

FISKARS

Annual Report 2002





Design by coincidence

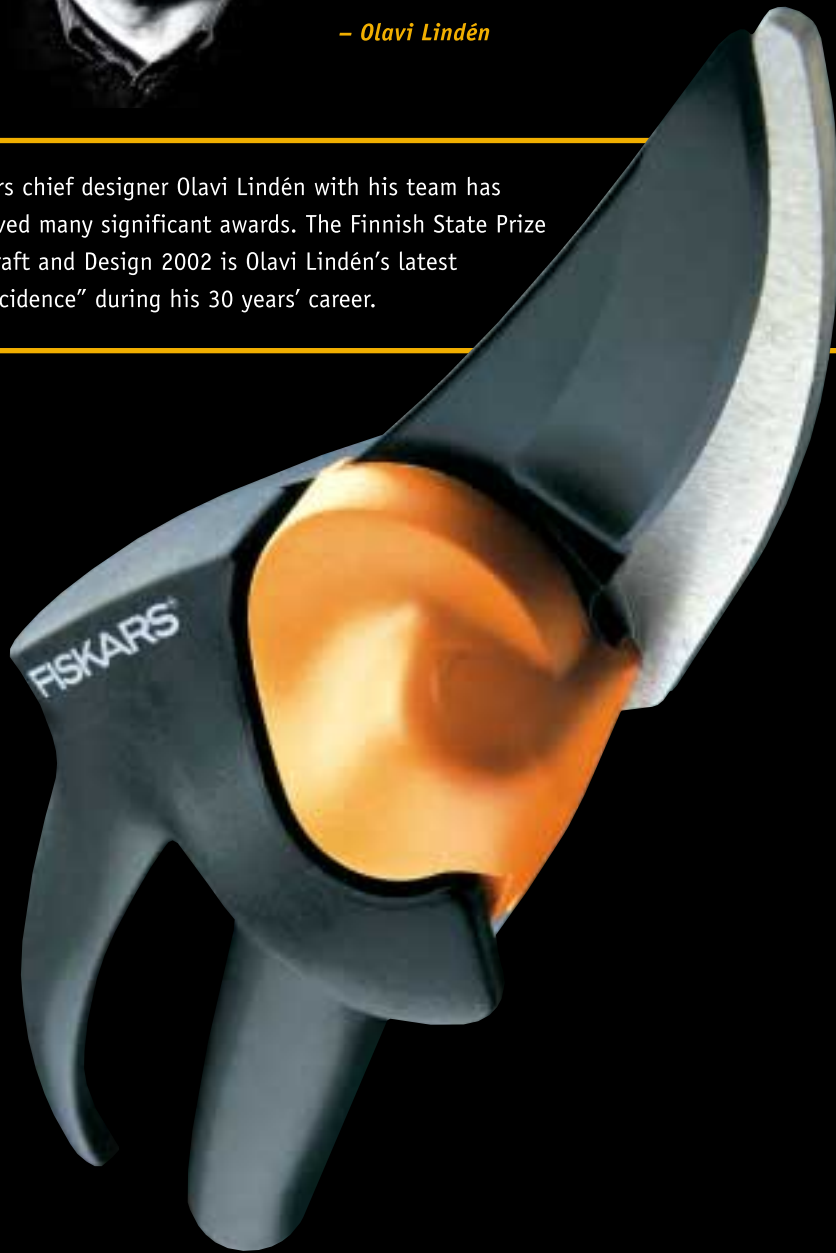
“Designer is like the Black Skimmer

(lat. *Rynchops niger*), that flies with its long lower beak in the water snatching fish.

If you don't keep your beak in the water, there'll be no catch.”

– *Olavi Lindén*

Fiskars chief designer Olavi Lindén with his team has received many significant awards. The Finnish State Prize for Craft and Design 2002 is Olavi Lindén's latest “coincidence” during his 30 years' career.



ANNUAL REPORT

2002

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Awarded products

HEDGE SHEAR

iF Design Award 2002
Silver Award
Industrial Forum Design
Germany

Red Dot Award 2002
Design Zentrum Nordrhein Westfalen
Germany

Fennia Prize 2003
Finland



GRASS AND HEDGE SHEAR

Red Dot Award 2002
Design Zentrum Nordrhein Westfalen
Germany

iF Design Award 2002
Nordrhein Westfalen
Industrial Forum Design
Germany

Good Design Award 2002
The Chicago Athenaeum
USA

Fennia Prize 2003
Finland

GARDEN AND CAMPING SAW

iF Product Design Award 1999
Award for Excellent Design
Industrie Forum Design Hannover
Germany

Good Design Award 1999
The Chicago Athenaeum
USA

Design Innovations 1999
Red Dot for High Design Quality
Design Zentrum Nordrhein Westfalen
Germany



POWER LEVER PRUNER

Baden-Württemberg International Design Award 2002 in Silver
Design Center Stuttgart
Germany

Red Dot Award 2002
Design Zentrum Nordrhein Westfalen
Germany

iF Design Award 2002
Silver Award
International Forum Design
Germany

Good Design Award 2002
The Chicago Athenaeum
USA

Fennia Prize 2003
Finland

The Annual General Meeting of the Shareholders of Fiskars Corporation will be held on March 13, 2003 at 4.30 p.m. at the Finlandia Hall, Mannerheimintie 13 e, Helsinki.

Shareholders registered at March 4, 2003 in the shareholders' register maintained by the Finnish Central Securities Depository Ltd. (Suomen Arvopaperikeskus Oy) are entitled to participate in the meeting. Shareholders wishing to attend the meeting should inform Fiskars Corporation not later than 4.30 p.m. on March 11.

Payment of Dividends

The Board of Directors proposes that the Annual General Meeting declare a dividend of 0.70 euro per share of series A and 0.68 euro per share of series K. The record date for the dividend is March 18, 2003 and the payment date March 25, 2003.

Annual Report 2002

This Annual Report is published in Finnish, Swedish and English. The Annual Report is also published on Fiskars Corporation's website www.fiskars.fi.

Interim Reports in 2003

In the 2003, the Interim Reports will be published as follows:

January–March	May 9, 2003
January–June	August 11, 2003
January–September	November 11, 2003

The interim reports are published in Finnish, Swedish and English on the website www.fiskars.fi. They can also be ordered at info@fiskars.fi or by phone: + 358 9 618 861 or fax +358 9 604 053.

Stock Exchange Releases

Stock Exchange releases are published in Finnish, Swedish and English also on the website www.fiskars.fi.

Summary of operations*)

	2002	2001
	M€	M€
Net sales	725	762
Operating profit	28	12
Net profit	50	23
Balance sheet total	809	929
Equity ratio	53%	44%
Share data	€	€
Earnings/share	0.90	0.41
Equity/share	7.75	7.35
Personnel at year-end	4 206	4 556

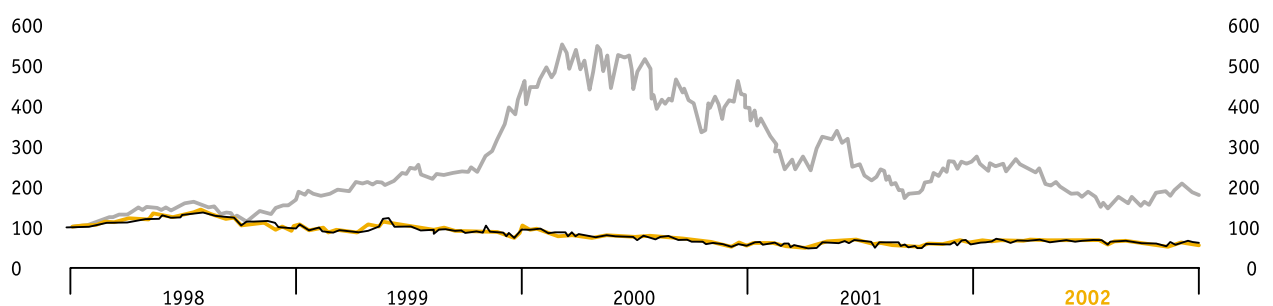
*) A complete summary is presented on page 40.

Euro exchange rates

	2002	2001	2002	2001
	Income Statement		Balance Sheet	
USD	0.946	0.896	1.049	0.881
SEK	9.161	9.255	9.153	9.301
DKK	7.431	7.452	7.429	7.437
NOK	7.509	8.048	7.276	7.952
GBP	0.629	0.622	0.651	0.609

Trend of Fiskars share price compared to HEX (1998=100)

- HEX
- Series A
- Series K



President's Review

Bertel
Langenskiöld



Fiskars is strong and flexible

The current structure of the company supports profitable operations both in the currently prevailing and the varying future conditions.

Fiskars Corporation's cash flow continued to be strong during 2002, strengthening the corporate balance sheet and improving the equity ratio. The measures introduced earlier to adapt operations to the market situation, and focusing on improvement of profitability and cash flow have been successful choices under prevailing circumstances. Today Fiskars has a strong balance sheet; its equity ratio exceeds 50 per cent, and the amount of interest-bearing liabilities has decreased to 65 per cent of equity. The strong balance sheet gives the company more operating room and better possibilities for growth through acquisitions.

Fiskars' sales in the United States remained largely unchanged from the previous year, although closer focus on profitability also meant streamlining the product portfolio. In this challenging business environment where the indus-

trial production levels remained low and consumer confidence, which is critical for economy, declined, Fiskars' business activities developed satisfactorily. The value of the US dollar began sliding in late spring and by the year-end it was nearly 20 per cent weaker than in the early part of the year. This is eroding American consumers' buying power but will in the long run improve Fiskars' competitiveness, because a significant part of its production is in the United States. In 2002, however, the impact of the weaker dollar rate was mainly seen as a decrease in euro denominated net sales.

The European markets were stable and sales volumes largely remained on the level of previous years. It appears that the retail sector is rapidly consolidating, and the purchase organizations of international retail chains entering the European market operate in an increasingly centralized way. This means higher requirements on suppliers especially with regard to shipping volumes and on-time delivery. I believe that our long expertise as a reliable supplier to leading retail organizations will ensure our good competitive position when facing these challenges.

During the year, Fiskars Brands, Inc. focused on its core operations and development of its infrastructure. The introduction of an extensive resource planning system, which will ensure the control and follow-up of the future growth and profitability, continues in the US operations. Marketing and customer service received special attention. An extensive branding study, with consumer focus groups in several markets, was conducted in order to better understand customers and their expectations on Fiskars and its products. The information from this study will be utilized in Fiskars Brands' strategic planning.

The efficiency improvement measures have continued. In the USA production has been consolidated and product rationalization is well under way. In Europe focus has mainly

been on the UK and Germany. The factory at Bridgend, Wales, was closed down, and in Germany operations were consolidated. The discontinued product lines have been replaced by other Fiskars products or partly by products from Asian sub-suppliers.

For Inha Works, the year was satisfactory. The demand for boats saw a moderate growth, and particularly the biggest Buster models were enthusiastically received in the marketplace. Hinge sales remained unchanged from the previous year, in spite of the recession in the building sector. Growing export activity and Fiskars patent-protected hinge models strengthen our position as the leading hinge supplier to the Nordic market.

Fiskars real estate assets were managed according to successful long-term plans. Construction of a small hotel in Fiskars Village started in the fall in order to increase the round-the-year utilization of the facilities available in the area.

Like in previous years, Fiskars' long-term investments mainly consist of the holding in Wärtsilä Corporation, as well as of placements in several international investment funds. These investments continued to yield good returns.

Corporate governance has been a current topic throughout the world in 2002. Fiskars as a Group and Fiskars Brands have since long followed the today generally recommended principles of good governance.

Although at this writing, the future outlook is very uncertain I am confident that Fiskars today is a strong and flexible company, capable of responding to the future challenges even in highly varying operating conditions.

I wish to thank our customers, cooperation partners, personnel and shareholders for the past year.

Helsinki, February 2003



Board of Directors

Fiskars Corporation

Göran J. Ehrnrooth (1934)

Chairman since 1984, elected to the Board in 1974. Term expires in 2003. President of Fiskars Corporation during 1969–1983. Member of the Board of Directors of Wärtsilä Corporation and Assa Abloy AB. Fiskars holdings: 386,347 shares, December 31, 2002.

Mikael von Frenckell (1947)

M.Sc. (Pol.). Vice Chairman, elected to the Board in 2000. Term expires in 2005. Chairman of the Board of Directors and Partner in Sponsor Capital Ltd. Chairman of the Board of Tamfelt Corporation. Member of the Board of Directors of Tamro Corporation and Member of the Supervisory Board of Sampo Life Insurance Company Ltd. Fiskars holdings: 30,000 shares, December 31, 2002.

Robert G. Ehrnrooth (1939)

Lic. (Econ.). Elected to the Board in 1966. Term expires in 2005. Chairman of the Board of Directors of Wärtsilä Corporation. Fiskars holdings: 596,264 shares, December 31, 2002.

Gustaf Gripenberg (1952)

D.Eng. Professor, Helsinki University of Technology. Elected to the Board in 1986. Term expires in 2004. Fiskars holdings: 144,125 shares, December 31, 2002.

Thomas Tallberg (1934)

M.D. The Institute for Bio-Immunotherapy. Elected to the Board in 1966. Term expires in 2003. Chairman of the Board of Directors of Tallberg Group. Fiskars holdings: 502 shares, December 31, 2002.

Olli Riikkala (1951)

M.Sc. (Eng.), B.Sc. (Econ.) and MBA. Elected to the Board 2002. Term expires in 2004. CEO and Member of the Board of Instrumentarium Corporation. Holds no Fiskars shares.

DEPUTY MEMBERS

Paul Ehrnrooth (1965)

M.Sc.(Econ.) Elected to the Board 2000. Term expires in 2003. CEO of Savox Corporation. 1992–1999 positions within areas of General Management, Sales and Finance in Wärtsilä Corporation and Kone Corporation. Fiskars holdings: 85,490 shares, December 31, 2002.

Alexander Ehrnrooth (1974)

M.Sc.(Econ.), MBA. Elected to the Board 2000. Term expires in 2003. CEO of Virala Ltd., Chairman of the Board of Directors of Beconnected Finland Ltd., Member of the Board of Menire Plc. Fiskars holdings: 114,169 shares, December 31, 2002.

AUDITOR

KPMG Wideri Oy Ab
Corporation of Auditors

Members of the Board of Directors from left to right: Göran J. Ehrnrooth, Mikael von Frenckell, Robert G. Ehrnrooth, Olli Riikkala, Gustaf Gripenberg, Thomas Tallberg, Paul Ehrnrooth and Alexander Ehrnrooth.



FISKARS CORPORATION

Bertel Langenskiöld (1950)

President and CEO

M. Sc. (Eng.)

Employed since 2000

Ingmar Lindberg (1945)

Executive Vice President

Real Estate and Administration

B.Sc. (Econ.)

Employed since 1985

Ove Bäckman (1950)

Vice President, Corporate Control

B.Sc. (Econ.)

Employed since 1983

Kurt-Erik Forsstedt (1942)

Vice President, Legal Counsel

LL.M.

Employed since 1980

until February 28, 2003

Leena Kahila-Bergh (1959)

Vice President, Corporate

Communications

M.Sc. (Econ.)

Employed since 1989

Juha Rauhala (1954)

Vice President, Corporate Finance

B.Sc. (Econ.)

Employed since 1989

FISKARS BRANDS, INC.

Board of Directors

Bertel Langenskiöld (1950)

Chairman

Ralf R. Böer (1948)

David J. Drury (1948)

Alexander Ehrnrooth (1974)

Richard G. Sim (1944)

William J. Denton (1944)

President and CEO

William J. Denton (1944)

President and CEO

Employed since 2000

Paul Freischlag, Jr. (1954)

Senior Vice President, CFO

Employed since 2001

Richard Krause (1961)

Senior Vice President,

Market Development

Employed since 2001

Anita A. Loch (1948)

Senior Vice President,

Human Resources

Employed since 2001

Antonio Russo (1949)

President, Europe Division

Employed since 2001

INHA WORKS LTD.

Board of Directors

Bertel Langenskiöld (1950)

Chairman

Pauli Lantonen (1939)

Ingmar Lindberg (1945)

Vesa Koivula (1954)

President

M. Sc. (Eng.)

Employed since 1995

until April 30, 2003

REAL ESTATE

Fiskars Real Estate

Management

Ingmar Lindberg (1945)

Employed since 1985

Ferraria Oy Ab

Board of Directors

Bertel Langenskiöld (1950)

Chairman

Elsa Fromond (1942)

Ingmar Lindberg (1945)

President

Fiskars Brands



William J. Denton

Fiskars' biggest industrial operations consist of consumer products organized under a subsidiary called Fiskars Brands, Inc. Fiskars Brands is a global manufacturer of branded consumer products serving the needs of volume purchasers worldwide. Headquartered in Madison, Wisconsin, Fiskars Brands is organized in three distinct product categories – School, Office and Craft; Garden; and Leisure products. The extensive variety of Fiskars branded consumer products are sold worldwide under recognized brand names.

Fiskars has for centuries been at the forefront of innovation and engineering, creating award-winning products that delight consumers with elegant solutions. Regular advances in technology, innovation and design, ergonomic and functional enhancements, line extensions and cost improvements are some of the ways Fiskars Brands continues to increase customer satisfaction and brand loyalty.

In today's global marketplace, Fiskars Brands' multinational experience, global marketing and distribution capabilities are a key strategic advantage. With 4000 employees in over 20 countries on three continents, Fiskars Brands maintains dedicated manufacturing, sales and distribution facilities on a global basis focusing on specific countries and branded product lines. Fiskars Brands products are marketed and distributed in North and Central America, Europe and the Asian Pacific markets. The products, which are manufactured primarily in the United States, Finland, UK, Germany, Italy, Norway, Sweden, Poland and Russia are distributed primarily through nationally and internationally known retailers.

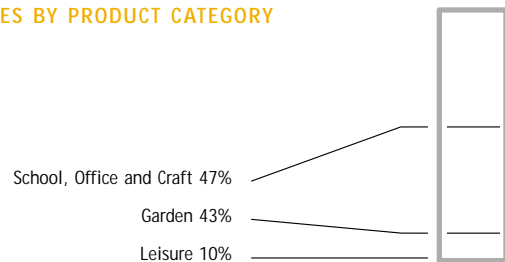
Fiskars continues to focus on development of innovative consumer solutions. Globally renowned strengths in branding, customer services, product development and international manufacturing and distribution make Fiskars Brands one of the leading manufacturers and marketers in the world.



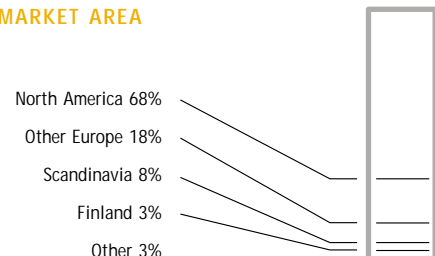
KEY INDICATORS M€

	2002	2001
Net sales	693	731
Share of total net sales	96%	96%
Operating profit	27	11
Personnel	3 899	4 247

NET SALES BY PRODUCT CATEGORY



NET SALES BY MARKET AREA





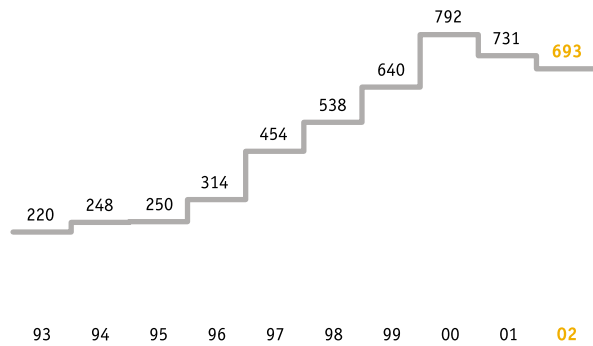
Honest design

“Appearance should tell simply and honestly what an object is used for, and stress its quality, functionality, safety and comfort.”

– *Olavi Lindén*



NET SALES OF CONSUMER PRODUCTS 1993–2002
M€



SCHOOL, OFFICE AND CRAFT

Fiskars School, Office and Craft is a worldwide leader in cutting products, committed to developing innovative award-winning products for people of all ages. The Group has operations in the United States, Finland, Mexico and Italy.

Fiskars is a household name, long embraced by people who value craftsmanship. Year after year, in schools across the US, teachers specify FISKARS for Kids scissors on their school supply lists and download lesson plans from Fiskars



website (teachers.fiskars.com). Also included in this Group are the Power Sentry and Newpoint lines of products that protect electronic appliances from unexpected power surges. The extensive housewares offerings include a wide variety of European made premium cutlery, kitchen aids and other home consumer products, which were this year introduced to US markets.

GARDEN

A global manufacturer and marketer of consumer products for lawn and garden activities, the Group maintains operations in the USA, Finland, UK, Denmark, Germany, Sweden, Norway, Poland and Russia.

Based on continued success in the development of unique innovative products, Fiskars has become the number one global manufacturer of branded consumer garden products. For years, Fiskars has led the way in developing tools to help reduce the effort, fatigue and strain associated with gardening. Ergonomic tools are designed for gardeners who want to pursue their passion with lightweight, high-quality tools.

The Garden Products Group is perhaps best known for its innovative award-winning cutting and trimming tools. Fiskars chief designer Olavi Lindén with his team has received many significant awards. In 2002 he was awarded The Finnish State Prize for Crafts and Design.

The offering is complemented by the line of environmentally friendly rubber mats from industry pioneer and leader, Royal Floor Mats. Other products include soaker hoses, drip watering systems, landscaping accessories, lightweight pottery for indoor and outdoor plants, and Syroco outdoor resin furniture.

LEISURE

The Leisure Group produces tools for hunting, fishing, biking and camping, as well as professional tools for police, fire, rescue and military applications, with production mainly in the United States and Finland, and distribution to global markets through Fiskars Brands' marketing and distribution network.

The premium leisure brand is Gerber Legendary Blades, renowned for designing essential gear for outdoor enthusiasts around the globe. The functionality and reliability of Gerber products is guaranteed even in the most exacting conditions. The best-known products are the multi-tools and award-winning sporting knife designs. The multi-brand/multi-product line strategy portfolio allows Gerber to differentiate products and effectively respond to specific customer and marketplace needs. Other products in the portfolio are the Multi-Pliers multipurpose tools, sporting knives, camping axes, saws, spades and other essential outdoor gear that together form the comprehensive Gerber product line.

Inha Works



Vesa Koivula

Inha Works manufactures Buster aluminum boats, hinges to the door and window industry, special-purpose radiators and rail fasteners. The principal markets are Finland, other Nordic countries and Eastern Europe.

The production enhancements and investments implemented during the previous year were taken into use in 2002. This was particularly challenging for the operations and caused some delays in production.

Moderate demand for motorboats continued in the main market areas Finland and Scandinavia. Sales picked up towards the end of the year in all markets and reached a higher volume than the year before. Growth was relatively strongest in Russia and Germany.

The Buster range includes seven basic models that provide solutions for leisure boating and professional applications. The new Magnum Buster, introduced in 2001, gained wide popularity and its sales exceeded all expectations. Inha Works continues its energetic product development and quality improvement program, consolidating the position of Buster boats as the European market leader.

Recession in the domestic construction industry prevailed, and sales of hinges remained flat on the previous year. The strong export activity slowed down, although exports to Estonia, Russia and Poland grew significantly. The refining level of hinges is being further improved as a result of product development cooperation with customers. Patented models are growing in importance as competition from countries of low production costs increases. Extensive exports and patented proprietary hinge brands, together with production rationalization have strengthened our position as the leading Nordic supplier of hinges.

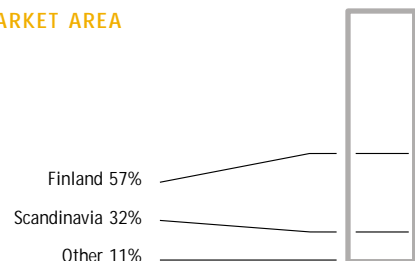
The Formaterm radiator range has been renewed and continues to offer practical concepts for heating and drying of humid rooms. Thanks to their modern design they are ideal for demanding interiors.

Rail fasteners, which represent the traditional steel processing expertise of Inha Works, are sold to the Nordic railways under long-term supply agreements.



KEY INDICATORS M€	2002	2001
Net sales	23	22
- of which outside Finland	43%	41%
Share of total net sales	3%	3%
Operating profit	2	3
Personnel	198	190

NET SALES BY MARKET AREA



FISKARS

Buster



Designing for success

The functionality and design of a product alone are not a guarantee of success. The choice of materials and the manufacturing technology are also part of the design.

Real Estate Group



Ingmar
Lindberg

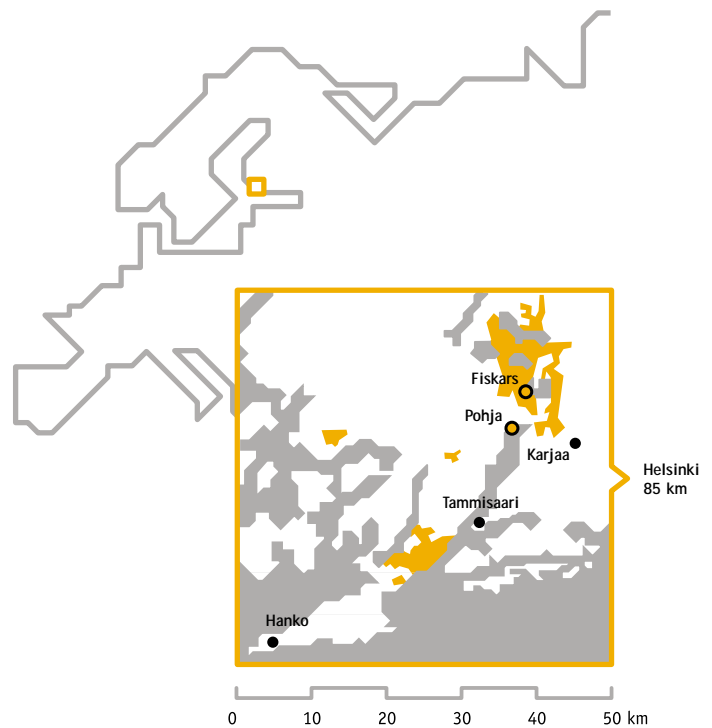
Fiskars Real Estate operations consist of the management of 15,000 hectares of real estate properties and related services. The land holdings situated in the Southwest of Finland represent a considerable corporate asset and include more than 100 lakes and 250 km of shoreline.

Most of the land holdings, 11,000 hectares, are in and around the old Fiskars Village. Traditional forestry and farming are carried out in this area according to long-term plans, and the forests are harvested in accordance with forest management plans to maintain a balance between regeneration and demand based on long-term contracts with external parties. An interesting specialty that has emerged in recent years are the deliveries of quality wood for instance to the furniture industry. The raw material is mainly harvested in the company's own forests and supplemented by purchases from other sources.

The revenues from the real estate operations are partly used to maintain the historically valuable buildings at Fiskars Village and improve the surrounding landscape. The objective is to continue developing the Fiskars region as an attractive place to work and live in and to offer tourists an interesting opportunity to visit this more than 350 years old, historically unique and still living industrial community. More than 100,000 people visit Fiskars Village yearly.

A new hotel with eleven high-class double rooms currently being built in connection with the Fiskars Inn and scheduled for completion in May 2003 will satisfy demand for accommodation that has been clearly increasing in recent years. Especially for FiskarsForum that supplies meeting and conference services, the new hotel is a welcome addition.

The remaining 4,000 hectares of land holdings of Fiskars are located on the Hanko peninsula. The real estate company Ferraria has prepared a partial general plan for the area together with the neighboring municipalities with the objective of creating the conditions necessary for future development.





Creativity is deeply rooted in life

Already more than 350 years of ideas, innovation, growth and results – also in forestry and farming. Fiskars continues to keep its roots alive.

Long-term Investments

WÄRTSILÄ

Wärtsilä is the leading global supplier and a major provider of marine propulsion equipment and decentralized power generation systems and supporting services. The Group also operates Imatra Steel, a Nordic engineering steel company, and manages substantial assets that support the development of the core business.

Wärtsilä's consolidated net sales in 2002 amounted to EUR 2.5 billion, and the Group has 12,500 employees.

Fiskars holds 4.1 million Wärtsilä A-shares and 6.3 million B-shares, in total 17.5% of Wärtsilä Corporation's share capital. With A-shares carrying 10 votes and B-shares one vote each, Fiskars holds 23.9% of the total votes. Fiskars is Wärtsilä's biggest single shareholder.

The two companies have no significant mutual trade relations or other common business operations.

www.wartsila.com

FUNDS

The EQT Equity Funds were established in 1994; their total assets exceed EUR 3 billion, and investments have been made in more than 20 companies. Today EQT ranks among the leading top-rated private capital investment funds in Northern Europe, with offices in Stockholm, Helsinki, Copenhagen and Munich.

Fiskars' investments since 1994 in the various EQT funds total approximately EUR 20 million and have yielded good returns.

www.eqt.se

Fiskars has also other long-term holdings of approximately EUR 7 million in the New York based AEA Fund and in listed securities.



FINANCIAL
STATEMENTS

2002

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Both in the United States and Europe the market situation was strained in the consumer products sector. Corporate net sales declined by 5% from the previous year and totaled EUR 725 million (762). Most of the sales decrease was attributable to the weakening dollar against the euro.

Operating profit from the corporation's industrial operations improved significantly and amounted to EUR 28 million (12). Income from investments increased to EUR 59 million (51). Result after financial items was EUR 72 million (36).

Profit for the year was EUR 50 million (23) and earnings per share amounted to EUR 0.90 (0.41).

The Board of Directors proposes an increase of dividend to EUR 0.70 (0.31) per share of series A and EUR 0.68 (0.29) per share of series K. Thus the dividend distribution would be EUR 38.4 million (16.8).

OPERATIONS
Fiskars Brands Inc.

Net sales from consumer products, which is the Corporation's overwhelmingly largest industrial operation, decreased by 5% to EUR 693 million (731). Dollar denominated sales remained unchanged.

Most of the sales of consumer products, i.e. 68% of total net sales, were generated in North America; Europe accounted for 29% of the total figure.

In North America, dollar denominated sales of school, office and craft products sold mainly under the FISKARS brand increased by nearly 6%, which was a good result in the prevailing difficult market conditions.

The sales trend of leisure products, which mainly consisted of Gerber branded products, was also positive while the heterogeneous development of garden products continued. Sales of FISKARS branded hand tools grew as much as 8% supported by innovative new products and it is noteworthy

that the production volume in Billnäs plant in Finland grew with 20%. However, the garden sector's total sales growth remained negative due to continued weak demand for volume products such as flower pots, rubber mats, outdoor furniture and plastics products.

In the European marketplace, sales of consumer products increased over the previous year to EUR 214 million (206). Fiskars retained its strong position in the Nordic countries and increased its market share. Sales in the Central European euro area and UK remained unchanged from the previous year despite of the particularly difficult market situation. Growth in new areas such as Poland and Russia exceeded 10%; however, for the time being, they represent a small share of the total market.

The non-recurring costs of programs aimed at improving profitability remained high at EUR 20 million (34). The biggest cost items relate to restructuring measures taken in the UK and Germany, where operations were closed and activities were focused on the strongest Fiskars Brands products. Amortization of goodwill increased to EUR 14 million (11); the figure includes an extraordinary write-down of EUR 3.2 million in connection with the above-mentioned restructuring measures. Fiskars Brands' operating profit was EUR 27 million (11).

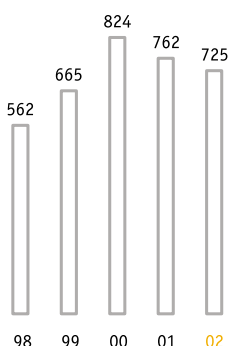
Inha Works

Inha Works' net sales grew by 7% to EUR 23 million (22), mainly thanks to boat sales that increased both in Finland and export markets. Especially the renewed Buster Magnum gained great popularity. Demand for hinges remained on the previous years level.

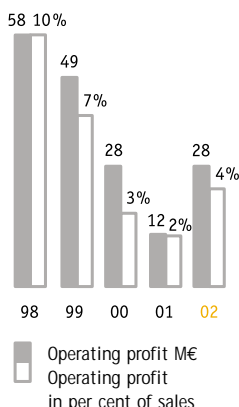
Inha Works' operating profit was EUR 2.5 million (2.6).

Result from the Real Estate Operations improved clearly from the previous year and was good.

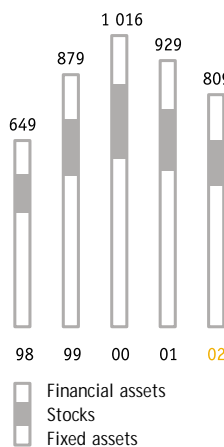
NET SALES
M€



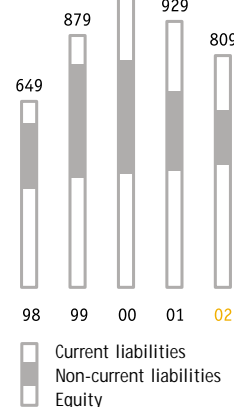
OPERATING PROFIT M€
OPERATING PROFIT IN PER CENT OF SALES



BALANCE SHEET, ASSETS
M€



BALANCE SHEET, LIABILITIES AND EQUITY
M€



Income from Long-term Investments totaled EUR 59 million (51) and mainly consisted of extra dividends from Wärtsilä.

PERSONNEL

In North America, the number of personnel decreased by 342 and in Europe by 12. The total number of corporate personnel decreased by 8% from the previous year and was 4,206 at the year-end (4,556).

CAPITAL EXPENDITURE AND INVESTMENT OPERATIONS

Investments in industrial operations amounted to EUR 31 million (31). The most significant single capital expenditure item was the resource planning system (ERP), currently being installed in the United States; implementation of the system will continue in 2003.

Investments made in capital investment funds totaled EUR 4 million (5).

BALANCE SHEET; FINANCING

Measures aimed at improving management of working capital continued during the year, and EUR 21 million (56) was released from working capital.

Fiskars Corporation's cash flow was good at EUR 130 million (100). Thanks to the strong cash flow and weaker dollar rates, the corporation's interest-bearing liabilities decreased to EUR 266 million (400).

The balance sheet total decreased by 13%; the decrease in working capital was attributable to the positive cash flow and the weaker dollar rates. Fixed assets, expressed in euros, decreased correspondingly. Like in previous years, long-term investments in fixed assets, mainly Wärtsilä shares, are shown at cost.

Solvency was good, and the corporation had significant unused available credit limits as well as liquid assets totaling EUR 20 million.

Finance net decreased considerably, thanks to lower average interest rates and a significantly lower amount of interest-bearing capital, and totaled EUR 15 million (28). Gearing improved to 57% (96). Equity ratio increased to 53% (44) of the balance sheet total.

MANAGEMENT

In January, Fiskars Corporation's President and CEO, Mr. Bertel Langenskiöld, announced his resignation in order to join another company during the spring of 2003. Mr. Vesa Koivula, Inha Works' President, will join another company in May 2003.

Fiskars Brands' Management Team led by CEO Mr. William J. Denton has during the year successfully restructured the business and the organization of the consumer products operations.

CORPORATE GOVERNANCE

Responsibilities of the Board of Directors

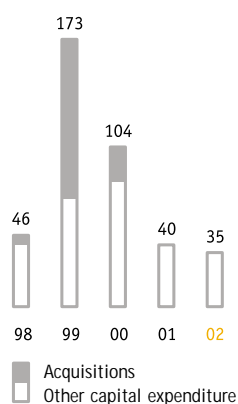
The duties and responsibilities of the Board of Directors are governed by the Finnish Companies Act and the Corporation's Articles of Association. The Board of Directors is responsible for the corporate administration and proper organization of the affairs of the corporation. The Board also appoints the President and a sufficient number of other managers and determines their remuneration.

The Board of Directors convened eleven times during 2002.

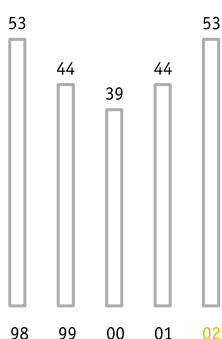
Composition of the Board of Directors

The Board of Directors comprised six ordinary members and two deputy members. None of the ordinary or deputy members are employed in the company.

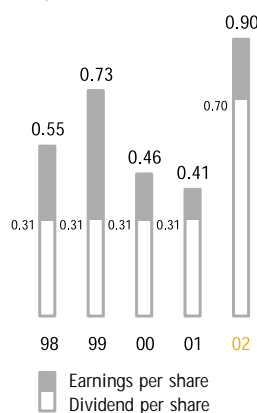
CAPITAL EXPENDITURE M€



EQUITY RATIO %



EARNINGS PER SHARE DIVIDEND PER SHARE €



Remuneration of the Board members

The Annual General Meeting determines the remuneration of the Board of Directors. The fees paid to the Board Chairman in 2002 totaled EUR 45,420 and the fees paid to the Vice Chairman EUR 34,065; fees of ordinary members were EUR 22,710 and those of deputy members EUR 11,355 during the year. In addition, Board members and deputy members are paid an attendance fee of EUR 510 per meeting, and receive compensation for their travel expenses and other expenses incurred due to their activities in the interest of the company.

Board committees

The Board of Directors has appointed three committees among its members: Audit Committee, Compensation Committee and Planning Committee.

1. The Audit Committee supervises and controls corporate income reporting and auditing. The members of the Audit Committee were Mr. Göran J. Ehrnrooth, Mr. Thomas Tallberg, Mr. Gustaf Gripenberg and Mr. Paul Ehrnrooth.

2. The Compensation Committee prepares matters connected with corporate remuneration and award systems. Its members were Mr. Göran J. Ehrnrooth, Mr. Mikael von Frenckell and Mr. Olli Riikkala.

3. The Planning Committee prepares matters associated with the future operations and strategy of the corporation. Its members were Mr. Göran J. Ehrnrooth, Mr. Mikael von Frenckell and Mr. Robert G. Ehrnrooth.

Insiders of the corporation

Fiskars has been applied the insider regulations approved by the Helsinki Exchanges since 1 January 2000. On the basis of the Finnish Securities Markets Act, the permanent insiders include the Board members, the corporate President and CEO, Executive Vice President and the auditors. In addition, the extended insiders include the Vice President, Corporate Control; the Vice President, Corporate Finance; the Vice President, Legal Counsel; the Vice President, Corporate Communications; the members of the Board of Fiskars Brands, Inc., The President and SEO of Fiskars Brands, Inc. and the members of the Corporate Board of Management. Fiskars maintains a list of its insiders in the SIRE system of the Finnish Central Securities Depository Ltd.

Audit

The corporate auditor is KPMG Wideri Oy Ab, Corporation of

Authorized Public Accountants, with Mr. Sixten Nyman, APA, as auditor with main responsibility. Fiskars Brands, Inc.'s auditor is PriceWaterhouseCoopers, with Mr. Douglas C. Calvin as auditor with main responsibility.

ANNUAL GENERAL MEETING 2002

Fiskars Corporation's Annual General Meeting held on 14 March 2002 decided to distribute a dividend of EUR 0.31 per share of series A and EUR 0.29 per share of series K, in total EUR 16.8 million.

The resigning Board members Mr. Robert G. Ehrnrooth and Mr. Mikael von Frenckell were reelected for a term expiring in 2005. Board members Mr. Stig Stendahl and Mr. Juha Toivola announced their desire to resign as Board members. Mr. Olli Riikkala was elected as a new member for a term expiring in 2004.

KPMG Wideri Oy Ab was reelected auditor of the corporation.

The Board of Directors was granted authorization to purchase and convey not more than 1,962,303 A-shares and not more than 805,918 K-shares of the corporation. The previous corresponding authorizations were canceled. The granted authorization has not been used.

SHARE PRICES

The price of Fiskars A-share at the year-end was EUR 7.80 (8.50) and the price of K-share EUR 8.10 (8.00). The market value of Fiskars shares decreased by 5.6% from the previous year and was EUR 436.7 million (462.5).

A total number of 3.9 million A-shares and 1.3 million K-shares were traded for a total value of EUR 45 million (10) during the year. This represented 9.5% of the entire share capital (2.4).

OUTLOOK

The profitability improvement measures implemented in the corporation in recent years will enhance the possibilities to improve operating profit also this year. In the uncertain market situation the efforts continue to be focused on profitability. Net sales is expected to be lower than in 2002 due to the weakening of the US dollar. The global uncertainty makes it difficult to estimate the result reliably.

Significant income from investments is anticipated also this year in the form of extra dividends from Wärtsilä.

The financial structure of the corporation will remain stable.

Net sales by business area	1.1.–31.12.2002		1.1.–31.12.2001		change 02/01%
	M€	%	M€	%	
Fiskars Brands	693	96	731	96	-5
Inha Works	23	3	22	3	7
Industry total	717	99	753	99	-5
Corporate operations, real estate, other	12	2	12	2	
Eliminations	-3		-3		
Corporate total	725	100	762	100	-5

Result by business segment					change 02/01%
	M€	%	M€	%	
Fiskars Brands	27.3	31	11.0	17	148
Inha Works	2.5	3	2.6	4	-4
Industry total	29.8	34	13.6	22	119
Corporate operations, real estate, other	-1.9	-2	-1.5	-2	
Operating profit	27.9	32	12.1	19	130
Income from non-current investments	59.0	68	51.1	81	16
Consolidated segmental result	86.9	100	63.2	100	37

Net sales by market area					change 02/01%
	M€	%	M€	%	
Finland	37	5	36	5	2
Scandinavia	63	9	62	8	1
Other Europe	130	18	132	17	-1
North America	473	65	508	67	-7
Other	23	3	23	3	-2
Corporate total	725	100	762	100	-5
Export from Finland	51	7	40	5	27

Personnel by geographical area	Dec. 31, 2002		Dec. 31, 2001		change 02/01%
		%		%	
Finland	908	22	825	18	10
Scandinavia	190	5	207	5	-8
Other Europe	730	17	808	18	-10
North America	2 330	55	2 672	59	-13
Other	48	1	44	1	9
Corporate total	4 206	100	4 556	100	-8

Consolidated Income Statement

	2002		2001	
	M€		M€	
Net sales	725.5	100.0%	762.3	100.0%
Cost of sales	-501.5		-538.1	
Gross profit	224.0	30.9%	224.2	29.4%
Sales and marketing expenses	-98.8		-109.6	
Administration expenses	-61.8		-54.9	
Other operating income	3.0		4.3	
Other operating expenses	-19.1		-18.2	
Restructuring expenses	-19.5		-33.6	
Operating profit	27.9	3.8%	12.1	1.6%
Income from participating interests	0.0		0.0	
Financial income and expenses (6)	44.2		23.6	
Profit before taxes	72.1	9.9%	35.7	4.7%
Income taxes (8)	-22.5		-13.1	
Profit for the financial year	49.6	6.8%	22.6	3.0%

Consolidated Balance Sheet

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		Dec. 31, 2002 M€		Dec. 31, 2001 M€	
ASSETS					
Fixed assets and other non-current investments					
Intangible assets	(9)	1.0		1.4	
Goodwill	(10)	102.2		133.8	
Tangible assets	(11)	176.9		199.8	
Investments	(13)	211.4		208.7	
		491.5	60.7%	543.7	58.5%
Stocks and financial assets					
Stocks	(14)	160.2		214.3	
Non-current debtors	(15)	1.4		0.7	
Deferred tax assets	(16)	24.1		33.1	
Current debtors	(17)	112.6		127.3	
Cash in hand and at bank		19.5		9.5	
		317.8	39.3%	385.0	41.5%
		809.3	100.0%	928.7	100.0%
LIABILITIES					
Capital and reserves					
	(19)				
Share capital		55.4		55.4	
Share premium account		21.3		21.3	
Revaluation reserve		3.9		3.9	
Other reserves		0.7		4.8	
Retained earnings		298.2		298.8	
Profit for the financial year		49.6		22.6	
		429.0	53.0%	406.8	43.8%
Provisions					
	(21)	5.5	0.7%	3.8	0.4%
Creditors					
Deferred tax liabilities	(22)	14.7		19.1	
Non-current creditors	(23)	168.8		255.3	
Current creditors	(24)	191.3		243.6	
		374.8	46.3%	518.0	55.8%
		809.3	100.0%	928.7	100.0%

Consolidated Statement of Cash Flows

	2002 M€	2001 M€
Cash flows from operating activities		
Net profit before taxation	72.1	35.7
Depreciation	42.8	42.1
Reversal of items recorded on an accrual basis	(32) -30.2	-22.3
Cash generated before working capital changes	84.7	55.5
Change in current receivables	5.3	12.5
Change in stocks	21.4	56.3
Change in current non-interest bearing debt	8.0	-16.6
Cash generated from operations	119.5	107.7
Financial income items received	0.6	2.1
Dividends received	41.6	26.5
Financial expense items paid	-19.6	-34.8
Taxes paid	-12.0	-1.6
Net cash flow from operating activities	130.0	99.9
Cash flows from investing activities		
Investments	-4.2	-8.3
Purchase of tangible and intangible assets	-31.0	-31.4
Proceeds from disposal of investments	0.9	67.2
Proceeds from sale of equipment	4.7	2.5
Net cash flow from investments	-29.6	30.1
Cash flow after investments	100.4	130.0
Cash flows from financing activities		
Change in non-current debt	-9.4	-134.0
Change in current interest bearing debt	-63.6	19.5
Change in non-current receivables	0.2	1.5
Dividends paid	-16.8	-16.8
Net cash flows from financing activities	-89.6	-129.9
Change in cash	10.9	0.1
Cash at beginning of year	9.5	9.3
Effect of exchange rate changes	-0.8	0.1
Cash at end of year	19.5	9.5

Statement of Changes in Consolidated Equity

M€	Share capital	Share premium account	Revaluation reserve	Other reserves	Retained earnings	Total
Dec. 31, 2000	55.4	21.3	3.9	7.4	308.9	396.8
Translation adjustment				-2.6	6.8	4.2
Transfer from revaluation reserve following sale of landholdings			0.0		0.0	0.0
Dividends					-16.8	-16.8
Net profit					22.6	22.6
Dec. 31, 2001	55.4	21.3	3.9	4.8	321.5	406.8
Translation adjustment				-4.1	-6.5	-10.6
Transfer from revaluation reserve following sale of landholdings			0.0		0.0	0.0
Dividends					-16.8	-16.8
Net profit					49.6	49.6
Dec. 31, 2002	55.4	21.3	3.9	0.7	347.8	429.0

General Accounting Principles

The financial statements have been prepared in accordance with regulations in force in Finland. These regulations are in conformity with the directives of the European Community.

The financial information is 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.

Scope of the Consolidated Financial Statements The consolidated financial statements include the accounts of all companies where Fiskars directly or indirectly holds more than 50% of the votes. Acquired or established subsidiaries and investments in participating interests are included in the consolidated financial statements from the date of acquisition or establishment to the date of divestment.

Intercompany transactions, dividends, receivables and liabilities as well as unrealized intercompany profits have been eliminated.

The purchase method of accounting is used in elimination of intercompany shareholdings. Tax liability on the acquired company's untaxed reserves is included in deferred tax liabilities. The remainder is included in shareholders' equity. Where appropriate, the excess of acquisition cost over the value of acquired net assets is allocated to various balance sheet items. The residual is accounted for as goodwill and amortized over ten to twenty years. The amortization period is dependent on estimates concerning the useful economic life of acquired brands.

Investments in participating interests (20%–50% of votes, more than 20% of shares) are included in the financial statements by applying the equity method of accounting. A proportional share of net income is included in financial items. Goodwill is amortized and any unrealized internal profit is eliminated. In the balance sheet the investment is valued at cost adjusted for the corporation's share of net assets accumulated after the date of acquisition.

Investments in other companies are stated in the balance sheet at cost or at net realizable value.

Transactions in foreign currencies Foreign currency denominated income statements are translated into euro at the average exchange rate for the financial period. Balance sheets are translated at the end of period exchange rate. Consequently, net income according to the income statement will differ from net income according to the balance sheet. The difference is included in retained earnings.

Currency translation adjustments on foreign subsidiaries' opening retained earnings are included in consolidated retained earnings. Currency translation adjustments on other reserves are included in consolidated other reserves. Transactions in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Unsettled balances in foreign currencies are translated at the rates prevailing on the balance sheet date, except for advance payments received or paid which are translated at the exchange rates on the payment date. Open hedging instruments pertaining to foreign currency items are valued at the market value, including interest components. Both realized and unrealized exchange gains and losses have been included in the financial items in the income statement.

Net sales Net sales is defined as invoiced amount less indirect taxes, rebates and exchange rate adjustments on foreign currency denominated sales.

Research and development costs Research and development costs are expensed when incurred.

Retirement benefit plans In the consolidated accounts the retirement benefit plans have been accounted for in accordance with IAS.

The retirement plans for the Finnish companies' employees are funded through payments to independent insurance companies. A small part of already retired employees receives their benefits from a trustee-administered fund. Any change in the deficit in the trustee-administered fund is included in net income of the parent company. The net deficit of the fund, which is almost fully covered, is taken up as a liability in the balance sheet.

Extraordinary income and expense Income and expense of significant size and not a part of continuing operations, e.g. sale or discontinuation of a separate line of business, are taken up as extraordinary items, net of tax.

Fixed assets and other long-term investments Fixed assets are stated at cost less accumulated depreciation according to plan. Certain land holdings have been revalued.

Revaluations are based on market values. If the market values fall below book value, the revaluation is reversed correspondingly.

Fixed assets are depreciated and amortized over their expected useful lives. Typically, the following expected useful lives are applied:

• goodwill	10–20 years
• other long-term expense	3–10 years
• buildings	25–40 years
• vehicles	4 years
• machinery and equipment	3–10 years

Revaluation amounts of land and water holdings are not depreciated.

Gains and losses on disposal of fixed assets are included in operating profit.

Inventories and financial assets Inventories are stated at the lower of cost or 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 amount that can be realized from the sale of the asset less any related sales cost.

Leasing Operating leases are expensed. Objects leased under financial lease agreements are recorded as assets, and the corresponding liability is recorded as debt.

Provisions Provisions consist of reserves for future costs to which the corporation has committed itself or of losses that are deemed probable and do not generate a corresponding income.

Appropriations Appropriations in the parent company balance sheet consist of untaxed reserves and depreciation in excess of plan. In the consolidated balance sheet appropriations are taken up as equity and deferred tax liability. The change in appropriations is split into net income and increase or decrease in deferred tax cost.

Income taxes Income taxes consist of the aggregate current tax expense in the group companies, prior year taxes and deferred taxes. Taxes related to extraordinary items are shown in connection with these items.

Deferred tax assets and liabilities are calculated at the current tax rate or, if a future tax rate has been announced, at that announced tax rate. Deferred tax liabilities are recognized in full whereas deferred tax assets are recognized only to the extent it is considered probable that the tax asset will realize future tax savings.

Dividends The dividend proposed by the Board of Directors has not been included as liability in the financial statements. Dividends to be paid are taken up as a liability following the decision of the Annual General Meeting.

Notes to the Financial Statements

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
Income statement (foreign currency denominated income statements translated at average rate of exchange)				
1. Personnel costs				
Wages and salaries, for time worked	108.6	134.0	2.5	2.3
Pension costs	10.0	10.1	0.4	0.4
Other personnel costs	31.7	32.5	0.6	0.6
Total	150.3	176.7	3.5	3.3
2. Wages and salaries paid				
Salaries to managing directors and boards	3.6	3.9	0.5	0.5
Wages and salaries to other personnel	118.5	134.3	2.2	2.1
Total	122.1	138.2	2.7	2.6
3. Average number of employees				
Finland	846	794	47	50
Scandinavia	193	234		
Other Europe	751	838		
North America	2 260	2 584		
Other	45	39		
Total	4 095	4 489	47	50
4. Number of employees, end-of-period				
Workers	2 932	3 202	10	11
Salaried	1 274	1 354	31	41
Total	4 206	4 556	41	52
5. Depreciation and amortization according to plan by function (at average rate of exchange)				
Manufacturing and procurement	24.9	26.8	1.0	1.0
Sales and marketing	0.9	1.1		
Administration	3.3	2.8	0.2	0.2
Other operating expenses (intangible assets and goodwill)	13.8	11.4		0.0
Total	42.8	42.1	1.2	1.2

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
6. Financial income and expense				
Income from investments held as non-currents assets				
Dividend income				
From group undertakings			0.7	3.9
From other investments	58.6	37.4	58.6	37.4
Other interest and financial income				
From group undertakings			13.6	17.1
From other investments	0.4	16.7	0.4	16.7
Income from investments held as non-current investments, total	59.0	54.1	73.3	75.0
Other interest and financial income				
From group undertakings			7.9	26.0
From other parties	1.5	1.1	1.3	0.5
Write down of investments held as non-current assets		-3.0	-0.4	-2.9
Interest and other financial expense				
To group undertakings			-0.1	-10.3
To other parties	-16.3	-28.6	-14.9	-27.7
Total financial income and expense	44.2	23.6	67.2	60.6
Net exchange gains and losses included in financial items	0.9	0.3	1.0	0.2
7. Extraordinary items				
Write down of receivables from group undertakings			-18.7	
Loss recorded upon dissolution of a subsidiary				-0.9
Total extraordinary income and expense	0.0		-18.7	-0.9
8. Income taxes				
Current taxes	-22.3	-24.4	-21.9	-24.5
Change in deferred tax	-0.2	11.3		
Income taxes per income statement	-22.5	-13.1	-21.9	-24.5

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
Balance sheet, assets (currency denominated balance sheets translated at closing rate of exchange)				
Movements in fixed assets				
9. Intangible assets				
Original cost, Jan. 1.	14.1	15.9	0.7	0.7
Currency translation adjustment	-0.5	0.3		
Original cost, at the beginning of the year	13.6	16.1	0.7	0.7
Capital expenditure	0.2	0.0	0.1	0.0
Decrease	-0.2	-2.0	0.0	0.0
Transfers	0.1	0.0		
Gross value, Dec. 31.	13.8	14.1	0.8	0.7
Accumulated amortization according to plan, Jan. 1.	12.7	13.4	0.5	0.5
Currency translation adjustment	-0.5	0.2		
Accumulated amortization, at the beginning of the year	12.2	13.7	0.5	0.5
Amortization according to plan	0.7	0.9	0.0	0.1
Decrease	-0.2	-1.9	0.0	0.0
Accumulated amortization according to plan, Dec. 31.	12.8	12.7	0.6	0.5
Net book value, Dec. 31.	1.0	1.4	0.2	0.2
10. Goodwill				
Original cost, Jan. 1.	188.3	182.8		
Currency translation adjustment	-27.2	4.2		
Original cost, at the beginning of the year	161.1	187.0		
Capital expenditure		1.4		
Transfers	0.3			
Gross value, Dec. 31.	161.3	188.3		
Accumulated amortization according to plan, Jan. 1.	54.4	46.5		
Currency translation adjustment	-8.0	-2.7		
Accumulated amortization, at the beginning of the year	46.4	43.8		
Amortization according to plan	12.3	10.7		
Transfers	0.4			
Accumulated amortization according to plan, Dec. 31.	59.0	54.4		
Net book value, Dec. 31.	102.2	133.8		
11. Tangible assets				
11.1 Land and water				
Original cost, Jan. 1.	16.9	16.6	4.4	4.4
Revaluation, Jan. 1.	9.9	9.9	9.9	9.9
Currency translation adjustment	-0.6	0.2		
Original cost, at the beginning of the year	26.2	26.8	14.4	14.4
Capital expenditure	0.0	0.0	0.0	0.0
Transfers	-0.4	0.0	0.0	0.0
Book value, Dec. 31.	25.9	26.9	14.4	14.4

	CONSOLIDATED		PARENT COMPANY	
	2002 M€	2001 M€	2002 M€	2001 M€
11.2 Buildings				
Original cost, Jan. 1.	92.4	81.1	23.9	23.2
Currency translation adjustment	-7.0	1.9		
Original cost, at the beginning of the year	85.4	83.1	23.9	23.2
Capital expenditure	2.0	7.9	0.7	0.6
Decrease	-3.5	-0.5	-0.1	
Transfers	0.9	1.9		
Gross value, Dec. 31.	84.8	92.4	24.5	23.9
Accumulated depreciation according to plan, Jan. 1.	27.1	23.7	10.3	9.5
Currency translation adjustment	-1.3	0.4		
Accumulated depreciation, at the beginning of the year	25.8	24.1	10.3	9.5
Depreciation according to plan	3.5	3.6	0.8	0.8
Decrease	-0.6	-0.4	0.0	
Transfers	0.7	-0.2		
Accumulated depreciation according to plan, Dec. 31.	29.4	27.1	11.1	10.3
Net book value, Dec. 31.	55.5	65.3	13.4	13.5
11.3 Machinery and equipment				
Original cost, Jan. 1.	257.2	233.9	4.2	4.0
Currency translation adjustment	-29.3	11.1		
Original cost, at the beginning of the year	227.9	245.0	4.2	4.0
Capital expenditure	28.4	22.7	0.5	0.3
Decrease	-10.9	-7.2	-0.2	-0.1
Transfers	-2.0	-3.3		
Gross value, Dec. 31.	243.4	257.2	4.5	4.2
Accumulated depreciation according to plan, Jan. 1.	149.6	123.7	2.6	2.3
Currency translation adjustment	-15.9	6.3		
Accumulated depreciation, at the beginning of the year	133.7	130.0	2.6	2.3
Depreciation according to plan	23.3	26.5	0.3	0.3
Decrease	-7.0	-5.7	-0.2	0.0
Transfers	-2.1	-1.2		
Accumulated depreciation according to plan, Dec. 31.	147.8	149.6	2.7	2.6
Net book value, Dec. 31.	95.6	107.6	1.8	1.7

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
11.4 Total tangible assets				
Original cost, Jan. 1.	366.4	331.7	32.5	31.7
Revaluation, Jan. 1.	9.9	9.9	9.9	9.9
Currency translation adjustment	-36.9	13.2		
Original cost, at the beginning of the year	339.4	354.8	42.5	41.6
Capital expenditure	30.4	30.7	1.1	1.0
Decrease	-14.8	-7.7	-0.3	-0.1
Transfers	-1.1	-1.4		0.0
Gross value, Dec. 31.	354.0	376.4	43.4	42.5
Accumulated depreciation according to plan, Jan. 1.	176.7	147.4	12.9	11.8
Currency translation adjustment	-17.2	6.7		
Accumulated depreciation, at the beginning of the year	159.4	154.1	12.9	11.8
Depreciation according to plan	26.7	30.1	1.1	1.1
Decrease	-7.6	-6.1	-0.2	0.0
Transfers	-1.4	-1.4		0.0
Accumulated depreciation according to plan, Dec. 31.	177.2	176.7	13.8	12.9
Net book value, Dec. 31.	176.9	199.8	29.6	29.6
12. Net book value of production machinery and equipment Dec. 31.	58.2	78.8		
13. Investments				
13.1 Holdings in group undertakings				
Original cost, Jan. 1.			61.6	65.7
Capital expenditure			20.2	0.0
Decrease				-4.1
Book value, Dec. 31.			81.7	61.6
13.2 Participating interests				
Value Jan. 1.	0.0	0.0	0.4	0.4
Write down of interests			-0.4	
Value Dec. 31.	0.0	0.0	0.0	0.4
13.3 Other shares and similar rights of ownership				
Original cost, Jan. 1.	209.4	213.9	208.9	213.4
Capital expenditure	4.2	3.1	4.2	3.1
Decrease	-0.5	-45.8	-0.5	-45.8
Transfers		38.2		38.2
Gross value, Dec. 31.	213.1	209.4	212.7	208.9
Write downs, Jan. 1.	-3.0	-3.0	-2.9	-2.9
Net book value, Dec. 31.	210.1	206.4	209.7	206.0

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
13.4 Receivables from group undertakings				
Original cost, Jan. 1.			285.4	267.2
Exchange difference			-32.1	11.3
Capital expenditure			3.9	7.0
Decrease			-18.6	
Book value, Dec. 31.			238.6	285.4
13.5 Other receivables				
Original cost, Jan. 1.	2.3	39.4	0.0	34.9
Currency translation adjustment	-0.4	0.3		
Original cost, at the beginning of the year	1.9	39.7	0.0	34.9
Increase	0.1	5.1	0.1	5.1
Decrease	-0.7	-4.3		-1.8
Transfers		-38.2		-38.2
Book value, Dec. 31.	1.2	2.3	0.1	0.0
13.6 Total investments				
Original cost, Jan. 1.	211.7	253.3	556.3	581.6
Currency translation adjustment	-0.4	0.3		
Original cost, at the beginning of the year	211.3	253.5	556.3	581.6
Exchange difference			-32.1	11.3
Capital expenditure	4.3	8.2	28.4	15.2
Decrease	-1.3	-50.1	-19.1	-51.7
Transfers		0.0		0.0
Gross value, Dec. 31.	214.4	211.7	533.5	556.3
Write downs, Jan. 1.	-3.0	-3.0	-2.9	-2.9
Increase			-0.4	
Write downs, Dec. 31.	-3.0	-3.0	-3.3	-2.9
Net book value, Dec. 31.	211.4	208.7	530.2	553.4
14. Stocks				
Raw materials and consumables	30.9	39.5		
Work in progress	20.9	30.6	0.0	0.0
Finished products / Goods	106.4	140.6	0.0	0.1
Other stocks	1.3	2.4		
Advance payments	0.7	1.2		
Total stocks, Dec. 31.	160.2	214.3	0.1	0.1
15. Non-currents debtors				
Trade debtors		0.0		
Loan receivables	0.1	0.3	0.1	0.2
Other debtors	1.3	0.4	1.1	0.2
Total, Dec. 31.	1.4	0.7	1.2	0.4

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
16. Deferred tax assets				
Net operating losses	9.6	10.4		
Timing differences	14.5	22.7		
Total, Dec. 31.	24.1	33.1		
17. Current debtors				
Trade debtors, external	94.2	114.0	38.1	0.2
Amounts owed by group undertakings				
Trade debtors			0.2	0.3
Loan receivables			128.8	248.8
Other debtors			24.5	33.0
Prepayments and accrued income			8.4	5.5
			161.9	287.6
Other external debtors				
Loan receivables	0.3	0.0	0.0	0.0
Other debtors	3.5	5.4	0.2	0.2
Prepayments and accrued income	14.6	7.8	0.6	0.4
	18.4	13.3	0.8	0.6
Total, Dec. 31.	112.6	127.3	200.8	288.4
18. Prepayments and accrued income				
Prepaid and accrued interest	0.1	0.1	0.1	0.1
Prepaid income tax	5.0	0.9	0.2	
Other prepayments and accruals	9.5	6.8	0.3	0.3
Total, Dec. 31.	14.6	7.8	0.6	0.4

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
Balance sheet, liabilities				
19. Capital and reserves				
Share capital				
A-shares				
Jan. 1.	39.2	39.2	39.2	39.2
Dec. 31.	39.2	39.2	39.2	39.2
K-shares				
Jan. 1.	16.2	16.2	16.2	16.2
Dec. 31.	16.2	16.2	16.2	16.2
Share capital, Dec. 31.	55.4	55.4	55.4	55.4
Share premium account				
Jan. 1.	21.3	21.3	21.3	21.3
Share premium account, Dec. 31.	21.3	21.3	21.3	21.3
Revaluation reserve				
Jan. 1.	3.9	3.9	3.9	3.9
Transfer to retained earnings	0.0	0.0	0.0	0.0
Revaluation reserve, Dec. 31.	3.9	3.9	3.9	3.9
Other reserves				
Jan. 1.	4.8	7.4	3.2	3.2
Currency translation adjustment	-4.1	-2.6		
Other reserves, Dec. 31.	0.7	4.8	3.2	3.2
Retained earnings				
Jan. 1.	321.5	308.9	354.3	308.6
Currency translation adjustment	-7.2	7.2		
Dividends	-16.8	-16.8	-16.8	-16.8
Currency translation adjustment on Net profit in foreign currency denominated income statements (average rate) vs. balance sheets (end of period rate)	0.7	-0.4		
Transfer from revaluation reserve	0.0	0.0	0.0	0.0
Net profit	49.6	22.6	52.6	62.6
Retained earnings, Dec. 31.	347.8	321.5	390.0	354.3
-less equity part of untaxed reserves	-3.1	-3.0		
Distributable earnings, Dec. 31.	344.7	318.4	390.0	354.3
20. Appropriations (Untaxed reserves)				
Depreciation in excess of plan, Jan. 1.	2.8	2.5	1.9	1.9
Changes during the year	0.2	0.3	0.0	0.1
Depreciation in excess of plan, Dec. 31.	3.0	2.8	1.9	1.9
Other untaxed reserves, Jan. 1.	1.6	0.7		
Changes during the year	-0.1	0.9		
Other untaxed reserves, Dec. 31.	1.5	1.6	0.0	0.0
Untaxed reserves total, Dec. 31.	4.4	4.3	1.9	1.9
Less deferred tax liability	-1.3	-1.3		
Equity part of untaxed reserves, Dec. 31.	3.1	3.0		

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
21. Provisions				
Retirement benefits	1.3	1.3	0.1	0.1
Restructuring provision	4.0	1.6		
Other provisions for liabilities and charges	0.3	1.0		
Total, Dec. 31.	5.5	3.8	0.1	0.1

Retirement benefits in consolidated accounts are stated in accordance with International Accounting Standards (IAS)

Actuarial present value of benefits	16.1	16.3		
Plan assets at fair value	11.0	13.4		
Funded Status	5.1	2.9		
Unrecognised net gain/loss	-3.8	-1.6		
Retirement benefits, Dec. 31.	1.3	1.3		

Most retirement benefits are classified either as state plans or defined contribution plans.

22. Deferred tax liabilities				
Deferred tax liability on untaxed reserves	1.3	1.3		
Timing differences	13.4	17.2		
Deferred tax liability on consolidating entries	0.0	0.6		
Total, Dec. 31.	14.7	19.1		

Parent Company deferred tax liabilities 0.6 M€ (0.6) are only included in consolidated accounts.

23. Non-current creditors				
Loans from credit institutions	157.4	236.1	154.4	231.9
Pension loans	1.1	7.5	1.1	7.5
Amounts owed to group undertakings			0.0	0.0
Other creditors	10.3	11.6		
Total, Dec. 31.	168.8	255.3	155.5	239.5

24. Current creditors				
Loans from credit institutions	97.9	143.2	97.9	143.2
Pension loans		0.5		0.5
Advances received	0.1	0.4	0.1	0.3
Trade creditors	32.4	26.9	0.7	0.2
	130.3	171.0	98.7	144.2
Amounts owed to group undertakings				
Trade creditors			0.1	0.1
Other creditors			33.7	21.6
Accruals and deferred income			0.2	0.2
			34.0	21.9
Other creditors	7.4	8.1	4.0	3.6
Accruals and deferred income	53.5	64.5	10.6	26.1
Total, Dec. 31.	191.3	243.6	147.4	195.8

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
25. Accruals and deferred income				
Income taxes payable	5.9	8.8	6.4	18.6
Interest payable	3.7	6.5	3.6	6.4
Wages, salaries and social costs	12.2	12.2	0.5	0.3
Purchases and other similar items	31.8	37.1	0.1	0.8
Total, Dec. 31.	53.5	64.5	10.6	26.1

26. Repayments of non-current debt

	2003	2004	2005	2006	Later years	Total
Loans from credit institutions	57.4	42.9	36.4	23.8	54.2	214.9
Pension loans	0.0	0.0	0.0	0.0	1.1	1.1
Other non-current debt	0.2	2.7	0.4	0.4	6.9	10.6
Total, Dec. 31.	57.6	45.6	36.9	24.2	62.2	226.6
	25.4%	20.1%	16.3%	10.7%	27.5%	100.0%

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
27. Lease obligations				
Operating leases, payments next year	11.9	13.3	0.4	0.4
Operating leases, payments later	57.9	78.8	0.0	0.0
Total operating leases, Dec. 31.	69.8	92.1	0.4	0.4
Financial leases, payments next year	0.7	0.7		
Financial leases, payments later	8.7	10.5		
Total financial leases, Dec. 31.	9.5	11.2		

The present value of financial lease agreements has been recorded under liabilities in the balance sheet.

28. Contingencies and pledged assets

As security for own commitments				
Real estate mortgages	0.6	3.2	0.6	0.6
Other pledged assets	0.3	32.5	0.3	32.5
Discounted bills of exchange	0.6	0.4		
Lease commitments	69.8	92.1	0.4	0.4
Other contingencies	0.8	0.0	0.8	0.0
Total	72.1	128.2	2.1	33.5
Guarantees as security for group undertakings' commitments			9.6	17.0
Guarantees as security for other parties' commitments		0.5		0.5
Total pledged assets and contingencies, Dec. 31.	72.1	128.7	11.7	51.1

	CONSOLIDATED		PARENT COMPANY	
	2002	2001	2002	2001
	M€	M€	M€	M€
29. Debts with collateral				
Mortgages				
Loans from credit institutions				
– Amount of liability		1.1		
– Nominal value of mortgage		2.6		
Pension loans				
– Amount of liability	0.6	0.6	0.6	0.6
– Nominal value of mortgage	0.6	0.6	0.6	0.6
Assets pledged				
Pension loans				
– Amount of liability	0.5	7.9	0.5	7.9
– Book value of assets pledged	0.3	32.5	0.3	32.5
30. Nominal amounts of derivatives				
Forward exchange contracts	167.2	218.5	167.2	218.5
Interest swaps	104.9	136.2	104.9	136.2
Forward interest rate agreements	28.6	119.1	28.6	119.1
31. Market value vs. nominal amounts of derivatives (+calculatory gain, -calculatory loss)				
Interest swaps	-9.6	-9.2	-9.6	-9.2
Forward interest rate agreements	-0.1	-0.2	-0.1	-0.2
Forward exchange contracts have been valued at market in the financial statements.				
The calculatory result has been determined as the amount that would have had to be paid if interest swap agreements and forward rate agreements had been closed at Dec. 31, 2002 by offsetting agreements at the then prevailing interest rates.				
32. Statements of cash flows				
Reversal of items recorded on an accrual basis				
Write down of investments	0.0	3.0	0.4	2.9
Write down of inventories and fixed assets	12.4			
Changes in provisions	1.7	1.3	0.0	0.0
Exchange differences	-0.9	-0.3	-1.0	-0.2
Financial income	-59.6	-54.9	-81.2	-100.6
Financial expense	16.3	28.6	14.7	37.3
Total	-30.2	-22.3	-67.1	-60.6

FINANCIAL RISK MANAGEMENT

Financing and financial risks are managed centrally from the Corporate Head Office in Helsinki.

Foreign exchange risks

Two thirds of the corporation's business is in North America and the rest is mainly in Europe. The revenue and expense of the North American business is mainly US dollar denominated while European business is mainly in various European currencies.

The corporation does not use derivative financial instruments speculatively. Open contracts pertain mostly to hedging of financing transactions, and have been valued at market.

Interest rate risk

Approximately 90 per cent of the corporation's funding need is US dollar denominated. All loans are floating interest rate loans.

Long-term interest swap agreements with a total value of 110 million US dollars reduce the corporation's exposure to fluctuations in short-term interest rates. Forward rate agreements with a total value of 30 million US dollars reduce the interest rate exposure in 2003.

Liquidity risk

The group has considerable unutilized credit lines. In Finland the Parent Company has Commercial paper programs amounting to 200 million euros with its main banks.

		Domicile	% of share capital Parent	% of share capital Consoli- dated	% of voting power Parent	% of voting power Consoli- dated	Book value (€ 1000)	Market value Dec. 31, 2002 (€ 1000)
Shares and participations								
Shares in group undertakings								
US	Fiskars Brands, Inc.	Wisconsin	86.8	100.0	86.8	100.0	36 256	
AU	Fiskars (Australia) Pty Limited	Melbourne	100.0	100.0	100.0	100.0		
BE	Fiskars Consumer Products Europe SPRL	Bryssel	100.0	100.0	100.0	100.0		
CA	Fiskars Canada, Inc.	Toronto	100.0	100.0	100.0	100.0		
DE	Fiskars Deutschland GmbH	Solingen	100.0	100.0	100.0	100.0		
DE	Fiskars Europe Holding GmbH	Hilden	100.0	100.0	100.0	100.0		
DE	Fiskars GmbH & Co. KG	Herford	100.0	100.0	100.0	100.0		
DE	Werga-Tools GmbH	Hilden	100.0	100.0	100.0	100.0		
DK	Fiskars Consumer Europe ApS	Silkeborg	100.0	100.0	100.0	100.0		
DK	Fiskars Danmark A/S	Silkeborg	100.0	100.0	100.0	100.0		
FI	Fiskars Consumer Oy Ab	Pohja	100.0	100.0	100.0	100.0		
FR	Fiskars France S.A.R.L.	Wissous	100.0	100.0	100.0	100.0		
GB	Fiskars UK Limited	Bridgend	100.0	100.0	100.0	100.0		
GB	Richard Sankey & Son Limited	Nottingham	100.0	100.0	100.0	100.0		
GB	Vikingate Limited	Nottingham	100.0	100.0	100.0	100.0		
HU	Fiskars Hungary Ltd.	Budapest	100.0	100.0	100.0	100.0		
IT	Fiskars Montana S.r.l.	Premana	100.0	100.0	100.0	100.0		
MX	Fiskars de Mexico, S.A. de C.V.	Mexico City	100.0	100.0	100.0	100.0		
MX	Fiskars Servicios, S.A. de C.V.	Mexico City	100.0	100.0	100.0	100.0		
MX	Puntomex International, S.A. de C.V.	Tijuana	100.0	100.0	100.0	100.0		
NO	Fiskars Consumer Holding AS	Oslo	100.0	100.0	100.0	100.0		
NO	Fiskars Norge AS	Oslo	100.0	100.0	100.0	100.0		
PL	Fiskars Poland Ltd	Slupsk	100.0	100.0	100.0	100.0		
RU	ZAO Baltic Tool	St. Petersburg	100.0	100.0	100.0	100.0		
SE	Fiskars Consumer Holding AB	Motala	100.0	100.0	100.0	100.0		
SE	Fiskars Sverige AB	Motala	100.0	100.0	100.0	100.0		
US	Alterra Holdings Corporation	Delaware	100.0	100.0	100.0	100.0		
US	Alterra Management Services Corporation	Delaware	100.0	100.0	100.0	100.0		
US	Aquapore Moisture Systems, Inc.	Delaware	100.0	100.0	100.0	100.0		
US	EnviroWorks, Inc.	Delaware	100.0	100.0	100.0	100.0		
US	Royal Rubber & Manufacturing Co.	California	100.0	100.0	100.0	100.0		
FI	Ferraria Oy Ab	Pohja	100.0	100.0	100.0	100.0	17 660	
FI	Hangon Sähkö Oy	Hanko	93.2	93.2	93.2	93.2		
FI	Inha Works Ltd.	Ähtäri	100.0	100.0	100.0	100.0	399	
DE	Fiskars Consumer Holding GmbH	Solingen	100.0	100.0	100.0	100.0	16 150	
US	Fiskars Brands, Inc.	Wisconsin	13.2	100.0	13.2	100.0		
SE	Fiskars AB	Motala	100.0	100.0	100.0	100.0	10 758	
Shares in other group undertakings							507	
Shares in participating interests owned by the parent company								
IN	Fiskars India Limited – equity 0.0 M€	Mumbai	29.9	29.9	29.9	29.9	21	
IN	Finlandia Cutlery Pvt. Ltd. – equity 0.0 M€	Mumbai	24.0	24.0	24.0	24.0	2	
Other shares owned by the parent company								
FI	Wärtsilä Corporation, A	Helsinki	26.6	26.6	26.6	26.6	76 074	52 447
FI	Wärtsilä Corporation, B		14.3	14.3	14.3	14.3	105 276	75 611
Wärtsilä total			17.5	17.5	23.9	23.9	181 350	128 058
FI	Menire Corporation		2.7	2.7	2.7	2.7	236	120
FI	Rautaruukki Corporation		x	x	x	x	143	251
FI	Julius Tallberg-Kiinteistöt Oyj		x	x	x	x	172	94
Other shares in fixed assets							27 816	

Five Years in Figures

		2002	2001	2000	1999	1998
Net sales	M€	725	762	824	665	562
of which outside Finland	M€	688	726	785	630	528
in per cent of net sales	%	94.9	95.2	95.3	94.8	93.9
Percentage change of net sales	%	-4.8	-7.5	23.9	18.2	17.7
Profit before depreciation and amortization	M€	71	54	70	81	84
in per cent of net sales	%	9.7	7.1	8.4	12.2	14.9
Operating profit	M€	28	12	28	49	58
in per cent of net sales	%	3.8	1.6	3.4	7.3	10.3
Financial net	M€	44	24	11	12	-9
in per cent of net sales	%	6.1	3.1	1.3	1.8	1.6
Profit before taxes	M€	72	36	39	61	49
in per cent of net sales	%	9.9	4.7	4.7	9.1	8.7
Taxes	M€	23	13	13	21	19
Profit for the financial year	M€	50	23	26	40	30
in per cent of net sales	%	6.8	3.0	3.2	6.0	5.4
Capital expenditure (incl. acquisitions)	M€	35	40	104	173	46
in per cent of net sales	%	4.9	5.2	12.6	26.1	8.2
Research and development costs	M€	5	6	9	7	6
in per cent of net sales	%	0.7	0.8	1.0	1.1	1.1
Equity	M€	429	407	397	383	347
Interest bearing debt	M€	266	400	492	383	219
Non-interest bearing debt	M€	115	122	128	114	84
Balance sheet total	M€	809	929	1 016	879	649
Return on investment	%	12	8	9	12	12
Return on equity	%	12	6	7	11	9
Equity ratio	%	53	44	39	44	53
Persons employed, average		4 095	4 489	5 340	5 621	4 854
Persons employed, Dec. 31		4 206	4 556	5 337	5 657	4 993
of which outside Finland		3 298	3 731	4 501	4 876	4 230

FORMULAS FOR CALCULATION OF RATIOS

Return on investment in per cent	=	$\frac{\text{Earnings before extraordinary items} + \text{interest and other financial expense}}{\text{Balance sheet total} - \text{non-interest bearing debt}} \times 100$ (average of beginning and end of year amounts)
Return on equity in per cent	=	$\frac{\text{Earnings before extraordinary items} - \text{taxes}}{\text{Equity} + \text{minority shareholders' equity}} \times 100$ (average of beginning and end of year amounts)
Equity ratio in per cent	=	$\frac{\text{Equity} + \text{minority shareholders' equity}}{\text{Balance sheet total}} \times 100$
Earnings per share	=	$\frac{\text{Earnings before extraordinary items} - \text{minority interest} - \text{taxes}}{\text{Adjusted average number of shares}}$
Dividend per earnings in per cent	=	$\frac{\text{Dividend paid}}{\text{Earnings (calculated as in Earnings per share)}} \times 100$
Dividend per share	=	$\frac{\text{Dividend paid}}{\text{Adjusted number of shares Dec. 31}}$
Price per earnings	=	$\frac{\text{Adjusted market quotation Dec. 31}}{\text{Earnings per share}}$
Equity per share	=	$\frac{\text{Equity}}{\text{Adjusted number of shares Dec. 31}}$
Dividend yield in per cent	=	$\frac{\text{Dividend per share}}{\text{Adjusted quotation Dec. 31}} \times 100$
Adjusted average share price	=	$\frac{\text{Value of shares traded during the period}}{\text{Adjusted number of shares traded during the period}}$

Information on Fiskars Shares

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		2002	2001	2000	1999	1998
Share capital	M€	55.4	55.4	55.4	55.4	37.1
Earnings per share	€	0.90	0.41	0.46	0.73	0.55
– incl. extraordinary income	€	0.90	0.41	0.46	0.73	0.55
Nominal dividend per share	€/A-share	0.70	0.31	0.31	0.31	0.39
	€/K-share	0.68	0.29	0.29	0.29	0.37
Dividend, million	M€	38.4*)	16.8	16.8	16.8	16.8
Adjusted dividend per share	€/A-share	0.70	0.31	0.31	0.31	0.31
	€/K-share	0.68	0.29	0.29	0.29	0.29
Equity per share	€	7.75	7.35	7.17	6.92	6.28
Adjusted average price per share	€/A-share	8.61	7.71	9.32	11.38	15.85
	€/K-share	8.23	7.93	9.31	10.95	16.31
Adjusted lowest price per share	€/A-share	6.90	6.13	6.90	9.50	12.24
	€/K-share	7.51	6.20	7.01	10.00	12.93
Adjusted highest price per share	€/A-share	9.60	9.00	13.00	16.00	18.97
	€/K-share	9.65	9.50	13.49	16.65	18.51
Adjusted price per share, Dec. 31	€/A-share	7.80	8.50	7.40	13.00	13.86
	€/K-share	8.10	8.00	7.50	13.00	14.70
Market value of shares	M€ A-shares	306.1	333.6	290.4	510.2	541.5
	M€ K-shares	130.6	128.9	120.9	209.5	236.9
	Total, M€	436.7	462.5	411.3	719.7	778.5
Number of shares (unadjusted), 1000	A-shares	39 246.1	39 246.1	39 246.1	39 246.1	28 037.2
	K-shares	16 118.4	16 118.4	16 118.4	16 118.4	16 118.4
	Total	55 364.4	55 364.4	55 364.4	55 364.4	44 155.6
Adjusted number of shares, 1000	A-shares	39 246.1	39 246.1	39 246.1	39 246.1	39 076.1
	K-shares	16 118.4	16 118.4	16 118.4	16 118.4	16 118.4
	Total	55 364.4	55 364.4	55 364.4	55 364.4	55 194.5
Adjusted average number of shares, 1000	A-shares	39 246.1	39 246.1	39 246.1	39 097.5	38 990.9
	K-shares	16 118.4	16 118.4	16 118.4	16 118.4	16 118.4
	Total	55 364.4	55 364.4	55 364.4	55 215.9	55 109.3
Number of shares traded, 1000	A-share	3 942.5	1 263.3	3 830.6	3 866.7	4 457.5
	in % of total	10.0	3.2	9.8	9.9	11.4
	K-share	1 303.2	46.9	501.9	2 414.6	1 268.8
	in % of total	8.1	0.3	3.1	15.0	7.9
Price per earnings	A-share	9	21	16	18	25
	K-share	9	20	16	18	26
Dividend per earnings in per cent		77.4	74.4	65.6	42.2	55.2
Dividend yield in per cent	A-share	9.0	3.6	4.2	2.4	2.2
	K-share	8.4	3.6	3.9	2.2	2.0
Number of shareholders		3 948	3 402	3 353	3 020	2 476

*) Board proposal

Other Information on Shares and Shareholders

Number of shares, votes and share capital

	Dec. 31, 2002			Dec. 31, 2001		
	Number of shares	Number of votes	€	Number of shares	Number of votes	€
A-shares (1 vote/share)	39 246 066	39 246 066	39 246 066	39 246 066	39 246 066	39 246 066
K-shares (20 votes/share)	16 118 364	322 367 280	16 118 364	16 118 364	322 367 280	16 118 364
Total	55 364 430	361 613 346	55 364 430	55 364 430	361 613 346	55 364 430

If the Annual General Meeting declares a distribution of dividends, shares of series A are entitled to a dividend of at least two percentage points higher than shares of series K. The calculatory nominal value of one A-share or K-share is one euro.

Minimum och maximum number of shares and share capital according to the Articles of Association

	Dec. 31, 2002		Dec. 31, 2001	
	minimum number; €	maximum number; €	minimum number; €	maximum number; €
Total of shares of series A and series K	35 000 000	140 000 000	35 000 000	140 000 000

Taxation values of the shares in Finland

Series	2002 €	2001 €
Series A share	5.32	5.74
Series K share	5.85	5.74

Turnover of shares at the Helsinki Exchanges

Series	2002		2001	
	M€	Number of shares	M€	Number of shares
A-share	33.9	3 942 473	9.7	1 263 271
K-share	10.7	1 303 240	0.4	46 916
Total	44.6	5 245 713	10.1	1 310 187

Shareholders by owner groups December 31, 2002

Ownership structure	Number of shareholders		Number of shares		Number of votes	
		%		%		%
Private corporations	240	6.08	15 444 478	27.90	109 969 136	30.41
Financial institutions and insurance companies	26	0.66	1 884 252	3.40	17 526 249	4.85
Public entities	23	0.58	4 492 357	8.11	26 487 612	7.32
Non-profit organizations	101	2.56	8 312 363	15.01	54 880 622	15.18
Private individuals	3 502	88.70	15 363 288	27.75	104 114 758	28.79
Foreigners	55	1.39	9 825 752	17.75	48 425 905	13.39
Others	1	0.03	41 940	0.08	209 064	0.06
Total	3 948	100.00	55 364 430	100.00	361 613 346	100.00

Distribution of shares on December 31, 2002

Number of shares	Number of shareholders		Number of shares		Number of votes	
		%		%		%
1-100	739	18.71	88 839	0.16	397 798	0.11
101-500	1 370	34.70	397 168	0.72	1 415 226	0.39
501-1 000	605	15.33	464 691	0.84	1 790 625	0.49
1 001-10 000	989	25.05	2 987 534	5.40	15 098 989	4.18
10 001-100 000	176	4.46	5 372 295	9.70	28 057 440	7.76
100 001-	69	1.75	46 053 903	83.18	314 853 268	87.07
Total	3 948	100.00	55 364 430	100.00	361 613 346	100.00

Major shareholders according to the shareholder register on December 31, 2002

	Shares of series A	Shares of series A	Total	Percentage of votes	Percentage of shares
Virala Oy Ab	2 121 483	1 656 036	3 777 519	9.7	6.8
Oy Holdix Ab	2 206 516	1 233 996	3 440 512	7.4	6.2
Duba AB	3 731 197	1 012 800	4 743 997	6.6	8.6
Varma-Sampo Mutual Pension Insurance Company	1 429 750	932 770	2 362 520	5.6	4.3
Hambo Oy Ab	996 231	897 345	1 893 576	5.2	3.4
Agrofin Oy Ab	3 260 556	741 546	4 002 102	5.0	7.2
Oy Julius Tallberg Ab	491 471	792 938	1 284 409	4.5	2.3
Sampo Group	96 450	815 948	912 398	4.5	1.6
I.A. von Julin's Trust	878 272	733 530	1 611 802	4.3	2.9
Sophie von Julin's Foundation	1 144 260	482 040	1 626 300	3.0	2.9
Tapiola Mutual Pension Insurance Company	1 110 022	217 565	1 327 587	1.5	2.4

Share option program

The holders of warrants connected to the option program of 1998 are entitled to a maximum of 525 000 shares of series A corresponding to approx. 0.9% of the shares and approx. 0.1% of the votes. The warrants can be exercised as follows:

	Subscription period	Number of shares of series A	Subscription price/share, €
Series C	May 15 to June 15, 2003	maximum 525,000	10.10

Management's shareholding

On December 31, 2002, the Board members, the Deputy Members, the President and the Corporate Vice President controlled a total of 14,521,285 shares corresponding to 26.2% of the Corporation's shares and 30.4% of the votes. By exercising the warrants connected to the option program of 1998 the President and the Corporate Vice President are entitled to a total of 52,500 shares of series A corresponding to 0.09% of the shares and 0.01% of the votes.

Shareholders' Agreement

In December 1992 a group of private investors and companies entered into an agreement on pre-emptive rights between the parties in case of sales of shares. The agreement is still in force. The group owns 26,096,943 shares corresponding to 47% of the Corporation's shares and 57% of the votes (Dec. 31, 2002).

Insider Guidelines

The Board of Directors has decided that as of January 1, 2000 the Corporation applies the Guidelines for Insiders approved by the Helsinki Exchanges.

The Board of Directors' Authorizations

The Board of Directors holds authorizations to acquire and convey a maximum of 1,962,303 shares of series A and a maximum of 805,918 shares of series K. The Board has not exercised these Authorizations. The Board has no other issue authorizations.

Parent Company Income Statement

	2002 M€		2001 M€	
Net sales	31.0	100.0%	32.4	100.0%
Cost of sales	-2.2		-2.1	
Gross profit	28.8	93.0%	30.3	93.5%
Administration expenses	-6.4		-4.9	
Other operating income	2.3		1.0	
Other operating expenses	-0.1		-0.3	
Operating profit	24.6	79.4%	26.0	80.3%
Financial income and expenses	(6) 67.2		60.6	
Profit before extraordinary items	91.7	296.2%	86.7	267.1%
Extraordinary items	(7) -18.7		-0.9	
Profit after extraordinary items	73.0	235.8%	85.7	264.2%
Increase (-) or decrease (+) in depreciation reserve	0.0		-0.1	
Group contribution received	1.4		1.4	
Income taxes	(8) -21.9		-24.5	
Profit for the financial year	52.6	169.7%	62.6	192.9%

Parent Company Balance Sheet

	Dec. 31, 2002 M€		Dec. 31, 2001 M€		Dec. 31, 2002 M€		Dec. 31, 2001 M€		
ASSETS				LIABILITIES					
Fixed assets and other non-current investments				Capital and reserves (19)					
Intangible assets					Share capital	55.4	55.4		
assets	(9) 0.2	0.2			Share premium account	21.3	21.3		
Tangible					Revaluation reserve	3.9	3.9		
assets	(11) 29.6	29.6			Other reserves	3.2	3.2		
Investments	(13) 530.2	553.4			Retained earnings	337.5	291.7		
					Profit for the financial year	52.6	62.6		
						473.8	60.8%	438.1	50.0%
	559.9	71.9%	583.2	66.6%					
Stocks and financial assets				Appropriations (20)					
Stocks	(14) 0.1	0.1				1.9	0.2%	1.9	0.2%
Non-current debtors	(15) 1.2	0.4			Provisions (21)				
Current debtors	(17) 200.8	288.4				0.1	0.0%	0.1	0.0%
Cash in hand and at bank	16.7	3.3			Creditors				
	218.7	28.1%	292.2	33.4%	Non-current	(23) 155.5	239.5		
					Current	(24) 147.4	195.8		
						302.9	38.9%	435.3	49.7%
	778.7	100.0%	875.3	100.0%		778.7	100.0%	875.3	100.0%

Parent Company Statement of Cash Flows

	2002 M€	2001 M€
Cash flows from operating activities		
Net profit before taxation	91.7	86.7
Depreciation	1.2	1.2
Reversal of items recorded on an accrual basis	(32) -67.1	-60.6
Cash generated before working capital changes	25.8	27.2
Change in current receivables	-41.1	19.9
Change in stocks	0.0	0.0
Change in current non-interest bearing debt	-0.3	0.0
Cash generated from operations	-15.6	47.2
Financial income items received	21.7	48.7
Dividends received	42.1	30.2
Financial expense items paid	-16.3	-40.9
Taxes paid	-17.1	-10.7
Group contributions	1.4	1.4
Net cash flow from operating activities	16.1	75.8
Cash flows from investing activities		
Investments	-24.5	-15.2
Purchase of tangible and intangible assets	-1.2	-1.0
Proceeds from disposal of investments	0.9	63.9
Proceeds from sale of equipment	0.0	0.0
Net cash flow from investments	-24.7	47.8
Cash flow after investments	-8.6	123.6
Cash flows from financing activities		
Change in non-current debt	-39.6	-138.3
Change in current interest bearing debt	-77.6	-22.5
Change in current receivables	128.8	52.7
Change in non-current receivables	27.3	0.0
Dividends paid	-16.8	-16.8
Net cash flows from financing activities	22.0	-124.9
Change in cash	13.4	-1.3
Cash at beginning of year	3.3	4.5
Cash at end of year	16.7	3.3

Proposal by the Board of Directors to the Annual General Meeting

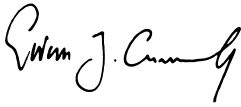
At the end of the financial year the distributable consolidated equity amounted to 344.7 million euro (318.4 million euro).
The distributable equity of the Parent Company is 390.0 million euro (354.3 million euro).

For the financial year 2001 a dividend of 16.8 million euro was paid.

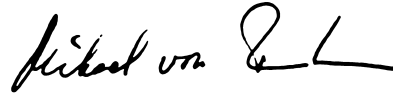
For 2002 the Board of Directors proposes a dividend of 0.70 euro per share of series A (0.31 euro) and 0.68 euro per share of series K (0.29 euro). Thus the dividend distribution would be:

on 39 246 066 shares of series A 0.70 euro/ share, in total	27 472 246.20 euro
on 16 118 364 shares of series K 0.68 euro/share, in total	10 960 487.52 euro
Total dividend distribution	38 432 733.72 euro

Helsinki, 13 February 2003



Göran J. Ehrnrooth



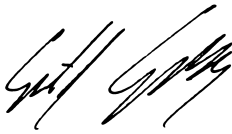
Mikael von Frenckell



Robert G. Ehrnrooth



Thomas Tallberg



Gustaf Gripenberg



Olli Riikkala



Bertel Langenskiöld
President and CEO

To the shareholders of Fiskars Corporation

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Fiskars Corporation for the year ended 31 December 2002. The financial statements prepared by the Board of Directors and the Managing Director include the report of Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements. Based on our audit we express an opinion on these financial statements and the parent company's administration.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the Managing Director

have complied with the rules of the Companies Act.

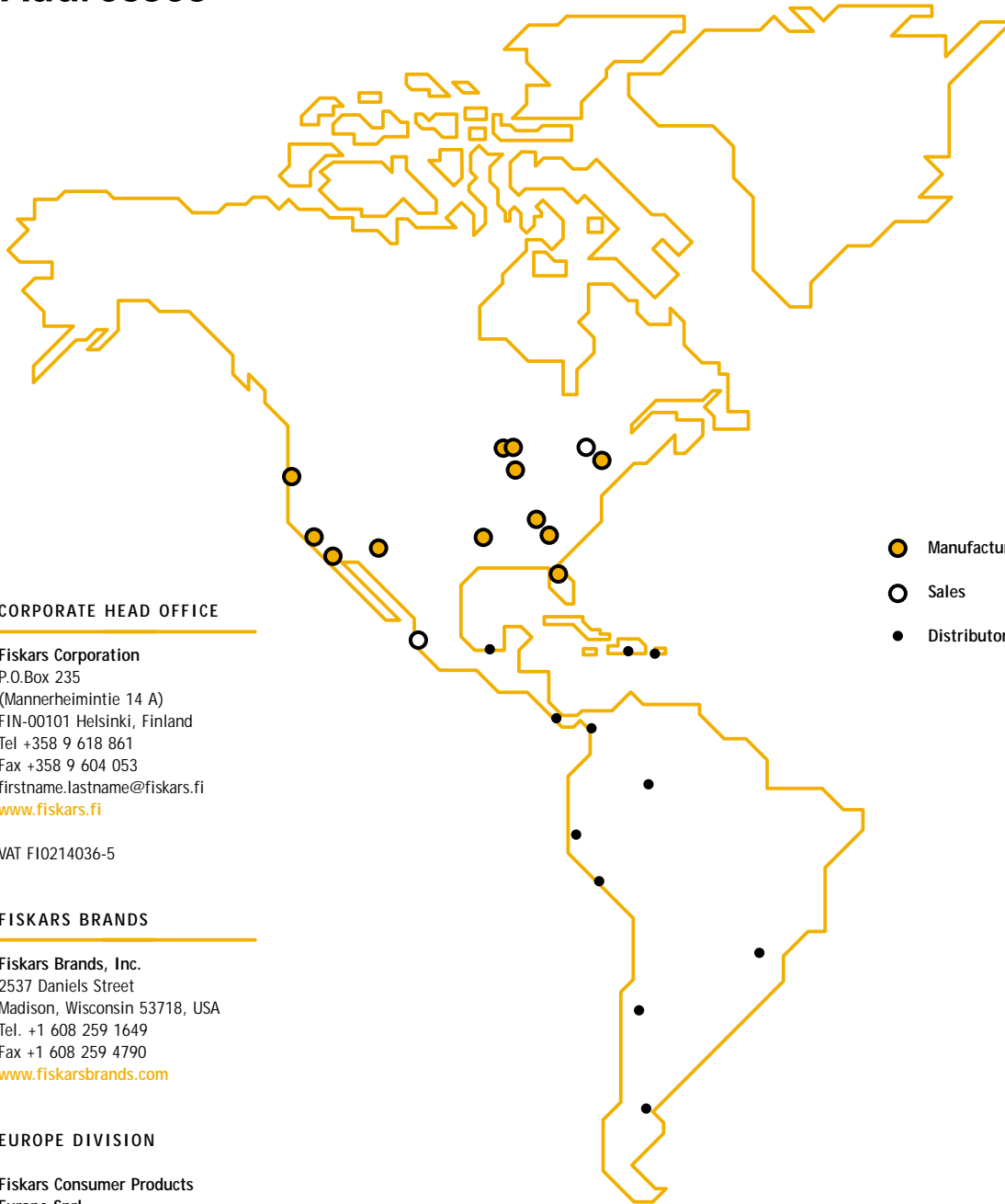
In our opinion, the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations for the year, as well as of the financial position at the year-end. The financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited. The proposed dividend is in compliance with the Companies Act.

Helsinki, 13 February 2003
KPMG WIDERI OY AB



Sixten Nyman
Authorized Public Accountant

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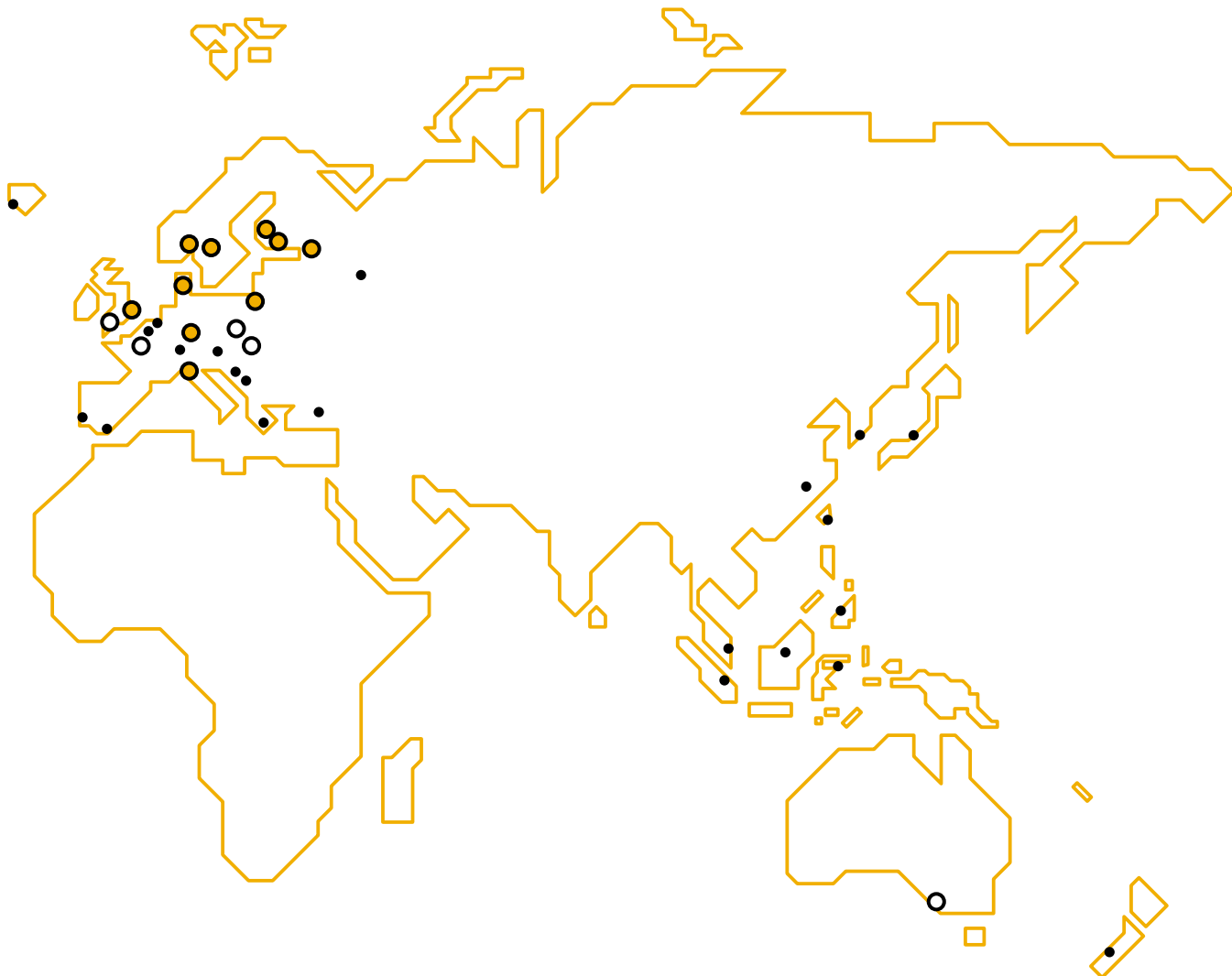
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