

Interim Report

1-6/2011

Mika Ihamuotila

17 August 2011

Agenda

- 1) **Key events and projects:**
International growth and new stores
Product launches
- 2) **Sales:**
Strong growth in net sales considering market conditions
International sales and brand sales rose very well
Sales in Finland fell slightly
- 3) **Operating result:**
Operating result decreased as expected as a result of considerable investments in internationalisation
Personnel and marketing expenses increased
- 4) **Outlook and events after the close of the review period:**
The full-year estimate for 2011 is specified
Seven new Marimekko stores open in Europe and the US during the second half of the year
New printing machine will be taken into use in October

CONVERSE  marimekko®



Key events and projects

Four new Marimekko stores opened at Crate and Barrel in the US.

Marimekko's online store opened in the US.

Converse and Marimekko continue their collaboration.

New store in Vaasa, Finland.

marimekko



New York, Madison Avenue (C&B)

marimekko



Chicago (C&B)

marimekko



Los Angeles (C&B)

marimekko



San Francisco (C&B)

marimekko

marimekko®

Featured ▾ Nest ▾ Wear ▾ Carry ▾ Make ▾ Unfold Marimekko ▾

EXPLORE ▾



SEARCH



Summer Dresses >

Featured Products



Marimekko, established in 1951, is a Finnish textile and clothing design company renowned for its original prints and colors.

[UNFOLD THE STORY](#)

US online store

marimekko®



WEAR : WOMEN

◀ Kupera dress

Kori dress ▶



Rollover Image to Zoom

Lasi dress \$215

Overview

Details

Wash & Care

Slip into a Summer Day. This dress radiates happy days. Mika Piirainen designed it to celebrate Marimekko's 60-year anniversary. It transforms the classic Galleria pattern by Vuokko Eskolin-Nurmesniemi into a modern, new look. The straight-cut dress measures 33.5" long and has a round neck, cap sleeves, and two front pockets. It's comfortable and fresh in the morning, refined and elegant in the evening. The Galleria Lasi is made with 100% woven cotton and lined with 65% cotton/35% nylon.

Select Color



Select Size

[View Sizing Chart](#)

Select a color first... ▾

Quantity

1

Add to Bag

US online store

marimekko



Converse ♥ Marimekko –collection, autumn 2011

marimekko



Vaasa, Finland

marimekko



Autumn 2011 clothing collection on the catwalk

marimekko



New products

marimekko



Old classic Mariskooli & new Marimalja

marimekko

Market Situation

The overall uncertainty about the global economy has increased markedly, markets unstable.

The debt situation has exacerbated in the US and in the European crisis countries.

In Finland, only a minor increase in growth is expected. Consumer confidence has weakened.

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

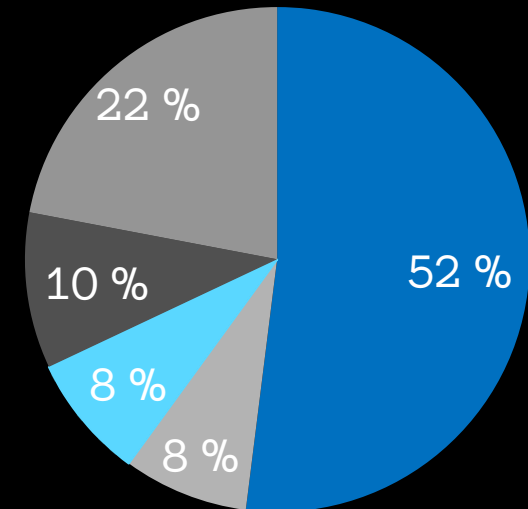
Brand sales grew very well

From January to June 2011 brand sales* grew 24% and were EUR 80 million (EUR 65 million). 48% of the sales came from abroad (46%).

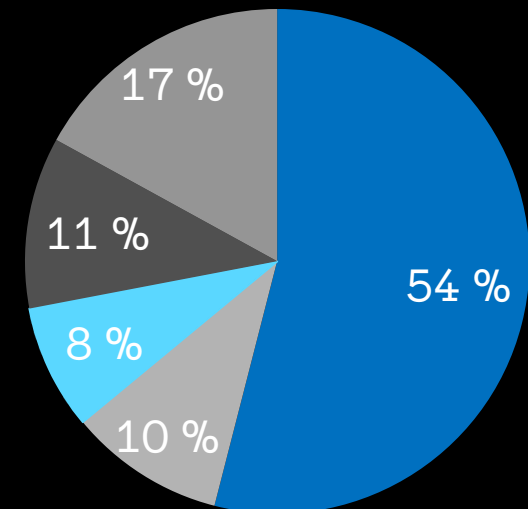
	(EUR 1,000)	1-6/2011	1-6/2010	Change,%
Finland		41,330	35,095	17.8
Scandinavia		6,030	6,475	-6.9
Central and Southern Europe		6,492	5,275	23.1
North America		8,123	7,052	15.2
Asia-Pacific region		17,837	10,718	66.4
TOTAL		79,812	64,615	23.5

* Estimated sales of Marimekko products at consumer prices. Brand sales are calculated by adding together the company's own retail sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's actual wholesale sales to these retailers, is unofficial and does not include VAT. The key figure is not audited.

1-6/2011



1-6/2010



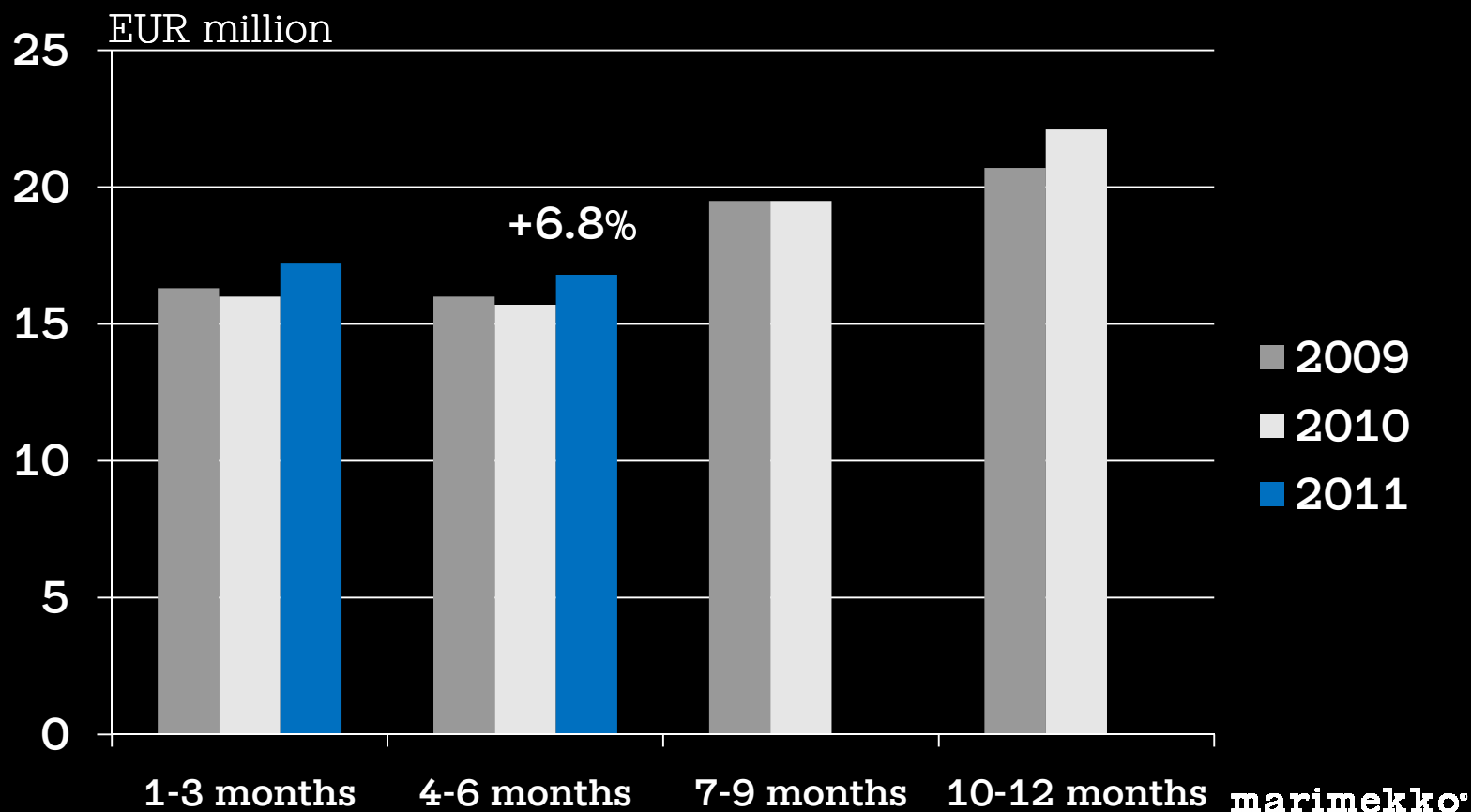
marimekko®

Growth in net sales was boosted by international sales

Net sales grew by 7% to EUR 34 million (EUR 32 million), during the January-June period of 2011.

International sales +24%. Sales grew strongly in Japan and Central and Southern Europe.

Finland -0.4%. Excluding the impact of changes implemented in sales areas in the Helsinki stores in 2010 as well as the changes made in the distribution network in accordance with the company's distribution strategy, sales in Finland grew at a good rate of about 3%.



Net sales by market area

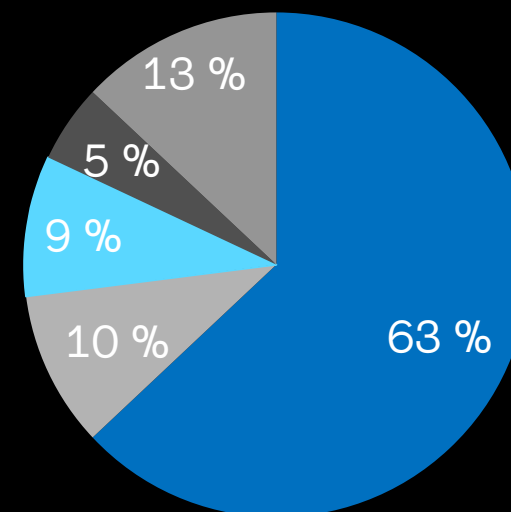
Retail sales in Finland +1.0%, wholesale sales -2.8%. Excluding the impact of changes implemented in sales areas in the Helsinki stores in 2010 as well as the changes made in the distribution network in accordance with the company's distribution strategy, sales in Finland grew at a good rate of about 3%.

Sales grew strongly in Japan and Central and Southern Europe, mainly due to favourable trend in wholesale sales. New stores also increased sales.

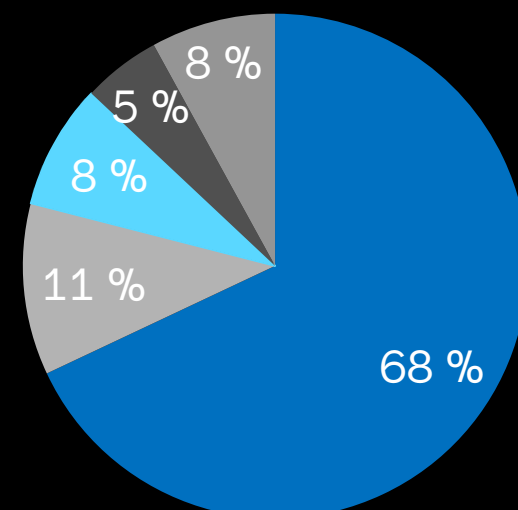
When measured in the invoicing currency (mainly the US dollar), sales in North America showed growth of about 17%.

	(EUR 1,000)	1-6/2011	1-6/2010	Change, %
Finland		21,548	21,635	-0.4
Scandinavia		3,338	3,413	-2.2
Central and Southern Europe		3,170	2,418	31.1
North America		1,691	1,617	4.6
Asia-Pacific		4,302	2,672	61.0
TOTAL		34,049	31,755	7.2

1-6/2011



1-6/2010



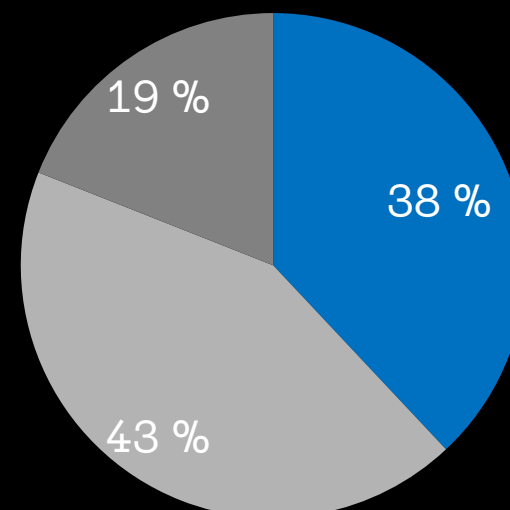
marimekko

Net sales by product line

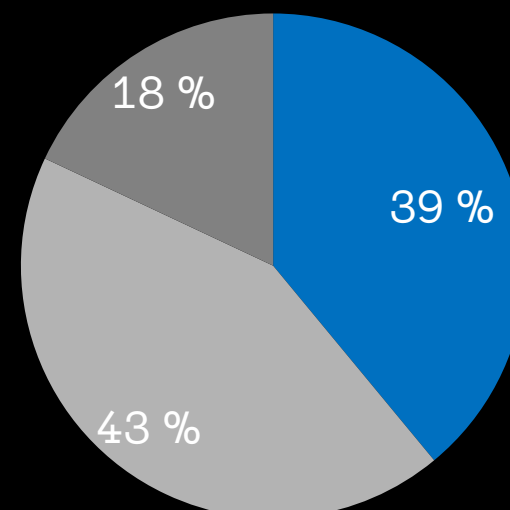
The growth in the sales of bags was mainly attributable to initial inventory purchases by new stores. This also explained partly the growth in the sales of clothes and interior decoration products.

	(EUR 1,000)	1-6/2011	1-6/2010	Change,%
Clothing		12,963	12,359	4.9
Interior Decoration		14,507	13,687	6.0
Bags		6,579	5,709	15.2
TOTAL		34,049	31,755	7.2

1-6/2011



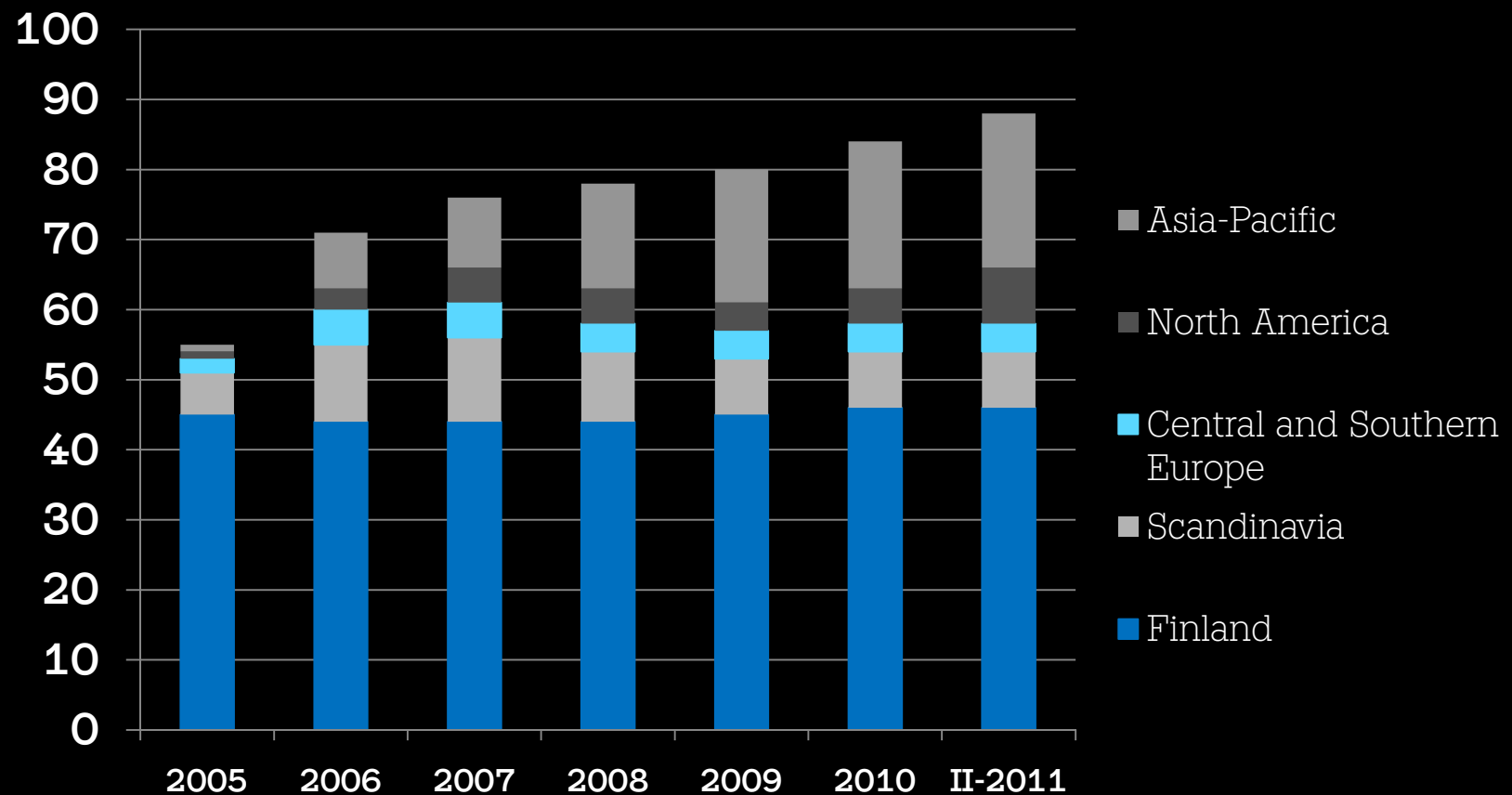
1-6/2010



marimekko

Marimekko stores

88 stores* (81 stores) at the end of June 2011.

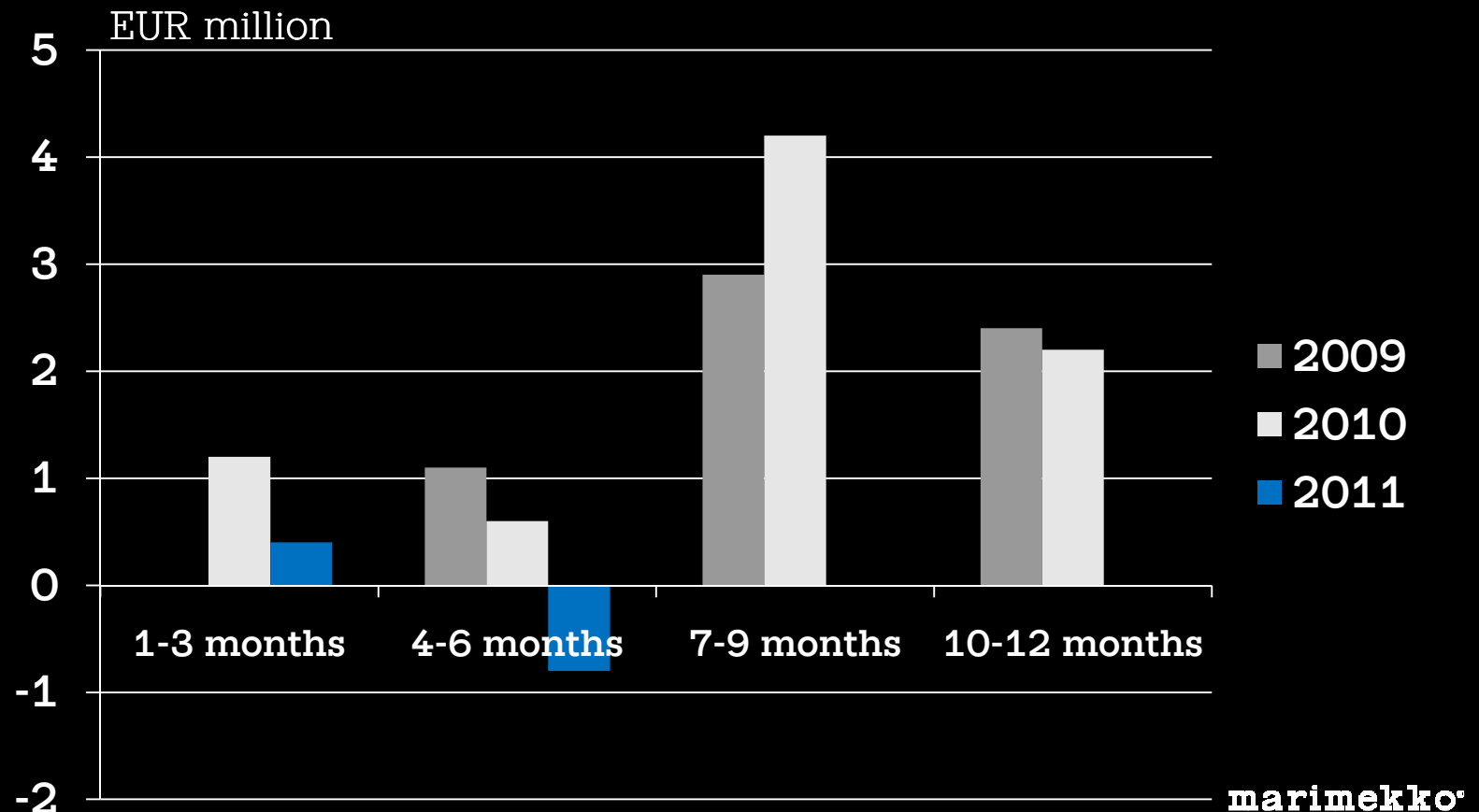


* Includes the company's own retail stores, the concept stores and the Marimekko stores at Crate and Barrel.

Operating result decreased as expected

Operating result fall to EUR -0.4 million during the January-June 2011

The result was burdened by considerable investments in developing business operations and the distribution network in the United States. Increased personnel expenses also had a negative impact on profitability. Marketing expenses were substantially higher than in the comparison period. Marketing expenses in the comparison period were exceptionally low, while store openings and different events celebrating the company's anniversary raised marketing costs.

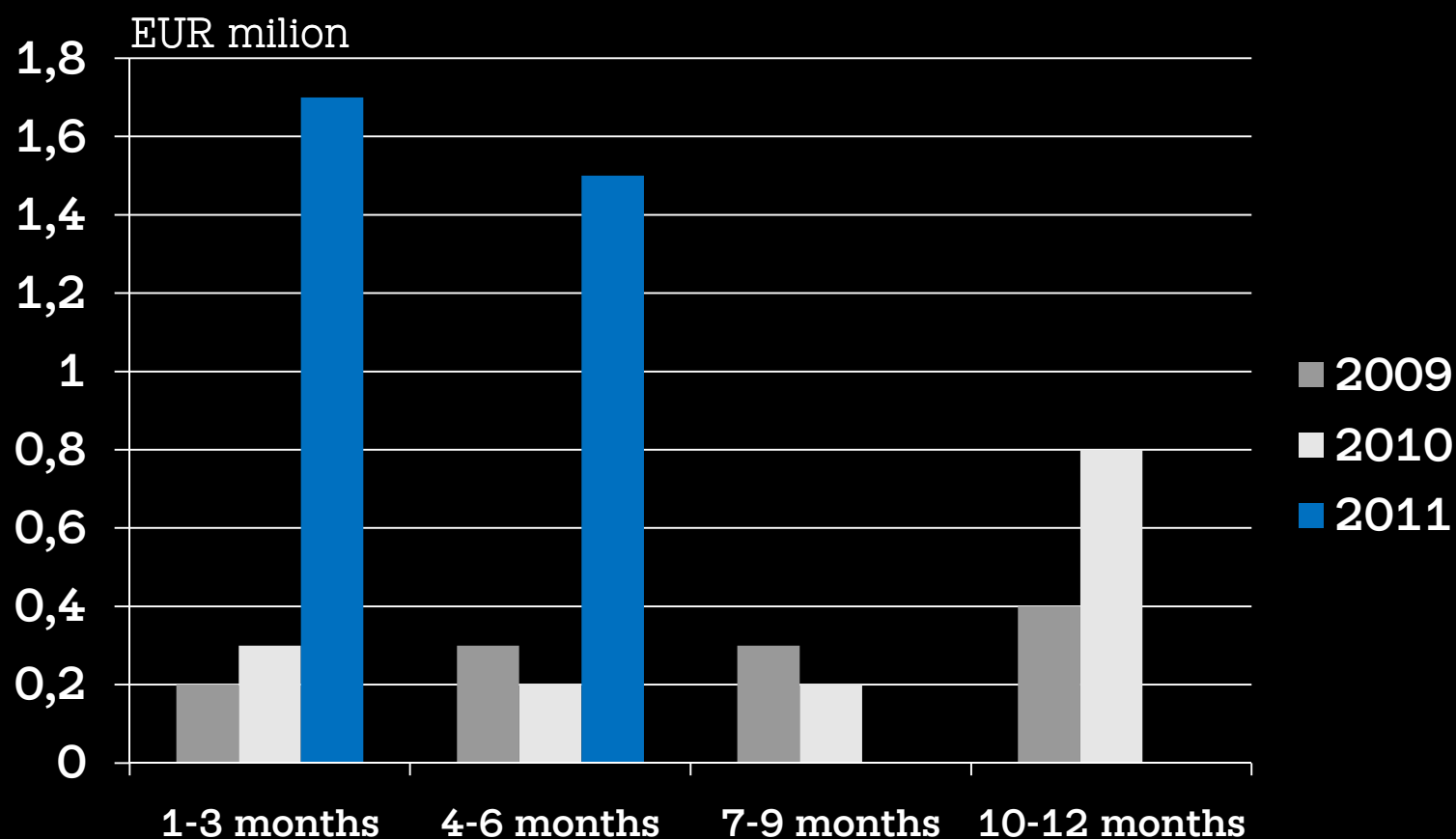


Investments were EUR 3.2 million, January to June

Improving business operations in the US

Building new store premises, purchasing new equipment and furniture

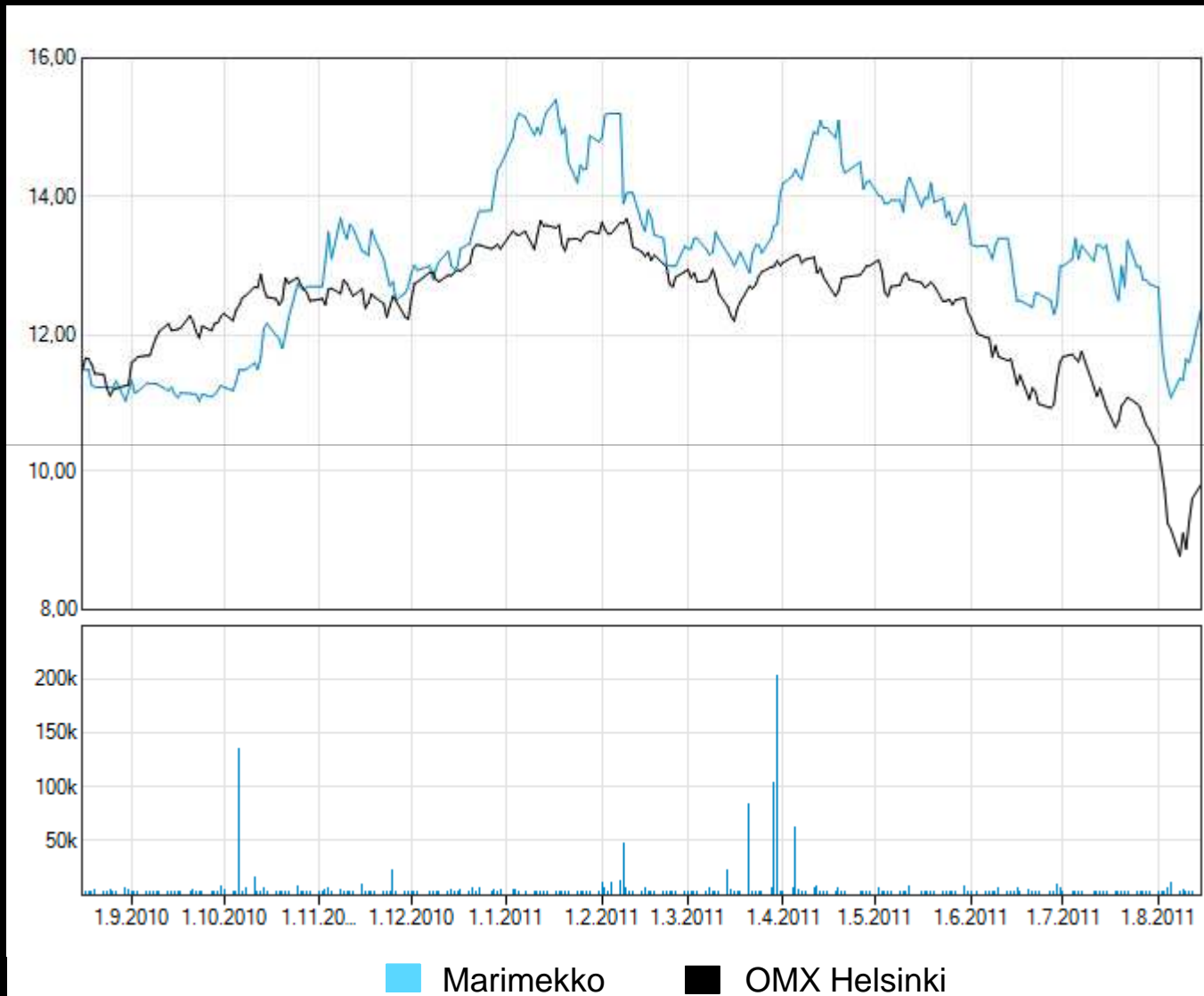
Information systems



Key figures

	1-6/2011	1-6/2010	Change, %	1-12/2010
Net sales, EUR 1,000	34,049	31,755	7.2	73,297
Operating result, EUR 1,000	-438	1,811	-124.2	8,169
Operating result without non-recurring items, EUR 1,000	-269	1,811	-114.9	8,169
Result for the period, EUR 1,000	-308	1,363	-122.6	6,072
Earnings per share, EUR	-0.04	0.17	-123.5	0.76
Cash flow from operating activities, EUR 1,000	-2,297	-964		4,559
Return on investment (ROI), %	-2.5	11.8		25.0
Equity ratio, %	71.1	78.9		78.8
Brand sales, EUR 1,000	79,812	64,615	23.5	149,717

Share price 12 months



Outlook

In its interim report published on 3 May 2011, the company announced the following outlook: the Marimekko Group's net sales are estimated to grow by roughly 5-10%, but operating profit is forecast to decline by some 40-60% compared with the previous year.

The company specifies its full-year estimate for 2011 within the announced range as follows: net sales growth for the Group is expected to be at the bottom end of the range, close to 5%, and the anticipated decline in operating profit is estimated to be at the top end of the range (roughly 50–60% compared with the previous year).



Events after the review period

New own retail store opened in Copenhagen Airport.

Four new own stores will open during this autumn: Stockholm, Oslo, London and New York.

Two new stores will open at Crate and Barrel in Boston and in the Miami area.

New printing machine will be taken into use in October.



Copenhagen Airport

marimekko



**New York's flagship store at the intersection of
5th Avenue and Broadway**

Grand opening 5 Oct 2011

marimekko



New printing machine will be up and running in October

marimekko

marimekko®