

Interim Report

1-9/2013

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7 November 2013

Agenda

1) **Key events during the period:**

During the third quarter, 14 new Marimekko stores opened of which 13 outside Finland.

2) **Net sales:**

Growth in net sales continued: net sales grew by 9% and international sales by 20%.

3) **Operating profit:**

Operating profit in Q3 was boosted by growth in wholesale sales in the Asia-Pacific region and Finland and by improvement in the profitability of company-owned stores in Finland in spite of a fall in comparable sales. Operating profit was weakened by the loss posted by stores in the launch phase in the United States and by a downturn in wholesale sales in Scandinavia, Central and Southern Europe, and North America.

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, 34 Marimekko stores and shop-in-shops will be opened, 6 of which will be company-owned.

Net sales and operating profit forecasts for the full year 2013 remain unchanged.



Key events in Q3 2013

A total of 14 new Marimekko stores opened of which 13 outside Finland.

In Finland, a retailer-owned store opened in Hämeenlinna.

In Denmark, a company-owned store opened in Copenhagen and a shop-in-shop in Lyngby.

Six shop-in-shops were opened in Canada and one in the United States.

The store network in China expanded with a retailer-owned store in Shanghai. In Japan, stores were opened in Kagoshima and Tokyo while second Marimekko store opened in South Korea, near Seoul.



Marimekko fashion show at the Copenhagen fashion week in August 2013.



Hämeenlinna, Finland.

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Copenhagen, Denmark.

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Shop-in-shop in Lyngby, Denmark.



Six shop-in-shops in Canada and one in the United States.



Kagoshima, Japan.

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Shanghai, China.

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Pangyo near Seoul, South Korea.



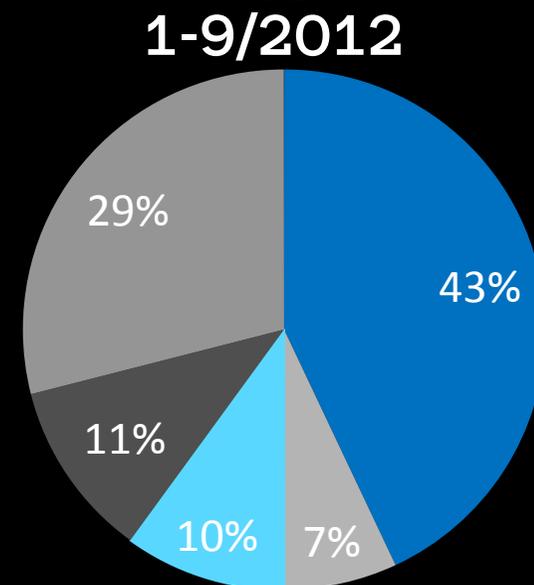
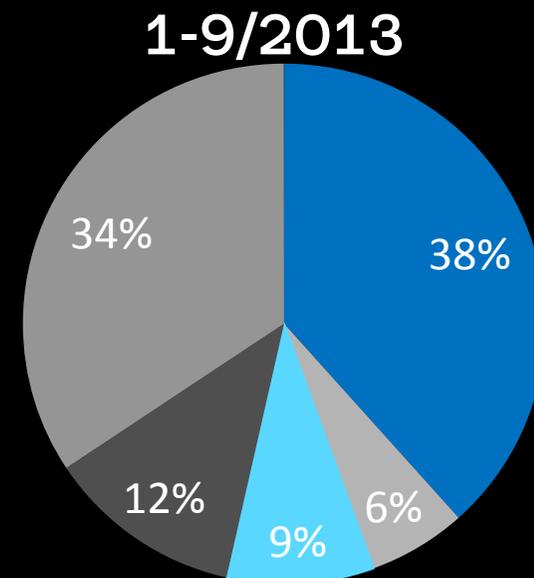
Shop-in-shop in Tokyo, Japan.

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Brand sales

Brand sales* in January-September 2013 grew by 5% to EUR 139.6 million (132,8). 62% of the sales came from abroad (57).

	(EUR 1,000)	1-9/2013	1-9/2012	Change,%
Finland		52,992	57,063	-7
Scandinavia		8,933	9,498	-6
Central and Southern Europe		12,927	12,835	1
North America		17,271	15,135	14
Asia-Pacific		47,489	38,237	24
TOTAL		139,612	132,768	5



* 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.

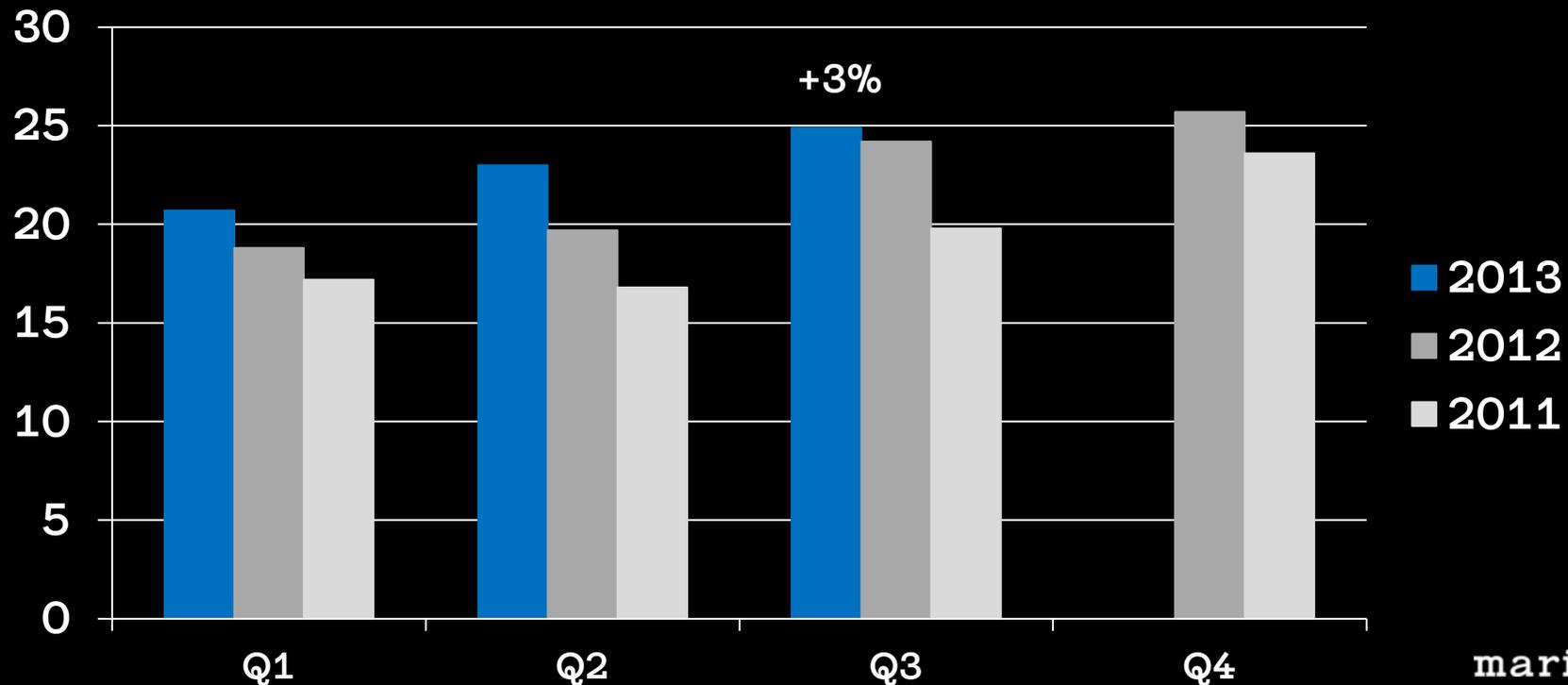
Net sales

In Q3/2013 net sales grew by 3% to EUR 24.9 million (24.2).
International sales +7%.

In January-September net sales grew by 9% to EUR 68.5 million (62.7).
International sales +20%.

The growth in net sales was boosted especially by the stores opened in North America and the Asia-Pacific region during 2012 and 2013.

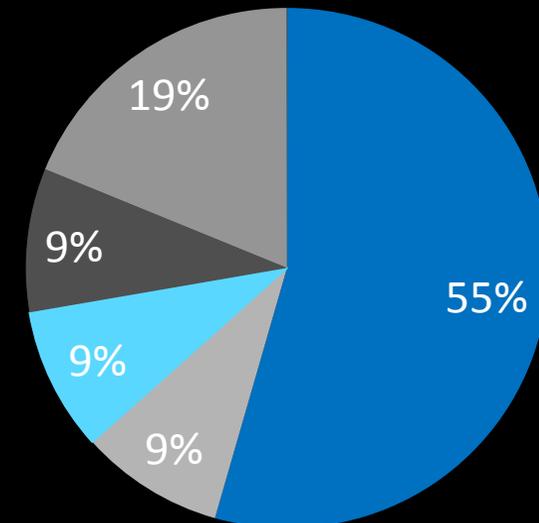
EUR million



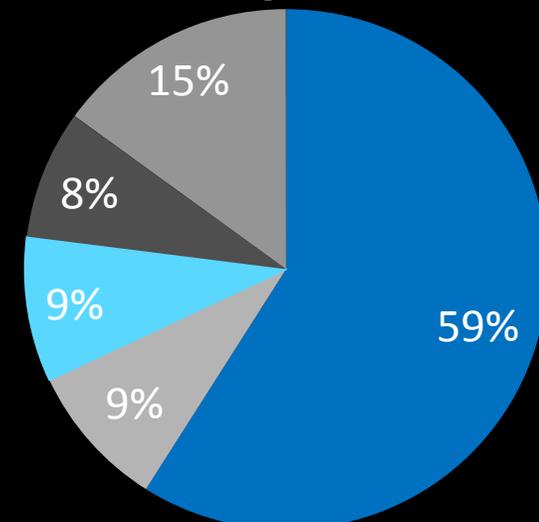
Net sales by market area

(EUR 1,000)	1-9/2013	1-9/2012	Change,%
Finland	37,454	36,789	2
Scandinavia	5,858	5,793	1
Central and Southern Europe	5,915	5,908	0
North America	6,352	4,934	29
Asia-Pacific	12,963	9,299	39
TOTAL	68,542	62,723	9

1-9/2013



1-9/2012



Net sales by market area

In Finland, net sales +2%: retail sales +6% and wholesale sales -5%. Sales were boosted by three company-owned stores opened in 2012 as well as two company-owned stores opened in the second quarter of 2013. Comparable sales by company-owned stores fell by 5%. In the third quarter of the year, consumers' purchasing behaviour became more cautious.

In Scandinavia, net sales +1%: retail sales +29%, wholesale sales -18%. Retail sales were boosted by two company-owned stores opened in Sweden in 2012, the extension of Marimekko's e-commerce into Sweden, as well as the opening of two company-owned stores in 2013, one in Sweden in June and the other in Denmark in August. The comparable sales growth for company-owned stores was +6%. Consumers' purchasing behaviour continued to be cautious, especially in Sweden and Denmark, which affected wholesale sales in particular.

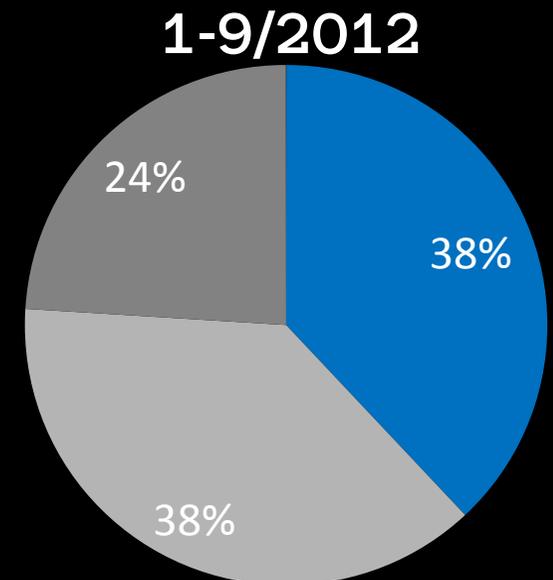
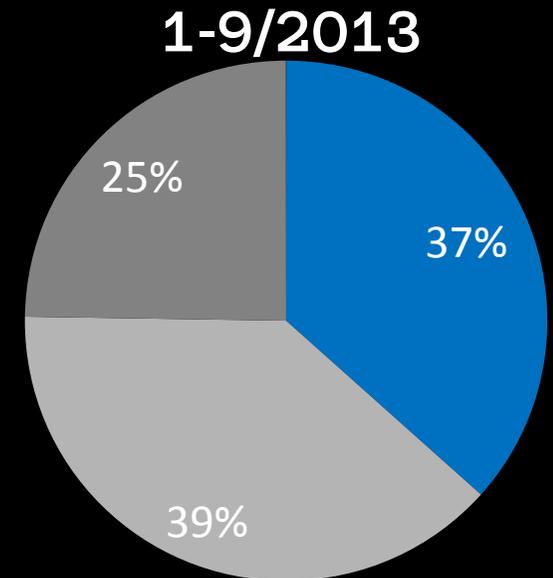
In Central and Southern Europe, net sales remained at previous year's level: retail sales -10% and wholesale sales +3%. Sales rose in Italy and Switzerland but fell in the UK, the Netherlands and Germany.

Net sales in North America grew by 29%: retail sales +74% and wholesale sales -10%. The growth in net sales came from the four company-owned stores opened in the United States in the second half of 2012.

Net sales in the Asia-Pacific region grew by 39%. The wholesale sales grew by 23%. Wholesale sales were improved by the opening in 2012 of two new stores in Japan and one in Hong Kong, as well as investments in Australia, combined with store openings in China, South Korea and Japan during the period under review. Net sales were also boosted by two company-owned stores opened in Australia at the end of 2012

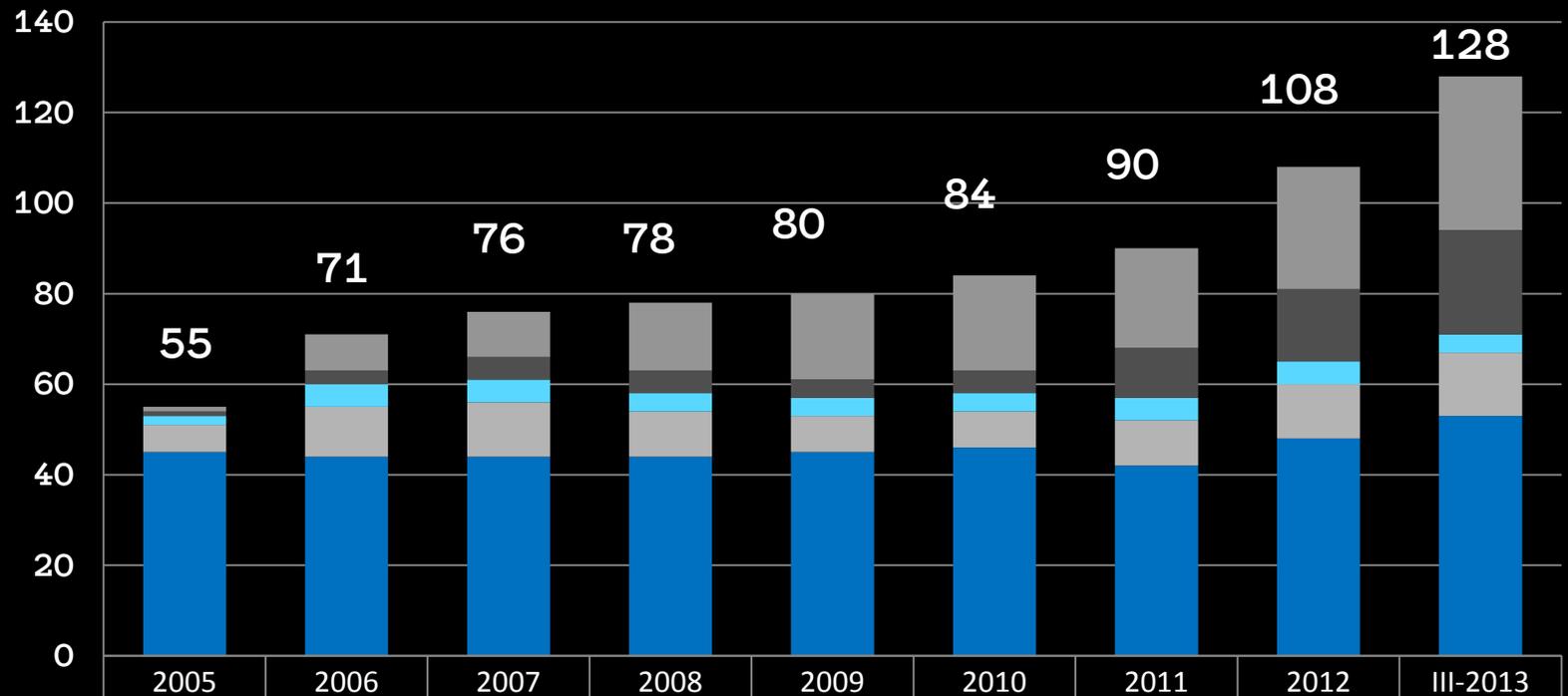
Net sales by product line

	(EUR 1,000)	1-9/2013	1-9/2012	Change,%
Clothing		25,488	23,125	10
Interior Decoration		27,039	25,422	6
Bags		16,015	14,176	13
TOTAL		68,542	62,723	9



Marimekko stores

128 stores* at the end of September 2013.



	2005	2006	2007	2008	2009	2010	2011	2012	III-2013
■ Asia-Pacific	1	8	10	15	19	21	22	27	34
■ North America	1	3	5	5	4	5	11	16	23
■ Central and Southern Europe	2	5	5	4	4	4	5	5	4
■ Scandinavia	6	11	12	10	8	8	10	12	14
■ Finland	45	44	44	44	45	46	42	48	53

*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 49 at the end of September 2013 (43).

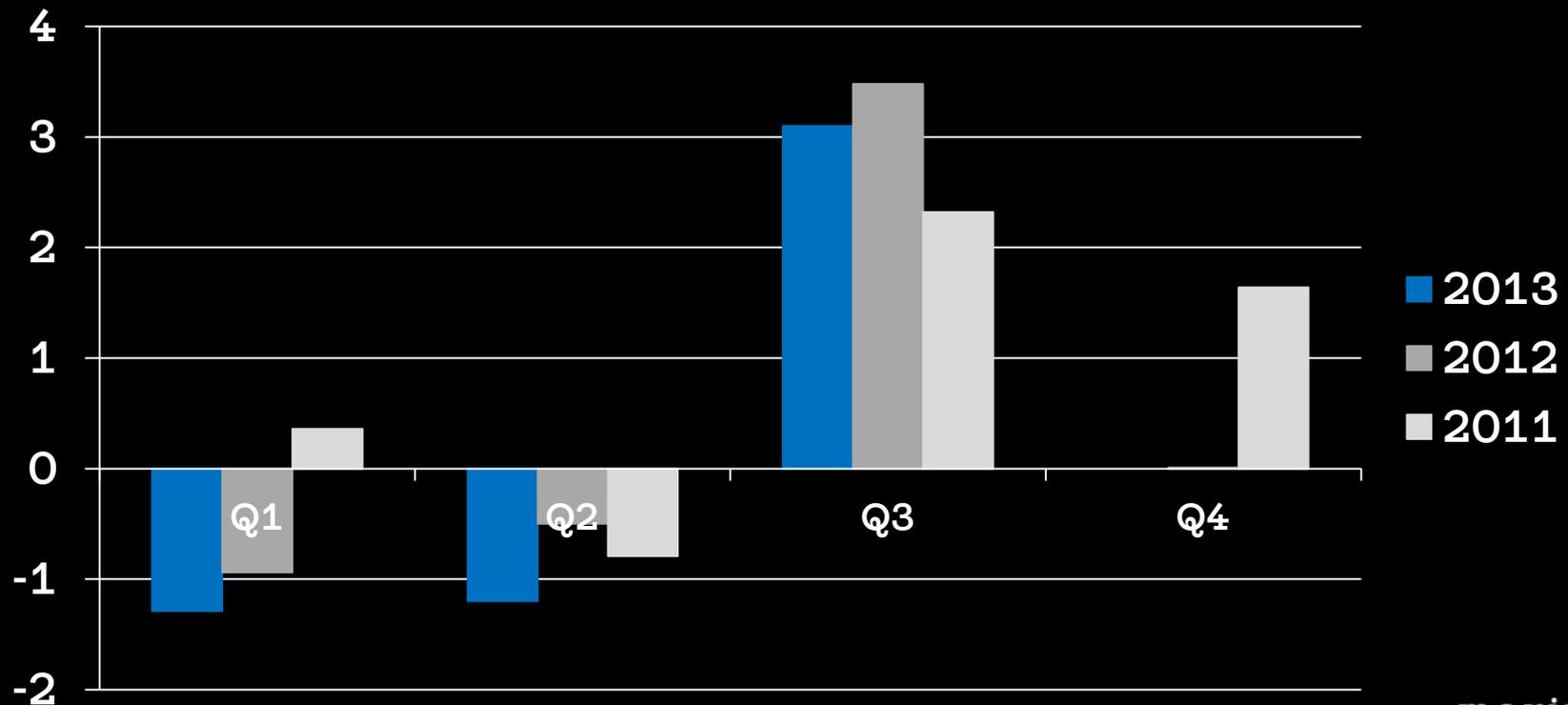
Operating profit

During the third quarter of 2013, the operating result was EUR 3.1 million (3.5).

In January-September, the operating result was EUR 2.1 million (2.0), excluding nonrecurring items of EUR -1.5 million.

Operating profit for the review period was boosted by growth in wholesale sales in the Asia-Pacific region, an improvement in the profitability of company-owned stores in Finland in spite of a fall in comparable sales, and by growth in the company's textile printing factory's operating rate as well as enhanced operational efficiency.

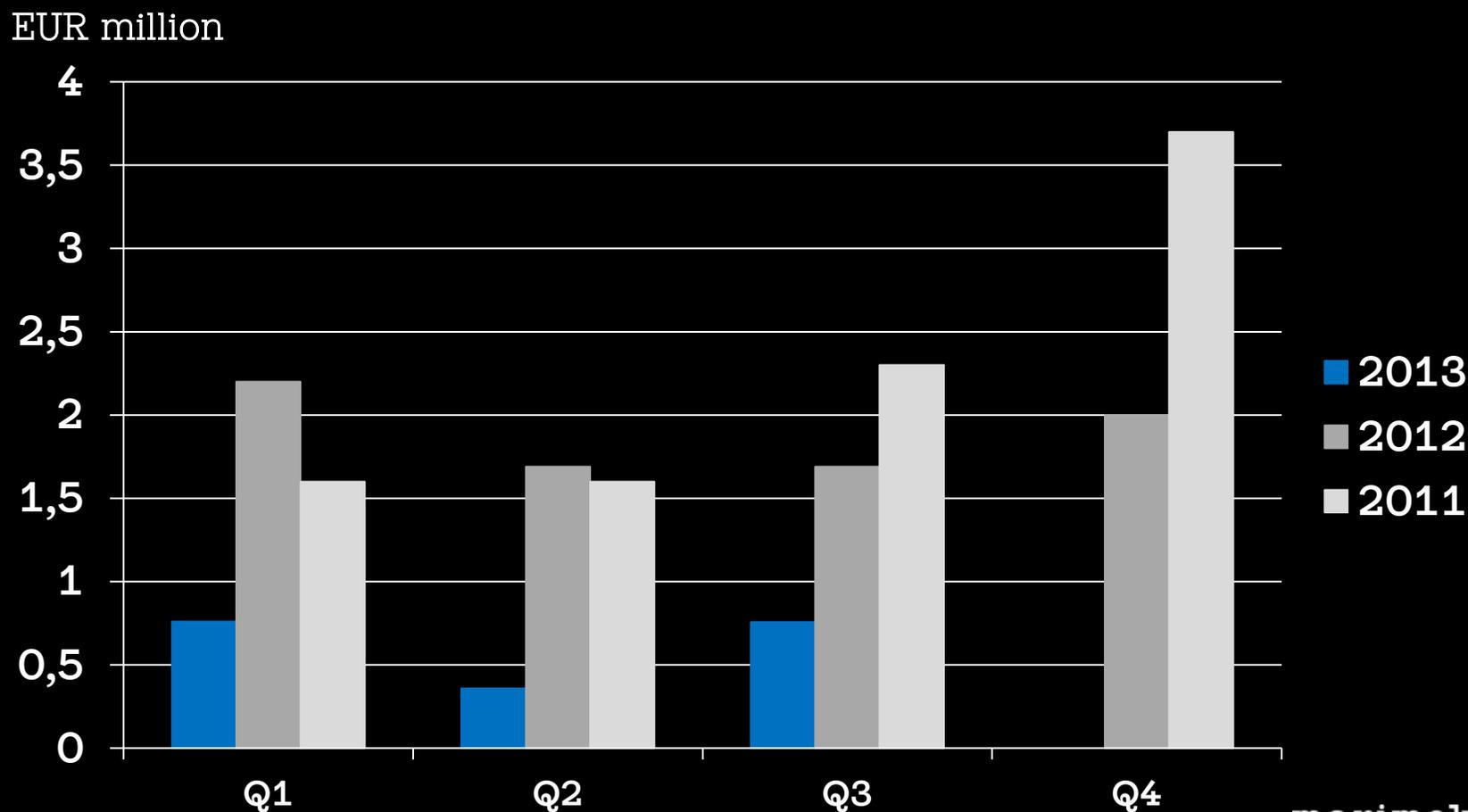
EUR million



Investments considerably lower than in 2012

In January-September 2013 gross investments were EUR 1.9 million (5.6) representing 3% of net sales (9%).

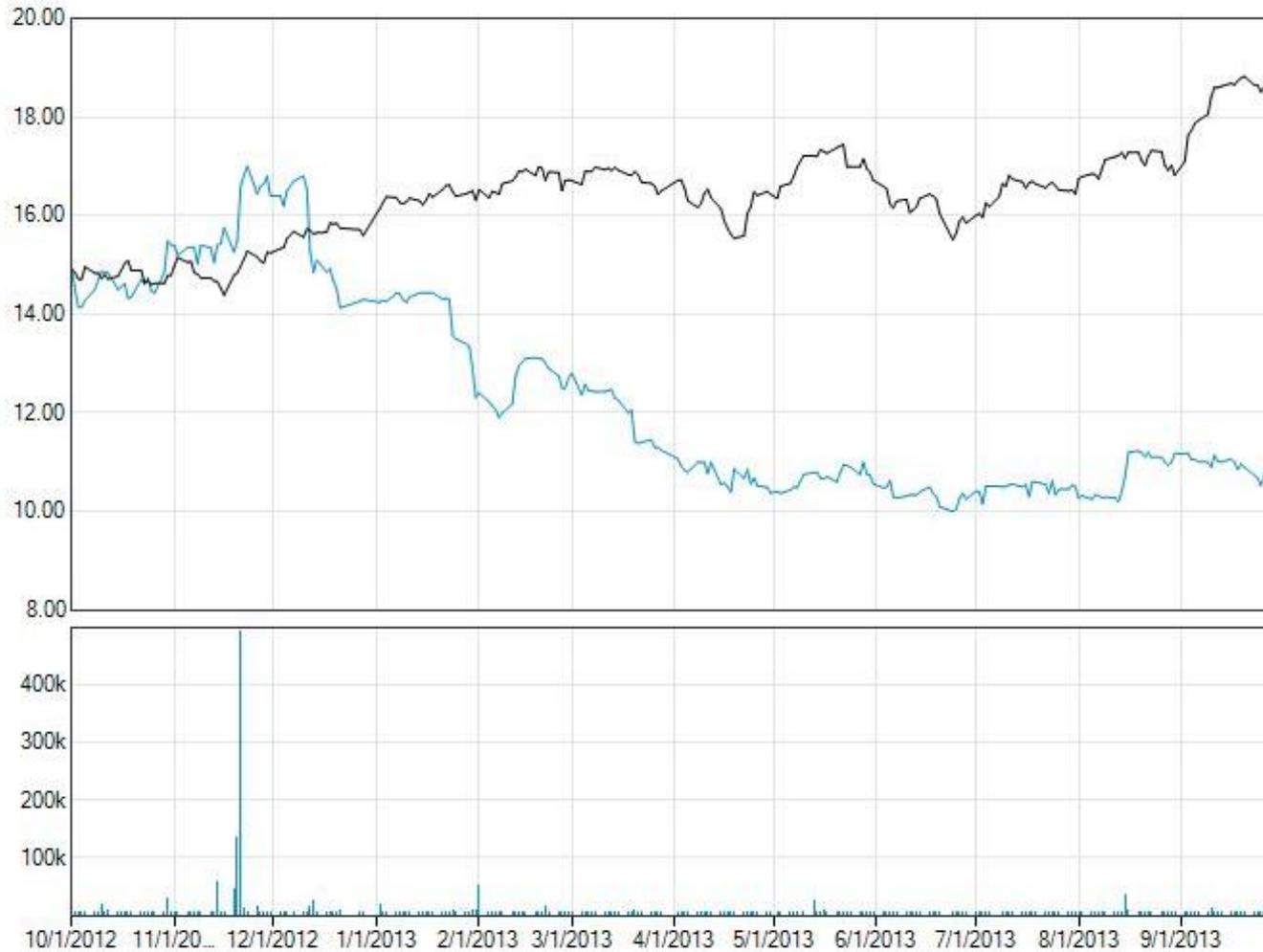
Most of the investments were devoted to building stores and renovating the Herttoniemi property.



Key figures

	1-9/2013	1-9/2012	Change, %	1-12/2012
Net sales, EUR 1,000	68,542	62,723	9	88,471
International sales, EUR 1,000	31,088	25,934	20	36,127
% of net sales	45	41		41
EBITDA, EUR 1,000	4,253	4,535	-6	5,573
Operating result, EUR 1,000	645	2,006	-68	2,019
Operating result margin, %	0.9	3.2		2.3
Result for the period, EUR 1,000	-410	1,439	-128	1,100
Earnings per share, EUR	-0.05	0.18	-128	0.14
Cash flow from operating activities, EUR 1,000	393	2,539	-85	8,605
Gross investments, EUR 1,000	1,876	5,609	-67	7,582
Return on investment (ROI), %	0.9	6.0	-85	4.1
Equity ratio, %	51.5	54.4	-5	54.6
Gearing, %	47.3	47.9		32.0
Contingent liabilities, EUR 1,000	39,372	37,321	5	39,986
Personnel at the end of the period	522	482	8	535
outside Finland	110	77	43	103
Brand sales, EUR 1,000	139,612	132,768	5	187,184
outside Finland, EUR 1,000	86,620	75,705	14	100,666
proportion of international sales, %	62	57		54
Number of retail stores and shop-in-shops	128	102	25	108

Share price previous 12 months



Marimekko

OMX Helsinki

Market outlook and growth targets

General uncertainty in the global economy is forecast to continue, and this may affect consumers' purchasing behaviour in all of Marimekko's market areas. The economic prospects for Europe are still gloomy, and growth is slow in the region. However, the economic outlook has taken a slight upturn. In the United States and Asia, economic forecasts are better than in Europe. In the United States, the growth prospects have, however, slightly weakened in the past months, but in Asia, the economic growth is anticipated to continue stronger than in other regions. In Finland, market conditions are weak, and economic forecasts by trade and industry for the next few months are clearly below normal. Economic conditions are also expected to remain weak, and retail sales are forecast to decline. (Confederation of Finnish Industries EK: Business Tendency Survey, November 2013). In Finland, consumer confidence continued to deteriorate in the third quarter of the year and the autumn was exceptionally warm. Consequently, the downturn in the comparable sales of Marimekko's own stores in Finland accelerated. The negative trend of company-owned stores in Finland also continued in October, casting a shadow over prospects in Finland for the end of the year and especially for Christmas trading which is important to Marimekko.

The stores opened in 2012 and other major investments in expanding the distribution network will bring a considerable increase in sales in 2013. The main thrust in expansion this year is on openings of retailer-owned Marimekko stores and shop-in-shops. The company will also invest in developing the operations of the stores it opened in 2012. Marimekko announced in January that the aim was to open 15 to 24 new stores this year. The number of stores to be opened has been confirmed as 34, of which 6 will be company-owned.

The planned total investments for 2013 of the Marimekko Group are estimated as being in excess of EUR 3 million. Most of the investments are devoted to building new retail facilities and purchases of fittings.

Financial guidance

The forecast for the whole of 2013 remains unchanged:

The Marimekko Group's net sales are estimated to grow by over 5% and operating profit excluding nonrecurring items 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.

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