

Financial statements 2012

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31 January 2013

Agenda

1) **Key events during the period:**

19 Marimekko stores and shop-in-shops were opened during 2012.

Marimekko attended the New York fashion week for the first time to support especially the business in the region.

First two company-owned stores in Australia and the first store in China were opened.

2) **Net sales:**

Net sales grew by 14% and international sales by no less than 31%.

Strongest growth in sales was in North America and in Asia-Pacific.

3) **Operating profit:**

Profitability fell short of expectations. A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the high expenses and low cost-effectiveness of in-house manufacturing in Finland.

4) **Market outlook and growth targets, and financial guidance**

Due to the current market conditions and the change undergone by the company recently, it is very difficult to forecast the financial result for 2013. The Marimekko Group's net sales are estimated to grow by over 5% in 2013 and operating profit is forecast to be, at the most, at the same level as in 2012.

5) **Events after the review period:**

Marimekko fashion show at the Stockholm fashion week in January.



Key events in Q4

In the directed share issue, 308 out of a total 510 Marimekko's employees subscribed for shares.

Marimekko prints and colours danced in the People's Park in Shanghai in October.

Marimekko's online store was expanded to Finland in October.

Marimekko and Finnair launched their design collaboration.

Marimekko opened its first two own stores in Australia. Both the flagship store in Sydney and the store in Melbourne were opened in November.

Three Marimekko stores opened in Finland, one company-owned in the heart of Helsinki at the beginning of November.

Two company-owned stores opened in the United States. The store in Palo Alto opened at the end of October and the flagship store in Beverly Hills in November.



Key events in 2012

In Finland, seven Marimekko stores opened, of which one fashion-focused, company-owned store in the heart of Helsinki.

In the spring, Marimekko opened two company-owned stores in Sweden.

Four company-owned stores opened in the United States during the year; in Vermont, Boston, Palo Alto, and a flagship store in Beverly Hills.

The first shop-in-shop in Canada was opened in collaboration with EQ3.

Marimekko fashion show at the New York fashion week for the first time to support especially the business in the region.

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

Two stores opened in Tokyo.

Marimekko opened first company-owned stores in Australia; a flagship store in Sydney and a store in Melbourne.



Seven new stores opened in Finland in 2012. A new fashion-focused store opened at a prominent location in the heart of Helsinki.

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ETUSIVU > VERKKOKAUPPA

Vaatteet

Anna Marimekon pukea sinut. Päästä varpaisiin tai pienin yksityiskohdin. Sävyjä on satoja, kuvioita kymmeniä – jokaiselle jotakin ja monelle jopa monenmoista.

[NAISET](#)

[MIEHET](#)

[LAPSET](#)



Marimekko's online store opened in Finland.



Photo: Carl Hjelte

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

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Photo: James Ray Spahn

Marimekko opened four company-owned stores in the United States. The Beverly Hills flagship store is located near a number of popular restaurants and brand shops.

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Palo Alto store.



In September, Marimekko took an important step and presented its unique point of view in the world of fashion in the New York Fashion Week for the first time.

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The first shop-in-shop opened in collaboration with the Canadian modern furniture company EQ3 in Toronto, Canada.

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Marimekko showcased its autumn/winter 2012 clothing collection in Shanghai's People's Park in collaboration with the renowned Jin Xing Dance Theatre, bringing together two art forms, fashion and dance.

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Marimekko store in Hong Kong opened in May.

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Marimekko opened first two company-owned stores in Australia. The Sydney flagship store is located in the heart of the city neighbouring a number of popular brand shops.
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Melbourne store.



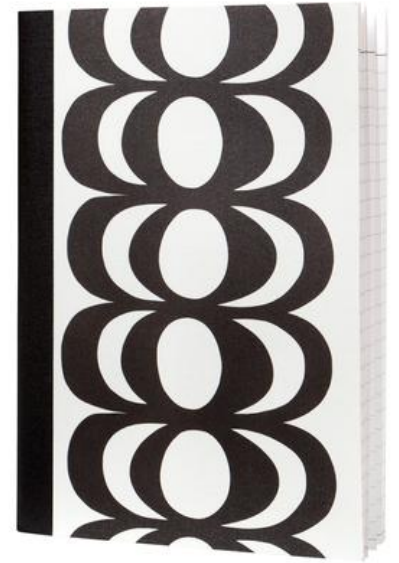
The expansion of the Marimekko store network in Japan continued with the opening of one new store and one shop-in-shop in Tokyo.

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As a result of a collaboration between Marimekko and Finnair, all Finnair aircraft will feature a Marimekko for Finnair collection of textiles and tableware from 2013. One of Finnair's long-haul aircrafts also features Marimekko's Unikko floral print.

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New products 2012.

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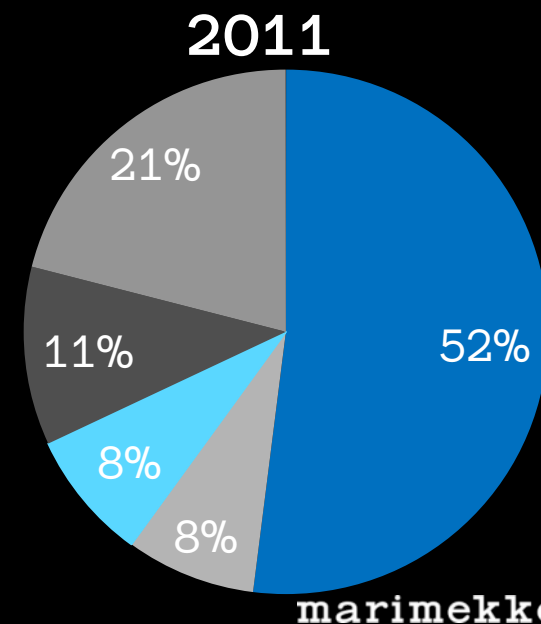
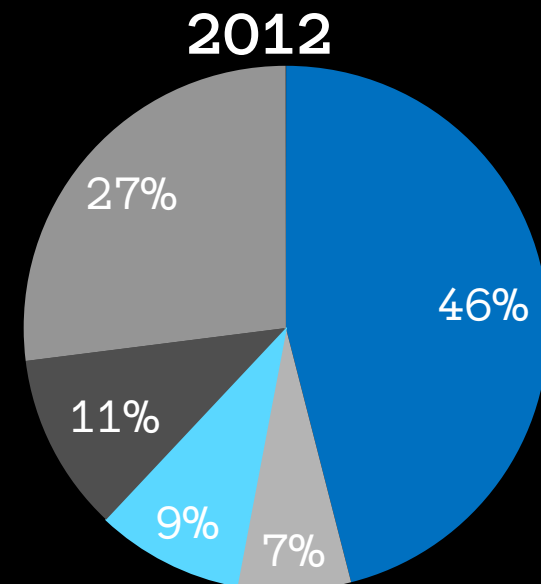
Brand sales

In 2012 brand sales* grew by 11% to EUR 187.2 million (168.6).

54% of the sales came from abroad (48) .

	(EUR 1,000)	2012	2011	Change,%
Finland		86,518	88,557	-2.3
Scandinavia		12,752	13,139	-2.9
Central and Southern Europe		16,872	13,551	24.5
North America		20,527	18,119	13.3
Asia-Pacific		50,515	35,191	43.5
TOTAL		187,184	168,557	11.1

* 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 figure is not audited.



Net sales grew well

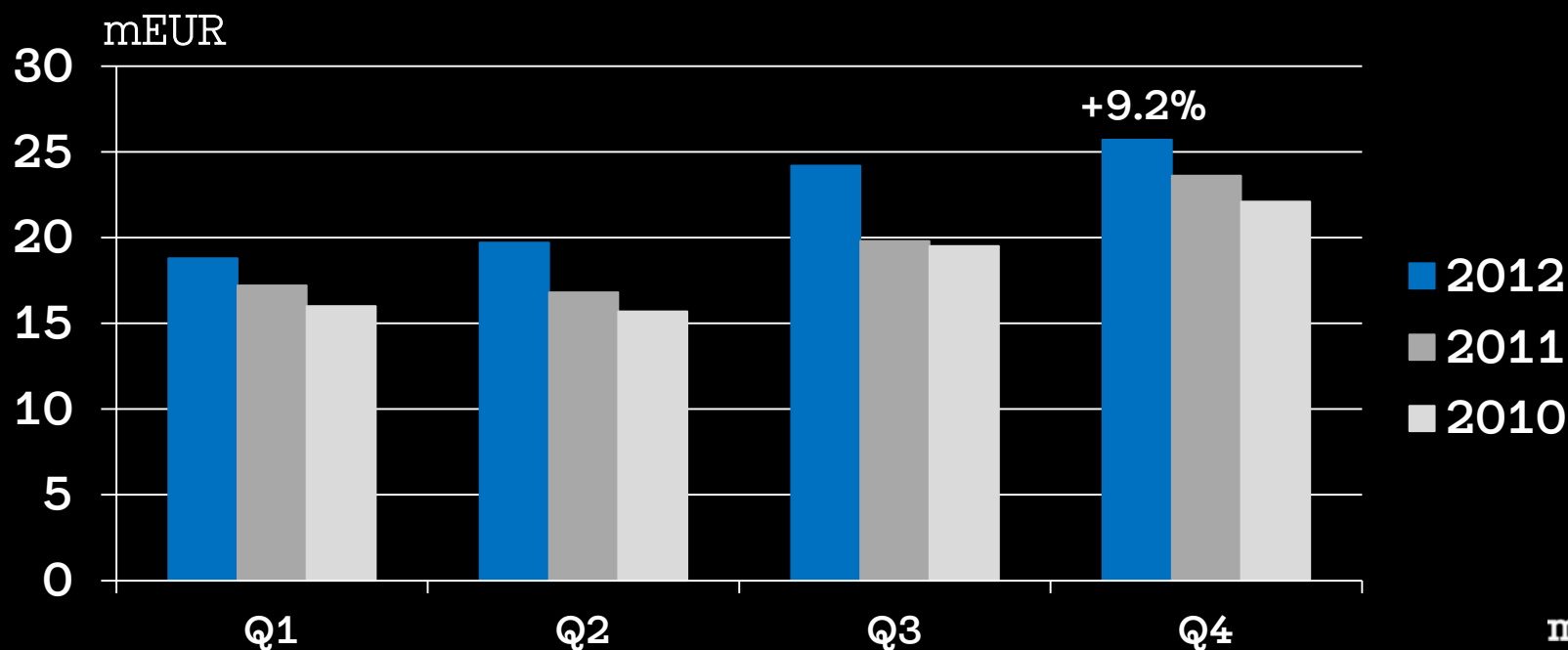
In 2012, net sales were up by 14% to EUR 88.5 million fuelled by the growth in international sales (77.4).

In Finland, net sales grew by 5% and retail sales 20%. Wholesale sales decreased by 15%. The fall in wholesale sales was partly due to changes effected in the distribution network in accordance with the company's distribution strategy.






International sales grew by 31%, retail sales 106% and wholesale sales 17%. The strongest growth in sales was in North America, 56%, and in Asia-Pacific, 51%.

During Q4 net sales grew by 9% to EUR 25.7 million (23.6).

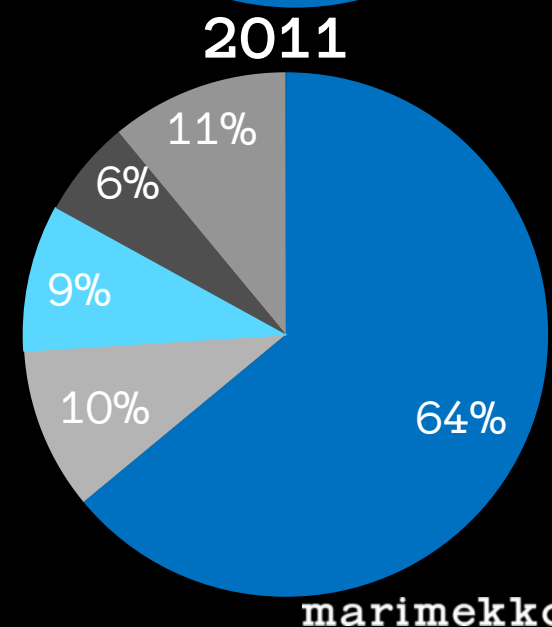
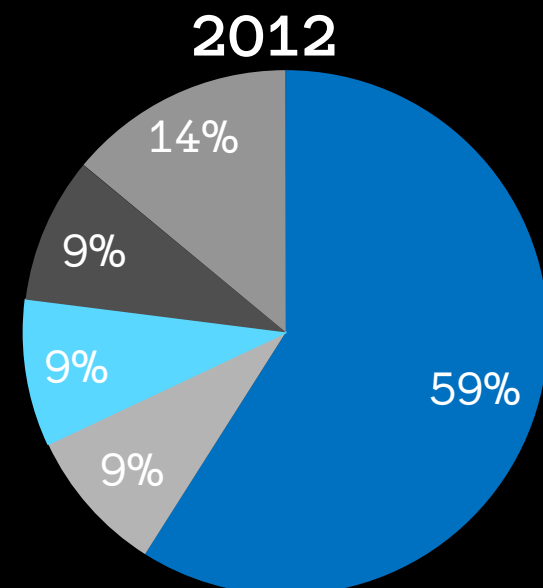
In Finland net sales remained at the previous year's level while international sales grew by 28%.



Net sales by market area

	(EUR 1,000)	2012	2011*	Change,%
	Finland	52,344	49,807	5.1
	Scandinavia	7,856	7,518	4.5
	Central and Southern Europe	7,783	6,691	16.3
	North America	7,743	4,960	56.1
	Asia-Pacific	12,745	8,466	50.5
	TOTAL	88,471	77,442	14.2

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



Net sales by market area in 2012

Finland +5%: retail sales +20%, wholesale sales -15%. Sales were boosted by the three stores opened in the last quarter of 2011 as well as the three stores opened during 2012. The comparable growth in sales by company-owned stores was 11%. Fall in wholesale sales was partly due to changes effected in the distribution network in accordance with the company's distribution strategy.

Scandinavia +5%: retail sales +47%, wholesale sales -14%. Three stores opened in 2011 and two stores opened in Sweden in 2012 boosted retail sales. The comparable trend in sales by company-owned stores was -12%. Consumers' purchasing behavior continued to be cautious in all countries and especially in Sweden.

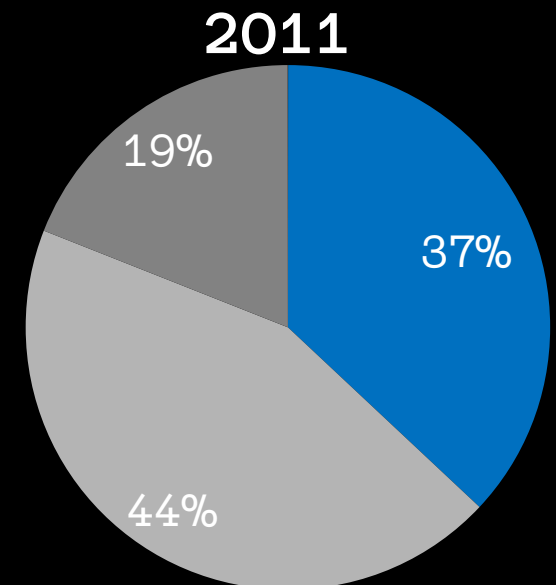
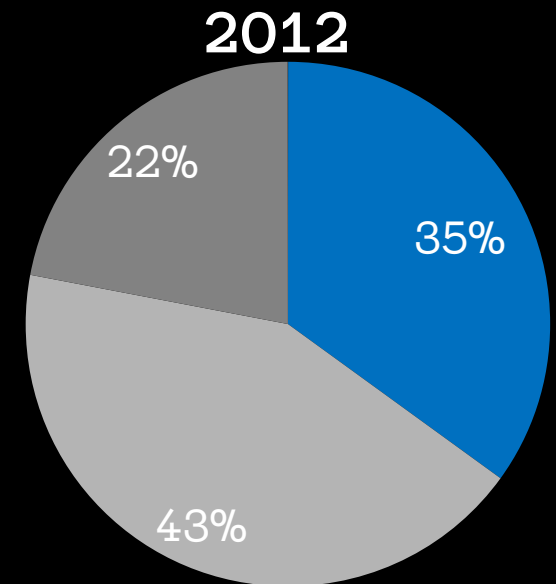
Central and Southern Europe +16%: retail sales +7%, wholesale sales +19%. Growth in retail sales was attributable to the small company-owned store opened in London near the end of 2011. Sales were brisk in Belgium, Germany, the UK and France. The weak economic situation in Italy impacted consumer demand and sales took a downturn.

Net sales in North America grew by 56%. The growth was generated by the net sales of the flagship store in New York and the four stores opened in the second half 2012. Wholesale sales were below expectations, however, and fell by 7%.

Net sales in the Asia-Pacific region grew by 51%. The strong growth trend in wholesale sales seen in the Asia-Pacific region during the previous year continued in 2012; sales grew by 43% and were above expectations in all countries. A clear majority of the growth came from Japan. The sales were boosted by the opening of a retailer-owned store and a shop-in-shop in Japan, retailer-owned store in Hong Kong and two company-owned stores in Australia in 2012.

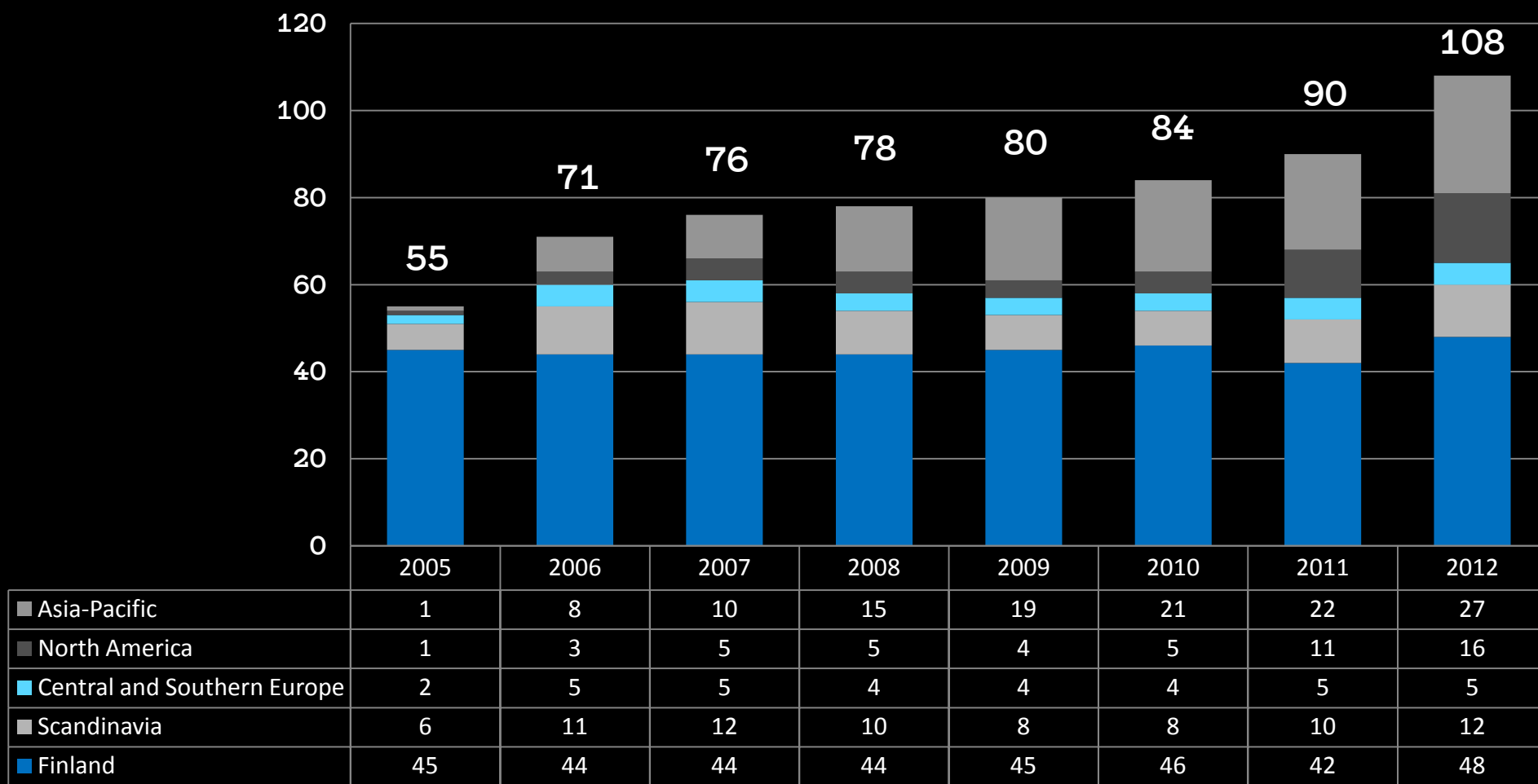
Net sales by product line

	(EUR 1,000)	2012	2011	Change, %
	Clothing	30,936	28,351	9.1
	Interior Decoration	38,122	34,003	12.1
	Bags	19,413	15,088	28.7
	TOTAL	88,471	77,442	14.2



Marimekko stores

108 stores* at the end of December 2012.

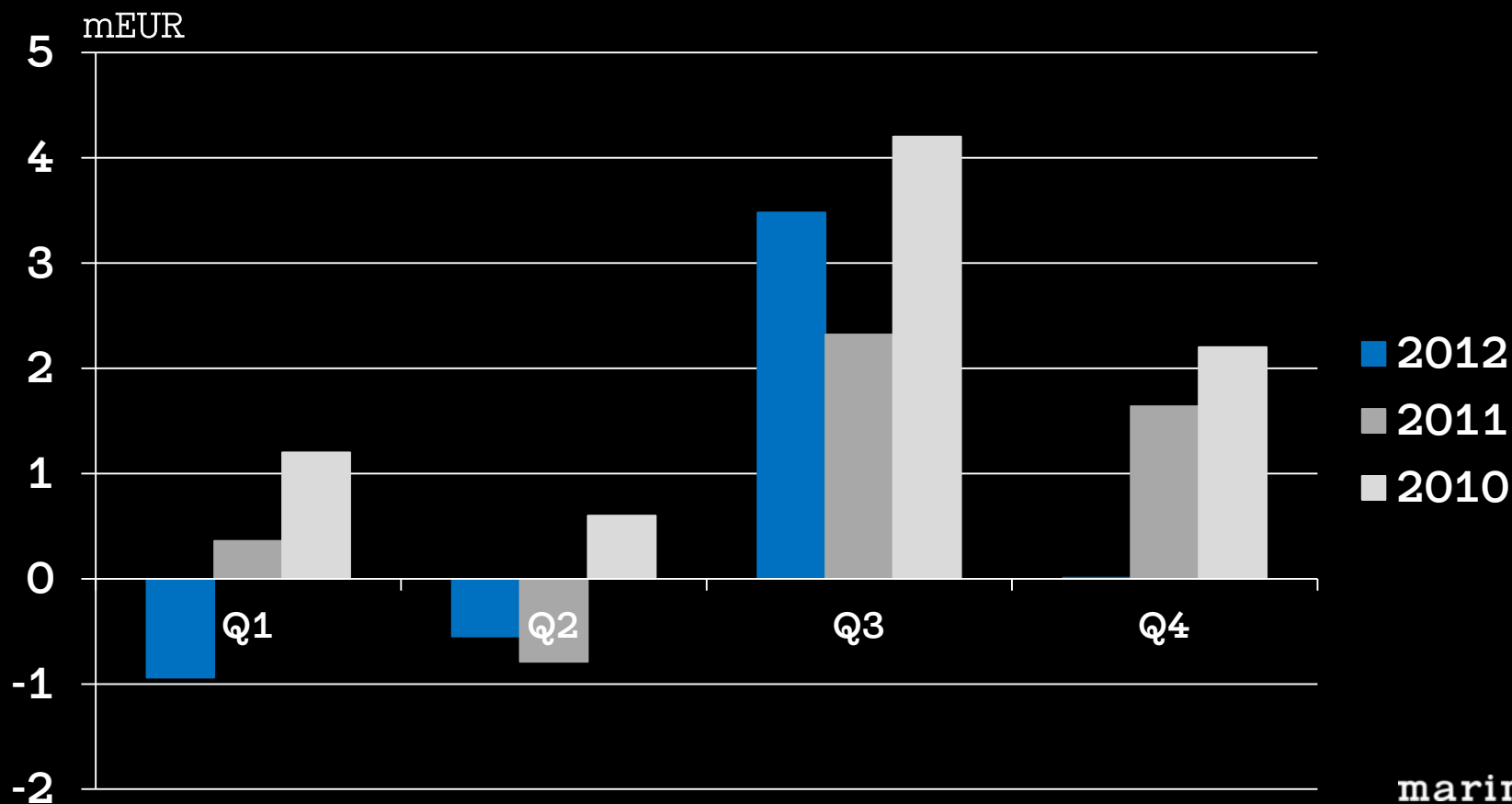


*Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 47 at the end of 2012 (37).

Operating result fell short of expectations

In 2012, the operating profit fell by 43% and was EUR 2.0 million during 2012 (3.5).

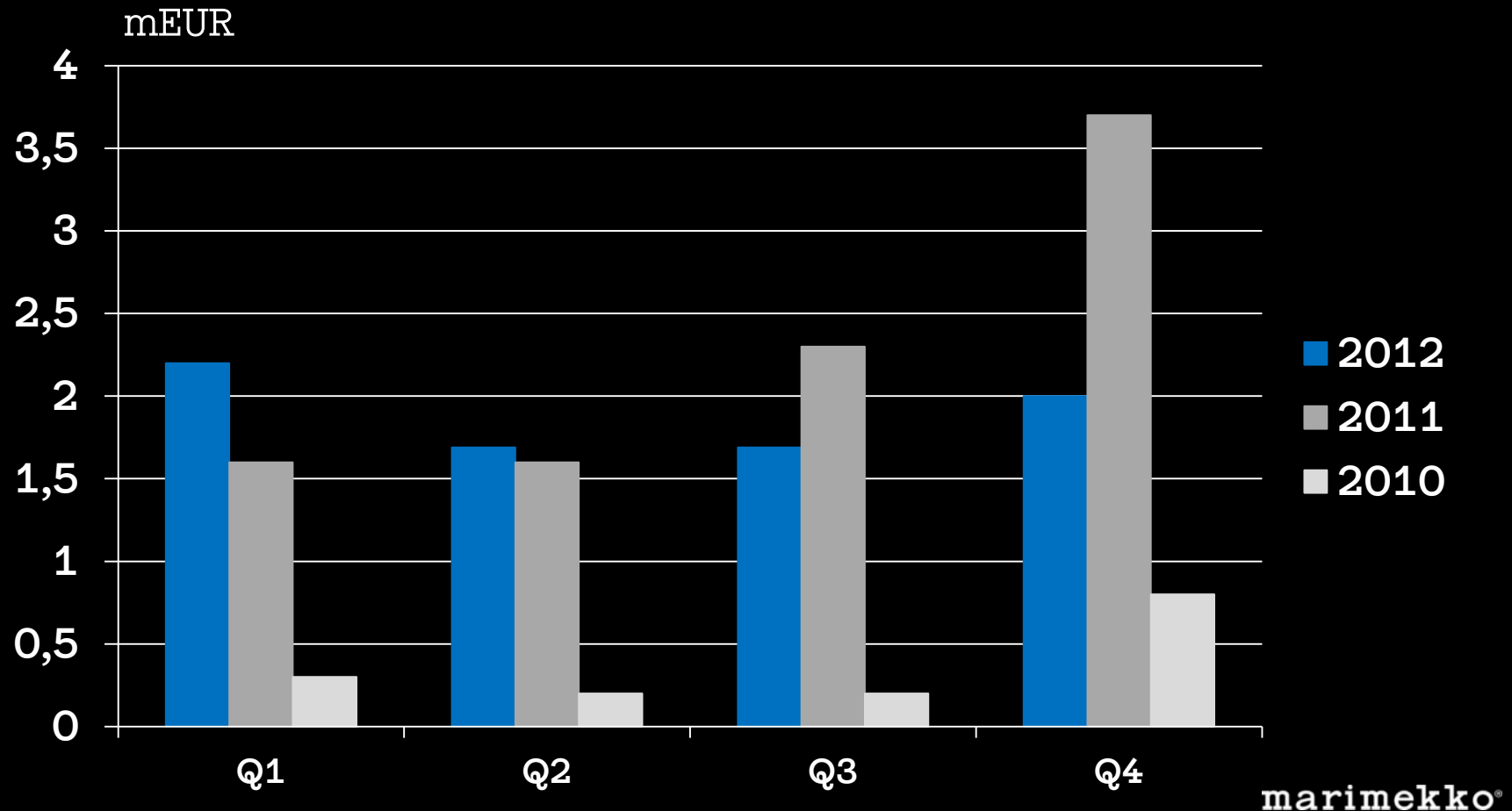
A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the high expenses and low cost-effectiveness of in-house manufacturing in Finland.



High investments continued, but were lower than in 2011

Gross investments were EUR 7.6 million (9.2) representing 9% of net sales (12%).

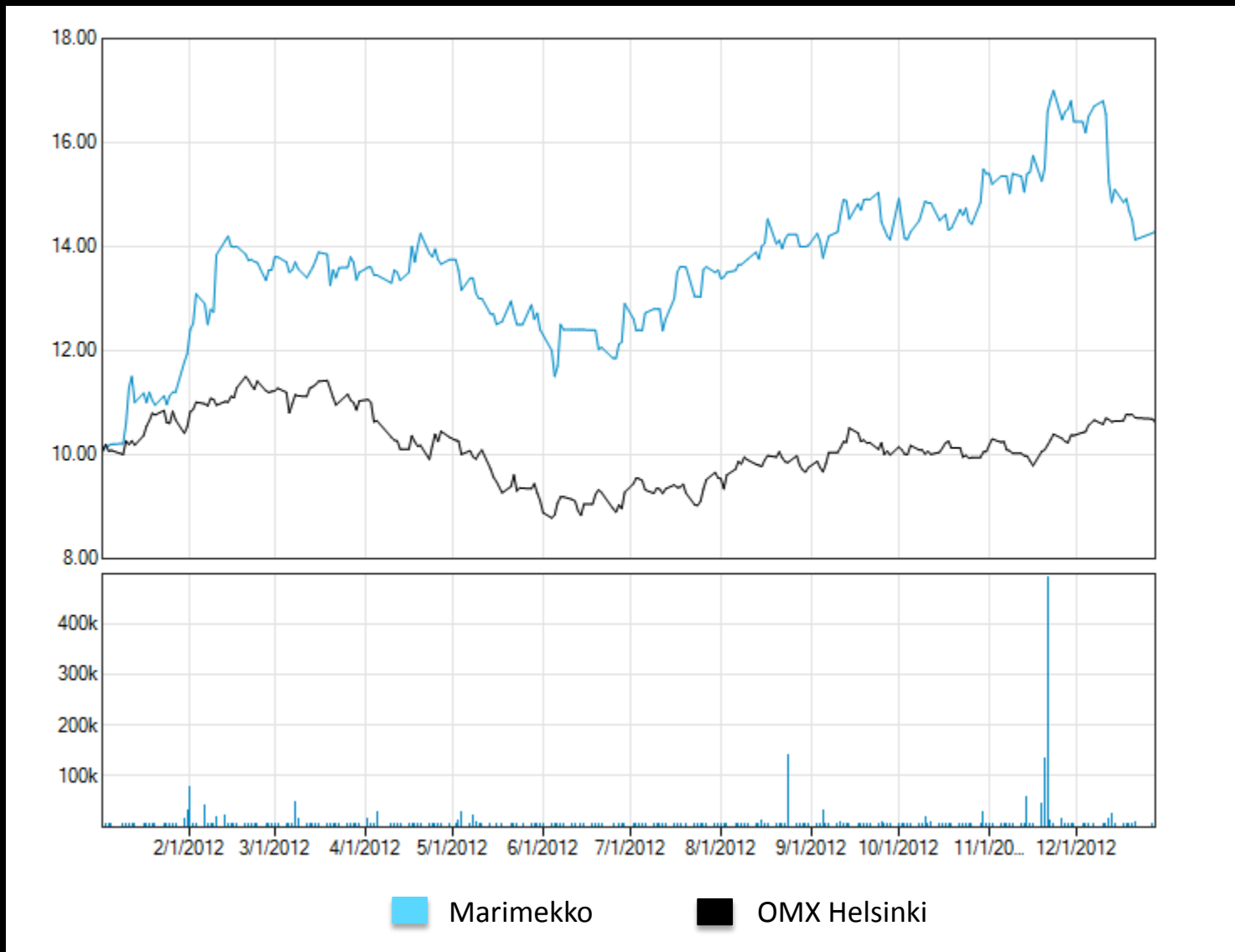
Most of the investments were devoted to building new stores and renovating the Herttoniemi property.



Key figures

	2012	2011	Change, %
Net sales, EUR 1,000	88,471	77,442	14.2
Proportion of international sales, %	40.8	35.8	
EBITDA, EUR 1,000	5,573	5,744	-3.0
Operating profit, EUR 1,000	2,019	3,528	-42.8
Operating profit margin, %	2.3	4.6	
Profit for the period, EUR 1,000	1,100	2,826	-61.1
Earnings per share, EUR	0.14	0.35	-60.0
Cash flow from operating activities, EUR 1,000	8,605	651	
Gross investments, EUR 1,000	7,582	9,220	-17.8
Return on investment (ROI), %	4.1	11.4	
Equity ratio, %	54.6	67.2	
Gearing, %	52.7	10.2	
Contingent liabilities, EUR 1,000	39,986	27,610	44.8
Personnel at the end of the period	535	434	23.3
outside Finland	103	63	63.5
Brand sales, EUR 1,000	187,184	168,557	11.1
Proportion of international sales, %	53.8	47.5	
Number of retail stores and shop-in-shops	108	90	20.0

Share price previous 12 months



Proposal for the dividend

A dividend of EUR 0.55 per share was paid for 2011 to a total of EUR 4,422,000. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.25 per share be paid for 2012.

The proposed dividends represent 178.6% of the Group's earnings per share and 23,5% of the cash flow from operating activities for the financial year. On 31 December 2012, the parent company's distributable funds amounted to EUR 19,549,850.44.

The Board of Directors will propose 26 April 2013 as the dividend record, and 7 May 2013 as the dividend payout date.

Market outlook and growth targets

The general uncertainty in the global economy is forecast to continue, and this may impact consumers' purchasing behaviour in all of Marimekko's market areas. The prospects for the European economic trend have deteriorated and growth is slow in the region. In the United States and Asia, economic forecasts are distinctly better than in Europe, but growth is fairly slow. In Finland, market conditions are fair, but the economic prospects for trade and industry in Finland for the next few months have deteriorated markedly and retail sales are forecast to decline. (Confederation of Finnish Industries EK: Business Tendency Survey, November 2012, and Economic Review, December 2012). The weak development of the company-owned stores in Finland at the end of 2012 and weakened consumer confidence overshadow prospects for this year in Finland.

The stores opened in 2012 and the other considerable investments made in the expansion of the distribution network will generate a marked increase in sales in 2013. The main thrust in expansion during 2013 will be on openings of retailer-owned Marimekko stores and shop-in-shops. Furthermore, the company will invest in developing the business of the stores it opened in 2012. The aim is to open 15 to 24 Marimekko stores and shop-in-shops this year, 4 to 6 of which will be company-owned.

The planned total investments for 2013 of the Marimekko Group are estimated as being in excess of EUR 3 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

Financial guidance

Due to the current market conditions and the change undergone by the company recently, it is very difficult to forecast the financial result for 2013. The Marimekko Group's net sales are estimated to grow by over 5% in 2013 and operating profit is forecast to be, at the most, at the same level as in 2012. The increased proportion of retail sales will further boost the seasonal nature of business, so the major portion of operating profit will, as is typical, accrue in the second half of the year.



Events after the review period

Marimekko showed the autumn/winter 2013 fashion collection “Art of Print Making – Colour for a Season” to the local and international media and industry professionals at the Mercedes-Benz Fashion Week of Stockholm on Monday 28 January.

With the show, Marimekko supported the existing 12 stores in Sweden, Norway and Denmark as well as the expansion in retailing in Sweden this coming spring: Marimekko’s e-commerce expands next to Sweden.

In addition, the sixth Marimekko store in Sweden opens in one of the country’s biggest shopping malls, Täby Centrum close to Stockholm.



**Marimekko fashion show at the Stockholm fashion week
on 28 January 2013.**



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