

FISKARS

365

EVERYDAY • SINCE 1649

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# REPORT BY THE BOARD OF DIRECTORS FOR THE YEAR 2013

## **Year in brief**

In 2013, Fiskars once again delivered a strong financial performance amidst volatile market conditions and while undergoing major structural changes and system implementations. In addition to Royal Copenhagen becoming part of the group, key contributing factors were focused cost management and development of the product offer. Operating profit excluding non-recurring items increased 17% to EUR 73.8 million (63.1), reaching an all-time high for the fourth year in a row.

From a sales perspective, performance was mixed. Consolidated net sales increased by 7% to EUR 798.6 million (2012: 747.8), but comparable net sales were a disappointment, due to softness in the Outdoor business and adverse performance in Home categories. Comparable net sales (currency neutral and excluding Royal Copenhagen) decreased 2%.

Cash flow from operating activities was EUR 81.0 million (95.0). Earnings per share were EUR 1.14 (2.18, incl. EUR 1.06 from the sale of Wärtsilä shares). The Board proposes a dividend of EUR 0.67 per share (0.65).

## **Group performance**

### **Operating environment in 2013**

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

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

## Net sales and operating profit in 2013

Net sales, EUR million	2013	2012	Change	Change cn*
Group	<b>798.6</b>	747.8	7%	8%
EMEA	<b>564.2</b>	501.9	12%	13%
Americas	<b>245.1</b>	250.4	-2%	0%
Other	<b>6.5</b>	6.3	3%	3%

\* currency neutral

Operating profit (EBIT), EUR million	2013	2012	Change
Group	<b>61.0</b>	63.9	-4%
EMEA	<b>39.9</b>	42.6	-6%
Americas	<b>31.4</b>	34.2	-8%
Other	<b>-10.3</b>	-12.9	-20%

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

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

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

## Financial items and net result in 2013

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

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

## **EMEA investment program**

In December 2010, Fiskars launched a five-year investment program to create competitive structures, systems, and processes in EMEA, including a new, shared enterprise resource planning (ERP) system. The investment related to the program was estimated at EUR 50 million.

During the first half of 2013, Fiskars reviewed the scope of the investment program and decided to expand the program's scope to additional interfaces and the recently acquired Royal Copenhagen. Accordingly, the total investment related to the program will amount to approximately EUR 65 million by the end of 2015.

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

Fiskars estimates that annual investments in the program (including both operational and capital expenses) will decrease after 2013, whereas depreciation and amortization related to the program will increase gradually and its negative impact on the Group's results will be greatest in 2015–2018.

## **EMEA 2015 restructuring program**

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in the EMEA region. The planned "EMEA 2015" program aims to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program was estimated at EUR 25–30 million for 2013 and 2014. At the beginning of 2014 Fiskars decided to shift some initiatives originally planned for 2014 to 2015, which means that some of the program's costs will be recorded in 2015. Program costs will be recorded as non-recurring expenses.

Of the total expenses related to the program, EUR 8.2 million were recorded in 2013. They related to the re-location of the Swedish sales office, restructuring of the Group's manufacturing operations in Finland, restructuring of the Home business area and divestment of the UK-based Sankey pottery business and the reorganization of the Group's entities in Denmark.

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

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

The targeted annual cost savings of the program are EUR 9–11 million once the program is fully implemented. The targeted cost savings will be achieved gradually, and the full impact of the savings is expected to materialize in the Group's results starting from the end of 2015.

## **Impairment charges**

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

## Cash flow, balance sheet, and financing in 2013

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

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

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

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

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

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

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

## Research and development

The Group's research and development expenditure EUR -13.3 million (2012: -10.3), equivalent to 1.7% (1.4%) of net sales. As of January 1, 2013, Fiskars changed its accounting policy regarding the classification of certain costs relating to product development, and the figures for the comparative periods have been reclassified. This decreased the cost of goods sold and increased research and development costs by EUR 2.1 million in the full year 2012.

## Personnel

The average number of full-time equivalent employees (FTE) was 4,087 (2012: 3,364). At the end of December, the Group had a total of 4,330 employees (3,449) on the payroll, of whom 1,582 (1,610) were located in Finland. The increase was mainly due to the acquisition of Royal Copenhagen.

Personnel (FTE), average	2013	2012	Change
Group	<b>4,087</b>	3,364	21%
EMEA	<b>3,282</b>	2,604	26%
Americas	<b>568</b>	550	3%
Other	<b>237</b>	210	13%

## Operating segments and business areas

Fiskars operating segments are EMEA (Europe, Middle East, and Asia-Pacific), the Americas, Wärtsilä (associated company), and Other (Real Estate, corporate headquarters, and shared services).

The company's business areas are Home (Living, Kitchen and School, Office, and Craft), Garden, and Outdoor (outdoor equipment and Boats).

## Business areas in 2013

Net sales, EUR million	2013	2012	Change	Change cn**
Home*	<b>386.2</b>	319.5	21%	22%***
Garden*	<b>284.5</b>	290.9	-2%	-1%
Outdoor	<b>123.7</b>	133.3	-7%	-5%
Other	<b>4.2</b>	4.1	2%	2%

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

\* currency neutral

\*\*\* Excluding Royal Copenhagen and with comparable exchange rates, Home net sales decreased 2%.



## EMEA in 2013

EUR million	2013	2012	Change
Net sales	<b>564.2</b>	501.9	12%
Operating profit (EBIT)	<b>39.9</b>	42.6	-6%
Capital expenditure	<b>16.6</b>	8.4	97%
Personnel (FTE), average	<b>3,282</b>	2,604	26%

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

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

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

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

The segment recorded an operating profit excluding non-recurring items of EUR 52.7 million (41.8) despite an increase in IT costs and depreciation and amortization related to the five-year investment program. Royal Copenhagen contributed to the increase in operating profit, as did cost control measures. The Group recorded a total of EUR 8.2 million non-recurring costs related to the EMEA 2015 program during the year, and in addition an EUR 4.6 million impairment of goodwill and real estate.

## Americas in 2013

EUR million	2013	2012	Change
Net sales	<b>245.1</b>	250.4	-2%
Operating profit (EBIT)	<b>31.4</b>	34.2	-8%
Capital expenditure	<b>5.5</b>	4.4	26%
Personnel (FTE), average	<b>568</b>	550	3%

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

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

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

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

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

## Other in 2013

EUR million	2013	2012	Change
Net sales	6.5	6.3	3%
Operating profit (EBIT)	-10.3	-12.9	-20%
Capital expenditure	15.1	20.0	-24%
Personnel (FTE), average	237	210	13%

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

Net sales were EUR 6.5 million (2012: 6.3) for January–December, largely consisting of timber sales and rental income. The operating profit was EUR -10.3 million (-12.9).

## Associated company Wärtsilä

Fiskars holding in its associated company, Wärtsilä, amounts to 13.0% of the shares and votes (13.0), and Fiskars remains Wärtsilä's largest shareholder. Wärtsilä forms one of Fiskars reported operating segments and is treated as an associated company, as Fiskars considers that it has a significant influence on Wärtsilä.

The legal merger of Fiskars Group's and Investor AB's interests in Wärtsilä took place on February 7, 2013. Fiskars Group agreed with Investor in February 2012 to join interests to create a strong long-term owner for Wärtsilä. Fiskars Group and Investor AB's joint venture, Avlis AB, and its subsidiary, Avlis Invest AB, held a total of 42,948,325 Wärtsilä shares at the end of 2013, equaling 21.8% of Wärtsilä's shares and votes.

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

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

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

## **Acquisition of Royal Copenhagen**

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

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

## **Changes in management**

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

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

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

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

Following the establishment of the Asia-Pacific sales region, Fiskars EMEA segment will be renamed "Europe and Asia-Pacific" and it will consist of three sales regions: North, Central, and Asia-Pacific. The North sales region consists of the Nordic countries and Russia, as well as Fiskars export sales. The Central sales region is responsible for sales and general management in the key Central European markets.

## **Share and shareholders**

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

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

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

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

funds shall expire after four years.

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

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

## **Corporate Governance**

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

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

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

## **Annual General Meeting for 2013**

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

The number of Board members was set at nine. Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Karsten Slotte, and Jukka Suominen were all re-elected. The term of the Board members will expire at the end of the AGM in 2014. KPMG Oy Ab was re-elected as company auditor, and nominated Authorized Public Accountant Virpi Halonen as responsible auditor.

The AGM decided to authorize the Board to acquire a maximum of 4,000,000 of Fiskars own shares and convey a maximum of 4,000,000 of Fiskars own shares. The Board may also decide on the acquisition and conveyance of shares in derogation of the pre-emptive right of shareholders to company shares. Both authorizations will remain in force until June 30, 2014.

## **Constitutive meeting of the Board**

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

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

## **Annual General Meeting 2014**

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

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

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

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

## **Risks and business uncertainties**

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

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

## **Litigation**

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

## **Outlook for 2014**

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

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

We expect the Group's full-year net sales for 2014 to be at 2013 levels and operating profit excluding non-recurring items to be at, or slightly below 2013 levels.

The associated company, Wärtsilä, will continue to have a major impact on Fiskars profit and cash flow in 2014.

Helsinki, Finland, February 6, 2014

FISKARS CORPORATION  
Board of Directors

# CONSOLIDATED FINANCIAL STATEMENTS, IFRS

## Consolidated income statement

EUR million	Note	2013		2012	
<b>Net sales</b>	2	<b>798.6</b>		747.8	
Cost of goods sold	6	<b>-475.3</b>		-473.2	
<b>Gross profit</b>		<b>323.2</b>	<b>40%</b>	274.6	37%
Other operating income	5	<b>3.1</b>		2.1	
Sales and marketing expenses	6	<b>-164.7</b>		-128.9	
Administration expenses	6	<b>-82.0</b>		-73.5	
Research and development costs	6	<b>-13.3</b>		-10.3	
Other operating expenses	6	<b>-1.5</b>		-0.1	
Goodwill impairment	6	<b>-3.7</b>			
<b>Operating profit (EBIT)</b>		<b>61.0</b>	<b>8%</b>	63.9	9%
Change in fair value of biological assets	13	<b>0.7</b>		5.6	
Share of profit from associate	15	<b>50.8</b>		47.8	
Gain on sale of associate shares	15			87.0	
Other financial income and expenses	8	<b>-4.3</b>		-3.8	
<b>Profit before taxes</b>		<b>108.3</b>	<b>14%</b>	200.4	27%
Income taxes	9	<b>-14.3</b>		-21.5	
<b>Profit for the period</b>		<b>94.0</b>	<b>12%</b>	178.9	24%
Attributable to:					
Equity holders of the parent company		<b>93.7</b>		178.9	
Non-controlling interest		<b>0.3</b>			
Earnings for equity holders of the parent company per share, euro (basic and diluted)	10	<b>1.14</b>		2.18	

# Consolidated statement of comprehensive income

EUR million	Note	2013	2012
<b>Profit for the period</b>		<b>94.0</b>	178.9
<b>Other comprehensive income for the period:</b>			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		<b>-8.5</b>	-1.0
Change in associate recognized directly in other comprehensive income transferred to income statement	15	<b>-13.9</b>	0.3
Cash flow hedges		<b>0.5</b>	-0.8
Items that will not be reclassified to profit or loss:			
Defined benefit plan, actuarial gains (losses), net of tax	21	<b>-0.2</b>	-0.5
Change in associate recognized directly in other comprehensive income	15	<b>-5.6</b>	
Other comprehensive income for the period, net of tax		<b>-27.7</b>	-2.2
<b>Total comprehensive income for the period</b>		<b>66.3</b>	176.7
Attributable to:			
Equity holders of the parent company		<b>66.1</b>	176.7
Non-controlling interest		<b>0.2</b>	

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



# Consolidated balance sheet

EUR million	Note	Dec 31, 2013	Dec 31, 2012		
<b>Assets</b>					
NON-CURRENT ASSETS					
Goodwill	11	111.9		88.6	
Other intangible assets	11	170.9		140.7	
Property, plant & equipment	12	100.5		90.0	
Biological assets	13	42.0		41.2	
Investment property	14	6.0		5.5	
Investments in associates	15	286.1		280.4	
Financial assets					
Investments at fair value through profit and loss	16	10.5		9.7	
Other investments	16	3.9		0.8	
Deferred tax assets	9	31.3		25.8	
<b>Non-current assets total</b>		<b>763.1</b>	<b>73%</b>	682.6	73%
CURRENT ASSETS					
Inventories	17	119.4		118.0	
Trade and other receivables	18	138.5		116.0	
Income tax receivables		6.1		1.9	
Interest-bearing receivables		2.3		0.5	
Cash and cash equivalents	16	9.7		16.4	
<b>Current assets total</b>		<b>275.9</b>	<b>27%</b>	252.8	27%
<b>Assets total</b>		<b>1,039.1</b>	<b>100%</b>	935.4	100%

## Equity and liabilities

### EQUITY

Equity attributable to the equity holders of the parent company		<b>631.8</b>		618.9	
Non-controlling interest		<b>0.9</b>			
<b>Equity total</b>	<b>19</b>	<b>632.7</b>	<b>61%</b>	618.9	66%

### NON-CURRENT LIABILITIES

Interest-bearing liabilities	<b>20</b>	<b>56.2</b>		69.3	
Other liabilities		<b>6.1</b>		4.1	
Deferred tax liabilities	<b>9</b>	<b>39.8</b>		44.3	
Pension liability	<b>21</b>	<b>8.6</b>		7.3	
Provisions	<b>22</b>	<b>5.9</b>		3.9	
<b>Non-current liabilities total</b>		<b>116.7</b>	<b>11%</b>	129.0	14%

### CURRENT LIABILITIES

Interest-bearing liabilities	<b>20</b>	<b>108.8</b>		20.4	
Trade and other payables	<b>23</b>	<b>172.0</b>		156.6	
Income tax liabilities		<b>3.7</b>		7.9	
Provisions	<b>22</b>	<b>5.2</b>		2.6	
<b>Current liabilities total</b>		<b>289.7</b>	<b>28%</b>	187.5	20%

<b>Equity and liabilities total</b>		<b>1,039.1</b>	<b>100%</b>	935.4	100%
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The notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

EUR million	2013	2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxes	<b>108.3</b>	200.4
Adjustments for		
Depreciation, amortization and impairment	<b>29.2</b>	21.9
Share of profit from associate	<b>-50.8</b>	-47.8
Gain on sale of associate shares		-87.0
Investment income	<b>0.2</b>	-0.1
Financial items	<b>4.2</b>	3.8
Change in fair value of biological assets	<b>-0.7</b>	-5.6
Change in provisions and other non-cash items	<b>3.6</b>	2.4
Cash flow before changes in working capital	<b>94.0</b>	88.1
Changes in working capital		
Change in current assets, non-interest bearing	<b>-14.4</b>	10.6
Change in inventories	<b>-0.5</b>	-5.0
Change in current liabilities, non-interest bearing	<b>7.3</b>	-0.5
Cash flow from operating activities before financial items and taxes	<b>86.5</b>	93.2
Dividends received from associate	<b>25.6</b>	26.8
Financial items paid (net)	<b>-5.5</b>	-4.6
Taxes paid	<b>-25.6</b>	-20.3
<b>Cash flow from operating activities (A)</b>	<b>81.0</b>	95.0

CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions and subsidiaries	<b>-49.5</b>	
Investments in financial assets	<b>-0.1</b>	-0.2
Capital expenditure on fixed assets	<b>-37.5</b>	-32.7
Proceeds from sale of fixed assets	<b>1.1</b>	0.9
Proceeds from sale of business	<b>1.0</b>	
Proceeds from sale of associate shares		126.4
Cash flow from other investments	<b>0.4</b>	0.1
<b>Cash flow from investing activities (B)</b>	<b>-84.6</b>	94.5
CASH FLOW FROM FINANCING ACTIVITIES		
Change in current receivables	<b>-1.8</b>	0.1
Borrowings of non-current debt	<b>0.1</b>	0.1
Repayment of non-current debt	<b>-20.0</b>	-2.5
Change in current debt	<b>74.2</b>	-61.2
Payment of finance lease liabilities	<b>-1.7</b>	-3.5
Cash flow from other financing items	<b>-0.2</b>	-0.0
Dividends paid	<b>-53.2</b>	-112.2
<b>Cash flow from financing activities (C)</b>	<b>-2.7</b>	-179.2
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>-6.3</b>	10.3
Cash and cash equivalents at beginning of period	<b>16.4</b>	6.1
Translation difference	<b>-0.5</b>	-0.1
Cash and cash equivalents at end of period	<b>9.7</b>	16.4

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

# Statement of changes in consolidated equity

EUR million	Equity attributable to shareholders of the Parent company						Non-controlling interest	Total
	Share capital	Treasury shares	Cumul. transl. diff.	Fair value reserve	Actuarial gains and losses	Retained earnings		
<b>Dec 31, 2011</b>	<b>77.5</b>	<b>-0.9</b>	<b>2.0</b>	<b>0.1</b>	<b>-0.3</b>	<b>475.9</b>		<b>554.3</b>
Translation differences			-1.0					-1.0
Change in associate recognized directly in other comprehensive income			-1.8	2.0				0.1
Cash flow hedges				-0.8				-0.8
Defined benefit plan, actuarial gains (losses), net of tax						-0.5		-0.5
<b>Other comprehensive income for the period, net of tax, total</b>			<b>-2.8</b>	<b>1.2</b>	<b>-0.5</b>			<b>-2.2</b>
Profit for the period						178.9		178.9
<b>Total comprehensive income for the period</b>			<b>-2.8</b>	<b>1.2</b>	<b>-0.5</b>	<b>178.9</b>		<b>176.7</b>
Dividends paid						-112.2		-112.2
<b>Dec 31, 2012</b>	<b>77.5</b>	<b>-0.9</b>	<b>-0.8</b>	<b>1.3</b>	<b>-0.8</b>	<b>542.6</b>		<b>618.9</b>
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
<b>Other comprehensive income for the period, net of tax, total</b>			<b>-17.9</b>	<b>-3.9</b>	<b>-5.8</b>		<b>-0.1</b>	<b>-27.7</b>
Profit for the period						93.7	0.3	94.0
<b>Total comprehensive income for the period</b>			<b>-17.9</b>	<b>-3.9</b>	<b>-5.8</b>	<b>93.7</b>	<b>0.2</b>	<b>66.3</b>
Changes due to acquisitions							0.7	0.7
Cancellation of treasury shares		0.9				-0.9		
Dividends paid						-53.2		-53.2
<b>Dec 31, 2013</b>	<b>77.5</b>		<b>-18.7</b>	<b>-2.6</b>	<b>-6.7</b>	<b>582.2</b>	<b>0.9</b>	<b>632.7</b>

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 OMX 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 EMEA (Europe, Middle East, and Asia-Pacific), Americas, the associated company Wärtsilä and Other. The operations are divided to Business Areas Home, Garden and Outdoor. In addition the Group has Real Estate operations and a strategic shareholding in Wärtsilä Oyj Abp qualifying as an investment in an associate. 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, 2013 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, amount of obsolete inventory, recognition of impairment losses on trade receivables, provisions, determination of defined benefit pension obligations, value appraisal of biological assets and the probability of deferred tax assets being recovered against future taxable profits.

## **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.

Joint ventures are consolidated using the proportionate consolidation method, in which the share of joint venture's assets, liabilities, income and expenses owned by the Group is combined line by line in the consolidated financial statements.

## **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 relating 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. 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.

Fiskars applies the accounting treatment for the recognition of actuarial gains and losses in other comprehensive income that was allowed as an alternative according to the previous IAS 19 and is now the requisite according to the revised IAS 19.



## 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 EMEA, Americas, and Others. 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.

### 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 Group can reliably demonstrate that they will generate probable future economic benefits for the Group and also other criteria in IAS 38 are met as the product is regarded technically and commercially feasible. 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 terms of which the Group substantially takes over from the lessor 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. The leasing properties that are not in Group's operational use 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 had no non-current assets held for sale or discontinued operations neither in the financial year 2013 nor 2012.

## **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

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.

## 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 is 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, 2013 the Group has applied the following new or amended standards that have come into effect:

- Amendments to IAS 1 Presentation of Financial Statements. The major change is the requirement to group items of other comprehensive income as to whether or not they will be reclassified subsequently to profit or loss when specific conditions are met. The amendments only had an impact on the presentation of Group's other comprehensive income.
- Amendment to IAS 19 Employee Benefits. The major changes are as follows: all actuarial gains and losses are immediately recognized in other comprehensive income, i.e. the corridor approach is no longer applied, and finance costs are calculated on a net funding basis. Fiskars has applied the accounting treatment for the recognition of actuarial gains and losses in other comprehensive income that was allowed as an alternative according to the previous IAS 19 and is now the requisite according to the revised IAS 19. The comparative figures have not been restated as the other amendments to the standard had no material impact on the consolidated financial statements.
- IFRS 13 Fair Value Measurement. IFRS 13 establishes a single source for all fair value measurements and disclosure requirements for use across IFRSs. The new standard also provides a precise definition of fair value. IFRS 13 does not extend the use of fair value accounting, but it provides guidance on how to measure fair value under IFRSs when fair value is required or permitted. IFRS 13 has expanded some notes to the consolidated financial statements.
- Annual Improvements to IFRSs 2009–2011 (May 2012). 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. The amendments cover in total five standards. Their impact has not been significant.
- Amendments to IFRS 7 Financial Instruments: Disclosures. The amendments clarify disclosure requirements for financial assets and liabilities that are offset in the consolidated balance sheet or subject to master netting arrangements or similar agreements. The amendments had no significant impact on the notes to 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.

- IFRS 10 Consolidated Financial Statements and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). 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 is not assessed to have a material impact on the consolidated financial statements.
- IFRS 11 Joint Arrangements and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). 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. In future jointly controlled entities are to be accounted for using only one method, equity method, and the other alternative, proportional consolidation is no longer allowed. The new standard is not assessed to have a material impact on the consolidated financial statements.
- IFRS 12 Disclosures of Interests in Other Entities and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). 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 will expand the notes the Group provides for its interests in other entities. The new standard is not assessed to have a material impact on the consolidated financial statements.
- IAS 27 Separate Financial Statements (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). 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 will not have an impact on the consolidated financial statements.
- IAS 28 Investments in Associates and Joint Ventures (revised 2011) and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). Following the issue of IFRS 11 the revised IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted. The revised standard is not assessed to have a significant impact on the consolidated financial statements.
- Amendments to IAS 32 Financial Instruments: Presentation (effective for financial years beginning on or after January 1, 2014). 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 are not assessed to have a significant impact on the consolidated financial statements.
- Amendments to IAS 36 Impairment of Assets (effective for financial years beginning on or after 1 January 2014). 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 is not assessed to have a significant impact on the consolidated financial statements.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement (effective for financial years beginning on or after 1 January 2014). 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 are not assessed to have an impact on the consolidated financial statements.
- IFRIC 21 Levies\* (effective for financial years beginning on or after 1 January 2014). 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 is not assessed to have a significant impact on the consolidated financial statements.

- 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 (2011–2013 cycle\* and 2010–2012 cycle\*, December 2013) (effective for financial years beginning on or after 1 July 2014). 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. The amendments cover in total four (2011–2013 cycle) and seven (2010–2012 cycle) standards. Their impacts vary standard by standard but are not significant.
- IFRS 9 Financial Instruments\* and subsequent amendments (the effective date (previously 1 January 2015) has been postponed and will be determined in due course). IFRS 9 is the first step of the IASB's originally three-phase project to replace the current IAS 39 Financial Instruments: Recognition and Measurement. The amendments resulting from the first phase (published in November 2009) address the classification and measurement of financial assets. Based on measurement, financial assets are classified into two main groups: financial assets at amortized cost and financial assets at fair value. Classification depends on a company's business model and the characteristics of contractual cash flows. The amendments published in October 2010 deal with the classification and measurement of financial liabilities and the standard retains most of the related IAS 39 requirements. Amendments dealing with general hedge accounting were issued in November 2013. The unfinished part of IFRS 9, impairment of financial assets, is still a work in progress. Furthermore, the IASB is also considering limited amendments regarding the classification and measurement of financial assets. The macro hedge accounting phase has been taken apart from the IFRS 9 project as a separate project. As the IFRS 9 project is incomplete, the impacts of the standard on the consolidated financial statements cannot yet be assessed.

\* Not yet endorsed for use by the European Union

## 2. Segment information

Fiskars' operating segments are EMEA (Europe, Middle East, and Asia-Pacific), Americas, the associated company Wärtsilä and Other. The operating segments are identified on the basis of management reporting, which is organized by geographical areas. The operations are further divided to business areas.

### Operating segments

EMEA: 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 is reported as one operating segment.

Business activities between the segments are not significant. Inter-segment sales are made on arms 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 EMEA 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.

## Operating segments

2013

EUR million	EMEA	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.

EUR million	EMEA	Americas	Other	Associate Wärtsilä	Unallocated and eliminations	Group total
Net sales, external	495.0	248.7	4.1			747.8
Net sales, inter-segment	6.9	1.7	2.2		-10.8	0.0
Net sales	501.9	250.4	6.3		-10.8	747.8
Operating profit excl. non-recurring items	41.8	34.2	-12.9			63.1
Non-recurring items*	0.8					0.8
Operating profit	42.6	34.2	-12.9			63.9
Change in fair value of biological assets			5.6			5.6
Share of profit from associate				47.8		47.8
Gain on sale of Wärtsilä shares					87.0	87.0
Financial income and expenses					-3.8	-3.8
Profit before taxes						200.4
Income taxes					-21.5	-21.5
Profit for the period						178.9
Assets	494.0	110.9	577.7	280.4	-527.6	935.4
Liabilities	286.0	70.0	191.1		-230.6	316.5
Capital expenditure	8.4	4.4	20.0			32.8
Depreciations, amortizations and impairment	14.3	4.8	2.7			21.9

\* Includes a non-recurring income of EUR 0.8 million from the release of a provision related to the sale of Silva.

## 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	2013	2012
Home*	<b>386.2</b>	319.5
Garden*	<b>284.5</b>	290.9
Outdoor	<b>123.7</b>	133.3
Other	<b>4.2</b>	4.1
Total	<b>798.6</b>	747.8

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

### Information about geographical areas

EUR million	2013	2012
Net sales from Finland	<b>141.0</b>	168.7
Net sales from the USA	<b>241.7</b>	221.5
Net sales from other countries	<b>415.9</b>	357.6
Total	<b>798.6</b>	747.8

EUR million	2013	2012
Assets in Finland*,**	<b>495.7</b>	442.2
Assets in other countries*	<b>241.5</b>	214.6
Total	<b>737.1</b>	656.9

\* Non-current assets other than deferred tax assets.

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

### 3. Non-recurring items

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 discontinuing 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 in line impairment when the impairment concerns goodwill.

In June 2013, Fiskars announced a restructuring program to optimize operations and sales units in the EMEA region. The planned "EMEA 2015" program aims to improve the competitiveness and cost structure of end-to-end supply chain and align sales operations in the region with the company's new business model. The total cost of the program was estimated at EUR 25–30 million for 2013 and 2014. At the beginning of 2014 Fiskars decided to shift some initiatives originally planned for 2014 to 2015, which means that some of the program's costs will be recorded in 2015. Program costs will be recorded as non-recurring expenses.

Of the total expenses related to the program, EUR 8.2 million, were recorded in 2013. They related to the re-location of the Swedish sales office, restructuring of the Group's manufacturing operations in Finland, restructuring of the Home business area and divestment of the UK-based Sankey pottery business and the reorganization of the Group's entities in Denmark.

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 by the end of 2015.

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

EUR million	2013	2012
EMEA 2015 restructuring program	<b>-8.2</b>	
Goodwill impairment relating to the Sankey business	<b>-3.7</b>	
Write-down of a real estate	<b>-0.9</b>	
Release of provision relating to the sale of Silva		0.8
Total	<b>-12.8</b>	0.8

## 4. Acquisitions and divestments

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 from Royal Scandinavia A/S, whose controlling parent company was the Danish private equity group, Axcel. The total consideration payable (debt-free enterprise value) for the shares was DKK 490 million, equaling approximately EUR 66 million, less net debt and working capital adjustments as per closing of the transaction. The transaction was financed using Fiskars' existing credit programs.

Upon completion of the transaction, Royal Copenhagen became a part of Fiskars' Home business area. As of the acquisition date, the consolidated statement of comprehensive income for 2013 includes EUR 73 million of net sales and EUR 5 million of profit for the financial year.

The acquisition-related costs paid for advisory and valuation services have totalled EUR 1.2 million, of which EUR 1.1 million were expensed in 2012 and EUR 0.1 million in Q1 2013. These costs have been included in item "Administration expenses" of the consolidated income statement. Goodwill arising from the acquisition amounted to EUR 27.4 million, and is related to Fiskars' strengthening position in the Nordic countries, as well as in Asia, where Royal Copenhagen ranks among the leading brands selling premium dining products. Goodwill will not be deductible for income tax purposes.

The following table summarises the final amounts of identifiable assets acquired and liabilities assumed at the acquisition date, as well as the final amounts of the consideration transferred and arising goodwill:

EUR million	
Intangible assets (excluding goodwill)	22.1
Property, plant & equipment	10.9
Financial assets	4.2
Deferred tax assets	11.8
Non-current assets total	48.9
Inventories	7.9
Trade and other receivables	14.5
Cash and cash equivalents	2.7
Current assets total	25.1

Interest-bearing liabilities	<b>19.9</b>
Non-interest-bearing liabilities	<b>1.5</b>
Deferred tax liabilities	<b>5.5</b>
Pension liability and provisions	<b>2.8</b>
Non-current liabilities total	<b>29.7</b>
Interest-bearing liabilities	<b>4.3</b>
Trade payables and other current liabilities	<b>14.5</b>
Current liabilities total	<b>18.9</b>
Non-controlling interests*	<b>0.8</b>
Net assets	<b>24.6</b>
Consideration transferred	<b>52.0</b>
Goodwill	<b>27.4</b>

The acquired entities were consolidated to the consolidated financial statements as of January 4, 2013.

\* Non-controlling interests are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

## **Divestment of UK Sankey business**

On December 31, 2013, Fiskars sold its UK garden container, propagation and water storage business, Sankey, and the related manufacturing assets, to Strata Products Ltd. The divestment is a part of Fiskars' EMEA 2015 restructuring program, which aims to optimise the company's supply chain and align sales units with the company's operating model. The Sankey business had a turnover of EUR 8.5 million in 2013.

2012

## **Sale of part of Wärtsilä shares**

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

In 2012 there were no acquisitions.



## 5. Other operating income

EUR million	2013	2012
Net gain on disposal of fixed assets	<b>0.3</b>	0.2
Rental income	<b>0.6</b>	0.6
Divestment of business	<b>0.5</b>	
Royalty income	<b>0.7</b>	
Release of provision relating to the sale of Silva		0.8
Other income	<b>1.1</b>	0.5
Total	<b>3.1</b>	2.1

## 6. Total expenses

### Total expenses by nature

EUR million	2013	2012
Materials and supplies	377.8	368.7
Change in inventory	5.0	0.9
Employee benefits	202.1	173.3
Depreciation and amortization	25.5	21.9
Impairment	3.7	
External services	66.7	55.6
Other costs	59.9	65.6
Total	740.7	686.0

As of January 1, 2013, Fiskars changed its accounting policy regarding classification of certain costs relating to product development, and the figures for the comparative periods have been restated. This has impacted Cost of goods sold positively and Research and development costs negatively by EUR 2.1 million for 2012.

	Reported in 2012	Restated 2012
Cost of goods sold	-475.4	-473.2
Research and development costs	-8.1	-10.3

### Other operating expenses

EUR million	2013	2012
Loss on sale of fixed assets	0.0	0.0
Loss on scrap of fixed assets	0.5	0.1
Other costs	1.0	0.0
Total	1.5	0.1

## Depreciation, amortization and impairment by asset class

EUR million	2013	2012
Land and water	0.8	
Buildings	3.4	3.9
Machinery and equipment	14.5	12.9
Intangible assets	6.3	4.7
Investment property	0.4	0.4
Goodwill impairment	3.7	
Total	29.2	21.9

## Fees paid to Companies' Auditors

EUR million	2013	2012
Audit fees	0.8	0.7
Audit related fees	0.0	0.1
Tax consultation	0.5	0.3
Other non-audit fees	0.3	0.4
Total	1.6	1.5

The appointed auditor for the financial years 2012 and 2013 was KPMG.

## 7. Employee benefits and number of personnel

### Employee benefits

EUR million	2013	2012
Wages and salaries	157.9	138.3
Other compulsory personnel costs	20.9	18.2
Pension costs, defined contribution plans	17.1	16.2
Pension costs, defined benefit plans	0.5	-0.8
Other post employment benefits	1.1	0.9
Termination benefits	4.5	0.5
Total	202.1	173.3

### Personnel at the end of period

	2013	2012
Finland	1,582	1,610
Other Europe	1,277	1,123
USA	578	533
Thailand	424	13
Other	469	170
Total	4,330	3,449

### Personnel (FTE) in average

	2013	2012
Direct	1,504	1,233
Indirect	2,583	2,131
Total	4,087	3,364

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	2013	2012
Gain on sale of Wärtsilä shares		87.0
Dividends received from investments at fair value through profit and loss	0.0	0.0
Interest income on cash and bank		0.3
Fair value of other shares at fair value through profit and loss	1.1	0.8
Derivative revaluation gains, at fair value through profit and loss	0.5	
Exchange gains, other	0.3	0.1
Financial income total	1.9	88.2
Interest expenses on debt at amortized cost	-3.9	-3.4
Interest cost on financial leasing at amortized cost	-0.5	-0.6
Derivative revaluation losses, at fair value through profit and loss		-0.1
Exchange losses on commercial hedges	-0.9	-0.2
Other financial expenses	-0.8	-0.7
Financial expense total	-6.2	-5.0
Financial income and expenses total	-4.3	83.2

## 9. Income taxes

### Income taxes in the income statement

EUR million	2013	2012
Current year income taxes	-19.4	-20.7
Prior year income taxes	0.6	-0.1
Change in deferred taxes	4.4	-0.7
Income taxes total	-14.3	-21.5

### Reconciliation of income taxes

EUR million	2013	2012
Tax rate for the parent company	24.5%	24.5%
Profit before taxes	108.3	200.4
Income tax using the domestic corporation tax rate	-26.5	-49.1
Effect of tax rates in foreign jurisdictions	-1.5	-4.0
Income tax for prior years	0.6	-0.1
Impact of associate	11.2	11.7
Effect of sales of Wärtsilä shares		22.9
Other tax exempt items	0.3	1.0
Non-deductible expenses	-0.9	-0.9
Effect of change of tax rates	6.9	0.0
Tax booked against unbooked tax assets and unrecognized tax on loss	-4.2	-3.5
Change in valuation of tax assets	-0.8	0.5
Other items	0.6	0.0
Income taxes recognized in profit and loss	-14.3	-21.5

### Taxes in other comprehensive income

#### 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

#### 2012

EUR million	Total	Tax	Net
Translation differences	-1.0		-1.0
Change in associate recognized directly in other comprehensive income	0.1		0.1
Cash flow hedges	-1.1	0.3	-0.8
Defined benefit plan actuarial gains (losses)	-0.8	0.3	-0.5
Defined benefit plan actuarial gains (losses), change in associate			
Other comprehensive income for the period, total	-2.8	0.6	-2.2

## Deferred income taxes in the balance sheet

2013

Deferred tax assets	Jan 1, 2013	Recognized	Recognized	Transfers	Acquisitions and divestments	Dec 31, 2013
		in income statement	in other comprehensive income	and translation difference		
EUR million						
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
<b>Total deferred tax assets</b>	<b>28.6</b>	<b>-3.9</b>	<b>-0.4</b>	<b>1.6</b>	<b>10.3</b>	<b>36.1</b>
Offset against deferred tax liabilities	-2.9	-1.9				-4.8
<b>Net deferred tax assets</b>	<b>25.8</b>	<b>-5.9</b>	<b>-0.4</b>	<b>1.6</b>	<b>10.3</b>	<b>31.3</b>
Deferred tax liabilities	Jan 1, 2013	Recognized	Recognized	Transfers	Acquisitions and divestments	Dec 31, 2013
EUR million		in income statement	in other comprehensive income	and translation difference		
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
<b>Total deferred tax liabilities</b>	<b>47.1</b>	<b>-8.3</b>	<b>-0.2</b>	<b>0.6</b>	<b>5.4</b>	<b>44.6</b>
Offset against deferred tax assets	-2.9	-1.9				-4.8
<b>Net deferred tax liabilities</b>	<b>44.3</b>	<b>-10.3</b>	<b>-0.2</b>	<b>0.6</b>	<b>5.4</b>	<b>39.8</b>
Deferred tax assets (+) / liabilities (-), net	-18.5					-8.5

\* Consist mainly of adjustments to fair value in acquisitions.

2012

Deferred tax assets	Jan 1, 2012	Recognized	Recognized	Transfers	Dec 31, 2012
		in income statement	in other comprehensive income	and translation difference	
EUR million					
Post-employment benefit	2.6	0.0	0.2	-0.0	2.7
Provisions and accruals	10.0	0.2		-0.0	10.1
Effects on consolidation and eliminations	1.3	-0.6		-0.2	0.5
Property, plant & equipment	0.7	-0.1		0.0	0.6
Tax losses and credits carried forward net of valuation allowance	7.1	0.6		0.9	8.6
Other temporary differences	6.1	0.8	0.2	-1.0	6.1
<b>Total deferred tax assets</b>	<b>27.8</b>	<b>0.8</b>	<b>0.4</b>	<b>-0.4</b>	<b>28.6</b>
Offset against deferred tax liabilities	-0.8	-2.1		0.0	-2.9
<b>Net deferred tax assets</b>	<b>27.0</b>	<b>-1.3</b>	<b>0.4</b>	<b>-0.4</b>	<b>25.8</b>
Deferred tax liabilities	Jan 1, 2012	Recognized	Recognized	Transfers	Dec 31, 2012
EUR million		in income statement	in other comprehensive income	and translation difference	
Property, plant & equipment	4.5	-0.6		-0.4	3.6
Fair value adjustments	11.5	1.5			13.0
Effects on consolidation and eliminations*	26.4	-0.3			26.0
Other temporary differences	3.5	0.9	-0.2	0.4	4.6
<b>Total deferred tax liabilities</b>	<b>45.8</b>	<b>1.6</b>	<b>-0.2</b>	<b>-0.0</b>	<b>47.1</b>
Offset against deferred tax assets	-0.8	-2.1		0.0	-2.9
<b>Net deferred tax liabilities</b>	<b>45.0</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-0.0</b>	<b>44.3</b>
Deferred tax assets (+) / liabilities (-), net	-18.0				-18.5

\* 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. Associate 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 13.5 million (8.6) 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.

	<b>2013</b>	2012
Net profit attributable to the ordinary shareholders of the Parent company, EUR million	<b>93.7</b>	178.9
Number of shares	<b>81,905,242</b>	82,023,341
Weighted average number of shares outstanding	<b>81,905,242</b>	81,905,242
Earnings per share, EUR (basic)	<b>1.14</b>	2.18
Earnings per share, EUR (diluted)	<b>1.14</b>	2.18

# 11. Intangible assets

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
Transfers between asset groups						
Accumulated amortization, Dec 31	23.1	2.8	23.5	47.7		97.2
Net book value, Dec 31	<b>111.9</b>	<b>124.6</b>	<b>23.4</b>	<b>9.8</b>	<b>13.3</b>	<b>282.9</b>

Investment commitments for intangible assets

**3.6**

2012

EUR million	Goodwill	Trademarks, patents and domain names	Software	Other intangible assets	Construction in progress	Total
Historical cost, Jan 1	110.1	105.2	20.9	57.2	6.9	300.2
Translation differences	-0.8	-0.1	-0.4	0.9	-0.0	-0.3
Additions		0.2	7.0	0.2	12.5	19.9
Decreases			-0.1	-0.6	0.1	-0.6
Transfers between asset groups			0.9	0.8	-0.9	0.8
Historical cost, Dec 31	109.3	105.3	28.3	58.5	18.6	319.9
Accumulated amortization, Jan 1	21.4	2.6	19.7	43.3		86.9
Translation differences	-0.8	-0.0	-0.4	0.3		-0.8
Amortization for the period	-0.0	0.2	1.9	2.6		4.7
Decreases			-0.0	-0.4		-0.4
Transfers between asset groups			0.2	0.1		0.3
Accumulated amortization, Dec 31	20.7	2.7	21.3	46.0		90.6
Net book value, Dec 31	88.6	102.6	7.0	12.5	18.6	229.3

Investment commitments for intangible assets

3.3

## Impairment tests

Goodwill is not amortized but is tested at least annually for impairment.

Goodwill allocated to cash-generating units:

EUR million	2013	2012
Home, excl. Royal Copenhagen	73.7	73.8
Royal Copenhagen	27.4	
Garden	10.8	14.8
Total	111.9	88.6

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The business areas, which form the CGUs, are Home and Garden. Goodwill of Royal Copenhagen has been tested for impairment separately from the Home business area in 2013. From 2014 on, it will be tested as part of Home business area. 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.

An impairment of goodwill of EUR 3.7 million was made in Q3 2013 due to divesting of Fiskars UK Sankey business which was a part of Garden EMEA business area.

On the basis of the impairment calculations made, there has been no need for other impairment of goodwill for any CGU for the period ended December 31, 2012 and 2013.

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 indentifying revenues from sales of products belonging to each trademark. The carrying amounts of trademarks are 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, there has been no need for impairment of trademarks for the periods ended December 31, 2012 and 2013.

## Key parameters applied in impairment testing

%	2013		2012	
	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	8.1	9.4	8.2	9.5

\* 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. The recoverable amount of trademark Gingher currently exceeds its carrying amount of EUR 3.3 million by EUR 0.8 million, and an increase of 1.7 percentage point in pre-tax discount rate would result in the recoverable amount being equal to the carrying amount.

## 12. Property, plant and equipment

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 investment 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	<b>14.4</b>	<b>30.3</b>	<b>0.8</b>	<b>45.4</b>	<b>9.5</b>	<b>100.5</b>

Investment commitments for tangible assets

**3.1**

2012

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	16.5	52.5	14.6	167.2	4.3	255.0
Translation differences	0.0	0.4	-0.3	0.2	-0.0	0.3
Additions	0.0	1.0		3.3	8.6	12.9
Decreases	-0.0	-0.1		-10.1		-10.2
Transfers between asset groups	-0.0	2.2		4.2	-8.0	-1.6
Historical cost, Dec 31	16.4	56.0	14.3	164.8	4.9	256.4
Accumulated depreciation, Jan 1		27.4	12.2	121.0		160.6
Translation differences		0.0	-0.2	0.2		-0.0
Depreciation and impairment for the period		2.7	1.2	12.7		16.6
Decreases		-0.0	0.0	-9.9		-9.9
Transfers between asset groups		0.1		-0.9		-0.8
Accumulated depreciation, Dec 31		30.2	13.2	123.0		166.4
Net book value, Dec 31	16.4	25.8	1.1	41.8	4.9	90.0
Investment commitments for tangible assets						7.6

## 13. Biological assets

EUR million	2013	2012
Fair value, Jan 1	<b>41.2</b>	35.6
Increase due to growth	<b>1.8</b>	1.0
Change in fair value less estimated point-of-sale costs	<b>0.8</b>	1.0
Harvested timber	<b>-1.8</b>	-0.8
Stocktaking*		4.4
Fair value, Dec 31	<b>42.0</b>	41.2

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.

\* Resulting from the stocktaking, both the total amount of standing timber and the proportional amounts of different types of timber changed.

## 14. Investment property

EUR million	2013	2012
Historical cost, Jan 1	17.6	18.8
Translation differences	-0.3	-0.2
Decreases	-0.0	-1.0
Reclassification from property, plant and equipment	1.0	
Historical cost, Dec 31	18.2	17.6
Accumulated depreciation, Jan 1	12.1	12.6
Translation differences	-0.3	-0.1
Depreciation and impairment for the period	0.4	0.4
Decreases	-0.0	-0.7
Accumulated depreciation and impairment, Dec 31	12.2	12.1
Net book value, Dec 31	6.0	5.5

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, 2013.

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	2013	2012
Finland	5.3	4.6
USA	0.7	0.8
Total	6.0	5.5



# 15. Investments in associates

## Investments in associates

EUR million	2013	2012
Net book value, Jan 1	280.4	300.8
Decreases		-41.5
Share of profit	50.8	47.8
Dividends received	-25.6	-26.8
Share of other comprehensive income	-19.5	0.1
Net book value, Dec 31	286.1	280.4
Goodwill included in the net book value	46.4	46.4

Share of profit comprises the share of net profit in associate reduced with the EUR 25.6 million (26.8) dividends received. Share of other comprehensive income comprises changes in associated company's equity. In April 2012, Fiskars' then wholly owned subsidiary Avlis AB sold 13.8% of its Wärtsilä holding. Fiskars Group recorded a profit of around EUR 87.0 million in its 2012 results from the transaction.

## Summary of financial information on the associate

EUR million	2013	restated 2012
WÄRTSILÄ OYJ ABP		
Ownership -%	13.0	13.0
Assets	5,209	5,036
Liabilities	3,325	3,245
Equity	1,884	1,791
Net sales	4,654	4,725
Net profit	393	344

Fiskars' most important associate is Wärtsilä Corporation. Fiskars' ownership in Wärtsilä was 13.0% (13.0) of the shares and the votes. The shares are owned by Avlis AB of which 59.7% is owned by Fiskars. The rest of the shares in Avlis AB are owned by Investor AB, with which Fiskars Group agreed in February 2012 to join interests to create a strong long-term owner for Wärtsilä.

Fiskars is the largest single shareholder of Wärtsilä and Fiskars has significant influence through the number of members in the Board of Directors of Wärtsilä. Thus, Fiskars consolidates Wärtsilä as an associated company in accordance with IAS 28.

The market value of Wärtsilä shares owned by Fiskars as at December 31, 2013 amounted to EUR 917.2 million (839.0).

## 16. Financial assets

### Investments at fair value through profit and loss

EUR million	Level 1		Level 3	
	2013	2012	2013	2012
Book value, Jan 1			9.7	8.9
Acquisitions	0.3			
Additions			0.1	0.2
Decreases			-0.4	
Change in fair value through profit and loss			0.8	0.6
Book value, Dec 31	0.3		10.2	9.7

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). 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	2013	2012
Book value, Jan 1	0.8	1.2
Translation differences	-0.0	-0.0
Acquisitions	3.5	
Additions	0.3	0.0
Decreases	-0.8	-0.5
Other changes	0.0	0.0
Book value, Dec 31	3.9	0.8

Other investments 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	2013	2012
Cash at bank	9.7	16.4
Total, Dec 31	9.7	16.4

## 17. Inventories

EUR million	2013	2012
Raw materials and consumables	<b>20.2</b>	20.1
Work in progress	<b>9.2</b>	8.8
Finished goods	<b>111.7</b>	106.8
Advance payments	<b>0.2</b>	0.5
Gross value of inventories	<b>141.2</b>	136.2
Write-down to the carrying value of inventories	<b>-21.8</b>	-18.2
Total, Dec 31	<b>119.4</b>	118.0

## 18. Trade and other receivables

EUR million	2013	2012
Trade receivables	125.4	101.0
Derivatives		0.4
Other receivables	4.4	6.5
Prepaid expenses and accrued income	8.7	8.2
Total, Dec 31	138.5	116.0

### Aging of trade receivables

EUR million	2013	2012
Not fallen due	104.6	85.3
1–30 days past due	17.5	14.4
31–60 days past due	2.5	2.1
61–90 days past due	0.8	0.9
91–120 days past due	0.4	0.4
Over 120 days past due	3.9	1.1
Less provision for bad debts, Dec 31	-4.4	-3.2
Total, Dec 31	125.4	101.0

### Trade receivables in currencies

EUR million	2013	2012
Danish Kroner (DKK)	13.3	5.7
Euros (EUR)	46.1	37.8
Norwegian Kroner (NOK)	3.8	5.7
Swedish Kronas (SEK)	13.4	7.5
United Kingdom Pounds (GBP)	2.5	3.1
US Dollars (USD)	29.4	31.7
Other currencies	16.9	9.4
Total, Dec 31	125.4	101.0

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

	<b>2013</b>	2012	<b>2013</b>	2012
	pcs 1,000	pcs 1,000	EUR million	EUR million
Share capital				
Jan 1	82,023.3	82,023.3	77.5	77.5
Cancellation of treasury shares	-118.1			
Share capital, Dec 31	<b>81,905.2</b>	82,023.3	<b>77.5</b>	77.5

	<b>2013</b>	2012	<b>2013</b>	2012
	pcs 1,000	pcs 1,000	EUR million	EUR million
Treasury shares				
Jan 1	118.1	118.1	0.9	0.9
Cancellation	-118.1		-0.9	
Treasury shares, Dec 31	<b>0.0</b>	118.1	<b>0.0</b>	0.9

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

	<b>Dec 31, 2013</b>			Dec 31, 2012		
	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	82,023,341	82,023,341	77,510,200
Total	<b>81,905,242</b>	<b>81,905,242</b>	<b>77,510,200</b>	82,023,341	82,023,341	77,510,200

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

## 20. Finance

### Non-current interest bearing debt

EUR million	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Loans from credit institutions	<b>52.6</b>	<b>52.6</b>	63.9	63.9
Financial leasing debt	<b>3.6</b>	<b>3.6</b>	5.5	5.5
Total, Dec 31	<b>56.2</b>	<b>56.2</b>	69.3	69.3

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	2013	2012
Finance lease liabilities are payable as follows:		
Less than one year	<b>2.1</b>	2.1
Between one and five years	<b>3.8</b>	5.0
More than five years	<b>0.3</b>	1.4
Minimum lease payments in total	<b>6.2</b>	8.5

EUR million	2013	2012
Minimum lease payments, principal:		
Less than one year	<b>1.7</b>	1.6
Between one and five years	<b>3.3</b>	4.1
More than five years	<b>0.3</b>	1.3
Present value of minimum finance lease payments	<b>5.2</b>	7.1

Future finance charges	<b>0.9</b>	1.5
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### Current interest bearing debt

EUR million	2013		2012	
	Fair value	Carrying amount	Fair value	Carrying amount
Bank overdrafts	<b>12.0</b>	<b>12.0</b>	12.9	12.9
Loans from credit institutions	<b>10.9</b>	<b>10.9</b>		
Commercial papers	<b>79.9</b>	<b>79.9</b>	5.0	5.0
Financial leasing debt	<b>1.7</b>	<b>1.7</b>	1.6	1.6
Other	<b>4.4</b>	<b>4.4</b>	0.9	0.9
Total, Dec 31	<b>108.8</b>	<b>108.8</b>	20.4	20.4

## Maturity of liabilities

As of December 31, 2013 the Group has unused credit facilities EUR 450 million (430) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2013 was 3.7 years (2.9). 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.

### 2013

EUR million	2014	2015	2016	2017	2018	Later years	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
<b>Total, Dec 31</b>	<b>172.9</b>	<b>25.5</b>	<b>2.0</b>	<b>1.1</b>	<b>30.7</b>	<b>0.3</b>	<b>232.4</b>
	74.5%	10.9%	0.8%	0.5%	13.2%	0.1%	100.0%

### 2012

EUR million	2013	2014	2015	2016	2017	Later years	Total
Bank overdrafts	12.9						12.9
Commercial papers	5.0						5.0
interests	0.0						0.0
Other debt	0.9						0.9
Loans from credit institutions		11.4	22.5			30.0	63.9
interests	1.0	1.5	1.2	0.7	0.7	0.4	5.6
Financial leasing	1.6	1.7	1.1	0.7	0.6	1.3	7.1
interests	0.5	0.4	0.3	0.1	0.1	0.0	1.5
Trade payables	49.7						49.7
Derivative liabilities	0.2	0.1	1.3			0.6	2.3
<b>Total, Dec 31</b>	<b>71.9</b>	<b>15.1</b>	<b>26.4</b>	<b>1.6</b>	<b>1.4</b>	<b>32.4</b>	<b>148.8</b>
	48.3%	10.2%	17.8%	1.0%	0.9%	21.8%	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.

EUR million	2013			2012		
	Impact on result before taxes			Impact on result before taxes		
	Estimated commercial cash flows	Other financial items	Impact on group equity	Estimated commercial cash flows	Other financial items	Impact on group equity
GBP	-0.9	0.9	2.4	-0.5	0.5	1.3
JPY	-0.8	0.8	-0.9			
NOK	-1.5	1.5	-1.2	-1.5	1.5	-1.9
SEK	-2.3	2.3	-3.0	-2.0	2.1	-2.1
THB	1.4	-1.4	-0.3	0.7	-0.7	0.0
USD	2.8	-2.8	-6.0	2.7	-2.8	-3.5

## 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, 2013 was EUR 152.6 million (72.4) and the average interest reset period was 14 months (11). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 0.8 million (0.3) 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.

### 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

### 2012

EUR million	EUR	USD	GBP	DKK	Other	Total
External loans and deposits	52.1	26.8	0.2	1.1	-7.8	72.4
Currency derivatives	-4.0	-37.5	26.3	0.0	14.8	-0.4
Net debt and currency derivatives	48.1	-10.7	26.6	1.6	6.6	72.0
Average interest rate on loans (p.a.)	1.8%	3.0%				2.2%
Interest rate sensitivity	0.1	-0.2	0.3	0.0	0.0	0.3



## Nominal amounts of derivatives

EUR million	2013	2012
Derivatives not designated in hedge accounting:		
Forward exchange contracts	197.1	107.4
Electricity forward agreements	1.8	2.9
Interest rate swaps	13.4	
Cash flow hedges:		
Interest rate swaps	42.5	32.5

## Fair value of derivatives

EUR million	2013	2012
Derivatives not designated in hedge accounting:		
Forward exchange contracts	-0.6	0.4
Electricity forward agreements	-0.4	-0.4
Interest rate swaps	-1.2	
Cash flow hedges:		
Interest rate swaps	-1.3	-1.9

The fair values of derivatives have 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

### 2013

EUR million	2014	2015	Later years	Total
Forward exchange contracts	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

### 2012

EUR million	2013	2014	Later years	Total
Forward exchange contracts	107.4			107.4
Electricity forward agreements	1.1	0.9	0.9	2.9
Interest rate swaps			32.5	32.5
Total, Dec 31	108.5	0.9	33.4	142.8

## Fair value of financial instruments

### 2013

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

### 2012

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			9.7	9.7
Other investments			0.8	0.8
Derivative assets		0.4		0.4
Total assets		0.4	10.5	10.9
Derivative liabilities		2.3		2.3
Total liabilities		2.3		2.3

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

## Financial risk management

Financial risks are managed by 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. Derivatives are used solely for hedging purposes.

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 2013 would have been EUR 0.9 million above the reported figure (0.6 million above).

## **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 2013 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, 2013 the nominal amount of outstanding interest rate derivatives was EUR 55.9 million (32.5).

The Group's interest-bearing net debt as of December 31, 2013 was EUR 152.6 million (72.4). 61% (44%) of the net debt was linked to variable interest rates and including effect from interest rates derivatives 39% (56%) to fixed interest rates. The average interest rate reset period of interest-bearing debt was 14 months (11).

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 the net debt during the year. The calculated impact on the consolidated result before tax would be EUR 0.8 million (0.3) in 2014.

## 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 466.0 million (442.1). 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 80.0 million (5.0) 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. As of the end of the year, the Group held no commodity derivative contracts other than electricity futures with a nominal value of EUR 1.8 million (2.9) recognized at market 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 125.1 million (101.0), and the financial statements include provisions for bad debts related to sales receivables totaling EUR 4.4 million (3.2).

## Management of capital

Fiskars is not subject to any externally imposed capital requirements (other than eventual 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. 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 2014 to be EUR 1.1 million.

EUR million	2013	2012
Liabilities for post-employment benefits*	2.7	1.6
Defined benefit pension liabilities**	5.9	5.7
Pension liability total	8.6	7.3

\* The liabilities for post-employment benefits: Italy EUR 1.3 (1.3) and Other 1.4 (0.3) million.

\*\* The defined benefit liabilities consist of Germany EUR 1.2 (1.3), Norway -0.1 (-0.8), UK 0.0 (-0.2), USA 4.5 (5.2), Finland 0.1 (0.2) million and Thailand 0.1 million.

### Amounts as of December 31

EUR million	2013	2012	2011	2010	2009
Defined Benefit Obligation	20.1	25.2	26.1	26.4	27.1
Plan assets*	14.3	19.5	19.6	19.7	20.0
Deficit/(Surplus) in the plan	5.9	5.7	6.5	6.7	7.1

\* Not including the surplus of EUR 2.2 million in UK due to asset ceiling in year 2013.

### Characteristics of the defined benefit plans and risks associated with them

Plan	Description and risks
Finland	There are 50 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 404 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 18 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 EUR 2.2 million at end of 2013, 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 asset volatility, changes in bond yields, increase in life expectancy and inflation risk.
USA	There is 1 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 Defined Benefit Obligation and Plan Assets:

EUR million	2013	2012
Change in defined benefit obligation:		
Defined benefit obligation at the beginning of the year	<b>25.2</b>	26.1
Translation difference	<b>-1.1</b>	0.5
Service cost	<b>0.0</b>	0.0
Interest cost	<b>0.9</b>	1.0
Actuarial (gain)/loss, total, arising from:	<b>-0.3</b>	1.8
Demographic assumptions	<b>0.0</b>	0.1
Financial assumptions	<b>0.2</b>	1.7
Experience assumptions	<b>-0.5</b>	-0.0
Settlements	<b>-3.7</b>	-2.7
Other changes	<b>0.1</b>	-0.0
Benefits paid	<b>-1.0</b>	-1.6
Defined benefit obligation, Dec 31	<b>20.1</b>	25.2
Changes in plan assets:		
Fair value of plan assets at the beginning of the year	<b>19.5</b>	19.6
Translation difference	<b>-1.0</b>	0.6
Interest on plan assets	<b>0.7</b>	0.9
Return on plan assets excluding interest income	<b>1.6</b>	0.4
Benefits paid	<b>-1.0</b>	-1.6
Employer contributions	<b>1.1</b>	1.2
Settlements	<b>-4.2</b>	-1.3
Other changes	<b>-0.2</b>	-0.4
Fair value of plan assets, Dec 31	<b>16.5</b>	19.5

## Amounts recognized in the balance sheet

EUR million	2013	2012
Defined Benefit Obligation	<b>-20.1</b>	-25.2
Defined Benefit Obligation that is Wholly Unfunded	<b>-5.8</b>	-6.7
Defined Benefit Obligation that is Wholly or Partly Funded	<b>-14.3</b>	-18.5
Fair Value of Plan Assets	<b>16.5</b>	19.5
Funded Status	<b>-3.6</b>	-5.7
Unrecognised asset due to asset ceiling	<b>-2.2</b>	
Net defined pension benefit liability at Dec 31	<b>-5.9</b>	-5.7

## Amounts recognized in the income statement

EUR million	2013	2012
Service cost	<b>-0.6</b>	-0.8
Net interest cost	<b>-0.2</b>	0.1
Administration cost	<b>-0.0</b>	
Total	<b>-0.8</b>	-0.7

## Amounts recognized directly in other comprehensive income

EUR million	2013	2012
Actuarial gain/(loss)	<b>0.3</b>	-1.2
Return on plan assets excluding interest income	<b>1.6</b>	0.4
Unrecognized asset due to asset ceiling	<b>-2.2</b>	
	<b>-0.2</b>	-0.8
Deferred tax on changes in obligations and assets	<b>0.0</b>	0.3
Change recognized in associated company net of tax	<b>-5.6</b>	-1.0
Total	<b>-5.8</b>	-1.6

## Plan assets by asset category

### 2013

EUR thousand	UK	Norway	Finland	Total
Equity instruments	13,568	59		<b>13,627</b>
Bonds	1,893	333		<b>2,226</b>
Property	237	64		<b>301</b>
Insurance contracts			206	<b>206</b>
Cash and cash equivalents		54		<b>54</b>
Other	79	27		<b>106</b>
<b>Total</b>	<b>15,777</b>	<b>537</b>	<b>206</b>	<b>16,520</b>

### 2012

EUR thousand	UK	Norway	Finland	Total
Equity instruments	9,279	1,017		10,296
Bonds	3,049	3,229		6,278
Property	265	897		1,162
Insurance contracts			231	231
Cash and cash equivalents		598		598
Other	663	239		902
Total	13,256	5,980	231	19,467

## Principal actuarial assumptions at the balance sheet date

Discount rate		
%	<b>2013</b>	2012
Great Britain	<b>4.3</b>	4.4
Germany	<b>3.2</b>	3.0
Finland	<b>3.4</b>	3.0
United States	<b>4.0</b>	3.1
Norway	<b>4.1</b>	2.2
Thailand	<b>4.8</b>	
Inflation rate		
%	<b>2013</b>	2012
Great Britain	<b>3.4</b>	2.8
Germany	<b>2.0</b>	2.0
Finland	<b>2.0</b>	2.0
United States	<b>n/a</b>	n/a
Norway	<b>1.8</b>	1.8
Thailand	<b>5.0</b>	
Future salary increases		
%	<b>2013</b>	2012
Great Britain	<b>n/a</b>	n/a
Germany	<b>0.0</b>	0.0
Finland	<b>2.5</b>	2.5
United States	<b>n/a</b>	n/a
Norway	<b>3.8</b>	3.3
Thailand	<b>6.0</b>	
Future pension increases		
%	<b>2013</b>	2012
Great Britain	<b>0-3.35</b>	0-2.75
Germany	<b>2.0</b>	2.0
Finland	<b>2.1</b>	2.1
United States	<b>0.0</b>	0.0
Norway	<b>0.6</b>	0.0
Thailand	<b>n/a</b>	



## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation as shown below. Sensitivity analysis is presented for Fiskars group and the relevant entities relating to risks.

EUR thousand	Dec 31, 2013	
	Increase	Decrease
Defined benefit obligation		
Great Britain		
Discount rate (0.5% change)	-555	596
Future salary (0.5% change)		
Future pension (0.25% change)	338	-325
Mortality (5% change)	-189	203
Duration of the Defined benefit obligation: 18.0		
United States		
Discount rate (0.5% change)	-190	203
Future salary (0.5% change)		
Future pension (0.25% change)		
Mortality (5% change)	-63	63
Duration of the Defined benefit obligation: 8.4		
Other Fiskars, total		
Discount rate (0.5% change)	-108	118
Future salary (0.5% change)	16	-15
Future pension (0.25% change)	38	-37
Mortality (5% change)	-36	38
Fiskars, total		
Discount rate (0.5% change)	-846	906
Future salary (0.5% change)	20	-20
Future pension (0.25% change)	383	-363
Mortality (5% change)	-282	302
The weighted average of the duration of the defined benefit obligation: 15.1		

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

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	<b>1.3</b>	<b>1.2</b>	<b>3.5</b>	<b>5.9</b>

### 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	<b>2.6</b>	<b>2.0</b>	<b>0.7</b>	<b>5.2</b>

## Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	0.9	2.4	2.4	5.6
Translation differences	0.0	0.0	0.0	0.1
Additions	0.1	0.1	0.1	0.2
Used provisions		-1.5	-0.1	-1.6
Change in estimates	-0.1			-0.1
Reversals			-0.3	-0.3
Provisions, Dec 31	0.8	1.0	2.1	3.9

## Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.0	0.6	0.5	2.1
Translation differences	-0.0	-0.0	-0.0	-0.0
Additions	0.2	1.2	0.4	1.8
Used provisions	-0.1	-1.1		-1.2
Change in estimates				0.0
Reversals		-0.1		-0.1
Provisions, Dec 31	1.1	0.6	0.9	2.6

## 23. Trade and other payables

EUR million	2013	2012
Trade payables	<b>61.2</b>	49.7
Other debt	<b>16.1</b>	12.9
Accrued expenses and deferred income:		
Interest payable	<b>1.4</b>	1.4
Wages, salaries and social costs	<b>33.1</b>	32.0
Customer rebates and commissions	<b>25.8</b>	23.5
Other	<b>34.4</b>	37.1
Total, Dec 31	<b>172.0</b>	156.6

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	2013	2012
Payments next year	18.2	12.8
Payments between one and five years	32.9	25.6
Payments later	2.6	2.9
Total, Dec 31	53.8	41.3

### Contingencies and pledged assets

EUR million	2013	2012
Guarantees as security for subsidiaries' commitments	13.9	12.2
Lease commitments	53.8	41.3
Other contingencies	2.8	1.8
Total pledged assets and contingencies, Dec 31	70.5	55.2

### Litigation

Fiskars is involved in a number of legal actions, claims and other proceedings. The final outcome of these matters cannot be predicted.

Taking into account all available information to date the outcome is not expected to have material impact on the financial position of the Group.

## 25. Related party transactions

Fiskars has no significant transactions, liabilities or receivables with its associated company, Wärtsilä. The dividend from Wärtsilä EUR 25.6 million (26.8), has been reported as Dividends from associate in the Consolidated Statement of Cash Flows. The dividend was received in the first quarter of 2013. Fiskars Home Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception.

EUR million	2013	2012
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.

	2013			2012		
	Own holdings	Holdings of controlled corporations	Total	Own holdings	Holdings of controlled corporations	Total
Bergh Kaj-Gustaf	5,000		5,000	5,000		5,000
Böer Ralf	5,677		5,677	5,677		5,677
Ehrnrooth Alexander	1,630,000	10,275,000	11,905,000	1,625,000	10,227,000	11,852,000
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
Slotte Karsten	1,000		1,000	1,000		1,000
Suominen Jukka	1,500		1,500	1,500		1,500
Alfthan Max	3,300		3,300	2,500		2,500
Ariluoma-Hämäläinen Nina*	0		0			
Gaggl Risto**	0		0	0		0
Karlsson Jutta	0		0	0		0
Kauniskangas Kari	28,897		28,897	28,897		28,897
Pitkänen Ilkka***	1,750		1,750	1,750		1,750
Westerlund Frans*	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 41.8% of the outstanding shares of the company.

\* Member of the Executive board as of September 16, 2013.

\*\* Member of the Executive board as of November 20, 2012.

\*\*\* Member of the Executive board as of August 27, 2012.

## Remuneration of the Board and key management

EUR thousand	2013			2012		
	Salaries and fees	Statutory pension	Supplementary pension*	Salaries and fees	Statutory pension	Supplementary pension*
Bergh Kaj-Gustaf	<b>104.2</b>			98.4		
Böer Ralf	<b>53.2</b>			49.0		
Ehrnrooth Alexander	<b>68.8</b>			66.7		
Ehrnrooth Paul	<b>68.8</b>			66.1		
Fromond Louise	<b>47.8</b>			49.9		
Gripenberg Gustaf	<b>49.8</b>			52.5		
Jonasson Blank Ingrid	<b>53.2</b>			49.0		
Slotte Karsten	<b>47.2</b>			46.6		
Suominen Jukka	<b>47.8</b>			49.0		
Kauniskangas Kari	<b>891.7</b>	<b>163.1</b>	<b>80.7</b>	751.3	169.3	78.0
Executive board excl. President & CEO	<b>1,306.9</b>	<b>192.0</b>	<b>142.5</b>	1,032.2	225.0	98.7
<b>Total</b>	<b>2,739.4</b>	<b>355.1</b>	<b>223.2</b>	2,310.5	394.3	176.7

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
iittala BV	Oosterhout	NL	100.0	100.0	S
iittala Limited	Windsor Berkshire	GB	0.5	0.5	D
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
iittala Limited	Windsor Berkshire	GB	99.5	99.5	D
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
Excalibur Management Consulting (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 (USA) Inc	Poughkeepsie	US	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



RC Heritage Center Ltd, Thailand	Saraburi	TH	100.0	100.0	P
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
Fiskars Limited	Bridgend	GB	100.0	100.0	D
Kitchen Devils Limited	Bridgend	GB	100.0	100.0	D
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
Fiskars Services Oy Ab	Helsinki	FI	100.0	100.0	H
Inha Works Ltd.	Ähtäri	FI	100.0	100.0	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

## Shares in associates

	Number of shares	Domicile		% of share capital	% of voting power
Wärtsilä Corporation	25,641,347	Helsinki	FI	13.0	13.0

# FINANCIAL INDICATORS

## Five years in figures

		2013	2012	2011	2010	2009
Net sales	EUR million	<b>798.6</b>	747.8	742.5	715.9	660.3
of which outside Finland	EUR million	<b>657.6</b>	579.1	568.5	549.9	518.7
in percent of net sales	%	<b>82.3</b>	77.4	76.6	76.8	78.6
export from Finland	EUR million	<b>66.2</b>	54.5	69.1	77.9	89.3
Percentage change of net sales	%	<b>6.8</b>	0.7	3.7	8.4	-5.3
Gross profit	EUR million	<b>323.2</b>	274.6	259.2	253.6	221.1
in percent of net sales	%	<b>40.5</b>	36.7	34.9	35.4	33.5
Operating profit (EBIT)	EUR million	<b>61.0</b>	63.9	52.8	49.1	39.5
in percent of net sales	%	<b>7.6</b>	8.5	7.1	6.9	6.0
Operating profit excluding non-recurring items	EUR million	<b>74</b>	63	62	60	40
Share of profit from associates	EUR million	<b>50.8</b>	47.8	42.7	65.9	66.5
Change in fair value of biological assets	EUR million	<b>0.7</b>	5.6	-1.0	-2.2	-0.4
Financial items net	EUR million	<b>-4.2</b>	83.2	67.4	-6.3	-14.2
in percent of net sales	%	<b>-0.5</b>	11.1	9.1	-0.9	-2.2
Profit before taxes	EUR million	<b>108.3</b>	200.4	161.8	106.7	91.4
in percent of net sales	%	<b>13.6</b>	26.8	21.8	14.9	13.8
Income tax (continuing operations)	EUR million	<b>-14.3</b>	-21.5	-5.5	-12.4	-7.9
Profit for the period attributable to the equity holders of the company	EUR million	<b>93.7</b>	178.9	156.3	94.3	83.5
in percent of net sales	%	<b>11.7</b>	23.9	21.1	13.2	12.7
Non-controlling interests' share of profit	EUR million	<b>0.3</b>				-0.0
Employee benefits	EUR million	<b>202.1</b>	173.3	171.7	172.8	165.3
Depreciation, amortization and impairment	EUR million	<b>29.2</b>	21.9	21.5	34.9	28.1
in percent of net sales	%	<b>3.7</b>	2.9	2.9	4.9	4.3
Cash flow from operating activities	EUR million	<b>81.0</b>	95.0	107.4	92.6	121.0
Capital expenditure (incl. acquisitions)	EUR million	<b>37.5</b>	32.7	24.4	18.5	14.5
in percent of net sales	%	<b>4.7</b>	4.4	3.3	2.6	2.2
Research and development costs in income statement	EUR million	<b>13.3</b>	10.3	8.6	8.5	8.9
in percent of net sales	%	<b>1.7</b>	1.4	1.2	1.2	1.3
Capitalized development costs	EUR million	<b>0.7</b>	1.1	1.5	1.3	0.4
Equity attributable to equity holders of the company	EUR million	<b>631.8</b>	618.9	554.3	553.5	504.8
Non-controlling interest	EUR million	<b>0.9</b>				
Equity total	EUR million	<b>632.7</b>	618.9	554.3	553.5	504.8
Net interest bearing liabilities	EUR million	<b>152.6</b>	72.4	150.8	200.0	235.7
Working capital	EUR million	<b>88.3</b>	71.4	82.7	101.2	102.6
Balance sheet total	EUR million	<b>1,039.1</b>	935.4	940.2	979.0	973.3
Return on investment	%	<b>15.1</b>	28.9	22.6	14.8	13.6
Return on equity	%	<b>15.0</b>	30.5	28.2	17.8	17.6
Equity ratio	%	<b>60.9</b>	66.2	59.0	56.5	51.9
Net gearing	%	<b>24.1</b>	11.7	27.2	36.1	46.7
Personnel (FTE), average		<b>4,087</b>	3,364	3,545	3,612	3,867
Personnel, end of period		<b>4,330</b>	3,449	3,574	3,944	3,742
of which outside Finland		<b>2,748</b>	1,839	2,072	1,904	2,111

## Share related figures

		2013	2012	2011	2010	2009
Share capital	EUR million	<b>77.5</b>	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR/share	<b>1.14</b>	2.18	1.91	1.15	1.05
continuing operations	EUR/share	<b>1.14</b>	2.18	1.91	1.15	1.05
Dividend per share*	EUR/share	<b>0.67*</b>	0.65	1.37	1.90	0.52
Dividend	EUR million	<b>54.9</b>	53.2	112.2	155.6	42.6
Equity per share	EUR/share	<b>7.71</b>	7.56	6.77	6.76	6.16
Adjusted average price	EUR/share	<b>18.20</b>	16.00	16.92	13.94	8.25
Adjusted lowest price per share	EUR/share	<b>16.20</b>	13.60	10.99	10.52	5.32
Adjusted highest price per share	EUR/share	<b>19.70</b>	17.49	22.05	17.45	11.10
Adjusted price per share, Dec 31	EUR/share	<b>19.55</b>	16.69	13.94	17.33	10.62
Market value of shares	EUR million	<b>1,601.2</b>	1,367.0	1,141.8	1,419.5	869.9
Number of shares, 1,000 pcs		<b>81,905.2</b>	82,023.3	82,023.3	82,023.3	82,023.3
Number of treasury shares, 1,000 pcs			118.1	118.1	112.6	112.6
Number of shares traded, 1,000 pcs		<b>3,042.1</b>	4,883.3	5,730.3	6,626.0	4,406.8
Price per earnings		<b>17.1</b>	7.7	7.3	15.1	10.1
Dividend per earnings in percent		<b>58.8</b>	29.8	71.9	165.3	51.0
Dividend yield in percent		<b>3.4</b>	3.9	9.8	11.0	4.9
Number of shareholders, Dec 31		<b>16,352</b>	16,148	15,339	12,213	11,916

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

# SHARES

## Information on the share

Fiskars Corporation's shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. 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 2013 was 81,905,242 (82,023,341). The share capital remained unchanged in 2013 at EUR 77,510,200.

## Share details

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Market	NASDAQ OMX 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, 2013	81,905,242

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## Fiskars share price

EUR, Jan 1, 2009—Dec 31, 2013



## Treasury shares

In February 2013, the Board of Directors decided that all 118,099 treasury shares held by the company, equaling 0.14% of the shares of the company, would be cancelled. The cancellation did not affect the company's share capital.

The cancellation was registered with the Finnish Trade Register on February 7, 2013, after which the number of Fiskars' shares and votes now totals 81,905,242.

## Board authorizations

The Annual General Meeting decided to authorize the Board to acquire a maximum of 4,000,000 Fiskars' own shares and convey a maximum of 4,000,000 Fiskars' own shares. The Board may also decide on the acquisition and conveyance of shares in derogation of the pre-emptive right of shareholders to company shares. Both authorizations will remain in force until June 30, 2014.

## Changes in the number of shares, 2009–2013

	Total
Total shares, Dec 31, 2009	82,023,341
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
Treasury shares	0

# SHAREHOLDERS

Fiskars Corporation had 16,352 (16,148) shareholders as of the end of the year. Approximately 2.1% (2.1) of the share capital was owned by foreign or nominee-registered shareholders.

## Management shareholding

On December 31, 2013, 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 34,255,529 shares corresponding to 41.8% of the Company's shares and votes. The Company did not have any share option programs.

## Share ownership, December 31, 2013

	Number of shareholders	%	Number of shares and votes	%
Private companies	615	3.76	32,298,251	39.43
Financial and insurance institutions	27	0.17	1,698,158	2.08
Public sector organizations	11	0.07	4,382,010	5.35
Households	15,372	94.01	31,516,238	38.48
Non-profit organizations	212	1.30	10,319,461	12.60
Foreigners	115	0.70	435,229	0.53
Nominee registered			1,255,895	1.53
Total	16,352	100.00	81,905,242	100.00

## Distribution of shares, December 31, 2013

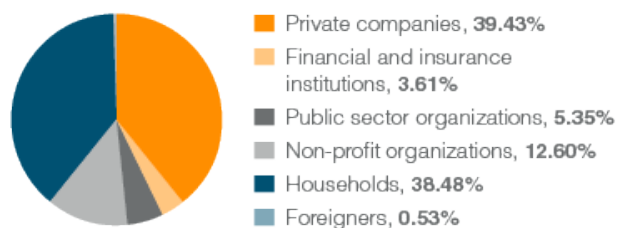
Number of shares	Number of shareholders	%	Number of shares and votes	%
1–100	5,862	35.85	344,139	0.42
101–500	6,392	39.09	1,689,420	2.06
501–1,000	1,869	11.43	1,439,904	1.76
1,001–10,000	1,933	11.82	5,334,416	6.51
10,001–100,000	225	1.38	5,833,348	7.12
100,001–1,000,000	57	0.35	18,895,016	23.07
1,000,001–	14	0.09	48,368,999	59.06
Total	16,352	100.00	81,905,242	100.00

## Major shareholders, December 31, 2013

		Total shares	% of shares and votes
1	Virala Oy Ab	10,275,000	12.55
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	Sophie von Julins Foundation	2,551,791	3.12
6	Varma Mutual Pension Insurance Company	2,469,326	3.01
7	Oy Julius Tallberg Ab	2,408,049	2.94
8	Ehrnrooth Albert	1,630,372	1.99
9	Ehrnrooth Alexander	1,630,000	1.99
10	Ehrnrooth Jacob	1,626,929	1.99
11	Fromond Elsa	1,623,926	1.98
12	Ehrnrooth Sophia	1,536,230	1.88
13	Ilmarinen Mutual Pension Insurance Company	1,525,871	1.86
14	Stiftelsen för Åbo Akademi	1,012,929	1.24
15	Wrede Sophie	821,790	1.00
16	Hartwall Peter	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	628,679	0.77
20 major shareholders		52,652,648	64.28

### Shareholders, 31 Dec 2013

%





# PARENT COMPANY FINANCIAL STATEMENTS, FAS

## Parent company income statement

EUR	Note	2013		2012	
Net sales	2	25,152,433.21		25,962,621.01	
Cost of goods sold	4	-3,395,767.13		-3,927,128.83	
<b>Gross profit</b>		<b>21,756,666.08</b>	<b>86%</b>	22,035,492.18	85%
Administration expenses	4	-15,408,460.72		-18,796,184.84	
Other operating income	3	60,620.46		225,550.48	
Other operating expenses	4	-24,720.35		-17,506.59	
<b>Operating profit</b>		<b>6,384,105.47</b>	<b>25%</b>	3,447,351.23	13%
Financial income and expenses	7	81,948,269.76		428,965,488.50	
<b>Profit (loss) before extraordinary items</b>		<b>88,332,375.23</b>		432,412,839.73	
Extraordinary items	8	13,431,400.00		13,981,208.03	
<b>Profit (loss) before appropriations and taxes</b>		<b>101,763,775.23</b>		446,394,047.76	
Appropriations		216,548.03		402,847.14	
Income taxes	9	-5,031,426.66		-4,564,796.68	
<b>Profit (loss) for the period</b>		<b>96,948,896.60</b>		442,232,098.22	

# Parent company balance sheet

EUR	Note	Dec 31, 2013	Dec 31, 2012
<b>Assets</b>			
NON-CURRENT ASSETS			
Intangible assets	10	523,280.91	492,794.31
Tangible assets	11		
Land and water		15,487,691.33	15,456,681.34
Buildings		13,604,856.42	13,983,471.06
Machinery and equipment		1,316,347.96	1,233,656.44
Construction in progress		515,135.27	462,376.38
Tangible assets total		30,924,030.98	31,136,185.22
Investments	12		
Holdings in subsidiaries		827,309,797.36	880,487,444.36
Receivables from subsidiaries		3,700,000.00	2,174,300.00
Other shares		6,057,492.53	6,326,313.57
Investments total		837,067,289.89	888,988,057.93
<b>Non-current assets total</b>		<b>868,514,601.78</b>	<b>920,617,037.46</b>
		<b>76%</b>	<b>81%</b>
CURRENT ASSETS			
Inventories	13	172,436.75	166,910.78
Non-current loan receivables		17,805.22	22,805.22
Current receivables			
Trade receivables		105,957.62	163,060.08
Receivables from subsidiaries	14	272,595,762.36	218,605,412.76
Other receivables		88,850.32	144,734.56
Prepayments and accrued income	15	1,614,373.50	1,352,879.21
Current receivables total		274,404,943.80	220,266,086.61
Cash and cash equivalents	16	1,704,278.84	1,629,990.00
<b>Current assets total</b>		<b>276,299,464.61</b>	<b>222,085,792.61</b>
		<b>24%</b>	<b>19%</b>
<b>Assets total</b>		<b>1,144,814,066.39</b>	<b>1,142,702,830.07</b>
		<b>100%</b>	<b>100%</b>

## Shareholders' equity and liabilities

SHAREHOLDERS' EQUITY	17				
Share capital		77,510,200.00		77,510,200.00	
Revaluation reserve		3,789,720.00		3,789,720.00	
Treasury shares		0.00		-864,706.21	
Other reserves		3,204,313.18		3,204,313.18	
Retained earnings		725,556,878.09		337,427,893.38	
Profit (loss) for the financial year		96,948,896.60		442,232,098.22	
<b>Shareholders' equity total</b>		<b>907,010,007.87</b>	<b>79%</b>	863,299,518.57	76%
APPROPRIATIONS	18	406,365.81		622,913.84	
LIABILITIES					
Non-current	19				
Loans from credit institutions		52,499,658.69		63,868,804.00	
Non-current liabilities total		52,499,658.69		63,868,804.00	
Current					
Loans from credit institutions		100,621,583.70		15,621,992.49	
Trade payables		891,213.50		485,350.16	
Liabilities to subsidiaries	20	75,001,789.66		190,678,343.45	
Income tax payable		1,934,028.63		1,022,583.06	
Other payables		3,443,461.83		3,192,240.47	
Accruals and deferred income	21	3,005,956.70		3,911,084.03	
Current liabilities total		184,898,034.02		214,911,593.66	
<b>Liabilities total</b>		<b>237,397,692.71</b>	<b>21%</b>	278,780,397.66	24%
<b>Shareholders' equity and liabilities total</b>		<b>1,144,814,066.39</b>	<b>100%</b>	1,142,702,830.07	100%

# Parent company statement of cash flows

EUR	2013	2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit (loss) before extraordinary items, appropriations and taxes	<b>101,775,754.76</b>	446,394,047.76
Adjustments for		
Depreciation, amortization and impairment	<b>1,410,224.51</b>	1,616,884.47
Investment income	<b>-35,346.87</b>	-115,273.50
Interest income and dividends	<b>-91,294,133.15</b>	-63,453,940.33
Interest expenses	<b>9,345,863.39</b>	3,638,451.83
Change in provisions and other non-cash items	<b>-13,431,400.00</b>	-383,116,291.26
Cash flow before changes in working capital	<b>7,770,962.64</b>	4,963,878.97
Changes in working capital		
Change in current assets, non-interest bearing	<b>-489,221.57</b>	808,256.51
Change in inventories	<b>-5,525.97</b>	67,558.21
Change in current liabilities, non-interest bearing	<b>2,229,623.05</b>	-5,763,324.04
Cash flow from operating activities before financial items and taxes	<b>9,505,838.15</b>	76,369.65
Dividends received	<b>17,900,075.00</b>	60,302,231.32
Financial income received	<b>3,723,963.06</b>	2,747,212.84
Financial expenses paid	<b>-3,519,162.65</b>	-4,053,880.75
Taxes paid	<b>-4,119,981.09</b>	-1,551,213.62
<b>Cash flow from operating activities (A)</b>	<b>23,490,732.47</b>	57,520,719.44
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Repayment of equity from subsidiaries	<b>122,641,347.00</b>	81,068,283.68
Investments in financial assets	<b>-107,156.25</b>	-207,373.61
Investments in property, plant & equipment	<b>-1,271,234.50</b>	-803,316.48
Proceeds from sale of property, plant & equipment and other investments	<b>78,024.50</b>	151,915.70
Sale of other holdings	<b>375,977.29</b>	311.09
Change in long term loan receivables	<b>-1,520,700.00</b>	2,997,936.66
<b>Cash flow from investing activities (B)</b>	<b>120,196,258.04</b>	83,207,757.04
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in current debt	<b>-39,623,661.44</b>	-64,429,668.40
Change in current receivables	<b>-64,742,945.56</b>	32,362,528.84
Dividends paid	<b>-53,227,302.70</b>	-112,186,960.94
Group contribution received/paid	<b>13,981,208.03</b>	4,667,800.00
<b>Cash flow from financing activities (C)</b>	<b>-143,612,701.67</b>	-139,586,300.50
<b>Change in cash and cash equivalents (A+B+C)</b>	<b>74,288.84</b>	1,142,175.98
Cash and cash equivalents at beginning of period	<b>1,629,990.00</b>	487,814.02
Cash and cash equivalents at end of period	<b>1,704,278.84</b>	1,629,990.00

# 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. 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.

### **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:

● Long-term expenditure	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.

## **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	2013	2012
Royalties	<b>19,427,672.10</b>	20,933,236.43
Lease income	<b>3,180,797.22</b>	2,986,836.26
Other	<b>2,543,963.89</b>	2,042,548.32
Total	<b>25,152,433.21</b>	25,962,621.01

## 3. Other operating income

EUR	2013	2012
Net gain on sale of property, plant and equipment	<b>60,067.22</b>	132,780.09
Other income	<b>553.24</b>	92,770.39
Total	<b>60,620.46</b>	225,550.48

## 4. Total expenses

### Total expenses by nature

EUR	2013	2012
Materials and supplies	<b>155,490.24</b>	164,209.17
Change in inventory	<b>-5,525.97</b>	67,558.21
Employee benefits	<b>7,620,488.07</b>	7,062,554.75
Depreciation, amortization and impairment	<b>1,410,224.51</b>	1,616,884.47
External services	<b>4,530,375.25</b>	8,806,340.00
Other	<b>5,093,175.75</b>	5,005,767.07
Total	<b>18,804,227.85</b>	22,723,313.67

### Other operating expenses

EUR	2013	2012
Loss on sale of property, plant and equipment	<b>24,720.35</b>	17,506.59
Total	<b>24,720.35</b>	17,506.59

## 5. Fees paid to Company's auditors

EUR	2013	2012
Audit fees	<b>87,314.74</b>	88,258.00
Tax consultation	<b>371,741.01</b>	143,080.66
Other	<b>187,763.63</b>	392,853.00
Total	<b>646,819.38</b>	624,191.66

## 6. Personnel costs and number of employees

### Personnel costs

EUR	2013	2012
Wages and salaries	<b>5,542,391.13</b>	5,030,284.56
Pension costs	<b>1,119,289.78</b>	1,042,747.58
Other personnel costs	<b>958,807.16</b>	989,522.61
Total	<b>7,620,488.07</b>	7,062,554.75

### Number of employees

	2013	2012
Average (FTE)	<b>49</b>	52
End of period	<b>44</b>	49



## 7. Financial income and expenses

EUR	2013	2012
Dividend income		
From group companies	<b>87,363,700.00</b>	60,301,716.32
From other parties	<b>75.00</b>	515.00
Dividend income, total	<b>87,363,775.00</b>	60,302,231.32
Interest and financial income from non-current investments		
From group companies	<b>3,724,404.26</b>	2,943,879.79
Interest and financial income from non-current investments, total	<b>3,724,404.26</b>	2,943,879.79
Other interest and financial income		
From other parties	<b>1,222,517.40</b>	437,911.63
Other interest and financial income, total	<b>1,222,517.40</b>	437,911.63
Interest and financial income, total	<b>4,946,921.66</b>	3,381,791.42
Reversal of impairment of non-current investments		
Subsidiaries*		369,150,000.00
Reversal of impairment of non-current investments, total		369,150,000.00

\* The impairment of Avlis AB, recorded in 2008, was reversed to its original cost.

Avlis AB is a subsidiary of Fiskars Corporation.

Interest and other financial expenses		
To subsidiaries		
Interest expenses	<b>-371,023.18</b>	-881,953.47
Provisions for credit losses	<b>-6,822,218.57</b>	
Interest expenses to other parties	<b>-3,169,185.15</b>	-2,986,580.77
Interest and other financial expenses, total	<b>-10,362,426.90</b>	-3,868,534.24
Total financial income and expenses	<b>81,948,269.76</b>	428,965,488.50
Net exchange gains and losses included in financial items	<b>1,016,563.51</b>	230,082.41

## 8. Extraordinary items

EUR	2013	2012
Group contribution received	<b>16,231,400.00</b>	18,881,208.03
Group contribution paid	<b>-2,800,000.00</b>	-4,900,000.00
Total	<b>13,431,400.00</b>	13,981,208.03

## 9. Income taxes

EUR	2013	2012
Current year taxes for profit before extraordinary items	<b>-1,740,386.53</b>	-1,131,946.65
Tax for extraordinary items	<b>-3,290,693.00</b>	-3,425,395.97
Income tax for previous periods	<b>-347.13</b>	-7,454.06
Income taxes per income statement	<b>-5,031,426.66</b>	-4,564,796.68

## 10. Intangible assets

EUR	2013	2012
Historical cost, Jan 1	<b>2,420,844.47</b>	2,406,148.97
Additions	<b>126,192.24</b>	17,594.38
Decrease	<b>-9,144.13</b>	
Transfers		-2,898.88
Historical cost, Dec 31	<b>2,537,892.58</b>	2,420,844.47
Accumulated amortization according to plan, Jan 1	<b>1,928,050.16</b>	1,799,651.99
Amortization according to plan	<b>86,561.51</b>	128,398.17
Accumulated amortization according to plan, Dec 31	<b>2,014,611.67</b>	1,928,050.16
Net book value, Dec 31	<b>523,280.91</b>	492,794.31

# 11. Tangible assets

## 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
<b>Book value Dec 31, 2013</b>	<b>15,487,691.33</b>	<b>13,604,856.42</b>	<b>1,316,347.96</b>	<b>515,135.27</b>	<b>30,924,030.98</b>

## 2012

EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,738,638.84	33,972,592.37	5,395,147.18	978,494.87	46,084,873.26
Additions	182.00	462,082.77	12,172.19	311,285.52	785,722.48
Decreases	-1,280.35	-1,830.90	-202,090.84		-205,202.09
Transfers	2,681.85	816,041.24	11,579.80	-827,404.01	2,898.88
Historical cost, Dec 31	5,740,222.34	35,248,885.48	5,216,808.33	462,376.38	46,668,292.53
Accumulated depreciation according to plan, Jan 1		20,117,777.76	3,838,236.50		23,956,014.26
Depreciation according to plan		1,154,093.97	305,554.53		1,459,648.50
Decreases		-1,519.81	-165,576.64		-167,096.45
Transfers		-4,937.50	4,937.50		0.00
Accumulated depreciation according to plan, Dec 31		21,265,414.42	3,983,151.89		25,248,566.31
Revaluation, Jan 1	9,716,459.00				9,716,459.00
Revaluation, Dec 31	9,716,459.00				9,716,459.00
<b>Book value Dec 31, 2012</b>	<b>15,456,681.34</b>	<b>13,983,471.06</b>	<b>1,233,656.44</b>	<b>462,376.38</b>	<b>31,136,185.22</b>

## 12. Investments

2013

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	880,487,444.36	2,174,300.00	7,037,636.37	889,699,380.73
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	827,309,797.36	3,700,000.00	6,768,815.33	837,778,612.69
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	<b>827,309,797.36</b>	<b>3,700,000.00</b>	<b>6,057,492.53</b>	<b>837,067,289.89</b>

2012

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	961,555,728.04	5,167,236.66	6,830,262.76	973,553,227.46
Additions			259,738.47	259,738.47
Decreases	-81,068,283.68	-2,992,936.66	-52,364.86	-84,113,585.20
Historical cost, Dec 31	880,487,444.36	2,174,300.00	7,037,636.37	889,699,380.73
Write-downs, Jan 1	-369,150,000.00		-682,485.00	-369,832,485.00
Reversal of impairment loss	369,150,000.00			369,150,000.00
Decreases and increases			-28,837.80	-28,837.80
Write-downs, Dec 31	0.00		-711,322.80	-711,322.80
Net book value, Dec 31, 2012	880,487,444.36	2,174,300.00	6,326,313.57	888,988,057.93

## 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	577,441,141.73
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	49,085,185.82
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.	10,000	Ähtäri	FI	100.0	100.0	1,199,446.33
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, 2013						<b>827,309,797.36</b>

\* Holds 13.0% (13.0) of Wärtsilä shares. The market value of Wärtsilä shares as at December 31, 2013 amounted to EUR 917.2 million (839.0).

## Other shares

	Book value
Other shares owned by the parent company	6,057,492.53
Total, Dec 31, 2013	<b>6,057,492.53</b>

## 13. Inventories

EUR	2013	2012
Work in progress	<b>1,745.50</b>	14,039.00
Finished goods	<b>170,691.25</b>	152,871.78
Total, Dec 31	<b>172,436.75</b>	166,910.78

## 14. Receivables from subsidiaries

EUR	2013	2012
Trade receivables	<b>1,540,038.81</b>	2,620,952.88
Loan receivables	<b>24,548,762.49</b>	17,773,526.66
Other receivables	<b>227,606,097.40</b>	176,460,606.23
Prepayments and accrued income	<b>18,900,863.66</b>	21,750,326.99
Total, Dec 31	<b>272,595,762.36</b>	218,605,412.76

## 15. Prepayments and accrued income

EUR	2013	2012
Prepaid and accrued interest	<b>1,253,750.82</b>	1,007,651.15
Other prepayments and accruals	<b>360,622.68</b>	345,228.06
Total, Dec 31	<b>1,614,373.50</b>	1,352,879.21

## 16. Cash and cash equivalents

EUR	2013	2012
Cash and cash equivalents	<b>1,704,278.84</b>	1,629,990.00
Total, Dec 31	<b>1,704,278.84</b>	1,629,990.00

## 17. Shareholders' equity

EUR	2013	2012
<b>Share capital</b>		
Jan 1	<b>77,510,200.00</b>	77,510,200.00
Share capital, Dec 31	<b>77,510,200.00</b>	77,510,200.00
<b>Revaluation reserve</b>		
Jan 1	<b>3,789,720.00</b>	3,789,720.00
Revaluation reserve, Dec 31	<b>3,789,720.00</b>	3,789,720.00
<b>Treasury shares</b>		
Jan 1	<b>-864,706.21</b>	-864,706.21
Cancellation of treasury shares	<b>864,706.21</b>	
Treasury shares, Dec 31	<b>0.00</b>	-864,706.21
<b>Other reserves</b>		
Jan 1	<b>3,204,313.18</b>	3,204,313.18
Other reserves, Dec 31	<b>3,204,313.18</b>	3,204,313.18
<b>Retained earnings</b>		
Jan 1	<b>779,659,991.60</b>	449,614,854.32
Cancellation of treasury shares	<b>-864,706.21</b>	
Dividends	<b>-53,238,407.30</b>	-112,186,960.94
Net profit	<b>96,948,896.60</b>	442,232,098.22
Retained earnings, Dec 31	<b>822,505,774.69</b>	779,659,991.60
Less treasury shares		-864,706.21
Distributable earnings, Dec 31	<b>822,505,774.69</b>	778,795,285.39

## 18. Appropriations

EUR	2013	2012
Depreciation in excess of plan, Jan 1	<b>622,913.84</b>	1,025,760.98
Changes during the year	<b>-216,548.03</b>	-402,847.14
Depreciation in excess of plan, Dec 31	<b>406,365.81</b>	622,913.84

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

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

EUR	2013	2012
Loans from credit institutions	<b>52,499,658.69</b>	30,000,000.00

## 20. Liabilities to subsidiaries

EUR	2013	2012
Trade payables	<b>330,634.32</b>	
Other liabilities	<b>71,483,523.70</b>	185,758,865.82
Accruals and deferred income	<b>3,187,631.64</b>	4,919,477.63
Total, Dec 31	<b>75,001,789.66</b>	190,678,343.45

## 21. Accruals and deferred income

EUR	2013	2012
Interest payable	<b>946,432.34</b>	924,540.05
Wages, salaries and social costs	<b>1,757,650.78</b>	2,088,536.00
Other accruals	<b>301,873.58</b>	898,007.98
Total, Dec 31	<b>3,005,956.70</b>	3,911,084.03

## 22. Lease obligations

EUR	2013	2012
Payments next year	<b>109,281.51</b>	807,662.00
Payments later	<b>146,858.90</b>	2,158,069.00
Total, Dec 31	<b>256,140.41</b>	2,965,731.00

## 23. Contingencies and pledged assets

EUR	2013	2012
As security for own commitments	<b>908,216.00</b>	712,541.00
Lease commitments	<b>256,140.41</b>	2,965,731.00
Guarantees as security for subsidiaries' commitments	<b>13,908,947.00</b>	12,151,314.00
Total, Dec 31	<b>15,073,303.41</b>	15,829,586.00



# BOARD'S PROPOSAL FOR DISTRIBUTION OF PROFITS AND SIGNATURES

The distributable equity of the Parent Company at the end of the 2013 fiscal year was EUR 822.5 million (778.8). The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.67 per share be paid for 2013. The number of shares entitling to a dividend totaled 81,905,242. The proposed distribution of dividend would thus be EUR 54,876,512.14. This would leave EUR 767.6 million of distributable profit funds at the Parent Company.

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

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

Helsinki, February 6, 2014

Kaj-Gustaf Bergh

Ralf Böer

Alexander Ehrnrooth

Paul Ehrnrooth

Louise Fromond

Gustaf Gripenberg

Ingrid Jonasson Blank

Karsten Slotte

Jukka Suominen

Kari Kauniskangas  
President and CEO

## **The Auditor's Note**

Our auditor's report has been issued today.

Helsinki, February 6, 2014

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, 2013. 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 6, 2014

KPMG Oy Ab

Virpi Halonen

Authorized Public Accountant