



marimekko®

INTERIM REPORT 1-9/2009

JANUARY-SEPTEMBER 2009

Mika Ihamuotila, President and CEO:

“The current year 2009 has been characterised by challenging market conditions. The sharp decline in consumer demand has reduced Marimekko’s sales both in Finland and abroad. The situation varies in different markets, but there are no clear signs of improvement on the horizon so far. In these difficult market conditions, positive news comes from Japan where trends have been good; during the period under review, five new Marimekko concept stores were opened in Japan. A new concept store was also opened in Copenhagen in July. After the review period, Marimekko has opened its refurbished shop in Stockholm and a new one in Tampere, Finland.

During the current year, we have taken action to improve the cost structure and efficiency of operations in order to adjust our operations to reduced demand and slow down the fall in profitability. We have managed to improve the company’s cash flow by cutting fixed costs and enhancing the efficiency of working capital management.

Despite the difficult operating environment, we are confident that Marimekko is heading in the right direction, and we will continue our long-term investment in product development and internationalisation.”

JANUARY-SEPTEMBER 2009

- The Marimekko Group's net sales fell to EUR 51.8 million (EUR 59.0 million).
- Operating profit fell to EUR 3.9 million (EUR 8.1 million).
- Operating profit without non-recurring items amounted to EUR 4.5 million (EUR 8.1 million).
- Profit after taxes for the period was EUR 3.0 million (EUR 6.0 million).
- Earnings per share were EUR 0.37 (EUR 0.75).
- Cash flow from operating activities before financial items and taxes stood at EUR 6.4 million (EUR 5.5 million).

MARKET SITUATION

- The recovery of the world economy seems to have begun, but the economic outlook for the near future is still bleak.
- Retail sales in Finland are forecast to continue to fall during the rest of the year, and employment is expected to decline sharply.
- Consumers' confidence in the Finnish economy has improved, but people feel insecure about their own employment prospects.
- The situation varies in different markets, but there are no clear signs of improvement on the horizon so far.

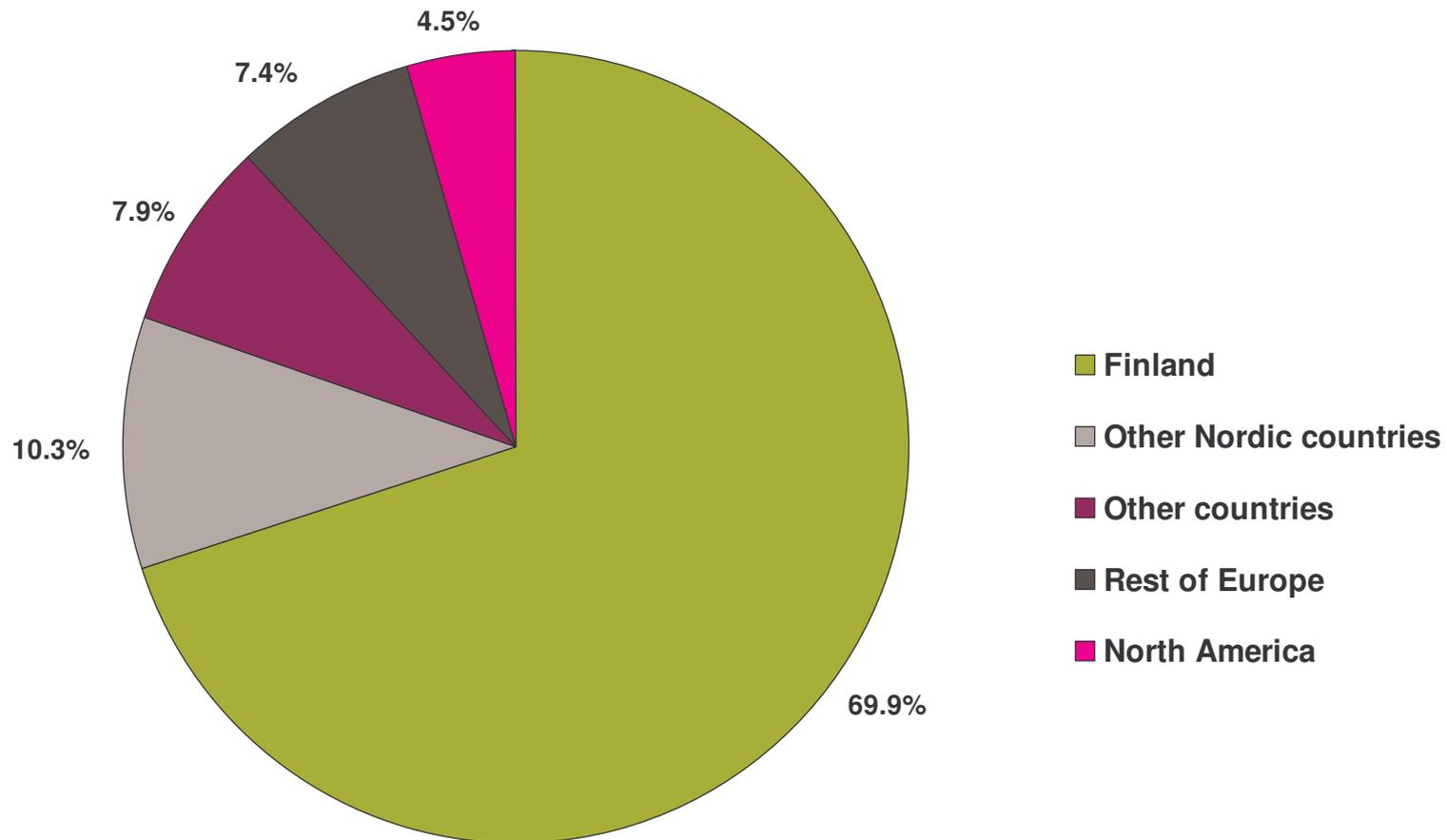
NET SALES 1-9/2009

- **The Group's net sales** decreased by 12.3% to EUR 51.8 million (EUR 59.0 million).
- **In Finland**, net sales fell by 12.7% to EUR 36.2 million (EUR 41.4 million).
 - The sales from Marimekko's own retail shops decreased by 1.8%.
 - Sales to retailers in Finland decreased by 23.6%.
- **Exports and income from international operations** decreased by 11.6% to EUR 15.6 million (EUR 17.6 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 in relation to the comparison period was also increased by revenues from individual promotions and one-off income from sales of licensed products in the corresponding period of the previous year.

NET SALES BY MARKET AREA 1-9/2009

(EUR 1,000)	1-9/2009	1-9/2008	Change, %	1-12/2008
Finland	36,173	41,413	-12.7	59,175
Other Nordic countries	5,317	7,809	-31.9	9,423
Rest of Europe	3,843	3,767	2.0	4,700
North America	2,309	2,877	-19.7	3,994
Other countries	4,112	3,180	29.3	3,815
TOTAL	51,754	59,046	-12.3	81,107

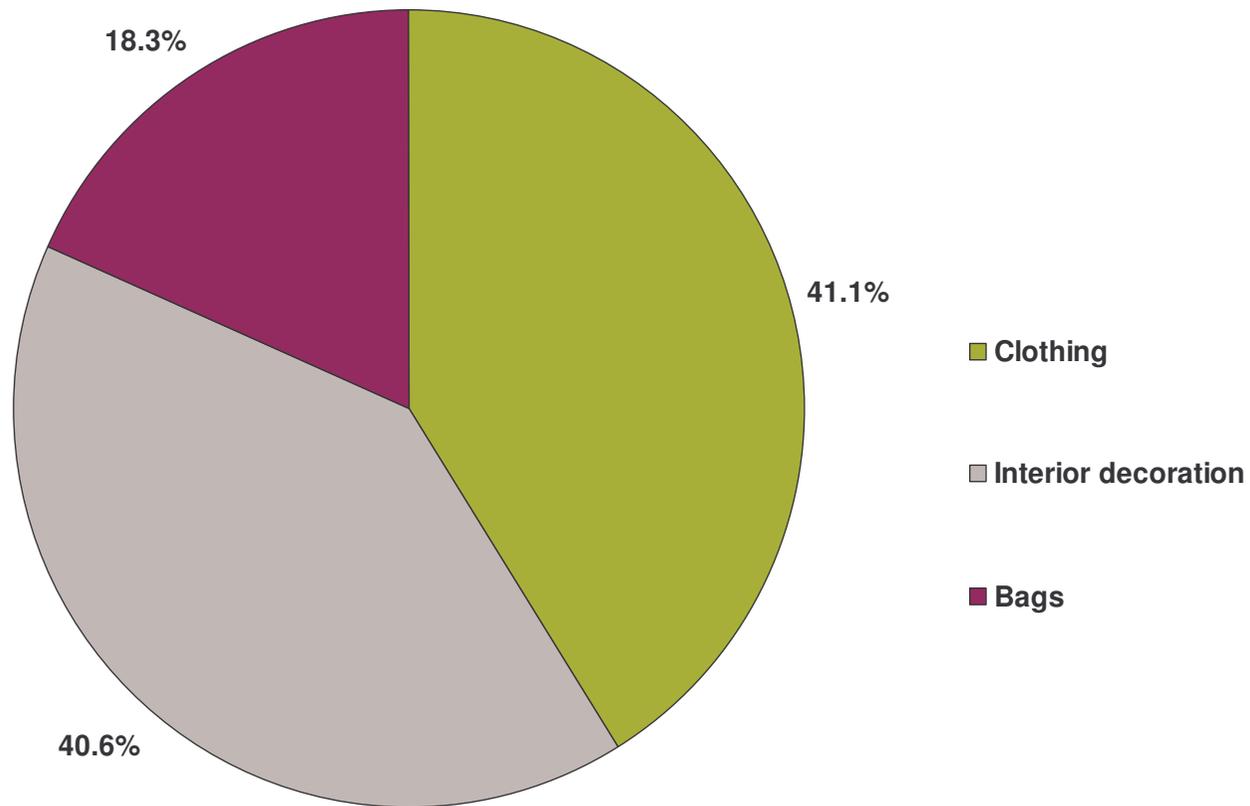
NET SALES BY MARKET AREA 1-9/2009



NET SALES BY PRODUCT LINE 1-9/2009

(EUR 1,000)	1-9/2009	1-9/2008	Change, %	1-12/2008
Clothing	21,253	23,367	-9.0	29,898
Interior decoration	21,029	24,812	-15.2	37,747
Bags	9,472	10,867	-12.8	13,462
TOTAL	51,754	59,046	-12.3	81,107

NET SALES BY PRODUCT LINE 1-9/2009



EARNINGS 1-9/2009

- The Group's operating profit decreased to EUR 3,938 thousand (EUR 8,111 thousand).
- Operating result as a percentage of net sales was 7.6% (13.7%).
- Operating profit includes a non-recurring cost provision of EUR 512 thousand related to personnel reductions resulting from savings and efficiency actions.
- Operating profit without non-recurring items amounted to EUR 4,450 thousand (EUR 8,111 thousand).
- Profit for the period after taxes decreased by 50.7% to EUR 2,962 thousand (EUR 6,012 thousand)
- Earnings per share were EUR 0.37 (EUR 0.75).

EARNINGS 1-9/2009

- Operating profit was affected by a sharp fall in sales.
- The difference in relation to the comparison period was also increased by revenues from individual promotions in the corresponding period of 2008, larger than in the review period, as well as significant one-off income from sales of licensed products.
- Increased lease expenses from shops had a negative impact on profitability.
- Savings of about EUR 300 thousand in fixed costs compared with the corresponding period of 2008 were achieved through efficiency enhancements and cost saving actions.

NEW CONCEPT STORES

- Good growth continued in Japan; net sales rose from the comparison period by 29.3%. The five new concept stores that were opened during the review period were the main source of growth.
 - Matsuyama, February
 - Niigata, February
 - Kokura, March
 - Tokyo (Jiyugaoka), July
 - Tokyo (Ginza), September
- New concept store was opened in Copenhagen in July. The store, located in the Copenhagen's premier shopping district, strengthens Marimekko's presence in Nordic capitals.

marimekko®



Tokyo (Ginza), Japan



Copenhagen, Denmark

REFURBISHED RETAIL STORES

- Marimekko opened its refurbished and expanded retail shop in Stockholm, Sweden in October. The store, situated in its original location in Stockholm's popular shopping district, showcase Marimekko design more extensively.
- In October, a new Marimekko retail shop opened in a very central location in Tampere, Finland.
- The light and colourful shop interiors, based on Marimekko's new store concept, reflect the company's philosophy of everyday beauty and happiness and a positive attitude to life.



Stockholm, Sweden



Tampere, Finland

COMPLETION OF STATUTORY EMPLOYER-EMPLOYEE NEGOTIATIONS

- On 7 October 2009, Marimekko announced that its Group-wide statutory employer-employee negotiations, begun in August 2009, had been completed.
- The company stated that reorganisation of functions and rationalisation of operations would result in the elimination of 35 positions.
- In addition, the company announced that it needed to fill eight new positions; where possible, these positions would be filled by internal transfers.
- Temporary layoffs have been rejected for the rest of 2009, but certain functions will be prepared for possible lay-offs until 31 May 2010.
- The personnel cutbacks and other measures to be taken are expected to bring annual cost savings of approximately EUR 1.5 million in total. The annual costs of the new positions are estimated at about EUR 0.4 million.
- The non-recurring cost provision of EUR 0.5 million related to personnel reductions was made for the third quarter of 2009.

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.
- In the first nine months of 2009, Marimekko's net sales decreased and profit fell considerably due to a sharp decline in demand caused by the economic recession. The difficult market situation continues with no signs of recovery yet. The downtrend in trade is expected to continue during the rest of the year, and it is still difficult to estimate the trend in consumer demand.

OUTLOOK FOR THE REMAINDER OF 2009

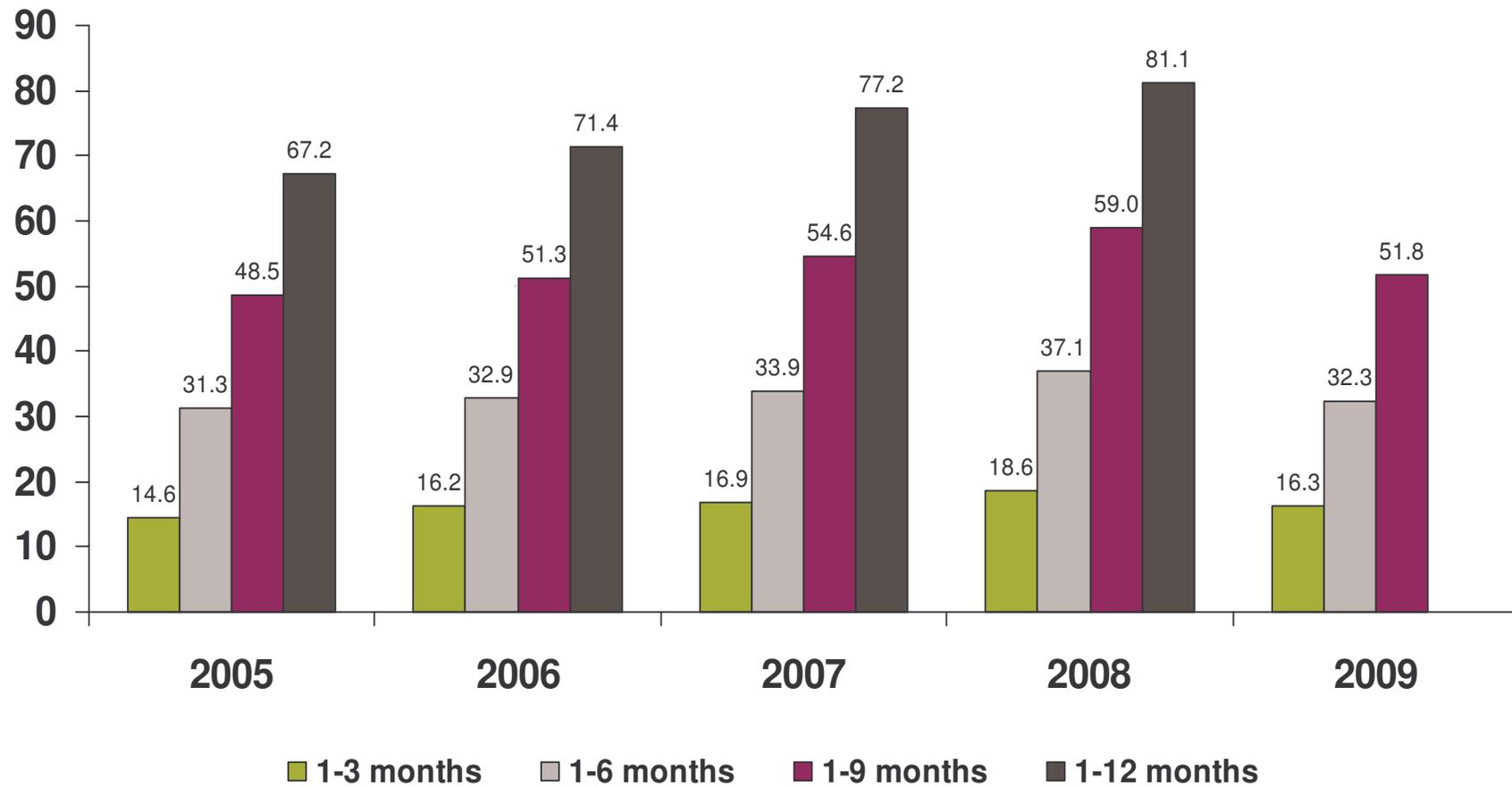
- Sales trends in Marimekko's own retail shops will have a substantial impact on the Group's net sales and earnings in the final quarter of the year.
- Deliveries during the last quarter of 2009 will include some one-off items that increase net sales and improve earnings, but the value of these items will be smaller than in 2008.
- However, the decline in sales is expected to slow towards the end of the year, compared with the corresponding period the year before, as sales already fell considerably both in Finland and abroad in the last quarter of 2008 as a result of the rapid deterioration in market conditions.
- The full-year estimate for 2009 is unchanged: net sales are forecast to decrease by about 10% from the year 2008 and operating result is expected to decline distinctly.

marimekko®

marimekko®

NET SALES

EUR million



NET SALES – CLOTHING 1-9/2009

- **Net sales of clothing decreased by 9.0%** to EUR 21.3 million (EUR 23.4 million). Exports and income from international operations accounted for 25.8%.
 - In Japan, extremely vigorous growth continued.
 - Sales also increased slightly in the market area referred to as “the rest of Europe”.
 - Sales in Finland fell somewhat.
 - In North America and the market area referred to as “the other Nordic countries”, sales declined significantly.

NET SALES – INTERIOR DECORATION 1-9/2009

- **Net sales of interior decoration products decreased by 15.2%** to EUR 21.0 million (24.8 million). Exports and income from international operations accounted for 33.3%.
 - Good growth continued in Japan.
 - Sales fell sharply in Finland and the other Nordic countries.
 - In North America and the market area referred to as “the rest of Europe”, sales declined slightly.

NET SALES – BAGS 1-9/2009

- **Net sales of bags decreased by 12.8%** to EUR 9.5 million (EUR 10.9 million). Exports and income from international operations accounted for 32.8%.
 - In Japan and in the market area referred to as “the rest of Europe”, good growth continued.
 - Sales in other export markets and in Finland decreased substantially.

LICENSING 1-9/2009

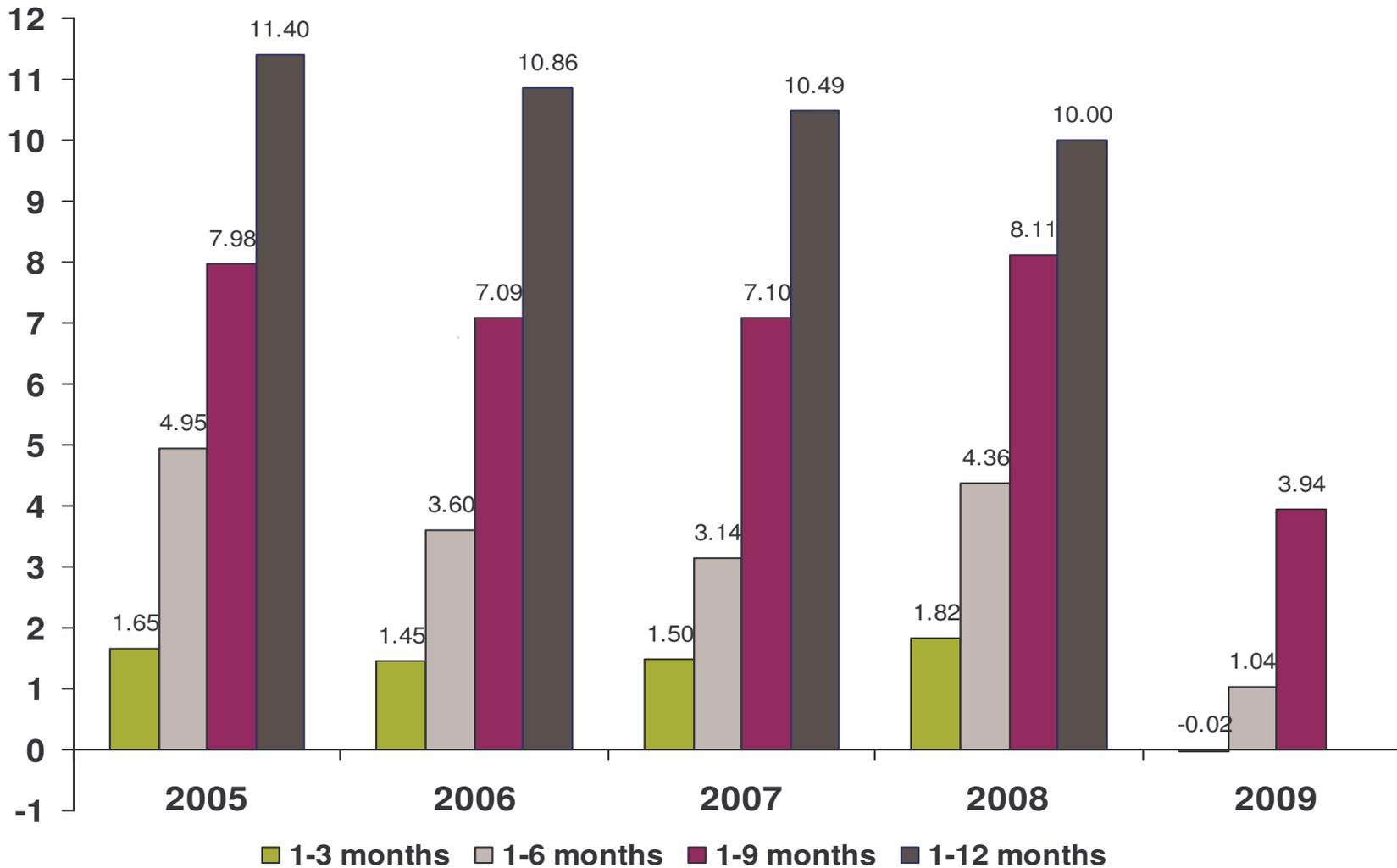
- Royalty earnings from sales of licensed products fell significantly compared with the corresponding period of the previous year. The fall was entirely due to one-off income from licensing cooperation with H & M Hennes & Mauritz AB, recognised in the second quarter of 2008.
- During the review period, royalty earnings grew considerably in the United States and somewhat in Finland.

PRODUCTION AND SOURCING 1-9/2009

- During the January-September period of 2009, the production volume of the Herttoniemi textile printing factory fell by 26%. This was mostly due to the reduction of inventories and collections.
- After the old printing machine was taken out of use in June, production capacity has diminished and is in full use.
- Production volumes at the Kitee and Sulkava factories remained at the same level as in the corresponding period of the previous year. Subcontract manufacture of some products was reduced and their production transferred to the company's own factories during the period.

OPERATING RESULT

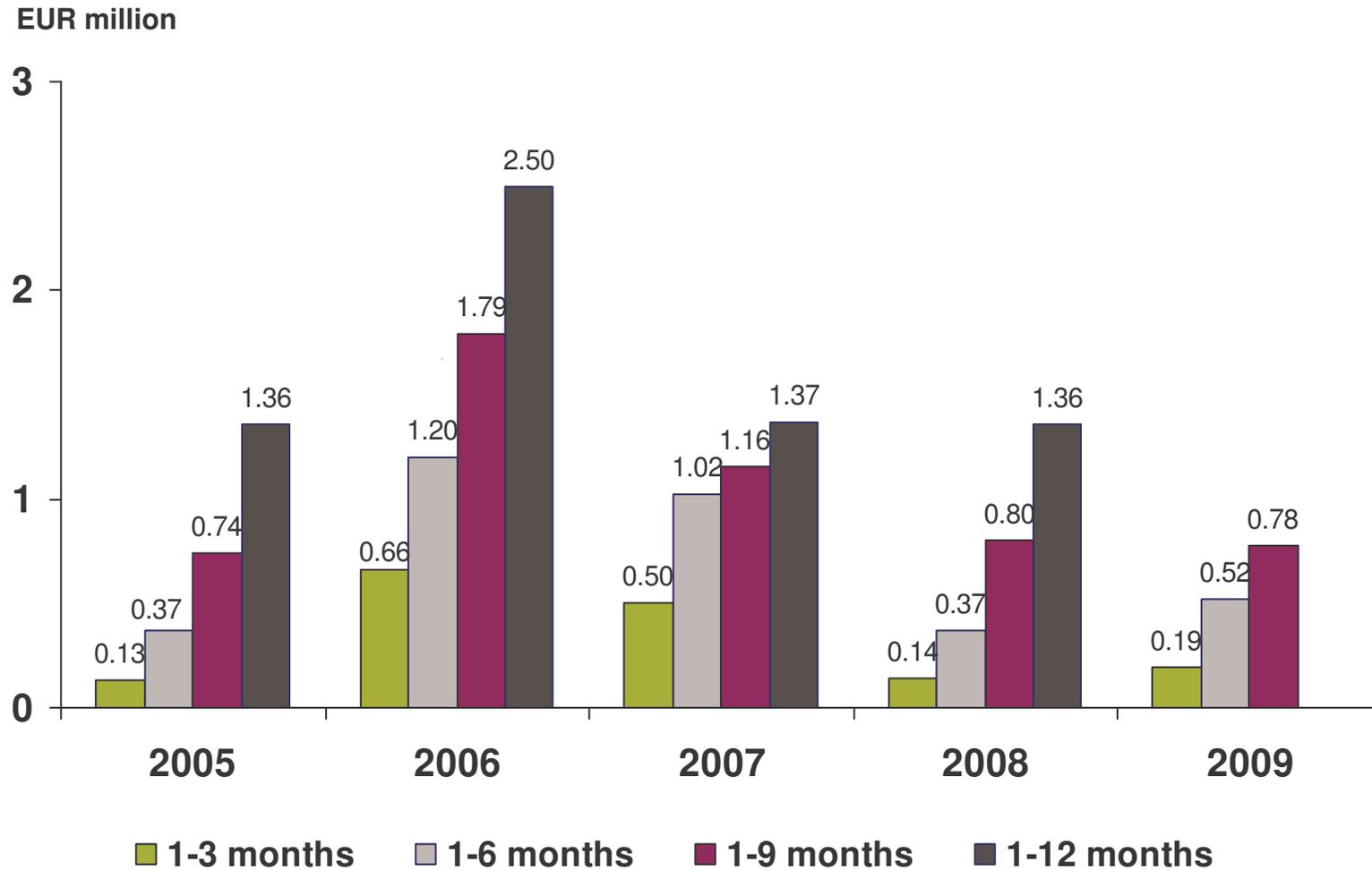
EUR million



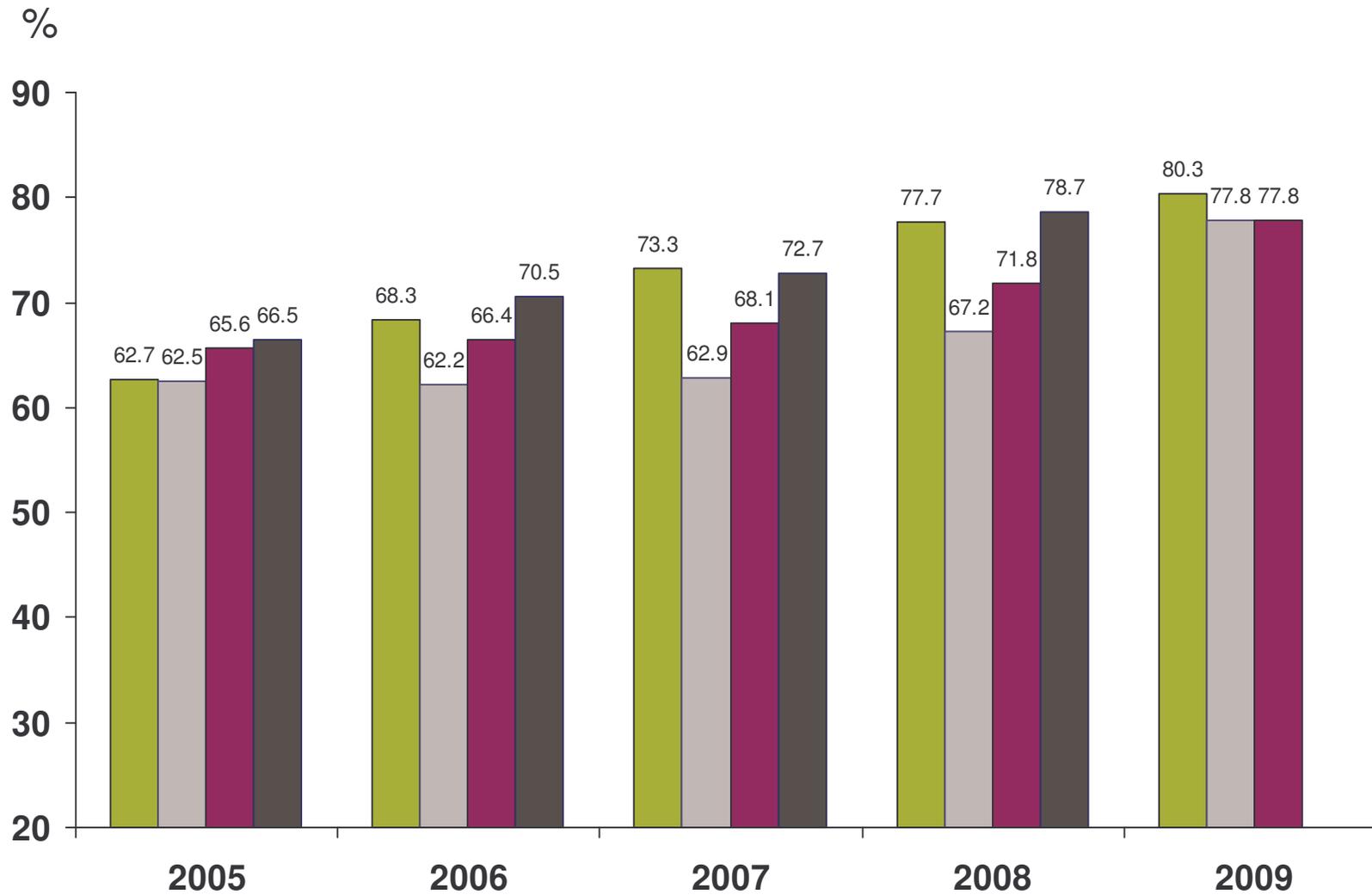
INVESTMENTS 1-9/2009

- The Group's gross investments amounted to EUR 782 thousand (EUR 803 thousand), representing 1.5% (1.4%) of net sales.
- The majority of investments were directed at the refurbishment of shops and the renovation of the Herttoniemi facilities.

GROSS INVESTMENTS



EQUITY RATIO



KEY INDICATORS

	1-9/2009	1-9/2008	Change, %	1-12/2008
Earnings per share, EUR	0.37	0.75	-50.7	0.92
Equity per share, EUR	3.74	3.75	-0.3	3.92
Share of exports and international operations, % of net sales	30.1	29.9		27.0
Return on equity (ROE), %	12.8	26.9		24.2
Return on investment (ROI), %	17.3	33.8		32.3
Equity ratio, %	77.8	71.8		78.7
Gearing, %	-20.3	-6.2		-18.8
Gross investments, EUR 1,000	782	803	-2.7	1,362
Gross investments, % of net sales	1.5	1.4		1.7
Contingent liabilities, EUR 1,000	16,828	16,843	-0.1	17,861
Average personnel	408	410	-0.5	411
Personnel at the end of the period	403	409	-1.5	414