
Norway	There are 17 eligible members in the Norwegian pension plans. The plans are either funded insured pension plans, or unfunded pension plans, both of which are closed. Benefits of the plans are old age pension, disability pension, widow's/widower's pension, children's pension and early retirement. There are no guaranteed minimum pension increases. Main risks are changes in bond yields, increase in life expectancy and inflation risk.
UK	There are 180 eligible members in the British pension plan, which is a closed pension fund. The plan has surplus (asset) of GBP 2.6 million at end of 2014, which is not recognized as an assets due to asset ceiling. Benefits of the plan are old age pension, early retirement pension, widow's/widower's pension and death benefit. Pension increases are based on inflation. Main risks are volatility of equity instruments, changes in bond yields, increase in life expectancy and inflation risk. UK legislation requires the board to carry out actuarial valuations at least every three years and to target full funding against a basis that prudently reflects the fund’s risk exposure, including the strength of the covenant offered to the fund by Fiskars UK Limited. The most recent actuarial valuation was carried out as at 31 March 2014. Fiskars UK Limited has agreed to pay annual contributions of GBP 0.5 million until 31 March 2018.
USA	There is one eligible member in the American pension plan, which is an unfunded pension promise. Benefits of the plan are old age pension and widow's/widower's pension. There are no pension increases. Main risks are changes in bond yields and increase in life expectancy.

Changes in net defined benefit liability

EUR million	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Jan 1, 2014	20.1	-16.5	3.6	2.2	5.9
Current service cost	0.0		0.0		0.0
Interest expense (+) or income (-)	0.9	-0.8	0.1	0.1	0.2
Total included in personnel expenses (Note 7)	0.9	-0.8	0.2	0.1	0.3
Return on plan assets, excluding amounts included in interest		-0.2	-0.2		-0.2
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.1		0.1		0.1
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	1.1		1.1		1.1
Experience adjustment gains (-) and losses (+)	-0.4		-0.4		-0.4
Changes in asset ceiling, excluding amounts included in interest			0.0	0.8	0.8
Remeasurement gains (-) and losses (+) included in OCI	0.8	-0.2	0.6	0.8	1.3
Translation differences	1.6	-1.1	0.5	0.2	0.6
Employer contributions		-1.1	-1.1		-1.1
Benefits paid	-1.1	1.1	0.0		0.0
Other changes	0	0.0	0.0		0.0
Dec 31, 2014	22.3	-18.6	3.7	3.3	7.0

EUR million	Present value of obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Jan 1, 2013	25.2	-19.5	5.7		5.7
Current service cost	0.0		0.0		0.0
Interest expense (+) or income (-)	0.9	-0.7	0.2		0.2
Past service cost and gains and losses from settlements	-3.7	4.2	0.5		0.5
Total included in personnel expenses (Note 7)	-2.8	3.5	0.8		0.8
Return on plan assets, excluding amounts included in interest		-1.6	-1.6		-1.6
Actuarial gains (-) and losses (+) arising from changes in demographic assumptions	0.0		0.0		0.0
Actuarial gains (-) and losses (+) arising from changes in financial assumptions	0.2		0.2		0.2
Experience adjustment gains (-) and losses (+)	-0.5		-0.5		-0.5
Changes in asset ceiling, excluding amounts included in interest			0.0	2.2	2.2
Remeasurement gains (-) and losses (+) included in OCI	-0.3	-1.6	-1.9	2.2	0.4
Translation differences	-1.1	1.0	-0.1		-0.1
Employer contributions		-1.1	-1.1		-1.1
Benefits paid	-1.0	1.0	0.0		0.0
Other changes	0.1	0.2	0.3		0.3
Dec 31, 2013	20.1	-16.5	3.7	2.2	5.9

Plan assets by asset category

EUR million	**2014**	2013
Equity instruments	**14.7**	13.6
Bonds	**3.3**	2.2
Property	**0.3**	0.3
Insurance contracts	**0.2**	0.2
Cash and cash equivalents	**0.0**	0.1
Other	**0.0**	0.1
Total	**18.6**	16.5

Principal actuarial assumptions at the balance sheet date

%	**2014**	2013
Discount rate		
Great Britain	**3.9**	4.3
Other countries	**2.0–4.0**	3.2–4.8
Future salary increases		
Great Britain	**n/a**	n/a
Other countries	**n/a / 0.0–4.5**	n/a / 0.0–6.0
Future pension increases		
Great Britain	**0–3.2**	0–3.4
Other countries	**n/a / 0.0–2.1**	n/a / 0.0–2.1

Sensitivity analysis

A reasonably possible change to one of the relevant actuarial assumptions at the reporting date holding other assumptions constant, would have affected the defined benefit obligation as shown below.

	Dec 31, 2014		Dec 31, 2013	
	Defined benefit obligation		Defined benefit obligation	
EUR million	Increase	Decrease	Increase	Decrease
Great Britain				
Discount rate (0.5% change)	**-1.0**	**1.2**	-0.6	0.6
Future salary (0.5% change)				
Future pension (0.25% change)	**0.2**	**-0.2**	0.3	-0.3
Other Group companies, total				
Discount rate (0.5% change)	**-0.4**	**0.4**	-0.3	0.3
Future salary (0.5% change)	**0.0**	**-0.0**	0.0	-0.0
Future pension (0.25% change)	**0.0**	**-0.0**	0.0	-0.0

The weighted average of the duration of the defined benefit obligation: 13.2
Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

22. Provisions

2014

Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.3	1.2	3.5	5.9
Translation differences	-0.0	0.1	-0.0	0.1
Additions	0.2		0.4	0.6
Used provisions	-0.2	-1.1	0.0	-1.3
Change in estimates	-0.0	0.0	-0.2	-0.2
Reversals	-0.2		-0.3	-0.5
Provisions, Dec 31	**1.0**	**0.1**	**3.4**	**4.5**

Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	2.6	2.0	0.7	5.2
Translation differences	0.2	-0.0	0.0	0.2
Additions	0.3	0.2		0.5
Used provisions	-0.0	-1.0	-0.5	-1.5
Change in estimates	-0.0	0.0		0.0
Reversals			-0.0	-0.0
Provisions, Dec 31	**3.0**	**1.2**	**0.2**	**4.4**

2013

Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	0.8	1.0	2.1	3.9
Translation differences	-0.0	-0.0	-0.0	-0.1
Additions	0.2		4.4	4.6
Used provisions	-0.1	0.2	-2.4	-2.3
Change in estimates	0.1	0.0	-0.4	-0.2
Reversals	0.3		-0.3	0.0
Provisions, Dec 31	1.3	1.2	3.5	5.9

Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.1	0.6	0.9	2.6
Translation differences	-0.0	-0.0	0.0	-0.1
Additions	1.7	1.5	0.3	3.5
Used provisions		-0.1		-0.1
Change in estimates	0.3	-0.0		0.2
Reversals	-0.4		-0.4	-0.8
Provisions, Dec 31	2.6	2.0	0.7	5.2

23. Trade and other payables

EUR million	**2014**	2013
Trade payables	**67.8**	61.2
Dividend withholding tax liability	**22.4**	
Other debt	**15.2**	16.1
Accrued expenses and deferred income:		
Interests	**1.3**	1.4
Wages, salaries and social costs	**40.6**	33.1
Customer rebates and commissions	**25.7**	25.8
Other	**37.3**	34.4
Total, Dec 31	**210.2**	172.0

Other accrued expenses and deferred income comprise periodization of bought materials and supplies, annual rebates for clients and other accrued items.

24. Commitments

Operating lease obligations

EUR million	**2014**	2013
Payments next year	**20.9**	18.2
Payments between one and five years	**33.5**	32.9
Payments later	**0.7**	2.6
Total, Dec 31	**55.1**	53.8

Contingencies and pledged assets

EUR million	**2014**	2013
Guarantees as security for Group companies' commitments	**11.2**	13.9
Lease commitments	**55.1**	53.8
Other contingencies	**22.9**	2.8
Total pledged assets and contingencies, Dec 31	**89.1**	70.5

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

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.

25. Related party transactions

Fiskars has no significant transactions, liabilities or receivables with Wärtsilä, its associated company until October 9, 2014. The dividend from Wärtsilä EUR 26.9 million (25.6), has been reported as dividends from associate in the consolidated statement of cash flows. The dividend was received in the first quarter of 2014. Fiskars Home Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception.

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

EUR million	**2014**	2013
Rent	**0.2**	0.2
Capital loan	**0.2**	0.2

Shareholdings of the Board and key management, December 31

Includes holding of corporations under controlling power together with a family member.

	2014			2013		
	Own holdings	Holdings of controlled corporations	Total	Own holdings	Holdings of controlled corporations	Total
Bergh Kaj-Gustaf	**5,000**	**0**	**5,000**	5,000	0	5,000
Böer Ralf	**5,677**	**0**	**5,677**	5,677	0	5,677
Ehrnrooth Alexander	**855,000**	**11,775,000**	**12,630,000**	1,630,000	10,275,000	11,905,000
Ehrnrooth Paul	**8,205**	**9,095,406**	**9,103,611**	8,205	9,095,406	9,103,611
Fromond Louise	**601,135**	**8,294,050**	**8,895,185**	601,135	8,294,050	8,895,185
Gripenberg Gustaf	**243,320**	**4,057,289**	**4,300,609**	243,320	4,057,289	4,300,609
Jonasson Blank Ingrid	**0**	**0**	**0**	0	0	0
Mondollot Christine*	**0**	**0**	**0**			
Slotte Karsten	**1,000**	**0**	**1,000**	1,000	0	1,000
Suominen Jukka**				1,500	0	1,500
Alfthan Max***				3,300	0	3,300
Ariluoma-Hämäläinen Nina****	**0**	**0**	**0**	0	0	0
Enckell Thomas*****	**0**	**0**	**0**			
Gaeta Matteo*****	**0**	**0**	**0**			
Gaggl Risto	**0**	**0**	**0**	0	0	0
Kangas-Kärki Teemu*****	**2,000**	**0**	**2,000**			
Karlsson Jutta******				0	0	0
Kass Robert*****	**0**	**0**	**0**			
Kauniskangas Kari	**28,897**	**0**	**28,897**	28,897	0	28,897
Pitkänen Ilkka*******				1,750	0	1,750
Tonnesen Paul*****	**0**	**0**	**0**			
Westerlund Frans****	**0**	**0**	**0**	0	0	0

The Directors and the CEO do not have any debts to the company; nor has the company given pledges or taken on other responsibilities in their names. The shareholdings of the Board and key management represent in total 42.8% of the outstanding shares of the company.

* Member of the Board of Directors as of March 12, 2014

** Member of the Board of Directors until March 12, 2014

*** Member of the Executive Board until August 19, 2014

**** Member of the Executive Board as of September 16, 2013.

***** Member of the Executive Board as of December 1, 2014

****** Member of the Executive Board until April 30, 2014

******* Member of the Executive Board until May 12, 2014

Remuneration of the Board and key management

EUR thousand	**2014** Salaries and fees	Statutory pension	Supplementary pension*	2013 Salaries and fees	Statutory pension	Supplementary pension*
Bergh Kaj-Gustaf	**72.4**			104.2		
Böer Ralf	**74.4**			53.2		
Ehrnrooth Alexander	**79.0**			68.8		
Ehrnrooth Paul	**121.8**			68.8		
Fromond Louise	**58.2**			47.8		
Gripenberg Gustaf	**61.4**			49.8		
Jonasson Blank Ingrid	**78.9**			53.2		
Mondollot Christine	**66.8**					
Slotte Karsten	**65.7**			47.2		
Suominen Jukka	**11.8**			47.8		
Kauniskangas Kari	**589.8**	**165.5**	**80.9**	891.7	163.1	80.7
Executive board excl. President & CEO	**1,197.6**	**388.2**	**222.0**	1,306.9	192.0	142.5
Total	**2,477.6**	**553.8**	**302.9**	2,739.4	355.1	223.2

The key management consists of the Board of Directors, the President & CEO and the members of Corporate Management Team (Executive Board). The figures are presented on an accrual basis.

* The key management has a collective supplementary pension insurance, which includes an old-age pension at the retirement age of 60 years, vested rights under certain conditions and indemnity payable at death. The amount of pension income is based on the insurance savings. The employer's contribution to the insurance plan is 20% of the preceding year's base salary of CEO and 14%–20% of the preceding year's base salary of the Executive Board excl. CEO.

26. Subsidiaries and other participations

Shares in subsidiaries

	Domicile		% of share capital	% of voting power	Nature of activities
Avlis AB	Stockholm	SE	59.7	59.7	H
Fiskamin AB	Sollentuna	SE	100.0	100.0	H
ImanCo Oy	Helsinki	FI	100.0	100.0	H
Fiskars Home Oy Ab	Helsinki	FI	0.7	0.7	P
Fiskars Home Oy Ab	Helsinki	FI	99.3	99.3	P
Fiskars (Thailand) Co., Limited	Bangkok	TH	1.0	1.0	H
Fispo Sp. z o.o.	Warsaw	PL	100.0	100.0	D
Fiskars Sweden AB	Höganäs	SE	100.0	100.0	S
Nilsjohan AB	Höganäs	SE	100.0	100.0	D
Fiskars Estonia AS	Tallinn	EE	100.0	100.0	S
Fiskars Benelux B.V.	Oosterhout	NL	100.0	100.0	S
iittala BVBA	Antwerpen	BE	0.5	0.5	S
iittala BVBA	Antwerpen	BE	99.5	99.5	S
iittala GmbH	Solingen	DE	100.0	100.0	S
Fiskars Americas Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Fiskars Brands, Inc.	Madison, Wi.	US	100.0	100.0	P
Fiskars Brands Global Holdings LLC	Madison, Wi.	US	100.0	100.0	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	0.002	0.002	D
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	0.002	0.002	D
Fiskars Canada, Inc.	Toronto	CA	100.0	100.0	S
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	99.998	99.998	D
Fiskars Servicios, S.A. de C.V. iL	Mexico City	MX	99.998	99.998	D
Consumer Brands (Hong Kong) Co., Limited	Hongkong	HK	1.0	1.0	H
Chinese Representative Office	Shanghai	CN	100.0	100.0	S
Fiskars Europe Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Consumer Brands (Hong Kong) Co., Limited	Hong Kong	HK	99.0	99.0	H
Fiskars (Thailand) Co.,Limited	Bangkok	TH	98.0	98.0	H
Fiskars Trading (Shanghai) Co., Ltd.	Shanghai	CN	100.0	100.0	H
Fiskars Garden Oy Ab	Raasepori	FI	100.0	100.0	P
ZAO Fiskars Brands Rus	St. Petersburg	RU	100.0	100.0	P
Hungarian Branch Office	Budapest	HU	100.0	100.0	S
Fiskars Denmark A/S	Silkeborg	DK	100.0	100.0	S
Royal Copenhagen A/S	Glostrup	DK	100.0	100.0	P
Royal Copenhagen GmbH	Cologne	DE	100.0	100.0	S
Royal Copenhagen (Japan) Ltd	Tokyo	JP	100.0	100.0	S
Royal Copenhagen Korea Ltd	Seoul	KR	100.0	100.0	S
Royal Copenhagen Taiwan Ltd	Taipei	TW	100.0	100.0	S
Royal Copenhagen Thailand Ltd	Saraburi	TH	60.0	60.0	P
Fiskars Gardening Equipment (Ningbo), Co., Ltd.	Ningbo	CN	100.0	100.0	P
RC Heritage Center Ltd, Thailand	Saraburi	TH	100.0	100.0	P
Fiskars Asia Pacific Limited	Hongkong	HK	100.0	100.0	H
Fiskars Deutschland GmbH	Herford	DE	100.0	100.0	D
Fiskars France S.A.S.	Wissous	FR	100.0	100.0	P
Fiskars Germany GmbH	Herford	DE	100.0	100.0	P

Fiskars Italy S.r.l.	Premana	IT	100.0	100.0	P
Fiskars Norway AS	Oslo	NO	100.0	100.0	P
Fiskars Polska Sp. z o.o.	Slupsk	PL	100.0	100.0	P
Fiskars Spain S.L.U.	Madrid	ES	100.0	100.0	S
Fiskars UK Limited	Bridgend	GB	100.0	100.0	S
Vikingate Limited	Nottingham	GB	100.0	100.0	D
Richard Sankey & Son Limited	Nottingham	GB	100.0	100.0	D
Fiskars (Australia) Pty Limited	Melbourne	AU	100.0	100.0	S
UAB Fiskars Lithuania	Vilnius	LT	100.0	100.0	S
Fiskars Latvia SIA	Riga	LV	100.0	100.0	S
Fiskars Services Oy Ab	Helsinki	FI	100.0	100.0	H
Inha Works Ltd.	Ähtäri	FI	90.1	90.1	P
Ferraria Oy Ab	Raasepori	FI	100.0	100.0	H
Kiinteistö Oy Danskog gård	Raasepori	FI	100.0	100.0	H
Ab Åbo Båtvarf - Turun Veneveistämö Oy	Turku	FI	100.0	100.0	D
Fiskars (Thailand) Co.,Limited	Bangkok	TH	1.0	1.0	H

Holding or management	H
Production and sales	P
Sales	S
Dormant	D

FINANCIAL INDICATORS

Five years in figures

		2014	2013	2012	2011	2010
Net sales	EUR million	**767.5**	798.6	747.8	742.5	715.9
of which outside Finland	EUR million	**632.8**	657.6	579.1	568.5	549.9
in percent of net sales	%	**82.5**	82.3	77.4	76.6	76.8
export from Finland	EUR million	**61.8**	66.2	54.5	69.1	77.9
Percentage change of net sales	%	**-3.9**	6.8	0.7	3.7	8.4
Gross profit	EUR million	**310.4**	323.2	274.6	259.2	253.6
in percent of net sales	%	**40.4**	40.5	36.7	34.9	35.4
Operating profit (EBIT)	EUR million	**42.7**	61.0	63.9	52.8	49.1
in percent of net sales	%	**5.6**	7.6	8.5	7.1	6.9
Operating profit excluding non-recurring items	EUR million	**59.6**	73.8	63.1	62.1	60.4
Share of profit from associate	EUR million	**30.0**	50.8	47.8	42.7	65.9
Change in fair value of biological assets	EUR million	**-0.3**	0.7	5.6	-1.0	-2.2
Financial items net	EUR million	**714.3**	-4.2	83.2	67.4	-6.3
in percent of net sales	%	**93.1**	-0.5	11.1	9.1	-0.9
Profit before taxes	EUR million	**786.7**	108.3	200.4	161.8	106.7
in percent of net sales	%	**102.5**	13.6	26.8	21.8	14.9
Income tax (continuing operations)	EUR million	**-13.4**	-14.3	-21.5	-5.5	-12.4
Profit for the period attributable to the equity holders of the company	EUR million	**773.1**	93.7	178.9	156.3	94.3
in percent of net sales	%	**100.7**	11.7	23.9	21.1	13.2
Non-controlling interests' share of profit	EUR million	**0.2**	0.3			
Employee benefits	EUR million	**209.8**	202.1	173.3	171.7	172.8
Depreciation, amortization and impairment	EUR million	**28.5**	29.2	21.9	21.5	34.9
in percent of net sales	%	**3.7**	3.7	2.9	2.9	4.9
Cash flow from operating activities	EUR million	**87.0**	81.0	95.0	107.4	92.6
Capital expenditure	EUR million	**35.0**	37.5	32.7	24.4	18.5
in percent of net sales	%	**4.6**	4.7	4.4	3.3	2.6
Research and development costs in income statement	EUR million	**14.6**	13.3	10.3	8.6	8.5
in percent of net sales	%	**1.9**	1.7	1.4	1.2	1.2
Capitalized development costs	EUR million	**0.5**	0.7	1.1	1.5	1.3
Equity attributable to equity holders of the company	EUR million	**1,151.9**	631.8	618.9	554.3	553.5
Non-controlling interest	EUR million	**1.3**	0.9			
Equity total	EUR million	**1,153.2**	632.7	618.9	554.3	553.5
Net interest bearing liabilities	EUR million	**121.3**	152.6	72.4	150.8	200.0
Working capital	EUR million	**93.3**	88.3	71.4	82.7	101.2
Balance sheet total	EUR million	**1,589.5**	1,039.1	935.4	940.2	979.0
Return on investment	%	**73.8**	15.1	28.9	22.6	14.8
Return on equity	%	**86.6**	15.0	30.5	28.2	17.8
Equity ratio	%	**72.6**	60.9	66.2	59.0	56.5
Net gearing	%	**10.5**	24.1	11.7	27.2	36.1
Personnel (FTE), average		**4,243**	4,087	3,364	3,545	3,612
Personnel, end of period		**4,832**	4,330	3,449	3,574	3,944
of which outside Finland		**3,171**	2,748	1,839	2,072	1,904

Share related figures

		2014	2013	2012	2011	2010
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR/share	**9.44**	1.14	2.18	1.91	1.15
continuing operations	EUR/share	**9.44**	1.14	2.18	1.91	1.15
Dividend per share*	EUR/share	**0.68**	3.27	0.65	1.37	1.90
Dividend	EUR million	**55.7**	267.8	53.2	112.2	155.6
Equity per share	EUR/share	**14.06**	7.71	7.56	6.77	6.76
Adjusted average price	EUR/share	**20.35**	18.20	16.00	16.92	13.94
Adjusted lowest price per share	EUR/share	**17.34**	16.20	13.60	10.99	10.52
Adjusted highest price per share	EUR/share	**21.98**	19.70	17.49	22.05	17.45
Adjusted price per share, Dec 31	EUR/share	**17.99**	19.55	16.69	13.94	17.33
Market value of shares	EUR million	**1,473.5**	1,601.2	1,367.0	1,141.8	1,419.5
Number of shares	1,000 pcs	**81,905.2**	81,905.2	82,023.3	82,023.3	82,023.3
Number of treasury shares	1,000 pcs	**0**	0.0	118.1	118.1	112.6
Number of shares traded	1,000 pcs	**6,898.3**	3,042.1	4,883.3	5,730.3	6,626.0
Price per earnings		**1.9**	17.1	7.7	7.3	15.1
Dividend per earnings	percent	**7.2**	286.8	29.8	71.9	165.3
Dividend yield	percent	**3.8**	16.7	3.9	9.8	11.0
Number of shareholders, Dec 31		**17,828**	16,352	16,148	15,339	12,213

* Board's proposal.

Basic and diluted earnings per share are equal, as the company has no potential ordinary shares.

Calculation of financial indicators

Earnings before depreciation and amortization	=	Operating profit + depreciation and amortization + impairment	
Return on investment in %	=	Profit for the period + income taxes + interest and other financial expenses / Equity, total + interest-bearing liabilities (average of beginning and end of year amounts)	x100
Return on equity in %	=	Profit for the period / Equity, total (average of beginning and end of year amounts)	x100
Equity ratio in %	=	Equity, total / Balance sheet total	x100
Net gearing in %	=	Interest-bearing liabilities - interest-bearing receivables - cash and bank / Equity, total	x100
Earnings per share	=	Profit attributable to equity holders of the company / Weighted average number of outstanding ordinary shares	
Earnings per share from continuing activities	=	Profit from continuing activities attributable to equity holders of the company / Weighted average number of outstanding ordinary shares	
Equity per share	=	Equity attributable to equity holders of the company / Number of outstanding ordinary shares	
Adjusted average share price	=	Value of shares traded during the period / Number of shares traded during the period, adjusted for emissions	
Market capitalization	=	Number of outstanding ordinary shares Dec 31 x market quotation Dec 31	
Price per earnings (P/E)	=	Market quotation per share, Dec 31 / Earnings per share	
Dividend per earnings in %	=	Dividend paid / Profit attributable to equity holders of the company	x100
Dividend per share	=	Dividend paid / Number of outstanding shares, Dec 31	
Dividend yield in %	=	Dividend per share / Market quotation, Dec 31 adjusted for emissions	x100

SHARES

Number of shares, votes and share capital

Fiskars Corporation's shares are traded in the Large Cap segment of Nasdaq Helsinki. The Company has one series of shares FIS1V. All shares carry one vote each and have equal rights.

The total number of shares at the end of 2014 was 81,905,242 (81,905,242). The share capital remained unchanged in 2014 at EUR 77,510,200.

Share details

Market	Nasdaq Helsinki
ISIN	FI0009000400
Trading code	FIS1V (OMX)
Segment	OMXH Large Cap
Industry	3000 Consumer Goods
Supersector	3700 Personal & Household Goods
Shares as of Dec 31, 2014	81,905,242

Fiskars share price development

EUR, Jan 1, 2010 - Dec 31, 2014

Board authorizations

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

Changes in the number of shares, 2010–2014

	Total	
Total shares, Dec 31, 2010	82,023,341	
Total shares, Dec 31, 2011	82,023,341	
Total shares, Dec 31, 2012	82,023,341	
Feb 15, 2013	-118,099	Cancellation of treasury shares
Total shares, Dec 31, 2013	81,905,242	
Total shares, Dec 31, 2014	81,905,242	
Treasury shares Dec 31, 2014	0	

SHAREHOLDERS

Fiskars Corporation had 17,828 (16,352) shareholders as of the end of the year. Approximately 2.7% (2.1) of the share capital was owned by foreign or nominee-registered shareholders.

Management shareholding

On December 31 2014, the Board members, the President & CEO and the members of Corporate Management Team (Executive Board) and the companies where they have a controlling interest together with a family member, owned a total of 34,971,979 shares corresponding to 42.7% of the Company's shares and votes. The Company did not have any share option programs as at December 31, 2014.

Share ownership, December 31, 2014

	Number of shareholders	%	Number of shares and votes	%
Private companies	661	3.71	33,826,856	41.30
Financial and insurance institutions	23	0.13	1,725,801	2.11
Public sector organizations	6	0.03	3,893,260	4.75
Households	16,790	94.18	30,012,066	36.64
Non-profit organizations	223	1.25	10,270,136	12.54
Foreigners	115	0.65	540,529	0.66
Nominee registered	10	0.06	1,636,594	2.00
Total	17,828	100.00	81,905,242	100.00

Distribution of shares, December 31, 2014

Number of shares	Number of shareholders	%	Number of shares and votes	%
1—100	6,623	37.15	384,956	0.47
101—500	6,967	39.08	1,842,217	2.25
501—1,000	1,955	10.97	1,520,233	1.86
1,001—10,000	1,993	11.18	5,492,353	6.71
10,001—100,000	222	1.25	5,936,933	7.25
100,001—1,000,000	55	0.31	18,746,002	22.89
1,000,001—	13	0.07	47,982,548	58.58
Total	17,828	100.00	81,905,242	100.00

Major shareholders, December 31, 2014

		Total shares	% of shares and votes
1	Virala Oy Ab	11,775,000	14.38
2	Turret Oy Ab	9,095,406	11.10
3	Holdix Oy Ab	8,294,050	10.13
4	I.A. von Julins Sterbhus	2,689,120	3.28
5	Oy Julius Tallberg Ab	2,554,350	3.12
6	Sophie von Julins Foundation	2,551,791	3.12
7	Varma Mutual Pension Insurance Company	2,469,326	3.01
8	Ehrnrooth Jacob	1,626,929	1.99
9	Fromond Elsa	1,623,926	1.98
10	Ehrnrooth Sophia	1,536,230	1.88
11	Ilmarinen Mutual Pension Insurance Company	1,375,871	1.68
12	Stiftelsen för Åbo Akademi	1,012,929	1.24
13	Ehrnrooth Albert	855,372	1.04
14	Ehrnrooth Alexander	855,000	1.04
15	Wrede Sophie	821,790	1.00
16	Hartwall Peter Johan	748,450	0.91
17	Lindsay von Julin & Co Ab	733,320	0.90
18	Therman Anna Maria Elisabeth	722,436	0.88
19	Gripenberg Margareta	628,974	0.77
20	Åberg Albertina	604,169	0.74
20 major shareholders		52,574,439	64.19

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company income statement

EUR	Note	**2014**		2013	
Net sales	2	**24,721,674.36**		25,152,433.21	
Cost of goods sold	4	**-37,963,654.64**		-3,395,767.13	
Gross profit		**-13,241,980.28**	**-54 %**	21,756,666.08	86 %
Administration expenses	4	**-14,960,645.66**		-15,408,460.72	
Other operating income	3	**496,886.71**		60,620.46	
Other operating expenses	4	**-239,094.37**		-24,720.35	
Operating profit		**-27,944,833.60**	**-113 %**	6,384,105.47	25 %
Financial income and expenses	7	**41,429,228.07**		81,948,269.76	
Profit (loss) before extraordinary items		**13,484,394.47**		88,332,375.23	
Extraordinary items	8	**9,400,000.00**		13,431,400.00	
Profit (loss) before appropriations and taxes		**22,884,394.47**		101,763,775.23	
Appropriations		**-477,196.15**		216,548.03	
Income taxes	9	**-208,545.03**		-5,031,426.66	
Profit (loss) for the period		**22,198,653.29**		96,948,896.60	

Parent company balance sheet

EUR	Note	Dec 31, 2014		Dec 31, 2013	
ASSETS					
Non-current assets					
Intangible assets	10	**7,260,093.17**		523,280.91	
Tangible assets	11				
Land and water		**15,472,728.02**		15,487,691.33	
Buildings		**13,498,748.03**		13,604,856.42	
Machinery and equipment		**1,101,701.66**		1,316,347.96	
Construction in progress		**580,803.38**		515,135.27	
Tangible assets total		**30,653,981.09**		30,924,030.98	
Investments	12				
Holdings in subsidiaries		**485,754,293.10**		797,828,797.36	
Receivables from subsidiaries		**3,815,974.44**		3,700,000.00	
Other shares		**4,761,037.66**		6,057,492.53	
Investments total		**494,331,305.20**		807,586,289.89	
Non-current assets total		**532,245,379.46**	**33 %**	839,033,601.78	75 %
Current assets					
Inventories	13	**766,515,257.28**		172,436.75	
Non-current loan receivables		**37,368.58**		17,805.22	
Current receivables					
Trade receivables		**349,530.99**		105,957.62	
Receivables from subsidiaries	14	**289,121,949.58**		272,595,762.36	
Other receivables		**8,234,185.90**		88,850.32	
Prepayments and accrued income	15	**1,759,380.73**		1,614,373.50	
Current receivables total		**299,465,047.20**		274,404,943.80	
Cash and cash equivalents	16	**22,611,629.33**		1,704,278.84	
Current assets total		**1,088,629,302.39**	**67 %**	276,299,464.61	25 %
Assets total		**1,620,874,681.85**	**100 %**	1,115,333,066.39	100 %

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity	17				
Share capital		**77,510,200.00**		77,510,200.00	
Revaluation reserve		**3,786,650.19**		3,789,720.00	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**525,277,140.39**		696,075,878.09	
Profit (loss) for the financial year		**22,198,653.29**		96,948,896.60	
Shareholders' equity total		**631,976,957.05**	**39 %**	877,529,007.87	79 %
Appropriations	18	**883,561.96**		406,365.81	
Liabilities					
Non-current	19				
Loans from credit institutions		**30,000,000.00**		52,499,658.69	
Non-current liabilities total		**30,000,000.00**		52,499,658.69	
Current					
Loans from credit institutions		**120,579,540.94**		100,621,583.70	
Trade payables		**409,457.13**		891,213.50	
Liabilities to subsidiaries	20	**800,578,935.24**		75,001,789.66	
Income tax payable		**0.00**		1,934,028.63	
Other payables		**33,091,246.52**		3,443,461.83	
Accruals and deferred income	21	**3,354,983.01**		3,005,956.70	
Current liabilities total		**958,014,162.84**		184,898,034.02	
Liabilities total		**988,014,162.84**	**61 %**	237,397,692.71	21 %
Shareholders' equity and liabilities total		**1,620,874,681.85**	**100 %**	1,115,333,066.39	100 %

Parent company statement of cash flows

EUR	**2014**	2013
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before extraordinary items, appropriations and taxes	**22,874,755.48**	101,775,754.76
Adjustments for		
Depreciation, amortization and impairment	**1,356,570.81**	1,410,224.51
Impairment of financial assets in inventories	**34,263,873.26**	
Investment income	**-67,330.37**	-35,346.87
Interest income and dividends	**-43,112,418.49**	-91,294,133.15
Unrealized exchange gains and losses	**-3,981,259.04**	-1,016,563.51
Interest expenses and other financial costs	**4,650,794.68**	3,540,208.33
Change in provisions and other non-cash items	**-8,386,345.22**	-6,609,181.43
Cash flow before changes in working capital	**7,598,641.11**	7,770,962.64
Changes in working capital		
Change in current assets, non-interest bearing	**-5,734,404.60**	-489,221.57
Change in inventories	**-800,606,563.24**	-5,525.97
Change in current liabilities, non-interest bearing	**5,113,097.88**	2,229,623.05
Cash flow from operating activities before financial items and taxes	**-793,629,228.85**	9,505,838.15
Dividends received	**38,662,386.55**	17,900,075.00
Financial income received	**4,291,420.24**	3,723,963.06
Financial expenses paid	**-4,139,610.89**	-3,519,162.65
Taxes paid	**-4,844,845.35**	-4,119,981.09
Cash flow from operating activities (A)	**-759,659,878.30**	23,490,732.47
CASH FLOW FROM INVESTING ACTIVITIES		
Repayment of equity, Avlis AB	**311,955,759.07**	122,641,347.00
Investments in financial assets	**-57,700.59**	-107,156.25
Investments in intangible assets and property, plant & equipment	**-8,078,085.47**	-1,271,234.50
Proceeds from sale of property, plant & equipment and other investments	**228,604.45**	78,024.50
Sale of shares in group companies, Inhan Tehtaat Oy Ab	**198,000.00**	
Sale of other holdings	**1,274,980.21**	375,977.29
Change in long term loan receivables	**-135,537.80**	-1,520,700.00
Cash flow from investing activities (B)	**305,386,019.87**	120,196,258.04
CASH FLOW FROM FINANCING ACTIVITIES		
Change of non-current debt	**-10,876,658.69**	0.00
Change in current debt	**742,372,820.56**	-39,623,661.44
Change in current receivables	**-24,298,887.19**	-64,742,945.56
Dividends paid	**-245,447,465.76**	-53,227,302.70
Group contribution received/paid	**13,431,400.00**	13,981,208.03
Cash flow from financing activities (C)	**475,181,208.92**	-143,612,701.67
Change in cash and cash equivalents (A+B+C)	**20,907,350.49**	74,288.84
Cash and cash equivalents at beginning of period	**1,704,278.84**	1,629,990.00
Cash and cash equivalents at end of period	**22,611,629.33**	1,704,278.84

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Parent company accounting principles, FAS

The financial statements of Fiskars Oyj have been prepared in accordance with the Finnish Accounting Act and Ordinance and other statutes regulating the preparation of financial statements (Finnish Accounting Standards, FAS). The financial statements are presented in euro. The preparation of financial statements in conformity with regulations in force and generally accepted accounting principles requires management to make estimates and assumptions that affect the valuation of assets and liabilities and reported amounts of revenues and expenses. Actual results could differ from those estimates.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of the transaction. At the end of the reporting period balances in foreign currencies are translated using the exchange rate prevailing at the end of the reporting period. Foreign exchange derivatives are recognized at market values and changes in market values are recognized in the income statement.

Net sales

Net sales are defined as invoiced amount less indirect taxes, rebates and exchange rate differences related to sales. Revenue is recognized when all significant risks and rewards of ownership have been transferred to the buyer, i.e. when a product has been delivered to the client in accordance with the terms of delivery. Royalty income from trademarks held by Fiskars Corporation is recorded as net sales. Revenue from the sale of securities, dividends and other corresponding income from securities classified as inventories is also recorded as net sales.

Leasing arrangements

Lease payments are expensed as incurred. Future leasing payment obligations are reported as contingent liabilities. Rent income, when the company acts as a lessor, is recorded as net sales.

Pension benefit plans

The retirement plans for the Finnish companies' employees are funded through payments to independent insurance companies.

Extraordinary income and expenses

Group contributions, merger losses and gains, as well as liquidation losses and gains, are reported in extraordinary income and expenses.

Income taxes

Income taxes consist of the aggregate current tax expense based on the Finnish tax rules and adjustments to prior year taxes. Parent company does not account for deferred taxes as a stand-alone entity.

Tangible and intangible assets and other long-term investments

Tangible and intangible assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued. Revaluations are based on market values at time of the revaluation. Revaluation reserves are adjusted for decreases in the market value of land holdings. When revalued real estate is sold, the respective share in the revaluation reserve is transferred to retained earnings.
Tangible and intangible assets are depreciated and amortized over their expected useful lives. The following expected useful lives are applied:

- Intangible assets 3–10 years
- Buildings 20–40 years
- Vehicles 4 years
- Machinery and equipment 3–10 years
- Land and water No depreciation

Investments in subsidiaries are stated in the balance sheet at cost or at net realizable value if the net realizable value is significantly and permanently impaired. An impairment loss may be reversed until the original acquisition cost, when the value of the investment has been restored.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost includes both direct and indirect costs. Cost is determined on a first-in first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Financial assets in inventories are stated at the lower of cost and fair value.

Receivables

Receivables are valued at the lower of original and recoverable value.

Provisions

Provisions consist of reserves for future losses to which the Company is committed or that are perceived probable.

Appropriations

Appropriations in the parent company balance sheet consist of depreciation in excess of plan.

2. Net sales

EUR	**2014**	2013
Royalties	**18,865,376.38**	19,427,672.10
Lease income	**3,212,196.06**	3,180,797.22
Other	**2,644,101.92**	2,543,963.89
Total	**24,721,674.36**	25,152,433.21

3. Other operating income

EUR	**2014**	2013
Net gain on sale of property, plant and equipment	**227,169.93**	60,067.22
Net gain on sale of subsidiary shares	**79,254.81**	
Other income	**190,461.97**	553.24
Total	**496,886.71**	60,620.46

4. Total expenses

Total expenses by nature

EUR	**2014**	2013
Materials and supplies	**27,971.79**	155,490.24
Financial assets in inventory	**800,779,000.00**	
Change in inventory	**-766,342,820.53**	-5,525.97
Employee benefits	**7,897,091.57**	7,620,488.07
Depreciation, amortization and impairment	**1,356,570.81**	1,410,224.51
External services	**4,441,867.07**	4,530,375.25
Other	**4,764,619.59**	5,093,175.75
Total	**52,924,300.30**	18,804,227.85

Other operating expenses

EUR	**2014**	2013
Loss on sale of property, plant and equipment	**239,094.37**	24,720.35
Total	**239,094.37**	24,720.35

5. Fees paid to Company's auditors

EUR	**2014**	2013
Audit fees	**108,168.44**	87,314.74
Tax consultation	**359,261.04**	371,741.01
Other	**21,297.77**	187,763.63
Total	**488,727.25**	646,819.38

6. Personnel costs and number of employees

Personnel costs

EUR	**2014**	2013
Wages and salaries	**6,003,626.92**	5,542,391.13
Pension costs	**1,127,628.99**	1,119,289.78
Termination benefits	**340,006.29**	
Other personnel costs	**425,829.37**	958,807.16
Total	**7,897,091.57**	7,620,488.07

Number of employees

	2014	2013
Average (FTE)	**49**	49
End of period	**45**	44

7. Financial income and expenses

EUR	**2014**	2013
Dividend income		
From group companies	**38,662,311.55**	87,363,700.00
From other parties	**75.00**	75.00
Dividend income, total	**38,662,386.55**	87,363,775.00
Interest and financial income from non-current investments		
From group companies	**4,015,122.92**	3,724,404.26
Interest and financial income from non-current investments, total	**4,015,122.92**	3,724,404.26
Other interest and financial income		
From other parties	**4,416,168.06**	1,222,517.40
Other interest and financial income, total	**4,416,168.06**	1,222,517.40
Interest and financial income, total	**8,431,290.98**	4,946,921.66
Interest and other financial expenses		
To subsidiaries		
Interest expenses	**-755,450.06**	-371,023.18
Change in provisions for credit losses	**-1,013,654.78**	-6,822,218.57
Interest and other financial expenses to other parties	**-3,895,344.62**	-3,169,185.15
Interest and other financial expenses, total	**-5,664,449.46**	-10,362,426.90
Total financial income and expenses	**41,429,228.07**	81,948,269.76
Net exchange gains and losses included in financial items	**3,981,259.04**	1,016,563.51

8. Extraordinary items

EUR	**2014**	2013
Group contribution received	**9,400,000.00**	16,231,400.00
Group contribution paid		-2,800,000.00
Total	**9,400,000.00**	13,431,400.00

9. Income taxes

EUR	**2014**	2013
Current year taxes for profit before extraordinary items	**1,658,536.91**	-1,740,386.53
Tax for extraordinary items	**-1,880,000.00**	-3,290,693.00
Income tax for previous periods	**12,918.06**	-347.13
Income taxes per income statement	**-208,545.03**	-5,031,426.66

10. Intangible assets

EUR	**2014**	2013
Historical cost, Jan 1	**2,537,892.58**	2,420,844.47
Additions	**6,818,273.80**	126,192.24
Decrease	**-38,437.85**	-9,144.13
Historical cost, Dec 31	**9,317,728.53**	2,537,892.58
Accumulated amortization according to plan, Jan 1	**2,014,611.67**	1,928,050.16
Amortization according to plan	**73,726.94**	86,561.51
Decrease	**-30,703.25**	0.00
Accumulated amortization according to plan, Dec 31	**2,057,635.36**	2,014,611.67
Net book value, Dec 31	**7,260,093.17**	523,280.91

11. Tangible assets

2014 EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,771,232.33	35,948,006.28	5,465,590.01	515,135.27	47,699,963.89
Additions		796,439.96	1,773.72	461,597.99	1,259,811.67
Decreases	-14,963.31	-959,484.55	-42,067.86		-1,016,515.72
Transfers		395,078.00	851.89	-395,929.88	0.01
Historical cost, Dec 31	5,756,269.02	36,180,039.69	5,426,147.76	580,803.38	47,943,259.85
Accumulated depreciation according to plan, Jan 1		22,343,149.86	4,149,242.05		26,492,391.91
Depreciation according to plan		1,072,190.03	210,653.84		1,282,843.87
Decreases		-734,048.23	-35,449.79		-769,498.02
Accumulated depreciation according to plan, Dec 31		22,681,291.66	4,324,446.10		27,005,737.76
Revaluation, Jan 1	9,716,459.00				9,716,459.00
Revaluation, Dec 31	9,716,459.00				9,716,459.00
Book value Dec 31, 2014	**15,472,728.02**	**13,498,748.03**	**1,101,701.66**	**580,803.38**	**30,653,981.09**

2013 EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,740,222.34	35,248,885.48	5,216,808.33	462,376.38	46,668,292.53
Additions	31,853.00	647,563.83	163,484.27	302,141.16	1,145,042.26
Decreases	-843.01	-23,630.19	-88,897.70		-113,370.90
Transfers		75,187.16	174,195.11	-249,382.27	0.00
Historical cost, Dec 31	5,771,232.33	35,948,006.28	5,465,590.01	515,135.27	47,699,963.89
Accumulated depreciation according to plan, Jan 1		21,265,414.42	3,983,151.89		25,248,566.31
Depreciation according to plan		1,087,595.63	236,067.37		1,323,663.00
Decreases		-9,860.19	-69,977.21		-79,837.40
Accumulated depreciation according to plan, Dec 31		22,343,149.86	4,149,242.05		26,492,391.91
Revaluation, Jan 1	9,716,459.00				9,716,459.00
Revaluation, Dec 31	9,716,459.00				9,716,459.00
Book value Dec 31, 2013	15,487,691.33	13,604,856.42	1,316,347.96	515,135.27	30,924,030.98

12. Investments

2014

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	797,828,797.36	3,700,000.00	6,768,815.33	808,297,612.69
Additions		3,815,974.44	57,700.59	3,873,675.03
Decreases	-312,074,504.26	-3,700,000.00	-1,260,756.80	-317,035,261.06
Historical cost, Dec 31	485,754,293.10	3,815,974.44	5,565,759.12	495,136,026.66
Write-downs, Jan 1			-711,322.80	-711,322.80
Decreases			-93,398.66	-93,398.66
Write-downs, Dec 31			-804,721.46	-804,721.46
Net book value, Dec 31, 2014	**485,754,293.10**	**3,815,974.44**	**4,761,037.66**	**494,331,305.20**

2013

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1*	851,006,444.36	2,174,300.00	7,037,636.37	860,218,380.73
Additions	69,463,700.00	6,497,046.32	107,156.25	76,067,902.57
Decreases	-122,641,347.00	-4,971,346.32	-375,977.29	-127,988,670.61
Historical cost, Dec 31	797,828,797.36	3,700,000.00	6,768,815.33	808,297,612.69
Write-downs, Jan 1			-711,322.80	-711,322.80
Write-downs, Dec 31			-711,322.80	-711,322.80
Net book value, Dec 31, 2013	797,828,797.36	3,700,000.00	6,057,492.53	807,586,289.89

*Includes a restrospective adjustment of EUR -29 481 000 to holdings in subsidiaries related to the return of capital from Avlis AB in 2010, which was previously recorded as dividend income.

Shares in subsidiaries

	Number of shares	Domicile		% of share capital	% of voting power	Book value
Avlis AB*	25,641,347	Stockholm	SE	59.7	59.7	242,755,752.66
Ferraria Oy Ab	750,000	Raasepori	FI	100.0	100.0	17,659,665.00
Fiskamin AB*	1,000,000	Sollentuna	SE	100.0	100.0	42,333,815.82
Fiskars Americas Holding Oy Ab	1000	Raasepori	FI	100.0	100.0	110,071,862.76
Fiskars Europe Holding Oy Ab	1000	Raasepori	FI	100.0	100.0	71,340,500.00
Fiskars Services Oy Ab	250	Helsinki	FI	100.0	100.0	2,500.00
Fiskars (Thailand) Co., Ltd.	100	Bangkok	TH	1.0	1.0	2,409.12
Inha Works Ltd.	9,010	Ähtäri	FI	90.1	90.1	1,080,701.14
Kiinteistö Oy Danskog gård	4,000	Raasepori	FI	100.0	100.0	504,563.78
Ab Åbo Båtvarf - Turun Veneveistämö Oy	150	Turku	FI	100.0	100.0	2,522.82
Total, Dec 31, 2014						**485,754,293.10**

*Includes a restrospective adjustment of EUR -22,729,630 to the book value of Avlis AB and EUR -6,751,370 to the book value of Fiskamin AB relating to the return of capital from the former Avlis AB in 2010, which was previously treated as dividend income. Former Avlis AB was demerged to Avlis AB and Fiskamin AB in 2012.

Other shares

	Book value
Other shares owned by the parent company	4,761,037.66
Total, Dec 31, 2014	**4,761,037.66**

13. Inventories

EUR	**2014**	2013
Work in progress		1,745.50
Finished goods		170,691.25
Financial assets	**766,515,257.28**	
Total, Dec 31	**766,515,257.28**	172,436.75

EUR	**2014**	2013
Market value of financial assets in inventories	**766,664,963.77**	
Book value of financial assets in inventories	**766,515,257.28**	
Difference	**149,706.49**	

14. Receivables from subsidiaries

EUR	**2014**	2013
Trade receivables	**774,240.28**	1,540,038.81
Loan receivables	**15,207,807.54**	24,548,762.49
Other receivables	**260,232,284.76**	227,606,097.40
Prepayments and accrued income	**12,907,617.00**	18,900,863.66
Total, Dec 31	**289,121,949.58**	272,595,762.36

15. Prepayments and accrued income

EUR	**2014**	2013
Prepaid and accrued interest	**1,420,741.28**	1,253,750.82
Other prepayments and accruals	**338,639.45**	360,622.68
Total, Dec 31	**1,759,380.73**	1,614,373.50

16. Cash and cash equivalents

EUR	**2014**	2013
Cash and cash equivalents	**22,611,629.33**	1,704,278.84
Total, Dec 31	**22,611,629.33**	1,704,278.84

17. Shareholders' equity

EUR	**2014**	2013
Share capital		
Jan 1	**77,510,200.00**	77,510,200.00
Share capital, Dec 31	**77,510,200.00**	77,510,200.00
Revaluation reserve		
Jan 1	**3,789,720.00**	3,789,720.00
Decrease	**-3,069.81**	
Revaluation reserve, Dec 31	**3,786,650.19**	3,789,720.00
Treasury shares		
Jan 1		-864,706.21
Cancellation of treasury shares		864,706.21
Treasury shares, Dec 31		0.00
Other reserves		
Jan 1	**3,204,313.18**	3,204,313.18
Other reserves, Dec 31	**3,204,313.18**	3,204,313.18
Retained earnings		
Jan 1*	**793,024,774.69**	750,178,991.60
Cancellation of treasury shares		-864,706.21
Dividends	**-267,747,634.30**	-53,238,407.30
Net profit	**22,198,653.29**	96,948,896.60
Retained earnings, Dec 31	**547,475,793.68**	793,024,774.69
Distributable earnings, Dec 31	**547,475,793.68**	793,024,774.69

*January 1, 2013 includes a restrospective adjustment of EUR -29 481 000 relating to the return of capital from Avlis AB in 2010, which was previously treated as dividend income.

18. Appropriations

EUR	**2014**	2013
Depreciation in excess of plan, Jan 1	**406,365.81**	622,913.84
Changes during the year	**477,196.15**	-216,548.03
Depreciation in excess of plan, Dec 31	**883,561.96**	406,365.81

The deferred tax liabilities, 20.0% from appropriations, have not been recognized.

19. Non-current liabilities falling due later than within five years

EUR	**2014**	2013
Loans from credit institutions	**30,000,000.00**	52,499,658.69

20. Liabilities to subsidiaries

EUR	**2014**	2013
Trade payables		330,634.32
Other liabilities	**800,049,956.44**	71,483,523.70
Accruals and deferred income	**528,978.80**	3,187,631.64
Total, Dec 31	**800,578,935.24**	75,001,789.66

21. Accruals and deferred income

EUR	**2014**	2013
Interests	**866,326.05**	946,432.34
Wages, salaries and social costs	**1,958,963.82**	1,757,650.78
Other	**529,693.14**	301,873.58
Total, Dec 31	**3,354,983.01**	3,005,956.70

22. Lease obligations

EUR	**2014**	2013
Payments next year	**74,789.61**	109,281.51
Payments later	**95,732.53**	146,858.90
Total, Dec 31	**170,522.14**	256,140.41

23. Contingencies and pledged assets

EUR	**2014**	2013
As security for own commitments	**21,951,000.00**	908,216.00
Lease commitments	**170,522.14**	256,140.41
Guarantees as security for subsidiaries' commitments	**11,163,000.00**	13,908,947.00
Total, Dec 31	**33,284,522.14**	15,073,303.41

24. Derivative contracts

Nominal value, EUR	**2014**	2013
Foreign exchange forwards and swaps	**617,625,081.56**	369,450,898.09
Foreign exchange options	**205,913,845.65**	
Electricity forward agreements	**1,510,298.00**	1,811,148.00
Interest rate swaps	**52,500,000.00**	42,500,000.00
Total, Dec 31	**877,549,225.21**	413,762,046.09

Fair value, EUR	**2014**	2013
Foreign exchange forwards and swaps	**-2,019,686.51**	-288,527.95
Foreign exchange options	**2.40**	
Electricity forward agreements	**-230,588.00**	-397,473.00
Interest rate swaps	**-1,336,838.69**	-1,264,745.95
Total, Dec 31	**-3,587,110.80**	-1,950,746.90

BOARD'S PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the Parent Company at the end of the 2014 fiscal year was EUR 547.5 million (793.0). The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.68 per share be paid for 2014. The number of shares entitling to a dividend totaled 81,905,242. The proposed distribution of dividend would thus be EUR 55,695,564.56. This would leave EUR 491.8 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.

Signatures to the Financial Statements and the Board of Directors' Report

Helsinki, February 5, 2015

Kaj-Gustaf Bergh

Ralf Böer

Alexander Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Gustaf Gripenberg

Ingrid Jonasson Blank

Karsten Slotte

Christine Mondollot

Kari Kauniskangas
President and CEO

The Auditor's Note

Our auditor's report has been issued today.

Helsinki, February 5, 2015
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Fiskars Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Fiskars Corporation for the year ended 31 December, 2014. The financial statements comprise the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, statement of cash flows and notes to the financial statements.

Responsibility of the Board of Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki February 5, 2015
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

FISKARS

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