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Marimekko Corporation, Interim Report, 14 August 2012 at 8.30 a.m.

**During the January-June period of 2012, the Marimekko Group's net sales grew by 13 percent and international sales by 28 percent. Operating result was low, as expected, due to seasonality, structural changes and increased costs related to the expansion of business operations. Net sales and operating profit forecasts for the full year 2012 remain unchanged.**

### January to June

- Net sales grew by 13.1% to EUR 38.5 million (34.0).
  - International sales grew by 28.1% to EUR 16.0 million (12.5). Strong growth in the Asia-Pacific region continued and sales rose by 35.7%. Growth in North America amounted to 60.9%.
  - Sales in Finland rose by 4.4% with strong growth in retailing, reaching EUR 22.5 million (21.6).
- Operating result was EUR -1.5 million (-0.4). A drag on earnings was exerted by a decrease in wholesale sales in Finland, North America and Scandinavia, increased costs of the Helsinki head office and the country organizations in the United States and Sweden, and a rise in depreciation.
- Cash flow from operating activities was EUR -0.5 million (-2.3).
- Investments were EUR 3.9 million (3.2).
- Brand sales\* grew by 4.2%, reaching EUR 83.2 million (79.8).

### April to June

- Net sales grew by 17.2% to EUR 19.7 million (16.8).
- Operating result was EUR -0.5 million (-0.8).
- Cash flow from operating activities was EUR 2.0 million (-0.4).

### Market outlook and growth targets

The new stores opened during 2011 will, together with other significant investments in the expansion of the distribution network, generate a substantial increase in sales in 2012. In addition, the company aims to open between 10 and 20 new stores during this year, about half of which would be owned by Marimekko. Four stores were opened in the first half of the year; the number of openings scheduled for the second half of the year has currently been confirmed as 14. This total of 18 new Marimekko stores is divided as follows: 11 company-owned stores, four retailer-owned stores and three shop-in-shops.

The planned total investments for 2012 of the Marimekko Group are estimated as being in excess of EUR 6 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

### Financial guidance

The forecast for the whole of 2012 remains unchanged: the Marimekko Group's net sales are estimated to grow by over 10% and operating profit is forecast to at least double. The increased share of retail sales adds to the seasonality of the business, and thus the operating profit will be generated entirely in the second half of the year.

Key indicators	4-6/ 2012	4-6/ 2011	Change, %	1-6/ 2012	1-6/ 2011	Change, %	1-12/ 2011
Net sales, EUR 1,000	19,701	16,815	17.2	38,509	34,049	13.1	77,442
proportion of international sales, %	37.7	33.7		41.5	36.7		35.8
EBITDA, EUR 1,000	283	-302		119	478	-75.1	5,744
Operating result, EUR 1,000	-545	-798	31.7	-1,480	-438		3,528
Operating result margin, %	-2.8	-4.7		-3.8	-1.3		4.6
Result for the period, EUR 1,000	-214	-592	63.9	-1,034	-308		2,826
Earnings per share, EUR	-0.03	-0.07		-0.13	-0.04		0.35
Cash flow from operating activities, EUR 1,000	1,988	-361		-530	-2,297	76.9	651
Return on investment (ROI), %	-2.6	1.0		-6.4	-2.5		11.4
Equity ratio, %				49.7	71.1		67.2
Personnel at the end of the period outside Finland				493	385	28.1	434
				75	27		63
Brand sales*, EUR 1,000	40,689	40,942	-0.6	83,200	79,812	4.2	168,557
proportion of international sales, %	56.3	44.7		58.1	48.2		47.5
Number of retail stores and shop-in-shops**				94	88	6.8	90

\* 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. This key figure is not audited.

\*\* 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 40 (28). Information on changes is available in the section Internationalization and changes in the store network.

**Mika Ihamuotila, President and CEO:**

"I am pleased that our recent efforts are now showing up in the form of strong growth in net sales even in the current, challenging state of the market. Our internationalization has also proceeded rapidly. For the first time in the company's history, the majority of brand sales of our products were generated outside Finland. The strategic decision we made the year before last to invest more in opening new, company-owned stores appears to have been correct. Similarly, our decision to be cautious in Central Europe and especially in Southern Europe and instead to devote effort to growth in East Asia and the United States in particular has also proved correct. Our growth in net sales in these regions was very robust in the first half of the year; sales in the Asia-Pacific region rose by 35.7% and in North America by 60.9%. The challenging state of the economy has also made itself felt in the form of cautious purchasing behavior among consumers in Scandinavia. However, we have unwaveringly expanded our network of stores and we can already see that this is bearing fruit. During the period under review, we opened two company-owned stores in Sweden.

"Our operating result was, as expected, in the red during the first half of the year. Our net sales were seasonally low in relation to operating expenses, as profits from retail sales operations are generated predominantly in the last quarter of the year. Since a larger share of our net sales is generated by retail sales, this trend is likely to continue in the future. The second-quarter operating result and particularly the cash flow from operating activities were better than last year. I am also pleased that we were able in the second quarter simultaneously to reduce our stocks and to improve the sales margins of both wholesale and the company-owned stores.

"The Hong Kong store opened in May has been given an excellent reception and this encourages us to continue our investments in growth in the Asia-Pacific region. Our stores in the United States have also performed so well that we are continuing to expand our network of company-owned stores in this market, which is strategically important for us. Last week we opened a company-owned store in Boston and we will also open new ones later this year in Beverly Hills (L.A.) and Palo Alto in the heart of Silicon Valley. Our new products have been enthusiastically received internationally, and we will launch more new products and categories in the near future."

**Financial calendar 2012**

The interim report for January-September will be issued on Tuesday, 30 October 2012, at 8.30 a.m.

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## MARIMEKKO CORPORATION'S INTERIM REPORT, 1 January – 30 June 2012

### MARKET SITUATION

The overall uncertainty about the global economy continues, and this may impact consumers' purchasing behavior in all markets. Forecasts of world economic growth have held fairly steady, but the risks have increased. The world economy is forecast to grow, driven by the developing markets, although China's economic trend has flagged somewhat. The economic forecasts for the U.S. are better than in Europe, but growth is fairly slow. EU states' severe loan crisis is still continuing and even worsened during the early summer. Europe is thus stuck in recession and the debt crisis is still the main threat which could turn the global economic trend in a distinctly worse direction. In Finland, the situation is moderate, although prospects have deteriorated to some extent. At best, very slow growth is forecast for the rest of the year. All in all, the outlook is fragmented and no end to the uncertainty can be seen (Confederation of Finnish Industries EK: Business Tendency Survey, 8 August 2012).

The current business conditions for retail trade are slightly worse than usual. From January to June, retail sales in Finland grew by 2.1% (Statistics Finland: Turnover of Trade 2012, advance figures, June). In the January-May period of 2012, clothing retail sales (excluding sportswear) rose by 3.4% (Textile and Fashion Industries TMA). Sales of women's clothing grew by 2.3%, menswear by 4.6% and children's clothing by 5.3%. Sales of bags were up by 3.0%. According to advance figures from customs, Finland's balance of trade in June was in surplus for the first time in almost a year. From January to May 2012, clothing (SITC 84) exports grew by 8% and imports declined by 3%; textile (SITC 65) exports were on a par with last year and imports grew by 1% (National Board of Customs, monthly review, May 2012).

### INTERNATIONALIZATION AND CHANGES IN THE STORE NETWORK

On the basis of positive feedback in Northern Europe and the United States, Marimekko is investing more than before in the expansion of its network of company-owned stores. This will change the ratio of wholesale to retail sales somewhat, and it will tie up more of the company's capital and resources.

In February, Marimekko reported it was expanding its operations in all its main market areas and aiming to open 10 to 20 new stores this year. In the second quarter of the year, three stores were opened: company-owned stores in Stockholm and Gothenburg, and a retailer-owned store in Hong Kong.

Since the end of the period, a company-owned store has been opened in Boston. Two more new company-owned stores will also be opened this year in the United States: one in the Stanford Shopping Center in Palo Alto in September-October, and one on Canon Drive in Beverly Hills toward the end of the year. Marimekko is also expanding its distribution in Canada; it has signed a partnership contract with the modern furniture company EQ3 with the aim of opening 10 Marimekko shop-in-shops by the end of 2014. The first of these will open in September in Toronto.

Of the remaining openings planned for the second half of the year, 10 have so far been confirmed. Five of these will be company-owned retail stores, three retailer-owned Marimekko stores and two shop-in-shops. In addition, some store premises are still under negotiation.

Number of retail stores and shop-in-shops	30 June 2012	31 Dec. 2011
Finland	43	42
Own retail stores	27	26
Scandinavia	12	10
Own retail stores	7	5
Central and Southern Europe	5	5
Own retail stores	4	4
North America	11	11
Own retail stores	2	2
Asia-Pacific	23	22
Own retail stores	-	-
<b>TOTAL</b>	<b>94</b>	<b>90</b>
Own retail stores	40	37

### NET SALES

#### January to June

In the January-June period of 2012, the Marimekko Group's net sales, fuelled by growth in international sales, were up by 13.1% to EUR 38,509 thousand (34,049). Net sales in Finland grew by 4.4% and international sales by 28.1%.

## April to June

In the April-June period of 2012, the Group's net sales grew by 17.2% to EUR 19,701 thousand (16,815), driven by international sales. Net sales in Finland rose by 10.1% and international sales by 31.0%.

## NET SALES BY MARKET AREA

(EUR 1,000)	4-6/2012	4-6/2011	Change,%	1-6/2012	1-6/2011	Change,%	1-12/2011
<b>Finland</b>	<b>12,283</b>	11,153*	10.1	<b>22,511</b>	21,563*	4.4	49,807*
Retail sales	8,320	6,914	20.3	14,136	11,712	20.7	28,267
Wholesale sales	3,836	3,897	-1.6	8,106	9,362	-13.4	20,584
Royalties	127	342	-62.9	269	489	-45.0	956
<b>Scandinavia</b>	<b>1,825</b>	1,452*	25.7	<b>3,727</b>	3,341*	11.6	7,518*
Retail sales	873	451	93.6	1,409	865	62.9	2,241
Wholesale sales	952	999	-4.7	2,315	2,471	-6.3	5,269
Royalties	-	2	-	3	5	-40.0	8
<b>Central and Southern Europe</b>	<b>1,693</b>	1,397*	21.2	<b>3,741</b>	3,175*	17.8	6,691*
Retail sales	360	350	2.9	700	643	8.9	1,394
Wholesale sales	1,306	1,017	28.3	2,986	2,474	20.7	5,183
Royalties	27	30	-10.0	55	58	-5.2	114
<b>North America</b>	<b>1,468</b>	1,004*	46.2	<b>2,720</b>	1,690*	60.9	4,960*
Retail sales	614	-	-	1,080	-	-	972
Wholesale sales	646	804	-19.7	1,323	1,524	-13.2	3,430
Royalties	208	200	4.0	317	166	91.0	558
<b>Asia-Pacific</b>	<b>2,432</b>	1,809*	34.4	<b>5,810</b>	4,280*	35.7	8,466*
Retail sales	-	-	-	-	-	-	-
Wholesale sales	2,432	1,809	34.4	5,808	4,280	35.7	8,458
Royalties	-	-	-	2	-	-	8
<b>International sales, total</b>	<b>7,418</b>	5,662*	31.0	<b>15,998</b>	12,486*	28.1	27,635*
Retail sales	1,847	801	130.6	3,189	1,508	111.5	4,607
Wholesale sales	5,336	4,629	15.3	12,432	10,749	15.7	22,340
Royalties	235	232	1.3	377	229	64.6	688
<b>TOTAL</b>	<b>19,701</b>	16,815	17.2	<b>38,509</b>	34,049	13.1	77,442
Retail sales	10,167	7,715	31.8	17,325	13,220	31.1	32,874
Wholesale sales	9,172	8,526	7.6	20,538	20,111	2.1	42,924
Royalties	362	574	-36.9	646	718	-10.0	1,644

\* Due to adjustments made in internal sales reporting structures, the previously reported sales figures by market area have changed.

## Finland

In the January-June period of 2012, sales in Finland rose by 4.4% to EUR 22,511 thousand. Retail sales were up by 20.7%. Sales were boosted by the three stores opened in the last quarter of 2011 as well as one new store opened during the first quarter of this year. The comparable growth in sales by company-owned stores was 9.9%. Wholesale sales fell by 13.4%. This was partly due to changes effected in the distribution network in accordance with the company's distribution strategy and differences in the timing of deliveries compared to the same period last year.

## Scandinavia

Sales in Scandinavia grew by 11.6% to EUR 3,727 thousand. Retail sales were up by 62.9%. Three stores opened in 2011 boosted retail sales. Sales were also stimulated by two stores opened in Sweden in the second quarter of this year. The comparable trend in sales by company-owned stores was -12.9%. Wholesale sales fell by 6.3%. Consumers' purchasing behavior continued to be cautious in all countries and especially in Sweden. A small improvement was in sight, as the Swedish fashion market bottomed out in March after a weak trend lasting for a year.

## Central and Southern Europe

In Central and Southern Europe, net sales rose to EUR 3,741 thousand, up by 17.8% on the previous year. Retail sales grew by 8.9%, which was attributable to sales by the small company-owned store opened in London near the end of 2011. The comparable growth in sales by company-owned stores was 1.4%. Wholesale sales were up by 20.7%. Sales were particularly brisk in Belgium and Germany. The weak economic situation in Italy impacted consumer demand and sales took a downturn.

## North America

Net sales in North America grew by 60.9% to EUR 2,720 thousand. Measured in the invoicing currency (mostly the US dollar), growth was roughly 48%. A major share of the growth was generated by the net sales of the flagship store in New York. Wholesale sales were below expectations and declined by 13.2%.

## Asia-Pacific

By far the most positive trend among all of Marimekko's market areas was recorded in the Asia-Pacific region. The strong trend in sales seen last year continued into the first half of this year. Sales grew by 35.7% to EUR 5,810 thousand. Sales were above expectations in all countries. A clear majority of the growth came from Japan. Sales were also boosted by a new store in Hong Kong which opened in the second quarter. Efforts deployed in Australia showed results, and sales there also grew. Strong growth in sales fuels confidence in growing interest in the company's products in this market area.

## FINANCIAL RESULT

### January to June

The Group's financial result for the first half of the year is typically weak as a consequence of seasonally low net sales in relation to operating expenses, and especially profits from retail sales operations are generated predominantly in the last quarter of the year. This was emphasized during the review period as the share of retail sales in net sales was larger than before. In the January-June period of 2012, the Group's operating result was EUR -1,480 thousand (-438). A decline in wholesale sales in Finland, North America and Scandinavia also had a negative impact on the result. The fall in wholesale sales in Finland was partly due to changes made in the distribution network and differences in the timing of deliveries compared to the same period last year. In addition, the result was burdened by the increased costs of the country organizations in the United States and Sweden and the service organization at the Helsinki head office. On the other hand, profitability was boosted by an improvement in sales margins.

Marketing expenses during the period were EUR 1,998 thousand (2,543), or 5.2% (7.5) of the Group's net sales.

As a result of considerable investments, the Group's depreciation grew to EUR 1,599 thousand (916), which represented 4.2% (2.7) of net sales.

The operating result margin decreased to -3.8% (-1.3).

Net financial income was EUR 5 thousand (net financial expenses 17), or 0.01% (0.1) of net sales.

Result for the review period before taxes was EUR -1,475 thousand (-455). Result after taxes was EUR -1,034 thousand (-308) and earnings per share were EUR -0.13 (-0.04).

### April to June

In the April-June period of 2012, the Group's operating result was EUR -545 thousand (-798). Operating result was improved by a 17 percent increase in net sales which was mainly due to growth in comparable sales by company-owned stores. Net sales were also boosted by new store opening. In addition, sales margins increased markedly. On the other hand, profitability was eroded by higher costs of the country organizations in the United States and Sweden as well as those of the service organization at the Helsinki head office.

## BALANCE SHEET

The consolidated balance sheet at 30 June 2012 amounted to EUR 54,687 thousand (41,641). Total equity attributable to the equity holders of the parent company was EUR 27,176 thousand (29,579), or EUR 3.38 per share (3.68).

Non-current assets were EUR 23,316 thousand (12,598 on 30 June 2011; 17,418 on 31 December 2011). As of March 2012, tangible assets include the present value of future lease payments for the new 30-year land lease on the property of the Helsinki head office and printing factory. The present value of the future lease payments is EUR 3,460 thousand.

Net working capital at the end of the period totaled EUR 19,821 thousand, which was EUR 1,984 thousand more than a year previously and EUR 607 thousand more than at the end of 2011. Inventories were EUR 20,783 thousand, which was EUR 826 thousand more than a year previously but EUR 565 less than at the end of 2011.

## CASH FLOW AND FINANCING

In the January-June period of 2012, cash flow from operating activities was EUR -530 thousand (-2,297), representing EUR -0.07 per share (-0.29). Cash flow before financing activities was EUR -4,420 thousand (-5,449).

In the April-June period of 2012, cash flow from operating activities was EUR 1,988 thousand (-361), representing EUR 0.25 per share (-0.04). Cash flow before financing activities was EUR 317 thousand (-1,913).

The Group's financial liabilities were EUR 17,141 thousand at the end of the reporting period, compared to EUR 2,391 a year ago and EUR 4,944 thousand at the end of 2011. As of the end of March, financial liabilities include the present value of future lease payments for the new 30-year land lease on the property of the Helsinki head office and printing factory. The present value of the future lease payments is EUR 3,460 thousand.

Cash and cash equivalents were EUR 1,548 thousand at the end of the period under review (2,187 on 30 June 2011; 1,620 on 31 December 2011). Additionally, the Group had unused committed credit lines amounting to EUR 6,286 thousand (4,609).

The Group's equity ratio was 49.7% at the end of the period (71.1 on 30 June 2011; 67.2 on 31 December 2011). Gearing was 57.1%, while it was 0.7% at the end of the corresponding period of the previous year.

## INVESTMENTS

The Group's gross investments amounted to EUR 3,890 thousand (3,152), representing 10.1% (9.3) of net sales. Most of the investments were devoted to building new stores and renovating the Herttoniemi property.

## PERSONNEL

In the January-June period of 2012, the number of employees averaged 475 (392). At the end of the period, the Group had 493 (385) employees, of whom 75 (27) worked outside Finland. The breakdown of the number of employees working abroad by market area was as follows: Scandinavia 26 (14), Central and Southern Europe 12 (12), North America 35 (1) and Asia-Pacific 2 (0). The personnel of the company's own stores numbered 203 (114) at the end of the period.

## DECISIONS OF THE ANNUAL GENERAL MEETING

The decisions of Marimekko Corporation's Annual General Meeting were declared in a stock exchange release on 17 April 2012 and in the interim report of 9 May 2012.

## SHARES AND SHAREHOLDERS

### Share capital

At the end of the review period, 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 totaled 8,040,000.

### Shareholdings

According to the book-entry register, Marimekko had 6,979 (6,900) shareholders at the end of the period. Of the shares, 11.9% (13.4) were registered in a nominee's name and 15.9% (15.9) were in foreign ownership. The number of shares owned either directly or indirectly by members of the Board of Directors and the President of the company was 1,168,930 (1,150,930), representing 14.5% (14.3) of the total share capital and of the votes conferred by the company's shares.

The largest shareholders according to the book-entry register on 30 June 2012		Number of shares and votes	%
1.	Muotitila Ltd	1,127,700	14.03
2.	Semerca Investment Ltd	850,377	10.58
3.	ODIN Finland	408,099	5.08
4.	Varma Mutual Employment Pension Insurance Company	385,920	4.80
5.	Ilmarinen Mutual Pension Insurance Company	265,419	3.30
6.	KEVA	252,007	3.13
7.	Veritas Pension Insurance Company	220,000	2.74
8.	Nordea Nordic Small Cap Fund	101,500	1.26
9.	Nordea Finland Small Cap Fund	70,897	0.88
10.	Mutual Fund Tapiola Finland	66,395	0.82
	Total	3,748,314	46.62
	Nominee-registered	957,440	11.91
	Others	3,334,246	41.47
	<b>Total</b>	<b>8,040,000</b>	<b>100.00</b>

### Share trading and the company's market capitalization

During the period, a total of 544,467 Marimekko shares were traded, representing 6.8% of the shares outstanding. The total value of Marimekko's share turnover was EUR 7,038,897. The lowest price of the Marimekko share was EUR 9.92, the highest was EUR 14.33 and the average price was EUR 13.01. At the end of the period, the closing price of the share was EUR 12.90. The company's market capitalization on 30 June 2012 was EUR 103,716,000 (104,520,000 on 30 June 2011; 79,435,200 on 31 December 2011).

## Flaggings

SEB Asset Management S.A.'s share of Marimekko Corporation's share capital and voting rights declined to 1.64%, or 132,152 shares, due to a stock loan on 11 April 2012 and rose to 6.00%, or 482,752 shares, on the maturity date of the stock loan on 22 May 2012.

## Authorizations

The Annual General Meeting of 17 April 2012 authorized the Board of Directors to decide on a directed offering of shares to the personnel, in deviation from the shareholders' pre-emptive right, in one or more offerings. The total number of new shares to be offered for subscription pursuant to the authorization may not exceed 150,000 shares, representing approximately 1.9% of the total number of the company's shares. The authorization includes the right of the Board of Directors to decide on all the other terms of the share issue. The authorization is in effect for two years from the date of the Annual General Meeting's decision.

At the end of the period, the Board of Directors had no other valid authorizations to carry out share issues or issue convertible bonds or bonds with warrants, or to acquire or surrender Marimekko shares.

## Personnel share offering

Marimekko Corporation's Board of Directors decided on 25 April 2012 to arrange a share issue in which new shares in the company are offered for subscription to the personnel and to designers employed by the company on a freelance basis. The personnel share offering is reported in more detail in the stock exchange release of 26 April 2012 and in the interim report of 9 May 2012.

## EVENTS AFTER THE CLOSE OF THE REVIEW PERIOD

### Changes in management

Marimekko's Marketing Director and member of the Management Group Malin Groop is to resign from the company as of 15 August 2012 and will serve the company as a consultant for strategic projects related to brand development. Tiina Alahuhta-Kasko, who served as Acting Marketing Director during Groop's maternity leave, has been appointed as the Group's Marketing Director and member of the Management Group as from 15 August 2012. Alahuhta-Kasko has been in the company's employ since 2005.

## MAJOR RISKS AND FACTORS OF UNCERTAINTY

The key strategic risks are associated with overall economic trends and the consequent uncertainty in the operating environment as well as the management of expansion. Factors of uncertainty and trends in the world economy affect consumers' purchasing behavior and buying power in all of the company's market areas. The severe problems of the international financial markets dampen the prospects for retail sales as well as Marimekko's growth and earnings outlook. Consumers' purchasing behavior has been cautious, especially in Scandinavia.

Marimekko is undergoing a phase of extensive internationalization and change. The distribution of products is being expanded in all key market areas, particularly North America and the Asia-Pacific region. Unlike before, the focus of growth lies increasingly in opening company-owned stores outside Finland. This calls for larger or brand-new country organizations in these market areas, which will exert a substantial drag on the cost-effectiveness of the company, especially in the early stages of expansion. Moreover, expanding the network of company-owned stores will increase the company's investments, lease liabilities of store premises, and inventories. It follows from this that a larger portion of Group net sales will come from sales by the company's own retail stores, which will add to the seasonality of the business and shift the bulk of net sales and profit accumulation to the last quarter, thus having a negative impact on profitability in the first half of the year. Furthermore, growth through partnerships in some of the company's key market areas also includes risks related to long-term partnership commitments and the selection of partners.

The company's ability to develop and commercialize new products that meet consumers' expectations whilst maintaining profitable and effective in-house production has an impact on the company's sales and profitability.

The company's key operational risks prominently include those related to the management of expansion projects, the operational reliability of procurement and logistics processes, and changes in cost of raw materials and other procurement items. As a result of introducing new products, the share of in-house production has diminished, and Marimekko uses subcontractors to an increasing extent. Therefore, the company's dependence on the supply chain has increased. Any delays or disturbances in supply or fluctuations in the quality of products may have a temporary harmful impact on business. As the operations are being expanded and diversified, risks related to the management of inventories also increase.

Among the company's economic risks, those related to the structure of sales, increased investments, price trends for factors of production, customers' liquidity, and changes in exchange rates may have an impact on the company's financial status.



## MARKET OUTLOOK AND GROWTH TARGETS

The negative effects of the structural problems of the international financial markets on general economic trends continue to dampen the outlook for retail sales and make it difficult to predict consumers' purchasing behavior in different market areas.

The new stores opened during 2011 will, together with other significant investments in the expansion of the distribution network, generate a substantial increase in sales in 2012. In addition, the company aims to open between 10 and 20 new stores during this year, about half of which would be owned by Marimekko. Four stores were opened in the first half of the year; the number of openings scheduled for the second half of the year has currently been confirmed as 14. This total of 18 new Marimekko stores is divided as follows: 11 company-owned stores, four retailer-owned stores and three shop-in-shops.

The planned total investments for 2012 of the Marimekko Group are estimated as being in excess of EUR 6 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

## FINANCIAL GUIDANCE

The forecast for the whole of 2012 remains unchanged: the Marimekko Group's net sales are estimated to grow by over 10% and operating profit is forecast to at least double. The increased share of retail sales adds to the seasonality of the business, and thus the operating profit will be generated entirely in the second half of the year.

Helsinki, 14 August 2012

MARIMEKKO CORPORATION  
Board of Directors

Information presented in the interim report has not been audited.

## APPENDICES

Accounting principles  
Formulas for the key figures  
Consolidated income statement and comprehensive consolidated income statement  
Consolidated balance sheet  
Consolidated cash flow statement  
Consolidated statement of changes in shareholders' equity  
Key figures  
Segment information  
Quarterly trend in net sales by market area  
Net sales by product line  
Quarterly trend in net sales and earnings

## ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34: Interim Financial Reporting. The same accounting principles were applied as in the 2011 financial statements.

## FORMULAS FOR THE KEY FIGURES

Earnings per share (EPS), EUR:  
 $(\text{Profit before taxes} - \text{income taxes}) / \text{Number of shares (average for the financial period)}$

Equity per share, EUR:  
 $\text{Shareholders' equity} / \text{Number of shares, 30 June}$

Return on equity (ROE), %:  
 $(\text{Profit before taxes} - \text{income taxes}) \times 100 / \text{Shareholders' equity (average for the financial period)}$

Return on investment (ROI), %:  
 $(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100 / (\text{Balance sheet total} - \text{non-interest-bearing liabilities (average for the financial period)})$

Equity ratio, %:  
 $\text{Shareholders' equity} \times 100 / (\text{Balance sheet total} - \text{advances received})$

Gearing, %:  
 $\text{Interest-bearing net debt} \times 100 / \text{Shareholders' equity}$

Net working capital: Inventories + trade and other receivables + current tax assets - trade and other payables

**CONSOLIDATED INCOME STATEMENT**

(EUR 1,000)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	1-12/2011
<b>NET SALES</b>	<b>19,701</b>	16,815	<b>38,509</b>	34,049	77,442
Other operating income	8	-	9	2	2
Increase or decrease in inventories of completed and unfinished products	475	-50	475	-1,981	-2,353
Raw materials and consumables	6,179	6,301	13,242	14,417	30,287
Employee benefit expenses	5,918	4,947	11,621	9,615	20,030
Depreciation	828	496	1,599	916	2,216
Other operating expenses	6,854	5,919	13,061	11,522	23,736
<b>OPERATING RESULT</b>	<b>-545</b>	-798	<b>-1,480</b>	-438	3,528
Financial income	132	28	138	41	246
Financial expenses	78	-22	-133	-58	-59
	210	6	5	-17	187
<b>RESULT BEFORE TAXES</b>	<b>-335</b>	-792	<b>-1,475</b>	-455	3,715
Income taxes	-121	-200	-441	-147	889
<b>NET RESULT FOR THE PERIOD</b>	<b>-214</b>	-592	<b>-1,034</b>	-308	2,826
Distribution of net result to equity holders of the parent company	-214	-592	-1,034	-308	2,826
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	-0.03	-0.07	-0.13	-0.04	0.35

**COMPREHENSIVE CONSOLIDATED INCOME STATEMENT**

(EUR 1,000)	4-6/2012	4-6/2011	1-6/2012	1-6/2011	1-12/2011
Net result for the period	-214	-592	-1,034	-308	2,826
Other comprehensive income					
Change in translation difference	-3	10	-31	22	-28
<b>COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>-217</b>	-582	<b>-1,065</b>	-286	2,798
Distribution of net result to equity holders of the parent company	-217	-582	-1,065	-286	2,798

## CONSOLIDATED BALANCE SHEET

(EUR 1,000)	30.6.2012	30.6.2011	31.12.2011
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible assets	21,336	10,841	14,966
Intangible assets	1,620	1,654	2,296
Available-for-sale financial assets	16	16	16
Deferred tax assets	344	87	140
	<b>23,316</b>	12,598	17,418
<b>CURRENT ASSETS</b>			
Inventories	20,783	19,957	21,348
Trade and other receivables	8,032	6,003	7,680
Current tax assets	1,008	896	514
Cash and cash equivalents	1,548	2,187	1,620
	<b>31,371</b>	29,043	31,162
<b>ASSETS, TOTAL</b>	<b>54,687</b>	41,641	48,580
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>			
Share capital	8,040	8,040	8,040
Translation differences	-49	32	-18
Retained earnings	19,185	21,507	24,641
Shareholders' equity, total	<b>27,176</b>	29,579	32,663
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	368	652	630
Financial liabilities	17,073	2,391	4,944
	<b>17,441</b>	3,043	5,574
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10,002	9,019	10,328
Current tax liabilities	-	-	15
Financial liabilities	68	-	-
	<b>10,070</b>	9,019	10,343
Liabilities, total	<b>27,511</b>	12,062	15,917
<b>SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL</b>	<b>54,687</b>	41,641	48,580

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)	1-6/2012	1-6/2011	1-12/2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net result for the period	-1,034	-308	2,826
Adjustments			
Depreciation according to plan	1,599	916	2,216
Unrealized exchange rate gains	-	-	-416
Financial income and expenses	-5	17	-187
Taxes	-441	-148	890
Cash flow before change in working capital	119	477	5,329
Change in working capital	-1,086	-1,980	-3,454
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	-1,034	345	-969
Increase (-) / decrease (+) in inventories	564	-2,784	-4,175
Increase (+) / decrease (-) in current non-interest-bearing liabilities	-616	459	1,690
Cash flow from operating activities before financial items and taxes	-967	-1,503	1,875
Paid interest and payments on other financial expenses	-112	-58	129
Interest received	138	42	66
Taxes paid	411	-778	-1,419
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-530</b>	<b>-2,297</b>	<b>651</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in tangible and intangible assets	-3,890	-3,152	-9,220
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-3,890</b>	<b>-3,152</b>	<b>-9,220</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long-term loans drawn	8,770	2,391	-
Long-term loans repaid	-	-	4,944
Dividends paid	-4,422	-4,422	-4,422
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>4,348</b>	<b>-2,031</b>	<b>522</b>
<b>Change in cash and cash equivalents</b>	<b>-72</b>	<b>-7,480</b>	<b>-8,047</b>
Cash and cash equivalents at the beginning of the period	1,620	9,667	9,667
Cash and cash equivalents at the end of the period	1,548	2,187	1,620

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)	Equity attributable to equity holders of the parent company			
	Share capital	Translation differences	Retained earnings	Shareholders' equity, total
Shareholders' equity 1 Jan. 2011	8,040	10	26,237	34,287
<b>Comprehensive result</b>				
Net profit for the period			-308	-308
Translation differences		22		22
<b>Total comprehensive result for the period</b>		<b>32</b>	<b>-308</b>	<b>-286</b>
<b>Transactions with owners</b>				
Dividends paid			-4,422	-4,422
<b>Shareholders' equity 30 June 2011</b>	<b>8,040</b>	<b>32</b>	<b>21,507</b>	<b>29,579</b>
Shareholders' equity 1 Jan. 2012	8,040	-18	24,641	32,663
<b>Comprehensive result</b>				
Net profit for the period			-1,034	-1,034
Translation differences		-31		-31
<b>Total comprehensive result for the period</b>		<b>-49</b>	<b>-1,034</b>	<b>-1,065</b>
<b>Transactions with owners</b>				
Dividends paid			-4,422	-4,422
<b>Shareholders' equity 30 June 2012</b>	<b>8,040</b>	<b>-49</b>	<b>19,185</b>	<b>27,176</b>

## KEY FIGURES

	1-6/2012	1-6/2011	Change, %	1-12/2011
Earnings per share, EUR	-0.13	-0.04		0.35
Equity per share, EUR	3.38	3.68	-8.2	4.06
Return on equity (ROE), %	-6.9	-1.9		8.4
Return on investment (ROI), %	-6.4	-2.5		11.4
Equity ratio, %	49.7	71.1		67.2
Gearing, %	57.1	0.7		10.2
Gross investments, EUR 1,000	3,890	3,152	23.4	9,220
Gross investments, % of net sales	10.1	9.3		11.9
Contingent liabilities, EUR 1,000	26,029	18,569	40.2	27,610
Average personnel	475	392	21.2	402
Personnel at the end of the period	493	385	28.1	434
Number of shares at the end of the period (1,000)	8,040	8,040		8,040
Number of shares outstanding, average (1,000)	8,040	8,040		8,040

## SEGMENT INFORMATION

(EUR 1,000)	1-6/2012	1-6/2011	Change, %	1-12/2011
Marimekko business				
Net sales	38,509	34,049	13.1	77,442
Operating result	-1,480	-438		3,528
Assets	54,687	41,641	31.3	48,580

**QUARTERLY TREND IN NET SALES BY MARKET AREA**

(EUR 1,000)	4-6/2012	1-3/2012	10-12/2011	7-9/2011	4-6/2011
<b>Finland</b>	<b>12,283</b>	<b>10,228</b>	<b>15,617*</b>	<b>12,628*</b>	<b>11,153*</b>
Retail sales	8,320	5,816	8,926	7,630	6,914
Wholesale sales	3,836	4,270	6,405	4,817	3,897
Royalties	127	142	286	181	342
<b>Scandinavia</b>	<b>1,825</b>	<b>1,902</b>	<b>2,210*</b>	<b>1,967*</b>	<b>1,452*</b>
Retail sales	873	536	795	581	451
Wholesale sales	952	1,363	1,412	1,386	999
Royalties	-	3	3	-	2
<b>Central and Southern Europe</b>	<b>1,693</b>	<b>2,048</b>	<b>1,821*</b>	<b>1,694*</b>	<b>1,397*</b>
Retail sales	360	340	418	333	350
Wholesale sales	1,306	1,680	1,375	1,333	1,017
Royalties	27	28	28	28	30
<b>North America</b>	<b>1,468</b>	<b>1,252</b>	<b>2,152*</b>	<b>1,118*</b>	<b>1,004*</b>
Retail sales	614	466	972	-	-
Wholesale sales	646	677	910	996	804
Royalties	208	109	270	122	200
<b>Asia-Pacific</b>	<b>2,432</b>	<b>3,378</b>	<b>1,781*</b>	<b>2,405*</b>	<b>1,809*</b>
Retail sales	-	-	-	-	-
Wholesale sales	2,432	3,376	1,781	2,397	1,809
Royalties	-	2	-	8	-
<b>TOTAL</b>	<b>19,701</b>	<b>18,808</b>	<b>23,581</b>	<b>19,812</b>	<b>16,815</b>

\* Due to adjustments made in internal sales reporting structures, the previously reported sales figures by market area have changed.

**NET SALES BY PRODUCT LINE**

(EUR 1,000)	4-6/2012	4-6/2011*	Change, %	1-6/2012	1-6/2011*	Change, %	1-12/2011
Clothing	6,958	5,872	18.5	13,936	12,963	7.5	28,351
Interior decoration	8,443	7,589	11.3	16,276	14,507	12.2	34,003
Bags	4,300	3,354	28.2	8,297	6,579	26.1	15,088
<b>TOTAL</b>	<b>19,701</b>	<b>16,815</b>	<b>17.2</b>	<b>38,509</b>	<b>34,049</b>	<b>13.1</b>	<b>77,442</b>

\* Due to adjustments made in internal sales reporting structures, the previously reported sales figures by product line have changed.

**QUARTERLY TREND IN NET SALES AND EARNINGS**

(EUR 1,000)	4-6/2012	1-3/2012	10-12/2011	7-9/2011
Net sales	19,701	18,808	23,581	19,812
Operating result	-545	-935	1,645	2,321
Earnings per share, EUR	-0.03	-0.10	0.18	0.21

  

(EUR 1,000)	4-6/2011	1-3/2011	10-12/2010	7-9/2010
Net sales	16,815	17,234	22,074	19,468
Operating result	-798	360	2,188	4,170
Earnings per share, EUR	-0.07	0.04	0.21	0.38