

marimekko®

Interim Report 1-9/2011

Mika Ihamuotila

10 November 2011

Agenda

- 1) **Key events and projects:**
 - Three new Marimekko stores opened in Europe and the United States
 - New printing machine started

- 2) **Sales:**
 - Good growth in net sales considering market conditions
 - International sales and brand sales rose very well
 - Sales in Finland fell slightly

- 3) **Operating profit:**
 - Operating profit decreased as expected as a result of considerable investments in internationalisation
 - Personnel and marketing expenses increased
 - Increases in raw material costs and overall cost levels

- 4) **Outlook and events after the close of the review period:**
 - The full-year estimate for 2011 is unchanged
 - Flagship store opened in New York in early October
 - In addition, six new stores open during rest of the year
 - Spring/Summer 2012 fashion collection were showcased in Tokyo and Helsinki



Key events and projects

Two new own retail stores opened in Copenhagen and in Stockholm.

A new shop-in-shop opened at Crate and Barrel in Boston.

New printing machine started.



Photo: Amanda Hestehave

Copenhagen Airport

marimekko®



Photo: Carl Hjelte

Stockholm

marimekko



Boston (C&B)

marimekko®



Photo: Toni Rosvall

New printing machine was started in September

marimekko®

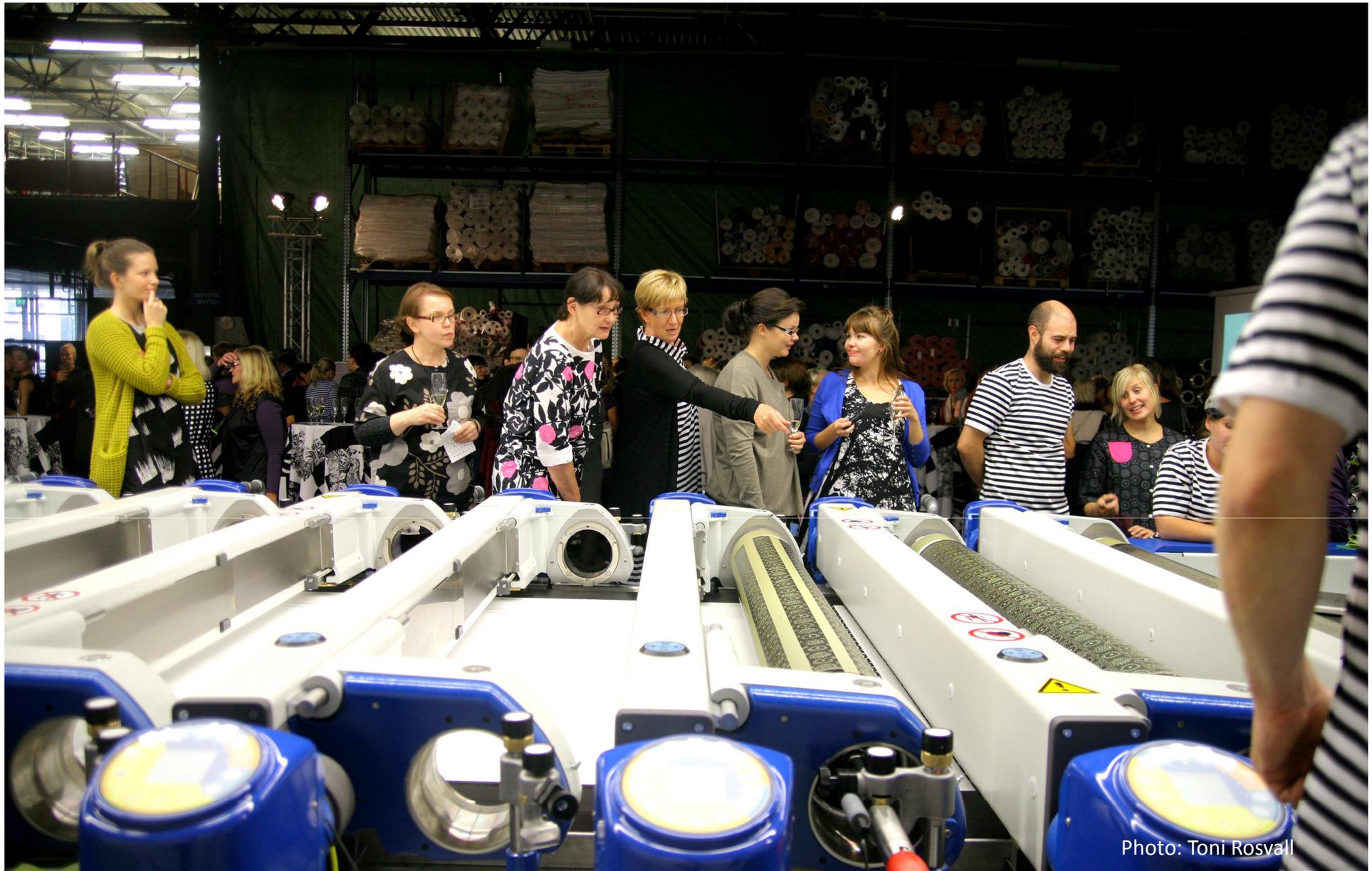


Photo: Toni Rosvall

Market Situation

The overall uncertainty about the global economy has increased markedly as a result of the intensified national debt situation in the US and in the European crisis countries, particularly in Greece.

In Finland, consumer confidence has weakened considerably as estimates of the development of the Finnish economy have become significantly more pessimistic.

The uncertainty may affect consumers' purchasing behaviour and buying power in all Marimekko's markets.

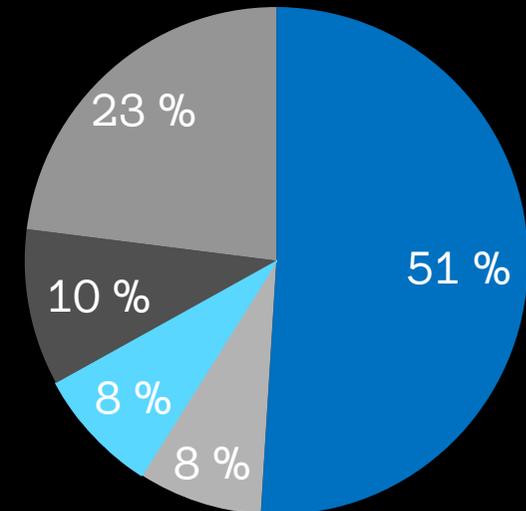
Brand sales showed good growth

From January to September 2011 brand sales* grew by 17% and were EUR 121 million (EUR 104 million). 49% of the sales came from abroad (46%).

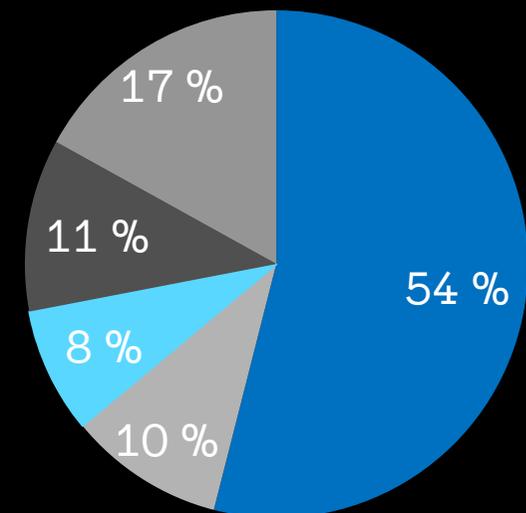
	(EUR 1,000)	1-9/2011	1-9/2010	Change,%
Finland		62,077	56,204	10.4
Scandinavia		9,436	10,110	-6.7
Central and Southern Europe		9,942	8,349	19.1
North America		11,793	11,291	4.4
Asia-Pacific		27,901	17,839	56.4
TOTAL		121,149	103,793	16.7

* 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 key figure is not audited.

1-9/2011



1-9/2010

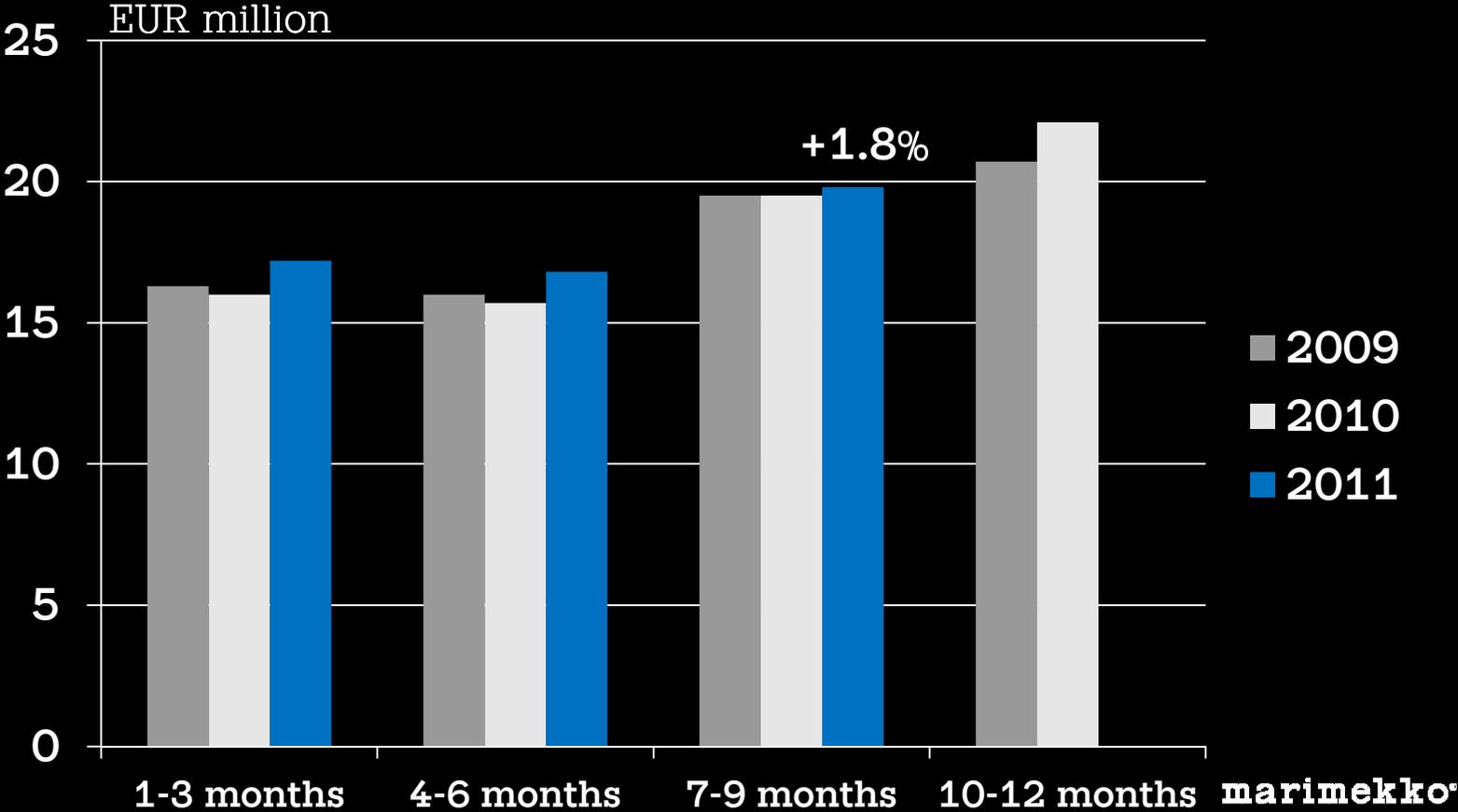


Growth in net sales was generated by international sales

Net sales grew by 5% to EUR 54 million (EUR 51 million) during the January-September period of 2011.

International sales +22%. Sales grew strongly in the Asia-Pacific region and Central and Southern Europe.

Finland -3%. The decline was attributable to changes in the distribution network, made in accordance with the company's distribution strategy, and a decrease in deliveries for promotions.



Net sales by market area

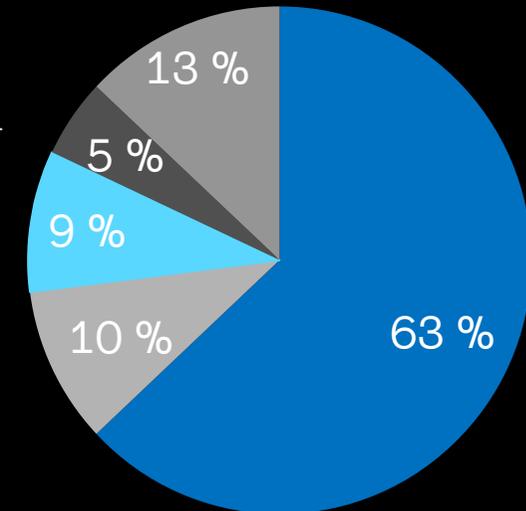
Finland -3%: retail sales in Finland +2%, wholesale sales -11%. Retail sales growth slowed partly due to changes implemented in sales areas in the Helsinki stores in 2010. The decline in wholesale sales was attributable to changes in the distribution network, made in accordance with the company's distribution strategy, and a decrease in deliveries for promotions. Excluding these factors sales grew by about 2%.

Sales grew vigorously in the Asia-Pacific region, +54%, and Central and Southern Europe, +27%, mainly due to the favorable trend in wholesale sales. New stores also increased sales. The Asia-Pacific region has replaced Scandinavia as the second largest market for the company.

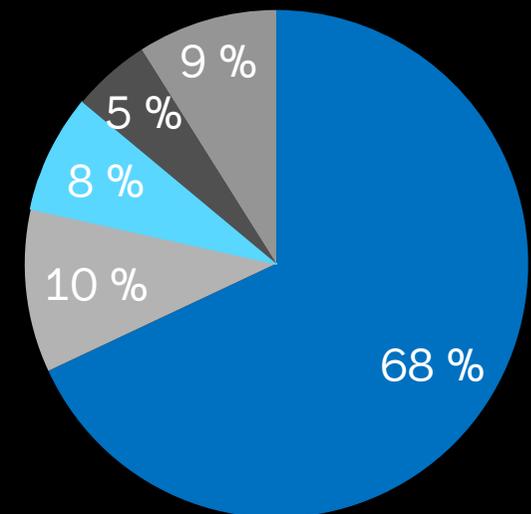
North America +6%: when measured in the invoicing currency (mainly the US dollar), sales showed growth of about 11%.

	(EUR 1,000)	1-9/2011	1-9/2010	Change,%
Finland		34,154	35,072	-2.6
Scandinavia		5,294	5,284	0.2
Central and Southern Europe		4,866	3,827	27.1
North America		2,835	2,679	5.8
Asia-Pacific		6,712	4,361	53.9
TOTAL		53,861	51,223	5.2

1-9/2011



1-9/2010



Net sales by product line

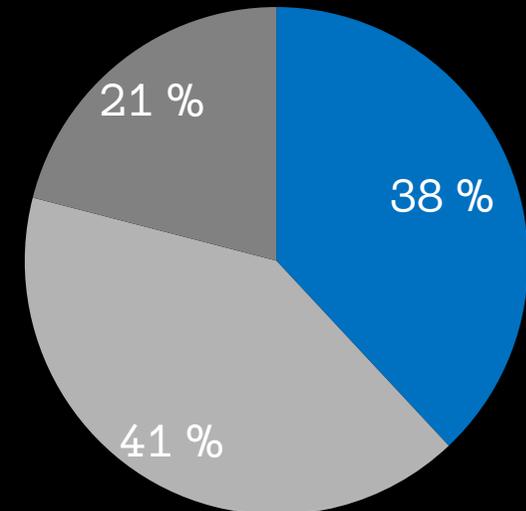
The sales of all product lines grew.

Growth was particularly strong in clothing sales in the Asia-Pacific region, thanks to the positive reception of new collections.

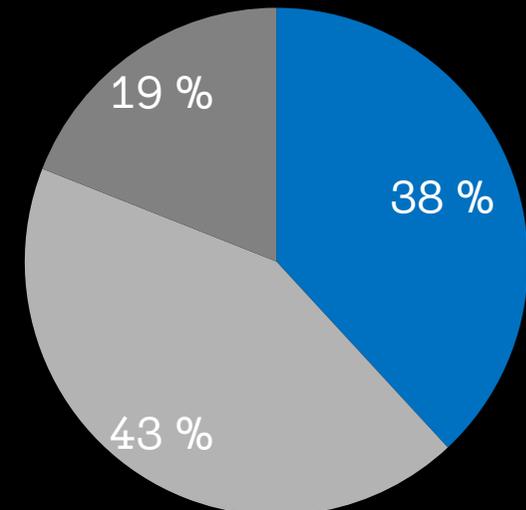
Sales of bags grew also well.

	(EUR 1,000)	1-9/2011	1-9/2010	Change,%
Clothing		20,534	19,387	5.9
Interior Decoration		22,289	21,919	1.7
Bags		11,038	9,917	11.3
TOTAL		53,861	51,223	5.2

1-9/2011

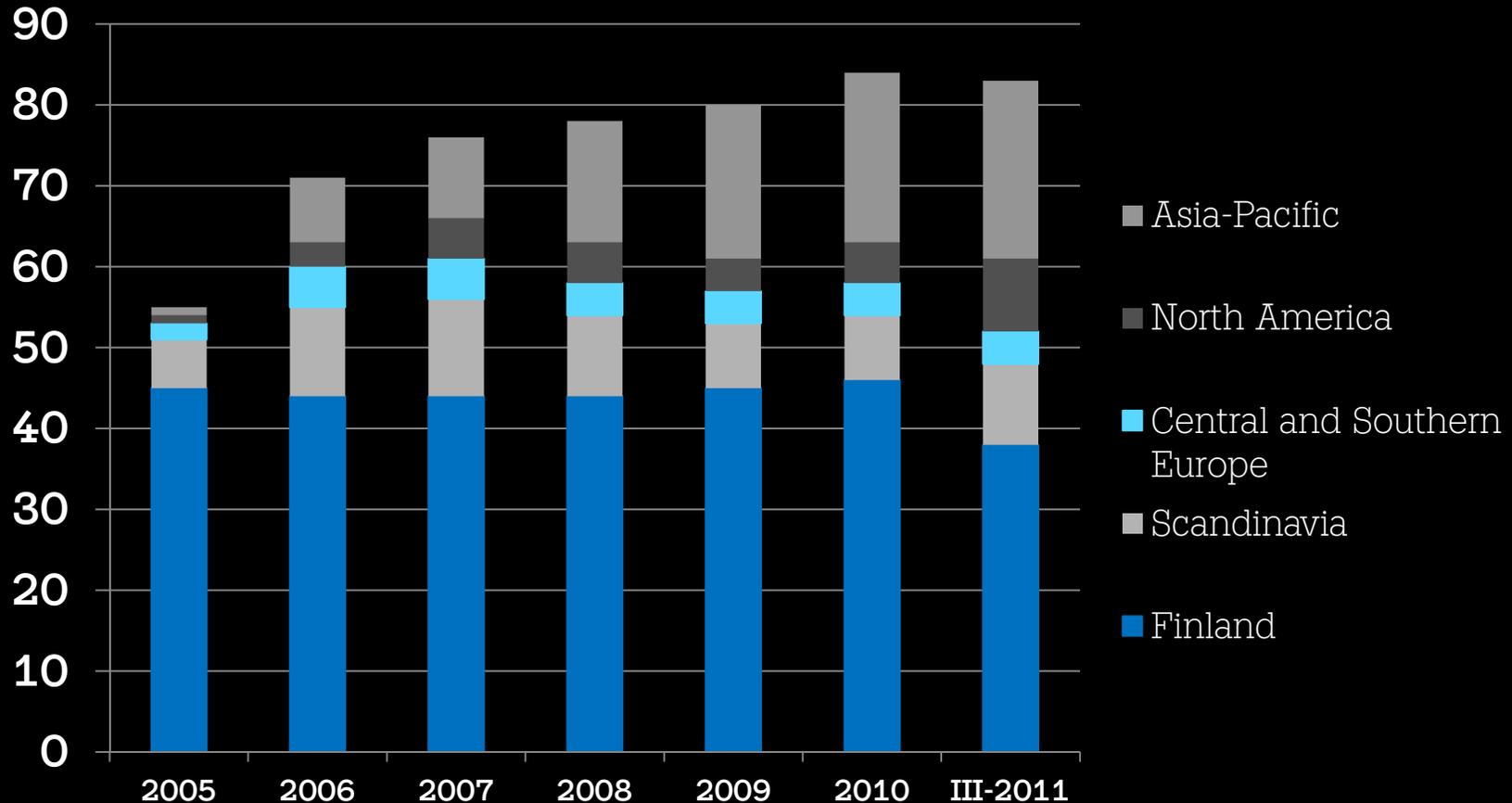


1-9/2010



Marimekko stores & shop-in-shops

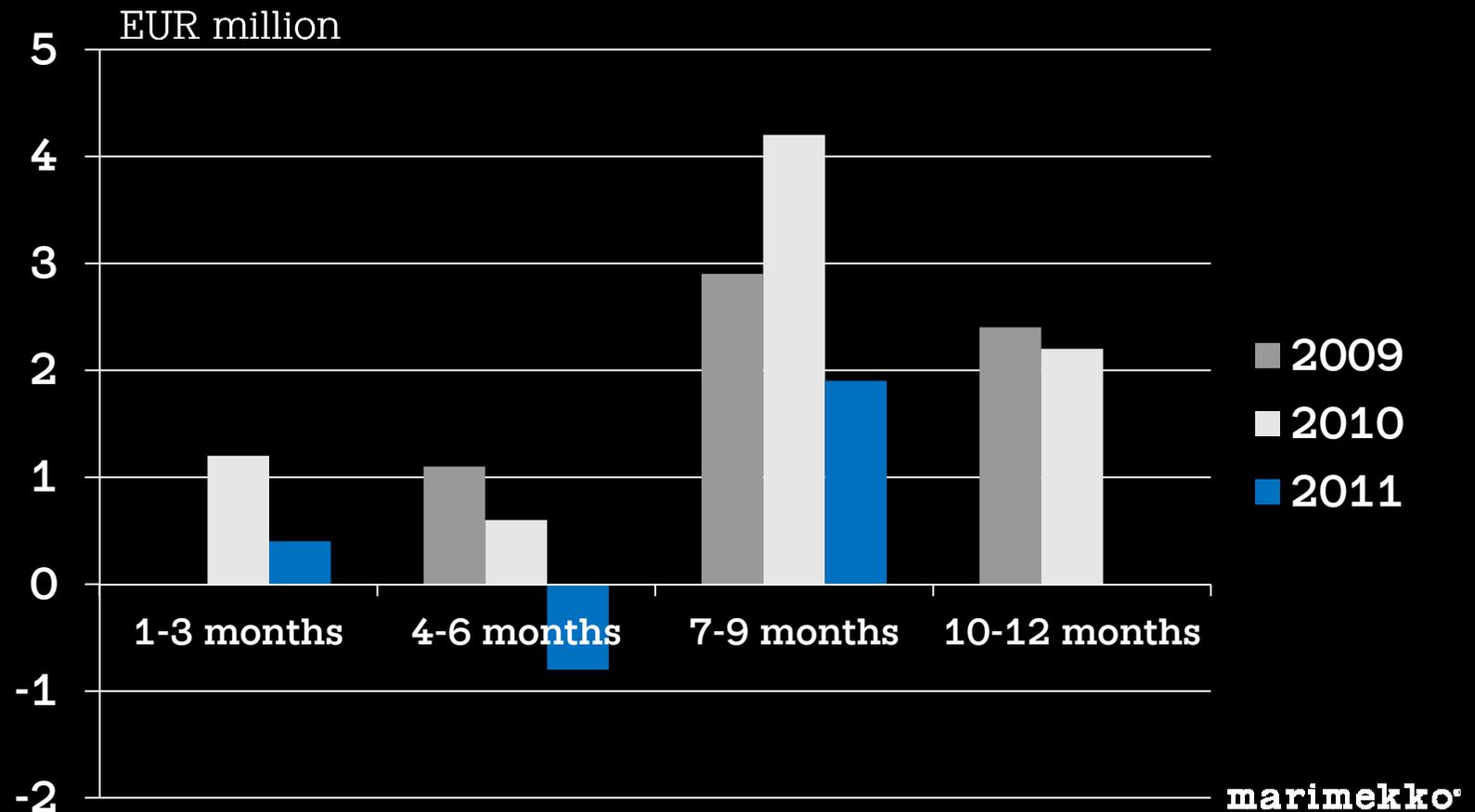
83 (81) stores & shop-in-shops *at the end of September 2011.



*Includes the company's own retail stores, retailer-owned Marimekko stores (previously "concept stores") and shop-in-shops with an area exceeding 30 m². There were 30 (25) own retail stores. The decrease in the total number of stores in the July-September period of 2011 results from changes in the Finnish distribution network, made in accordance with the company's distribution strategy. Store changes is discussed in more detail in the Interim Report, reviews by business unit.

Operating result decreased as expected

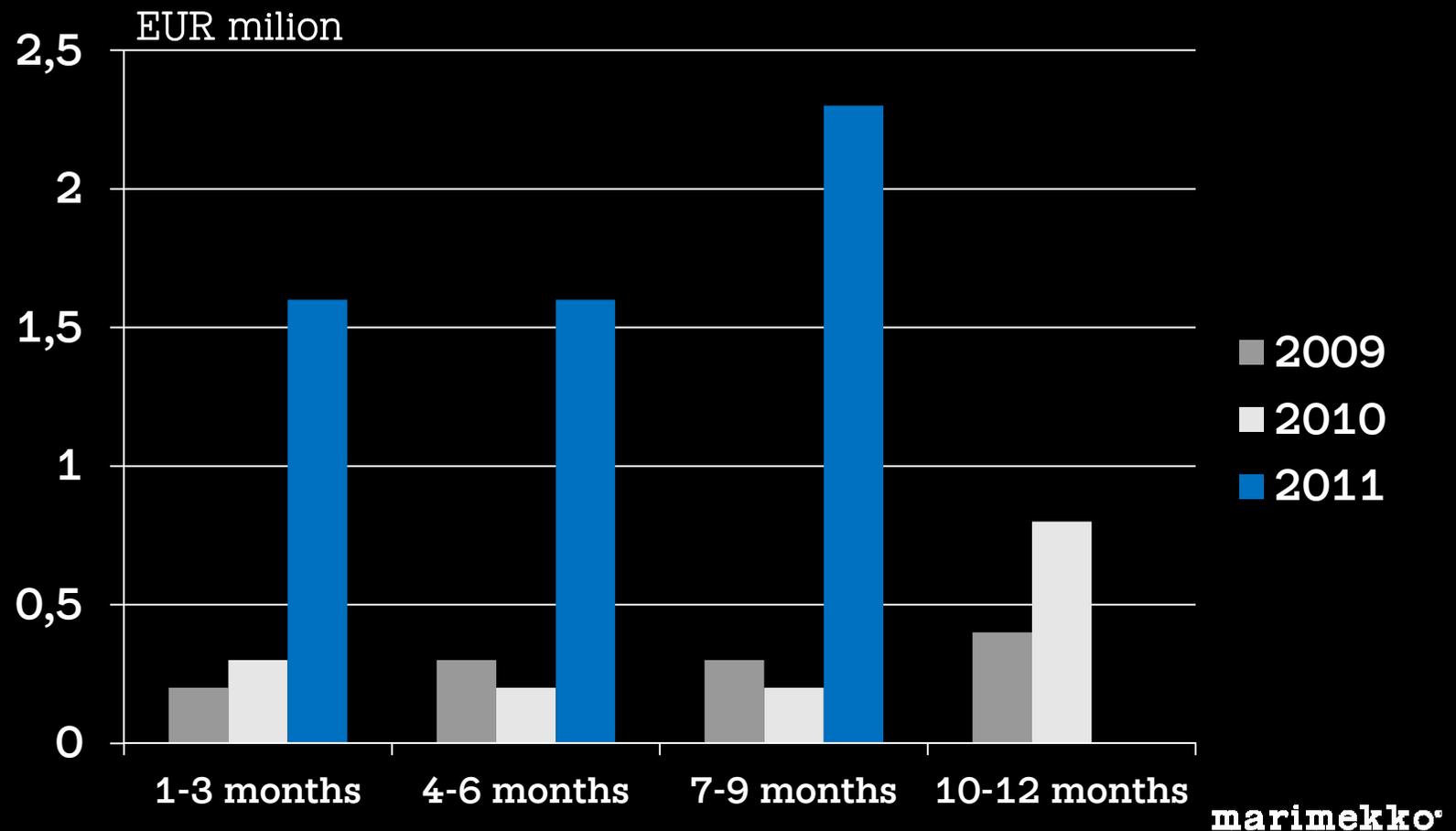
Operating profit was EUR 1.9 million during the January-September 2011. The result was burdened by considerable investments in developing the distribution network especially in the United States. Increased personnel expenses, raw material costs and rise in overall cost levels also had a negative impact on profitability. Marketing expenses were substantially higher than in the comparison period. Expenses in the comparison period were exceptionally low. Store openings and different events celebrating the company's anniversary raised marketing costs.



Investments were exceptionally high, EUR 5.5 million

In the January-September period of 2011 investments were EUR 5.5 million (EUR 0.7 million) representing 10% (1%) of net sales.

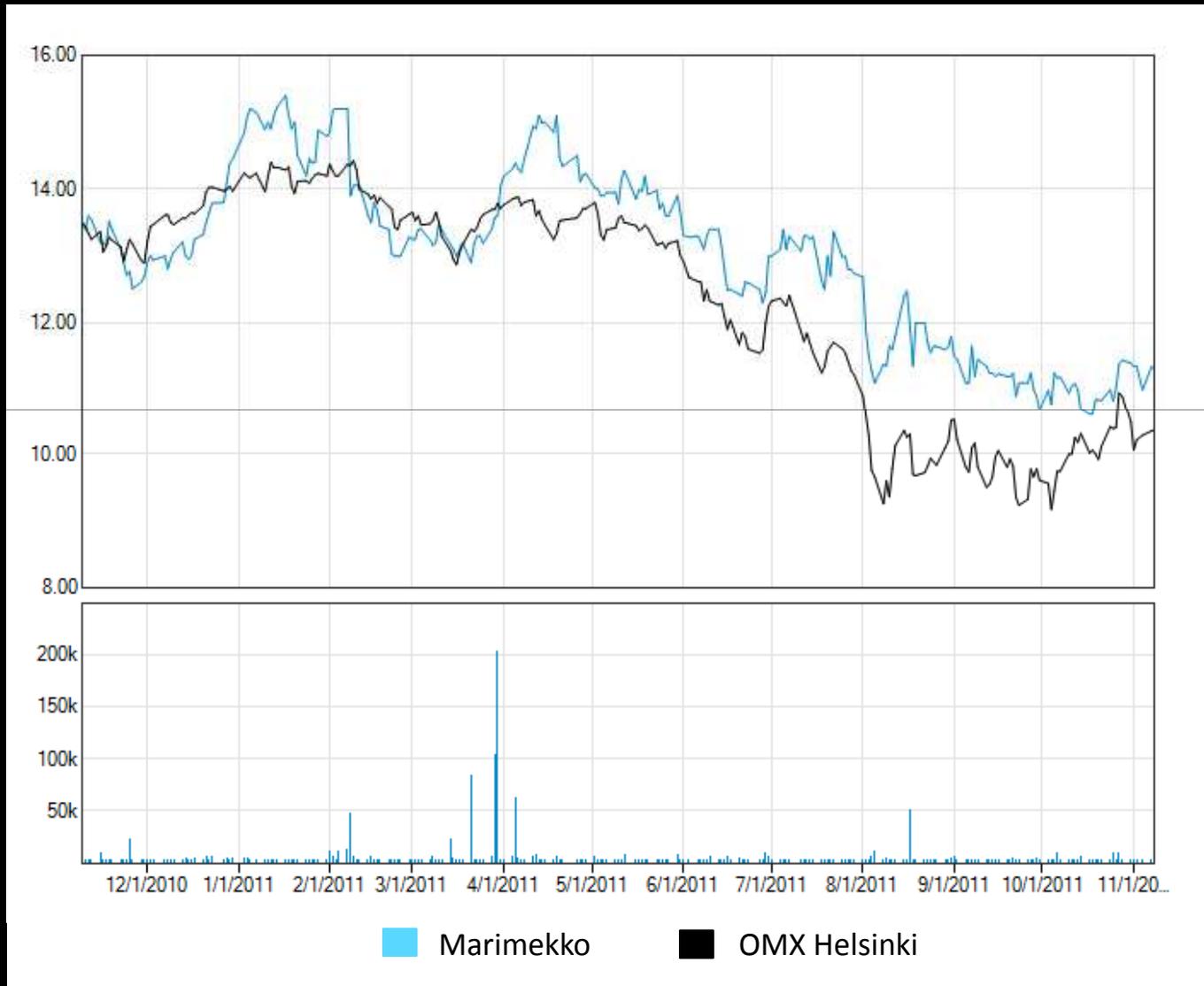
The majority of investments were directed: e-commerce project, building new store premises and purchasing new equipment, purchasing a new printing machine and acquiring and improving information systems.



Key figures

	1-9/2011	1-9/2010	Change, %	1-12/2010
Net sales, EUR 1,000	53,861	51,223	5.2	73,297
Operating profit, EUR 1,000	1,883	5,981	-68.5	8,169
Operating profit without non-recurring items, EUR 1,000	2,052	5,981	-65.7	8,169
Profit for the period, EUR 1,000	1,415	4,421	-68.0	6,072
Earnings per share, EUR	0.18	0.55	-67.3	0.76
Cash flow from operating activities, EUR 1,000	-1,816	922		4,559
Return on investment (ROI), %	7.2	24.8		25.0
Equity ratio, %	65.5	80.4		78.8
Brand sales, EUR 1,000	121,149	103,793	16.7	149,717

Share price 12 months



Outlook

The full-year estimate for 2011 given by the company in its interim report of 17 August 2011 remains unchanged: net sales growth for the Marimekko group is expected to be at the bottom end of the announced range (about 5-10%), close to 5%, and the anticipated decline in operating profit is estimated to be at the top end of the range (about 40-60%), roughly 50-60% compared with the previous year.



Events after the review period

Marimekko flagship store opened on New York's Fifth Avenue.

A new Marimekko shop-in-shop was opened in Miami area.

The first own retail store opened in Oslo.

Four new stores in Finland.

Spring/summer 2012 fashion collection was showcased in Tokyo and Helsinki.



New York's flagship store

marimekko®



New York's flagship store

marimekko®



Photo: Neilson Barnard

New York's flagship store

marimekko®



Marimekko's colours and patterns close to Madison Square Park

marimekko®



Photo: Even Knudsen

First own store in Oslo

marimekko®



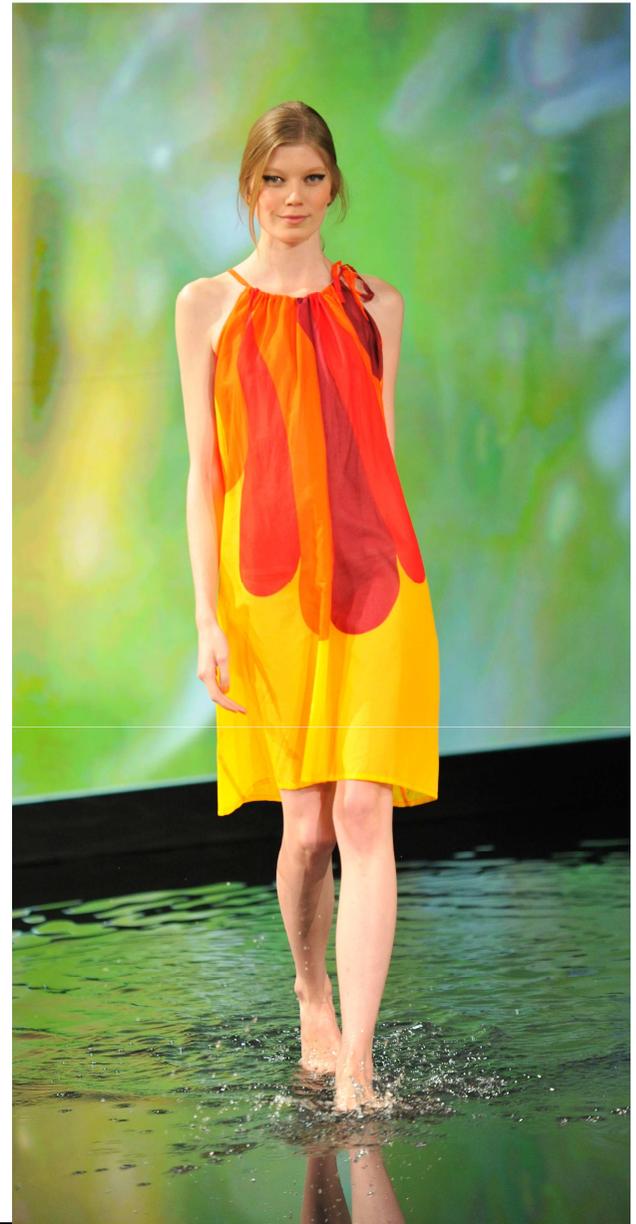
Miami (C&B)

marimekko®



**Spring/Summer 2012 clothing collection
on the catwalk in Tokyo**

marimekko



**Spring/Summer 2012 clothing collection
on the catwalk in Helsinki**

marimekko®

marimekko®