

Interim Report 1-3/2013

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Agenda

1) Key events during the period:

Marimekko fashion show at the Stockholm fashion week in January.

To secure business competitiveness, Marimekko started statutory employer-employee negotiations regarding its operations in Sulkava and Kitee, Finland.

2) Net sales:

Net sales grew by 10% and international sales by 19%.

3) Operating profit:

Profitability typically weak due to seasonality.

4) Market outlook and growth targets, and financial guidance

The main thrust in expansion during 2013 will be on openings of retailer-owned Marimekko stores and shop-in-shops. In 2013, the aim is to open 15 to 24 Marimekko stores and shop-in-shops, 4 to 6 of which will be company-owned. Net sales and operating profit forecasts for the full year 2013 remain unchanged.

5) Events after the review period:

Company-owned store opened in Oulu

Three new Marimekko stores will be opened in China during 2013.



Key events in Q1

Marimekko showed the autumn/winter 2013 fashion collection “Art of Print Making – Colour for a Season” to the local and international media and industry professionals at the Mercedes-Benz Fashion Week of Stockholm in January.

Marimekko started statutory employer-employee negotiations on potential permanent staff reductions concerning the personnel of its manufacturing operations located in Sulkava and Kitee, Finland as well as the adjacent factory outlets. The aim of these planned actions is to secure business competitiveness.



Marimekko fashion show at the Stockholm fashion week in January 2013.



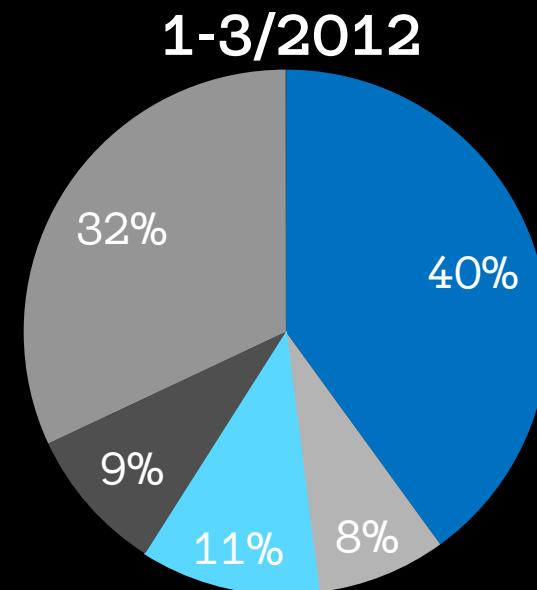
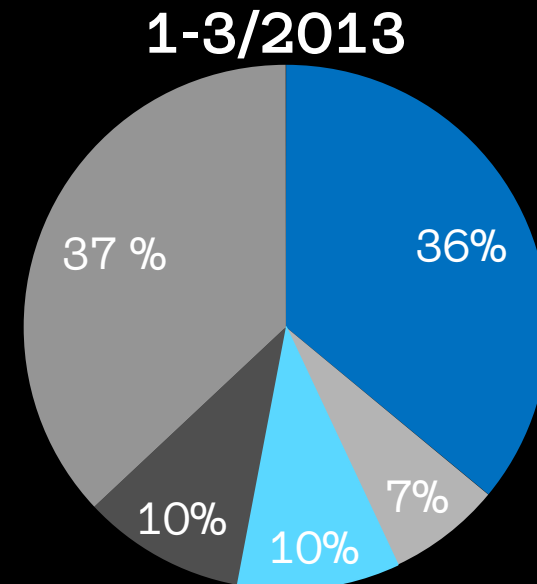
Marimekko fashion show at the Stockholm fashion week in January 2013.

Brand sales

Brand sales* in January-March 2013 grew by 4% to EUR 44.3 million (42.5).

63% of the sales came from abroad (60).

	(EUR 1,000)	1-3/2013	1-3/2012	Change,%
Finland		16,203	17,083	-5
Scandinavia		3,033	3,390	-11
Central and Southern Europe		4,388	4,482	-2
North America		4,347	3,733	16
Asia-Pacific		16,351	13,822	18
TOTAL		44,323	42,511	4



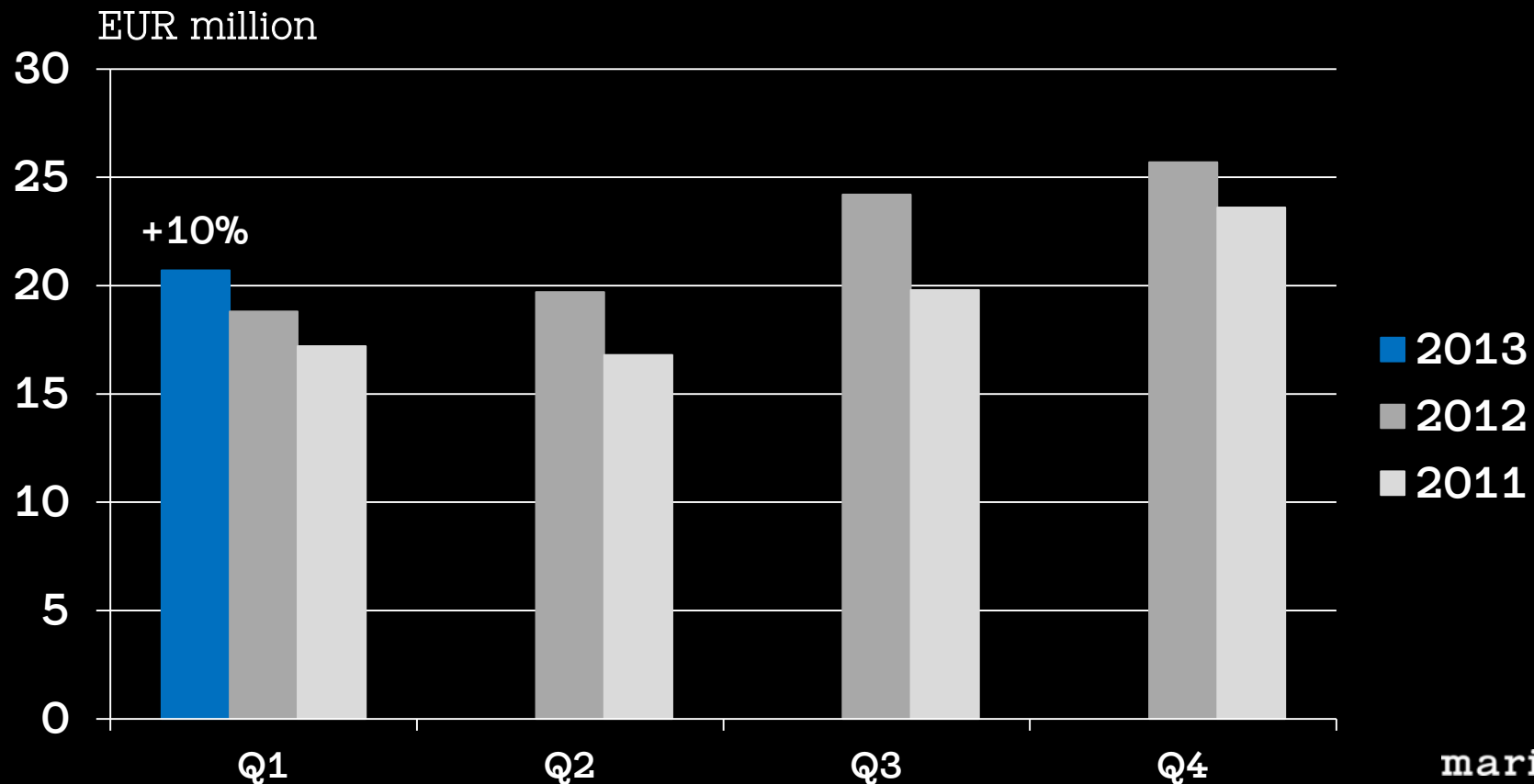
* Estimated sales of Marimekko products at consumer prices. Brand sales are calculated by adding together the company's own retail sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's actual wholesale sales to these retailers, is unofficial and does not include VAT. The figure is not audited.

Net sales Q1/2013

Net sales grew by 10% to EUR 20.7 million (18.8).

International sales +19% boosted by new stores opened in 2012. Retail sales rose by 101% and wholesale sales rose by 4%.

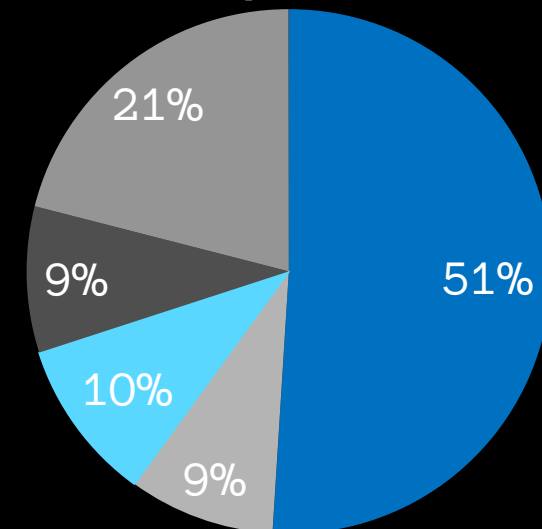
In Finland, net sales grew by +3%. Retail sales rose by 8%, while wholesale sales declined 5%.



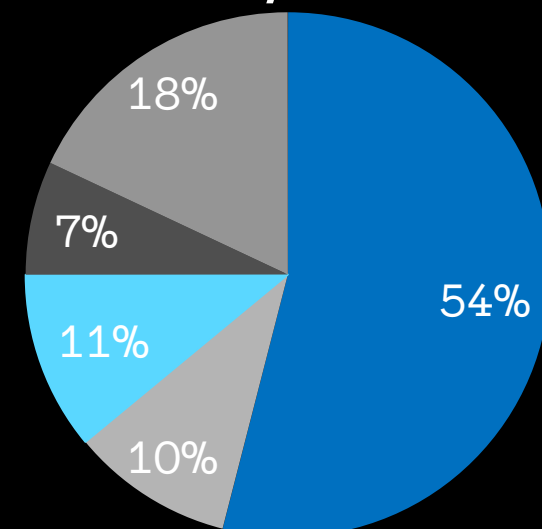
Net sales by market area

(EUR 1,000)	1-3/2013	1-3/2012	Change,%
Finland	10,486	10,228	3
Scandinavia	1,879	1,902	-1
Central and Southern Europe	2,001	2,048	-2
North America	1,871	1,252	49
Asia-Pacific	4,473	3,378	32
TOTAL	20,710	18,808	10

1-3/2013



1-3/2012



Net sales by market area

In Finland, net sales +3%: retail sales +8% and wholesale sales -5%. Three stores opened in 2012 boosted the sales. The comparable sales by company-owned stores fell by 3%.

In Scandinavia, sales were on a par with those of the previous year's first quarter : retail sales +50%, wholesale sales -21%. Retail sales were boosted by two company-owned stores opened in Sweden in 2012. The comparable sales growth for company-owned stores was +21%. Consumers' purchasing behavior continued to be cautious in especially in Sweden and Denmark.

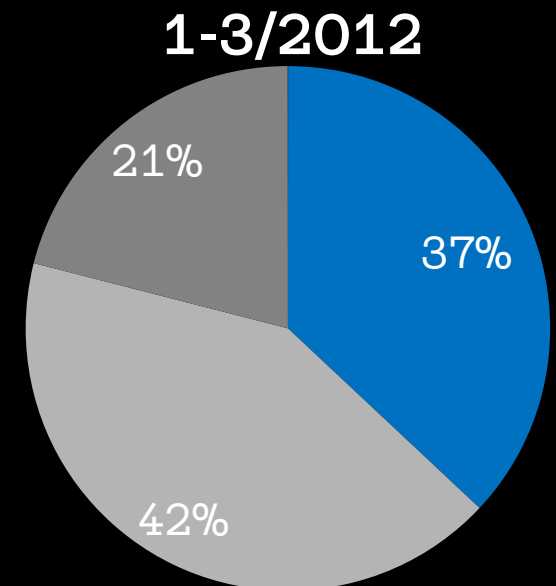
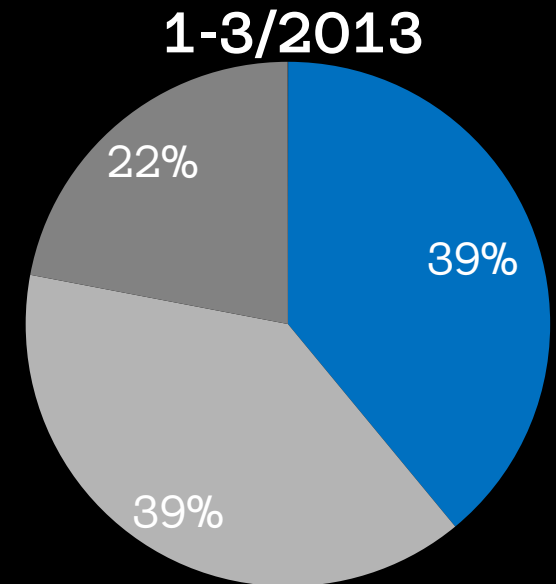
In Central and Southern Europe, net sales declined by 2%: retail sales -16% and wholesale sales were on a par with the same period last year. Sales grew in France and Italy, but fell in the UK and Germany.

Net sales in North America grew by 49%. The growth was generated by the net sales of the four new company-owned stores in the US and the shop-in-shop in Toronto, Canada opened in the second half of 2012.

Net sales in the Asia-Pacific region grew by 32%. The wholesale sales grew by 18% boosted by the opening in 2012 of two new stores in Japan, a store opened in Hong Kong, and investments in Australia. The two company-owned stores opened in Australia in 2012 also showed growth in sales.

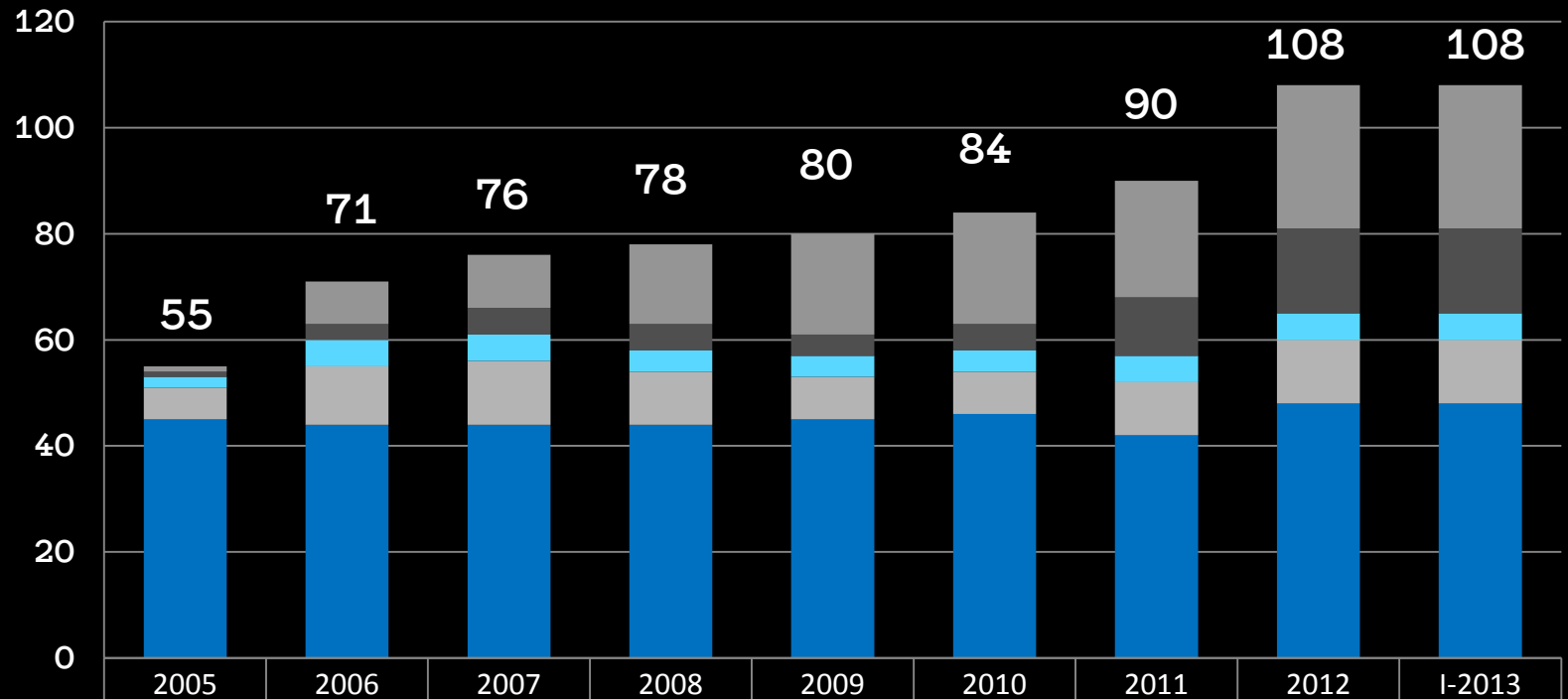
Net sales by product line

	(EUR 1,000)	1-3/2013	1-3/2012	Change,%
Clothing		8,025	6,978	15
Interior Decoration		8,187	7,833	5
Bags		4,498	3,997	13
TOTAL		20,710	18,808	10



Marimekko stores

108 stores* at the end of March 2013.



	2005	2006	2007	2008	2009	2010	2011	2012	I-2013
■ Asia-Pacific	1	8	10	15	19	21	22	27	27
■ North America	1	3	5	5	4	5	11	16	16
■ Central and Southern Europe	2	5	5	4	4	4	5	5	5
■ Scandinavia	6	11	12	10	8	8	10	12	12
■ Finland	45	44	44	44	45	46	42	48	48

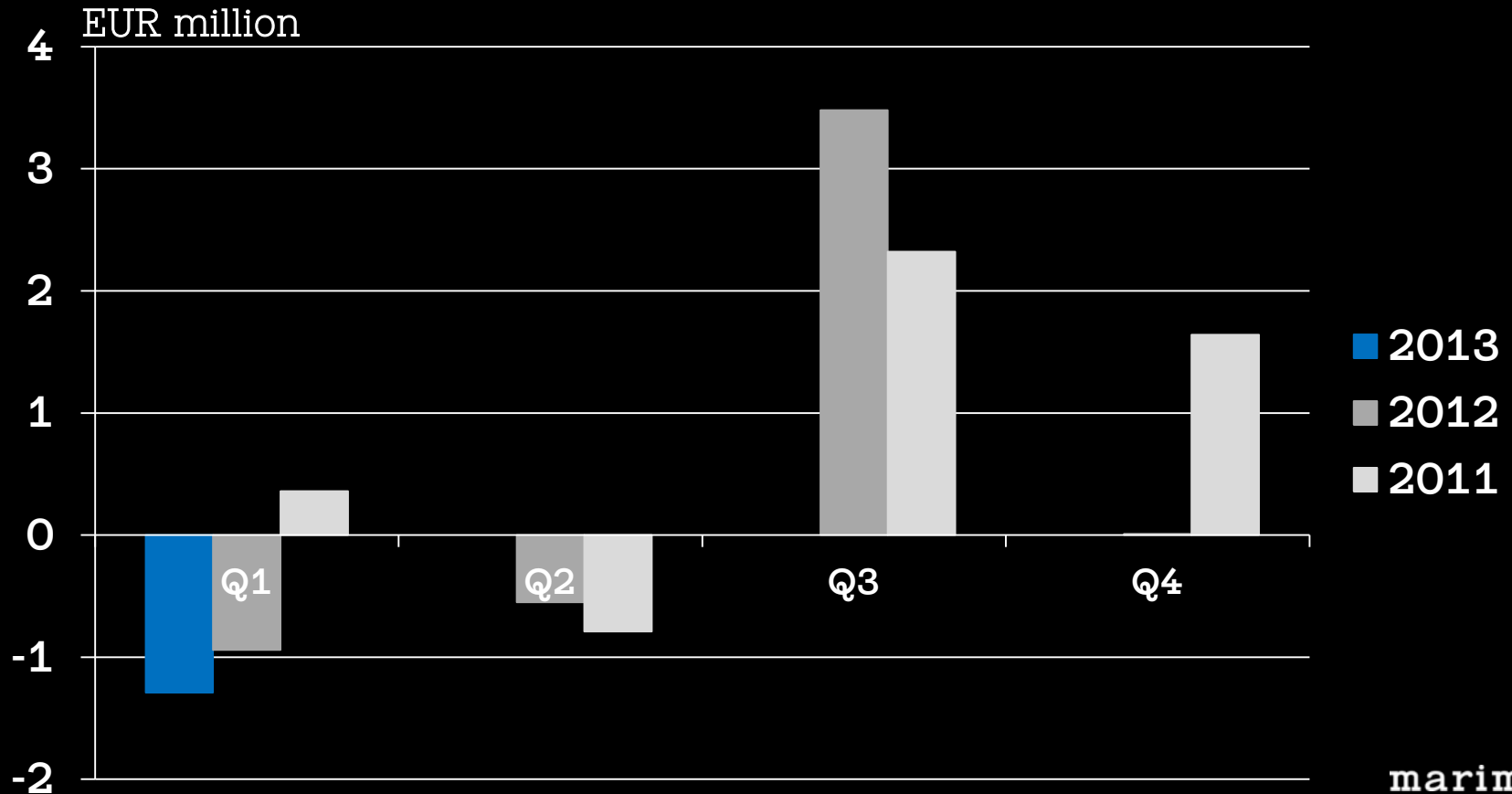
*Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 47 at the end of March 2013 (38).

Operating result declined

The operating result was EUR -1.3 million during January-March 2013 (-0.9).

The Group's financial result for the first quarter of the year is typically weak as a consequence of seasonally low net sales in relation to operating expenses and especially profits from retail sales operations are generated predominantly in the latter half of the year.

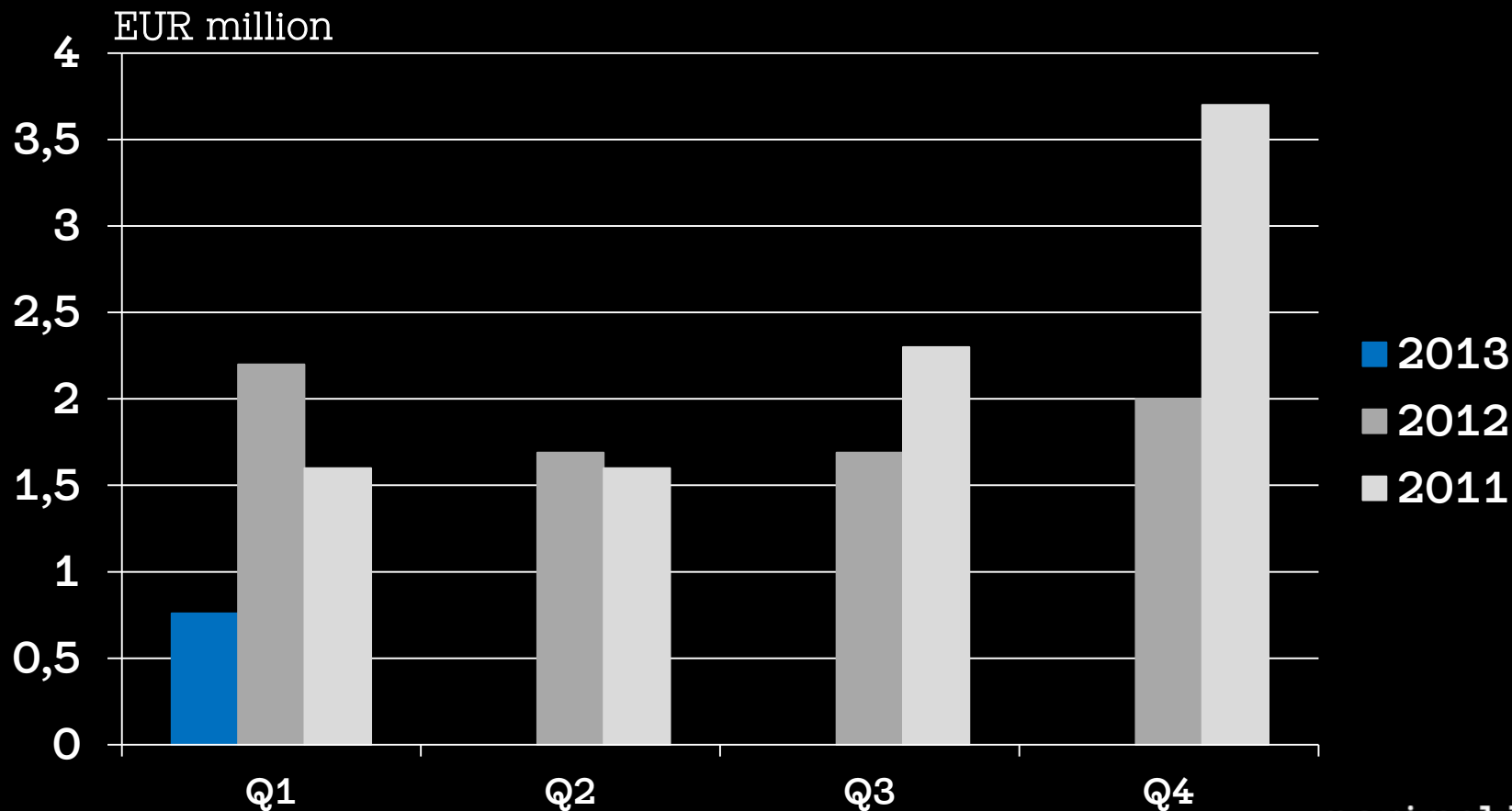
Operating result was weakened by the losses posted by stores in the start-up phase in the United States, a decline in comparable retail sales in Finland, costs related to business expansion, and a downturn in wholesale sales in Finland, Scandinavia and the United States. Operating result was improved by growth in retail sales in Finland boosted by the new stores opened in 2012 and a rise in wholesale sales in the Asia-Pacific region.



Investments lower than in 2012

Q1/2013 gross investments were EUR 0.8 million (2.2) representing 4% of net sales (12).

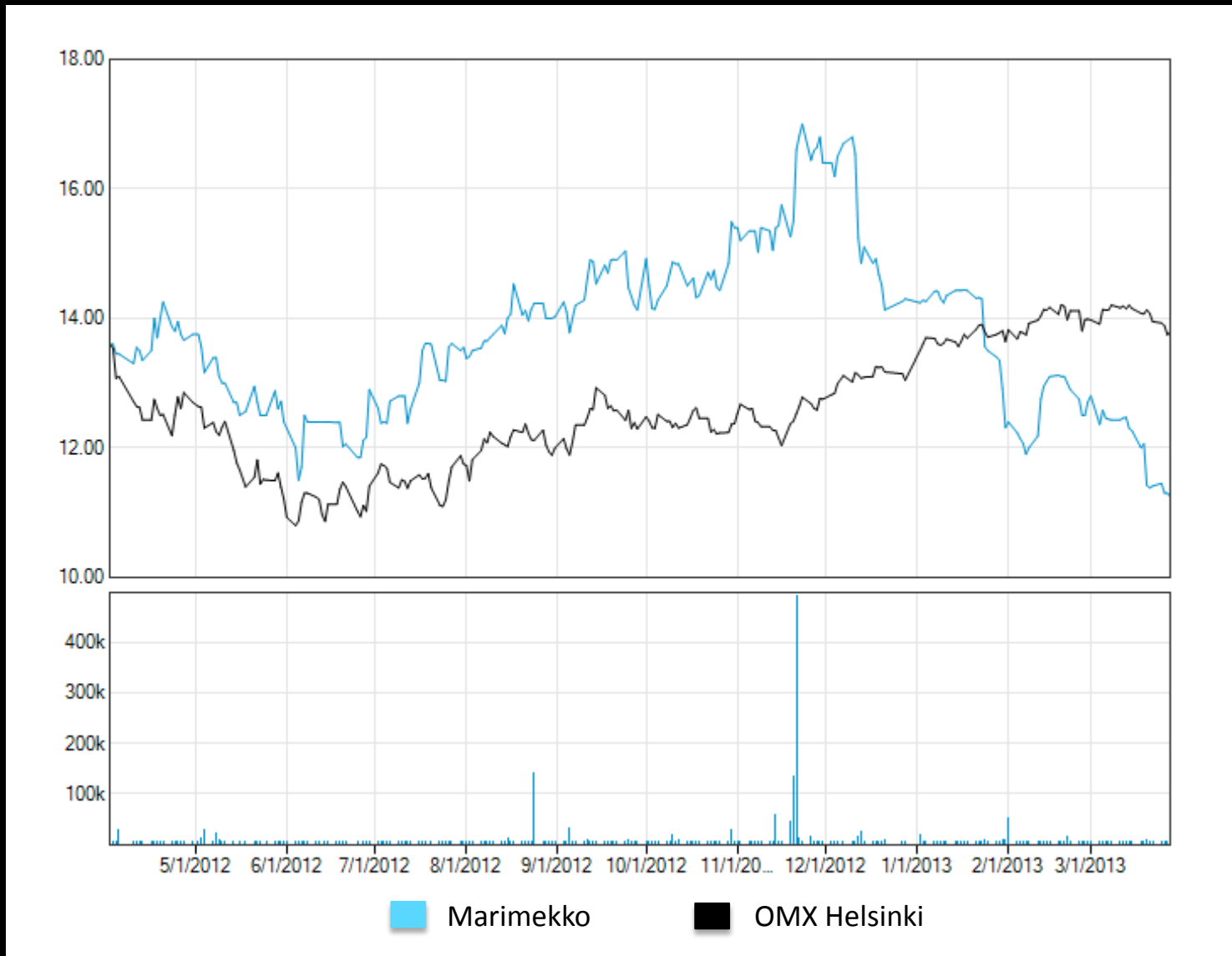
Most of the investments were devoted to building store premises and to refurbishing the property in Herttoniemi.



Key figures

	1-3/2013	1-3/2012	Change, %	1-12/2012
Net sales, EUR 1,000	20,710	18,808	10	88,471
International sales, EUR 1,000	10,224	8,580	19	36,127
% of net sales	49	46		40
EBITDA, EUR 1,000	-185	-164	-13	5,573
Operating result, EUR 1,000	-1,290	-935	-38	2,019
Operating result margin, %	-6.2	-5.0		2.3
Result for the period, EUR 1,000	-1,129	-820	-38	1,100
Earnings per share, EUR	-0.14	-0.10	-37	0.14
Cash flow from operating activities, EUR 1,000	-2,296	-2,518	9	8,605
Gross investments, EUR 1,000	761	2,219	-66	7,572
Return on investment (ROI), %	-10.8	-9.0		4.1
Equity ratio, %	53.8	57.8		54.6
Gearing, %	43.8	36.2		32.0
Contingent liabilities, EUR 1,000	41,276	26,971	53	39,986
Personnel at the end of the period	517	470	10	535
outside Finland	96	70	37	103
Brand sales, EUR 1,000	44,323	42,511	4	187,184
outside Finland, EUR 1,000	28,120	25,427	11	100,666
proportion of international sales, %	63	60		46
Number of retail stores and shop-in-shops	108	91	19	108

Share price previous 12 months



Market outlook and growth targets

The widespread uncertainty over the global economy is forecast to continue, and this may influence consumers' purchasing behaviour in all of Marimekko's market areas. The prospects for the economic trend in Europe have deteriorated, and growth in the region will be slow. In the United States and Asia, economic forecasts are markedly better than in Europe, but growth is fairly slow. Market conditions in Finland are moderate, but the economic prospects for the business community for the next few months are strikingly cautious. Economic conditions are expected to remain weak, and retail sales are forecast to decline. (Confederation of Finnish Industries EK: Business Tendency Survey, February 2013). The sluggish trend in Marimekko's own stores in Finland at the end of 2012 and a decline in comparable retail sales during the first quarter of 2013, combined with poor consumer confidence, cast a shadow over prospects in Finland for this year.

The stores opened in 2012 and the other considerable investments made in the expansion of the distribution network will generate a marked increase in sales in 2013. The main thrust in expansion during 2013 will be on openings of retailer-owned Marimekko stores and shop-in-shops. Furthermore, the company will invest in developing the business of the stores it opened in 2012. The aim is to open 15 to 24 Marimekko stores and shop-in-shops this year, 4 to 6 of which will be company-owned.

The planned total investments for 2013 of the Marimekko Group are estimated as being in excess of EUR 3 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

Financial guidance

Due to the current market conditions and the change undergone by the company recently, it is very difficult to forecast the financial result for 2013. The financial guidance for the whole of 2013 remains unchanged: the Marimekko Group's net sales are estimated to grow by over 5% and operating profit is forecast to be, at the most, at the same level as in 2012. The increased proportion of retail sales will further boost the seasonal nature of business, so the major portion of operating profit will, as is typical, accrue in the second half of the year.

Events after the review period

Marimekko opened its first company-owned retail store in Oulu, Finland. One of the company's two stores in Tampere almost doubled in area after a refurbishment.

Marimekko announced the opening of three new Marimekko stores in China during 2013. As part of the partnership signed with Hong Kong-based Sidefame the first Marimekko stores in mainland China will open in Beijing and Shanghai during the summer of 2013. Close to the year end, the second Marimekko store will open in Hong Kong. The objective of the partnership is to open a total of 15 Marimekko stores in China by the end of 2016.

In spring 2013 Marimekko's e-commerce expands to Sweden, and the sixth Marimekko store in Sweden opens in Täby Centrum close to Stockholm.





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