



marimekko

INTERIM REPORT 1-3/2009

JANUARY-MARCH 2009

Mika Ihamuotila, President and CEO:

“The first quarter of the year was extremely challenging for Marimekko due to the difficult market situation. The Group’s net sales declined and profit fell significantly. The fall was particularly strong in sales to domestic and foreign retailers. Also, there were no one-off items similar to those recognised during the corresponding period of the previous year. In Marimekko-owned retail shops, we managed to increase our sales even more than expected due to various marketing actions. Strong growth also continued in our important export area, Japan, where sales were boosted by the opening of new concept stores.”

JANUARY-MARCH 2009

Mika Ihamuotila, President and CEO:

“In addition to a considerable decline in sales, increased personnel expenses and other operating expenses, most of which were higher-than-usual marketing costs for new collections, had a negative impact on earnings for the period.

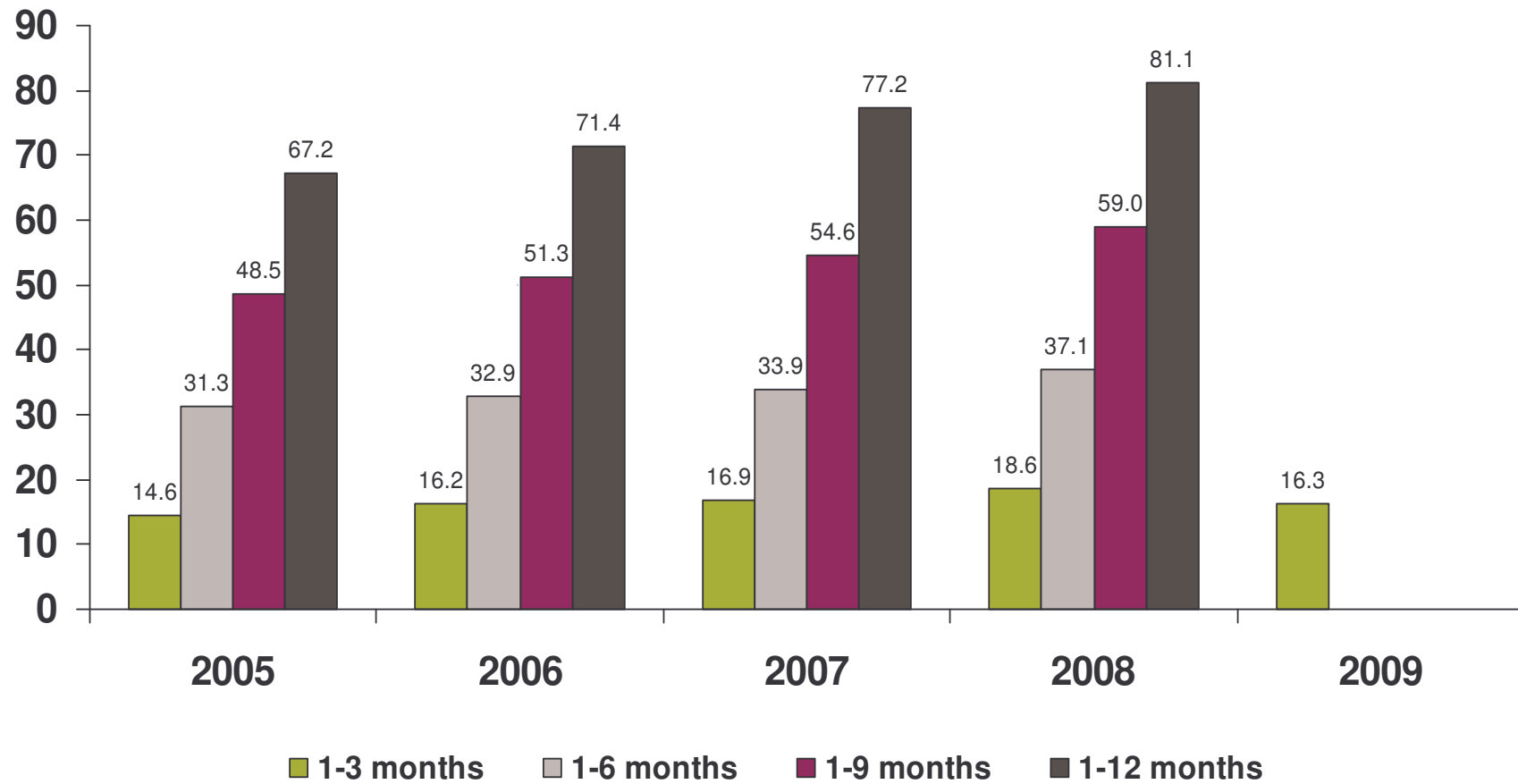
The outlook continues to be extremely uncertain since there are no clear signs of improvement in market conditions on the horizon. During this year, we will review the company’s cost structure and improve the efficiency of our operations. Despite the difficult market situation, Marimekko will continue investing in product development and internationalisation.”

NET SALES 1-3/2009

- **The Group's net sales** decreased 12.5% to EUR 16.3 million (EUR 18.6 million).
- **In Finland**, net sales fell by 11.0% to EUR 10.9 million (EUR 12.2 million).
 - The sales from Marimekko's own retail shops increased by 8.9% (-3.8%).
 - Sales to retailers in Finland decreased by 24.9% (+5.5%).
- **Exports and income from international operations** decreased by 15.4% to EUR 5.4 million (EUR 6.4 million).
- The fall in net sales was largely due to a slowdown in demand caused by weak market conditions. Wholesale sales both in Finland and abroad were especially affected by the slowdown.
- The difference compared to previous year was also increased by one-off orders for promotions during the corresponding period of 2008.

NET SALES

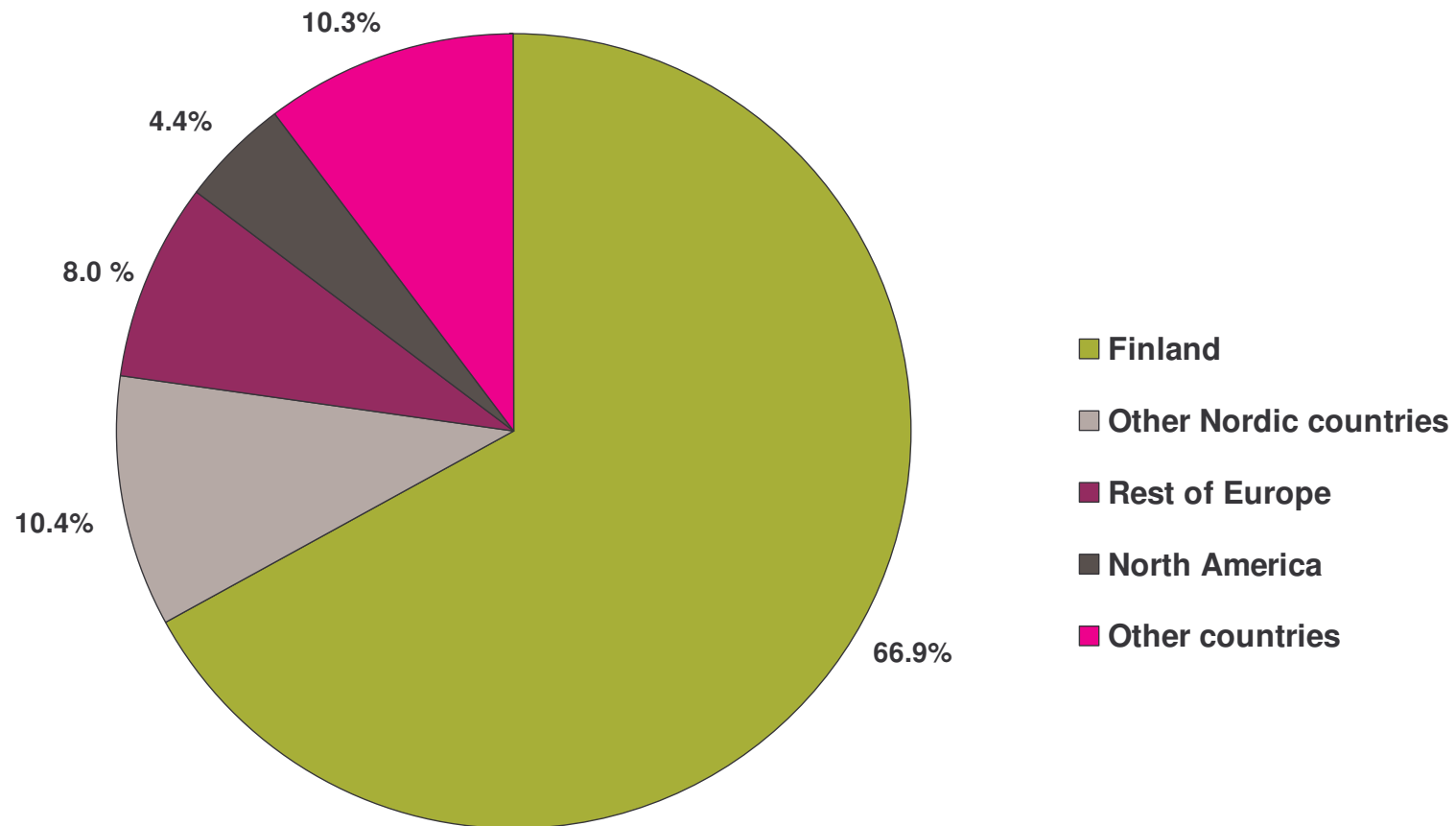
EUR million



NET SALES BY MARKET AREA

(EUR 1,000)	1-3/2009	1-3/2008	Change, %	1-12/2008
Finland	10,874	12,222	-11.0	59,175
Other Nordic countries	1,698	2,654	-36.0	9,423
Rest of Europe	1,302	1,562	-16.6	4,700
North America	722	1,098	-34.2	3,994
Other countries	1,667	1,058	57.6	3,815
TOTAL	16,263	18,594	-12.5	81,107

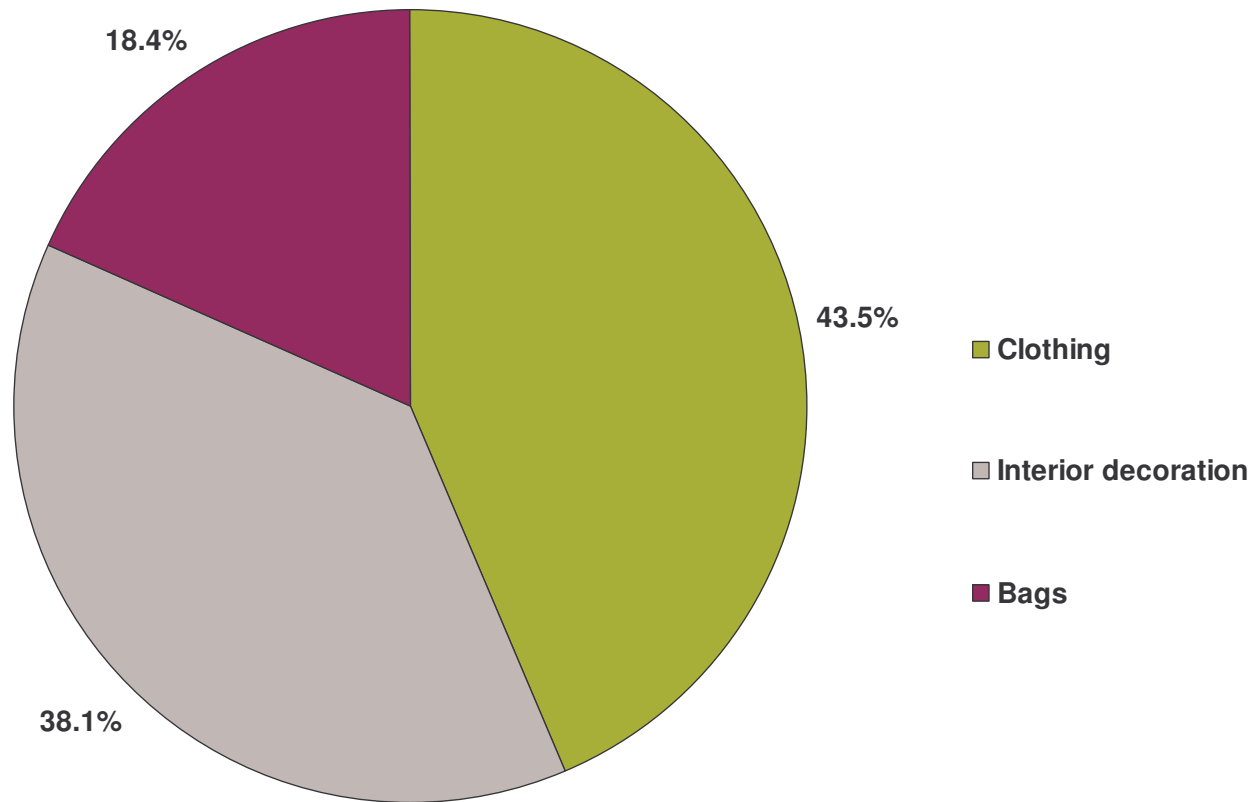
NET SALES BY MARKET AREA 1-3/2009



NET SALES BY PRODUCT LINE 1-3/2009

(EUR 1,000)	1-3/2009	1-3/2008	Change, %	1-12/2008
Clothing	7,078	7,838	-9.7	29,898
Interior decoration	6,185	7,588	-18.5	37,747
Bags	3,000	3,168	-5.3	13,462
TOTAL	16,263	18,594	-12.5	81,107

NET SALES BY PRODUCT LINE 1-3/2009



NET SALES – CLOTHING 1-3/2009

- **Net sales of clothing decreased by 9.7%** to EUR 7.1 million (EUR 7.8 million). Exports and income from international operations accounted for 29.4%.
 - Sales in Finland declined somewhat.
 - Sales abroad fell significantly in all areas except Japan, where strong growth continued.
 - The positive trend in Japanese sales was boosted by new concept stores.

NET SALES – INTERIOR DECORATION 1-3/2009

- **Net sales of interior decoration products decreased by 18.5%** to EUR 6.2 million (7.6 million). Exports and income from international operations accounted for 35.2%.
 - In Japan, strong growth continued.
 - Sales in other export countries and Finland fell considerably.

NET SALES – BAGS 1-3/2009

- **Net sales of bags decreased by 5.3%** to EUR 3.0 million (EUR 3.2 million). Exports and income from international operations accounted for 37.6%.
 - Sales in Japan continued to grow vigorously.
 - Good growth also continued in the market area referred to as “the rest of Europe”.
 - Sales in other export markets and Finland declined substantially.

LICENSING 1-3/2009

- Royalty earnings from sales of licensed products grew substantially during the period.
- The increase was strongest in the United States.
- New licensing contracts partly contributed to the growth in royalty earnings.

PRODUCTION AND SOURCING 1-3/2009

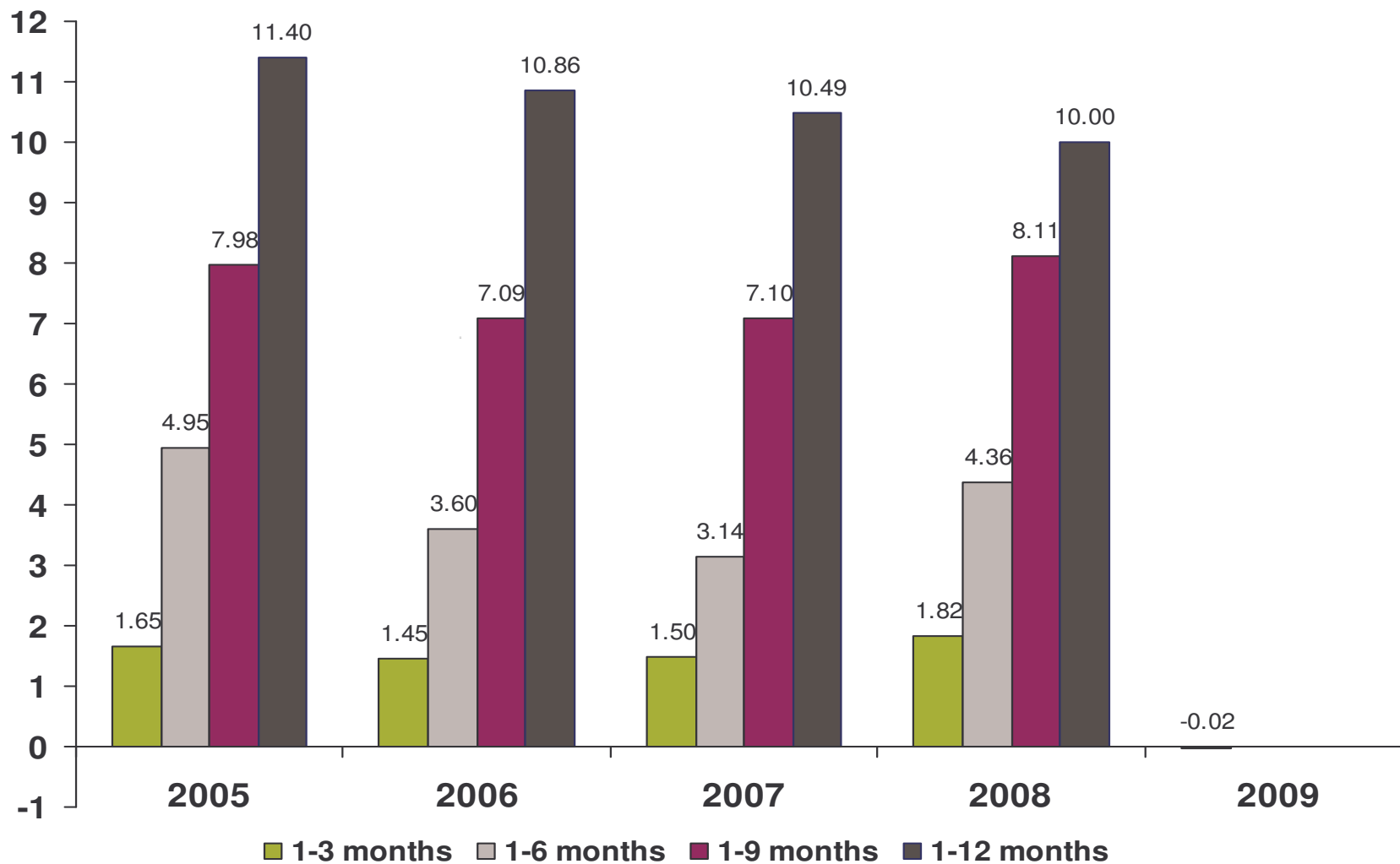
- In the review period, the production volume of the Herttoniemi textile printing factory decreased by 42%. This was mostly due to reduction of inventories and collections.
- At the Kitee and Sulkava factories, the company managed to maintain production at the same level as in the corresponding period of the previous year.
- Subcontracting was decreased concerning certain products, and production was transferred to the Kitee and Sulkava factories.

EARNINGS 1-3/2009

- The Group's operating result decreased by 101.2% to EUR -21 thousand (EUR 1,824 thousand).
- Operating result as a percentage of net sales was -0.1% (9.8%).
- Profit for the period after taxes decreased by 99.1% to EUR 13 thousand (EUR 1,375 thousand)
- Earnings per share were EUR 0.00 (EUR 0.17).
 - Earnings for the period were weakened by a considerable decline in sales and increased personnel expenses.
 - Earnings were also weakened by other operating expenses, a significant part of which were higher-than-usual marketing costs for new collections launched during the period. Full-year marketing expenses will remain at the 2008 level.

OPERATING RESULT

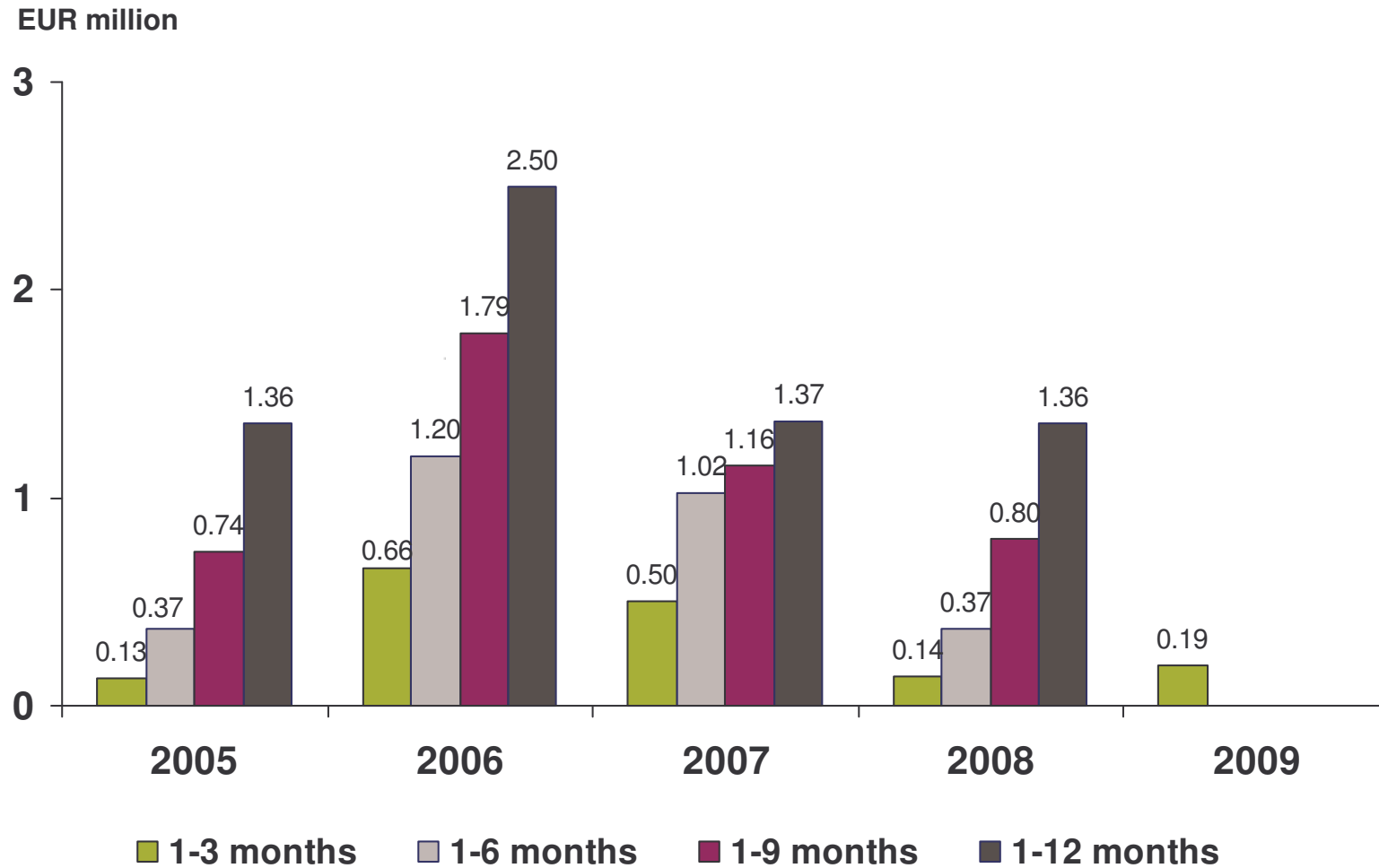
EUR million



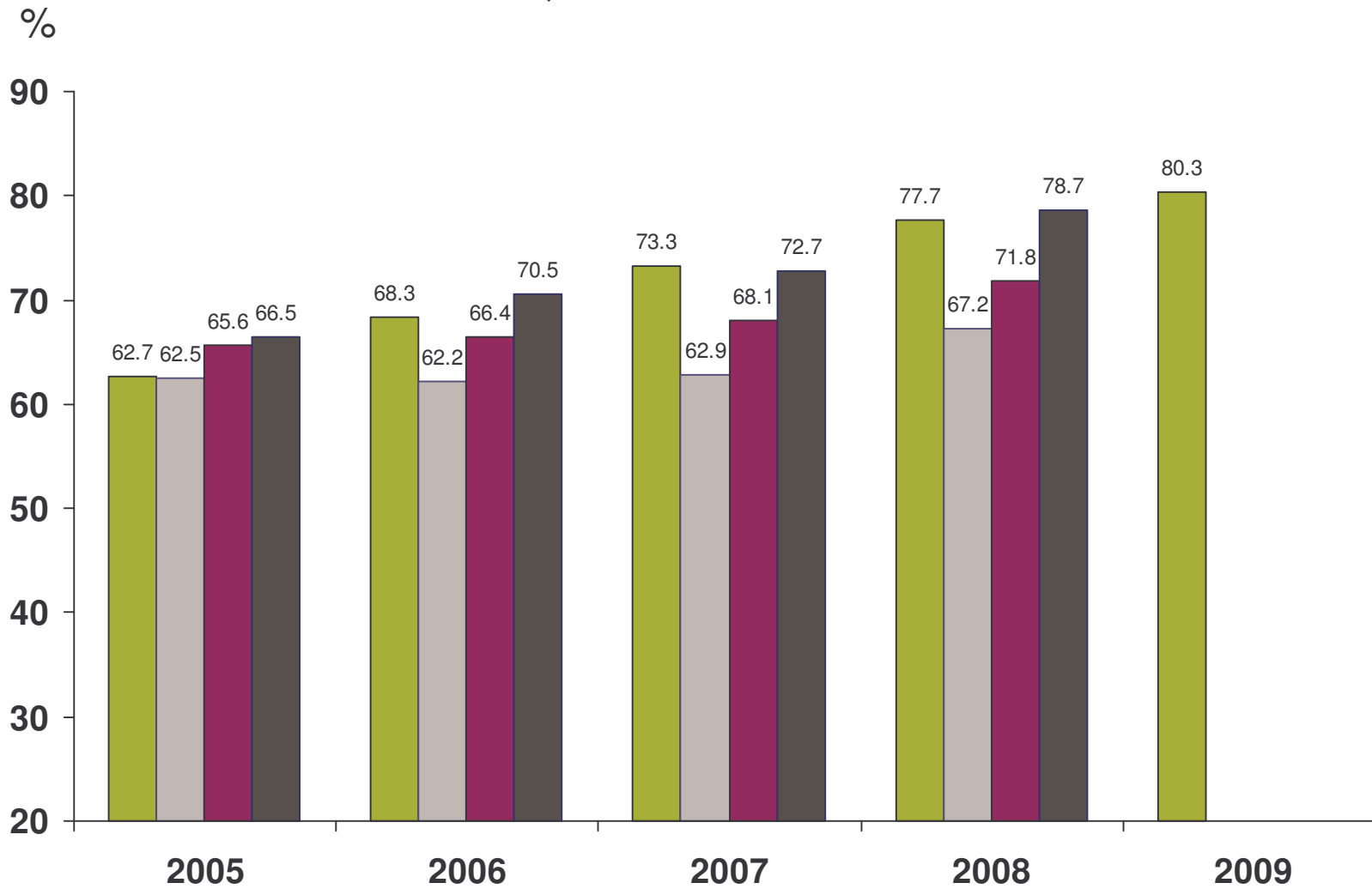
INVESTMENTS 1-3/2009

- The Group's gross investments amounted to EUR 188 thousand (EUR 137 thousand), representing 1.2% (0.7%) of net sales.
- The majority of investments were made in
 - the refurbishment of shops, as well as
 - furniture purchases and renovation of the Herttoniemi property.

GROSS INVESTMENTS



EQUITY RATIO



■ 1-3 months ■ 1-6 months ■ 1-9 months ■ 1-12 months

KEY INDICATORS

	1-3/2009	1-3/2008	Change, %	1-12/2008
Earnings per share, EUR	0.00	0.17	-99.1	0.92
Equity per share, EUR	3.92	3.83	2.5	3.92
Share of exports and international operations, % of net sales	33.1	34.3		27.0
Return on equity (ROE), %	0.17	18.3		24.2
Return on investment (ROI), %	0.03	24.3		32.3
Equity ratio, %	80.3	77.7		78.7
Gearing, %	-16.8	-7.5		-18.8
Gross investments, EUR 1,000	188	137		1,362
Gross investments, % of net sales	1.2	0.7		1.7
Contingent liabilities, EUR 1,000	18,056	17,388		17,861
Average personnel	411	413	-0.5	411
Personnel at the end of the period	407	412	-1.2	414

OUTLOOK FOR THE REMAINDER OF 2009

- Marimekko Corporation operates in a field where economic trends affect its business activities. The majority of the Group's net sales come from Finland.
- In recent years, however, exports have increasingly been driving Marimekko's net sales growth. A significant part of the growth has been attributable to the acquisition of new customers and the opening of concept stores.
- In 2008, the Group's earnings and growth in net sales were largely attributable to significant individual promotional deliveries in Finland and one-off income from sales of licensed products.

OUTLOOK FOR THE REMAINDER OF 2009

- In the first quarter of 2009, Marimekko's net sales decreased and profit fell considerably due to a sharp decline in demand caused by the economic recession. The weak market situation continues and there are not yet any signs of a quick recovery.
- According to the company's current knowledge, there will neither be similar significant one-off items to improve net sales and profit in the financial year as there were in 2008.
- For the above reasons, the company's previous estimate, according to which the Group's net sales for the 2009 financial year were expected to decrease by 5-10% and operating profit to decline considerably, has been reduced.
- The company's current estimate, based on the market outlook, business development in the early part of the year and the expense structure of the company, is that the Group's net sales in the financial year 2009 will decrease by about 10% and the operating result will decline distinctly compared with 2008.

