

Q1

INTERIM REPORT
JANUARY - MARCH 2016



FISKARS

FISKARS Q1 2016: INCREASED NET SALES AND OPERATING PROFIT IN A MIXED MARKET ENVIRONMENT

First quarter 2016 in brief:

- Net sales increased by 29% to EUR 296.2 million (Q1 2015: 230.1)
- Net sales increased by 1.5% on a comparable basis¹⁾
- Operating profit increased to EUR 23.7 million (15.7)
- Adjusted operating profit²⁾ increased by 29% to EUR 21.9 million (17.0)
- Earnings per share (EPS) were EUR 0.01 (0.95). Operative earnings per share³⁾ amounted to EUR 0.10 (0.14).
- Outlook for 2016 unchanged: Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year

President and CEO, Fiskars, Kari Kauniskangas:

"Fiskars achieved a good start to the year, as both net sales and operating profit grew. Comparable net sales also increased despite the challenging market conditions in some of our key markets, namely Finland and Japan. We demonstrated strong development in net sales and profit, driven by the Scandinavian Living business in Europe and Functional business across all regions.

I was particularly pleased with our progress in the Scandinavian Living business in Europe, driven by the Royal Copenhagen and Rörstrand brands. In addition, Iittala launched a unique collaboration collection, Iittala X Issey Miyake, with the aim of further increasing brand awareness in major cities around the world. The launch was implemented with a true omni-channel approach and attracted a significant amount of attention among current and new consumers across the globe.

Led by the Fiskars brand, the Functional business performed very well in the Americas, with increased operating profit year-on-year. Net sales in the watering business were down due to exits from several unfavorable sales agreements. The turnaround of the watering business is progressing according to plan, and we are leveraging our expertise in the garden category.

As expected, English & Crystal Living net sales decreased from the comparison period. We are progressing with the integration of the business, where we will benefit from our successful integration track record with Iittala and Royal Copenhagen. Building on the iconic brands – Waterford, Wedgwood, Royal Albert and Royal Doulton – as well as our key Scandinavian Living brands – Iittala, Royal Copenhagen and Rörstrand – we will focus on creating a world-leading luxury and premium Living business delivering sustained profitable growth.

During the first quarter, we completed the divestments of the boats and the U.S. container gardening businesses, allowing us to better focus on our world-leading consumer brands.

We expect the business environment to remain challenging especially in Asia and some European countries. Our trade customers continue to face structural changes across the globe. We are meeting these challenges head-on and will focus on leveraging the home and garden trend currently gaining momentum in several markets, targeting profitable growth in an omni-channel environment, working together with our trade customers and building consistent consumer experiences at every touchpoint."

¹⁾ Using comparable exchange rates, excluding the acquired English & Crystal Living (WWRD) business and divested boats and container gardening businesses

²⁾ Adjustments in Q1 2016 include a gain from the sale of the boats business and the container gardening business in the Americas, and net costs related to the Supply Chain 2017 program and integration activities. In Q1 2015, costs related to EMEA restructuring

³⁾ Operative earnings per share do not include changes in the fair value of the investment portfolio and dividends received

Group key figures

EUR million	Q1 2016	Q1 2015	Change	2015
Net sales	296.2	230.1	29%	1,107.1
Operating profit (EBIT)	23.7	15.7	51%	46.5
Adjustments to operating profit ¹⁾	-1.8	1.3		18.6
Adjusted operating profit	21.9	17.0	29%	65.1
Adjusted EBITA	25.0	18.9	32%	75.7
Net change in the fair value of investment portfolio	-25.7	42.2		56.1
Profit before taxes	3.2	97.6	-97%	125.5
Profit for the period	1.5	78.0	-98%	86.4
Operative earnings/share, EUR ²⁾	0.10	0.14	-26%	0.16
Earnings/share, EUR	0.01	0.95	-99%	1.04
Equity per share, EUR	13.83	14.46	-4%	14.54
Cash flow from operating activities before financial items and taxes	-36.2	-51.9	-30%	50.2
Equity ratio, %	64%	71%		65%
Net gearing, %	27%	18%		21%
Capital expenditure	8.2	5.7	43%	32.4
Personnel (FTE), average	8,092	4,617	75%	6,303

1) In Q1 2016, a gain from the sale of the boats business and the container gardening business in the Americas, and net costs related to the Supply Chain 2017 program and integration activities. In Q1 2015, costs related to EMEA restructuring

2) Excluding net change in the fair value of the investment portfolio and dividends received. The comparison period has been restated to also exclude the exchange rate gains related to the investment portfolio

Further information:

- President and CEO Kari Kauniskangas, tel. +358 204 39 5500
- COO and CFO Teemu Kangas-Kärki, tel. +358 204 39 5703
- Corporate Communications, tel. +358 204 39 5031, communications@fiskars.com

Analysts and media conference:

An analysts and media conference will be held at 10 a.m. on May 4, 2016, at the company's headquarters, Fiskars Campus, Hämeentie 135 A, Helsinki. Presentation material will be available after the conference at www.fiskarsgroup.com.

INTERIM REPORT, JANUARY–MARCH 2016

GROUP PERFORMANCE

Net sales

Net sales, EUR million	Q1 2016	Q1 2015	Change	Comparable change*	2015
Group	296.2	230.1	29%	1.5%	1,107.1
Europe & Asia-Pacific	183.3	127.4	44%	1.9%	663.6
Americas	128.9	95.0	36%	0.9%	451.2
Other	1.4	10.5	-87%	12.0%	40.5

* Using comparable exchange rates and excluding the acquired English & Crystal Living business and divested boats and container gardening businesses

Fiskars Group net sales in Q1 2016

Fiskars Group's consolidated net sales increased by 29% to EUR 296.2 million (Q1 2015: 230.1). The majority of the increase came from the English & Crystal Living business, acquired in July 2015. Using comparable exchange rates and excluding the acquired business, as well as the divested boats and container gardening businesses, net sales increased by 1.5%.

The Scandinavian Living business performed especially well in Europe, supported by the Royal Copenhagen and Rörstrand brands.

The Functional business had a good start to the year, with net sales increasing both in Europe and the Americas, excluding the divested container gardening business.

Operating profit

Operating profit (EBIT), EUR million	Q1 2016	Q1 2015	Change	2015
Group	23.7	15.7	51%	46.5
Europe & Asia-Pacific	2.0	7.3	-73%	34.9
Americas	19.6	10.7	83%	28.1
Other and eliminations	2.1	-2.4		-16.5

Fiskars Group operating profit in Q1 2016

Fiskars Group's first quarter operating profit totaled EUR 23.7 million (Q1 2015: 15.7). Adjustments to the operating profit amounted to EUR -1.8 million (1.3) during the first quarter, resulting in an adjusted operating profit of EUR 21.9 million (17.0). The adjustments related to the sale of the boats business, the sale of the container gardening business in the Americas, the Supply Chain 2017 program, and integration activities.

The adjusted operating profit increased in the first quarter 2016 by 29% to EUR 21.9 million (17.0). Operating profit for the Europe and Asia-Pacific segment totaled EUR 2.0 million (7.3). The adjusted operating profit for the segment decreased by 29%, totaling EUR 6.0 million (8.5), partly due to the challenging business environment in Asia. Operating profit for the Americas segment increased by 83%, amounting to EUR 19.6 million (10.7). The adjusted operating profit for the segment increased by 65%, totaling EUR 17.8 million (10.8), supported primarily by increased efficiencies, a favorable product mix and the acquired English & Crystal Living business.

REPORTING SEGMENTS AND BUSINESS UNITS

Fiskars Group's three reporting segments are Europe & Asia-Pacific, Americas, and Other and the business is divided into three business units: Functional Products, Living Products, and Outdoor Products. The Functional Products business unit consists of the Fiskars, Nelson, Gilmour, Leborgne and EbertSankey brands. The Living Products business unit consists of the Iittala, Waterford, Wedgwood, Royal Copenhagen, Rörstrand, Royal Albert, Royal Doulton, Arabia and Hackman brands. The Outdoor Products business unit consists of the Gerber brand.

Fiskars Group's Other segment contains the Group's investment portfolio, the real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business in early January 2016, previously part of the Other segment.

Business units in Q1 2016

Net sales, EUR million	Q1 2016	Q1 2015	Change	Comparable change*	2015
Functional Products	149.1	148.5	0%	2.3%	524.5
Living Products	128.9	52.9	144%	3.9%	450.1
Outdoor Products	17.3	18.7	-7%	-11.7%	93.8

* Using comparable exchange rates, excluding the acquired English & Crystal Living business and divested boats and container gardening businesses

Europe & Asia-Pacific segment

EUR million	Q1 2016	Q1 2015	Change	2015
Net sales*	183.3	127.4	44%	663.6
Operating profit (EBIT)	2.0	7.3	-73%	34.9
Adjusted operating profit	6.0	8.5	-29%	45.3
Capital expenditure	5.2	3.1	70%	20.2
Personnel (FTE), average	6,682	3,285	103%	4,842

* Using comparable exchange rates and excluding the acquired English & Crystal Living business, net sales in the Europe & Asia-Pacific segment increased by 1.9% in Q1 2016

Europe & Asia-Pacific in Q1 2016

Consumer confidence in some of the key markets in the Asia-Pacific region remained low during the quarter. The business environment is expected to remain tough in the region, driven by uncertainty in Japan. In Europe, economic sentiment continued to vary between countries. In Finland, the market continued to decline, increasing the role of private labels. Markets such as Sweden, Denmark, Germany, and Czech Republic developed positively in terms of market sentiment. The trade in Europe continued to consolidate, pursuing increased efficiencies and expanding e-commerce and digital business models.

Net sales in the Europe & Asia-Pacific segment increased during the first quarter of 2016 by 44% to EUR 183.3 million (Q1 2015: 127.4). Net sales increased by 1.9% on a comparable basis. Fiskars had a strong start to the year in the Functional and Scandinavian Living businesses in Europe, as net sales and profitability increased. Sales were driven to a large extent by the Scandinavian Living business, supported by the Royal Copenhagen and Rörstrand brands. The Functional business also grew in Europe, with the Kitchen business as the main growth engine.

The first quarter was disappointing in Asia, with net sales and profitability decreasing. The challenging environment in Japan impacted the performance especially in distributor and wholesale channels. Fiskars performed in line with last year in its own stores and shop-in-shops with the Scandinavian Living brands.

English & Crystal Living net sales decreased in the Europe & Asia-Pacific segment from the comparison period, which had been exceptionally strong due to aggressive sales agreements initiated prior to the signing of the transaction. In Japan, Fiskars recorded a credit loss of EUR 2.4 million during the first quarter of 2016 related to a customer's bankruptcy.

The Outdoor business, consisting of the Gerber brand, developed favorably in the Europe & Asia-Pacific segment, with a slight increase in net sales.

The segment recorded an adjusted operating profit of EUR 6.0 million (8.5). The decrease was partly due to the challenging business environment in Asia. Other operating income includes a reversal of a provision of EUR 1.5 million related to a planned closure of a retail location, which was not carried out.

Americas segment

EUR million	Q1 2016	Q1 2015	Change	2015
Net sales*	128.9	95.0	36%	451.2
Operating profit (EBIT)	19.6	10.7	83%	28.1
Adjusted operating profit	17.8	10.8	65%	36.1
Capital expenditure	1.6	0.5	252%	4.0
Personnel (FTE), average	1,247	996	25%	1,123

* Using comparable exchange rates and excluding the acquired English & Crystal Living business and divested container gardening business net sales in the Americas increased by 0.9% in Q1 2016

The Americas in Q1 2016

Consumer confidence improved in the U.S. due to a more favorable assessment of business conditions and an increase in employment. However, consumer spending remained relatively restrained. While many brick-and-mortar channels, including department stores, are facing headwinds, the DIY and e-commerce channels demonstrated robust growth.

Net sales in the Americas segment increased by 36% to EUR 128.9 million (Q1 2015: 95.0) in the first quarter, driven by the English & Crystal Living business. Net sales increased by 0.9% on a comparable basis.

The Functional business in the Americas had a strong start to the garden season, with good progress in several key accounts. Net sales grew in the School, Office, and Craft category as well as in the Garden category, excluding the divested container gardening business. Net sales in the watering business decreased year-on-year, as the business exited from unfavorable sales agreements.

The English & Crystal Living sales decreased from the comparison period, which had been exceptionally strong prior to the acquisition. Challenges at one of the main customers in the U.S. continued due to the changing retail environment, impacting net sales.

The Outdoor business suffered from weaker demand in the knife and tool product category, resulting in a year-on-year decrease in net sales. In addition, challenges in the distribution channels impacted the result.

The segment's adjusted operating profit increased to EUR 17.8 million (10.8), supported primarily by increased efficiencies, a favorable product mix and the acquired English & Crystal Living business.

Other segment

EUR million	Q1 2016	Q1 2015	Change	2015
Net sales*	1.4	10.5	-87%	40.5
Operating profit (incl. eliminations)	2.1	-2.4		-16.5
Adjusted operating profit (incl. eliminations)	-1.9	-2.4	-20%	-16.3
Net change in fair value of investments valued at FVTPL**	-25.7	42.2		56.1
Investments at FVTPL**	494.3	810.2	-39%	520.0
Capital expenditure (incl. eliminations)	1.4	2.2	-36%	8.2
Personnel (FTE), average	163	335	-51%	339

* Using comparable exchange rates and excluding the divested boats business net sales increased by 12.0%

** FVTPL = Fair value through profit or loss

The Fiskars Other segment contains the Group's investment portfolio, real estate unit, corporate headquarters, and shared services. Fiskars completed the sale of its boats business in early 2016, which had previously been part of the Other segment.

Other in Q1 2016

Net sales in the segment were EUR 1.4 million (Q1 2015: 10.5) in the first quarter, consisting of timber sales and rental income. The decrease is due to the sale of the boats business. The operating profit for the quarter was EUR 2.1 million (-2.4).

At the end of the period, the market value of Fiskars' active investments was EUR 494.3 million (March 31, 2015: 810.2), consisting of shares in Wärtsilä valued at EUR 432.8 million, with a closing price of EUR 39.77 per Wärtsilä share, and investments in short-term interest rate funds valued at EUR 61.5 million. The net change in fair value recorded in the profit and loss statement amounted to EUR -25.7 million (+42.2) during the first quarter.

Research and development

The Group's research and development expenditure totaled EUR 4.4 million (Q1 2015: 3.7) in the first quarter of 2016, equivalent to 1.5% (1.6%) of net sales.

Personnel

Personnel (FTE), average	Q1 2016	Q1 2015	Change	2015
Group	8,092	4,617	75%	6,303
Europe & Asia-Pacific	6,682	3,285	103%	4,842
Americas	1,247	996	25%	1,123
Other	163	335	-51%	339

At the end of the quarter, the Group employed 8,704 (4,831) employees, of whom 1,320 (1,515) were in Finland. The year-on-year increase was mainly due to the English & Crystal Living business.

Fiskars' transformation process

Fiskars is transforming into a global integrated, branded consumer goods company. The company took several steps during the first quarter of 2016 to move this process forward.

Divestment of the boats business

In January 2016, Fiskars completed the sale of its boats business to Yamaha Motor Europe N.V., announced on November 11, 2015. The sale included shares in Inha Works Ltd. as well as the Buster brand and related factory real estate in Ähtäri, Finland. The sale generated a positive effect on cash flow. However, it will not have a significant impact on Fiskars Corporation's financial position or result during 2016.

Divestment of the container gardening business in the U.S.

In January 2016, Fiskars sold its container gardening business in the U.S. to Bloem, LLC. The transaction included the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Florida, U.S. The sale generated a positive effect on cash flow, however it will not have a significant impact on Fiskars Corporation's financial position or result during 2016.

Supply Chain 2017 program

During the third quarter of 2015 Fiskars announced a restructuring program to optimize its global supply chain network in Europe and Asia. The Supply Chain 2017 program aims to improve the competitiveness of Fiskars' manufacturing operations and distribution network.

The total costs of the program are approximately EUR 20 million between 2015 and 2017. They are reported as adjustments to operating profit, of which EUR 3.3 million was recorded in Europe during Q1 2016. The targeted annual cost savings are approximately EUR 8 million, subject to the full implementation of the program. The targeted cost savings will be achieved gradually, and the majority of the savings are expected to materialize in the Group's results after the program has been completed. The program is expected to be completed by the end of 2017.

As a part of the program, Fiskars completed the transfer of manufacturing operations from the Helsinki ceramics factory to a partner network during the first quarter.

In February 2016, Fiskars announced planned changes to its regional distribution operations in Europe. Fiskars plans to transfer the regional distribution center operations currently located in Germany to a partner-operated distribution center in the Netherlands. In March, Fiskars announced plans to centralize its garden cutting tools manufacturing at its factory in Poland, with the Billnäs factory concentrating on axes, scissors, and snow tools. The employee consultations related to these plans are on-going.

Investment program in Europe

In December 2010, Fiskars launched an investment program to create competitive structures, systems, and processes in Europe, including a new, shared Enterprise Resource Planning (ERP) system. The costs and investment related to the program are estimated at EUR 65 million, of which approximately EUR 61 million had been recorded by the end of March 2016.

At the moment approximately 84% of the business volume targeted by the program is running through common systems and processes. The implementation of the program continues during 2016. The program is proceeding according to plan.

Financial items and net result

Financial items and net result in Q1 2016

Along with the rest of the Group's active investments, shares in Wärtsilä Corporation are treated as financial assets at fair value through profit or loss, which increases the volatility of Fiskars' net results.

At the end of Q1 2016, Fiskars owned 10,881,781 shares in Wärtsilä, representing 5.52% of Wärtsilä's share capital. During the first quarter of 2016, the number of Fiskars-owned shares in Wärtsilä did not change from the previous quarter.

The net change in the fair value of investments through profit or loss amounted to EUR -25.7 million (Q1 2015: 42.2) during the first quarter of 2016. The change in the market value of the company's holdings in Wärtsilä amounted to EUR -25.9 million (Q1 2015: 41.0) in the first quarter of 2016, with the closing price of Wärtsilä shares being EUR 39.77 at the end of March.

Other financial income and expenses amounted to EUR 5.8 million (Q1 2015: 39.3) in the first quarter of 2016, including EUR 13.1 million (11.4) of dividends received on Wärtsilä shares and EUR -3.5 million (28.8) of foreign exchange differences.

Profit before taxes was EUR 3.2 million (97.6) in the first quarter of 2016. Income taxes for the first quarter were EUR 1.7 million (19.7). Earnings per share were EUR 0.01 (0.95). Operative earnings per share, excluding the net change in the fair value of the investment portfolio and dividends received were EUR 0.10 (0.14). The comparison period figure for operative earnings per share has been restated to also exclude the exchange rate gains related to the investment portfolio.

Cash flow, balance sheet, and financing

Cash flow, balance sheet, and financing in Q1 2016

The first-quarter cash flow from operating activities before financial items and taxes amounted to EUR -36.2 million (Q1 2015: -51.9). Cash flow from financial items and taxes amounted to EUR 2.7 million (26.5). Cash flow from investing activities was EUR 27.4 million (5.0). Cash flow from financing activities was EUR 11.5 million (-2.3).

Capital expenditure for the first quarter totaled EUR 8.2 million (5.7), mainly relating to replacements, new product development and the company's five-year investment program in EMEA. Depreciation, amortization and impairment were EUR 8.9 million (6.8) in the first quarter. The increase was primarily due to depreciation in the English & Crystal Living entities.

Fiskars' working capital totaled EUR 238.8 million (178.6) at the end of March. The increase in working capital can be attributed to the growth of inventories and accounts receivable due to the acquisition of the English & Crystal Living business and foreign exchange differences. The equity ratio decreased to 64% (71%) and net gearing was 27% (18%). The investments in short-term interest rate funds are not included in the net gearing ratio.

Cash and cash equivalents at the end of the period totaled EUR 24.5 million (11.7) and investments in short term interest rate funds were valued at EUR 61.5 million (401.3). Net interest-bearing debt amounted to EUR 307.0 million (217.9). At the end of the period, the shares in Wärtsilä were valued at EUR 432.8 million (408.9), with a closing price of EUR 39.77 per Wärtsilä share (41.22), resulting in a total market value of Fiskars' active investments of EUR 494.3 million (810.2), including the short-term interest rate funds mentioned above.

Short-term borrowing totaled EUR 150.9 million (205.8) and long-term borrowing totaled EUR 181.9 million (31.4). Short-term borrowing mainly consisted of commercial papers issued by Fiskars Corporation. In addition, Fiskars had EUR 300.0 million (300.0) in unused, committed long-term credit facilities with Nordic banks.

Changes in organization and management

Fiskars' Executive Board was strengthened as of January 18, 2016 when Ulrik Garde Due joined the company, as President, Living business, and becoming a member of the Executive Board.

Annual General Meeting 2016

The Annual General Meeting of shareholders of Fiskars Corporation was held on March 9, 2016. The Annual General Meeting approved the financial statements for 2015 and discharged the members of the Board and the President and CEO from liability. The Annual General Meeting decided in accordance with the proposal by the Board of Directors to pay a dividend of EUR 0.70 per share for the financial period that ended on December 31, 2015, totaling EUR 57.3 million. The dividend was paid on March 18, 2016.

The Annual General Meeting decided that the Board of Directors shall consist of ten members. Paul Ehrnrooth, Alexander Ehrnrooth, Ingrid Jonasson Blank, Louise Fromond, Gustaf Gripenberg, Inka Mero, Fabian Månsson, Peter Sjölander and Ritva Sotamaa were re-elected. Jyri Luomakoski was elected as a new member. The term of the Board members will expire at the end of the Annual General Meeting in 2017. KPMG Oy Ab was elected as auditor for the term that will expire at the end of the Annual General Meeting in 2017. KPMG Oy Ab has announced that the responsible auditor will be Virpi Halonen, APA.

The Annual General Meeting decided to authorize the Board to decide on the acquisition of a maximum of 4,000,000 own shares. The Annual General Meeting also decided to authorize the Board to decide on the transfer of own shares (share issue) held as treasury shares of a maximum of 4,000,000 shares in one or several instalments, either against or without consideration. Both authorizations are effective until June 30, 2017.

Constitutive meeting of the Board and Board Committees

Convening after the Annual General Meeting, the Board of Directors elected Paul Ehrnrooth as its Chairman and Alexander Ehrnrooth as the Vice Chairman. The Board decided to establish an Audit Committee, a Compensation Committee, a Nomination and Strategy Committee, and an Investment Committee. The Board appointed Jyri Luomakoski (Chairman), Ingrid Jonasson Blank, Alexander Ehrnrooth, Louise Fromond, Gustaf Gripenberg and Ritva Sotamaa as members of the Audit Committee. Paul Ehrnrooth (Chairman), Inka Mero, and Peter Sjölander were appointed as the members of the Compensation Committee. The Board appointed Paul Ehrnrooth (Chairman), Alexander Ehrnrooth, and Fabian Månsson as the members of the Nomination and Strategy Committee. The Board appointed Paul Ehrnrooth (Chairman), Alexander Ehrnrooth, and Jyri Luomakoski as members of the Investment Committee.

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 share capital remained unchanged at EUR 77,510,200.

Fiskars shares are traded in the Large Cap segment of Nasdaq Helsinki. The average share price during the first quarter was EUR 17.32 (Q1 2015: 18.24). At the end of March, the closing price was EUR 17.26 (EUR 17.74) per share and Fiskars had a market capitalization of EUR 1,413.5 million (1,453.0). The number of shares traded from January to March was 0.7 million (2.0), which represents 0.9% (2.5%) of the total number of shares.

The total number of shareholders was 18,698 (18,743) at the end of March.

Flagging notifications

The holdings of the shares and voting rights of Virala Oy Ab increased above the 15% flagging threshold during the first quarter. The aggregate holdings of Virala Oy Ab total to 12,300,000 shares in Fiskars Corporation, corresponding to 15.02% of Fiskars Corporation's shares and voting rights. Fiskars was not informed of any other significant changes among its largest shareholders during the quarter.

Purchase of own shares

The Board of Directors decided on March 9, 2016 to commence acquiring the company's own shares on the basis of the authorization given by the Annual General Meeting, after which Fiskars Corporation started acquiring the shares. Fiskars held 8,450 of its own shares at the end of the first quarter, all of which were purchased in March.

Risks and business uncertainties

Fiskars' business, net sales and financial performance may be affected by several uncertainties. Fiskars Group has detailed the overall business risks and risk management in its Annual Report and on the company's website www.fiskarsgroup.com/investors.

Events after the reporting period

There were no significant events after the reporting period.

Outlook for 2016

Fiskars expects the Group's 2016 net sales and adjusted operating profit to increase from the previous year, despite the divested businesses, continued economic uncertainty - particularly in some of the company's key markets - and the increased costs due to unfavorable exchange rates in 2016.

The majority of the increase in net sales and adjusted operating profit is expected from the addition of the English & Crystal Living business, which is now a part of Fiskars for the full-year 2016. Fiskars continues to seek growth through targeted investments in brands and new product development and to sharpen its focus on core businesses. The adjusted operating profit excludes restructuring costs, impairment charges, integration related costs, and profit impact from the sale of businesses.

Fiskars' Other segment includes investments, which are treated as financial assets at fair value through profit or loss. This increases the volatility of Fiskars' financial items in the profit and loss statement and thus the volatility of Fiskars' net results and earnings per share.

Helsinki, Finland, May 3, 2016

FISKARS CORPORATION

Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR million	Q1 2016	Q1 2015	Change %	Q1-Q4 2015
Net sales	296.2	230.1	29	1,107.1
Cost of goods sold	-173.1	-140.6	23	-687.0
Gross profit	123.1	89.6	37	420.2
Other operating income	9.1	0.2		4.9
Sales and marketing expenses	-76.8	-46.5	65	-244.5
Administration expenses	-26.6	-23.8	12	-106.5
Research and development costs	-4.4	-3.7	21	-18.0
Other operating expenses	-0.7	-0.1		-4.6
Goodwill impairment				-5.0
Operating profit (EBIT)*	23.7	15.7	51	46.5
Change in fair value of biological assets	-0.6	0.4		-0.2
Investments at fair value through profit or loss - net change in fair value	-25.7	42.2		56.1
Other financial income and expenses	5.8	39.3		23.2
Profit before taxes	3.2	97.6	-97	125.5
Income taxes	-1.7	-19.7	-92	-39.2
Profit for the period	1.5	78.0	-98	86.4
Attributable to:				
Equity holders of the parent company	1.0	77.7	-99	85.1
Non-controlling interest	0.5	0.2	115	1.2
Earnings for equity holders of the parent company per share, euro (basic and diluted)	0.01	0.95	-99	1.04
*Adjusted operating profit (detailed in notes)	21.9	17.0	29	65.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	Q1 2016	Q1 2015	Q1-Q4 2015
Profit for the period	1.5	78.0	86.4
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Translation differences	-2.0	10.9	11.6
Cash flow hedges	-0.4	0.0	-0.0
Items that will not be reclassified to profit or loss			
Defined benefit plan, actuarial gains (losses) net of tax	0.3	-0.2	-1.4
Other comprehensive income for the period net of tax total	-2.1	10.7	10.2
Total comprehensive income for the period	-0.6	88.7	96.5
Attributable to:			
Equity holders of the parent company	-1.0	88.2	95.6
Non-controlling interest	0.4	0.5	0.9

CONSOLIDATED BALANCE SHEET

EUR million	Mar 31 2016	Mar 31 2015	Change %	Dec 31 2015
ASSETS				
Non-current assets				
Goodwill	232.7	113.4	105	237.4
Other intangible assets	297.8	172.3	73	303.2
Property, plant & equipment	155.2	108.0	44	157.4
Biological assets	40.8	42.0	-3	41.4
Investment property	4.9	4.8	1	4.9
Financial assets				
Financial assets at fair value through profit or loss	15.7	11.4	38	14.9
Other investments	7.9	5.6	42	7.0
Deferred tax assets	37.7	27.2	39	37.7
Non-current assets total	792.6	484.7	64	804.0
Current assets				
Inventories	236.6	178.4	33	234.3
Trade and other receivables	224.0	183.6	22	211.0
Income tax receivables	4.3	3.9	10	2.8
Interest-bearing receivables	0.0	7.2	-100	0.0
Investments at fair value through profit or loss	494.3	810.2	-39	520.0
Cash and cash equivalents	24.5	11.7	109	19.7
Current assets total	983.7	1,194.9	-18	987.9
Non-current assets held for sale	5.6			41.4
Assets total	1,782.0	1,679.6	6	1,833.3
EQUITY AND LIABILITIES				
Equity				
Equity attributable to the equity holders of the parent company	1,132.3	1,184.4	-4	1,190.8
Non-controlling interest	3.4	1.5	125	3.3
Equity total	1,135.7	1,185.9	-4	1,194.0
Non-current liabilities				
Interest-bearing liabilities	181.9	31.4	479	182.9
Other liabilities	8.0	9.5	-16	10.7
Deferred tax liabilities	44.4	44.4	0	50.0
Pension liability	13.3	7.5	77	13.9
Provisions	7.9	4.3	81	4.6
Non-current liabilities total	255.4	97.1	163	262.0
Current liabilities				
Interest-bearing liabilities	150.9	205.8	-27	86.7
Trade and other payables	209.2	178.1	17	237.4
Income tax liabilities	16.9	9.1	86	20.3
Provisions	11.1	3.5	216	10.5
Current liabilities total	388.1	396.5	-2	354.7
Liabilities directly associated with the non-current assets held for sale	2.7			22.5
Equity and liabilities total	1,782.0	1,679.6	6	1,833.3

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	Q1 2016	Q1 2015	Q1-Q4 2015
Cash flow from operating activities			
Profit before taxes	3.2	97.6	125.5
Adjustments for			
Depreciation, amortization and impairment	8.9	6.8	42.8
Gain/loss on sale and loss on scrap of non-current assets	-4.6	-0.0	-2.7
Investments at fair value through profit or loss - net change in fair value	25.7	-42.2	-56.1
Other financial items	-5.8	-39.3	-23.2
Change in fair value of biological assets	0.6	-0.4	0.2
Change in provisions and other non-cash items	-3.7	-1.9	14.5
Cash flow before changes in working capital	24.3	20.5	101.2
Changes in working capital			
Change in current assets, non-interest-bearing	-19.5	-45.8	-22.1
Change in inventories	-5.3	0.5	16.4
Change in current liabilities, non-interest-bearing	-35.8	-27.0	-45.3
Cash flow from operating activities before financial items and taxes	-36.2	-51.9	50.2
Financial income received and costs paid	14.2	29.2	15.4
Taxes paid	-11.5	-2.8	-18.0
Cash flow from operating activities (A)	-33.5	-25.4	47.6
Cash flow from investing activities			
Acquisition of subsidiaries			-289.4
Investments in financial assets	-3.8	-1.3	-41.8
Capital expenditure on fixed assets	-8.2	-5.7	-32.4
Proceeds from sale of fixed assets	0.5	0.0	4.0
Proceeds from sale of non-current assets held for sale	25.8		
Proceeds from sale of investments at fair value through profit or loss	0.0		340.5
Other dividends received	13.1	11.4	11.4
Cash flow from other investments		0.6	1.8
Cash flow from investing activities (B)	27.4	5.0	-5.9
Cash flow from financing activities			
Purchase of treasury shares	-0.1		
Change in current receivables	0.0	-2.1	2.2
Borrowings of non-current debt	15.0	0.0	149.9
Repayment of non-current debt	-15.9	-7.5	-23.5
Change in current debt	64.2	80.4	-104.6
Payment of finance lease liabilities	-0.2	-0.2	-0.8
Cash flow from other financing items	0.1	-0.4	-0.5
Dividends paid	-51.6	-72.5	-78.7
Cash flow from financing activities (C)	11.5	-2.3	-56.0
Change in cash and cash equivalent (A+B+C)	5.4	-22.7	-14.4
Cash and cash equivalent at beginning of period	19.7	33.6	33.6
Translation difference	-0.6	0.8	0.5
Cash and cash equivalent at end of period	24.5	11.7	19.7

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR million	Attributable to the equity holders of the parent company					Non-controlling interest	Total	
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses			Retained earnings
Dec 31, 2014	77.5		-4.2	-1.0	-2.2	1,081.7	1.3	1,153.2
Total comprehensive income for the period			10.6	0.0	-0.2	77.7	0.5	88.7
Dividends paid						-55.7	-0.3	-55.9
Mar 31, 2015	77.5		6.4	-0.9	-2.3	1,103.8	1.5	1,185.9
Total comprehensive income for the period			0.9	0.0	-1.2	7.4	0.8	7.8
Changes due to acquisitions					-0.7		1.3	0.6
Dividends paid							-0.4	-0.4
Dec 31, 2015	77.5		7.3	-1.0	-4.3	1,111.2	3.3	1,194.0
Total comprehensive income for the period			-1.9	-0.4	0.3	1.0	0.4	-0.6
Changes due to divestments					0.0		-0.1	0.0
Purchase of treasury shares		-0.1						-0.1
Dividends paid						-57.3	-0.2	-57.5
Mar 31, 2016	77.5	-0.1	5.5	-1.4	-4.0	1,054.9	3.4	1,135.7

NOTES TO THE INTERIM REPORT

ACCOUNTING PRINCIPLES

This unaudited interim report is prepared in accordance with IAS 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the previous annual financial statements, except for a reclassification of royalty income in the income statement from other operating income to net sales. Figures for the comparison periods have been restated to correspond to the changed accounting principles, and as a result, net sales increased and other operating income decreased by EUR 0.1 million for Q1 2015 and EUR 2.1 million for the full year 2015.

All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The Group has implemented these new or amended IAS/IFRS standards and interpretations mandatory as of January 1, 2016:

- Amendments to IAS 1 Presentation of Financial Statements - Disclosure Initiative
- Annual Improvements to IFRSs 2012–2014 cycle

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

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

OPERATING SEGMENTS

EUR million	Q1 2016	Q1 2015	Change %	Q1–Q4 2015
Net sales				
Europe & Asia-Pacific	183.3	127.4	44	663.6
Americas	128.9	95.0	36	451.2
Other	1.4	10.5	-87	40.5
Inter-segment sales*	-17.3	-2.8	510	-48.2
Group total	296.2	230.1	29	1,107.1
*Inter-segment sales				
Europe & Asia-Pacific	-15.6	-1.6		-41.5
Americas	-1.2	-0.8		-4.9
Other	-0.5	-0.5		-1.8

	Q1 2016	Q1 2015	Change %	Q1-Q4 2015
EUR million				
Operating profit (EBIT)				
Europe & Asia-Pacific	2.0	7.3	-73	34.9
Americas	19.6	10.7	83	28.1
Other and eliminations	2.1	-2.4		-16.5
Group total	23.7	15.7	51	46.5
Depreciation, amortization and impairment				
Europe & Asia-Pacific	5.3	3.1	69	21.7
Americas	1.7	1.7	1	12.7
Other and eliminations	1.9	1.9	-1	8.4
Group total	8.9	6.8	32	42.8
Capital expenditure				
Europe & Asia-Pacific	5.2	3.1	70	20.2
Americas	1.6	0.5	252	4.0
Other and eliminations	1.4	2.2	-36	8.2
Group total	8.2	5.7	43	32.4
BUSINESS UNITS				
EUR million				
Net sales				
Functional Products	149.1	148.5	0	524.5
Living Products	128.9	52.9	144	450.1
Outdoor Products	17.3	18.7	-7	93.8
Other	0.9	10.0	-91	38.8
Group total	296.2	230.1	29	1,107.1
ADJUSTED OPERATING PROFIT AND EBITA				
EUR million				
Operating profit (EBIT)				
	23.7	15.7	51	46.5
Adjustments to operating profit				
Sale of boats business	-4.3			
Supply Chain 2017 program	3.3			6.4
Sale of container gardening business and related goodwill impairment	-2.1			5.0
Integration activities	1.3	0.1		3.0
EMEA 2015 restructuring program		1.2		2.6
Write-down of machinery and equipment*				1.5
Other adjustments to operating profit				0.2
Total adjustments to operating profit	-1.8	1.3		18.6
Adjusted operating profit	21.9	17.0	29	65.1
Amortization	3.1	1.9	59	10.6
Adjusted EBITA	25.0	18.9	32	75.7

*Write-down of machinery and equipment due to planned rationalization of a non-core product range in Europe

INTANGIBLE AND TANGIBLE ASSETS	Mar 31	Mar 31	Dec 31
EUR million	2016	2015	2015
Intangible assets and goodwill			
Book value, Jan 1	540.6	284.6	284.6
Currency translation adjustment	-8.3	1.2	3.1
Acquisitions			262.5
Additions	1.0	1.9	6.8
Amortization and impairment	-3.1	-1.9	-15.7
Decreases and transfers	0.1	0.0	-0.6
Book value at end of period	530.5	285.7	540.6
Investment commitments for intangible assets	2.0	5.3	2.7
Tangible assets and investment property			
Book value, Jan 1	162.4	109.6	109.6
Currency translation adjustment	-3.3	3.9	2.0
Acquisitions			59.4
Additions	7.2	3.9	25.6
Depreciation and impairment	-5.8	-4.9	-27.4
Decreases and transfers	-0.3	0.3	-6.8
Book value at end of period	160.1	112.8	162.4
Investment commitments for property, plant and equipment	11.7	7.4	9.2
NON-CURRENT ASSETS HELD FOR SALE			
EUR million	Mar 31	Mar 31	Dec 31
	2016	2015	2015
Tangible and intangible assets	5.6		18.7
Inventories			11.5
Other assets			11.2
Total non-current assets held for sale	5.6		41.4
Interest-bearing liabilities			12.8
Provisions			0.3
Other non-interest bearing liabilities	2.7		9.4
Total liabilities directly associated with the non-current assets held for sale	2.7		22.5

At the end of March 2016, non-current assets held for sale include land to be sold in the English & Crystal Living business (at the end of December 2015 also the assets and liabilities of the boats business and the assets of the container gardening business in Americas).

CONTINGENCIES AND PLEDGED ASSETS	Mar 31	Mar 31	Dec 31
EUR million	2016	2015	2015
As security for own commitments			
Lease commitments	90.7	61.1	91.3
Guarantees	18.5	11.8	26.2
Other contingencies*	17.5	26.6	21.7
Contingencies and pledged assets total	126.7	99.6	139.2

*Other contingencies include a commitment of USD 18 million to invest in private equity funds.

Tax risks

Fiskars Group entities are subject to tax audits in several countries. It is possible that tax audits may lead to reassessment of taxes. Fiskars Corporation has in June 2015 received a tax audit report proposing reassessment of taxes relating to the fiscal year of 2011. Fiskars has provided its response to the tax audit report and the matter has proceeded to the tax office which makes the decision on the matter. In the opinion of the Fiskars' management, the taxes have been reported and levied correctly and no reassessment should be made. An unfavorable decision by the tax office would be appealed by Fiskars, in which case the litigation may take several years.

The proposed reassessment would result in a negative effect on Fiskars's result of approximately EUR 22 million and on cash flow of approximately EUR 22 million. The aforesaid does not take into account potential interest expenses, which by the end of the Q2 2016 would amount to approximately EUR 6 million, litigation expenses or potential penalties.

Fiskars believes that the tax auditors' reassessment proposal will not be sustained.

DERIVATIVES

EUR million	Mar 31 2016	Mar 31 2015	Dec 31 2015
Nominal amounts of derivatives			
Foreign exchange forwards and swaps	366.8	390.0	375.9
Foreign exchange options		232.4	
Interest rate swaps	93.4	58.4	93.4
Electricity forward agreements	1.4	1.5	1.5
Fair value of derivatives			
Foreign exchange forwards and swaps	2.7	-3.7	0.0
Interest rate swaps	-2.2	-2.1	-1.8
Electricity forward agreements	-0.4	-0.2	-0.3

Derivatives have been valued at market value.

EXCHANGE RATE SENSITIVITY OF THE OPERATIONS

Less than 20% of Fiskars' commercial cash flows are exposed to fluctuations in foreign exchange rates. The most significant risks relate to the appreciation of THB and GBP against EUR and depreciation of JPY, AUD and SEK against EUR. The following table presents the estimated annual net commercial cash flows in the most significant currencies:

EUR million	THB	GBP	JPY	AUD	SEK	CAD	NOK
Operational currency position	-29.4	-23.7	22.6	21.0	20.8	13.8	12.6
Exchange rate sensitivity of the operations*	2.9	2.4	-2.3	-2.1	-2.1	-1.4	-1.3

*Illustrates the impact of 10% depreciation of the currency against EUR on the Group's annual profit before taxes had the cash flows not been hedged.

Most of the foreign exchange risks related to the commercial cash flows are hedged primarily through the use of currency forwards and swaps. As Fiskars does not apply hedge accounting to these currency derivatives, both the realized and unrealized gains and losses on the derivatives are included in the income statement.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Mar 31, 2016

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	494.3		15.7	510.0
Other investments	0.4		7.5	7.9
Derivative assets		2.7		2.7
Total assets	494.7	2.7	23.2	520.5
Derivative liabilities		2.6		2.6
Total liabilities		2.6		2.6

Mar 31, 2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	810.2		11.4	821.6
Other investments	0.4		5.2	5.6
Total assets	810.6		16.6	827.1
Derivative liabilities		6.0		6.0
Total liabilities		6.0		6.0

Dec 31, 2015

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss	520.0		14.9	534.9
Other investments	0.4		6.6	7.0
Total assets	520.4		21.5	541.9
Derivative liabilities		2.1		2.1
Total liabilities		2.1		2.1

Fair value categories

Investments EUR million	At fair value through profit or loss		Other		Total
	Level 1	Level 3	Level 1	Level 3	
Book value, Dec 31, 2014	766.7	11.1	0.3	4.7	782.8
Additions	1.3				1.3
Decreases		-0.6			-0.6
Change in fair value	42.2	0.9	0.1	0.5	43.6
Book value, Mar 31, 2015	810.2	11.4	0.4	5.2	827.1
Additions	36.5	4.0			40.5
Acquisitions				1.9	1.9
Decreases	-340.5	-1.2			-341.7
Change in fair value	13.9	0.7		-0.5	14.0
Book value, Dec 31, 2015	520.0	14.9	0.4	6.6	541.9
Additions		3.7			3.7
Change in fair value	-25.7	-3.0	0.0	0.9	-27.8
Book value, Mar 31, 2016	494.3	15.7	0.4	7.5	517.8

Investments at fair value through profit or loss 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 mainly of 10,881,781 shares in Wärtsilä with fair value of EUR 432.8 million and of investments into short interest rate funds with fair value of EUR 61.5 million. A 10% change in the Wärtsilä share price would have an impact of EUR 43.3 million in the results before taxes. Risk associated to investments into short interest rate funds are considered to be low. The fair value of unlisted funds is based on the market value reported by the fund (level 3). Changes in the fair value are recognized in the income statement.

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

ACQUISITIONS AND DIVESTMENTS

The following acquisition and divestments have an impact on the comparability of figures.

Sale of the boats business in 2016

Fiskars sold its boats business to Yamaha Motor Europe N.V on January 4, 2016. The transaction included the sale of shares in Inha Works Ltd. as well as the sale of the Buster brand and related factory real estate in Ähtäri, Finland. In 2015, boats business net sales amounted to EUR 35 million.

Sale of the container gardening business in the U.S. in 2016

Fiskars Brands, Inc. sold its container gardening business in the U.S. to Bloem, LLC on January 22, 2016. The transaction included the sale of the container gardening brand American Designer Pottery and related manufacturing and distribution facilities in Apopka, Florida, U.S. In 2015, container gardening net sales amounted to EUR 23 million.

Acquisition of WWRD in 2015

On 1 July 2015, Fiskars purchased the shares in KPS LuxCo S.à.r.l., the holding company of the WWRD group, including its brands and business operations from the U.S. based private equity firm KPS Capital Partners.

The purchase price payable was USD 437 million, equaling EUR 391 million, subject to a post completion adjustment based upon the level of net working capital and cash and debt in the acquired business on the closing date. The consideration transferred amounted to USD 345 million (EUR 308 million). Additionally, Fiskars repaid WWRD's interest-bearing debt of USD 114 million (EUR 102 million).

The provisional goodwill of EUR 128 million arising from the acquisition is not deductible for income tax purposes. Intangible assets also include trademarks and customer relationships.

The purchase price allocation is provisional. The following table summarises the consideration paid for WWRD, provisional amounts for the fair value of assets acquired and liabilities assumed and the non-controlling interest at the acquisition date.

EUR million

Non-current assets	
Intangible assets	134.0
Property, plant & equipment	59.4
Deferred tax assets	6.8
Other non-current assets	1.5
Non-current assets total	201.7
Current assets	
Inventories	93.4
Trade and other receivables	56.8
Cash and cash equivalents	15.0
Current assets total	165.2
Non-current assets held for sale*	12.9
Assets total	379.8
Non-current liabilities	
Interest bearing liabilities	105.0
Other non-current liabilities	9.3
Non-current liabilities total	114.3
Current liabilities	
Interest bearing debt	0.6
Trade and other current liabilities	81.0
Current liabilities total	81.6
Liabilities directly associated with the non-current assets held for sale*	2.9
Non-controlling interest**	1.3
Net assets	179.6
Consideration transferred	308.1
Goodwill	128.5

*Relates to land to be sold in Europe & Asia-Pacific

**Non-controlling interest is recognised and measured based on the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.