

Interim Report 1-6/2012

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14 August 2012

Agenda

1) Key events during the period:

The trend of the period was very much in line with the company's expectations. During the review period company-owned stores opened in Stockholm and in Gothenburg, and one retailer-owned Marimekko store in Hong Kong.

2) Net sales:

Sales grew well despite a very difficult market situation.

Strong trend in sales continued in the Asia-Pacific region and in North America. Sales in Finland rose with strong growth in retailing.

3) Operating profit:

Operating result was low, as expected, due to seasonality, structural changes, increased costs related to the expansion of business operations, and a rise in depreciation.

4) Market outlook and growth targets, and financial guidance

The new stores opened during 2011 and other significant investments in the expansion of the distribution network, generate a substantial increase in sales in 2012. Four stores were opened in the first half of the year; for the second half of the year currently 14 new store openings have been confirmed. Guidance for the whole of 2012 remains unchanged.

5) Events after the review period:

Expansion in North America continues. At the beginning of August, a company-owned store was opened in Boston. Marimekko also told that it will open own stores in Beverly Hills and in the heart of Silicon Valley, and expand distribution in Canada.



Key events

Marimekko opened two company-owned retail stores in the biggest cities in Sweden, Stockholm and Gothenburg.

First Marimekko store was successfully opened in Hong Kong at the beginning of May.

Legendary Marimekko fashion show was held in Helsinki in collaboration with Finnish National Ballet.



Photo: Carl Hjelte

SoFo, Stockholm, Sweden

marimekko®



Gothenburg, Sweden

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Marimekko store in Hong Kong opened in May.

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Legendary Marimekko fashion show was held in Helsinki in collaboration with Finnish National Ballet.

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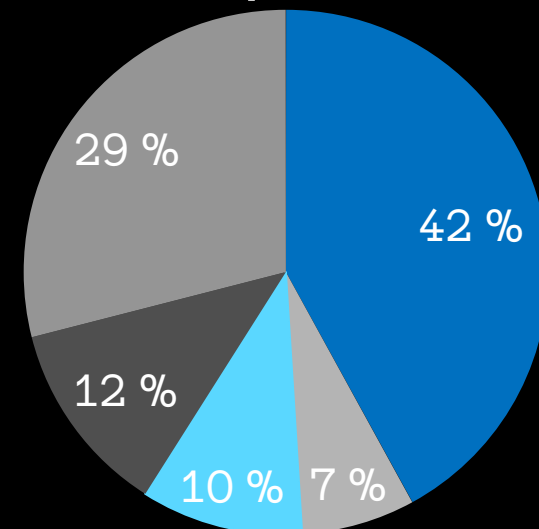
Brand sales

From January to June 2012 brand sales* grew by 4% to EUR 83.2 million (79.8). 58% (48%) of the sales came from abroad.

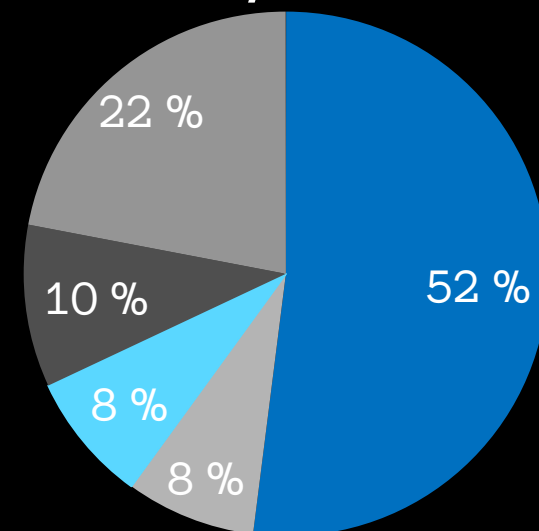
	(EUR 1,000)	1-6/2012	1-6/2011	Change, %
Finland		34,846	41,330	-15.7
Scandinavia		6,142	6,030	1.9
Central and Southern Europe		8,091	6,492	24.6
North America		10,372	8,123	27.7
Asia-Pacific		23,749	17,837	33.1
TOTAL		83,200	79,812	4.2

* 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.

1-6/2012



1-6/2011



Net sales H1/2012

Recent efforts are showing up in the form of strong growth in net sales even in the current, challenging state of the market.

In January-June 2012, Marimekko Group's net sales were up by 13.1% fuelled by growth in international sales.

Net sales in Finland grew by 4%. Retail sales +21%; wholesale sales -13%. The fall in wholesale sales 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.

International sales grew well by 28%. Retail sales +112%; wholesale sales +16%.

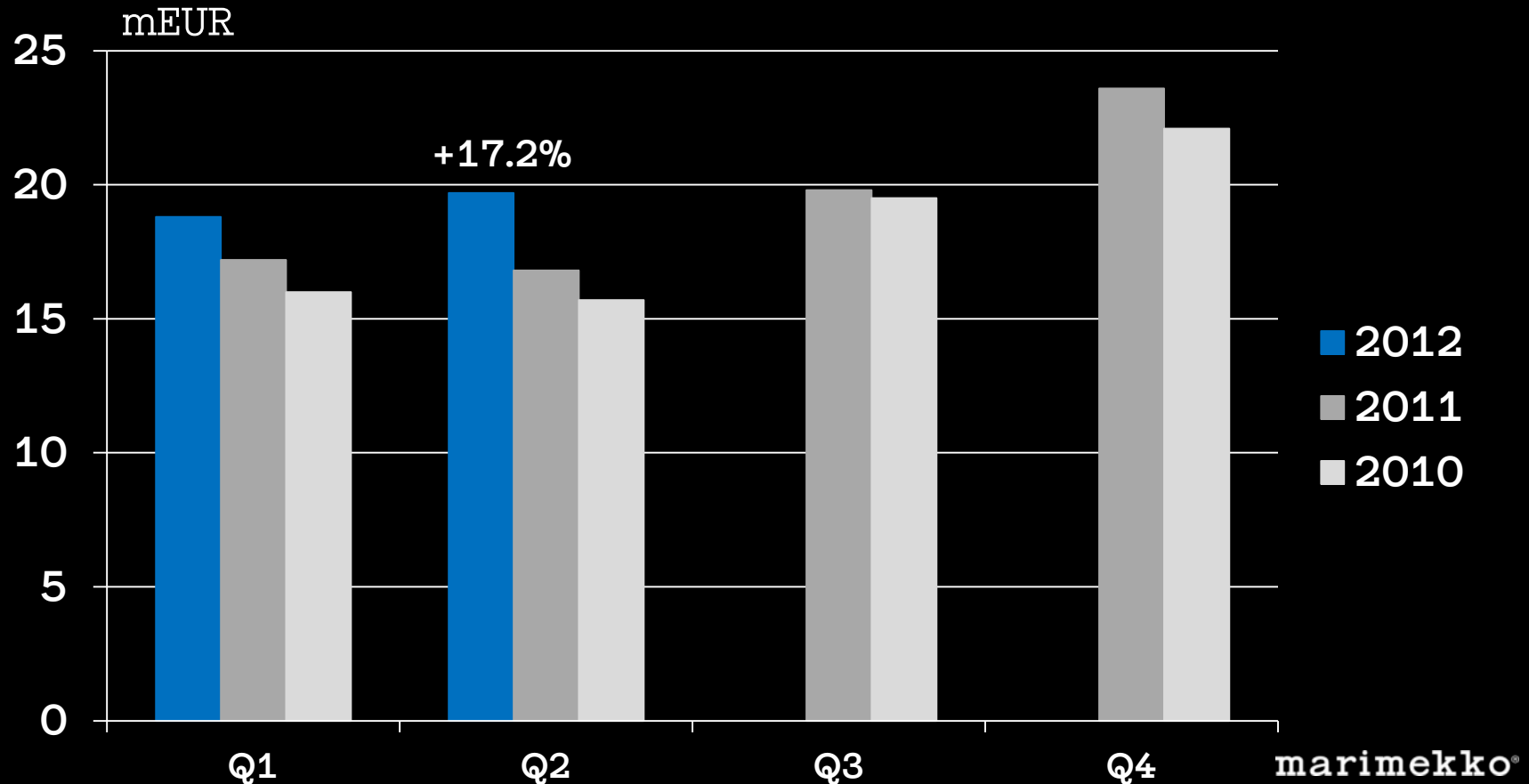
Larger portion of Group's net sales comes from sales by the company's own retail stores, which adds to the seasonality of the business and thus shifts the weight of net sales and profit accumulation to the last quarter of the year.

Net sales Q2/2012

Net sales grew by 17% to EUR 19.7 million (16.8).

Finland +10%. Retail sales rose by 20%; wholesale sales declined by 2%.

International sales +31%. Retail sales rose by 131% and wholesale sales rose by 15%.



Net sales by market area H1/2012

Finland +4%: retail sales +21%, wholesale sales -13%. 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 10%.






Scandinavia +12%: retail sales +63%, wholesale sales -6%. The stores opened in 2011 and in the second quarter of this year boosted retail sales. The comparable trend in sales by company-owned stores declined. Consumers' purchasing behavior continued to be cautious in all countries and especially in Sweden.

Central and Southern Europe +18%: retail sales +9%, wholesale sales +21%. Growth in retail sales was attributable by the small company-owned store opened in London near the end of 2011. Sales were particularly brisk in Belgium and Germany. The weak economic situation in Italy impacted consumer demand and sales took a downturn.

Net sales in North America grew by 61%. A major share of the growth was generated by the net sales of the flagship store in New York. Wholesale sales were below expectations .

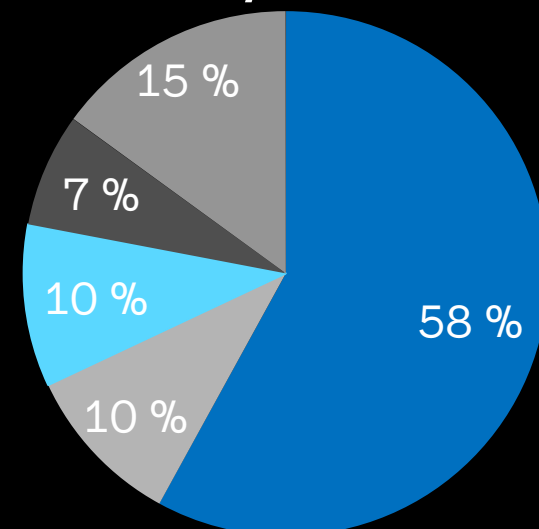
By far the most positive trend among all of Marimekko's market areas was recorded in the Asia-Pacific region. Sales grew by 36% and were above expectations in all countries. A clear majority of the growth came from Japan. Sales were also boosted by a new store in Hong Kong. Efforts deployed in Australia also showed growth in sales.

Net sales by market area

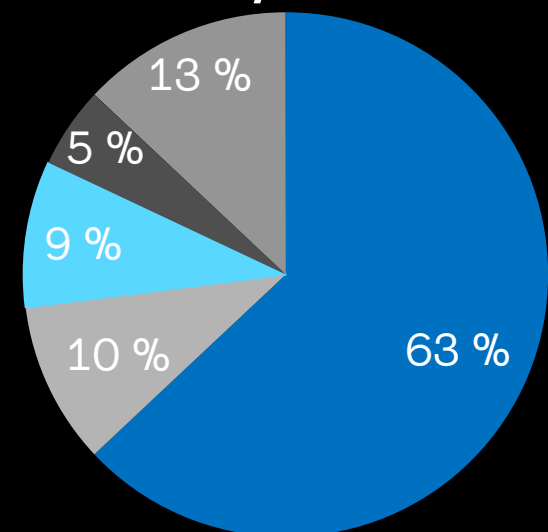
	(EUR 1,000)	1-6/2012	1-6/2011*	Change,%
 Finland		22,511	21,563	4.4
 Scandinavia		3,727	3,341	11.6
 Central and Southern Europe		3,741	3,175	17.8
 North America		2,720	1,690	60.9
 Asia-Pacific		5,810	4,280	35.7
	TOTAL	38,509	34,049	13.1

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

1-6/2012



1-6/2011

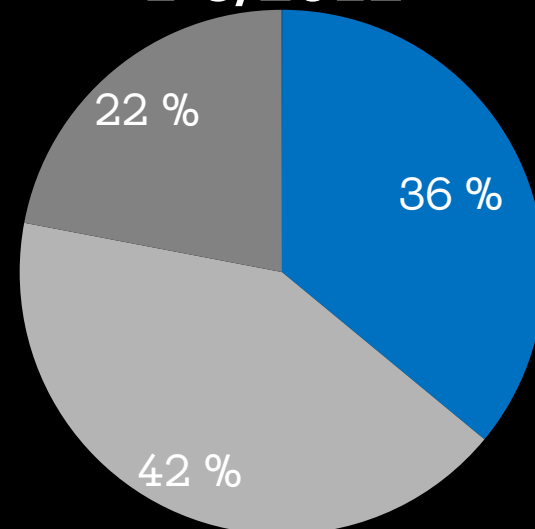


Net sales by product line

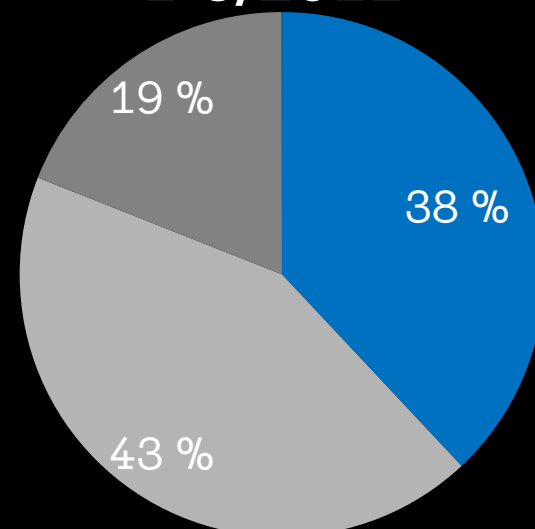
	(EUR 1,000)	1-6/2012	1-6/2011*	Change,%
	Clothing	13,936	12,963	7.5
	Interior Decoration	16,276	14,507	12.2
	Bags	8,297	6,579	26.1
	TOTAL	38,509	34,049	13.1

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

1-6/2012

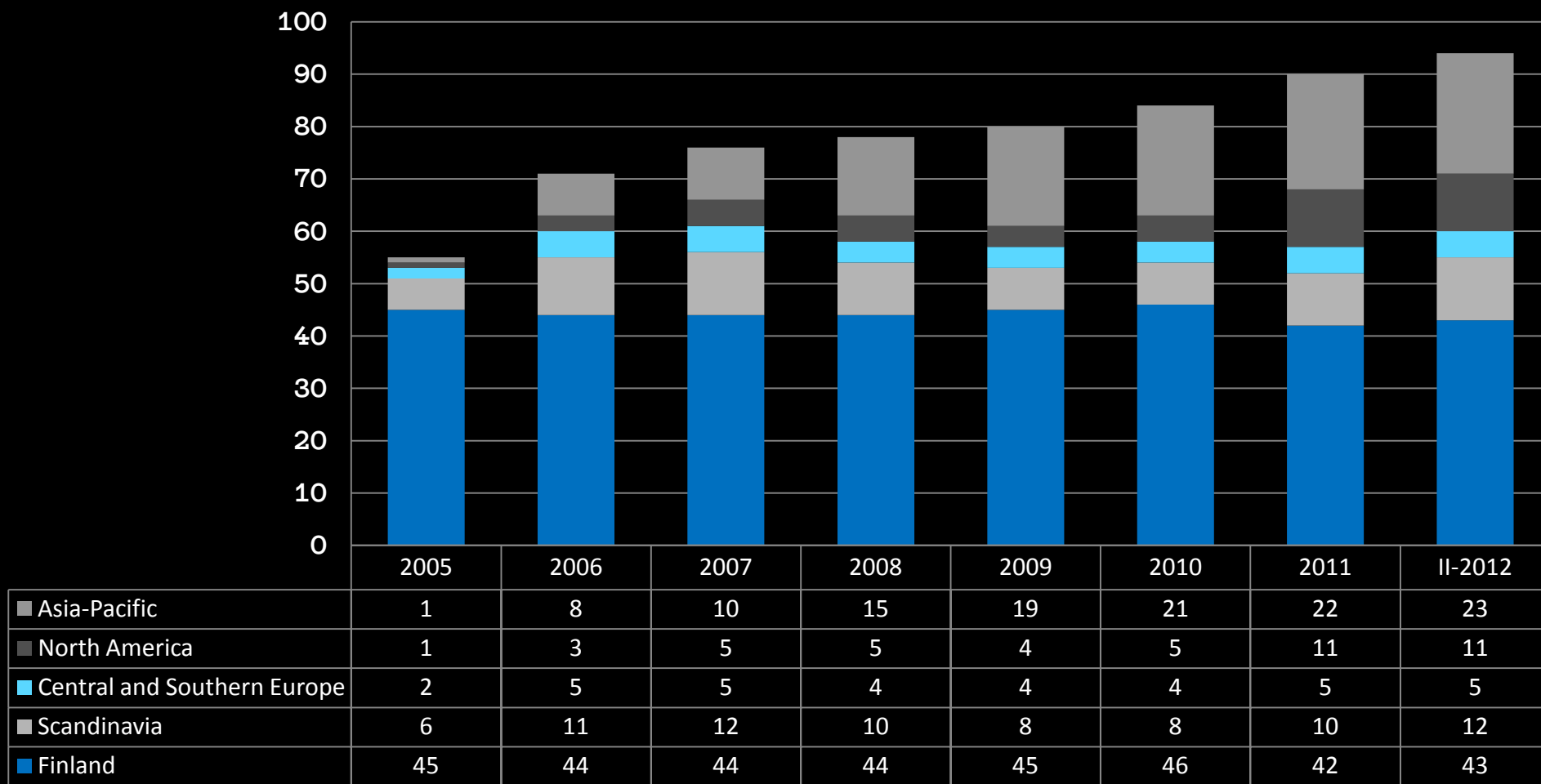


1-6/2011



Marimekko stores and shop-in-shops

94 (90) stores & shop-in-shops* at the end of June 2012.

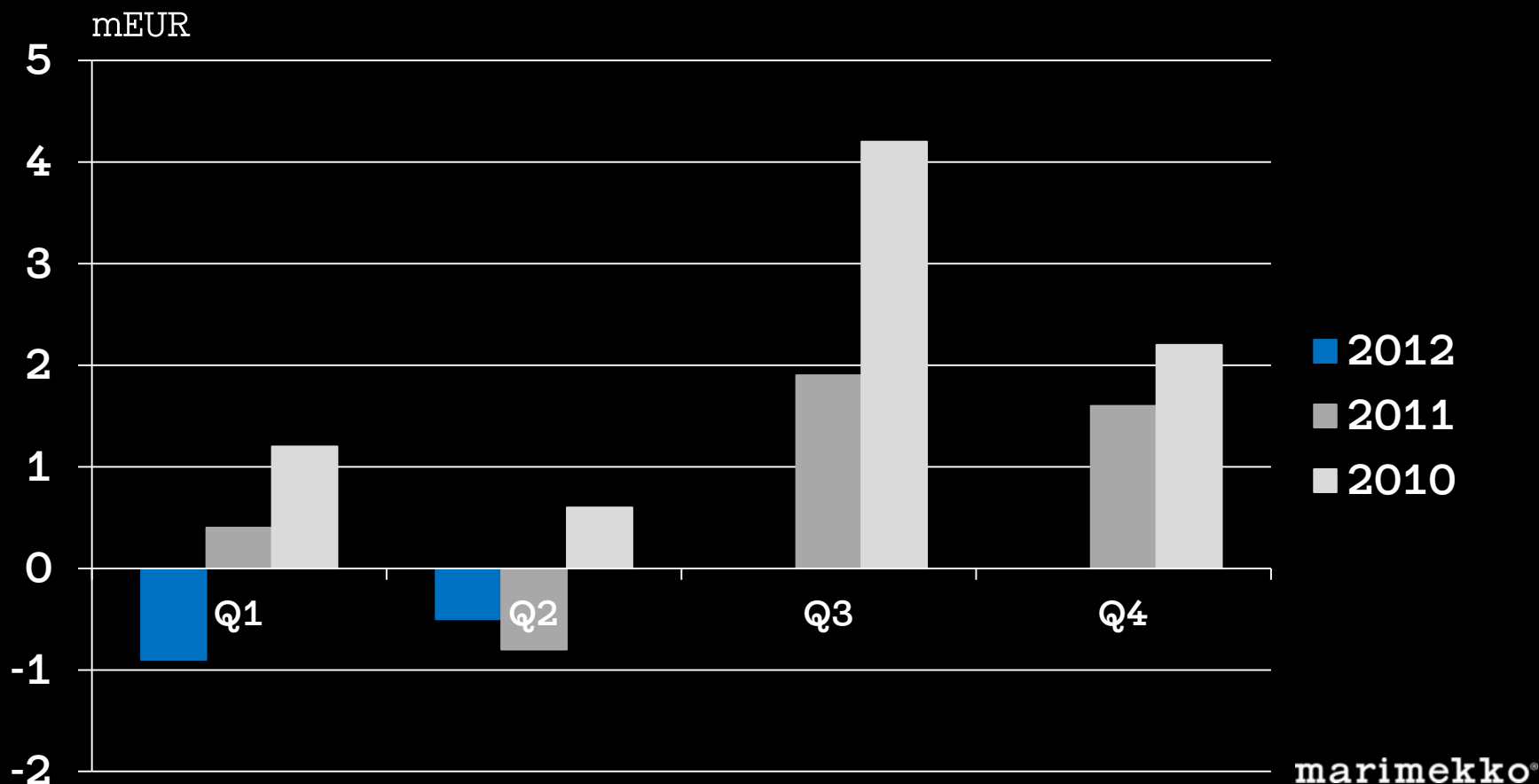


*Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 m².
There were 40 (28) own retail stores.

Operating result weak as expected

The operating result was EUR -1.5 million (-0.4) during January-June 2012.

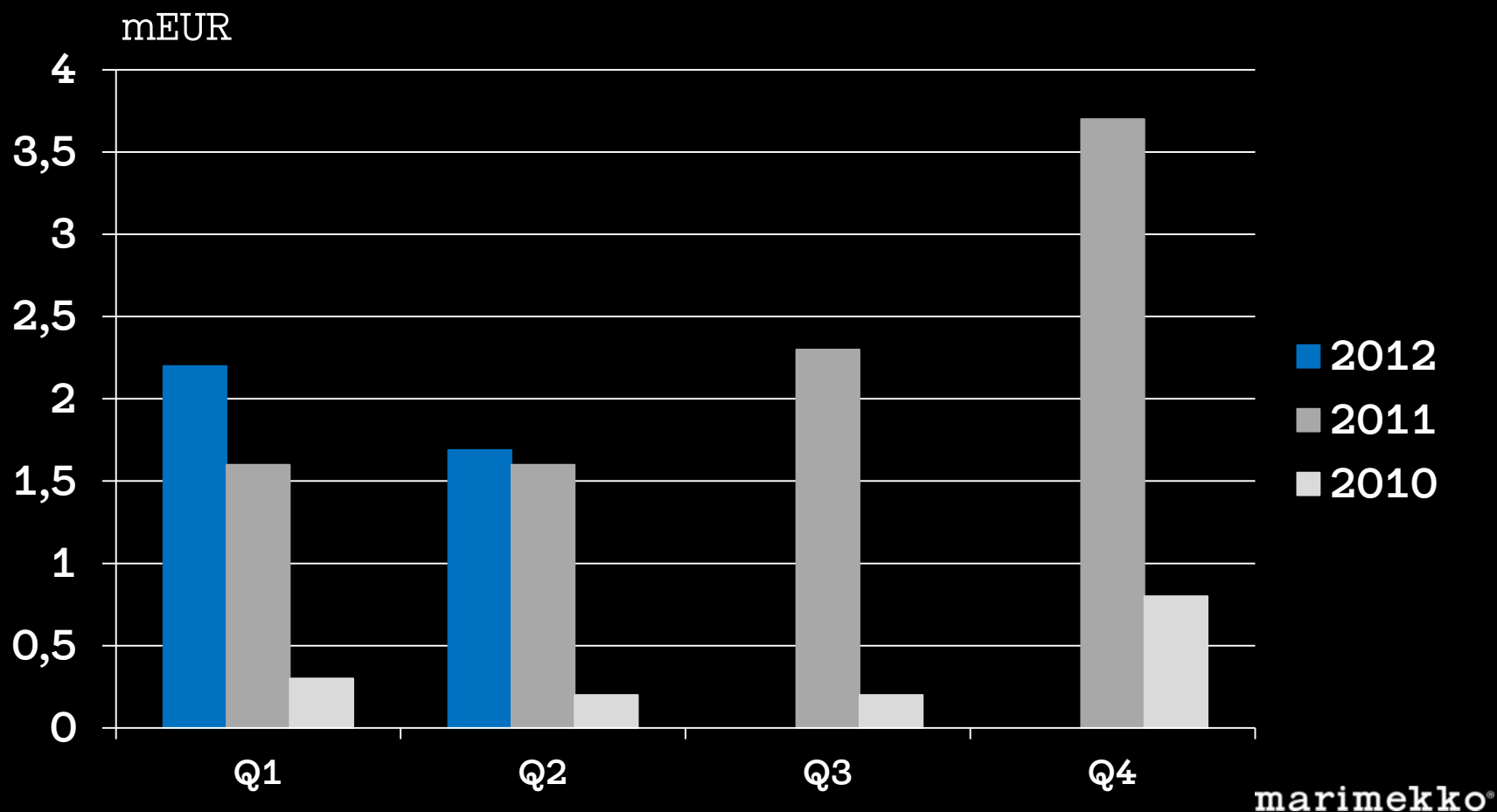
The Group's financial result for the first half of the year is typically weak as a consequence of seasonally low net sales in relation to operating expenses, and especially profits from retail sales operations are generated predominantly in the last quarter of the year. This was emphasized during the review period as the share of retail sales in net sales was larger than before. 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.



Investments continued to be high

Gross investments were EUR 3.9 million (3.2) representing 10% (9%) of net sales.

Most of the investments were devoted to building new stores and renovating the Herttoniemi property.



Key figures

	1-6/2012	1-6/2011	Change, %	1-12/2011
Net sales, EUR 1,000	38,509	34,049	13.1	77,442
Proportion of international sales, %	41.5	36.7		35.8
EBITDA, EUR 1,000	119	478	-75.1	5,744
Operating result, EUR 1,000	-1,480	-438		3,528
Operating result margin, %	-3.8	-1.3		4.6
Result for the period, EUR 1,000	-1,034	-308		2,826
Earnings per share, EUR	-0.13	-0.04		0.35
Cash flow from operating activities, EUR 1,000	-530	-2,297	76.9	651
Gross investments, EUR 1,000	3,890	3,152	23.4	9,220
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
Personnel at the end of the period	493	385	28.1	434
outside Finland	75	27		63
Brand sales, EUR 1,000	83,200	79,812	4.2	168,557
Proportion of international sales, %	58.1	48.2		47.5
Number of retail stores and shop-in-shops	94	88	6.8	90

Share price previous 12 months



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.



Events after the review period

Marimekko opens three new company-owned retail stores in major cities on the East and West Coast this year. Stores open in Beverly Hills, Boston and Palo Alto, in the heart of Silicon Valley.

The first store opened in Boston at the beginning of August.

Marimekko also expands distribution in Canada. The company has agreed a collaboration with the Canadian modern furniture company EQ3, which aims to open 10 Marimekko shop-in-shops by the end of 2014.



Boston, USA

marimekko®



Boston, USA

marimekko®



Exhibition at Shanghai in Autumn

Worldwide renowned Museum of Contemporary Art, MOCA Shanghai, opens Design Colours Life - Contemporary Finnish Design and Marimekko exhibition in Autumn.

Marimekko opens the topic as a forerunner and example of the inclusive, democratic approach of Finnish design thinking.

The exhibition is a unique opportunity to lift the lid on the insights behind the Finnish design tradition and inspire people.

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