ANNUAL REPORT 2012






LASTING PRODUCTS THAT INCREASE ENJOYMENT AND SOLVE EVERYDAY PROBLEMS







FISKARS

CONTENTS

2012 IN BRIEF

Fiskars' business performed steadily in 2012. Net sales increased 1% to EUR 747.8 million, and operating profit (EBIT), excluding non-recurring items, increased 2% to EUR 63.1 million, setting a new company record for the third year in a row.

Net sales
747.8 EUR million

Operating profit excl. NRI
63.1 EUR million

Earnings per share
2.18 EUR

reddot design award
best of the best 2012

Best of the Best

The internationally heralded reddot design competition recognizes Fiskars at the highest level for two of its products and gave awards for four other products.

Worldwide recognition for design

World Design Capital Helsinki 2012 increases understanding of the possibilities design offers and gains exceptional international attention.

HELLO, TROUBLE.

Gerber's brand campaign invites enthusiasts and new users to embrace the challenge of getting out there.

International sales team drives growth for Gerber

Investments in Gerber's international expansion deliver strong growth in sales in EMEA.

Focus on Sales

New sales organization introduced in EMEA region to accelerate growth. New sales regions North and Central assume responsibility for selling the whole portfolio in their region.

Online expansion

Fiskars expands the international distribution of its Home products by opening an international web store for the Iittala brand. Fiskars Americas widens their distribution by opening an online store for garden and school, office and craft products.

New ownership strategy for Wärtsilä

Fiskars and Investor AB join forces to create an even stronger long-term owner for Wärtsilä. Fiskars remains Wärtsilä's single largest shareholder with 13.0% of shares.

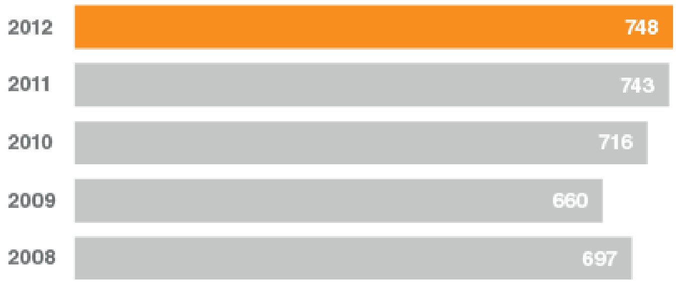
Extra dividend

Following a sale of part of Fiskars Wärtsilä-holding to Investor, an extra dividend of EUR 0.75 is paid to shareholders.

0.75 EUR

Net sales

EUR million

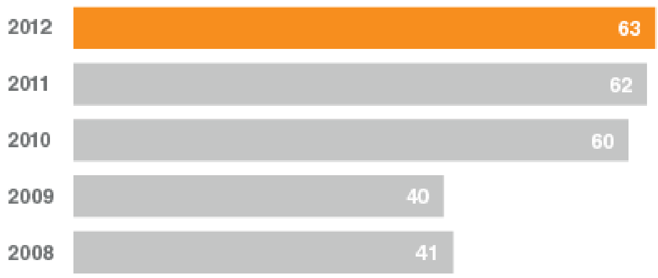


Efficiency from common platform

The five-year investment program in EMEA proceeds according to plan: a common system was implemented in the first countries.

Operating profit excluding non-recurring items

EUR million



Expansion in France

Fiskars Home products reach new consumers in France as Iittala and Fiskars kitchenware gain new distribution.

Fiskars Garden continues to strengthen its number one position.

#1

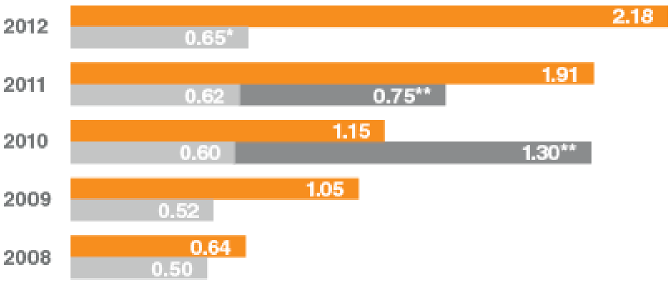
Iittala celebrates in Japan

HIH Princess Takamado and Finnish Prime Minister Jyrki Katainen participate in the opening of the expanded Iittala department in Tokyo, highlighting the fifth anniversary of Iittala branded retail in Japan.

Royal Copenhagen

Esteemed Danish porcelain company Royal Copenhagen becomes part of Fiskars.

Earnings per share, EUR
Dividend per share, EUR



Earnings/share

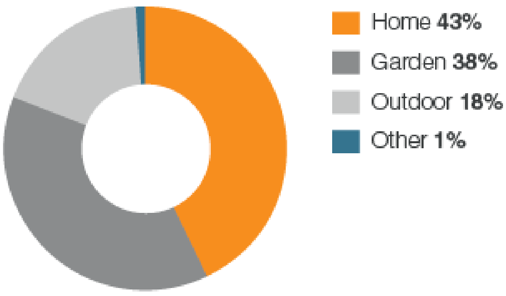
Dividend/share

* Board of Directors' proposal

** extra dividend

Net sales by business area

EUR million



PRESIDENT'S REVIEW

Against the background of a volatile overall business environment and weakening economic climate in Europe, Fiskars' business performed steadily in 2012. We were able to deliver the company's record in operating profit for the third year in a row while carrying significantly increased costs related to our transformation programs in both structures and platforms in EMEA.

Our key international brands Fiskars, Iittala, and Gerber perform well even in turbulent economic times and function as our engine of growth. Combining this with improved operational efficiency in Europe enabled us to reach 2011 levels both in sales and operating profit.

During the year we implemented our new business model in EMEA into an organization that sets a clear focus for business areas and sales organization. Each unit now has a clear growth path and priority list. The changes we made in 2012 yet again strengthened the foundation for Tomorrow's Fiskars, a world-class branded consumer goods company.

This, already fifth year of consistent progress on our transformation path again proved that we are on the right track. It also provided us an opportunity to reflect on our progress and to refine our vision and growth ambition.

Building on our plus 360-year heritage, Fiskars' mission is to enrich consumers' lives with lasting products that increase enjoyment and solve everyday problems. Our vision is clear: to become a global branded consumer goods company. This we will achieve through leveraging our strategic cornerstones: a strong financial position, iconic products, strong brands and global growth ambition.

Fiskars is a company with a clear ambition to grow; we want to outperform market growth while maintaining solid long-term profitability. Our growth strategy is threefold, to gain market share in current businesses and markets, invest in and enter new categories and to expand into new, potentially high growth markets. This we will do by continuously investing in our brands and marketing and by excelling in sales - but also through acquisitions, if they fit our business model and strategy.

At the end of 2012 we were proud to announce the addition of the renowned Danish porcelain company, Royal Copenhagen to our brand portfolio. Royal Copenhagen is a natural fit for Fiskars: it expands our dining offering with highly esteemed, hand-painted porcelain and strengthens our position in Asia.

I believe that Tomorrow's Fiskars offers interesting opportunities and continued strong financial performance. Once again, I'd like to thank all our stakeholders for putting their trust in our journey and welcome you all to share our continued success in 2013 – another year that we look forward to with confidence.

Kari Kauniskangas

President & CEO

STRATEGY

Towards Tomorrow's Fiskars: A world class branded consumer goods company

Fiskars' strategy aims to get our iconic products into the hands of engaged consumers all over the world and we have the business model and organization designed to ensure that we do this in the smartest way possible. We have the ability to create best-selling, iconic products and build strong brands – and we also have access to the largest trade accounts in the world. Together these form a firm basis for realizing our global ambition.

Since 2008 we have consistently evolved towards a focused and efficient branded consumer goods company. Fiskars has a clear ambition to grow: we want to outperform market growth while maintaining solid long-term profitability.

Mission

Our mission is to enrich lives with lasting products that increase enjoyment and solve everyday problems through their functionality, innovation and design.

Vision

Our vision is to be a global company that delivers:

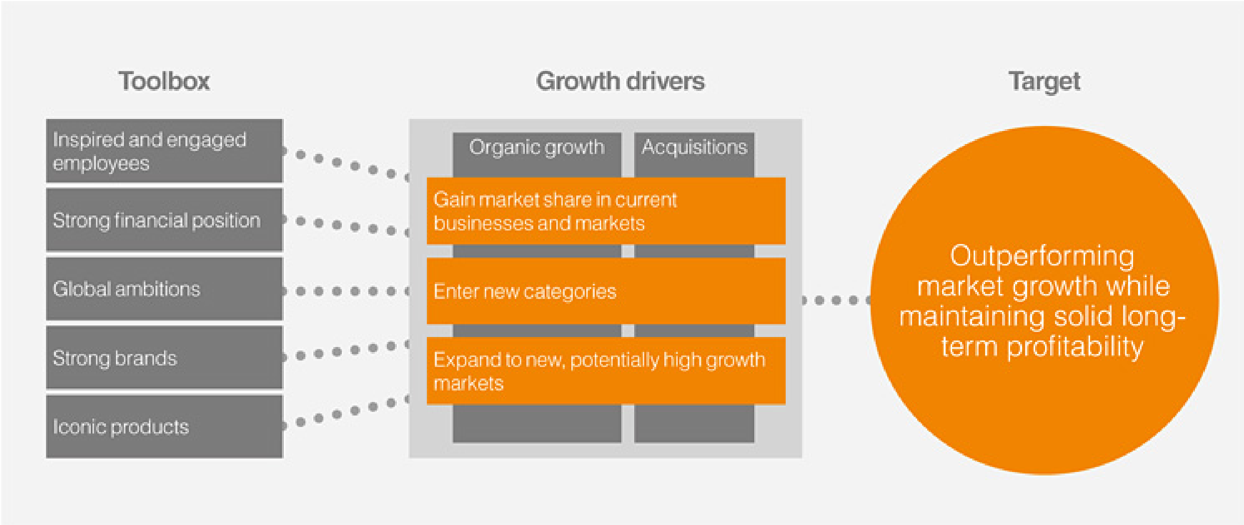
- Brands that people desire
- Lasting products that bring joy
- Offerings that cater to category leadership
- Best-in-class trade relations and unique access to global key accounts and
- Excellence in sales and execution

Ambition

Our ambition is to get our unique products into homes, gardens and backpacks everywhere by intelligent engagement with consumers.

FISKARS STRATEGY FOR GROWTH

Strategy for growth



Steps to growth

Step 1: From holding company towards integrated consumer goods company

- New management, strategy and structure.

Step 2: Creating the platform for growth

- Focus and group-wide integration
- New operating and business models
- Unified processes and systems
- Refined category and brand strategies
- Strong sales organization

Step 3: Delivering results

- Becoming preferred supplier to global key accounts
- Excelling in execution
- Gaining market share
- Entering new categories
- Entering new markets

In the past, Fiskars used to be organized as a group of independent companies, with the parent company acting essentially as a holding company. The new strategy, launched in 2008, is very much about driving future growth. The overall goal is to become an agile and more integrated company with a portfolio of growing, profitable businesses. To drive this change, we have defined common processes and are building integrated systems to bring efficiency to our operations and to increase focus on selected businesses and brands.

Strategic agenda

	Theme	Actions in 2012
Focus	• Strong business area focus • Specialist premium brand portfolio • Optimized product range for selected categories	• Ebert and Sankey combined into one container gardening offering • Rörstrand and Leborgne elevated to regional brands
Efficiency	• Simplified structure • Integrated business processes • Demand-driven supply chain	• Business platform program progressed according to plan • Regional financial service center for EMEA was established • Operational efficiency in own manufacturing units increased in EMEA
Growth	• Consumer-focused product development • Innovative R&D • Commercial expansion	• A new sales organization instituted to drive growth across markets • Expansion of Iittala store network continued • Market position in Central Europe for both Garden and Kitchen strengthened • A dedicated European Gerber sales team • Acquisition of Royal Copenhagen

53% ▶ 70%

The share of our key international brands in sales has grown from 2007

BUSINESSES

Fiskars offers branded consumer goods for the home, garden and outdoor. The group has a strong portfolio of respected international brands, including Fiskars, Iittala, and Gerber. Founded in 1649, Fiskars is Finland’s oldest company and listed on NASDAQ OMX Helsinki. Our company employs some 4,100 people in over 20 countries.

ICONIC PRODUCTS

We celebrate generations of essential objects that are made to enrich people's everyday lives. Our products find their place with everyone who loves gardening and cooking, exploring nature and the great outdoors.

Iconic products and strong brands are key to our success. Fiskars has a legacy of making exciting products – products that solve everyday problems and increase enjoyment through superior performance and design. We fulfill consumers' needs and emotions through our products and the high quality, functionality and design that characterize them. Indeed, consumer and customer thinking lies at the core of our success.

Design is not just about the look and feel of the product, it is also about functionality and ergonomics. Whether a product starts from an idea, a problem that needs a solution or simply an insight, the product always relies on its design. We want to know about the people who use our products, and get into their heads to be able to come up with innovative products that outperform our competitors.

Our aspiration is to do everything better and smarter, and in a sustainable way. We want to enhance sustainability not just in production and logistics, but by going a step deeper; by creating lasting design.

Legacy of iconic products


Aino Aalto
1932


Alvar Aalto Collection
1936


Teema/Kilta
1952


Kartio
1958


Sarpaneva
1960


Mark II Knife
1966


Fiskars Classic
1968


Birds by Toikka
1972


Axe Sharpener
1987


Kivi
1988


Gator Knife
1991


PowerGear™ Lopper
1995


PowerGear™ Pruner
1997


Tools
1998


MP600 Multi-Plier
1998


Universal Cutter
1998


Large Garden Leaf Rake
2002

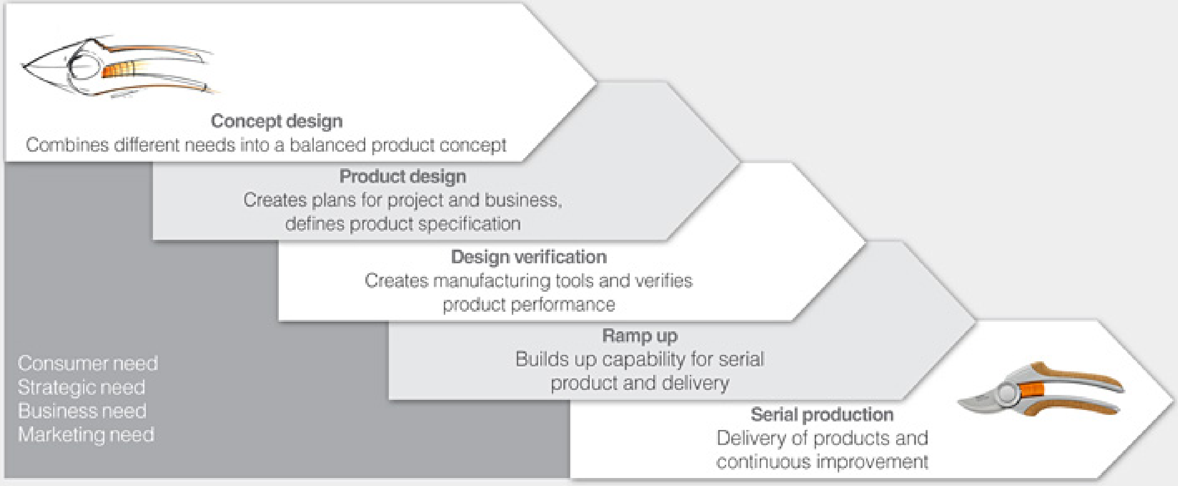

Weed Puller
2004


Splitting Axe X17
2011


Gerber BG Ultimate Knife
2011

From idea to product

Strong design and systematic brand management form the basis for product development work. The design of every product starts with the consumer and understanding people's everyday needs. New products are developed in close co-operation with users, brand management and production, and the product creation process evaluates the commercial potential of new ideas and concepts carefully.



Awarded design 2012

What makes a new product so outstanding that it can be described as a design icon? Design classics of the future are born when product development intersects and cross-fertilizes with new design ideas.

GOOD DESIGN™

Fiskars AdvantEdge® Punch System

Fiskars Detail Scissors/Seam Ripper Combo with Organizer

Fiskars Easy Change Ergo Control Rotary Cutter

Fiskars Fuse Creativity System®

Fiskars Power Curve® GripEase™ Bypass Pruner

Fiskars PowerGear® Bypass Pruner

Fiskars Power Tooth® Softgrip® D-handle Saw

Fennia Prize, Honorary mention

Fiskars Xsharp™ Axe and Knife Sharpener

Hackman Rotisser, Cookware Collection

Iittala Kaasa, Interior Fireplace, Ilkka Suppanen

Iittala Vitriini, Box, Anu Penttinen

iF Gold Award

Iittala Vitriini, Box, Anu Penttinen

National Geographic Adventure

Gear of the Year: Gerber Steady Multi-Tool

Outdoor Canada

Best of 2012: Gerber Myth™ Series

Reddot

Best of the best: Fiskars Quantum™ Range

Best of the best: Iittala Kaasa, Interior Fireplace, Ilkka Suppanen

Winner: Iittala Allas, Candle Holder, Andreas Engesvik

Winner: Iittala Lempi, Glass, Matti Klenell

Winner: Fiskars Xsharp™ Axe and Knife Sharpener

Winner: Fiskars Xtract™ Retractable Saw

Gear Junkie

Gear of the Gear: Gerber Venture Knife

IN BRANDS WE TRUST

Strong brands are the engines for Fiskars' growth; they engage consumers on an emotional level and inspire long term loyalty. Fiskars' brands reach out to modern consumers' desire to express their personalities and passions. Consumers trust our brands to deliver the same quality and experience time after time.

Each one of the trusted brands in our unique portfolio has a clearly defined role in realizing our growth ambition. Our key brands Fiskars, Iittala, and Gerber, are internationally renowned and developed with global ambitions. We continue to invest in these three brands as we believe that they have the potential to expand into new markets and conquer new product categories.

Our regional brands have leading positions in their home markets and are also strong enough in their own right to be marketed on the international stage. The local and tactical brands complete our offering by serving as door openers in new markets and by serving at different price points, tactically supporting our larger portfolio.

The reshaping of our organization in 2012 was designed to accelerate Fiskars' growth. The new, sharpened focus in our business and sales units enables us to carry a wider range of brands internationally and thus to elevate formerly locally-based brands to the level of regional brands.

Following the acquisition of Royal Copenhagen, Fiskars' Home business is now able to consolidate a unique, internationally-appealing offering of Scandinavian dining brands, consisting of the regional brands Royal Copenhagen, Rörstrand (previously a local brand) and Arabia.

In the Garden business, the Fiskars brand will be further strengthened by integrating the Danish garden tool brand Zinck-Lysbro into the Fiskars brand. By combining the UK and German container gardening businesses, we have created a single offering that is marketed also in other markets under the regional brand Ebert-Sankey. Another testimony to our new organization's strength to carry a brand with great potential outside its home country is the French construction tool brand Leborgne. This renowned French brand will now be elevated to a regional level and is being built into our offering across Europe.

BRAND PORTFOLIO

Key international brands

Our key brands Fiskars, Iittala, and Gerber, are internationally renowned and developed with global ambitions.

FISKARS®

Leading global brand for scissors, utensils and garden tools

iittala

A leading Scandinavian design brand

GERBER

A global leader in personal, outdoor, tactical and industrial gear

Leading regional brands

Our regional brands have strong position in their home market and can grow organically.

ARABIA FINLAND

Finnish design for the home for 140 years

ROYAL COPENHAGEN

Hand-painted Danish porcelain made with the deepest respect for tradition and the highest standards of craftsmanship

Rörstrand

Swedish quality and fine craftsmanship for almost 300 years

HACKMAN®

Nordic expert in cookware and cutlery

leborgne

French specialist in construction tools for professionals striving for quality and innovation

ebertsankey

Container gardening under the new combined brand

Buster®

Biggest producer of aluminum boats in Europe

Local and tactical brands

Our local and tactical brands complete our offering by serving as door openers in new markets and by tactically supporting our portfolio by serving at different price points.

Drive Boats	Høyang-Polaris	Montana
Gingher	Kaimano	Raadvad
Höganäs Keramik	Kitchen Devils	Zinck-Lysbro

HOME

Decorating the home is a simple pleasure all can share. We aim to bring joy to homes around the world through the pleasure of home decoration, setting tables beautifully and products that make life easier. Our ambition in the Home business is to be recognized as a globally leading company renowned for its Scandinavian design and functionality.

Our approach relies on building from and managing our business through the most consumer-relevant and brand consistent categories, starting with consumers and the activities they love.

In EMEA, our focus is on the Living and Kitchen businesses, reflecting different product categories and sales channels. In the Americas, our business is currently focused on products for School, Office and Craft (SOC).

We are strong in the Nordic countries and in North America, but our ambition is to expand beyond these markets. For Living with Iittala as a spearhead, we are focusing on the opportunities in Central Europe and Asia, with great results, for example in store openings in Japan and new shop-in-shops in France. The acquisition of the esteemed Danish brand Royal Copenhagen completes Fiskars' brand portfolio in dining and further strengthens our position is Asia. Kitchen with Fiskars as the key brand is focusing on Central and Eastern Europe.

Our growth strategy is about winning the game in the retail space and in the digital world, and we are utilizing every opportunity to strengthen the brand story and engage our consumers.

Opening an international Iittala web store and a Fiskars web store in the Americas was one of the milestones on our growth strategy in 2012.

Over the past years, we have actively expanded our offering into new categories, such as interior design. With the launch of the Fuse Creativity System® mid-year, we expanded our crafting expertise and entered the largest segment in paper-crafting tools – die-cutting. We plan to continue to expand our die-cutting platform in the future with new die designs.

BUSINESS AREA IN BRIEF

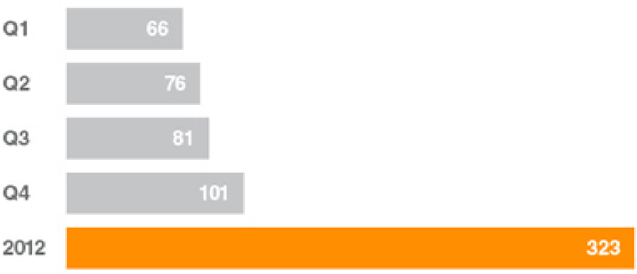
HOME

Net sales	Of group net sales	Personnel (FTE)	Highlights	Markets
322.8 EUR MILLION	43 %	1,475	• 32 new Iittala stores and shop-in-shops • New points of sale in Central and Eastern Europe for Kitchen • Opening of new web stores • Acquisition of Royal Copenhagen • Launch of Fuse die-cutting system	• Markets where we lead: North America (SOC), Scandinavia (Living and Kitchen) • Expansion markets: Central and Eastern Europe (Living and Kitchen), Asia (Living) 

Consumer activity	Category	Brands	Distribution channels
Preparing	Kitchen: knives, utensils, cutlery	Fiskars	Mass distribution in super and hyper-markets, department stores, online stores
Cooking	Kitchen: cookware, pans, kettles	Fiskars, Hackman	
Decorating	Living/Interior: votives, vases, objets d'art	Iittala, Royal Copenhagen	Department stores, design stores, own retail, online stores
Table setting	Living/Dining: tableware, glassware	Iittala, Arabia, Rörstrand, Royal Copenhagen	
Working	Cutting: scissors	Fiskars	Hypermarkets, specialist stores, online stores
Creating	Scissors, punches, die-cutting tools	Fiskars	

Net sales
EUR million

Net sales per quarter in 2012
EUR million



KEY LAUNCHES

Sarjaton – shaped by tradition, tailored for today

The launch of this groundbreaking series was a success in 2012 in the Nordic countries as well as in Central Europe. Six designers were involved in creating this new series (or “no-series” as the name is in Finnish) that gives consumers the freedom to combine pieces into unique combinations.

Innovative Fuse Creativity System®

In 2012, we built upon our three-century heritage of delivering innovative cutting tools with the launch of the Fuse Creativity System®. It is the only machine that combines die-cutting and letterpress printing in one easy pass, to instantly add color, texture and shape to bring creative ideas to life with professional-looking embellishments. It exceeds basic die-cutting functionality through product innovation and consumer-inspired features, enabling users to get more done in one easy step. Fiskars Fuse was released mid-year and sold out in less than 24 hours during its world launch on the Home Shopping Network (HSN). Additional online and in-store retail distribution followed throughout the second half of 2012.

New technology: Hackman NOH

In 2012 Hackman launched the innovative NOH (Non-Overheatable) technology in frying pans. This means that the temperature cannot rise beyond 230°C. The pan cannot therefore be damaged by overheating and there is no danger of fats and oils catching fire. NOH Hard Face is technologically unique and, with induction cookers becoming increasingly popular, also very timely. Above all, with NOH the joy of cooking rises to another level.

GARDEN

Fiskars is a globally leading brand in garden hand tools, focusing on functional, easy to use tools that make the gardening experience more enjoyable. Our mission is to reinvent the user experience through uniquely functional and user-friendly solutions and to become the global number one.

For us it is critical to outperform the competition in the area of innovation and offering renewal. Hence we have increased our new product development resources, built a new test laboratory and an international network with gardening schools and construction related institutions. Our role is foremost to be the dynamic developer of innovative solutions - this is what consumers and the trade expects from us.

In America, we are the number one brand in pruners, loppers and hedge shears and our products are easy to find in the top North American retailers. Innovative product development, strong relationships with retail customers, and increased brand awareness among end users has positioned us well for continued growth in the marketplace.

In Europe we have reached our goal of developing the Fiskars brand into one of the two leading brands for garden hand tools, and now our focus is to strengthen our footprint. During the last three years we have successfully built international brand awareness through targeted marketing campaigns and consistently increased our market share. In 2012, we continued to build brand and product recognition with TV advertising campaigns focused upon Germany, France, UK and Russia. This resulted in further strengthening of our market position despite challenging market conditions.

Our new category-based business units represent centers of excellence that have their full focus on relevant product areas and enable us to leverage new opportunities and expand into adjacent categories. The consolidated EbertSankey offering is now being launched and our new ambition has already improved our market position for container gardening. Within construction tools, the new safety concept Nanovib from Leborgne is exciting and will open up European possibilities.

BUSINESS AREA IN BRIEF

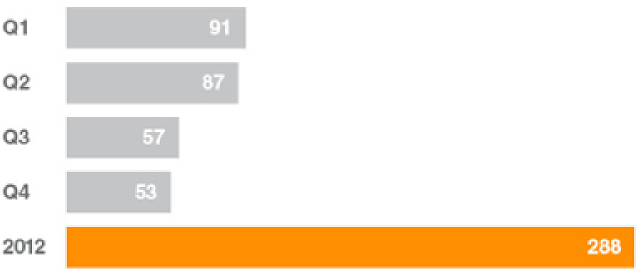
GARDEN

Net sales	Of group net sales	Personnel (FTE)	Highlights	Markets
287.6 EUR MILLION	38%	1,333	• Market share gain in Germany and France • Strong growth in Eastern Europe • Launch of combined EbertSankey offering	• Markets where we lead: North America, Nordic countries, Central and Eastern Europe, Australia 

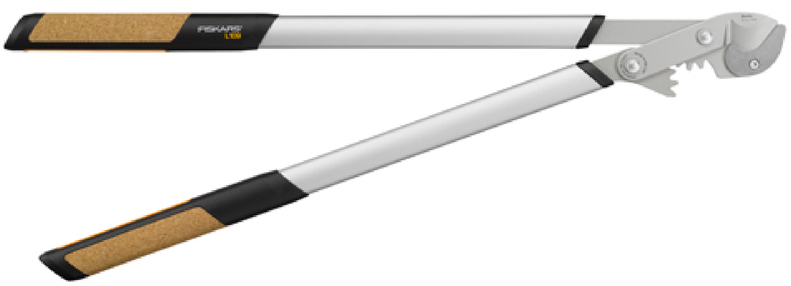
Consumer activity	Category	Brands	Distribution channels
Forestry and wood-splitting	Axes, saws, forestry tools	Fiskars, Leborgne	Mass distribution in DIY stores, garden centers and hypermarkets, online stores
Digging and shoveling	Spades, shovels, drills, forks	Fiskars, Leborgne	
Cultivating	Rakes, hoes, weeders, planters	Fiskars	
Plant care	Pruners, loppers, grass shears, hedge shears	Fiskars	
Lawn care	Weed pullers, reel mowers, rakes	Fiskars	
Yard and path cleaning	Snow tools, brooms	Fiskars	
Growing, decorating, rainwater harvesting	Pottery, water butts, sprayers, cans	Fiskars, EbertSankey	
Fixing and building	Construction and striking tools, shears	Fiskars, Leborgne	

Net sales
EUR million

Net sales per quarter in 2012
EUR million



KEY LAUNCHES



Fiskars Quantum™

Scandinavian quality and design exemplifies the new and complete Fiskars Quantum™ cutting tool range of pruners, hedge shears and loppers. Designed to inspire, Fiskars Quantum™ leaps forward in style and innovation with the range's combination of smooth, light and strong aluminum bodies, superior blades and signature TruGrip™ cork handles. Fiskars Quantum™ range received the prestigious red dot design award - best of the best in 2012.

Fiskars QuikDrill™

The creation of Fiskars QuikDrill™ offers a completely new way to dig down into the soil. Whether planting trees, draining soil or installing fence posts Fiskars QuikDrill™, is a neat efficient solution that takes the strain out of deep digging – up to 60 cm down. With a lightweight steel shaft, comfortable and durable FiberComp™ handle and three fixed blade options, Fiskars QuikDrill™ exemplifies Fiskars innovative approach to typical gardening challenges.

PowerGear®

Fiskars PowerGear® tools feature a patented gearing mechanism that reduces effort and amplifies a user's ability to perform garden tasks. These non-circular gears transfer the energy from a wider range of motion, maximizing force near the middle of the cut where resistance is greatest.

OUTDOOR

Fiskars Outdoor offers a wide range of innovative, reliable and essential products for people on the move. The business area focuses on the Gerber brand globally and Buster boats in the Nordic region. Gerber provides problem-solving, life-saving gear for recreational and professional users sold through commercial and institutional channels internationally.

Progress was made on several important strategic initiatives during 2012 consistent with our objective of building a global brand platform for Gerber, including establishing a dedicated EMEA sales team. The expanded footprint with new customers in key markets in EMEA, U.S. and Canada helped Gerber to deliver solid sales in the commercial segment despite a challenging macroeconomic environment. These results were offset somewhat by softness within the institutional segment related to government spending reductions and a drawdown of active military troops.

Other key initiatives included the launch of user-centric products, programs, packaging and merchandising solutions within an “activity-based” framework, which supported expansion of the portfolio and simplification of the consumer shopping experience. The Gerber / Bear Grylls co-branded Survival Series evolved nicely over year two of the partnership with the introduction of many new products and additional placement.

The “Hello, Trouble” consumer marketing campaign was the most diverse and ambitious marketing effort in Gerber’s 73-year history. It included compelling print and digital ads, informative videos, a coast-to-coast expedition in a customized Gerber vehicle, tweets, blogs and photos along the way, and a new website to showcase the entire “Hello, Trouble” story to engage our growing social media fan base. The campaign exposed the brand to millions of new consumers around the world and positioned Gerber as more than just a knife company.

Buster boats are the most popular aluminum boats in Finland, Sweden and Norway. In 2012 Buster maintained its position as the market leader for versatile leisure boating.

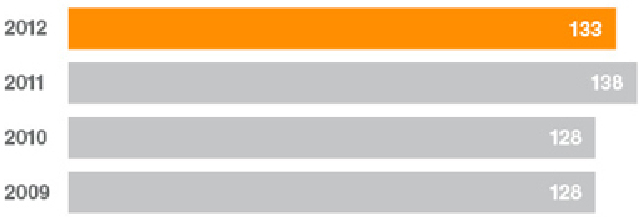
BUSINESS AREA IN BRIEF

OUTDOOR

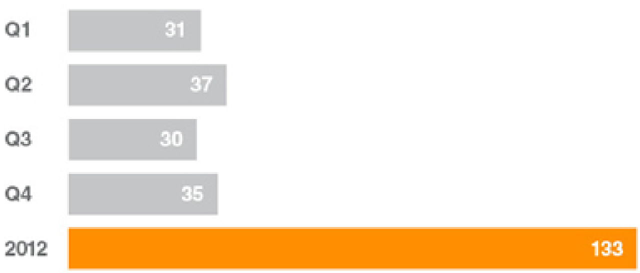
Net sales	Of group net sales	Personnel (FTE)	Highlights	Markets
133.3 EUR MILLION	18 %	405	• International sales office for Gerber • "Hello, Trouble" campaign • Succesful new boat launches	• Markets where we lead: North America (Gerber), Scandinavia (Boats) • Expansion markets: Europe (Gerber) 

Consumer activity	Category	Brands	Distribution channels
Daily use	Pocket knives, multi-tools, lights	Gerber, Guardian	Mass, sporting goods retailers, outdoor retailers, DIY/hardware, industrial distribution, online stores
Hiking and camping	Pocket knives, multi-tools, gear and accessories	Gerber, Gerber/Bear Grylls	
Hunting	Knives, multi-tools, gear and hunting accessories	Gerber	
Industrial/professional	Knives, multi-tools, lights	Gerber	
Military	Knives, multi-tools, lights, spades, accessories	Gerber	Government, military exchanges, military distributors, mass, outdoor retailers, uniform stores, online stores
Emergency response, police, tactical	Knives, multi-tools, lights, spades, axes, accessories	Gerber, Guardian	
Leisure boating	Aluminum boats	Buster, Drive Boats	Boat dealerships

Net sales
EUR million



Net sales per quarter in 2012
EUR million



KEY LAUNCHES

MP600-ST Multi-Plier

It's extremely difficult to improve on a Gerber Military classic, but Gerber has done it with development and launch of the MP600 Sight Tool. Built with the same one-handed opening technology as MP600, the updated version has a longer Phillips driver, a combined serrated and fine edge blade, a carbon scraper for weapons maintenance and a newly designed, super-durable front sight adjustment tool. The MP600-ST is Gerber's new standard in Military issue multi-pliers. Gerber supported the launch with videos, collateral and a PR effort focused on military and tactical media.

Myth™ Hunting Series

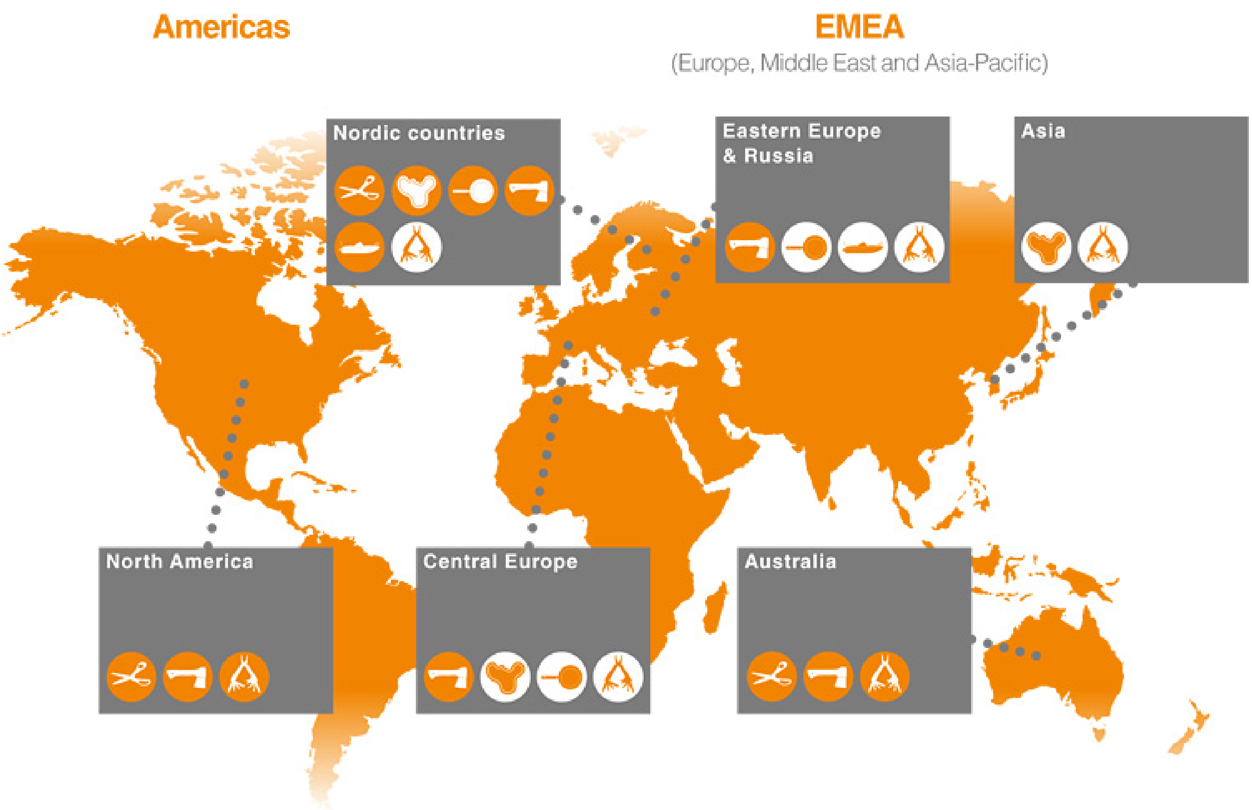
Gerber's fall 2012 launch of an all-new 13-product collection of innovative products targeted today's modern hunter. The Myth™ series includes fixed blade and folding knives, a headlamp, a saw, a sharpener, common design language and many common features. The series was launched and supported by a digital, social and print advertising campaign, and achieved very strong commercial placement.

Buster SuperMagnum

Fiskars Boats launched numerous new products both for Buster as well as Drive Boats. The most important product launches completed the range both at the top end as well as at the step in end of the range. The new flagship, Buster SuperMagnum is the largest, most comfortable, and fastest Buster ever. The Buster Mini, on the other hand salutes the roots of the Buster boat brand, being a small, rowable outboard boat suitable for every lake and summer cottage.

OUR MARKETS

We are growing geographically and expanding into new product categories. When striving for growth, we benefit from our strong position in the Nordic countries and in North America.



63 %
American homes own a Fiskars product.

#1
Gerber is the number one supplier of knives and multi-tools to the US military.

#1
Fiskars is the number one teacher recommended scissor brand in the U.S.

+47 %
Increase in points of sale for garden hand tools in Germany since 2008.

32
New Iittala shop-in-shops and store opened in 2012, including first store in Kobe, in the Kansai area in Japan.

EMEA

The unstable financial climate, combined with cuts in government spending, reduced consumer confidence in Europe, and tight inventory management was still a priority for retailers. The sentiment in Northern Europe was more stable than in Southern Europe, where market conditions were especially challenging. The economic climate weakened during the year, impacting retailers and consumers in many markets. In many European countries garden-related retail suffered additionally due to unusually bad, rainy weather.

Group performance

Fiskars' net sales in EMEA decreased 3% due to the divestment of Silva in July 2011 and a decrease in snow tool and boat sales.

Net sales in the Home business grew, supported by successful launches and increased distribution in the Living category. Sales in the Garden business were below the previous year, when demand for snow tools was exceptionally strong. Fiskars continued to gain market share in other categories in Central Europe, despite rainy weather conditions in the selling season. Sales of Outdoor products reached 2011 levels in spite of the divestment of the Silva in 2011, as the investments in Gerber's international expansion delivered strong growth in sales. The Boat business was affected by the economic uncertainty, but Buster maintained its market leadership.

AMERICAS

In North America, the year began with cautious optimism, and consumers seemed to be gaining more confidence and to be willing to spend on purchases which they had put off. In the spring and summer, consumer confidence deteriorated as Americans grew more pessimistic about their finances yet again. Warmer weather helped DIY and garden retailers, some of which continued to work down inventories from the previous year's poor garden selling season. Towards the end of the year a string of encouraging signs from the economy boosted consumer sentiment and retail spending increased, but worries about the fiscal cliff again dampened sentiment at the end of the year. Despite the growth in retail sales, retailers were still holding back on replenishing inventories.

Group performance

Net sales in the Americas increased 8%, supported by good development in SOC and Garden businesses and strengthening of the US dollar.

Garden net sales showed good development across many key accounts. Sales of school, office, and craft (SOC) continued on a strong track, boosted by successful product launches and good back-to-school sales to key accounts. The Outdoor business area was affected by decreased demand in the institutional channels, and sales did not reach 2011 record levels. Commercial sales developed positively.

SUSTAINABILITY, THE CORNERSTONE FOR OUR LONG-TERM SUCCESS

Fiskars sees the entire life-cycle of its products and its commitment to lasting design and durable products as fundamental to its approach to sustainability. We strive to continuously improve our sustainability performance, and in 2012 we continued to work on our sustainability program. Our main focus has been on a transparent and sustainable supply chain and developing leadership skills to match our global ambition.

We have chosen our own and unique approach to sustainability, which evolves from the very core of our existence; lasting design and functionality of our products, and builds on our Code of Conduct and our values. We consider our design throughout its entire lifecycle – from raw materials to recycling. Our four sustainability focus areas are: lasting design, responsible manufacturing, caring for people and communities, and long-term profitability.

Long-term profitability

Fiskars has an ambition to outperform markets while maintaining our emphasis on long-term profitability. Good economic performance and financial responsibility are important prerequisites for the company’s long-term success. In addition, Fiskars generates prosperity in the society through, for example, employment, taxes, and procurement.

LASTING DESIGN AND RESPONSIBLE MANUFACTURING

Lasting design

Many of our products last for generations, and we strive to offer products that support sustainable consumer choices.

Fiskars Quantum™ range of cutting tools celebrates Scandinavian design with an emphasis on the use of natural materials. Central to our product development is that the range includes replaceable blades and springs and all the parts are durable and easy to maintain – underlining our ethos to deliver lasting design at its best.

Responsible manufacturing

Fiskars has 16 own production sites. They are continuously developed to meet and exceed the latest standards of health, safety, environmental impact, and efficient energy use. Certifications regarding manufacturing brings transparency to Fiskars' operations and give us a framework for improvement.

In 2012 we implemented the ISO14001 certified environmental management system in our construction tool factory and distribution center in France. Today already 39% of our own production volumes are manufactured in ISO 14001 certified units.

Read the whole list of our certified production units on our website.

In 2012 we invested in a new heating system in Sorsakoski cookware factory in Finland and converted from heavy fuel oil to CO_2 neutral wooden pellets.

Our products are safe to use and manufactured from high quality materials. Through intelligent product development we aim to improve material efficiency and to increase usage of recycled materials.

In Fiskars container gardening factory in Germany, 42% of our total production volume is produced utilizing regranulated plastic from e.g. the automotive industry.

Packaging

The functions of packaging are to protect the products and to be a communications channel to our consumers. At Fiskars we aim to optimize packaging and to use recycled or renewable packaging materials.

Gerber's new packaging design introduced more environmentally friendly materials and reduced plastic usage by 48%.

Extended responsibility

At Fiskars we believe that close co-operation and long term relationships with our suppliers are fundamental for a competitive and sustainable supply chain. Fiskars requires its partners to commit to principles covering labor and human rights, health and safety, environmental impact, and business ethics.

Suppliers are required to follow a Supplier Code of Conduct document, and audits are carried out to verify compliance. By the end of 2012 we have audited finished goods suppliers representing approximately 89% of total volumes sourced from Asia. 60% of suppliers were rated "satisfactory or good", and no suppliers were disqualified in the audits. The biggest challenges found were related to working hours and safety at work at the factories.

Read more about Fiskars Supplier Code of Conduct and how we work with our suppliers on our website.

89%

of finished product volumes sourced from Asia have been audited

60%

of suppliers were rated satisfactory or good

CARING FOR PEOPLE AND COMMUNITIES

We want to run and grow our business in a sustainable manner. We are committed to taking care of people involved in creating our products, and to contributing to the communities where we operate.

In 2012 Fiskars defined its philanthropic umbrella, stating the areas where we support local organizations in the communities where we operate through donations: Our future – Children, Our environment – Nature, Our past – Culture.

Our future – Children

We seek to nourish our future and believe that every child is entitled to have a safe and happy childhood. To enhance this effort we started national co-operation with SOS Children's Villages in Finland.

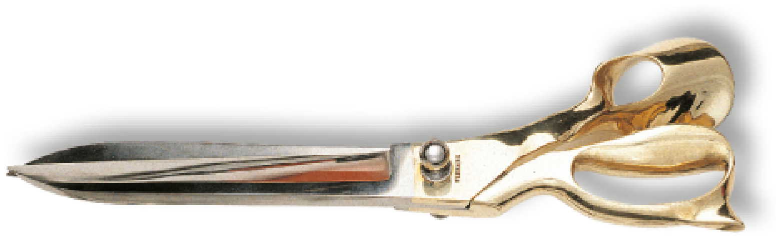
Through the partnership we aim to support the young people leaving a SOS Children's Villages with a “Fiskars Start-Kit for your Home & Kitchen”, a basic set of dishes, cutlery, pans, and other practical items.

Our environment – Nature

Fiskars' Project Orange Thumb® is a community gardening initiative providing groups with the tools, materials and resources they need to create beautiful and productive community garden spaces. In 2012, we distributed 10 garden grants made up of tools and cash to community groups across North America and transformed empty lots into a fruitful community gardens in San Antonio, Texas and Ottawa, Ontario together with non-profit organizations – in a single day.

Our past – Culture

Fiskars has over 360 years' history of success which is proof of earned trust that lives on in today's unique atmosphere of the company's birthplace, Fiskars Village.



INSPIRING EMPLOYEES

The year 2012 was a year of many changes and one in which Fiskars became a more collaborative environment than ever. Our now 4 100 employees in our company have joined together to create Tomorrow's Fiskars, with our common values of innovation, teamwork, integrity and accountability operating as glue across teams, units, countries, cultures and continents.

Inspired and motivated employees are crucial for our business success. We believe that inspiration needs to be nurtured, and for that reason we have chosen to focus on leadership, wellbeing and engagement. We build and develop our talent together with the business and invest heavily in strengthening our people's capabilities. Working in a growth company offers exciting career opportunities for our employees and we are also encouraging them to pursue new internal career opportunities by making a move to another business unit, country or function within the company.

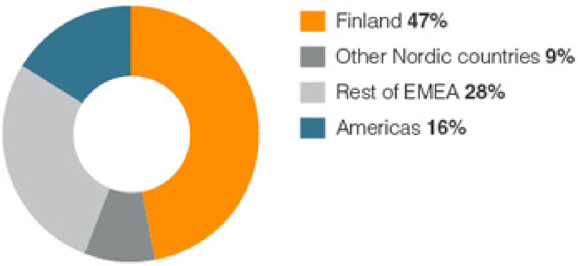
For the past five years we have consistently evolved into an efficient branded consumer goods company. Following the shift into a matrix model in 2012 we now have units with clear roles and responsibilities in EMEA; be it a sales unit responsible for promoting our entire brand offering in its market or a category-driven business unit responsible for a winning offering and nurturing our brand portfolio.

Fiskars' global ambitions have also set the stage for more significant investment in sales and marketing competence development. In autumn 2012, Fiskars started a Marketing Excellence program to share the latest learnings in marketing topics.

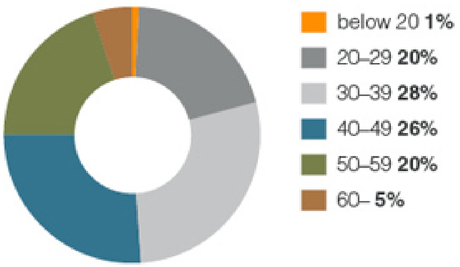
Employee facts *	2012	2011
Average number of employee (FTE)	**3,364**	3,545
Employees in production, %	**42**	46
Employee turnover rate	**3,3%**	N/A
Part time employees, %	**14**	14
Gender balance, men/women, %	**52/48**	52/48
Women in the Executive Board, %	**20**	40
Women in the Board of Directors, %	**22**	22
Employees responding to engagement survey, %	**74**	68
Professional employees included in performance review and target setting process, %	**94**	80

* Royal Copenhagen employees not included in 2012 figures

Employees by geographical region



Employees by age



LEADERSHIP, WELLBEING AND ENGAGEMENT

Leadership for growth and innovation

Fiskars' growth ambition and ongoing transformation require leadership that enables high performance, innovation and ongoing learning. At Fiskars, exceptional leadership is depicted in our ability to engage and develop our people to reach exceptional results. To support our leaders in their personal development we provide a wide portfolio of tools and promote a shared leadership culture through, for example, two global leadership development programs.

License to Lead

Fiskars License to Lead is targeted for all managers globally with the aim to build a common code in ways of working and leading our people. For instance, in Sweden all the managers completed their License to Lead training in 2012. All in all, more than 150 License to Lead training sessions were arranged at Fiskars during 2012.

Leadership Excellence

Fiskars Leadership Excellence program is targeted for our senior managers. It focuses on building a shared mindset, a common language and forging networks across the company. Over 50 senior managers across the businesses and countries participated in the program in 2012 and early adoption of the new concepts, language and tools is already taking place.

Wellbeing

At Fiskars, we understand that wellbeing is not only the responsibility of the employee, but also something which the company needs to contribute to actively. With committed employees whose work history in the company may span over several decades, we take an interest in their wellbeing and want to help them keep fit for every day challenges.

To tackle the modern challenge of wellbeing, we have started focused programs in Finland to support our employees' ability to work. The so called early intervention model aims to support work performance: we believe that a solution can be found to most problems. Through active focus on work ability in the past two years, the sick leave rate in Finland has dropped to under 5% from around 7%.

Enhancing engagement through open communication

This year we have reshaped our organization to respond to business and market needs and focused on working in a matrix where open two-way communication is essential to help us to understand the direction, the reasoning for the changes and what they mean for employees individually. This can be done only by sharing knowledge with one another and creating better dialogue.

There are encouraging results from many of our sales units and factories where local management and individual leaders have focused on engaging their employees through dialogue. One example is Fiskars France, where action plans were built together by the managers and the employees.

“We were very clear about this: it’s a collective task for a collective result! If at the end of the year the results were successful, it will be thanks to all of us. We have adopted a very structured approach to achieve the change we wanted to make. We started communicating with our employees on quarterly or monthly meetings, from management team to all team levels; followed by the activity indexes which were posted and communicated in each department on a regular basis. The improvement in our employee engagement was a clear result of efficient and active internal communication.” –Alexis Ducos, HR Manager, Fiskars France

FISKARS CORPORATE GOVERNANCE STATEMENT FOR 2012

Corporate governance at Fiskars Corporation is based on the Company's Articles of Association, Finland's Limited Liability Companies Act and the rules and regulations concerning companies listed on the NASDAQ OMX Helsinki Ltd stock exchange. Fiskars also complies, without exception, with the Finnish Corporate Governance Code approved by the Securities Market Association, which came into force on October 1, 2010 and can be consulted at www.cgfinland.fi. This Corporate Governance Statement was published separately from the Report by the Board of Directors on the Company's website www.fiskarsgroup.com on February 21, 2013.

Ultimate decision-making power is vested in Fiskars Corporation's shareholders at the General Meeting of Shareholders. Fiskars' Board of Directors is responsible for the management and proper arrangement of the operations of the Company. The Managing Director (President and CEO) is responsible for the day-to-day management of the Company under the instructions and orders of the Board of Directors.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting is held annually before the end of June, either in Raseborg or Helsinki. The Annual General Meeting decides on matters stipulated in the Companies Act and the Articles of Association, such as the approval of the financial statements, the distribution of profits, discharging the members of the Board of Directors and the CEO from liability, as well as the election of the members of the Board of Directors and the Company's Auditors and remuneration for said Board members and Auditors.

In accordance with the Articles of Association, notices regarding the Shareholders' Meetings are published on the Company's website and, if deemed necessary by the Board of Directors, in an alternative manner. In 2012, notices were published in the Helsingin Sanomat, Hufvudstadsbladet and Västra Nyland newspapers in addition to the notice published on the Company's website.

Any shareholder wishing to submit a matter for inclusion on the agenda of the Annual General Meeting should submit a request in writing to the Board of Directors. To be included in the notice of the Annual General Meeting and in the agenda of the Annual General Meeting, the request should be sufficiently concise and the matter must fall within the authority of the Annual General Meeting, as defined in the Limited Liability Companies Act. Instructions on and the deadline for submitting requests to the Board of Directors are published on the Company's website. In 2012, no such requests were submitted to the Board of Directors.

Annual General Meeting for 2012

Fiskars held its Annual General Meeting for 2012 on March 15, 2012. The meeting approved the financial statements, discharged the members of the Board and the CEO from liability, and decided on the dividend to be paid for the 2011 financial year. The Meeting also decided on the remunerationto be paid to the Board and elected the members, who will serve until the end of the Annual General Meeting in 2013. The Company's auditors were also elected,and remuneration was decided upon. The Meeting authorized the Board to acquire Fiskars' own shares and make decisions about conveying them in accordance with separately agreed conditions.

Extraordinary General Meeting for 2012

Fiskars held an Extraordinary General Meeting on September 12, 2012. Following the divestment of part of the Company's holding in Wärtsilä, the meeting decided on an extradividend to be paid for the 2011 financial year.

THE BOARD OF DIRECTORS

In accordance with the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of nine members. The terms of office of all members will run from their election to the end of the following Annual General Meeting. The Board is responsible for electing a Chairman from among its members.

Responsibilities and Charter of the Board

Fiskars' Board of Directors is responsible for managing the Company in accordance with the law, official regulations, the Articles of Association, and decisions taken by the Annual General Meeting of Shareholders. Under the Charter approved by the Board of Directors, the Board is responsible for the following activities:

- Managing and appropriately arranging the Company'soperations and confirming the Company's business strategy and budget
- Overseeing the solidity, profitability, and liquidity of theCompany, as well as the Company's management
- Approving the risk management principles followed by the Company
- Drafting financial statements
- Confirming financial policy
- Deciding on extraordinary or far-reaching measures,taking the scope and nature of the Company's operations into account, unless these matters come within the responsibilities of the General Meeting of Shareholders
- Appointing the President and CEO and confirming theterms of his employment and other compensation
- Appointing the members of the Executive Board, other seniormanagers, and the internal audit manager, as well as approving their terms of employment and other compensation
- Deciding on the principles for the Group's compensationsystems and other long-term personnel issues
- Considering matters related to the appointment of themembers of the Boards of Directors of subsidiaries
- Appointing Board Committees and their members.These Committees are responsible for preparing matters within their specific area of competence to be put before the Board.

The Board convenes 8–9 times a year according to a pre-confirmed timetable, with additional meetings whenever necessary.Most meetings are connected with the publication of the Company's financial statements and interim reports, strategy and budget cycle or the Annual General Meeting. The Board also holds a strategy meeting at which it considers the Group's future scenarios and confirms the Company's strategy. The Board usually conducts one or two of its meetings at rotating Fiskars locations, focusing on a specific business area.

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

BOARD OF DIRECTORS IN 2012

The Annual General Meeting held on March 15, 2012 reelected all nine members of the Board: Kaj-Gustaf Bergh, Ingrid Jonasson Blank, Ralf Böer, Alexander Ehrnrooth, Paul Ehrnrooth, Louise Fromond, Gustaf Gripenberg, Karsten Slotte and Jukka Suominen.

Convening after the Annual General Meeting, the Board of Directors re-elected Kaj-Gustaf Bergh as its chairman and Alexander Ehrnrooth and Paul Ehrnrooth as vice chairmen. The Board decided to re-establish an Audit Committee, a Compensation Committee and a Nomination Committee.

Independence of the Board of Directors

The Board of Directors evaluates the independence of each member according to the Corporate Governance Code in the constitutive meeting convened after the Annual General Meeting.

All members of the Board are independent of the Company.

Kaj-Gustaf Bergh, Ralf Böer, Gustaf Gripenberg, Ingrid Jonasson Blank, Karsten Slotte, and Jukka Suominen are also independent of major shareholders.

Alexander Ehrnrooth, Paul Ehrnrooth and Louise Fromond are considered to be non-independent of major shareholders.

Work of the Board of Directors in 2012

The Board of Directors convened 11 times during 2012. The average attendance at Board meetings was 97%. Besides the regular annual Board work during the financial year, key priorities in 2012 included the implementation of the integrated strategy and the common operating model, a new ownership strategy for Wärtsilä, the investment program in the EMEA region, revised organizational structures and executive appointments.

Meeting activity and meeting attendance of the Board of Directors 2012

1.1.-31.12.2012	**Board of Directors** 11 meetings	**Audit Committee** 4 meetings	**Compensation Committee** 6 meetings	**Nomination Committee** 2 meetings
Kaj-Gustaf Bergh	11	-	6	2
Alexander Ehrnrooth	11	4	-	2
Paul Ehrnrooth	11	4	-	2
Ralf Böer	11	-	6	-
Louise Fromond	10	4	-	-
Gustaf Gripenberg	11	4	-	-
Ingrid Jonasson Blank	11	-	6	-
Karsten Slotte	9	4	-	-
Jukka Suominen	11	-	6	-

BOARD COMMITTEES

The Board of Directors appointed three committees in 2012: an Audit Committee, a Compensation Committee, and a Nomination Committee.

Audit Committee

The Audit Committee is responsible for the following activities:

- Monitoring the reporting process used for the Company'sfinancial statements
- Supervising the financial reporting process
- Monitoring the efficiency of the Company's internal controls,internal auditing, and risk management
- Reviewing the description of the main features of theinternal controls and risk management associated with the financial reporting process, as provided by the Company's administration and control system
- Monitoring the statutory auditing of the Company's financialstatements and consolidated financial statements
- Evaluating the independence of the Company's statutoryAuditors and the additional services provided by the Auditors
- Drafting the proposal covering the selection of the Company'sAuditors for the Nomination Committee

The following Board members belonged to the Audit Committee:

- Gustaf Gripenberg (Chairman)
- Alexander Ehrnrooth
- Paul Ehrnrooth
- Louise Fromond
- Karsten Slotte

The Audit Committee convened 4 times in 2012 and the attendance of members at meetings was 100%. Besides its ordinary work, the Audit Committee also discussed the Company's sustainability management and reporting in 2012.

Compensation Committee

The Compensation Committee is responsible for preparing matters related to the appointment and remuneration of the President and CEO and Group directors, as well as issues related to the Company's remuneration system.

The following Board members belonged to the Compensation Committee:

- Kaj-Gustaf Bergh (Chairman)
- Ralf Böer
- Ingrid Jonasson Blank
- Jukka Suominen

The Compensation Committee convened 6 times in 2012 and the attendance of members at meetings was 100%. In 2012, the Compensation Committee discussed the Company's compensation framework, bonus structure and longterm incentive plan and prepared the proposal for the new long-term incentive program for the President and CEO.

Nomination Committee

The Nomination Committee is responsible for the following activities:

- Preparing proposals related to the composition of theBoard for the General Meeting of Shareholders after consulting major shareholders
- Preparing proposals for the General Meeting of Shareholderson the remuneration of Board members
- Preparing proposals for the Board regarding the compositionof the Board's committees
- Preparing the proposal on the selection of the Company'sAuditors based on the proposal of the Audit Committee
- Confirming the criteria and processes to be used forevaluating the Board's work

The following Board members belonged to the Nomination Committee:

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

The Nomination Committee convened twice in 2012 and the attendance of members at meetings was 100%.

BOARD MEMBERS

Kaj-Gustaf Bergh

Born 1955, B.Sc., LL.M.

Chairman, elected to the Board in 2005
Chairman of the Compensation Committee and Nomination Committee
Independent of the company and significant shareholders

Managing Director of Föreningen Konstsamfundet r.f. 2006–

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

Other positions of trust:
Chairman of the Board: Bank of Åland 2012–, KSF Media Holding Ab 2007–, Finaref Group Ab 1999–
Member of the Board: Wärtsilä Corporation 2008–, Stockmann plc 2007–, Julius Tallberg Oy Ab 2006–, Ramirent Group 2004–

Alexander Ehrnrooth

Born 1974, M.Sc. (Econ.), MBA

Vice Chairman, elected to the Board in 2000
Member of the Audit Committee and Nomination Committee
Independent of the company and dependent on significant shareholders

CEO of Virala Oy Ab 1995–

Other positions of trust:
Chairman of the Board: Aleba Corporation 2003–, Belgrano Investments Oy 1999–
Member of the Board: Wärtsilä Corporation 2010–

Paul Ehrnrooth

Born 1965, M.Sc. (Econ.)

Vice Chairman, elected to the Board in 2000
Member of the Audit Committee and Nomination Committee
Independent of the company and dependent on significant shareholders

Managing Director & Chairman: Turret Oy Ab 2005–

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

Ralf R. Böer

Born 1948, Juris Doctor

Elected to the Board in 2007
Member of the Compensation Committee
Independent of the company and significant shareholders

Primary working experience:
Partner, Foley & Lardner LLP 1981–,
Foley & Lardner LLP, Chairman and CEO 2002–2011

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

Louise Fromond

Born 1979, LL.M.

Elected to the Board in 2010
Member of the Audit Committee
Independent of the company and dependent on significant shareholders

Primary working experience:
University of Helsinki, doctoral student 2005–2008

Other positions of trust:
Chairman of the Board: Oy Holdix Ab 2010–
Member of the Board: Tremoko Oy Ab 2008–, Bergsrådinnan Sophie von Julins stiftelse 2004–, Fromille Oy Ab 1998–

Gustaf Gripenberg

Born 1952, D. (Eng.)

Elected to the Board in 1986
Chairman of the Audit Committee
Independent of the company and significant shareholders

Professor, Aalto University 1999–

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

Ingrid Jonasson Blank

Born 1962, M.Sc (Econ.)

Elected to the Board in 2010
Member of the Compensation Committee
Independent of the company and significant shareholders

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

Other positions of trust:
Member of the Board: Ambea AB 2012–, Hellefors Bryggeri AB 2012–, Forex Bank AB 2011–,TeliaSonera 2010–, ZetaDisplay AB 2010–, Bilia AB 2006–

Karsten Slotte

Born 1953, B.Sc. (Econ.)

Elected to the Board in 2008
Member of the Audit Committee
Independent of the company and significant shareholders

President and CEO of Fazer Group 2007–

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

Other positions of trust:
Member of the Board: Confederation of Finnish Industries EK 2011–, Varma Mutual Pension Insurance Company 2009–, ETL The Finnish Food and Drink Industries' Federation 2008–, Finnish-Swedish Chamber of Commerce 2003–, Onninen Oy 2001–

Jukka Suominen

Born 1947, M.Sc. (Eng.), B.Sc. (Econ.)

Elected to the Board in 2008
Member of the Compensation Committee
Independent of the company and significant shareholders

Primary working experience:
EFFOA/Silja Oyj Abp, Vice President, Senior Vice President, CEO, Group CEO 1975–2000

Other positions of trust:
Chairman of the Board: Lamor Corporation Ab 2005–2007, 2010–, Rederiaktiebolaget Eckerö 2006–
Member of the Board: Huhtamäki Oyj 2005–

PRESIDENT AND CEO

The Board of Directors is responsible for appointing and, if necessary, dismissing the Managing Director, who also acts as the Group's President and CEO. The President and CEO is responsible for the day-to-day management and administration of the Company, in accordance with the Company's Articles of Association, legislation, official regulations, and the instructions and orders of the Board. The President and CEO is also responsible for ensuring that the Company's accounting is in accordance with legal requirements and that assets are managed reliably. The President and CEO is assisted in these duties by the Executive Board.

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

The Company does not have a CEO's deputy.

EXECUTIVE BOARD

The Executive Board of Fiskars Corporation consists of the management team responsible for corporate and Groupwide functions. Under the leadership of the President and CEO, the Executive Board prepares proposals for the Board and addresses issues related to the Group's strategy, resource allocation and the implementation of Fiskars' common operating model and business model. The Executive Board also addresses issues related to Group-wide and corporate functions and their development. The Executive Board's duties also include stakeholder relations.

The Executive Board convenes monthly accordingly to a pre-confirmed timetable, with additional meetings whenever necessary. The Executive Board convened a total of 11 times in 2012.

Among the key priorities for Fiskars' Executive Board in 2012 were the launch of the new sales organization for the EMEA region and the implementation of the Company's five-year platform investment program in EMEA.

In 2012, the Executive Board consisted of the President and CEO, Kari Kauniskangas, the Group's Chief Financial Officer,Chief Strategy Officer, General Counsel and the head of logistics, sourcing and operations functions. The Group's Chief Strategy Officer is Max Alfthan and Jutta Karlsson is the Group's General Counsel. Fiskars' CFO, Teemu Kangas-Kärki, was appointed President of the Group's Home Business area as of March 2, 2012, whereupon VP Finance, Jyri Virrantuomi, was appointed interim CFO and member of the Executive Board. Fiskars appointed Ilkka Pitkänen as the Group's new CFO and member of the Executive Board as of September 1, 2012. Fiskars' Vice President, Operations, Hille Korhonen, left the Company at the end of October 2012 to accept a position outside the Company. On November 20, 2012, Fiskars appointed Risto Gaggl as Senior Vice President, Supply Chain and member of the Executive Board.

To facilitate development of the Company's operations and the establishment of common processes and platforms, the heads of the Group's Human Resources and IT functions are invited to attend the Executive Board meetings. Thus Timo Leskinen, Vice President of Human Resources and Frans Westerlund, Chief Information Officer participatedin the Executive Board meetings in 2012.

EXECUTIVE BOARD MEMBERS DEC 31, 2012

Kari Kauniskangas

President and CEO, employed 2008
Born 1962, M.Sc. (Econ.)

Primary working experience:
Amer Sports Corporation, Head of Winter & Outdoor division 2007
Amer Sports Corporation, Senior Vice President, Sales & Distribution 2004–2007
Amer Sports Europe GmbH, President & GM 1999–2004

Max Alfthan

Chief Strategy Officer, employed 2008
Born 1961, M.Sc. (Econ.)

Primary working experience:
Amer Sports Corporation, Senior Vice President, Communications 2001–2008
Lowe & Partners, Managing Director 1998–2001
Oy Sinebrychoff Ab, Marketing Director 1989–1998

Positions of trust:
Member of the Board: Nokian Panimo Oy 2008–

Risto Gaggl

Senior Vice President, Supply Chain, employed 2011
Born 1968, M.Sc. (Tech)

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

Jutta Karlsson

General Counsel, employed 2006
Born 1963, LL.M.

Primary working experience:
LMR Attorneys-at-law, Legal Counsel 2004–2006
Council of the Baltic Sea States (Stockholm), Legal Advisor 2002–2004

Ilkka Pitkänen

Chief Financial Officer, employed 2012
Born 1966, M.Sc. (Econ.)

Primary working experience:
DNA Group, CFO & Deputy to CEO 2010–2012
Metsäliitto Group, Executive Vice President & CFO 2005–2010
KONE Corporation, Vice President, Alliances & Acquisitions 2003–2005
KONE Italy Spa, Financial Director & Group Controller 2000–2003
KONE Corporation, Vice President, Corporate Controller 1998–2000

MANAGEMENT

Executive Team

The Executive Board, Presidents of Fiskars' business areas, Presidents of the EMEA Sales Regions and the heads of Human Resources and IT form the Executive Team of the Company. The Executive Team meets a minimum of four times a year to discuss the implementation of the integrated Company strategy, the implementation of common operating and business models and corporate business performance and opportunities.

EMEA Sales Regions

In May 2012, Fiskars introduced a new matrix organization for the EMEA region to accelerate growth. As of September 1, 2012, two new sales regions – North and Central – assumed commercial responsibility for their respective regions. The heads of country sales units, who previously reported to either the Home or Garden EMEA business areas, now report to the respective Sales Region President.

Jakob Hägerström was appointed President, Sales Region North and Axel Goss was appointed President, Sales Region Central. Both report to Fiskars' President and CEO, Kari Kauniskangas. The Executive Board follows the sales regions' performance and plans using monthly and quarterly reports and meets regularly with the Presidents of the Sales Regions to follow up on key activities and to address sales and business development.

Business Area Management

Fiskars Group has four reporting segments: EMEA (Europe,Middle East and Asia-Pacific), Americas, Wärtsilä (associated company) and Other (Real Estate, corporate headquarters and shared services).

The Company has three business areas: Home, Garden and Outdoor. The three business areas are managed under the two geographical segments: EMEA and Americas. The Presidents of Fiskars' business areas are responsible for the day-to-day operations and development of their business areas and for ensuring that their businesses comply with the requirements of local laws and regulations and Fiskars' Code of Conduct.

They are also responsible for ensuring that the subsidiaries associated with their businesses have the appropriate resources needed for their businesses.

The Presidents of each business area are assisted in these duties by the business areas' leadership teams and the leaders of sales regions and sales units. To facilitate close co-operation between the sales units and business units, the Presidents of EMEA sales regions participate in EMEA business area leadership team meetings.

The Executive Board follows the business areas' performance and plans using monthly and quarterly reports and meets regularly with the Presidents of the business areas to follow up on key activities and to address strategies for business areas, brands and categories, as well as business model implementation.

In 2012, Fiskars' business area Presidents were as follows:

- Thomas Enckell, Garden EMEA
- Teemu Kangas-Kärki, Home as of March 2 and Jaakko Autere until March 2, 2012
- Jason Landmark, Outdoor
- Juha Lehtola, Boats
- Paul Tonnesen, Garden & SOC, Americas

EXECUTIVES DEC 31, 2012

Thomas Enckell

President, Garden, EMEA, employed 2007
Born 1963, M.Sc. (Econ.)

Primary working experience:
Iittala Group, Sales Director, Wholesale 2007
Iittala Group, Group Director, Iittala Brand and International Sales 2003–2007
Iittala Group, Business Area Director 2000–2003
Designor, Business Area Director 1996–2000

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

Axel Goss

President, Sales Region Central, EMEA, employed 2012
Born 1961, M.Sc. (Econ.)

Primary working experience:
Reckitt Benckiser, Area Sales Director, Europe 2006–2012
Reckitt Benckiser, Director, Global Customer Development, Global Sales 2001–2006
Reckitt Benckiser, Regional Sales Director, Europe, Private Label 1998–2000

Jakob Hägerström

President, Sales Region North, EMEA, employed 2009
Born 1971, M.Sc. (Econ.)

Primary working experience:
Fiskars Home, Vice President, Sales 2009–2011
Samsung Electronics Nordic Ab, Head of Marketing, Finland 2009
L'Oréal Finland Oy, General Manager, Consumer Products Division 2005–2008
L'Oréal Finland Oy, Product and Marketing Manager 1999–2003

Teemu Kangas-Kärki

President, Home, employed 2008
Born 1966, M.Sc. (Econ.)

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

Jason Landmark

President, Outdoor, Americas, employed 2001
Born 1967, B. Sc. (Management & Marketing)

Primary working experience:
Gerber, Vice President, Sales, Marketing & Customer Service 2001–2004
Newell Rubbermaid, National Sales Manager 1997–2001
Newell Rubbermaid, various sales, marketing and product-related roles with multiple divisions 1990–1997

Juha Lehtola

President, Boats, employed 2009
Born 1966, M. Sc. (Econ.)

Primary working experience:
Stora Enso Oyj, Senior Vice President 2007–2009
Stora Enso Oyj, Vice President, New Business Innovations 2003–2007
Stora Enso Oyj, Vice President, New Business Areas 2002–2003
Stora Enso Packaging Sp., Managing Director 1999–2002

Timo Leskinen

Vice President, Human Resources, employed 2009
Born 1970, Master of Psychology

Primary working experience:
Nokia, Nokia Services, Director Human Resources 2008–2009
Nokia, Nokia Customer and Market Operations, Director, Human Resources 2006–2008
Nokia, Nokia Ventures Organizations, Director, Head of Operations 2004–2006
Nokia, Human Resources Manager 2000–2003
Various Human Resources Consultant positions in Finnish HR consulting companies 1997–2000

Paul Tonnesen

President, Garden & SOC, Americas, employed 2007
Born 1964, MBA, B. Sc. (Marketing)

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

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

Frans Westerlund

Chief Information Officer, employed 2009
Born 1966, M. Sc. (Econ.)

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

INTERNAL CONTROL, RISK MANAGEMENT, AND INTERNAL AUDIT

The Board of Directors is responsible for the appropriate management and organization of operations. In practice, it is the responsibility of the President and CEO, together with the management, to put in place and administer accounting and control mechanisms and other similar mechanisms.

The Group's financial performance is reviewed monthly using a reporting system that covers all units and operations. The business areas are run by their own leadership teams. With the support of the Corporation, the business areas are responsible for the day-to-day risk management associated with their operations.

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

The Internal Audit function is responsible for auditing and reviewing how well internal control systems function, the appropriateness and efficiency of functions, and how well guidelines are observed.

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

Insider matters

Fiskars applies the insider regulations of NASDAQ OMX Helsinki that came into force on October 9, 2009. In addition, the Company has its own insider regulations that were last updated on September 1, 2012.

The Company's Public Insiders include the members of the Board, the President and CEO, the Executive Board, the Presidents of the business areas and EMEA sales regions and the Company's Auditors. Fiskars also has a Company specific insider register as well as a separate project-based register which is maintained for projects that, on completion, may have an impact on the Company's share value.

Fiskars Corporation's Legal Department maintains lists of insiders. Information on Public Insiders can be consulted at Euroclear Finland Ltd., Urho Kekkosen katu 5 C, 00100 Helsinki, tel. +358 20 770 6000 and the Company's website, www.fiskarsgroup.com.

Audit

The Company's Auditor was KPMG Oy Ab, Authorized Public Accountants, with Virpi Halonen, APA , as Senior Auditor.

A total of EUR 0.7 million was paid in audit fees to the auditors employed by Group companies in 2012. In addition, a total of EUR 0.8 million was paid to the auditors in fees for other consultancy services related to tax matters and other advisory services.

Communications with the markets

Fiskars' aim is to provide all market participants with accurate,up-to-date, and sufficient information on the Company. Details on the Company's administration and control system can be consulted on the Company's website, where stock exchange releases are published immediately after disclosure, and other key investor material is also available.

Fiskars has adopted a silent period of three weeks prior to the publication of results. During this period, no comments on the market situation or Company prospects will be made by Fiskars.

THE MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS

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

Internal control related to the financial reporting process

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

Structure

Fiskars has four operational segments and three business areas. All the business areas have their own financial management organizations.

The business units that operate under the business areas comprise the base level of financial reporting. Business units are responsible for organizing their own financial management and for the accuracy of their financial reporting. The Parent Company also has a Group-level financial management organization that operates under the leadership of the CFO. The financial management organizations of the business areas and the Group as a whole are responsible for monitoring the operations of the finance departments of individual business units. The Internal Audit function audits and monitors the efficiency of the reporting process and assesses the reliability of financial reporting.

Financing and financial risk management belong to the Group Treasury function under the responsibility of the CFO.

Management

Setting and monitoring financial targets is an important part of Fiskars' management responsibilities. Short-term financial targets are set as part of the annual planning cycle, and progress in achieving these targets is monitored on a monthly basis. Business units report actual financial data monthly and file a projection of how financial performance is expected to develop over the remainder of the reporting period.

Information from business units is consolidated and validated by the Group's financial organization and the data is used to prepare a monthly report for senior management. Monthly reports contain condensed income statements for Fiskars' operational segments and business areas, key indicators, and an overview of the major events affecting their businesses. Reports also include a consolidated income statement, balance sheet data, cash flows, and a projection of the expected development of the financial situation covering the remainder of the reporting period. The Group's Audit Committee, the Group's Board of Directors, the Corporate Management Team, and the leadership teams of each business area monitor the development of the financial situation and analyze progress on targets on a monthly basis.

Financial IT systems

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

As part of the five-year development program the Company will implement a common enterprise resource planning system (ERP) in the EMEA region in order to simplify the financial reporting process and reduce risks associated to the management of several different systems in parallel. The implementation of the new system will be performed in steps. The first implementation took place in late 2011, and the implementation of the system in the countries began during 2012. The most important implementations will take place in 2013 and 2014.

Guidelines

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

Risk management related to the financial reporting process

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

Fiskars manages the risks associated with its financial reporting process in a number of ways including the following: maintaining and resourcing an appropriate financial management organization, limiting the rights and responsibilities of individual members of staff appropriately, managing the user rights that give access to the Group's reporting system centrally, issuing guidelines on accounting and reporting, maintaining a common Group chart of accounts, making effective use of IT tools, providing ongoing training for personnel, and validating the accuracy of information that is reported as part of the reporting process.

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

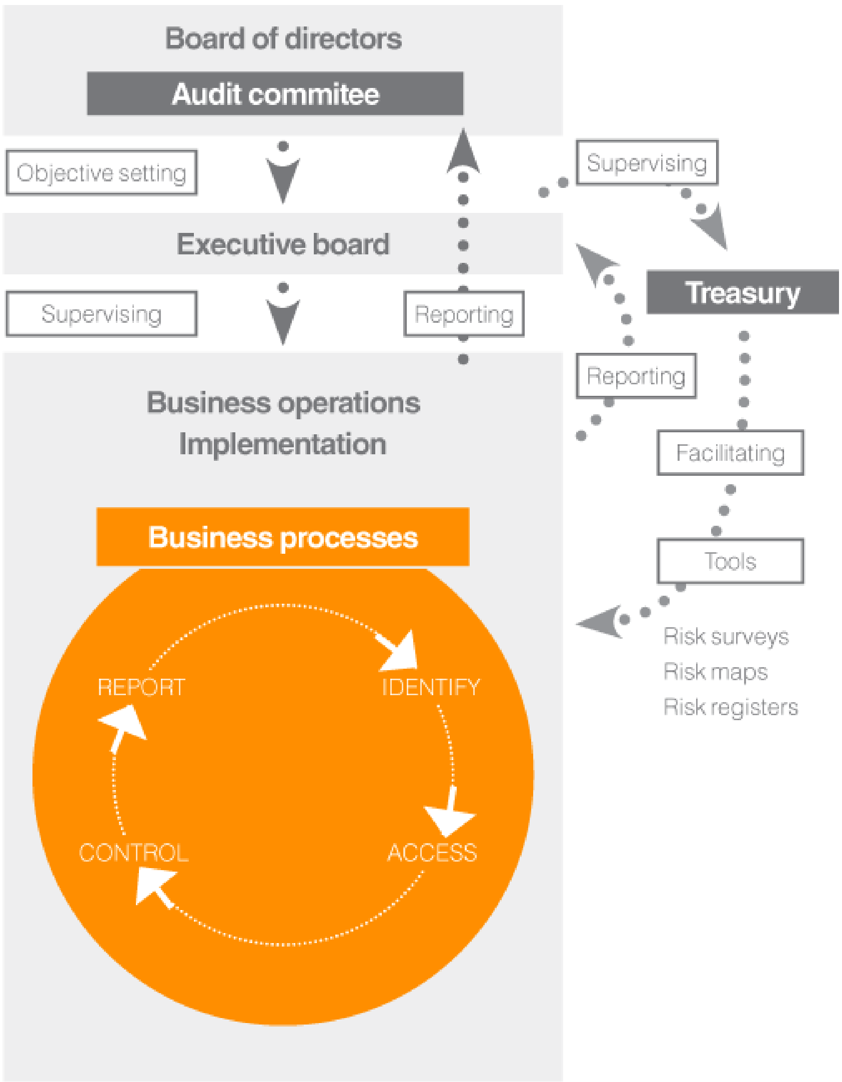
RISK MANAGEMENT

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

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

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

Risk management framework



PROCESS of managing risk is a part of the day-to-day business processes.

RISK is considered to be anything that may prevent us from achieving the business objectives.

OBJECTIVES

- Safeguarding the Group's personnel and assets
- Guaranteeing deliveries to customers
- Complying with general corporate governance
- Guidelines protecting brand values and reputation against accidental losses

PRINCIPAL UNCERTAINTIES

Customer relationships and distribution

As Fiskars produces and sells consumer products, general market conditions and a decline in consumer demand in key market areas in Europe and North America could have a material adverse effect on the Company's net sales and profitability.

Fiskars' products are primarily sold to wholesalers, retailers, and directly to consumers through its stores. Sales to large individual customers are significant in some businesses, but none of the customers account for more than 10% of the total net sales of the Group. As some major customers decide on their product range and suppliers only once annually, failure to meet customer needs may result in Fiskars losing customers, and the loss of even a small number of major customers or disruption in the activities of a specialized distribution channel could have an adverse effect on Fiskars' business and profits.

Supply chain

A significant proportion of the products sold by Fiskars are manufactured by external suppliers and, in addition, the Company purchases components and raw materials from several suppliers. By making greater use of outsourcing the Company is increasingly exposed to risks related to its outsourced supply chain. Most of the suppliers are located in Asia, which is far from the Company's key markets, and disturbances at the source of supply or in the logistics chain could prevent the orderly delivery of products to customers.

Fiskars is also increasingly exposed to legal, economical, political and regulatory risks related to the countries of its suppliers. When selecting its suppliers, the Company emphasizes delivery performance, suppliers' ability to react to changes in demand, quality and ethical aspects of suppliers' operations. Fiskars requires its partners to commit to principles covering labor and human rights, health and safety, the environment, and business ethics. Suppliers are required to follow Fiskars' Supplier Code of Conduct, and audits are carried out to verify compliance.

The importance of a seamlessly functioning supply chain continues to increase and Fiskars is continuously strengthening its global sourcing operations. The Company currently runs regional sourcing offices in Shanghai, Bangkok and Helsinki and focuses on value creation by harmonizing sourcing processes and supplier-base management principles on a global scale.

Raw materials and components

The most important raw materials used in Fiskars' products are steel, aluminum, and plastics. Sudden fluctuations in raw material, component and energy prices or availability can have an impact on the Company's profitability. Fiskars uses long-term contracts with some of its raw material suppliers to manage price risks, and derivatives are used to hedge the price of electricity for production plants in Finland.

Currency rates

A significant part of the Group's operations are located outside of the euro zone. Consolidated financials are reported in euros and changes in foreign exchange rates may have an adverse impact on the reported net sales of the Group, its operating results and balance sheet. Changes in foreign exchange rates may also impact Fiskars' competitiveness negatively. The Company aims to manage currency risks related to commercial cash flows primarily through business means. Acquisition of production inputs and sale of products are primarily denominated in the local currencies of the Group companies. Most of the estimated exports and imports in foreign currencies are hedged up to 12 months in advance.

Brands and corporate reputation

Fiskars has a number of global, regional and local brands in its portfolio. Any adverse event affecting consumer confidence could have a detrimental impact on its business. Fiskars monitors the performance of its leading brands closely, and is committed to taking appropriate action to mitigate any threat to brand value.

Weather and seasonal dependence

Some product groups, particularly garden tools during the spring and snow tools during the winter, can be affected by the weather. Unexpected weather conditions can have a negative impact on sales of these products. Sales of homeware products are heavily geared towards the last quarter of the year, and any negative issues related to product availability or demand during this quarter could affect the full-year result of this business significantly.

Investment program in the EMEA region

In December 2010, Fiskars launched a five-year develop mentprogram in the EMEA region with an investment of approximately EUR 50 million. This program will enable the Company to create a more streamlined supply chain and improve transparency using common processes and IT systems, including a new common enterprise resource planning (ERP) system. The program may be delayed or not achieved if the Company fails to execute the program as planned. A dedicated project team, also including external advisors, has been established to implement the program. The corporate management team monitors the progress of the program and the project's status is regularly reported to the Board of Directors.

Acquisitions

Despite a careful due diligence process, all acquisitions include risks. Fiskars mitigates these risks by planning the integration of acquired businesses in advance, by establishing Fiskars' corporate governance principles immediately after the takeover, by setting up a joint integration team and by following the integration and the development of the new company intensively within its corresponding management team, the Executive Board and the Board of Directors of Fiskars.

Associated company

Fiskars has a substantial investment in an associated company, Wärtsilä Corporation. Major changes in Wärtsilä's share price, profitability, or dividend would have a material impact on Fiskars.

FISKARS REMUNERATION STATEMENT

Board's remuneration

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

In 2012, the Annual General Meeting decided on the following annual remuneration for the members of the Board of Directors:

- Chairman of the Board: EUR 80,000
- Vice Chairman of the Board: EUR 55,000
- Members of the Board: EUR 40,000

In addition, the Board members are paid EUR 600 per Board or Committee meeting, the Chairman of the Board EUR 1,100 per Board and Committee meeting, and the Chairman of the Audit Committee EUR 1,100 per Audit Committee meeting. In addition, members are reimbursed for their travel and other expenses incurred as a result of their activities on behalf of the Company.

Compensation paid to the members of the Board totaled EUR 516,000 in 2012. The members of the Board are not included in Fiskars' incentive schemes and they are not employed by the Company.

Remuneration paid to the members of the Board of Directors for the year 2012

Name	Annual remuneration (EUR)	Meeting remuneration (EUR)	Total (EUR)
Kaj-Gustaf Bergh, Chairman	77,500	20,900	98,400
Alexander Ehrnrooth, Vice Chairman	53,750	10,200	63,950
Paul Ehrnrooth, Vice Chairman	53,750	9,600	63,350
Ralf Böer	38,750	10,200	48,950
Louise Fromond	38,750	8,400	47,150
Gustaf Gripenberg, Chairman, Audit Committee	38,750	11,000	49,750
Ingrid Jonasson Blank	38,750	10,200	48,950
Karsten Slotte	38,750	7,800	46,550
Jukka Suominen	38,750	10,200	48,950
Total	**417,500**	**98,500**	**516,000**

One-off consultancy fee awarded by the Board to the Chairman in Q2 2012

In Q2 2012, the Board awarded the Chairman of the Board a one-off discretionary consultancy fee of EUR 200,000 for consultancy work related to the negotiation and completion of the partnership agreement between Fiskars Group and Investor AB regarding the long-term ownership of Wärtsilä.

Fiskars' compensation philosophy

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

Main features of the Executive Board's remuneration

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

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

Executive Board members have voluntary, contributionbased additional pension insurance. Fiskars Corporation has no share option programs in place.

Incentive Plan design

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

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

Participants in the Long-term Incentive Plan are selected by the Board of Directors annually, and the Board also decides on the earning criteria based on financial targets for the plan annually. The long-term incentive targets are pure lyfinancial and, in 2012, they were tied to the company's consolidated net sales and operative cash flow.

The earning period for the Long-term Incentive Plan is one year, which is followed by a two-year vesting period. The bonus will be paid during the quarter following the vesting period. The first long-term incentive bonuses, relating to performance in 2009, were paid in the first quarter of 2012.

The bonuses for performance in 2012 will be paid during the first quarter of 2015.

A positive change in the value of the Company's shares related to its own operations (excluding the impact of Wärtsilä on the share price) during the vesting period may in creasethe final payout by up to 50%.

Principles of the Presidents and CEO's incentive scheme in 2012

	Minimum	Target	Maximum	Maximum final payout after vesting period *
Annual Bonus Plan, % of annual base salary	0	60%	80%	N/A
Long-term Incentive Plan, % of annual base salary	0	60%	90%	135%

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

Principles of the Executive Board's incentive scheme in 2012

	Minimum	Target	Maximum	Maximum final payout after vesting period*
Annual Bonus Plan, % of annual base salary	0	20—60%	30—90%	N/A
Long-term Incentive Plan, % of annual base salary	0	20—40%	30—60%	45—90%

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

President and CEO’s remuneration

The President and CEO’s compensation consists of a salary, annual bonus and the Long-term Incentive Plan. The President and CEO’s target bonus corresponds to 60% of his annual salary. In 2012 the financial targets of the Annual Bonus Plan were related to net sales growth, EBT excluding Wärtsilä, and gross profit margin and cash flow. The financial targets of the Long-term Incentive Plan were related to net sales and EBIT.

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

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

The salary, benefits, and bonuses paid in 2012 to the President and CEO, Kari Kauniskangas, totaled EUR 1,047,598. Basic salary accounted for EUR 403,744, bonuses for the 2011 result came to EUR 234,354 and bonuses for 2009 through the Long-term Incentive Plan came to EUR 409,500.

During the 2012 earning period, the President and CEO earned bonuses through the Long-term Incentive Plan, excluding any possible increase due to changes in the share price, of EUR 95,256. These long-term bonuses for performance in 2012 will be paid during first quarter of 2015.

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

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

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

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

Executive Board’s remuneration

The Executive Board’s Annual Bonus Plan in 2012 was designed to provide a target bonus equivalent to 20–60% of their annual salary. The earning criteria were tied to the Group’s financial targets and, secondarily, to personal, function-specific targets. In 2012, the financial targets were mainly related to net sales growth, EBT excluding Wärtsilä, and gross profit margin. Members of the Executive Board can also be included in a Long-term Incentive Plan.

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

In 2012, salaries, benefits, and bonuses paid to the members of the Executive Board (excluding the President and CEO) totaled EUR 1,392,330. Basic salaries accounted for EUR 722,586. Bonuses for the 2011 result came to EUR 255,740 and bonuses paid through the Long-term Incentive Plan for 2009 amounted to EUR 414,005. During the 2012 earning period, bonuses earned through the Longterm Incentive Plan, excluding any possible increase due to changes in the share price, totaled EUR 70,936 for the Executive Board (excluding the President and CEO). These bonuses will be paid during the first quarter of 2015.

Remuneration of the new CFO

Fiskars appointed Ilkka Pitkänen as the Group’s new CFO as of September 2012. When he joined the company, he agreed to purchase Company shares equivalent to the net amount of his signing bonus, which was EUR 72,750. These shares have a lock-up period lasting until 2015.

Remuneration of the President and CEO in 2012

	2012	2011
Basic salary (EUR)	403,744	389,816
Annual bonus for previous year (EUR)	234,354	256,648
Bonus paid through long-term incentive plan (EUR)	409,500	n/a
Total (EUR)	**1,047,598**	**646,464**
Voluntary pension contribution by the company (EUR)	77,963	76,042

Remuneration of the other members of the Executive Board* in 2012

	2012	2011
Basic salary (EUR)	722,586	753,631
Annual bonus for previous year (EUR)	255,740	284,732
Bonus paid through long-term incentive plan (EUR)	414,005	n/a
Total (EUR)	**1,392,330**	**1,038,363**
Voluntary pension contribution by the company (EUR)	98,736	133,750

*Including Teemu Kangas-Kärki until March 2, 2012, Interim CFO Jyri Virrantuomi March 2 - August 30, 2012, Ilkka Pitkänen as of September 1, 2012, Hille Korhonen until October 31, 2012 and Risto Gaggl as of November 20, 2012.

Bonuses earned and accrued through the Long-term Incentive Plan

Earning period	2010	2011	2012
To be paid*	**2013**	**2014**	**2015**
CEO (EUR)	271,740	286,230	95,256
Other members of the Executive Board (EUR)	211,142	220,942	70,936

* after having been adjusted by share price multiple.

REPORT BY THE BOARD OF DIRECTORS 2012

2012 in brief

Against the background of a volatile business environment and weakening economic climate in Europe, Fiskars' business performed steadily in 2012. Net sales increased by 1% to EUR 747.8 million (2011: EUR 742.5 million) despite the divestment of Silva during the third quarter 2011 and slower snow tools sales than in 2011.

The Group's operating profit excluding non-recurring items grew by 2% to EUR 63.1 million, reaching again an all-time high. Including non-recurring items, operating profit increased by 21% to EUR 63.9 million (52.8). This good development was driven by increased efficiency in Fiskars' own operations.

Cash flow from operating activities was EUR 95.0 million (107.4) and earnings per share were EUR 2.18 (1.91), including a non-recurring profit of EUR 1.06 (0.85) per share from the sale of Wärtsilä shares. The Board proposes a dividend of EUR 0.65 (0.62 plus an extraordinary dividend 0.75) per share.

Group performance

Operating environment in 2012

In 2012, the unstable financial climate, combined with cuts in government spending, reduced consumer confidence in Europe, and tight inventory management was still a priority for retailers. The sentiment in Northern Europe was more stable than in Southern Europe, where market conditions were especially challenging. The economic climate weakened during the year, impacting retailers and consumers in many markets. In many European countries garden-related retail suffered additionally due to unusually bad, rainy weather.

In North America, the year began with cautious optimism, and consumers seemed to be gaining more confidence and to be willing to spend on purchases which they had put off. In the spring and summer, consumer confidence deteriorated as Americans grew more pessimistic about their finances yet again. Warmer weather helped DIY and garden retailers, some of which continued to work down inventories from the previous year's poor garden selling season. Towards the end of the year a string of encouraging signs from the economy boosted consumer sentiment and retail spending increased, but worries about the fiscal cliff again dampened sentiment at the end of the year. Despite the growth in retail sales, retailers were still holding back on replenishing inventories.

Net sales

EUR million	**2012**	2011	Change	Change cn*
Group	**747.8**	742.5	1%	-3%
EMEA	**501.9**	516.8	-3%	-4%
Americas	**250.4**	232.5	8%	0%

* currency neutral.

Operating profit (EBIT)

EUR million	**2012**	2011	Change
Group	**63.9**	52.8	21%
EMEA	**42.6**	33.7	26%
Americas	**34.2**	30.5	12%
Other	**-12.9**	-11.4	13%

Net sales and operating profit

In 2012, Fiskars' net sales increased by 1% to EUR 747.8 million (742.5) despite the divestment of Silva during the third quarter 2011 and slower snow tools sales than in 2011. Comparable net sales, using comparable exchange rates, and excluding Silva in Q1-Q2 2011 decreased by 1%. Net sales in EMEA decreased, whereas sales in the Americas increased thanks to favorable exchange rates.

Net sales for EMEA amounted to EUR 501.9 million (516.8), and for the Americas to EUR 250.4 million (232.5).

The Group's operating profit excluding non-recurring items grew by 2% to EUR 63.1 million, reaching again an all-time high. Including non-recurring items, operating profit increased by 21% to EUR 63.9 million (52.8). This good development was driven by increased efficiency in Fiskars' own operations.

Operating profit for EMEA amounted to EUR 42.6 million for the year (33.7). Non-recurring income amounted to EUR 0.8 million in Q3 2012, resulting from the reversal of a provision relating to the sale of Silva in 2011. There were no non-recurring costs in 2012. In 2011 non-recurring expenses amounted to EUR 9.3 million, of which EUR 5.3 million related to the sale of the Silva business and EUR 3.0 million to a competition infringement fine. In the Americas, operating profit for the segment increased by 12% in 2012, totaling EUR 34.2 million (30.5, which included a EUR 1.1 million non-recurring product recall cost during the third quarter). The growth in SOC sales contributed to the increase in profit.

Financial items and net result

Fiskars' share of profit from its associated company, Wärtsilä, in 2012 was EUR 47.8 million (42.7). The change in the fair value of biological assets was EUR 5.6 million (-1.0). There was a positive effect of EUR 4.4 million on the fair value of biological assets, resulting from the third-party verified stocktaking during 2012, where both the total amount of standing timber and the proportional amounts of different types of timber were updated.

Net financial costs totaled EUR -3.8 million (-2.4). Profit before taxes was EUR 200.4 million (161.8) in 2012. In Q2 2012, Fiskars recorded a profit of EUR 87.0 million (Q1 2011: 69.8) from the sale of part of its shareholding in Wärtsilä. In 2011, income taxes were affected positively by the change in the 2012 corporate tax rate in Finland, which was decided upon in December 2011. Earnings per share were EUR 2.18 (1.91) for January–December.

Investment program in EMEA

Fiskars is in the process of implementing a new, integrated operating model. In December 2010, the company launched a major, five-year investment program to create competitive structures, systems and processes in EMEA, including a new shared enterprise resource planning (ERP) system.

The investment of approximately EUR 50 million will be funded by operative cash flow. During these years, the program will increase Fiskars' operating expenses and capital expenditure.

The implementation of the system in the countries began during 2012. The most important implementations will take place in 2013 and 2014.

After an initial implementation period, the investment program is expected to further enhance the efficiency of Fiskars' operations and gradually improve profitability and cash flow, as well as provide a platform for enhanced customer service and growth.

Cash flow, balance sheet and financing

Cash flow from operating activities was EUR 95.0 million (107.4). The cash flow includes dividends paid by the associated company, Wärtsilä, totaling EUR 26.8 million (40.9).

Cash flow from investing activities was EUR 94.5 million (92.3) during the year. Cash flow from investing activities includes proceeds from the sale of Wärtsilä shares totaling EUR 126.4 million (109.7). In 2011, the divestment of the Silva business had a positive impact on cash flow from investment activities of approximately EUR 6.3 million in total. Cash flow from financing activities was EUR -179.2 million (-199.5) for January–December 2012.

Capital expenditure in 2012 totaled EUR 32.7 million (24.4). The increase in capital expenditure is mostly related to the investment program launched in EMEA in December 2010. The company also invested in new product development, capacity expansion and replacements.

Depreciation was EUR 21.9 million (21.5) in 2012.

Fiskars' working capital totaled EUR 71.4 million (82.7) at the end of December. The equity ratio increased to 66% (59) and net gearing was 12% (27).

Cash and cash equivalents at the end of the period totaled EUR 16.4 million (6.1). Net interest-bearing debt amounted to EUR 72.4 million (150.8). Short-term borrowing totaled EUR 20.4 million (82.5) and long-term borrowing EUR 69.3 million (75.4). Short-term borrowing mainly consists of commercial paper issued by Fiskars Corporation. In addition, Fiskars had EUR 430 million (455) in unused, committed long-term credit facilities with Nordic banks.

In November, 2012, Fiskars signed a EUR 80 million revolving credit facility, which replaced the company's existing EUR 80 million revolving credit facility signed in November 2007. The new facility has a tenor of five years and serves for general corporate purposes.

Research and development

The Group's research and development expenditure totaled EUR 8.1 million (8.6), equivalent to 1.1% (1.2) of net sales. The decrease was related to the divestment of Silva.

Personnel

The Group employed an average of 3,364 (3,545) FTE employees. At the end of December, the Group had a total of 3,449 employees (3,574) on the payroll, of whom 1,610 (1,670) were located in Finland. The decrease in the number of employees is mainly due to the divestment of the Silva business in July, 2011.

Personnel (FTE), average	**2012**	2011	Change
Group	**3,364**	3,545	-5%
EMEA	**2,604**	2,798	-7%
Americas	**550**	566	-3%
Other	**210**	180	17%

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

Net sales

EUR million	**2012**	2011	Change	Change cn*
Home	**322.8**	306.3	5%	3%
Garden	**287.6**	294.3	-2%	-5%
Outdoor	**133.3**	137.8	-3%	-8%

* currency neutral.

EMEA

EUR million	**2012**	2011	Change
Net sales	**501.9**	516.8	-3%
Operating profit (EBIT)	**42.6**	33.7	26%
Capital expenditure	**8.4**	13.4	-37%
Personnel (FTE), average	**2,604**	2,798	-7%

Net sales in EMEA decreased 3% to EUR 501.9 million (516.8), due to the divestment in Silva and a decrease in snow tool and boat sales. Comparable sales, currency neutral and excluding Silva in Q1-Q2 2011 decreased 2%.

Net sales in the Home business increased, driven by the Living category. Growth was supported by successful launches and increased distribution. Net sales of Kitchen and School, Office, and Craft products did not reach the previous year's levels.

Net sales in the Garden business were below the previous year, when demand for snow tools was exceptionally strong. Supported by marketing campaigns, Fiskars continued to gain market share and increased sales in other categories in Central Europe, despite rainy weather conditions in the selling season.

Sales of Outdoor products reached 2011 levels in spite of the divestment of the Silva business in July 2011, as the investments in Gerber's international expansion delivered a strong growth in sales. The Boat business was affected by the economic uncertainty, but Buster boats maintained their market leadership.

The segment recorded an operating profit excluding non-recurring items of EUR 41.8 million (42.0). Operational efficiency increased, but costs related to IT systems were higher than in 2011. In Q3 2012, Fiskars recorded a non-recurring income of EUR 0.8 million from the release of a provision related to the sale of Silva.

Americas

EUR million	**2012**	2011	Change
Net sales	**250.4**	232.5	8%
Operating profit (EBIT)	**34.2**	30.5	12%
Capital expenditure	**4.4**	3.9	13%
Personnel (FTE), average	**550**	566	-3%

Net sales in the Americas increased 8% to EUR 250.4 million (232.5), supported by good development in the SOC and Garden businesses and the strengthening of the US dollar. Using comparable currency rates, sales remained at the previous year's level.

Garden net sales developed positively, with good development across many key accounts.

Sales of School, Office, and Craft products continued on a strong track, boosted by successful product launches and good back-to-school sales to key accounts.

The Outdoor business area was affected by decreased demand in the institutional channels, and sales did not reach 2011's record levels. Commercial sales developed positively.

The segment's operating profit excluding non-recurring items was EUR 34.2 million (30.5). Strong sales performance in School, Office, and Craft contributed to this development. In 2011, the segment recorded a EUR 1.1 million non-recurring loss related to a Garden product recall during the third quarter.

Other

EUR million	**2012**	2011	Change
Net sales	**6.3**	6.2	2%
Operating profit (EBIT)	**-12.9**	-11.4	13%
Capital expenditure	**20.0**	7.5	168%
Personnel (FTE), average	**210**	180	17%

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

Net sales were EUR 6.3 million (6.2) for January–December, largely consisting of timber sales and rental income. The operating profit was EUR -12.9 million (-11.4) for January–December.

Acquisition of Royal Copenhagen

On December 12, 2012 Fiskars signed a definitive agreement to acquire 100% of the shares in Royal Copenhagen A/S and Royal Scandinavian Modern KK Japan from Royal Scandinavia A/S, whose controlling parent company is the Danish private equity group, Axcel.

The acquisition of the renowned Danish premium porcelain company, Royal Copenhagen, accelerates the international expansion of Fiskars' Home business. In addition to boosting Fiskars within the Nordic countries, the acquisition will further strengthen Fiskars' position in Asia, where Royal Copenhagen ranks among the leading brands selling premium dining products.

The total consideration payable was EUR 66 million, less net debt and working capital adjustments as per closing of the transaction. The transaction was completed on January 4, 2013, and Royal Copenhagen became a part of Fiskars' Home business area.

In 2011, Royal Copenhagen's net sales were EUR 66 million, its EBIT was EUR 5 million and its balance sheet total was EUR 55 million. The company employed 749 people at the end of 2012. Based on preliminary, unaudited information, the company's net sales and EBIT according to Danish GAAP increased for the year 2012. The acquisition is expected to have a positive effect on Fiskars Group's EBIT from 2013 onwards, but the level of the effect in 2013 is dependent on post-acquisition costs in 2013.

New ownership strategy for Wärtsilä

On April 24, 2012, Fiskars Group agreed with Investor AB to join interests to create a strong long-term owner for Wärtsilä. The legal merging of Fiskars Group's and Investor AB's interests will take place in due course, but the parties are acting in concert concerning the Wärtsilä ownership as of the said date.

As part of the agreement, Fiskars' subsidiary Avlis AB sold 2.08% of the shares in Wärtsilä to Investor AB at a price of EUR 30.90 per Wärtsilä share, totaling approximately EUR 126.8 million. Fiskars Group recorded a non-recurring profit of around EUR 87.0 million in its Q2 2012 results from the transaction.

Fiskars' holding in Wärtsilä now amounts to 13.0% of the shares and votes (15.1), and the Group remains Wärtsilä's single largest shareholder. At the end of 2012, Fiskars Group and Investor AB together owned 42,948,325 shares or 21.77% of Wärtsilä's share capital and votes.

Wärtsilä continues to form one of Fiskars' reported operating segments and is treated as an associated company, as Fiskars considers that it continues to have a significant influence within Wärtsilä.

Associated company Wärtsilä

Wärtsilä's Annual General Meeting was held on March 8, 2012. 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.

Wärtsilä's Annual General Meeting decided to pay a dividend of EUR 0.90 per share (EUR 1.75), which resulted in dividend income of EUR 26.8 million (40.9) for Fiskars.

Fiskars' share of Wärtsilä's profit totaled EUR 47.8 million (42.7) for January–December. At the end of December, the market value of Fiskars' Wärtsilä shares was EUR 839.0 million (663.9) or EUR 10.24 (8.11) per Fiskars share, with a closing price of EUR 32.72 (22.32) per Wärtsilä share. The book value of these shares on the consolidated balance sheet was EUR 280.4 million (300.8).

Changes in management

On March 2, 2012, Fiskars appointed the Group's CFO Teemu Kangas-Kärki as President of its Home business area. Jyri Virrantuomi, Vice President, Finance, was appointed interim CFO for Fiskars Group. Jaakko Autere, former President of the Home business area, left the company. Fiskars Group's new CFO and member of the Executive Board, Ilkka Pitkänen, assumed his position at the beginning of September 2012, reporting to Fiskars' President and CEO, Kari Kauniskangas.

In May 2012, Fiskars introduced a new sales organization for the EMEA region to accelerate growth. As of September 1, 2012 two new sales regions – North and Central – assumed commercial responsibility for their respective regions. Jakob Hägerström was appointed President, Sales Region North and Axel Goss was appointed President, Sales Region Central. Both report to Fiskars' President and CEO, Kari Kauniskangas.

At the end of May, Fiskars announced that Hille Korhonen, the Group's Vice President, Operations, would leave Fiskars in

November to assume a new position outside the company. On November 20, 2012, Risto Gaggl, Vice President, Operations at Fiskars' Garden EMEA business area was appointed Senior Vice President, Supply Chain, and member of the Group's Executive Board.

Share and shareholders

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

The total number of shares at the end of the period was 82,023,341, including 118,099 (118,099) treasury shares. Treasury shares correspond to 0.14% (0.14) of the Corporation's shares and votes. The share capital remained unchanged at EUR 77,510,200.

On August 2, 2012 Fiskars announced the Board of Directors' decision to acquire the company's own shares on the basis on the authorization given by the Annual General Meeting held on March 15, 2012. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation. The maximum number of shares to be acquired is one million (1,000,000), corresponding to 1.2% of the total number of shares. No shares were acquired during 2012.

Fiskars shares are traded in the Large Cap segment of NASDAQ OMX Helsinki Ltd. The average share price was EUR 15.67 in 2012 (16.92). At the end of December, the closing price was EUR 16.69 (EUR 13.94) per share and Fiskars had a market capitalization of EUR 1,367.0 million (1,141.8), excluding treasury shares. The number of shares traded during January–December was 4.9 million (5.7), which is 6.0% (7.0) of the total number of shares.

The total number of shareholders was 16,148 (15,339) as of the end of December. Fiskars was not informed of any significant change among its largest shareholders during the year.

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 2012 in accordance with Recommendation 51 of the Code will be published in week 8, 2013 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 September 1, 2012.

Annual General Meeting for 2012

The Annual General Meeting (AGM) of Shareholders of Fiskars Corporation was held on March 15, 2012. The AGM approved the financial statements for 2011 and discharged the members of the Board and the President and CEO from liability. It was decided to pay a dividend of EUR 0.62 per share, totaling EUR 50.8 million. The dividend was paid on March 27, 2012.

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 2013. KPMG Oy Ab was re-elected as company auditor, and Authorized Public Accountant Virpi Halonen was nominated as responsible auditor.

The AGM 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, 2013.

Constitutive meeting of the Board

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

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

Extraordinary General Meeting 2012

Following the sale of 2.08% of shares in Wärtsilä to Investor AB, the Extraordinary General Meeting of shareholders of Fiskars Corporation on September 12, 2012 decided to distribute an extra dividend of EUR 0.75 per share to Fiskars' shareholders, totaling EUR 61.4 million. The dividend was paid on September 24, 2012.

Annual General Meeting 2013

Fiskars Corporation's Annual General Meeting will be held on March 14, 2013 starting at 3 p.m. at the Helsinki Exhibition & Convention Centre. The invitation to the meeting will be published separately.

Board's proposal to the Annual General Meeting

The distributable equity of the Parent Company at the end of the 2012 fiscal year was EUR 778.8 million (448.8). The increase in distributable equity was mainly attributable to the reversal of impairment loss in subsidiary shares of Avlis AB. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.65 per share be paid for 2012.

The number of shares entitling holders to a dividend totaled 81,905,242. The proposed distribution of dividend would thus be EUR 53.2 million. This would leave EUR 725.6 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 apart from the acquisition of Royal Copenhagen. 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
- Despite careful due diligence process, all acquisitions include risks
- 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

The court case related to Fiskars' subsidiary, Iittala Group Oy Ab in the Market Court was closed in January 2012.

Fiskars is involved in a number of legal actions, claims and other proceedings. The final outcomes of these matters cannot be estimated. 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 2013

Fiskars' operating environment remained uncertain throughout 2012, and recovery cannot be expected in the near future. Both consumer and trade behavior may be affected by the lengthened economic and financial uncertainty.

Fiskars will continue implementing its integrated company strategy and the investment program in EMEA. The company will also continue investing in new product development and marketing in order to improve its product offering and competitive position.

In January 2013, Fiskars added Royal Copenhagen to its Home business portfolio. The acquisition is expected to have a positive effect on the Group's operating profit, but the level of the effect is dependent on post-acquisition costs in 2013.

We expect the Group's full-year 2013 net sales and operating profit excluding non-recurring items to be above 2012 levels.

The associated company, Wärtsilä, will continue to have a major impact on Fiskars' profit and cash flow in 2013.

Helsinki, Finland, February 7, 2013

FISKARS CORPORATION
Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Consolidated income statement

EUR million	Note	2012		2011	
Net sales	2	**747.8**		742.5	
Cost of goods sold	6	**-475.4**		-483.3	
Gross profit		**272.4**	**36%**	259.2	35%
Other operating income	5	**2.1**		2.2	
Sales and marketing expenses	6	**-128.9**		-126.3	
Administration expenses	6	**-73.5**		-64.0	
Research and development costs	6	**-8.1**		-8.6	
Other operating expenses	6	**-0.1**		-9.7	
Operating profit		**63.9**	**9%**	52.8	7%
Change in fair value of biological assets	14	**5.6**		-1.0	
Share of profit from associate	16	**47.8**		42.7	
Gain on sale of associate shares	16	**87.0**		69.8	
Other financial income and expenses	8	**-3.8**		-2.4	
Profit before taxes		**200.4**	**27%**	161.8	22%
Income taxes	9	**-21.5**		-5.5	
Profit for the period		**178.9**	**24%**	156.3	21%
Attributable to:					
Equity holders of the parent company		**178.9**		156.3	
Earnings for equity holders of the parent company per share, euro (basic and diluted)	10	**2.18**		1.91	

Consolidated statement of comprehensive income

EUR million	Note	2012	2011
Profit for the period		**178.9**	156.3
Translation differences		**-1.0**	3.9
transferred to income statement			-0.5
Change in associate recognized			
directly in other comprehensive income	16	**0.3**	-2.0
transferred to income statement		**-0.1**	-0.4
Cash flow hedges		**-0.8**	-0.5
Defined benefit plan actuarial			
gains (losses) net of tax		**-0.5**	-0.3
Other comprehensive income for the period net of tax		**-2.2**	0.2
Total comprehensive income for the period		**176.7**	156.6
Attributable to:			
Equity holders of the parent company		**176.7**	156.6

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

Consolidated balance sheet

EUR million	Note	**Dec 31, 2012**		Dec 31, 2011	
Assets					
NON-CURRENT ASSETS					
Goodwill	11	**88.6**		88.6	
Other intangible assets	12	**140.7**		125.2	
Property, plant & equipment	13	**90.0**		94.4	
Biological assets	14	**41.2**		35.6	
Investment property	15	**5.5**		6.2	
Investments in associates	16	**280.4**		300.8	
Financial assets	17	**10.5**		10.1	
Deferred tax assets	9	**25.8**		27.0	
Non-current assets total		**682.6**	**73%**	688.0	73%
CURRENT ASSETS					
Inventories	18	**118.0**		118.3	
Trade and other receivables	19	**116.0**		124.6	
Income tax receivables		**1.9**		2.7	
Interest bearing receivables		**0.5**		0.5	
Cash and cash equivalents	20	**16.4**		6.1	
Current assets total		**252.8**	**27%**	252.2	27%
Assets total		**935.4**	**100%**	940.2	100%

Equity and liabilities

EQUITY					
Equity attributable to the equity holders of the parent company		**618.9**		554.3	
Equity total	21	**618.9**	**66%**	554.3	59%
NON-CURRENT LIABILITIES					
Interest bearing liabilities	22	**69.3**		75.4	
Other liabilities		**4.1**		4.1	
Deferred tax liabilities	9	**44.3**		45.0	
Pension liability	23	**7.3**		8.2	
Provisions	24	**3.9**		5.6	
Non-current liabilities total		**129.0**	**14%**	138.4	15%
CURRENT LIABILITIES					
Interest bearing liabilities	22	**20.4**		82.5	
Trade and other payables	25	**156.6**		154.9	
Income tax liabilities		**7.9**		8.0	
Provisions	24	**2.6**		2.1	
Current liabilities total		**187.5**	**20%**	247.5	26%
Equity and liabilities total		**935.4**	**100%**	940.2	100%

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

Consolidated statement of cash flows

EUR million	**2012**	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	**200.4**	161.8
Adjustments for		
Depreciation, amortization and impairment	**21.9**	21.5
Share of profit from associate	**-47.8**	-42.7
Gain on sale of associate shares	**-87.0**	-69.8
Investment income	**-0.1**	5.5
Financial items	**3.8**	2.3
Change in fair value of biological assets	**-5.6**	1.0
Change in provisions and other non-cash items	**2.4**	-3.0
Cash flow before changes in working capital	**88.1**	76.9
Changes in working capital		
Change in current assets, non-interest bearing	**10.6**	-7.1
Change in inventories	**-5.0**	10.0
Change in current liabilities, non-interest bearing	**-0.5**	9.9
Cash flow from operating activities before financial items and taxes	**93.2**	89.6
Dividends received from associate	**26.8**	40.9
Financial items paid (net)	**-4.6**	-5.9
Taxes paid	**-20.3**	-17.2
Cash flow from operating activities (A)	**95.0**	107.4

CASH FLOW FROM INVESTING ACTIVITIES		
Acquisitions and investments in financial assets	**-0.2**	-0.2
Capital expenditure on fixed assets	**-32.7**	-24.4
Proceeds from sale of fixed assets	**0.9**	0.6
Proceeds from sale of associate shares	**126.4**	109.7
Proceeds from sale of subsidiary shares		6.3
Cash flow from other investments	**0.1**	0.3
Cash flow from investing activities (B)	**94.5**	92.3
CASH FLOW FROM FINANCING ACTIVITIES		
Change in current receivables	**0.1**	-0.4
Borrowings of non-current debt	**0.1**	1.3
Repayment of non-current debt	**-2.5**	-0.1
Change in current debt	**-61.2**	-41.9
Payment of finance lease liabilities	**-3.5**	-2.5
Cash flow from other financing items	**0.0**	-0.2
Dividends paid	**-112.2**	-155.6
Cash flow from financing activities (C)	**-179.2**	-199.5
Change in cash and cash equivalents (A+B+C)	**10.3**	0.3
Cash and cash equivalents at beginning of period	**6.1**	5.8
Translation difference	**-0.1**	0.0
Cash and cash equivalents at end of period	**16.4**	6.1

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

Statement of changes in consolidated equity

	Equity attributable to shareholders of the Parent company				
EUR million	Share capital	Treasury shares	Cumulative transl.diff.	Retained earnings	Total
Dec 31, 2010	**77.5**	**-0.8**	**-0.3**	**477.1**	**553.5**
Translation differences			3.5		3.5
Change in associate recognized directly in other comprehensive income			-1.1	-1.3	-2.4
Cash flow hedges				-0.5	-0.5
Defined benefit plan, actuarial gains (losses), net of tax				-0.3	-0.3
Other comprehensive income for the period, net of tax, total			**2.4**	**-2.1**	**0.2**
Profit for the period				156.3	156.3
Total comprehensive income for the period			**2.4**	**154.2**	**156.6**
Acquisition of treasury shares		**-0.1**			**-0.1**
Dividends paid				-155.6	-155.6
Dec 31, 2011	**77.5**	**-0.9**	**2.0**	**475.7**	**554.3**
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
Other comprehensive income for the period, net of tax, total			**-2.8**	**0.6**	**-2.2**
Profit for the period				178.9	178.9
Total comprehensive income for the period			**-2.8**	**179.6**	**176.7**
Dividends paid				-112.2	-112.2
Dec 31, 2012	**77.5**	**-0.9**	**-0.8**	**543.0**	**618.9**

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, 2012 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, restructuring provisions, determination of defined benefit pension obligations, value appraisement 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. In 2012 there was no non-controlling interest.

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. Fiskars' most important associate is Wärtsilä Corporation.

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 alternative accounting treatment under IAS 19 for the recognition of actuarial gains and losses that allows to record actuarial gains and losses in other comprehensive income.

Operating profit

IAS 1 Presentation of Financial Statements does not give a definition for operating profit. In Fiskars the operating profit (EBIT) is the net of revenues and other operating income, material purchases and change of inventories, production for own use, employee benefits, depreciations 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.

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 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 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:

- 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. Investment property is depreciated over 20–40 years.

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, if there has been a big enough positive change in the estimates used to determine the asset's recoverable amount. 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 change in 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 2012 nor 2011.

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. 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 non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the categories. 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. Realized gains and losses as well as fair value changes are recognized as adjustments to sales and purchases or in financial items in depending on the nature of the hedged item.

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 the financial year ended

As from January 1, 2012 the Group has applied the following amended standard that has come into effect:

- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after July 1, 2011). The amendments had no impact on the notes to the consolidated financial statements.

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

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.

- Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after July 1, 2012). The amendments only have an impact on the presentation of Group's other comprehensive income.
- Amendment to IAS 19 Employee Benefits (effective for financial years beginning on or after January 1, 2013). The amendment has no material impact on the consolidated financial statements.
- IFRS 13 Fair Value Measurement (effective for financial years beginning on or after January 1, 2013). The new standard is not assessed to have a material impact on the consolidated financial statements.
- Annual Improvements to IFRSs 2009–2011* (May 2012) (effective for financial years beginning on or after January 1, 2013). The amendments cover in total five standards. Their impacts vary standard by standard but are not significant.
- Amendments to IFRS 7 Financial Instruments: Disclosures (effective for financial years beginning on or after January 1, 2013). The amendments are not assessed to have a significant impact on the consolidated financial statements.
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for financial years beginning on or after January 1, 2013). The interpretation has no impact on the consolidated financial statements.
- IFRS 10 Consolidated Financial Statements and subsequent amendments (in the EU effective for financial years beginning on or after January 1, 2014). 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). 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). 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 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). 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 are not assessed to have a significant impact on the consolidated financial statements.
- IFRS 9 Financial Instruments* and subsequent amendments (effective for financial years beginning on or after January 1, 2015). 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 indentified 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.

Management 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.

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.

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

2012

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.

2011

EUR million	EMEA	Americas	Other	Associate Wärtsilä	Unallocated and eliminations	Group total
Net sales, external	509.8	228.7	4.1			742.5
Net sales, inter-segment	7.0	3.8	2.1		-12.9	0.0
Net sales	516.8	232.5	6.2		-12.9	742.5
Operating profit excl. non-recurring items	42.0	31.6	-11.4			62.1
Non-recurring items*	-8.3	-1.1				-9.3
Operating profit	33.7	30.5	-11.4			52.8
Change in fair value of biological assets			-1.0			-1.0
Share of profit from associate				42.7		42.7
Gain on sale of Wärtsilä shares					69.8	69.8
Financial income and expenses					-2.4	-2.4
Profit before taxes						161.8
Income taxes					-5.5	-5.5
Profit for the period						156.3
Assets	512.5	216.3	306.3	300.8	-395.6	940.2
Liabilities	332.5	74.5	366.1		-387.2	385.9
Capital expenditure	13.4	3.9	7.5			24.7
Depreciations, amortizations and impairment	15.1	4.5	1.9			21.5

* Includes a non-recurring loss of EUR 5.3 million related to sale of Silva, EUR 3.0 million non-recurring expense for the competition infringement fine and EUR 1.1 million non-recurring loss related to product recalls.

Net sales by business areas

EUR million	**2012**	2011
Home	**322.8**	306.3
Garden	**287.6**	294.3
Outdoor	**133.3**	137.8
Other	**4.1**	4.1
Total	**747.8**	742.5

Information about geographical areas

EUR million	**2012**	2011
Net sales from Finland	**168.7**	174.0
Net sales from the USA	**221.5**	205.0
Net sales from other countries	**357.6**	363.6
Total	**747.8**	742.5

EUR million	**2012**	2011
Assets in Finland*,**	**442.2**	466.1
Assets in other countries*	**214.6**	194.9
Total	**656.9**	660.9

* Non-current assets other than deferred tax assets.

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

3. Non-recurring items

Exceptional transactions outside ordinary course of business such as gains and losses on disposal of business operations, impairments, costs of discontinuing significant business operations, restructuring provisions, major product recalls and fines and penalties are treated as non-recurring items. Gains have been presented in other operating income and losses in other operating expenses. 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.

A non-recurring income of EUR 0.8 million was reported in 2012 due to the release of a provision related to the sale of Silva in 2011.

The non-recurring costs of EUR 9.3 million reported in 2011 consisted of divestment of Silva amounting to EUR 5.3 million, competition infringement fine of EUR 3.0 million and a loss of EUR 1.1 million related to product recalls.

4. Acquisitions and divestments

2012

Sale of part of Wärtsilä shares

On April 24, 2012, Fiskars Group agreed with Investor AB to join interests to create a strong long-term owner for Wärtsilä. The legal merging of Fiskars Group's and Investor AB's interests will take place in due course, but the parties will act in concert concerning the Wärtsilä ownership as of the said date.

As part of the agreement, Fiskars' subsidiary Avlis AB sold 2.08% 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 now amounts to 13.0% of the shares and votes (15.1). At the end of December 2012, Fiskars Group and Investor AB together owned 42,948,325 shares or 21.8% of Wärtsilä's share capital 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. On December 12, 2012 Fiskars signed a definitive agreement to acquire 100% of the shares in Royal Copenhagen A/S and Royal Scandinavian Modern KK Japan. The transaction was completed on January 4, 2013 and is presented in these consolidated financial statements as a post balance sheet event in note 28.

2011

Sale of part of Wärtsilä shares

Fiskars wholly-owned subsidiary Avlis AB sold 1,974,320 Wärtsilä shares, corresponding to 11.7% of its Wärtsilä holding, worth EUR 110.6 million, mainly to international institutional investors during the first quarter of 2011. The price per share was EUR 56.00 (28.00 split-adjusted). Fiskars Group recorded a profit of approximately EUR 69.8 million from the sale.

Divestment of Silva Sweden AB shares

Fiskars' wholly owned subsidiary, Avlis AB, sold the shares of its subsidiary, Silva Sweden AB, to the investment company Karnell in July 2011. Silva was a part of Fiskars' Outdoor business area. The net sales of the Silva business amounted to EUR 15 million in 2010 and the company employed some 220 people.

The disposed cash assets were EUR 0.1 million, intangible and tangible asset EUR 4.5 million and net working capital EUR 6.0 million.

As a result of the sale of Silva, Fiskars recorded a non-recurring operating loss of EUR 5.3 million in its third-quarter results. The sale had a positive impact on cash flow from investment activities of EUR 6.3 million.

In 2011 there were no acquisitions.

5. Other operating income

EUR million	**2012**	2011
Net gain on disposal of fixed assets	**0.2**	0.3
Rental income	**0.6**	0.5
Release of provision relating to the sale of Silva	**0.8**	
Other income	**0.5**	1.4
Total	**2.1**	2.2

6. Total expenses

Total expenses by nature

EUR million	**2012**	2011
Materials and supplies	**368.7**	364.3
Change in inventory	**0.9**	14.4
Employee benefits	**173.3**	171.7
Depreciation, amortization and impairment	**21.9**	21.5
External services	**55.6**	61.7
Other costs	**65.6**	58.3
Total	**686.0**	691.9

Other operating expenses

EUR million	**2012**	2011
Loss on sale of fixed assets	**0.0**	0.2
Loss on sale of subsidiary shares		5.3
Loss on scrap of fixed assets	**0.1**	0.4
Competition infringement fine		3.0
Other costs	**0.0**	0.9
Total	**0.1**	9.7

Depreciation, amortization and impairment by asset class

EUR million	**2012**	2011
Buildings	**3.9**	1.5
Machinery and equipment	**12.9**	13.9
Intangible assets	**4.7**	4.6
Investment property	**0.4**	1.4
Total	**21.9**	21.5

Fees paid to Companies' Auditors

EUR million	**2012**	2011
Audit fees	**0.7**	0.7
Audit related fees	**0.1**	0.0
Tax consultation	**0.3**	0.3
Other non-audit fees	**0.4**	0.1
Total	**1.5**	1.1

The appointed auditor for the financial years 2011 and 2012 was KPMG.

7. Employee benefits and number of personnel

Employee benefits

EUR million	**2012**	2011
Wages and salaries	**138.3**	135.8
Other compulsory personnel costs	**18.2**	18.7
Pension costs, defined contribution plans	**16.2**	15.3
Pension costs, defined benefit plans	**-0.8**	0.3
Other post employment benefits	**0.9**	0.9
Termination benefits	**0.5**	0.6
Total	**173.3**	171.7

Personnel at the end of period

	2012	2011
Finland	**1,610**	1,670
Other Europe	**1,123**	1,174
USA	**533**	555
Other	**183**	175
Total	**3,449**	3,574

Personnel (FTE) in average

	2012	2011
Direct	**1,233**	1,507
Indirect	**2,131**	2,038
Total	**3,364**	3,545

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.

8. Financial income and expenses

EUR million	2012	2011
Gain on sale of Wärtsilä shares	**87.0**	69.8
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	**0.8**	2.1
Exchange gains on commercial hedges		2.9
Exchange gains, other	**0.1**	0.1
Financial income total	**88.2**	74.9
Interest expenses on debt at amortized cost	**-3.4**	-4.6
Interest cost on financial leasing at amortized cost	**-0.6**	-0.7
Derivative revaluation losses, at fair value through profit and loss	**-0.1**	-1.0
Exchange losses on commercial hedges	**-0.2**	
Other financial expenses	**-0.7**	-1.2
Financial expense total	**-5.0**	-7.5
Financial income and expenses total	**83.2**	67.4

9. Income taxes

Income taxes in the income statement

EUR million	**2012**	2011
Current year income taxes	**-20.7**	-17.8
Prior year income taxes	**-0.1**	0.2
Change in deferred taxes	**-0.7**	12.1
Income taxes total	**-21.5**	-5.5

Reconciliation of income taxes

EUR million	**2012**	2011
Tax rate for the parent company	**24.5%**	26.0%
Profit before taxes	**196.7**	161.8
Income tax using the domestic corporation tax rate	**-48.2**	-42.1
Effect of tax rates in foreign jurisdictions	**-4.0**	-2.3
Income tax for prior years	**-0.1**	0.2
Impact of associate	**10.8**	11.1
Effect of sales of Wärtsilä shares	**22.9**	18.2
Other tax exempt items	**1.0**	1.6
Effect of disposals		1.0
Non-deductible expenses	**-0.9**	-2.0
Effect of change of tax rates	**0.0**	2.0
Tax booked against unbooked tax assets and unrecognized tax on loss	**-3.5**	-2.9
Change in valuation of tax assets	**0.5**	9.7
Other items	**0.0**	-0.1
Income taxes recognized in profit and loss	**-21.5**	-5.5

Taxes in other comprehensive income

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
Other comprehensive income for the period, total	-2.8	0.6	-2.2

2011

EUR million	Total	Tax	Net
Translation differences	3.5		3.5
Change in associate recognized directly in other comprehensive income	-2.4		-2.4
Cash flow hedges	-0.7	0.2	-0.5
Defined benefit plan actuarial gains (losses)	-0.5	0.2	-0.3
Other comprehensive income for the period, total	-0.1	0.4	0.2

Deferred income taxes in the balance sheet

2012

Deferred tax assets

EUR million	Jan 1, 2012	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Dec 31, 2012
Post-employment benefit	2.6	0.0	0.2	0.0	2.7
Provisions	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 tax credits carried forward	15.7	-1.1		-0.1	14.6
Valuation allowance of deferred tax assets	-8.6	1.7		0.9	-6.0
Other temporary differences	6.1	0.8	0.2	-1.0	6.1
Total deferred tax assets	27.8	0.8	0.4	-0.4	28.6
Offset against deferred tax liabilities	-0.8	-2.1	0.0	0.0	-2.9
Net deferred tax assets	27.0	-1.3	0.4	-0.4	25.8

Deferred tax liabilities

EUR million	Jan 1, 2012	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Dec 31, 2012
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
Total deferred tax liabilities	45.8	1.6	-0.2	0.0	47.1
Offset against deferred tax assets	-0.8	-2.1	0.0	0.0	-2.9
Net deferred tax liabilities	45.0	-0.5	-0.2	0.0	44.3
Deferred tax assets (+) / liabilities (-), net	-18.0				-18.5

* Consist mainly of adjustments to fair value in acquisitions.

2011

Deferred tax assets EUR million	Jan 1, 2011	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Dec 31, 2011
Post-employment benefit	1.3	1.1	0.1	0.0	2.6
Provisions	8.5	1.2		0.2	10.0
Effects on consolidation and eliminations	1.3	-0.1		0.0	1.3
Property, plant & equipment	0.9	-0.2		0.0	0.7
Tax losses and tax credits carried forward	19.2	-2.9		-0.6	15.7
Valuation allowance of deferred tax assets	-20.2	11.8		-0.2	-8.6
Other temporary differences	4.7	1.1	0.2	0.1	6.1
Total deferred tax assets	15.9	12.0	0.3	-0.4	27.8
Offset against deferred tax liabilities	-0.7	0.0	0.0	-0.1	-0.8
Net deferred tax assets	15.2	12.0	0.3	-0.5	27.0

Deferred tax liabilities EUR million	Jan 1, 2011	Recognized in income statement	Recognized in other comprehensive income	Transfers and translation difference	Dec 31, 2011
Property, plant & equipment	4.3	0.1		0.0	4.5
Fair value adjustments	11.2	0.3			11.5
Effects on consolidation and eliminations*	30.0	-3.0		-0.6	26.4
Other temporary differences	0.9	2.5	-0.1	0.1	3.5
Total deferred tax liabilities	46.4	-0.1	-0.1	-0.4	45.8
Offset against deferred tax assets	-0.7	0.0	0.0	-0.1	-0.8
Net deferred tax liabilities	45.8	-0.1	-0.1	-0.6	45.0
Deferred tax assets (+) / liabilities (-), net	-30.6				-18.0

* 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 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 on tax losses carried forward amounted to EUR 14.6 million (15.7) 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, net of allowance 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.

	2012	2011
Net profit attributable to the ordinary shareholders of the Parent company, EUR million	**178.9**	156.3
Number of shares	**82,023,341**	82,023,341
Weighted average number of shares outstanding	**81,905,242**	81,908,714
Earnings per share, EUR (basic)	**2.18**	1.91
Earnings per share, EUR (diluted)	**2.18**	1.91

11. Goodwill

EUR million	**2012**	2011
Historical cost, Jan 1	**110.1**	119.8
Translation differences	**-0.8**	1.5
Decreases		-11.3
Historical cost, Dec 31	**109.3**	110.1
Accumulated impairment, Jan 1	**21.4**	31.2
Translation differences	**-0.8**	1.5
Decrease		-11.3
Accumulated impairment, Dec 31	**20.7**	21.4
Net book value, Dec 31	**88.6**	88.6

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

Goodwill impairment test in cash-generating units

Goodwill allocated to cash-generating units:

EUR million	**2012**	2011
Home	**73.8**	73.8
Garden	**14.8**	14.8
Total	**88.6**	88.6

Goodwill from acquisitions is allocated to Cash Generating Units (CGU). The business areas, which form the CGUs, are Home and Garden. The recoverable amounts from CGUs are determined with value in use method, using five-year discounted cash flow projections, based on strategic plans approved by management. Cash flows for the period extending over the planning period are calculated using the terminal value method. The discount rate is the weighted average post-tax cost of capital (WACC) as defined by Fiskars. The components of the WACC are risk-free rate, market risk premium, company-specific risk premium, industry specific equity beta, cost of debt and debt to equity ratio. On the basis of the impairment calculations made, there has been no need for impairment of goodwill for any CGU for the period ended 31 December 2012.

Key parameters applied in impairment testing

%	**2012**	2011
Increase in net sales on average	**1.8**	1.8
Steady growth rate in projecting terminal value	**2.5**	2.5
Discount rate, pre-tax	**8.2**	6.9

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.

Sensitivity analysis

Sensitivity analyses 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.

12. Other intangible assets

EUR million	**2012**	2011
Historical cost, Jan 1	**184.2**	180.3
Translation differences	**-0.1**	0.6
Silva divestment		-3.4
Additions	**19.9**	5.0
Decreases	**-0.6**	-0.5
Transfers between asset groups	**0.8**	2.2
Historical cost, Dec 31	**204.2**	184.2
Accumulated amortization, Jan 1	**59.0**	55.0
Translation differences	**0.0**	0.8
Amortization for the period	**4.7**	4.6
Decreases	**-0.4**	-0.5
Transfers between asset groups	**0.3**	-0.9
Accumulated amortization, Dec 31	**63.5**	59.0
Net book value, Dec 31	**140.7**	125.2
Trademarks included in intangible assets	**102.2**	102.2

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, 2011 and 2012.

Key parameters applied in impairment testing

%	**2012**	2011
Increase in net sales on average	**1.8**	1.9
Steady growth rate in projecting terminal value	**3.0**	3.0
Discount rate, pre-tax, average*	**9.5**	7.9

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

Sensitivity analysis

Sensitivity analyses 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 3.4 million by EUR 0.6 million, and an increase of 1.1 percentage point in pre-tax discount rate would result in the recoverable amount being equal to the carrying amount.

EUR million	**2012**	2011
Investment commitments for intangible assets	**3.3**	1.2

13. Property, plant and equipment

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
Acquisitions and divestments						0.0
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
Acquisitions and divestments						0.0
Decreases		0.0	0.0	-9.9		-9.9
Transfers between asset groups		0.1		-0.9		-0.8
Accumulated depreciation, Dec 31	0.0	30.2	13.2	123.0	0.0	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**

2011

EUR million	Land and water	Buildings	Leased real estate	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	16.5	52.2	14.1	160.7	7.3	250.8
Translation differences	0.0	-0.3	0.5	-0.9	-0.1	-0.8
Acquisitions and divestments	-0.1	-0.1		-1.1	-0.1	-1.5
Additions	0.1	0.3		6.8	12.5	19.7
Decreases	0.0	-0.4		-9.5		-9.9
Transfers between asset groups		0.8		11.1	-15.3	-3.4
Historical cost, Dec 31	16.5	52.5	14.6	167.2	4.3	255.0
Accumulated depreciation, Jan 1		26.4	11.7	117.7		155.8
Translation differences		0.1	0.4	-1.1		-0.7
Depreciation and impairment for the period		1.4	0.1	13.9		15.4
Acquisitions and divestments		-0.1		-0.6		-0.6
Decreases		-0.4		-8.7		-9.2
Transfers between asset groups		0.0		-0.2		-0.2
Accumulated depreciation, Dec 31	0.0	27.4	12.2	121.0	0.0	160.6
Net book value, Dec 31	16.5	25.1	2.4	46.2	4.3	94.4

Investment commitments for tangible assets	1.8

14. Biological assets

EUR million	2012	2011
Fair value, Jan 1	**35.6**	36.7
Increase due to growth	**1.0**	1.4
Change in fair value less estimated point-of-sale costs	**1.0**	-1.0
Harvested timber	**-0.8**	-1.5
Stocktaking*	**4.4**	
Fair value, Dec 31	**41.2**	35.6

Fiskars has some 15,000 hectares of real estate and forests in Finland, including the key landholding at Fiskars Village. 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.

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

15. Investment property

EUR million	**2012**	2011
Historical cost, Jan 1	**18.8**	18.6
Translation differences	**-0.2**	0.3
Decreases	**-1.0**	-0.1
Historical cost, Dec 31	**17.6**	18.8
Accumulated depreciation, Jan 1	**12.6**	11.0
Translation differences	**-0.1**	0.3
Depreciation and impairment for the period	**0.4**	1.4
Decreases	**-0.7**	-0.1
Accumulated depreciation and impairment, Dec 31	**12.1**	12.6
Net book value, Dec 31	**5.5**	6.2

Fair value

Investment Property comprises the parent company properties in Fiskars Village, Finland, and the leasing properties of Fiskars Brands, Inc. in the US that are not in Group's operational use. Properties in Fiskars Village are unique in their cultural and historical values. Therefore it is not possible to determine a comparable market value on the properties.

Book values by countries

EUR million	**2012**	2011
Finland	**4.6**	5.2
USA	**0.8**	1.0
Total	**5.5**	6.2

16. Investments in associates

EUR million	2012	2011
Net book value, Jan 1	**300.8**	341.0
Decreases	**-41.5**	-40.0
Share of profit	**47.8**	42.7
Dividends received	**-26.8**	-40.9
Share of other comprehensive income	**0.1**	-2.0
Other changes		
Net book value, Dec 31	**280.4**	300.8
Goodwill included in the net book value	**46.4**	54.0

Share of profit comprises the share of net profit in associate reduced with the EUR 26.8 million (40.9) dividends received. Share of other comprehensive income comprises changes in associated company's equity. In April 2012, Fiskars' wholly owned subsidiary Avlis AB sold 13.8% of its Wärtsilä holding (11.7% in February 2011).

Summary of financial information on the associate

EUR million	2012	2011
WÄRTSILÄ OYJ ABP		
Ownership -%	**13.0**	15.1
Assets	**5,038**	4,600
Liabilities	**3,214**	2,934
Equity	**1,824**	1,666
Net sales	**4,725**	4,209
Net profit	**344**	293

Fiskars' most important associate is Wärtsilä Corporation. Fiskars' ownership in Wärtsilä was 13.0% (15.1) of the shares and the votes. The shares are owned by Fiskars' wholly owned subsidiary Avlis AB. 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, 2012 amounted to EUR 839.0 million (663.9).

17. Financial assets

Investments at fair value through profit and loss

EUR million	2012	2011
Historical cost, Jan 1	**8.9**	6.7
Additions	**0.2**	0.2
Decreases		-0.3
Change in fair value through profit and loss	**0.6**	2.2
Book value, Dec 31	**9.7**	8.9

The investments comprise listed and unlisted shares as well as unlisted funds. Listed shares have been recognized at their fair value based on quotation at the end of the reporting period (fair value hierarchy level 1). 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	2012	2011
Historical cost, Jan 1	**1.2**	1.6
Translation differences	**0.0**	0.0
Additions	**0.0**	0.1
Decreases	**-0.5**	-0.4
Other changes	**0.0**	-0.1
Book value, Dec 31	**0.8**	1.2

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

18. Inventories

EUR million	**2012**	2011
Raw materials and consumables	**20.1**	22.8
Work in progress	**8.8**	10.9
Finished goods	**106.8**	97.3
Advance payments	**0.5**	0.2
Gross value of inventories	**136.2**	131.2
Write-down to the carrying value of inventories	**-18.2**	-12.9
Total, Dec 31	**118.0**	118.3

19. Trade and other receivables

EUR million	**2012**	2011
Trade receivables	**101.0**	111.0
Derivatives	**0.4**	1.1
Other receivables	**6.5**	4.8
Prepaid expenses and accrued income	**8.2**	7.7
Total, Dec 31	**116.0**	124.6

Aging of trade receivables

EUR million	**2012**	2011
Not fallen due	**85.3**	91.7
1–30 days past due	**14.4**	16.1
31–60 days past due	**2.1**	2.5
61–90 days past due	**0.9**	1.1
91–120 days past due	**0.4**	0.6
Over 120 days past due	**1.1**	2.4
Less provision for bad debts, Dec 31	**-3.2**	-3.4
Total, Dec 31	**101.0**	111.0

Trade receivables in currencies

EUR million	**2012**	2011
Danish Krones (DKK)	**5.7**	6.8
Euros (EUR)	**37.8**	41.4
Norwegian Krones (NOK)	**5.7**	7.7
Swedish Kronas (SEK)	**7.5**	7.9
United Kingdom Pounds (GBP)	**3.1**	6.1
US Dollars (USD)	**31.7**	31.6
Other currencies	**9.4**	9.4
Total, Dec 31	**101.0**	111.0

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.

20. Cash and cash equivalents

EUR million	**2012**	2011
Cash at bank	**16.4**	6.1
Total, Dec 31	**16.4**	6.1

21. Share capital

Share capital and treasury shares

	2012	2011	**2012**	2011
	pcs 1,000	pcs 1,000	EUR million	EUR million
Share capital				
Jan 1	82,023	82,023	77.5	77.5
Share capital, Dec 31	**82,023**	82,023	**77.5**	77.5

	2012	2011	**2012**	2011
	pcs 1,000	pcs 1,000	EUR million	EUR million
Treasury shares				
Jan 1	118.1	112.6	0.9	0.8
Change		5.5		0.1
Treasury shares, Dec 31	**118.1**	118.1	**0.9**	0.9

Number of shares and votes

			Dec 31, 2012			Dec 31, 2011
	Number of shares	Number of votes	Share capital EUR	Number of shares	Number of votes	Share capital EUR
Shares (1 vote/share)	82,023,341	82,023,341	77,510,200	82,023,341	82,023,341	77,510,200
Total	**82,023,341**	**82,023,341**	**77,510,200**	82,023,341	82,023,341	77,510,200

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

22. Finance

Non-current interest bearing debt

	2012		2011	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Loans from credit institutions	**63.9**	**63.9**	66.5	66.5
Financial leasing debt	**5.5**	**5.5**	8.8	8.8
Other non-current debt			0.1	0.1
Total, Dec 31	**69.3**	**69.3**	75.4	75.4

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	2012	2011
Finance lease liabilities are payable as follows:		
Less than one year	**2.1**	2.1
Between one and five years	**5.0**	6.7
More than five years	**1.4**	4.2
Minimum lease payments in total	**8.5**	12.9

Minimum lease payments, principal

EUR million	2012	2011
Less than one year	**1.6**	1.5
Between one and five years	**4.1**	5.5
More than five years	**1.3**	3.3
Present value of minimum finance lease payments	**7.1**	10.3
Future finance charges	**1.5**	2.6

Current interest bearing debt

	2012		2011	
EUR million	Fair value	Carrying amount	Fair value	Carrying amount
Bank overdrafts	**12.9**	**12.9**	8.9	8.9
Commercial papers	**5.0**	**5.0**	72.0	72.0
Financial leasing debt	**1.6**	**1.6**	1.5	1.5
Other	**0.9**	**0.9**	0.0	0.0
Total, Dec 31	**20.4**	**20.4**	82.5	82.5

Maturity of liabilities

As of December 31, 2012 the Group has unused credit facilities EUR 430 million (455) at its disposal to guarantee its liquidity. The average maturity of the credit limit agreements as of December 31, 2012 was 2.9 years (3.2). 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 level.

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
Total, Dec 31	71.9	15.1	26.4	1.6	1.4	32.4	148.8
	48.3%	10.2%	17.8%	1.0%	0.9%	21.8%	100.0%

2011

EUR million	2012	2013	2014	2015	2016	Later years	Total
Bank overdrafts	8.9						8.9
Commercial papers	72.0						72.0
interests	0.5						0.5
Other debt						0.1	0.1
Loans from credit institutions			14.0	22.5		30.0	66.5
interests	1.5	1.8	1.7	1.2	0.7	1.1	8.0
Financial leasing	1.5	1.7	1.8	1.0	0.9	3.3	10.3
interests	0.5	0.4	0.3	0.3	0.2	0.8	2.6
Trade payables	51.6						51.6
Derivative liabilities	1.1						1.1
Total, Dec 31	137.7	4.0	17.8	25.0	1.8	35.4	221.6
	62.1%	1.8%	8.0%	11.3%	0.8%	16.0%	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.

	2012			2011		
	Impact on result before taxes			Impact on result before taxes		
EUR million	Estimated commercial cash flows	Other financial items	Impact on group equity	Estimated commercial cash flows	Other financial items	Impact on group equity
CAD	**-0.6**	**0.6**	**-1.7**	-0.6	0.6	-0.6
DKK	**-0.9**	**0.2**	**-0.8**	-1.0	1.4	-1.9
GBP	**-0.5**	**0.5**	**1.3**	-0.8	0.8	0.6
NOK	**-1.5**	**1.5**	**-1.9**	-1.4	1.4	-1.3
SEK	**-2.0**	**2.1**	**-2.1**	-1.6	1.6	-1.5
USD	**2.7**	**-2.8**	**-3.5**	2.6	-2.6	-13.5

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, 2012 was EUR 72.4 million (150.8) and the average interest reset period was 11 months (8). A permanent one percentage point raise in all interest rates would increase the corporation's annual interest costs by EUR 0.3 million (1.0) 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.

2012

EUR million	EUR	USD	GBP	SEK	Other	Total
External loans and deposits	52.1	26.8	0.2	-0.8	-5.9	72.4
Currency derivatives	-4.0	-37.5	26.3	2.3	12.5	-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	0.2	-0.2	0.3	0.0	0.0	0.3

2011

EUR million	EUR	USD	GBP	SEK	Other	Total
External loans and deposits	121.0	24.8	0.1	0.9	4.0	150.8
Currency derivatives	103.9	-143.0	25.5	3.4	9.0	-1.1
Net debt and currency derivatives	224.9	-118.1	25.6	4.2	13.1	149.7
Average interest rate on loans (p.a.)	2.0%	3.2%				2.3%
Interest rate sensitivity	1.9	-1.2	0.2	0.0	0.1	1.0

Operating lease obligations

EUR million	**2012**	2011
Payments next year	**12.8**	12.5
Payments later	**28.5**	34.0
Total, Dec 31	**41.3**	46.5

Contingencies and pledged assets

EUR million	**2012**	2011
Guarantees as security for subsidiaries' commitments	**12.2**	13.0
Lease commitments	**41.3**	46.5
Other contingencies	**1.8**	1.9
Total pledged assets and contingencies, Dec 31	**55.2**	61.4

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. The court case related to Iittala in the Market Court was closed in 2012.

Nominal amounts of derivatives

EUR million	**2012**	2011
Derivatives not designated in hedge accounting:		
Forward exchange contracts	**107.4**	207.5
Electricity forward agreements	**2.9**	2.5
Cash flow hedges:		
Interest rate swaps	**32.5**	22.5

Fair value of derivatives

EUR million	**2012**	2011
Derivatives not designated in hedge accounting:		
Forward exchange contracts	**0.4**	1.1
Electricity forward agreements	**-0.4**	-0.3
Cash flow hedges:		
Interest rate swaps	**-1.9**	-0.8

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

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

2011

EUR million	2012	2013	Later years	Total
Forward exchange contracts	207.5			207.5
Electricity forward agreements	1.1	0.9	0.4	2.5
Interest rate swaps			22.5	22.5
Total, Dec 31	208.6	0.9	22.9	232.5

Fair value of financial instruments

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

2011

EUR million	Level 1	Level 2	Level 3	Total
Investments at fair value through profit and loss			8.9	8.9
Other investments			1.2	1.2
Derivative assets		1.1		1.1
Total assets		1.1	10.1	11.2
Derivative liabilities		1.1		1.1
Total liabilities		1.1		1.1

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 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. 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 the Group's equity ratio and gearing.

Fiskars aims to manage its currency risks primarily through business means. Acquisition of production inputs and sale of products are primarily denominated in the local currencies of the Group companies, of which the euro (41% of consolidated net sales), the US dollar (32%), the Swedish krona (8%), the Norwegian krone (4%), The Danish krone (4%) and the pound sterling (3%) are the most important. Higher levels of imports indirectly expose Fiskars to risks linked to changes in the local currencies of its suppliers, of which the most important are the Chinese renminbi and the Thai baht.

Transaction risk

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.

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 2012 would have been EUR 0.6 million above the reported figure (2.9 million below).

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, 2012 the nominal amount of outstanding interest rate derivatives was EUR 32.5 million (22.5).

The Group’s interest-bearing net debt as of December 31, 2012 was EUR 72.4 million (150.8). 44% (78) of the net debt was linked to variable interest rates and including effect from interest rates derivatives 56% (22) to fixed interest rates. The average interest rate reset period of interest-bearing debt was 11 months (8).

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 0.3 million (1.0) in 2013.

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 442.1 million (471.1). 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 5.0 million (72.0) 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 2.9 million (2.5) 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 101.0 million (111.0), and the financial statements include provisions for bad debts related to sales receivables totaling EUR 3.2 million (3.4).

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

23. 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 defined benefit plans in Norway are not closed. 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.

EUR million	**2012**	2011
Liabilities for post-employment benefits*	**1.6**	1.7
Defined benefit pension liabilities**	**5.7**	6.5
Pension liability total	**7.3**	8.2

* The liablilities for post-employment benefits: Italy EUR 1.3 (1.5) and Other 0.3 (0.2) million.

** The defined benefit liabilities consist of Germany EUR 1.3 (1.1), Norway -0.8 (-0.8), Netherlands 0 (1.4), UK -0.2 (-0.4), USA 5.2 (5.0) and Finland 0.2 (0.2) million.

Amounts as of December 31

EUR million	**2012**	2011	2010	2009	2008
Defined Benefit Obligation	**25.2**	26.1	26.4	27.1	23.9
Plan assets	**19.5**	19.6	19.7	20.0	17.0
Deficit/(Surplus) in the plan	**5.7**	6.5	6.7	7.1	6.9
Experience adjustments on plan liabilities	**0.1**	0.5	0.2	0.8	2.3
Experience adjustments on plan assets	**0.4**	-0.9	0.3	1.5	-4.9

Amounts recognized in the Balance Sheet

EUR million	**2012**	2011
Change in defined benefit obligation:		
Defined benefit obligation at the beginning of the year	**26.1**	26.4
Translation difference	**0.5**	0.6
Service cost	**0.0**	0.2
Interest cost	**1.0**	1.2
Actuarial (gain)/loss	**1.8**	-0.4
Settlements	**-2.7**	
Benefits paid	**-1.6**	-1.7
Defined benefit obligation, Dec 31	**25.2**	26.1
Changes in plan assets:		
Fair value of plan assets at the beginning of the year	**19.6**	19.7
Translation difference	**0.6**	0.4
Expected return on plan assets	**0.9**	1.0
Actuarial (gain)/loss	**0.4**	-1.1
Benefits paid	**-1.6**	-1.7
Employer contributions	**1.2**	1.4
Settlements	**-1.3**	
Other changes	**-0.4**	0.0
Fair value of plan assets, Dec 31	**19.5**	19.6
Net defined pension benefit liability at Dec 31	**5.7**	6.5

Amounts recognized in the income statement

EUR million	**2012**	2011
Current service cost	**0.0**	0.2
Interest cost	**1.0**	1.2
Effect of settlement and curtailments	**-0.8**	
Expected return on plan assets	**-0.9**	-1.0
Total	**-0.7**	0.4

Cumulative amounts recognized directly in other comprehensive income

EUR million	**2012**	2011
Actuarial gain/(loss)	**-1.4**	-0.6
Deferred tax	**0.6**	0.3
Total	**-0.8**	-0.3
Actual return on plan assets	**1.3**	0.1

Plans in US and Germany are non-funded. Plans in Finland, Norway and the Netherlands are taken care of by local pension insurance companies. The plans in UK are funded by investments in equities and bonds totaling EUR 13.3 million of which EUR 9.3 million are investments in equities. The Group estimates its contributions to the plans during 2013 to be EUR 1.2 million.

Percentages of plan assets by asset group

%	**2012**	2011
Equity securities	**54**	49
Debt securities	**7**	4
Real Estate	**6**	7
Bonds	**32**	31
Other	**1**	9

Principal actuarial assumptions at the balance sheet date

Discount rate

%	**2012**	2011
Great Britain	**4.35**	4.90–5.10
Germany	**3.0**	4.8
Finland	**3.0**	4.8
United States	**3.1**	4.2
Norway	**2.2**	3.3
The Netherlands		4.8

Expected return on plan assets, long term

%	**2012**	2011
Great Britain	**4.35**	1.60–5.15
Germany	**n/a**	n/a
Finland	**3.0**	4.8
United States	**n/a**	n/a
Norway	**2.2**	4.8
The Netherlands		4.8

Future salary increases

%	2012	2011
Great Britain	**n/a**	3.8
Germany	**0.0**	0.0
Finland	**2.5**	2.5
United States	**n/a**	n/a
Norway	**3.3**	4.0
The Netherlands		0–4.0

Future pension increases

%	2012	2011
Great Britain	**0–2.75**	2.3–3.0
Germany	**2.0**	1.8
Finland	**2.1**	2.1
United States	**0.0**	0.0
Norway	**0.0**	0.7
The Netherlands		0–2.5

24. Provisions

2012

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**

2011
Long-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.0	1.7	2.5	5.2
Translation differences	0.0	0.0	0.0	0.0
Additions	0.0		0.1	0.0
Used provisions		-0.3	-0.1	-0.4
Change in estimates	-0.2	1.2	0.0	1.1
Reversals	0.0	-0.3	0.0	-0.3
Provisions, Dec 31	0.9	2.4	2.4	5.6

Short-term provisions

EUR million	Warranty provision	Restructuring provision	Onerous contracts and other provisions	Total
Provisions, Jan 1	1.0	1.4	0.1	2.5
Translation differences	0.0	0.0	0.0	0.1
Additions	0.2	0.0	0.4	0.6
Used provisions	-0.1	-0.7	0.0	-0.9
Change in estimates	0.0			0.0
Reversals	-0.1	-0.1		-0.2
Provisions, Dec 31	1.0	0.6	0.5	2.1

25. Trade and other payables

EUR million	**2012**	2011
Trade payables	**49.7**	51.6
Other debt	**12.9**	13.5
Accrued expenses and deferred income		
Interest payable	**1.4**	1.4
Wages, salaries and social costs	**32.0**	34.5
Customer rebates and commissions	**23.5**	21.5
Other	**37.1**	32.5
Total, Dec 31	**156.6**	154.9

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

26. Related party transactions

Fiskars has no significant transactions, liabilities or receivables with its associated company, Wärtsilä. The dividend from Wärtsilä, EUR 26.8 million (40.9), has been reported as Dividends from associate in the Consolidated Statement of Cash Flows. The dividend was received in the first quarter of 2012. Iittala Group Oy Ab rents real estate from its associate Koy Iittalan Lasimäki and has granted a capital loan to the company at inception. The Chairman of the Board was awarded a onetime consultancy fee of EUR 200,000 for consultancy work related to the negotiation of the partnership agreement between Fiskars Group and Investor AB regarding long-term ownership of Wärtsilä.

In 2011 Fiskars has booked fees for legal services to Foley & Lardner LLP where Ralf Böer, board member of Fiskars, was Chairman and CEO until June 1, 2011. Ralf Böer did not provide any of the services, and total fees paid to Foley represent less than 0.25% of Foley's revenues.

EUR million	**2012**	2011
Rent	**0.2**	0.1
Capital loan	**0.2**	0.2
Legal service fees		0.4

Shareholdings of the Board and key management, December 31

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

	2012 Own holdings	**2012** Holdings of controlled corporations	**2012** Total	2011 Own holdings	2011 Holdings of controlled corporations	2011 Total
Bergh Kaj-Gustaf	**5,000**		**5,000**	5,000		5,000
Böer Ralf	**5,677**		**5,677**	5,677		5,677
Ehrnrooth Alexander	**1,625,000**	**10,227,000**	**11,852,000**	1,625,000	10,200,000	11,825,000
Ehrnrooth Paul	**8,205**	**9,095,406**	**9,103,611**	8,205	9,030,406	9,038,611
Fromond Louise	**601,135**	**8,294,050**	**8,895,185**	601,135	8,229,050	8,830,185
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	**2,500**		**2,500**	2,500		2,500
Gaggl Risto*	**0**		**0**			
Kangas-Kärki Teemu**				2,000		2,000
Karlsson Jutta	**0**		**0**	0		0
Kauniskangas Kari	**28,897**		**28,897**	26,397		26,397
Korhonen Hille***				3,350		3,350
Pitkänen Ilkka****	**1,750**		**1,750**			

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 November 20, 2012.

** Member of the Executive board until March 2, 2012.

*** Member of the Executive board until October 31, 2012.

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

Remuneration of the Board and key management

EUR thousand	**2012**	2011
Bergh Kaj-Gustaf	**98.4**	92.0
Böer Ralf	**49.0**	44.0
Ehrnrooth Alexander	**64.0**	62.6
Ehrnrooth Paul	**63.4**	62.0
Fromond Louise	**47.2**	45.2
Gripenberg Gustaf	**49.8**	47.2
Jonasson Blank Ingrid	**49.0**	44.6
Slotte Karsten	**46.6**	45.2
Suominen Jukka	**49.0**	44.6
Kauniskangas Kari	**829.3**	986.4
Executive board excl. President & CEO	**1,131.0**	1,179.7
Total	**2,476.2**	2,653.6

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 and the figures for the comparison period have been adjusted accordingly.

27. Subsidiaries and other participations

Shares in subsidiaries

	Domicile		% of share capital	% of voting power	Nature of activities
Avlis AB	Stockholm	SE	100.0	100.0	H
Fiskamin AB	Sollentuna	SE	100.0	100.0	H
ImanCo Oy	Helsinki	FI	100.0	100.0	H
Iittala Group Oy Ab	Helsinki	FI	0.7	0.7	P
Iittala Group 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	M
Nilsjohan AB	Höganäs	SE	100.0	100.0	D
Fiskars Estonia AS	Tallinn	EE	100.0	100.0	D
iittala BV	Oosterhout	NL	100.0	100.0	M
iittala BVBA	Antwerpen	BE	100.0	100.0	M
iittala GmbH	Solingen	DE	100.0	100.0	M
iittala Limited	Windsor Berkshire	GB	100.0	100.0	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 Canada, Inc.	Toronto	CA	100.0	100.0	M
Fiskars de Mexico, S.A. de C.V.	Mexico City	MX	100.0	100.0	D
Fiskars Servicios, S.A. de C.V.	Mexico City	MX	100.0	100.0	D
Puntomex Internacional, S.A. de C.V. iL	Tijuana	MX	100.0	100.0	D
Fiskars Europe Holding Oy Ab	Raasepori	FI	100.0	100.0	H
Consumer Brands (Hong Kong) Co., Limited	Hong Kong	HK	100.0	100.0	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 Brands Finland Oy Ab	Raasepori	FI	100.0	100.0	P
ZAO Fiskars Brands Rus	St. Petersburg	RU	100.0	100.0	P
Fiskars Denmark A/S	Silkeborg	DK	100.0	100.0	M
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	M
Fiskars UK Limited	Bridgend	GB	100.0	100.0	P
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	M
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 marketing	P
Marketing	M
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

28. Post balance sheet events

On December 12, 2012 Fiskars signed a definitive agreement to acquire 100% of the shares in Royal Copenhagen A/S and Royal Scandinavian Modern KK Japan from Royal Scandinavia A/S, whose controlling parent company is the Danish private equity group, Axcel. The acquisition date was January 4, 2013. 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.

The acquisition enables Fiskars to consolidate a unique portfolio of leading Scandinavian dining brands, as Royal Copenhagen's strong heritage in hand-painted dinner service ranges complements Fiskars' highly respected brands. Upon completion of the transaction, Royal Copenhagen became a part of Fiskars' Home business area. The acquisition is expected to have a positive effect on Fiskars Group's EBIT from 2013 onwards.

The acquisition-related costs paid for advisory and valuation services totalled EUR 1.1 million. These costs are included in item "Administration expenses" of the consolidated income statement. The initial accounting for the acquisition is incomplete, and therefore preliminary amounts for identifiable assets acquired and liabilities assumed are disclosed. Goodwill arising from the acquisition is estimated to amount to EUR 28 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 preliminary amounts of identifiable assets acquired and liabilities assumed at the acquisition date, as well as the preliminary amounts of the consideration transferred and arising goodwill:

EUR million	
Intangible assets (excluding goodwill)	**22.1**
Property, plant & equipment	**13.0**
Financial assets	**2.1**
Deferred tax assets	**11.8**
Non-current assets total	**48.9**
Inventories	**7.8**
Trade and other receivables	**14.6**
Cash and cash equivalents	**2.7**
Current assets total	**25.1**
Interest bearing liabilities	**21.4**
Deferred tax liabilities	**5.5**
Pension liability and provisions	**2.8**
Non-current liabilities total	**29.7**
Interest bearing liabilities	**4.3**
Trade payables and other current liabilities	**14.9**
Current liabilities total	**19.2**
Non-controlling interests*	**0.8**
Net assets	**24.3**
Consideration transferred	**52.3**
Goodwill	**28.0**

The acquired entities will be 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.

FINANCIAL INDICATORS

Five years in figures

		2012	2011	2010	2009	2008
Net sales	EUR million	**748**	743	716	660	697
of which outside Finland	EUR million	**579**	569	550	519	546
in percent of net sales	%	**77.4**	76.6	76.8	78.6	78.2
export from Finland	EUR million	**54**	69	78	89	98
Percentage change of net sales	%	**0.7**	3.7	8.4	-5.3	7.7
Gross profit	EUR million	**272**	259	254	221	213
in percent of net sales	%	**36.4**	34.9	35.4	33.5	30.6
Operating profit (EBIT)	EUR million	**64**	53	49	39	6
in percent of net sales	%	**8.5**	7.1	6.9	6.0	0.9
Operating profit excluding non-recurring items	EUR million	**63**	62	60	40	41
Share of profit from associates	EUR million	**48**	43	66	66	70
Change in fair value of biological assets	EUR million	**6**	-1	-2	0	-6
Financial items net	EUR million	**83**	67	-6	-14	-19
in percent of net sales	%	**11.1**	9.1	-0.9	-2.2	-2.8
Profit before taxes	EUR million	**200**	162	107	91	52
in percent of net sales	%	**26.8**	21.8	14.9	13.8	7.4
Income tax (continuing operations)	EUR million	**-22**	-5	-12	-8	-2
Profit for the period attributable to the equity holders of the company	EUR million	**179**	156	94	84	49
in percent of net sales	%	**23.9**	21.1	13.2	12.7	7.1
Non-controlling interests' share of profit	EUR million				0.0	-0.1
Employee benefits	EUR million	**173**	172	173	165	187
Depreciation, amortization and impairment	EUR million	**22**	22	35	28	33
in percent of net sales	%	**2.9**	2.9	4.9	4.3	4.7
Cash flow from operating activities	EUR million	**95**	107	93	121	97
Capital expenditure (incl. acquisitions)	EUR million	**33**	24	19	15	30
in percent of net sales	%	**4.4**	3.3	2.6	2.2	4.3
Research and development costs in income statement	EUR million	**8**	9	8	9	8
in percent of net sales	%	**1.1**	1.2	1.2	1.3	1.2
Capitalized development costs	EUR million	**1**	1	1	0	1

Equity attributable to equity holders of the company	EUR million	**619**	554	553	505	447
Non-controlling interest	EUR million					0.0
Equity total	EUR million	**619**	554	553	505	447
Net interest bearing debt	EUR million	**72**	151	200	236	310
Working capital	EUR million	**71**	83	101	103	149
Balance sheet total	EUR million	**935**	940	979	973	970
Return on investment	%	**29**	23	15	14	9
Return on equity	%	**31**	28	18	18	11
Equity ratio	%	**66**	59	57	52	46
Net gearing	%	**12**	27	36	47	69
Personnel (FTE), average		**3,364**	3,545	3,612	3,867	4,325
Personnel, end of period		**3,449**	3,574	3,944	3,742	4,119
of which outside Finland		**1,839**	2,072	1,904	2,111	2,397

Share related figures

		2012	2011	2010	2009	2008
Share capital	EUR million	**77.5**	77.5	77.5	77.5	77.5
Earnings per share (basic and diluted)	EUR/share	**2.18**	1.91	1.15	1.05	0.64
continuing operations	EUR/share	**2.18**	1.91	1.15	1.05	0.64
Dividend per share*	EUR/share	**0,65***	1.37	1.90	0.52	0.50
Dividend	EUR million	**53.2**	112.2	155.6	42.6	38.2
Equity per share	EUR/share	**7.56**	6.77	6.76	6.16	5.77
Adjusted average price**	EUR/share	**16.00**	16.92	13.94	8.25	10.91
Adjusted lowest price per share**	EUR/share	**13.60**	10.99	10.52	5.32	6.89
Adjusted highest price per share**	EUR/share	**17.49**	22.05	17.45	11.10	13.90
Adjusted price per share, Dec 31**	EUR/share	**16.69**	13.94	17.33	10.62	6.96
Market value of shares	EUR million	**1,367.0**	1,141.8	1,419.5	869.9	633.2
Number of shares, 1,000		**82,023.3**	82,023.3	82,023.3	82,023.3	77,510.2
Number of treasury shares, 1,000		**118.1**	118.1	112.6	112.6	112.5
Number of shares traded, 1,000		**4,883.3**	5,730.3	6,626.0	4,406.8	5,082.1
Price per earnings**		**8**	7	15	10	11
Dividend per earnings in percent	%	**29.8**	71.9	165.3	51.0	77.6
Dividend yield in percent**	%	**3.9**	9.8	11.0	4.9	7.2
Number of shareholders, Dec 31		**16,148**	15,339	12,213	11,916	9,899

* Board's proposal.

** The combination of the share series A and K was registered on July 30, 2009. The earlier years include the share information for share serie A.

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 % =

$$\frac{\text{Profit for the period + income taxes + interest and other financial expenses}}{\text{Equity, total + interest-bearing liabilities (average of beginning and end of year amounts)}} \times 100$$

Return on equity in % =

$$\frac{\text{Profit for the period}}{\text{Equity, total (average of beginning and end of year amounts)}} \times 100$$

Equity ratio in % =

$$\frac{\text{Equity, total}}{\text{Balance sheet total}} \times 100$$

Net gearing in % =

$$\frac{\text{Interest bearing debt - cash and bank}}{\text{Equity, total}} \times 100$$

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 % =

$$\frac{\text{Dividend paid}}{\text{Profit attributable to equity holders of the company}} \times 100$$

Dividend per share =

$$\frac{\text{Dividend paid}}{\text{Number of outstanding shares, Dec 31}}$$

Dividend yield in % =

$$\frac{\text{Dividend per share}}{\text{Market quotation, Dec 31 adjusted for emissions}} \times 100$$

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company income statement

EUR	Note	2012		2011	
Net sales	2	**25,962,621.01**		25,576,722.22	
Cost of goods sold	4	**-3,927,128.83**		-4,624,327.93	
Gross profit		**22,035,492.18**	**85%**	20,952,394.29	82%
Administration expenses	4	**-18,796,184.84**		-18,228,441.72	
Other operating income	3	**225,550.48**		165,280,785.24	
Other operating expenses	4	**-17,506.59**		-13,470.94	
Operating profit		**3,447,351.23**	**13%**	167,991,266.87	
Financial income and expenses	7	**428,965,488.50**		-1,902,943.51	
Profit (loss) before extraordinary items		**432,412,839.73**		166,088,323.36	
Extraordinary items	8	**13,981,208.03**		4,667,800.00	
Profit (loss) before appropriations and taxes		**446,394,047.76**		170,756,123.36	
Appropriations		**402,847.14**		289,834.41	
Income taxes	9	**-4,564,796.68**		-1,603,429.91	
Profit (loss) for the period		**442,232,098.22**		169,442,527.86	

Parent company balance sheet

EUR	Note	Dec 31, 2012		Dec 31, 2011	
Assets					
NON-CURRENT ASSETS					
Intangible assets	10	**492,794.31**		606,496.98	
Tangible assets	11				
Land and water		**15,456,681.34**		15,455,097.84	
Buildings		**13,983,471.06**		13,854,814.61	
Machinery and equipment		**1,233,656.44**		1,556,910.68	
Construction in progress		**462,376.38**		978,494.87	
Tangible assets total		**31,136,185.22**		31,845,318.00	
Investments	12				
Holdings in subsidiaries		**880,487,444.36**		592,405,728.04	
Receivables from subsidiaries		**2,174,300.00**		5,167,236.66	
Other shares		**6,326,313.57**		6,147,777.76	
Investments total		**888,988,057.93**		603,720,742.46	
Non-current assets total		**920,617,037.46**	**81%**	636,172,557.44	72%
CURRENT ASSETS					
Inventories	13	**166,910.78**		234,468.99	
Non-current loan receivables		**22,805.22**		27,805.22	
Current receivables					
Trade receivables		**163,060.08**		129,497.23	
Receivables from subsidiaries	14	**218,605,412.76**		239,405,896.59	
Other receivables		**144,734.56**		3,085,993.96	
Prepayments and accrued income	15	**1,352,879.21**		1,489,405.05	
Current receivables total		**220,266,086.61**		244,110,792.83	
Cash and cash equivalents	16	**1,629,990.00**		487,814.02	
Current assets total		**222,085,792.61**	**19%**	244,860,881.06	28%
Assets total		**1,142,702,830.07**	**100%**	881,033,438.50	100%

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		**-864,706.21**		-864,706.21	
Other reserves		**3,204,313.18**		3,204,313.18	
Retained earnings		**337,427,893.38**		280,172,326.46	
Profit (loss) for the financial year		**442,232,098.22**		169,442,527.86	
Shareholders' equity total		**863,299,518.57**	**76%**	533,254,381.29	61%
APPROPRIATIONS	18	**622,913.84**		1,025,760.98	
LIABILITIES					
Non-current	19				
Loans from credit institutions		**63,868,804.00**		64,092,858.80	
Liabilities to subsidiaries				2,398.36	
Non-current liabilities total		**63,868,804.00**		64,095,257.16	
Current					
Loans from credit institutions		**15,621,992.49**		80,776,391.59	
Trade payables		**485,350.16**		492,321.06	
Liabilities to subsidiaries	20	**190,678,343.45**		194,561,720.70	
Income tax payable		**1,022,583.06**			
Other payables		**3,192,240.47**		3,641,888.53	
Accruals and deferred income	21	**3,911,084.03**		3,185,717.19	
Current liabilities total		**214,911,593.66**		282,658,039.07	
Liabilities total		**278,780,397.66**	**24%**	346,753,296.23	39%
Shareholders' equity and liabilities total		**1,142,702,830.07**	**100%**	881,033,438.50	100%

Parent company statement of cash flows

EUR	**2012**	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before appropriations and taxes	**446,394,047.76**	170,756,123.36
Adjustments for		
Depreciation, amortization and impairment	**1,616,884.47**	1,692,039.48
Investment income	**-115,273.50**	-164,657.76
Interest income and dividends	**-63,453,940.33**	-2,666,848.35
Interest expenses	**3,638,451.83**	4,569,791.86
Change in provisions and other non-cash items	**-383,116,291.26**	-169,759,631.14
Cash flow before changes in working capital	**4,963,878.97**	4,426,817.45
Changes in working capital		
Change in current assets, non-interest bearing	**808,256.51**	457,285.77
Change in inventories	**67,558.21**	14,782.16
Change in current liabilities, non-interest bearing	**-5,763,324.04**	144,199.78
Cash flow from operating activities before financial items and taxes	**76,369.65**	5,043,085.16
Dividends received	**60,302,231.32**	506.81
Financial income received	**2,747,212.84**	2,527,377.85
Financial expenses paid	**-4,053,880.75**	-4,272,774.60
Taxes paid	**-1,551,213.62**	-6,026,521.04
Cash flow from operating activities (A)	**57,520,719.44**	-2,728,325.82
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in group companies		-131.40
Repayment of equity, Avlis AB	**81,068,283.68**	150,500,000.00
Investments in financial assets	**-207,373.61**	-179,000.00
Investments in property, plant & equipment	**-803,316.48**	-1,304,000.00
Proceeds from sale of property, plant & equipment and other investments	**151,915.70**	285,786.16
Sale of other holdings	**311.09**	296,000.00
Change in long term loan receivables	**2,997,936.66**	70,204,189.82
Cash flow from investing activities (B)	**83,207,757.04**	219,802,844.58
CASH FLOW FROM FINANCING ACTIVITIES		
Purchase of treasury shares		-71,000.00
Change in current debt	**-64,429,668.40**	-15,622,656.81
Change in current receivables	**32,362,528.84**	-64,312,874.12
Dividends paid	**-112,186,960.94**	-155,630,371.80
Group contribution received/paid	**4,667,800.00**	18,109,000.00
Cash flow from financing activities (C)	**-139,586,300.50**	-217,527,902.73
Change in cash and cash equivalents (A+B+C)	**1,142,175.98**	-453,383.97
Cash and cash equivalents at beginning of period	**487,814.02**	941,197.99
Cash and cash equivalents at end of period	**1,629,990.00**	487,814.02

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Parent company accounting principles, FAS

The financial statements have been prepared in accordance with local requirements and generally accepted accounting principles in Finland (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.

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 liquidation losses 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.

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	**2012**	2011
Royalties	**20,933,236.43**	20,159,550.75
Lease income	**2,986,836.26**	2,865,850.09
Other	**2,042,548.32**	2,551,321.38
Total	**25,962,621.01**	25,576,722.22

3. Other operating income

EUR	**2012**	2011
Net gain on sale of property, plant and equipment	**132,780.09**	177,526.54
Valuation gain of subsidiary shares retated to contribution in kind*		165,084,868.60
Other income	**92,770.39**	18,390.10
Total	**225,550.48**	165,280,785.24

* Valuation gain of subsidiary shares related to assignment of the shares in Fiskars Brands Inc as contribution in kind to Fiskars Americas Holding Oy Ab.

4. Total expenses

Total expenses by nature

EUR	**2012**	2011
Materials and supplies	**164,209.17**	193,906.22
Change in inventory	**67,558.21**	14,782.16
Employee benefits	**7,062,554.75**	7,104,005.23
Depreciation, amortization and impairment	**1,616,884.47**	1,692,039.48
External services	**897,589.37**	456,558.74
Other	**12,932,024.29**	13,391,477.82
Total	**22,740,820.26**	22,852,769.65

Other operating expenses

EUR	**2012**	2011
Loss on sale of property, plant and equipment	**17,506.59**	12,868.78
To subsidiaries		602.16
Total	**17,506.59**	13,470.94

5. Fees paid to Company's auditors

EUR	**2012**	2011
Audit fees	**88,258.00**	77,062.64
Tax consultation	**143,080.66**	205,336.77
Other	**392,853.00**	30,838.00
Total	**624,191.66**	313,237.41

6. Personnel costs and number of employees

Personnel costs

EUR	**2012**	2011
Wages and salaries	**5,030,284.56**	5,828,023.39
Pension costs	**1,042,747.58**	876,614.20
Other personnel costs	**989,522.61**	216,382.53
Total	**7,062,554.75**	6,921,020.12

Number of employees

	2012	2011
Average (FTE)	**52**	48
End of period	**49**	50

7. Financial income and expenses

EUR	**2012**	2011
Dividend income		
From subsidiaries	**60,301,716.32**	
From other parties	**515.00**	506.81
Dividend income, total	**60,302,231.32**	506.81
Interest and financial income from non-current investments		
From subsidiaries	**2,943,879.79**	2,795,528.61
From other parties		
Interest and financial income from non-current investments, total	**2,943,879.79**	2,795,528.61
Other interest and financial income		
From subsidiaries		1,348,791.06
From other parties	**437,911.63**	-162,449.56
Other interest and financial income, total	**437,911.63**	1,186,341.50
Interest and financial income, total	**3,381,791.42**	3,981,870.11
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 book value. Avlis AB is a subsidiary of Fiskars Corporation.

Interest and other financial expenses		
To subsidiaries	**-881,953.47**	-759,704.07
To other parties	**-2,986,580.77**	-5,125,616.36
Interest and other financial expenses, total	**-3,868,534.24**	-5,885,320.43
Total financial income and expenses	**428,965,488.50**	-1,902,943.51
Net exchange gains and losses included in financial items	**230,082.41**	-33,262.49

8. Extraordinary items

EUR	**2012**	2011
Group contribution received	**18,881,208.03**	9,765,000.00
Group contribution paid	**-4,900,000.00**	-5,097,200.00
Total	**13,981,208.03**	4,667,800.00

9. Income taxes

EUR	**2012**	2011
Current year taxes for profit before extraordinary items	**-1,131,946.65**	-387,280.87
Tax for extraordinary items	**-3,425,395.97**	-1,213,628.00
Income tax for previous periods	**-7,454.06**	-2,521.04
Income taxes per income statement	**-4,564,796.68**	-1,603,429.91

10. Intangible assets

EUR	**2012**	2011
Historical cost, Jan 1	**2,406,148.97**	2,603,385.86
Additions	**17,594.38**	218,237.50
Decrease		-365,486.97
Transfers	**-2,898.88**	-49,987.42
Historical cost, Dec 31	**2,420,844.47**	2,406,148.97
Accumulated amortization according to plan, Jan 1	**1,799,651.99**	1,965,725.14
Amortization according to plan	**128,398.17**	165,012.59
Decrease		-353,184.28
Transfers		22,098.54
Accumulated amortization according to plan, Dec 31	**1,928,050.16**	1,799,651.99
Net book value, Dec 31	**492,794.31**	606,496.98

11. Tangible assets

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
Book value Dec 31, 2012	**15,456,681.34**	**13,983,471.06**	**1,233,656.44**	**462,376.38**	**31,136,185.22**

2011

EUR	Land and water	Buildings	Machinery and equipment	Construction in progress	Total
Historical cost, Jan 1	5,597,843.02	34,082,479.56	5,738,024.40	306,131.21	45,724,478.19
Additions	148,974.17	140,468.07	210,685.06	1,348,668.23	1,848,795.53
Decreases	-8,178.35	-159,345.59	-553,562.28		-721,086.22
Transfers		-91,009.67		-676,304.57	-767,314.24
Historical cost, Dec 31	5,738,638.84	33,972,592.37	5,395,147.18	978,494.87	46,084,873.26
Accumulated depreciation according to plan, Jan 1		19,045,629.20	4,026,660.26		23,072,289.46
Depreciation according to plan		1,182,316.53	312,367.99		1,494,684.52
Decreases		-110,167.97	-500,791.75		-610,959.72
Accumulated depreciation according to plan, Dec 31		20,117,777.76	3,838,236.50		23,956,014.26
Revaluation, Jan 1	9,716,936.16				9,716,936.16
Decreases	-477.16				-477.16
Revaluation, Dec 31	9,716,459.00				9,716,459.00
Book value Dec 31, 2011	15,455,097.84	13,854,814.61	1,556,910.68	978,494.87	31,845,318.00

12. Investments

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
Decreases and increases	369,150,000.00		-28,837.80	369,121,162.20
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**

2011

EUR	Holdings in subsidiaries	Receivables from subsidiaries	Other shares	Total
Historical cost, Jan 1	983,276,888.44	75,366,426.48	6,904,626.86	1,065,547,941.78
Additions	128,778,839.60		179,000.00	128,957,839.60
Decreases	-150,500,000.00	-70,199,189.82	-253,364.10	-220,952,553.92
Historical cost, Dec 31	961,555,728.04	5,167,236.66	6,830,262.76	973,553,227.46
Write-downs, Jan 1	-405,456,029.00		-682,485.00	-406,138,514.00
Decreases and increases	36,306,029.00			36,306,029.00
Write-downs, Dec 31	-369,150,000.00		-682,485.00	-369,832,485.00
Net book value, Dec 31, 2011	592,405,728.04	5,167,236.66	6,147,777.76	603,720,742.46

Shares in subsidiaries

	Number of shares	Domicile		% of share capital	% of voting power	Book value
Avlis AB*	25,641,347	Stockholm	SE	100.0	100.0	533,118,788.70
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	49,085,185.85
Fiskars Americas Holding Oy Ab	1,000	Raasepori	FI	100.0	100.0	207,571,862.76
Fiskars Europe Holding Oy Ab	1,000	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, 2012						**880,487,444.36**

* Holds 13% (15.1) of Wärtsilä shares. The market value of Wärtsilä shares as at December 31, 2012 amounted to EUR 839.0 million (663.9).

Other shares

	Book value
Other shares owned by the parent company	6,326,313.57
Total Dec 31, 2012	**6,326,313.57**

13. Inventories

EUR	**2012**	2011
Work in progress	**14,039.00**	19,224.72
Finished goods	**152,871.78**	215,244.27
Total, Dec 31	**166,910.78**	234,468.99

14. Receivables from subsidiaries

EUR	**2012**	2011
Trade receivables	**2,620,952.88**	458,567.80
Loan receivables	**17,773,526.66**	20,751,482.11
Other receivables	**176,460,606.23**	205,845,179.62
Prepayments and accrued income	**21,750,326.99**	12,350,667.06
Total, Dec 31	**218,605,412.76**	239,405,896.59

15. Prepayments and accrued income

EUR	**2012**	2011
Prepaid and accrued interest	**1,007,651.15**	639,975.98
Other prepayments and accruals	**345,228.06**	849,429.07
Total, Dec 31	**1,352,879.21**	1,489,405.05

16. Cash and cash equivalents

EUR	**2012**	2011
Cash and cash equivalents	**1,629,990.00**	487,814.02
Total, Dec 31	**1,629,990.00**	487,814.02

17. Shareholders' equity

EUR	2012	2011
Share capital		
Jan 1	77,510,200.00	77,510,200.00
Share capital, Dec 31	**77,510,200.00**	77,510,200.00
Revaluation reserve		
Jan 1	3,789,720.00	3,789,720.00
Revaluation reserve, Dec 31	**3,789,720.00**	3,789,720.00
Treasury shares		
Jan 1	-864,706.21	-793,554.00
Change		-71,152.21
Treasury shares, Dec 31	**-864,706.21**	-864,706.21
Other reserves		
Jan 1	3,204,313.18	3,204,313.18
Other reserves, Dec 31	**3,204,313.18**	3,204,313.18
Retained earnings		
Jan 1	449,614,854.32	435,802,698.26
Dividends	-112,186,960.94	-155,630,371.80
Net profit	442,232,098.22	169,442,527.86
Retained earnings, Dec 31	**779,659,991.60**	449,614,854.32
less treasury shares	-864,706.21	-864,706.21
Distributable earnings, Dec 31	**778,795,285.39**	448,750,148.11

18. Appropriations

EUR	**2012**	2011
Depreciation in excess of plan, Jan 1	**1,025,760.98**	1,315,595.39
Changes during the year	**-402,847.14**	-289,834.41
Depreciation in excess of plan, Dec 31	**622,913.84**	1,025,760.98

The deferred tax liabilities, 24.5% from appropriations, have not been recognized.

19. Non-current liabilities falling due later than within 5 years

EUR	**2012**	2011
Loans from credit institutions	**30,000,000.00**	30,000,000.00

20. Liabilities to subsidiaries

EUR	**2012**	2011
Trade payables		3,542,504.88
Other liabilities	**185,758,865.82**	185,035,330.90
Accruals and deferred income	**4,919,477.63**	5,983,884.92
Total, Dec 31	**190,678,343.45**	194,561,720.70

21. Accruals and deferred income

EUR	**2012**	2011
Interest payable	**924,540.05**	1,096,896.88
Wages, salaries and social costs	**2,088,536.00**	1,764,851.59
Other items	**898,007.98**	323,968.72
Total, Dec 31	**3,911,084.03**	3,185,717.19

22. Lease obligations

EUR	**2012**	2011
Payments next year	**807,662.00**	734,104.00
Payments later	**2,158,069.00**	1,986,993.00
Total, Dec 31	**2,965,731.00**	2,721,097.00

23. Contingencies and pledged assets

EUR	**2012**	2011
As security for own commitments	**712,541.00**	1,040,448.00
Lease commitments	**2,965,731.00**	2,721,097.00
Guarantees as security for subsidiaries' commitments	**12,151,314.00**	13,017,885.00
Total, Dec 31	**15,829,586.00**	16,779,430.00

BOARD'S PROPOSAL FOR THE ANNUAL GENERAL MEETING

The distributable equity of the Parent Company at the end of the 2012 fiscal year was EUR 778.8 million (448.8).

The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.65 per share be paid for 2012.

The number of shares entitling to a dividend totaled 81,905,242. The proposed distribution of dividend would thus be EUR 53,238,407.30. This would leave EUR 725.6 million of distributable profit funds at the Parent Company.

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

Helsinki, February 6, 2013

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

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, 2012. 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 and 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, 2013
KPMG Oy Ab

Virpi Halonen
Authorized Public Accountant

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 2012 was 82,023,341. The share capital remained unchanged in 2012 at EUR 77,510,200.

Share details

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, 2012	82,023,341

Fiskars' share price
EUR, Jan 1, 2008–Dec 31, 2012

Treasury shares

As of the end of the year, Fiskars owned 118,099 treasury shares, corresponding to 0.14% of the Corporation's shares and votes. The Company has acquired the shares at the NASDAQ OMX Helsinki in accordance with the authorizations of the general meetings of the shareholders. The acquisitions have been made from December 10, 2003 through August 22, 2011.

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, 2013.

On August 2, 2012 the Board of Directors decided to commence to acquire the company's own shares on the basis on the authorization given by the Annual General Meeting held on March 15, 2012. The authorization may be used to acquire shares to be used for the development of the capital structure of the company, as consideration in corporate acquisitions or industrial reorganizations and as part of the company's incentive system and otherwise for further transfer, retention or cancellation. The maximum number of shares to be acquired is one million (1,000,000), corresponding to 1.2% of the total number of shares. No shares were acquired during the reporting period.

Changes in the number of shares, 2008–2012

	A share	K share	Total	
Total shares, Dec 31, 2008	54,944,492	22,565,708	77,510,200	
Jul 30, 2009	-54,944,492	-22,565,708	77,510,200	Combination of share series
Jul 30, 2009			4,513,141	Directed issue: one new share for each five series K shares
Jul 31, 2009			11,863,964	Directed issue to shareholders of Agrofin
Aug 8, 2009			-11,863,964	Cancelling shares in accordance with the merger of Agrofin
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	
Treasury shares			118,099	

SHAREHOLDERS

Fiskars Corporation had 16,148 (15,339) shareholders as of the end of the year. Approximately 2.1% (2.8) of the share capital was owned by foreign or nominee-registered shareholders.

Management shareholding

On December 31, 2012, the Board members, the President & CEO and the companies where they have a controlling interest together with a family member, owned a total of 34,197,729 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, 2012

	Number of shareholders	%	Number of shares and votes	%
Private companies	615	3.81	32,283,597	39.36
Financial and insurance institutions	26	0.16	1,411,280	1.72
Public sector organizations	9	0.06	4,635,862	5.65
Households	15,193	94.09	31,672,227	38.61
Non-profit organizations	196	1.21	10,270,036	12.52
Foreigners	109	0.68	420,743	0.51
Nominee registered			1,312,512	1.60
Other			17,084	0.02
Total	16,148	100.00	82,023,341	100.00

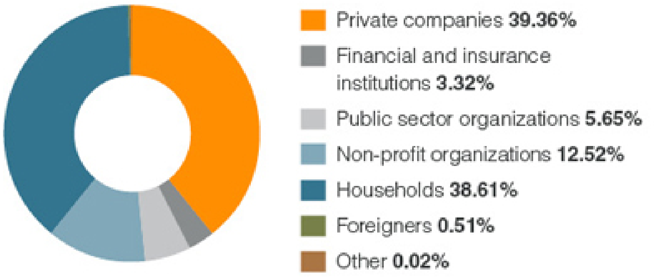
Distribution of shares, December 31, 2012

Number of shares	Number of shareholders	%	Number of shares and votes	%
1—100	5,636	34.90	356,725	0.43
101—500	6,402	39.65	1,700,404	2.07
501—1,000	1,849	11.45	1,422,628	1.73
1,001—10,000	1,965	12.17	5,420,792	6.61
10,001—100,000	227	1.41	6,017,412	7.34
100,001—1,000,000	55	0.34	18,790,395	22.91
1,000,001—	14	0.09	48,314,985	58.90
Total	16,148	100.00	82,023,341	100.00

Major shareholders, December 31, 2012

		Total shares	% of shares and votes
1	Virala Oy Ab	10,227,000	11.52
2	Turret Oy Ab	9,095,406	11.01
3	Holdix Oy Ab	8,294,050	10.03
4	I.A. von Julins Sterbhus	2,689,120	3.63
5	Sophie von Julins stiftelse	2,551,791	3.28
6	Varma Mutual Pension Insurance Company	2,469,326	3.11
7	Oy Julius Tallberg Ab	2,277,035	3.01
8	Ilmarinen Mutual Pension Insurance Company	1,675,871	2.78
9	Ehrnrooth Jacob	1,626,929	1.98
10	Ehrnrooth Alexander	1,625,000	1.98
11	Fromond Elsa	1,623,926	1.97
12	Ehrnrooth Albert	1,610,372	1.96
13	Ehrnrooth Sophia	1,536,230	1.87
14	Stiftelsen för Åbo Akademi	1,012,929	1.22
15	Wrede Sophie	821,790	1.00
16	Hartwall Peter	748,450	0.91
17	Åberg Albertina	740,679	0.91
18	Lindsay von Julin & Co Ab	733,320	0.90
19	Therman Anna Maria Elisabeth	722,436	0.89
20	Gripenberg Margareta	628,974	0.88
20 major shareholders		52,710,634	64.86

Shareholders



FOR SHAREHOLDERS

Annual General Meeting and dividend

Fiskars Corporation holds its Annual General Meeting on Thursday, March 14, 2013 at 3:00 p.m. (EET) at the Helsinki Exhibition & Convention Centre, The Congress Wing (visiting address: Messuaukio 1, Helsinki, Finland). The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 2.00 p.m.

Each shareholder, who is registered on the record date March 4, 2013 in the shareholders' register of the company held by Euroclear Finland Ltd, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her personal book-entry account, is registered in the shareholders' register of the company.

A shareholder, who is registered in the shareholders' register of the company and wants to participate in the Annual General Meeting, shall register for the meeting no later than March 11, 2013 at 3:00 p.m. (EET) by giving a prior notice of participation which shall be received by the company no later than on the above-mentioned date. Such notice can be given:

(a) on the Fiskars Corporation's website www.fiskarsgroup.com or
(b) by telephone +358 (0) 207 70 68 75 Monday - Friday between 9:00 a.m. and 3:00 p.m. (EET)

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share shall be paid for the financial period that ended on December 31, 2012. The dividend will be paid to shareholders, who are registered in the company's shareholders' register maintained by Euroclear Finland Ltd on the record date for the payment of dividend, which is March 19, 2013. The dividend payment date proposed by the Board to the Annual General Meeting is March 26, 2013.

Further information on the matters to be discussed at the AGM and how to register can be found in the invitation to the meeting at www.fiskarsgroup.com.

INVESTOR RELATIONS

The goal of Fiskars' investor relations is to provide all parties in the market with accurate, up-to-date, and sufficient information on the company to enable them to analyze its performance and prospects as an investment. Information is provided to all stakeholders simultaneously.

Fiskars has adopted a silent period of three weeks prior to the publication of results. During this period comments on market situation or company prospects are not available from Fiskars.

Meetings with investors and analysts are coordinated by Corporate Communications. Questions on investor relations matters should be addressed to Communications Director Anu Ilvonen, anu.ilvonen@fiskars.com.

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