



Marimekko Corporation, Half-year Financial Report, 10 August 2017 at 8.30 a.m.

Net sales fell slightly due to the timing of an annual sales promotion; earnings were at a good level, meeting the company's expectations

The second quarter in brief

- Net sales fell by 3 percent to EUR 22.8 million (Q2/2016: 23.5). The main reason for the decline was the timing of a sales promotion in Finland.
- Operating result declined compared to the same period last year and was EUR 0.7 million (0.9).
- A drag was exerted on operating result by a downturn in sales in Finland, which was due to the timing of a sales promotion held every spring. The summer sales promotion was implemented in a more moderate form than in the previous year, which improved the relative sales margin.

January-June in brief

- Net sales grew by 2 percent to EUR 45.3 million (1–6/2016: 44.5).
- Operating result improved markedly compared with the same period last year, reaching EUR 1.6 million (-0.2). The comparison period's operating result included a restructuring expense of EUR 0.8 million. Comparable operating result was EUR 1.8 million (0.7).
- Operating result was improved by an increase in relative sales margin, growth in sales in Finland, and smaller depreciation than in the comparison period.

Financial guidance for 2017 (unchanged)

The Marimekko Group's net sales and comparable operating profit for 2017 are forecast to be at the same level as in the previous year.

KEY FIGURES

(EUR million)	4-6/ 2017	4-6/ 2016	Change, %	1-6/ 2017	1-6/ 2016	Change, %	1-12/ 2016
Net sales	22.8	23.5	-3	45.3	44.5	2	99.6
International sales	10.4	10.1	3	21.0	20.9	1	43.8
<i>% of net sales</i>	<i>45</i>	<i>43</i>		<i>46</i>	<i>47</i>		<i>44</i>
EBITDA	1.5	1.9	-18	3.3	1.9	72	9.4
Comparable EBITDA	1.5	1.9	-20	3.5	2.7	28	10.2
Operating result	0.7	0.9	-20	1.6	-0.2		5.2
Comparable operating result	0.7	0.9	-23	1.8	0.7	175	6.1
<i>Operating result margin, %</i>	<i>3.1</i>	<i>3.7</i>		<i>3.5</i>	<i>-0.4</i>		<i>5.3</i>
<i>Comparable operating result margin, %</i>	<i>3.1</i>	<i>3.9</i>		<i>4.0</i>	<i>1.5</i>		<i>6.1</i>
Result for the period	0.1	0.7	-86	0.7	-0.3		4.0
Earnings per share, EUR	0.01	0.08	-86	0.08	-0.03		0.50
Cash flow from operating activities	-1.6	0.9		-2.7	-3.0	9	6.1
<i>Return on investment (ROI), %</i>				<i>17.4</i>	<i>6.3</i>		<i>15.8</i>
<i>Equity ratio, %</i>				<i>54.0</i>	<i>48.3</i>		<i>58.5</i>
Gross investments	0.4	1.2	-64	0.7	1.4	-50	2.7
Personnel at the end of the period				452	469	-4	431
outside Finland				109	115	-5	111
Brand sales ¹	40.9	53.4	-23	85.6	97.5	-12	199.3
outside Finland	24.6	36.4	-33	53.1	65.1	-19	124.1
<i>proportion of international sales, %</i>	<i>60</i>	<i>68</i>		<i>62</i>	<i>67</i>		<i>62</i>
Number of stores				163	158	3	159

The change percentages in the table were calculated on exact figures before the amounts were rounded to millions of euros. Reconciliation of key figures to IFRS can be found in the table section of this half-year financial report.

¹ Brand sales are given as an alternative non-IFRS key figure. Brand sales, consisting of estimated sales of Marimekko products at consumer prices, are calculated by adding together the company's own retail net sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's realised wholesale sales and royalty income, is unofficial and does not include VAT. The key figure is not audited. The calculation method for 2017 figures has been restated for the coefficients used; to maintain comparability, the change also applies to the figures for 2016.

TIINA ALAHUHTA-KASKO

President and CEO

"The trend in our earnings was underpinned by an improved sales margin.

"In the April-June period, our net sales declined by 3 percent, which was largely due to the timing of an annual sales promotion carried out in Finland. This year the campaign was held at the end of March and beginning of April, whereas last year it took place entirely in the second quarter. Also, the relocation of our main warehouse in Finland resulted in a short-term loss of sales. The relocation of the warehouse is intended to boost the cost-effectiveness and agility of our logistics processes and thus to underpin our competitiveness in the future. Our summer sales promotion was more moderate than in the previous year, and I am glad that we succeeded in improving our relative sales margin.



"In the first half of the year, our net sales rose by 2 percent; our operating result grew to EUR 1.6 million (-0.2), and our comparable operating result was EUR 1.8 million (0.7). Our profitability was boosted by an increase in relative sales margin, growth in sales in Finland, and smaller depreciation than in the comparison period. It is good to note that, as is typical of our sector, our net sales in the first half of the year are low relative to operating expenses for seasonal reasons. I am pleased that, after the restructuring we implemented last year, we have been able to keep costs to our targeted level.

"The revamp of our collections and our brand is proceeding, and I am confident that we are on the right track and that the work we are doing will enhance our opportunities to respond to the needs of our international customer base even better than before. As we have reported previously, we are focusing this year on delineating our product range and pricing strategies in order to seek markedly stronger growth and profitability.

"We have also continued to improve the efficiency of our procurement chain. Tina Broman, who was appointed Chief Supply Chain Officer (CSCO) and member of the Management Group in July, will take up her duties in October."

OPERATING ENVIRONMENT

All in all, there is considerable uncertainty over the global economy, due partly to the unpredictability of the political situation. There are several risk factors and concern has grown over the proliferation of barriers to trade. Risks are increased, above all, by uncertainty about the direction of US economic policy. According to the most recent forecasts, global economic growth is expected to continue at a rate of about three and a half percent. Short-term prospects for Europe and the United States are fairly good. Growth has accelerated in the EU countries, which compensates for increased uncertainty in other markets.

In the Finnish economy, a more positive vibe than before is prevailing, and prospects are brighter. Retailing has gone into a slight upswing after several weaker years and growth is forecast to continue at a moderate pace. In July, retail trade confidence strengthened and it is well above the long-term average. Sales expectations for the months ahead are generally good, and sales volume is forecast to grow. Consumer confidence in the Finnish economy continued to be strong in July; the figures for May and June were the highest since polling began in 1995.

(Confederation of Finnish Industries EK: Confidence Indicators, July 2017; Business Tendency Survey, May and July 2017. Statistics Finland: Consumer Survey, July 2017.)

In the January-June period of 2017, the value of retail sales in Finland and the volume of sales, which measures real growth, both grew by 1.9 percent relative to the same period last year. (Statistics Finland: Turnover of Trade, retail trade flash estimate, June 2017).

NET SALES

Net sales in the second quarter

In the April-June period of 2017, the Group's net sales fell by 3 percent on the comparable period last year, to EUR 22,769 thousand (23,543).

In Finland, net sales declined by 8 percent and were EUR 12,418 thousand (13,468). The main reason for the downturn in net sales was the timing of the sales promotion carried out in Finland each spring: this year the campaign was held at the end of March and beginning of April, whereas last year it took place in April. Also, the relocation of the main warehouse resulted in a loss of sales. Comparable retail sales declined by 17 percent². Wholesale sales grew by 3 percent.

International sales rose by 3 percent. In the company's second-largest market, the Asia-Pacific region, net sales grew by 8 percent to EUR 4,163 thousand (3,872). Wholesale sales in the region grew by 7 percent. Sales in the market area's most important country, Japan, rose by 18 percent. Retail sales (Australia) grew by 10 percent; sales were boosted by a clearance promotion during the period.

Net sales in the January-June period

In the January-June period of 2017, the Group's net sales grew by 2 percent and were EUR 45,263 thousand (44,492). Retail sales rose by 1 percent and wholesale sales by 2 percent. In Finland, net sales grew by 3 percent; international sales rose by 1 percent.

Net sales in Finland grew to EUR 24,239 thousand (23,579). Retail sales rose by 1 percent; comparable retail sales declined by 2 percent. Wholesale sales grew by 8 percent.

In the Asia-Pacific region, net sales rose by 2 percent to EUR 9,213 thousand (9,055). Wholesale sales in

² Includes both bricks-and-mortar and online sales.

the area were on a par with the comparison period. In Japan, sales grew by 5 percent. Retail sales (Australia) rose by 11 percent due to the additional sales generated by a store opened in the last quarter of 2016 as well as a clearance promotion held in the second quarter of this year.

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2017	4-6/ 2016	Change, %	Change, % in currency terms	1-6/ 2017	1-6/ 2016	Change, %	Change, % in currency terms	1-12/ 2016
Finland	12,418	13,468	-8	-8	24,239	23,579	3	3	55,770
Scandinavia	1,851	1,917	-3	-1	3,618	3,657	-1	0	7,849
EMEA	2,256	2,042	10	10	4,400	4,323	2	2	9,246
North America	2,080	2,244	-7	-5	3,794	3,878	-2	-3	7,912
Asia-Pacific	4,163	3,872	8	6	9,213	9,055	2	1	18,837
International sales, total	10,350	10,076	3	0	21,025	20,912	1	0	43,844
Total	22,769	23,543	-3	-3	45,263	44,492	2	1	99,614

All figures in the table have been individually rounded to thousands of euros, so there may be rounding differences in the totals. A more comprehensive table with breakdown into retail sales, wholesale sales and royalties by market area can be found in the table section of this half-year financial report.

FINANCIAL RESULT

In the April-June period of 2017, the Group's operating result declined in comparison to the same period last year and was EUR 698 thousand (871). A drag was exerted on operating result by a downturn in sales in Finland, which was due to the timing of a sales promotion held every spring. The summer sales promotion was implemented in a more moderate form than in the previous year, which improved the relative sales margin.

In the January-June period of 2017, the Group's operating result grew compared to the same period last year, reaching EUR 1,577 thousand (-188). The comparison period's operating result included a restructuring expense of EUR 847 thousand. Comparable operating result was EUR 1,813 thousand (659). Operating result was improved by an increase in relative sales margin, growth in sales in Finland, and smaller depreciation than in the comparison period.

In the January-June period, marketing expenses were EUR 2,288 thousand (2,084), or 5 percent of the Group's net sales (5).

The Group's depreciation and impairments in the first half of the year amounted to EUR 1,696 thousand (2,089), or 4 percent of net sales (5).

In the January-June period, operating result margin was 3.5 percent (-0.4) and comparable operating result margin was 4.0 percent (1.5). In the second quarter of the year, operating result margin was 3.1 percent (3.7).

Net financial expenses in the January-June period were EUR 710 thousand (145), or 2 percent of net sales (0). Foreign exchange changes recorded in net financial items were EUR -596 thousand (-11).

Result for the first half of the year before taxes was EUR 866 thousand (-333). Result after taxes was EUR 664 thousand (-273) and earnings per share were EUR 0.08 (-0.03).

BALANCE SHEET

The consolidated balance sheet total as of 30 June 2017 was EUR 47,903 thousand (49,365). Equity attributable to the equity holders of the parent company was EUR 25,819 thousand (23,794), or EUR 3.19 per share (2.94).

Non-current assets at the end June 2017 stood at EUR 14,540 thousand (16,482).

At the end of the period under review, net working capital was EUR 20,480 thousand (18,551). Inventories were EUR 22,437 thousand (22,145).

CASH FLOW AND FINANCING

In the April-June period of 2017, cash flow from operating activities was EUR -1,612 thousand (931), or EUR -0.20 per share (0.12). Cash flow before cash flow from financing activities was EUR -1,954 thousand (-235).

In the January-June period of 2017, cash flow from operating activities was EUR -2,764 thousand (-3,032), or EUR -0.34 per share (-0.37). Cash flow before cash flow from financing activities was EUR -3,318 thousand (-4,616).

The Group's financial liabilities at the end of the period under review were EUR 12,021 thousand (13,857).

At the end of the review period, the Group's cash and cash equivalents amounted to EUR 2,861 thousand (3,260). In addition, the Group had unused committed long- and short-term credit lines of EUR 9,348 thousand (6,451).

The Group's equity ratio at the end of the period was 54.0 percent (48.3). Gearing was 35.5 percent (44.5).

INVESTMENTS

The Group's gross investments in the January-June period were EUR 680 thousand (1,358) or 2 percent of net sales (3). Most of the investments were devoted to the IT systems of the company and store premises.

STORE NETWORK

In 2017, the aim is to open around 10–20 new Marimekko stores; the majority of the new stores will be shop-in-shops. Marimekko opened a company-owned store in Oslo in May and extended its e-commerce to Switzerland in June. A retailer-owned Marimekko store was closed in Dubai in May.

STORES AND SHOP-IN-SHOPS

	30.6.2017	30.6.2016	31.12.2016
Finland	65	62	63
Scandinavia	11	11	10
EMEA	2	3	3
North America	21	23	23
Asia-Pacific	64	59	60
Total	163	158	159

A more comprehensive table with breakdown into the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops can be found in the table section of this half-year financial report.

PERSONNEL

In the January-June period of 2017, the number of employees averaged 423 (467). At the end of the period, the Group had 452 employees (469), of whom 109 (115) worked outside Finland. The number of employees working outside Finland was broken down as follows: Scandinavia 42 (52), EMEA 5 (5), North America 36 (35) and the Asia-Pacific region 26 (23). The personnel at company-owned stores totalled 262 (263) at the end of the period.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

The resolutions of Marimekko Corporation's Annual General Meeting 2017 have been reported in the stock exchange release of 6 April 2017 and in the interim report of 10 May 2017.

SHARES AND SHAREHOLDERS

Share capital and number of shares

At the end of June 2017, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 8,040,000 and the number of shares totalled 8,089,610.

Shareholdings

According to the book-entry register, Marimekko had 7,320 shareholders at the end of June 2017 (7,350). Of the shares, 10.9 percent were owned by nominee-registered or non-Finnish holders (9.8).

Information on the largest shareholders can be found on the company's website at company.marimekko.com under Investors/Share information/Shareholders.

Share trading and the company's market capitalisation

In the January-June period of 2017, a total of 411,986 Marimekko shares were traded, representing 5.1 percent of the shares outstanding. The total value of the share turnover was EUR 4,153,985. The lowest price of the Marimekko share was EUR 9.10, the highest was EUR 10.99 and the average price was EUR 10.08. At the end of the review period, the closing price of the share was EUR 10.40. The company's market capitalisation on 30 June 2017 was EUR 84,131,944 (57,678,919).

Authorisations

At the end of the review period, the Board of Directors had no valid authorisations to carry out share issues or to issue convertible bonds or bonds with warrants, or to acquire or surrender Marimekko shares. The company holds none of its own shares.

EVENTS AFTER THE END OF THE REVIEW PERIOD

Changes in management

On 11 July 2017, Marimekko announced its appointment of Tina Broman as the company's Chief Supply Chain Officer (CSCO) and member of the Management Group. She will start in the position on 2 October 2017. Christina Ovansjö, Acting Supply Chain Director of Marimekko, will continue with the company until the end of her fixed-term contract, 22 December 2017, to support the transition and strategic supply chain development initiatives.

Enquiries concerning the company's premises in Helsinki

The company is investigating the option of the sale and leaseback of the Marimekko Group-owned building, in the Herttoniemi district of Helsinki, which houses the company's head office and textile printing factory, and two of its stores. Any decisions made in relation to this will be announced separately in due time.

MAJOR RISKS AND FACTORS OF UNCERTAINTY

The global economic cycle and factors of uncertainty affect consumers' purchasing behaviour and buying power in all of the company's market areas. The major strategic risks for the near future are associated with the trend in consumer confidence and overall economic trends especially in Finland and Japan, which are the company's biggest single countries for business.

Near-term strategic risks also include risks related to changes in the company's design, the focal points of collections, the product assortment and product pricing, as well as increased competition arising from the digitisation of retailing. The company's ability to design, develop and commercialise new products that meet consumers' expectations while ensuring effective production, sourcing and logistics has an impact on the company's sales and profitability. International e-commerce increases the options available to consumers and multichannel business is of growing importance in the retail trade. Strengthening competitiveness in a rapidly changing operating environment being revolutionised by digitisation demands agility, efficiency and constant re-evaluation of operations.

The distribution of Marimekko products is being expanded in all key market areas. Growth is based primarily on opening retailer-owned Marimekko stores and shop-in-shops and expanding e-commerce as well as setting up company-owned stores. Changes in distribution channel solutions may impact the company's sales and profitability. Expanding the network of company-owned stores and building international e-commerce have increased the company's investments, lease liabilities of store premises and inventories as well as the company's fixed costs. Furthermore, major partnership agreements, the selection of partners, and store lease agreements in Finland and abroad involve risks.

Intellectual property rights play a vital role in the company's success, and the company's ability to manage these rights may have an impact on the value and reputation of the company. Agreements with freelance designers and fees paid to designers based on these agreements are also an essential part of the management of intellectual property rights.

The company's operational risks prominently include those related to the management and success of modernisation and internationalisation, the operational reliability of procurement and logistics processes and information systems, and changes in the prices of raw materials and other procurement items. The company primarily uses subcontractors to manufacture its products. Of the sustainability aspects of manufacturing, those related to the supply chain and enhancing its transparency, in particular, are of growing importance to customers. Any delays or disturbances in supply, or fluctuations in the quality of products, may have a harmful impact on business. As product distribution is expanded and operations are diversified, risks associated with inventory management also grow. As Marimekko is a small company,

ongoing modernisation and development projects increase risks related to key personnel.

Among the company's financial risks, those related to the structure of sales, price trends for factors of production, changes in cost structure, changes in exchange rates (particularly the US dollar, Swedish krona and Australian dollar), taxation, and customers' liquidity may have an impact on the company's financial status.

MARKET OUTLOOK AND GROWTH TARGETS FOR 2017

The general uncertainty in the global economy is forecast to continue, and the estimated consumer demand varies in Marimekko's market areas. Retailers are exercising caution in their additional purchases and in selecting new suppliers, which is expected to impact Marimekko's wholesale sales also in 2017.

Finland, Marimekko's important domestic market, accounts for about half of the company's net sales. There are signs of a more positive vibe for retailing, and the trend is forecast to be moderate. Nonrecurring promotional deliveries had a positive impact on the company's sales in 2016, but no similarly large deliveries are in sight for 2017. Marimekko's sales in Finland, excluding income from nonrecurring promotional deliveries, are expected to be roughly on a par with the previous year.

The Asia-Pacific region, Marimekko's second-biggest market, plays a significant part in the company's internationalisation. Japan is clearly the most important country in this region to Marimekko; the other countries' combined share of the company's net sales is still relatively small, as operations in these markets are in fairly early stages. Japan already has a very comprehensive network of Marimekko stores, and new ones are being opened at a rate of a few stores per year. Sales are supported by enhancing the operations of stores and by optimising the product range. Sales in the Asia-Pacific region this year are forecast to be roughly on a par with the previous year. About half of the Marimekko stores and shop-in-shops to be opened in 2017 will be in the Asia-Pacific region, and the company sees growing demand for its products in this area especially in the longer term. In Australia, prospects are expected to continue to be positive.

In 2017, the main thrust in expansion will continue to be on openings of retailer-owned Marimekko stores. The aim is to open around 10–20 new Marimekko stores and shop-in-shops. The majority of the new stores will be shop-in-shops. Furthermore, the company will continue the enhancement of the operations of Marimekko stores opened in recent years. The company's own e-commerce and other online sales channels are forecast to continue to grow.

Royalty income from North America is expected to increase slightly due to a licensing agreement concluded with a North American company.

The expenses of marketing operations in 2017 are forecast to be higher than in 2016 (EUR 4.4 million). The total investments are estimated at approximately EUR 2 million (2.7).

FINANCIAL CALENDAR

The interim report for the January-September period will be issued on Thursday 2 November 2017 at 8.30 a.m.

Helsinki, 9 August 2017

Marimekko Corporation
Board of Directors

The quarterly information for 2017 is not audited. There may be differences in totals due to rounding to the nearest thousand euros.

ACCOUNTING PRINCIPLES

This half-year financial report was prepared in compliance with IAS 34. Marimekko has applied the same accounting principles in this report as were applied in the 2016 financial statements, although at the start of the financial year the company adopted certain new and amended IFRS standards as described in the financial statements for 2016. The adoption of new and updated standards has had no effect on the figures stated for the financial period.

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CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/2017	4-6/2016	1-6/2017	1-6/2016	1-12/2016
NET SALES	22,769	23,543	45,263	44,492	99,614
Other operating income	127	126	233	240	376
Increase or decrease in inventories of completed and unfinished products	1,311	786	1,961	3,586	2,960
Raw materials and consumables	-9,258	-9,603	-17,742	-19,458	-40,199
Employee benefit expenses	-6,113	-6,042	-12,356	-13,497	-25,671
Depreciation and impairments	-845	-1,022	-1,696	-2,089	-4,114
Other operating expenses	-7,292	-6,917	-14,086	-13,460	-27,716
OPERATING RESULT	698	871	1,577	-188	5,249
Financial income	2	3	3	3	164
Financial expenses	-557	-20	-714	-147	-243
	-555	-17	-710	-145	-79
RESULT BEFORE TAXES	144	854	866	-333	5,170
Income taxes	-45	-167	-202	60	-1,138
NET RESULT FOR THE PERIOD	98	687	664	-273	4,032
Distribution of net result to equity holders of the parent company	98	687	664	-273	4,032
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	0.01	0.08	0.08	-0.03	0.50

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Net result for the period	98	687	664	-273	4,032
Items that could be reclassified to profit or loss at a future point in time					
Change in translation difference	75	-228	75	-231	-14
COMPREHENSIVE RESULT FOR THE PERIOD	173	459	739	-504	4,018
Distribution of net result to equity holders of the parent company	173	459	739	-504	4,018

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.6.2017	30.6.2016	31.12.2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	1,073	1,921	1,493
Tangible assets	13,254	14,546	13,902
Available-for-sale financial assets	16	16	16
Deferred tax assets	198	-	222
	14,540	16,482	15,633
CURRENT ASSETS			
Inventories	22,437	22,145	21,357
Trade and other receivables	7,997	7,211	8,020
Current tax assets	68	267	-
Cash and cash equivalents	2,861	3,260	3,482
	33,363	32,882	32,860
ASSETS, TOTAL	47,903	49,365	48,493
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	8,040	8,040	8,040
Reserve for invested non-restricted equity	502	502	502
Translation differences	98	-193	24
Retained earnings	17,179	15,445	19,751
Shareholders' equity, total	25,819	23,794	28,316
NON-CURRENT LIABILITIES			
Deferred tax liabilities	-	134	-
Provisions	-	135	71
Financial liabilities	6,652	6,451	2,594
Finance lease liabilities	3,130	3,163	3,171
	9,782	9,882	5,836
CURRENT LIABILITIES			
Trade and other payables	10,021	11,071	13,156
Current tax liabilities	-	-	945
Provisions	42	374	26
Financial liabilities	2,000	4,000	-
Finance lease liabilities	239	243	214
	12,302	15,688	14,341
Liabilities, total	22,084	25,571	20,177
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	47,903	49,365	48,493

The Group has no liabilities resulting from derivative contracts, and there are no outstanding guarantees or any other contingent liabilities which have been granted on behalf of the management of the company or its shareholders.

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-6/2017	1-6/2016	1-12/2016
CASH FLOW FROM OPERATING ACTIVITIES			
Net result for the period	664	-273	4,032
Adjustments			
Depreciation and impairments	1,696	2,089	4,114
Financial income and expenses	710	145	79
Taxes	202	-60	1,138
Cash flow before change in working capital	3,272	1,901	9,363
Change in working capital	-4,678	-4,522	-2,582
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-239	-1,245	-2,224
Increase (-) / decrease (+) in inventories	-1,079	-3,657	-2,803
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-3,360	380	2,445
Cash flow from operating activities before financial items and taxes	-1,406	-2,620	6,781
Paid interest and payments on other financial expenses	-217	-148	-169
Interest received	24	3	33
Taxes paid	-1,147	-267	-520
CASH FLOW FROM OPERATING ACTIVITIES	-2,746	-3,032	6,125
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in tangible and intangible assets	-571	-1,584	-2,559
CASH FLOW FROM INVESTING ACTIVITIES	-571	-1,584	-2,559
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term loans drawn	2,000	4,000	4,000
Short-term loans paid	-	-	-4,000
Net change in long-term loans	4,058	2,616	-1,240
Finance lease liabilities paid	-126	-158	-261
Dividends paid	-3,236	-2,831	-2,831
CASH FLOW FROM FINANCING ACTIVITIES	2,697	3,627	-4,332
Change in cash and cash equivalents	-621	-989	-766
Cash and cash equivalents at the beginning of the period	3,482	4,249	4,249
Cash and cash equivalents at the end of the period	2,861	3,260	3,482

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)					
Equity attributable to equity holders of the parent company					
	Share capital	Reserve for invested non- restricted equity	Translation differences	Retained earnings	Shareholders' equity, total
Shareholders' equity 1 January 2016	8,040	502	38	18,549	27,129
Comprehensive result					
Net result for the period				-273	-273
Translation differences			-231		-231
Total comprehensive result for the period			-231	-273	-504
Transactions with owners					
Dividends paid				-2,831	-2,831
Shareholders' equity 30 June 2016	8,040	502	-193	15,445	23,794
Shareholders' equity 1 January 2017	8,040	502	24	19,751	28,316
Comprehensive result					
Net result for the period				664	664
Translation differences			75		75
Total comprehensive result for the period			75	664	739
Transactions with owners					
Dividends paid				-3,236	-3,236
Shareholders' equity 30 June 2017	8,040	502	98	17,179	25,819

KEY FIGURES

	1-6/2017	1-6/2016	Change, %	1-12/2016
Earnings per share, EUR	0.08	-0.03		0.50
Equity per share, EUR	3.19	2.94	9	3.50
Return on equity (ROE), %	20.0	6.3		14.5
Return on investment (ROI), %	17.4	6.3		15.8
Equity ratio, %	54.0	48.3		58.5
Gearing, %	35.5	44.5		8.8
Gross investments, EUR 1,000	680	1,358	-50	2,721
Gross investments, % of net sales	2	3		3
Contingent liabilities, EUR 1,000	33,721	33,555	0	32,709
Average personnel	423	467	-9	441
Personnel at the end of the period	452	469	-4	431
Number of shares at the end of the period	8,089,610	8,089,610		8,089,610
Number of shares outstanding, average	8,089,610	8,089,610		8,089,610

RECONCILIATION OF KEY FIGURES TO IFRS

(EUR million)	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Items affecting comparability					
Employee benefit expenses	-	-	-0.2	-0.8	-0.8
Other operating expenses	-	0.0	0.0	0.0	0.0
Items affecting comparability in operating result	-	0.0	-0.2	-0.8	-0.8
EBITDA					
EBITDA	1.5	1.9	3.3	1.9	9.4
Items affecting comparability	-	0.0	-0.2	-0.8	-0.8
Comparable EBITDA	1.5	1.9	3.5	2.7	10.2
Operating result					
Operating result	0.7	0.9	1.6	-0.2	5.2
Items affecting comparability in operating result	-	0.0	-0.2	-0.8	-0.8
Comparable operating result	0.7	0.9	1.8	0.7	6.1
Net sales					
Net sales	22.8	23.5	45.3	44.5	99.6
<i>Operating result margin, %</i>	3.1	3.7	3.5	-0.4	5.3
<i>Comparable operating result margin, %</i>	3.1	3.9	4.0	1.5	6.1

SEGMENT INFORMATION

(EUR 1,000)	1-6/2017	1-6/2016	Change, %	1-12/2016
Marimekko business				
Net sales	45,263	44,492	2	99,614
Operating result	1,577	-188		5,249
Assets	47,903	49,365	-3	48,493

NET SALES BY MARKET AREA

(EUR 1,000)	4-6/ 2017	4-6/ 2016	Change, %	Change, % in currency terms	1-6/ 2017	1-6/ 2016	Change, %	Change, % in currency terms	1-12/ 2016
Finland	12,418	13,468	-8	-8	24,239	23,579	3	3	55,770
Retail sales	9,434	10,596	-11	-11	17,490	17,312	1	1	38,886
Wholesale sales	2,938	2,844	3	3	6,660	6,171	8	8	16,631
Royalties	45	28	63	63	88	97	-9	-9	253
Scandinavia	1,851	1,917	-3	-1	3,618	3,657	-1	0	7,849
Retail sales	1,231	1,325	-7	-3	2,241	2,327	-4	-1	4,976
Wholesale sales	620	592	5	5	1,377	1,330	4	2	2,872
Royalties	-	-	-	-	-	-	-	-	-
EMEA	2,256	2,042	10	10	4,400	4,323	2	2	9,246
Retail sales	245	250	-2	-2	491	598	-18	-18	1,089
Wholesale sales	1,925	1,709	13	13	3,738	3,584	4	4	7,828
Royalties	86	83	4	4	171	141	21	21	328
North America	2,080	2,244	-7	-5	3,794	3,878	-2	-3	7,912
Retail sales	1,338	1,352	-1	-1	2,498	2,388	5	2	5,234
Wholesale sales	390	523	-26	-14	907	1,095	-17	-13	2,177
Royalties	353	368	-4	-6	389	395	-1	-3	501
Asia-Pacific	4,163	3,872	8	6	9,213	9,055	2	1	18,837
Retail sales	942	859	10	7	1,821	1,647	11	6	3,460
Wholesale sales	3,221	3,014	7	6	7,392	7,408	0	0	15,377
Royalties	-	-	-	-	-	-	-	-	-
International sales, total	10,350	10,076	3	0	21,025	20,912	1	0	43,844
Retail sales	3,756	3,786	-1	-2	7,050	6,959	1	-1	14,759
Wholesale sales	6,155	5,838	5	4	13,414	13,417	0	0	28,255
Royalties	439	451	-3	-4	560	536	5	3	829
Total	22,769	23,543	-3	-3	45,263	44,492	2	1	99,614
Retail sales	13,191	14,382	-8	-6	24,541	24,271	1	0	53,646
Wholesale sales	9,093	8,682	5	3	20,074	19,588	2	2	44,886
Royalties	485	479	1	-1	648	633	2	1	1,082

STORES AND SHOP-IN-SHOPS

	30.6.2017	30.6.2016	31.12.2016
Finland	65	62	63
Company-owned stores	25	24	25
Company-owned outlet stores	12	12	12
Retailer-owned stores	16	16	16
Retailer-owned shop-in-shops	12	10	10
Scandinavia	11	11	10
Company-owned stores	8	8	7
Company-owned outlet stores	-	-	-
Retailer-owned stores	-	-	-
Retailer-owned shop-in-shops	3	3	3
EMEA	2	3	3
Company-owned stores	1	1	1
Company-owned outlet stores	-	-	-
Retailer-owned stores	1	2	2
Retailer-owned shop-in-shops	-	-	-
North America	21	23	23
Company-owned stores	4	4	4
Company-owned outlet stores	1	1	1
Retailer-owned stores	1	1	1
Retailer-owned shop-in-shops	15	17	17
Asia-Pacific	64	59	60
Company-owned stores	5	4	5
Company-owned outlet stores	-	-	-
Retailer-owned stores	47	47	45
Retailer-owned shop-in-shops	12	8	10
Total	163	158	159
Company-owned stores	43	41	42
Company-owned outlet stores	13	13	13
Retailer-owned stores	65	66	64
Retailer-owned shop-in-shops	42	38	40

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 56 at the end of June 2017 (54).

NET SALES BY PRODUCT LINE

(EUR 1,000)	4-6/ 2017	4-6/ 2016	Change, %	1-6/ 2017	1-6/ 2016	Change, %	1-12/ 2016
Fashion	8,133	10,027	-19	17,046	18,041	-6	35,516
Home	7,844	7,826	0	15,721	14,821	6	37,763
Bags and accessories	6,791	5,690	19	12,496	11,629	7	26,335
Total	22,769	23,543	-3	45,263	44,492	2	99,614

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	4-6/2017	1-3/2017	10-12/2016	7-9/2016
Net sales	22,769	22,495	28,174	26,949
Operating result	698	878	1,767	3,670
Earnings per share, EUR	0.01	0.07	0.19	0.34

(EUR 1,000)	4-6/2016	1-3/2016	10-12/2015	7-9/2015
Net sales	23,543	20,948	27,481	24,590
Operating result	871	-1,059	1,345	1,228
Earnings per share, EUR	0.08	-0.12	0.15	0.08

FORMULAS FOR KEY FIGURES

Comparable EBITDA:

Operating result - depreciation - impairments - items affecting comparability

Comparable operating result:

Operating result - items affecting comparability in operating result

Comparable operating result margin, %

Operating result - items affecting comparability in operating result x 100 / Net sales

Earnings per share (EPS), EUR:

(Profit before taxes - income taxes) / Adjusted number of shares (average for the financial year)

Equity per share, EUR:

Shareholders' equity / Number of shares, 30 June

Return on equity (ROE), %:

Rolling 12 months (Profit before taxes - income taxes) x 100 / Shareholders' equity (average for the financial year)

Return on investment (ROI), %:

Rolling 12 months (Profit before taxes + interest and other financial expenses) x 100 / Balance sheet total - non-interest-bearing liabilities (average for the financial year)

Equity ratio, %:

Shareholders' equity x 100 / (Balance sheet total - advances received)

Gearing, %:

Interest-bearing net debt x 100 / Shareholders' equity

Net working capital:

Inventories + trade and other receivables + current tax assets - tax liabilities - current provisions - trade and other payables