

Annual General Meeting 2014

Mika Ihamuotila

23 April 2014

REVIEW BY THE
PRESIDENT AND CEO

VISION.

MARIMEKKO IS THE WORLD'S MOST
ADMIRERED PATTERN DESIGNER AND
ONE OF THE MOST FASCINATING
DESIGN BRANDS.

Our industry's current phenomena

- 1) New markets opened up by globalisation
- 2) Digitalisation
- 3) Changes in consumers spending habits and values
 - Ecological products
- 4) The weak state of the global economy and consumer market



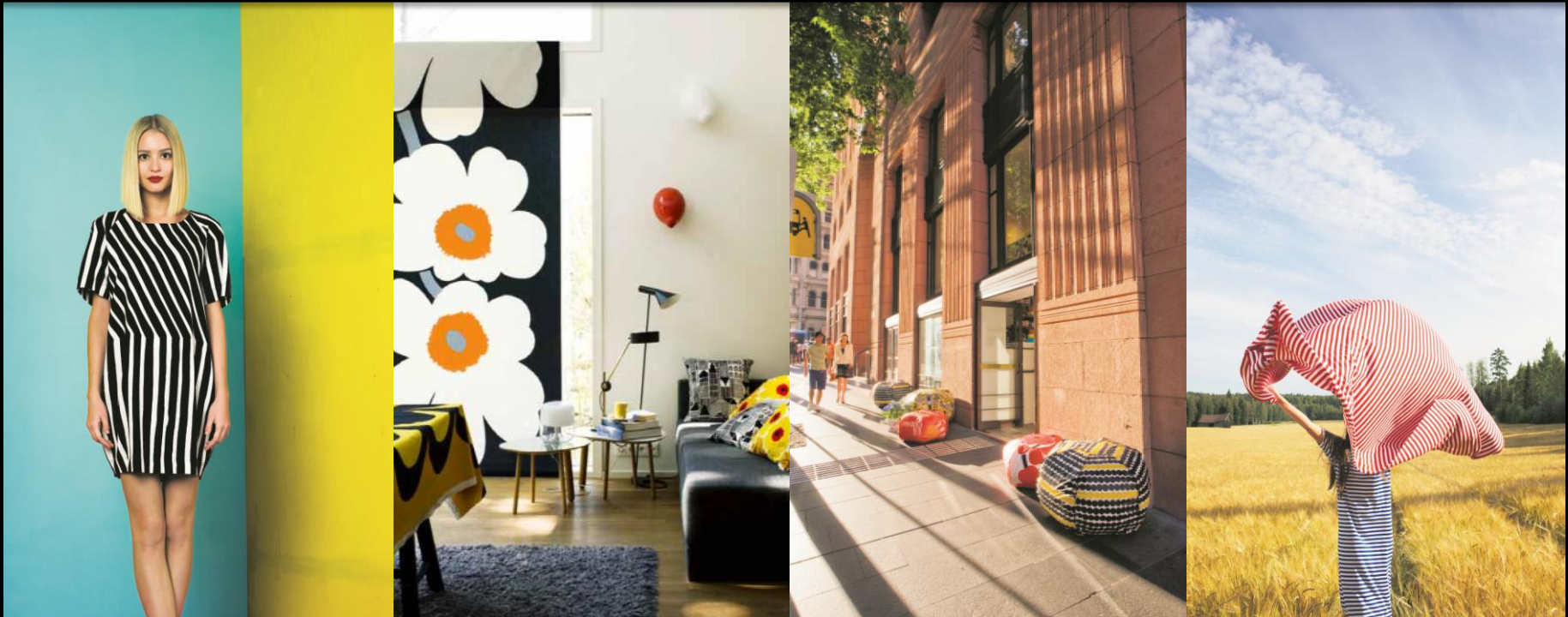
Cornerstones of our strategy

Unique design
and a strong
brand

Product
assortment based
on a lifestyle
concept

Long-term
international
growth strategy
with a focus on
Marimekko stores

Unique
Marimekko spirit
and corporate
culture



Marimekko's year 2013



Unique design & brand



Unique
design &
brand

- Captivating colours and patterns
- Unpretentious attitude to life
- Fascinating history



Marimekko's autumn & winter 2013 fashion show at the Stockholm fashion week in January 2013.



In August, it was time for the Copenhagen Fashion Week and the presentation of the Spring & Summer 2014 collection.

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**In addition to the legendary summer fashion show in the Esplanadi Park
Marimekko organised a christmas show in front of the Marikulma store.**

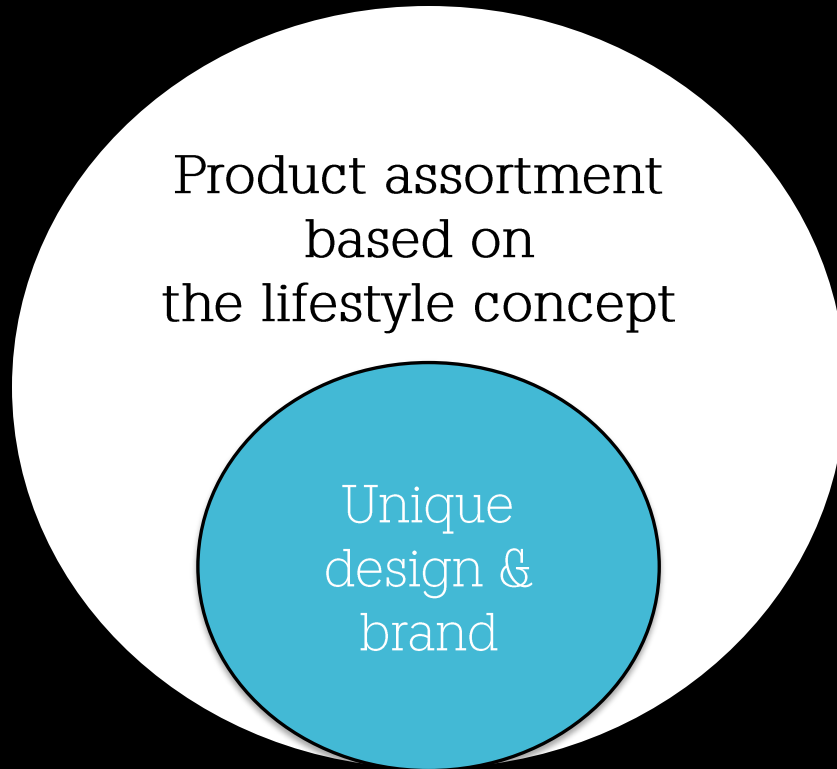
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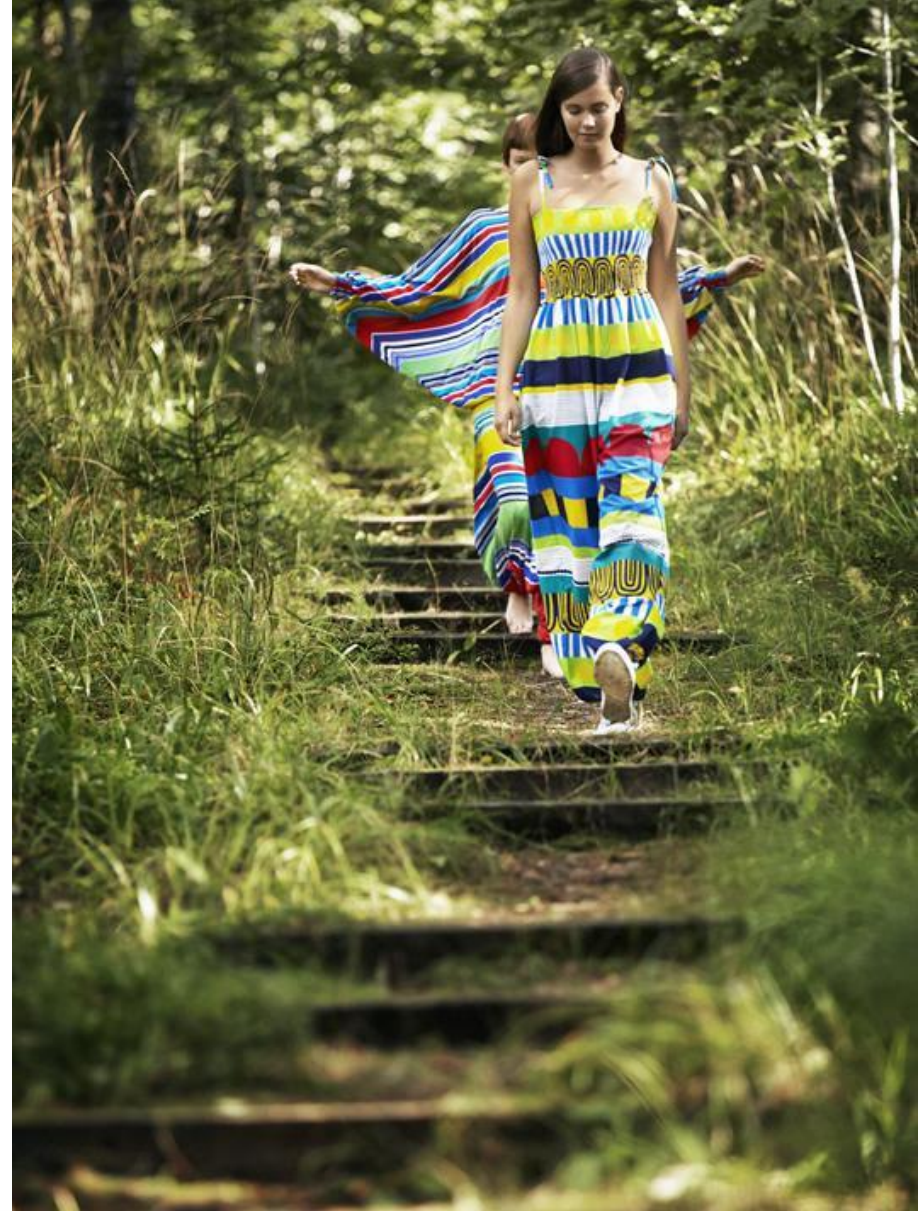
Crown prince of Norway, Haakon, visited Marimekko in October 2013.

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Product assortment based on the lifestyle concept



- Functional and timeless products
- Lifestyle concept's outreach
- Products that are easy to purchase and combine with each other
- Central role of own production in printed fabrics



New products in 2013

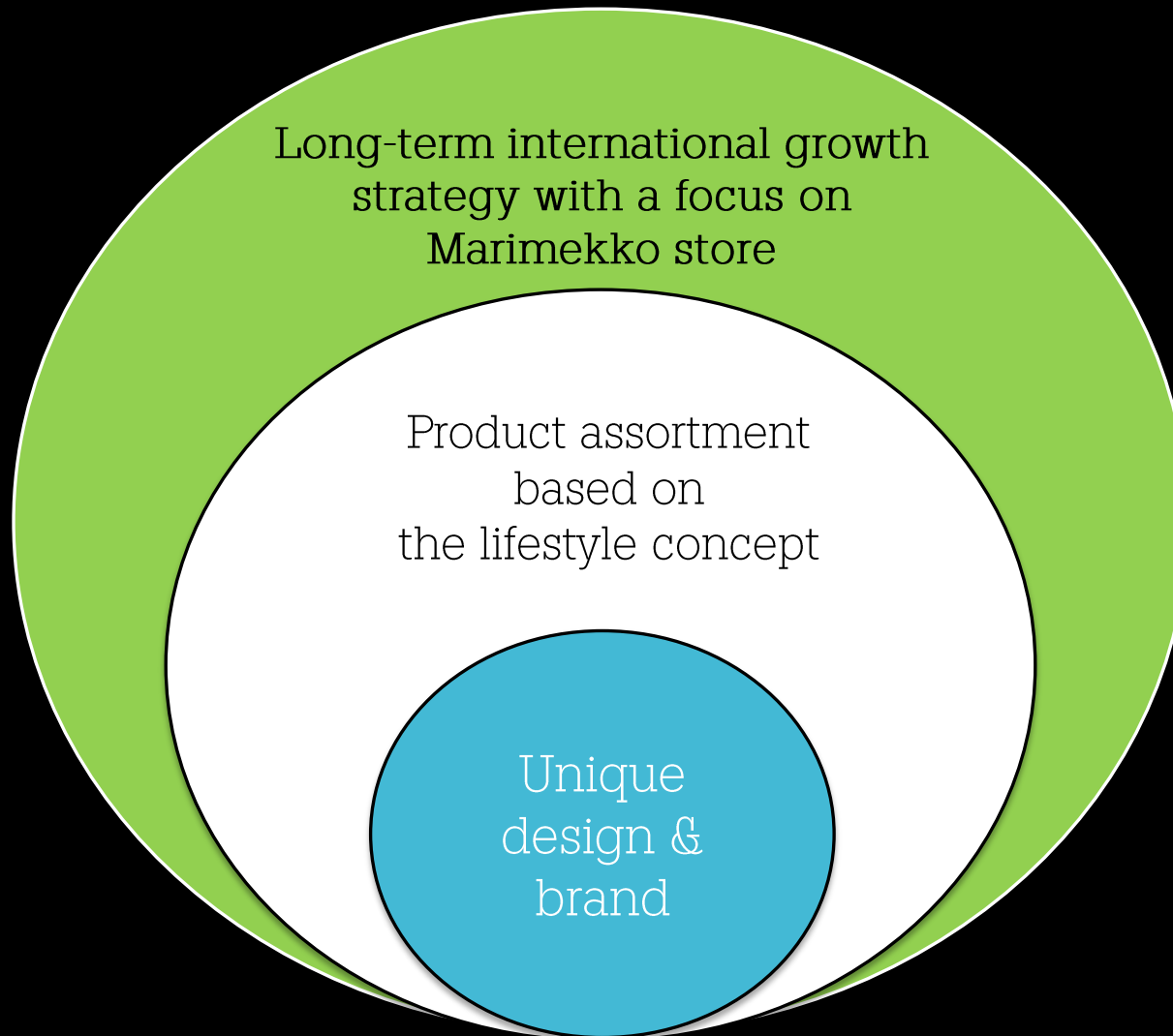
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New products in 2014

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Internationalisation





A total of 9 stores opened in Finland during 2013. The latest one was the Muksula-children clothing store in the center of Helsinki.



Mexico's leading department store chain, El Palacio de Hierro, opened four Marimekko shop-in-shops in its stores in Mexico City in May and June.

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In the beginning of June, Marimekko opened a company-owned store in Sweden at Täby Centrum, near Stockholm.

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In Copenhagen, a Marimekko-owned store was opened in August. In 2013 the Danish department store chain Magasin also opened two shop-in-shops concentrating on Marimekko's interior decoration products.

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The first Marimekko stores in mainland China opened in Beijing and Shanghai in June and August. Hong Kong's second Marimekko store was opened in November .

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Seven Marimekko shop-in-shops were opened in the stores of the Canadian interior design chain EQ3 in July and August. Of these six are in Canada and one in the United States.

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In August Marimekko signed an import and distribution contract with the Taiwanese Yun San Corporation. The first store was opened in Taipei during November.

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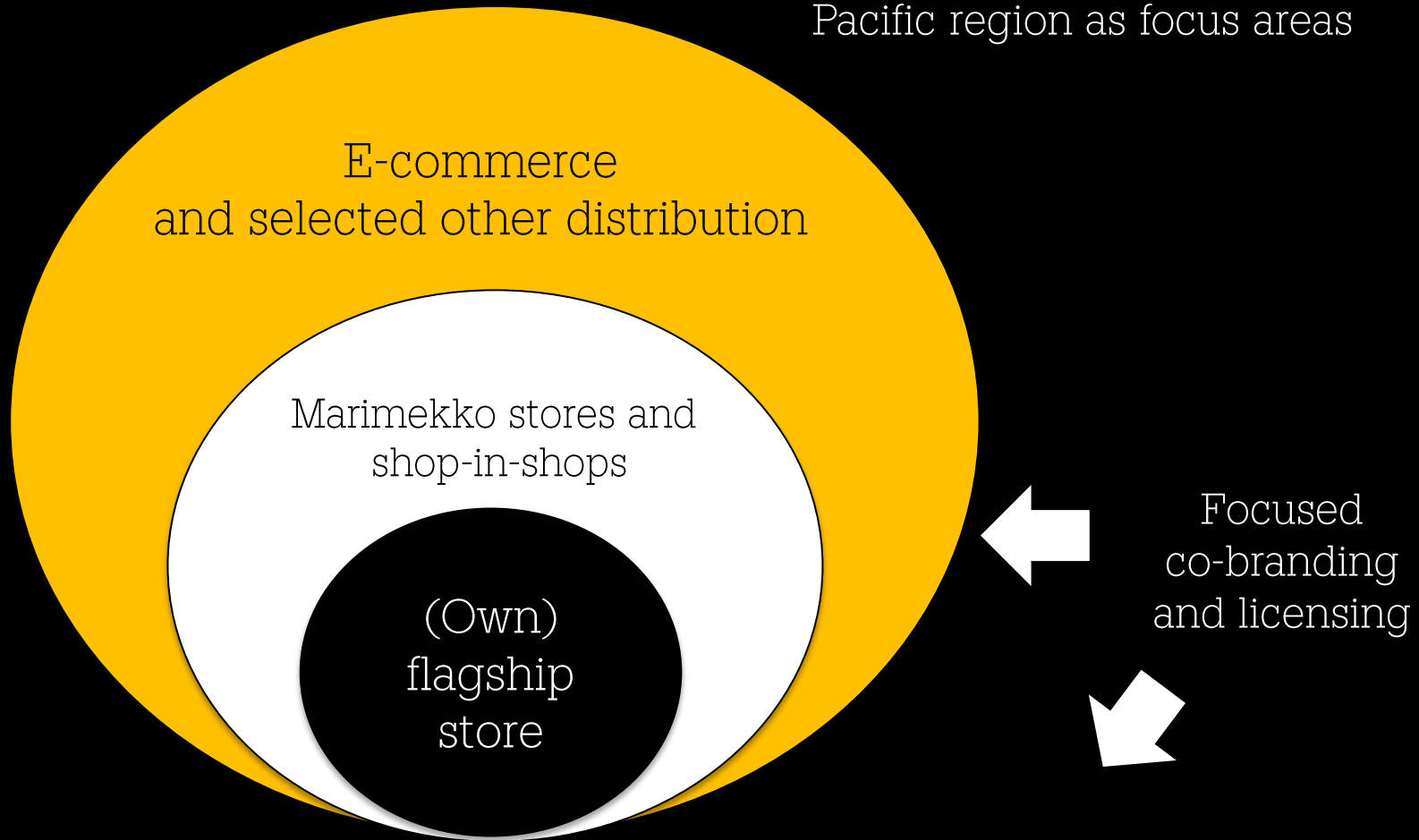


The expansion of the Marimekko store network in Japan continued. Three new stores were opened in Kagoshima, Tokyo and Osaka.

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International growth strategy

North America, Northern Europe and the Asia-Pacific region as focus areas



Increasing PR-driven awareness of Marimekko in “gained” and digital media



Marimekko Kids

Ready for adventure?
On your marks, get set, go!

SHOP THE COLLECTION



Marimekko's online store expanded to Sweden in May and to Denmark in November.

Banana Republic, Marimekko Team Up

By SHARON EDELSON

BANANA'S BRIGHT FUTURE: Banana Republic is teaming up with Marimekko, the colorful Finnish maker of clothing, textiles, home furnishings and more. "The stunning thing about Marimekko is that everyone has heard of it or has had some history with it because of the beautiful prints," said Melloney Birkett, vice president and head of Banana Republic's women's design.

The nearly 25-piece collection in May will be available in select stores worldwide. The line will include dresses and separates. There will also be zippered clutches in a variety of prints and printed ballet flats. Some of Banana's iconic designs will also get the Marimekko treatment, such as the Hampton pant and Hampton short, which will be covered in a striking black and white design. Prices for the collection range from \$39.50 for a tank top to \$140 for a dress.



A look from the Banana Republic Marimekko collection.

Photo By Courtesy Photo

WWD

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In June 2013 Marimekko and Banana Republic announced a limited edition women's capsule collection. The collection launches exclusively at select Banana Republic locations worldwide and online in late May 2014.

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As a result of the partnership with Finnair, Marimekko's porcelain tableware and textiles boarded Finnair flights during 2013. One of Finnair's long-haul planes is covered with the Unikko pattern.

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FINANCIAL DEVELOPMENT

The year 2013 in figures

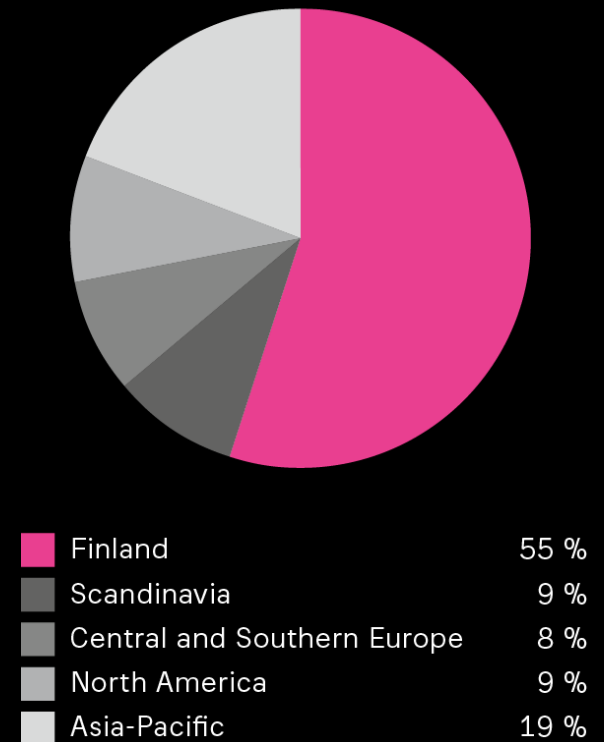
- Net sales EUR 94 (89) million
- Brand sales EUR 191 (187) million
- Operating result EUR 0.1 (2.0) million, including
 - Nonrecurring items EUR 1.3 million
 - Writedowns EUR 1.5 million
- EBITDA EUR 6.9 (5.6) million
- Profit after taxes EUR -1.0 (1.1) million



Net sales 2013

- Net sales were EUR 94 million, up 6% fuelled by the growth in international sales
- Net sales in Finland on par with previous year
- Sales outside Finland grew by 16%
 - retail sales +44%
 - wholesale sales +6%
- Strongest sales growth in the Asia-Pacific region, +37%

Net sales by market area 2013



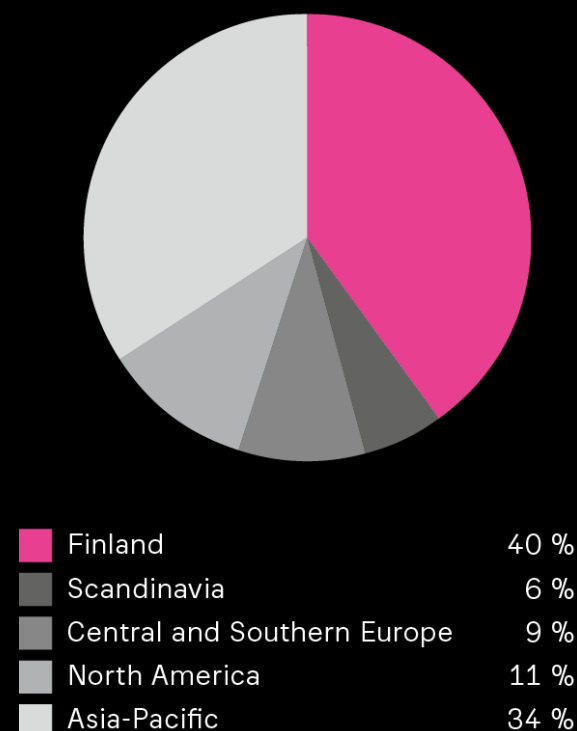
60 % of Brand sales from abroad

- Brand sales* EUR 191 million, up 2%

(EUR 1,000)	2013	2012	Change, %
Finland	76,037	86,518	-12
Scandinavia	12,203	12,752	-4
Central and Southern Europe	16,467	16,872	-2
North America	21,282	20,527	4
Asia-Pacific	65,109	50,515	29
TOTAL	191,098	187,184	2

* 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.

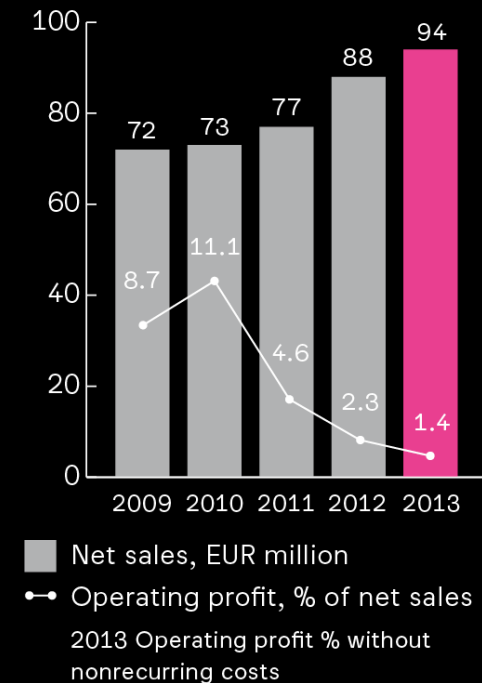
Brand sales by market area 2013



Operating result 2013

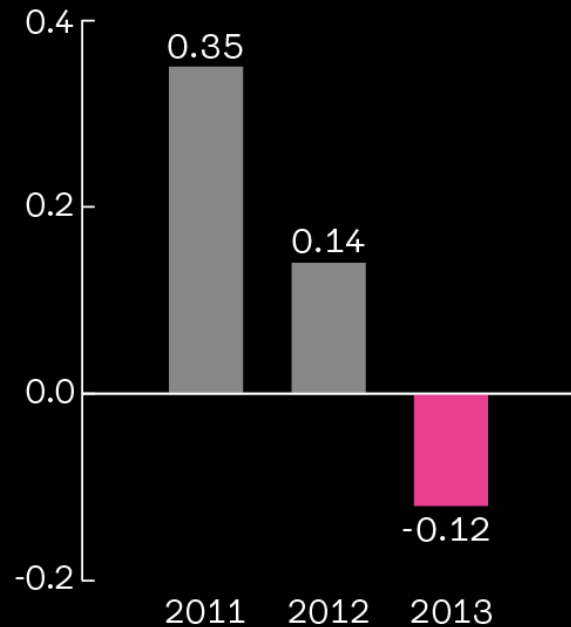
- Marimekko's operating result was EUR 1.4 million, excluding nonrecurring expenses of EUR 1.3 million (2,0)
- Write-downs on the tangible assets of the company-owned stores in Beverly Hills, Boston and Oslo burdened the operating result by EUR 1.5 million
- A further drag on operating profit was exerted by the loss posted by the stores in the United States and by a downturn in wholesale sales in Scandinavia, Central and Southern Europe and North America

Trend in net sales and operating profit 2009–2013

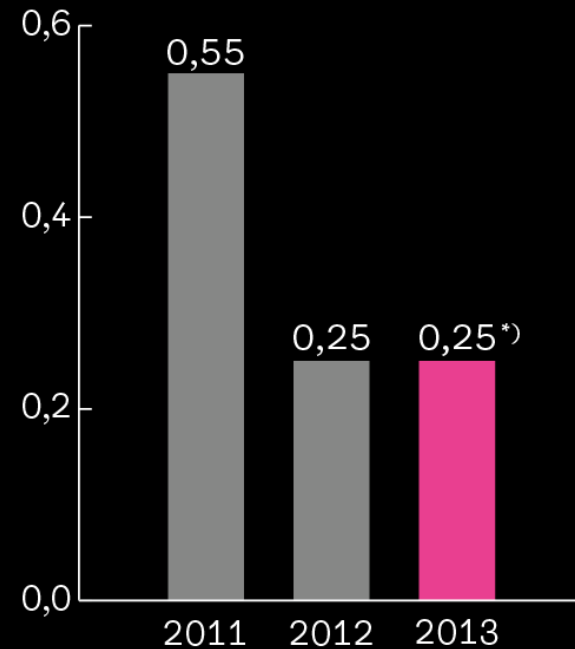


Earnings and dividend per share

Earnings per share (EUR)

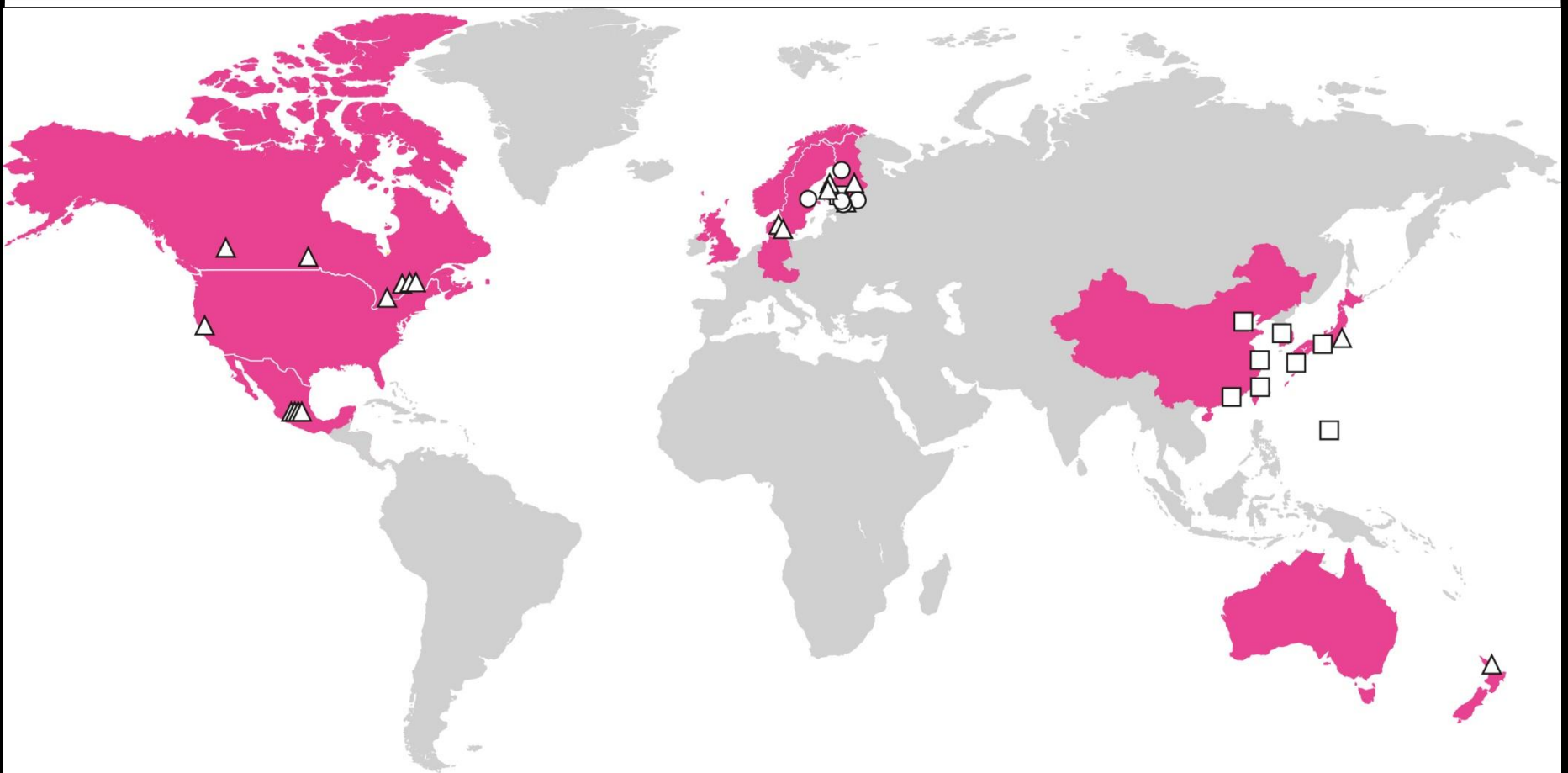


Dividend per share (EUR)



^{*)} Proposal by the Board of Directors

Marimekko store openings in 2013

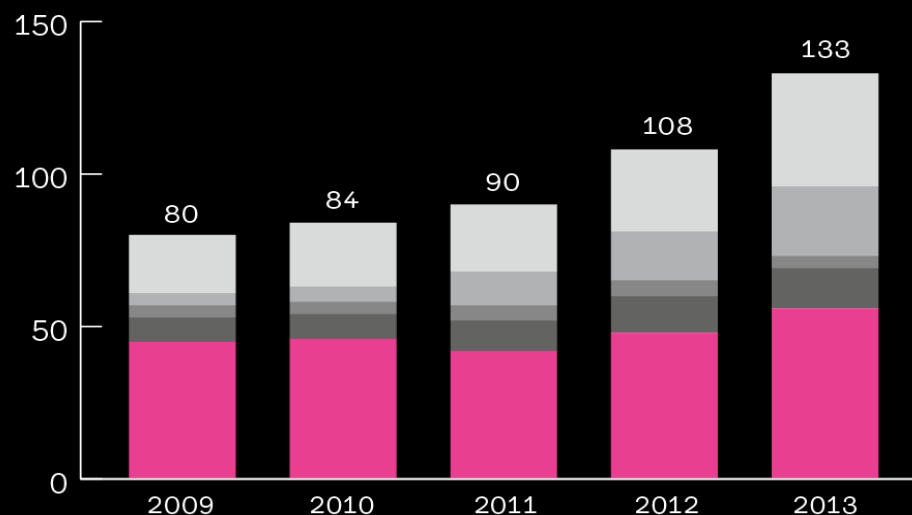


- Marimekko's own retail stores opened in 2013
- Retailer-owned Marimekko stores opened in 2013
- ▲ Marimekko shop-in shops opened in 2013

■ Countries with Marimekko stores

133 Marimekko stores by the end of 2013

MARIMEKKO STORES



	2009	2010	2011	2012	2013
Finland	45	46	42	48	56
Scandinavia	8	8	10	12	13
Central and Southern Europe	4	4	5	5	4
North America	4	5	11	16	23
Asia-Pacific	19	21	22	27	37
Total	80	84	90	108	133

*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 51 at the end of 2013 (47).

Key figures

	2013	2012	Change, %
Net sales, EUR 1,000	94,007	88,471	6
International sales, EUR 1,000	41,848	36,127	16
% of net sales	45	41	
EBITDA, EUR 1,000	6,854	5,573	23
Operating profit, EUR 1,000	82	2,019	-96
Operating profit margin, %	0.1	2.3	
Result for the period, EUR 1,000	-955	1,100	
Earnings per share, EUR	-0.12	0.14	
Cash flow from operating activities, EUR 1,000	5,424	8,605	-37
Gross investments, EUR 1,000	2,353	7,582	-69
Return on investment (ROI), %	-1.1	4.1	
Equity ratio, %	55.5	54.6	
Gearing, %	31.7	32.0	
Contingent liabilities, EUR 1,000	37,365	39,986	-7
Personnel at the end of the period	502	535	-6
outside Finland	124	103	20
Brand sales, EUR 1,000	191,098	187,184	2
outside Finland, EUR 1,000	115,060	100,666	14
proportion of international sales, %	60	54	
Number of retail stores and shop-in-shops	133	108	23

Events after the review period



The Allu-dress, made of Finnish birch-derived dissolving pulp fibre

- Marimekko closely monitors the product development of materials so that it can provide its customers with new and more ecologically acceptable alternative materials
- At the autumn & winter 2014 fashionshow the Allu-dress, that was created as a collaboration between Marimekko and Aalto-university, was showcased
- The dress is made from ecological Ioncell fibre that comes from a raw material of domestic birch-derived dissolving pulp obtained from Finnish pulp mills



Consultative negotiations and reorganisation

- Consultative negotiations that started in February 2014 ended in March
- Results of the downsizing and working hours arrangements in Finland
 - elimination of 22 jobs
 - at most 35 employees' jobs were converted to part-time basis or working hours were reduced
- The aim is to achieve annual cost savings of an estimated EUR 1.5 million
 - savings will be realised gradually as of Q2 2014
 - full impact as of Q4 2014
- In connection with the downsizing, the company will post a nonrecurring cost provision of EUR 0.4 million for Q1 2014

New Creative Director

- In February 2014 Marimekko initiated an international recruitment process to seek a new Creative Director for the company
- Marimekko announced on the 16 April 2014 the appointment of the new Creative Director. Anna Teurnell is appointed as the new Creative Director of Marimekko and member of the company's Management Group as of 15 July 2014
- Minna Kemell-Kutvonen, previous Creative Director of Marimekko, will continue in the design team with responsibility for print design

The new Creative Director of Marimekko: Anna Teurnell

- Anna Teurnell (47)
- Head of Design for the fashion brand & Other Stories
- Responsible for the design of all fashion lines and leading the design teams in Paris and Stockholm
- Graduated from Beckmans College of Design
- Several key roles in brand management and design at the Hennes & Mauritz Group
- Experience also in print design for fashion





Thank you!

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