

# Annual General Meeting 2013

Mika Ihamuotila

23 April 2013

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REVIEW BY THE  
PRESIDENT AND CEO

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# VISION.

MARIMEKKO IS THE WORLD'S MOST  
ADMIRERED PATTERN DESIGNER AND  
ONE OF THE MOST FASCINATING  
DESIGN BRANDS.

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# Cornerstones of strategy

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Unique  
design &  
brand

Captivating colours and patterns  
Unpretentious attitude to life  
Fascinating history



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The year 2012 marked 100 years since the birth of Marimekko's founder, Armi Ratia.

*"To be present in the everyday lives of people and make our secret dreams come true. No more, no less – that is my vision for Marimekko's future."*

- Armi Ratia





Photo: Marek Sabogal

**Marimekko held its traditional summer fashion show in Esplanadi Park in Helsinki together with the Finnish National Ballet.**

**marimekko®**



Photo: Kaapo Kamu

**At the end of June, US Secretary of State Hillary Clinton visited Marimekko, seeing for example how fabric is printed.**

**marimekko®**





Photo: Billy Farrell Agency

**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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**Marimekko showcased its autumn/winter 2012 clothing collection in Shanghai's People's Park in collaboration with the renowned Jin Xing Dance Theatre.**

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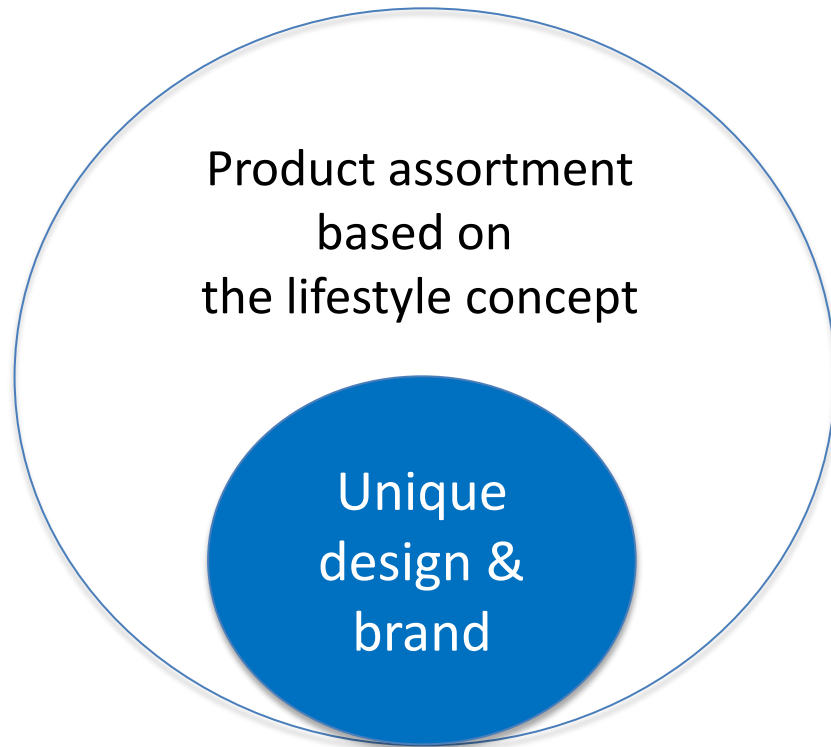
Photo: Kristian Löveborg

**Marimekko fashion show at the Stockholm fashion week in January 2013.**

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# Cornerstones of strategy

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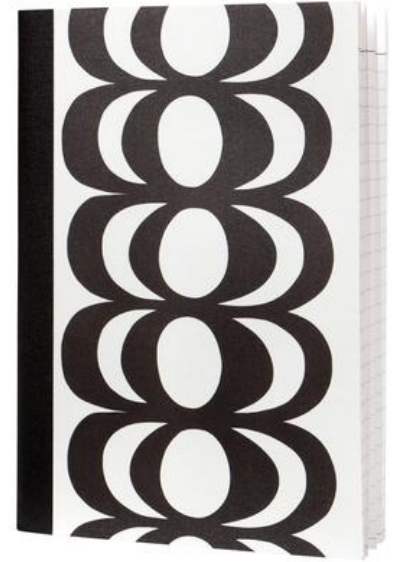


Functional and timeless products

Lifestyle concept's outreach

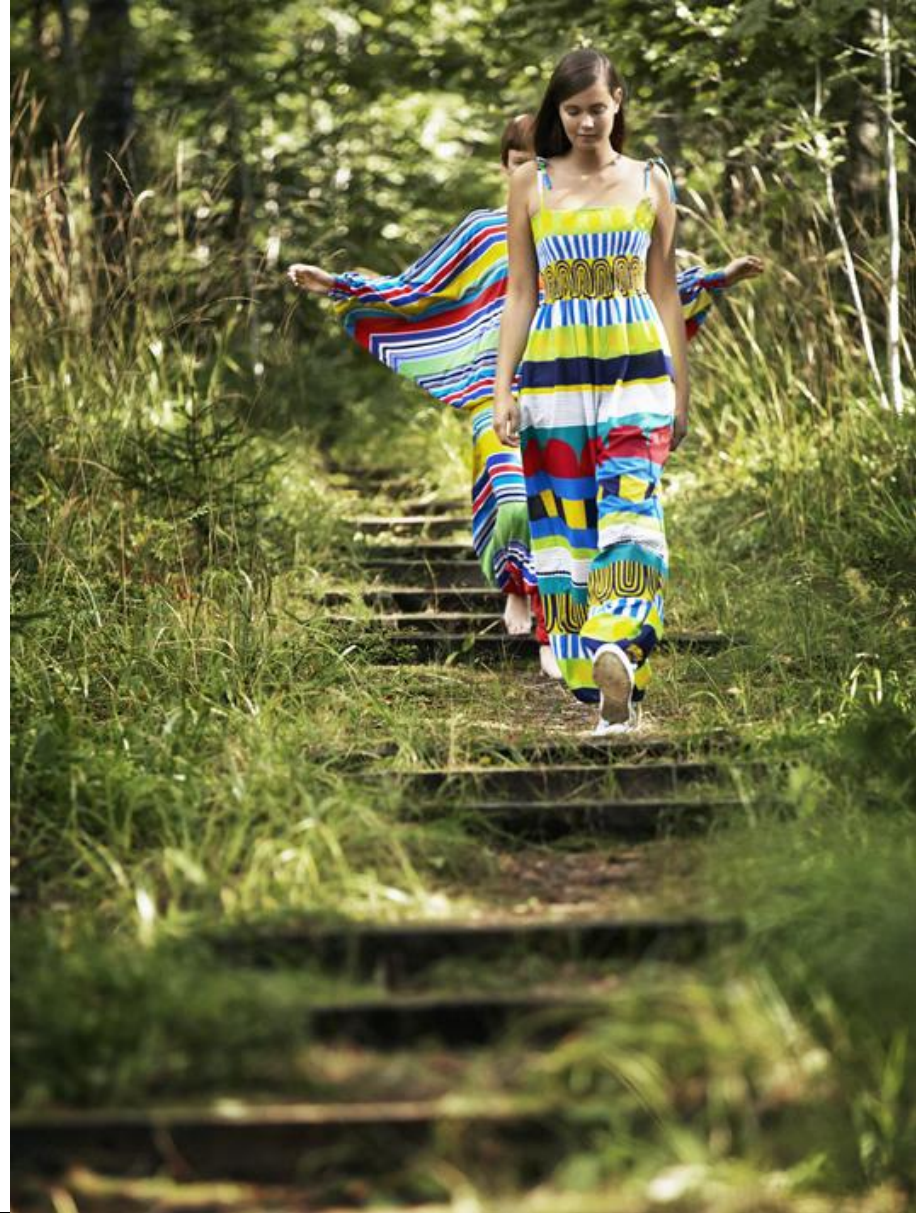
Products that are easy to purchase and  
combine with each other

Central role of own production in printed  
fabrics



New products 2012.

marimekko®



New products 2013.

marimekko®

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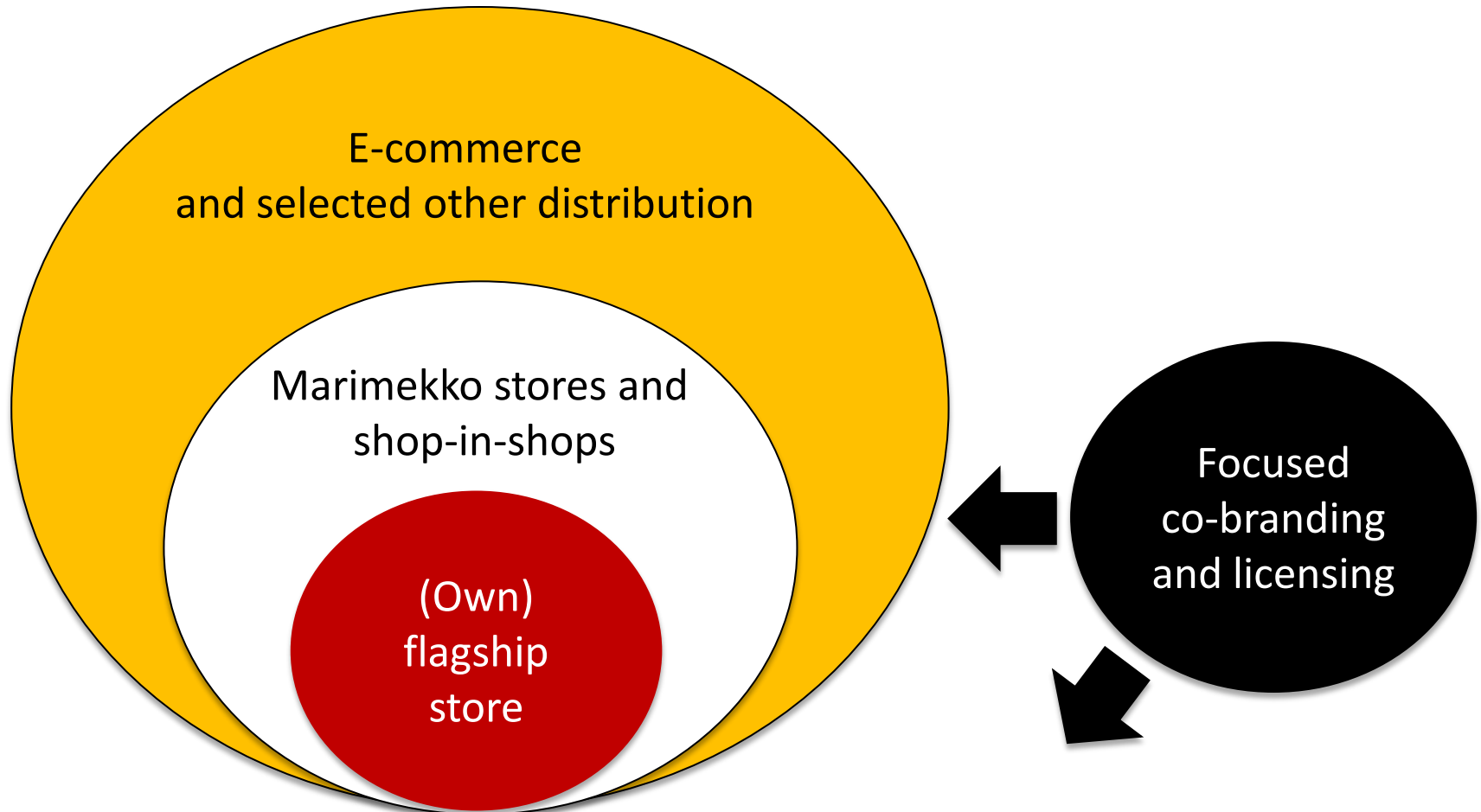
# Cornerstones of strategy

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# International growth strategy

North America, Northern Europe and the Asia-Pacific region as focus areas

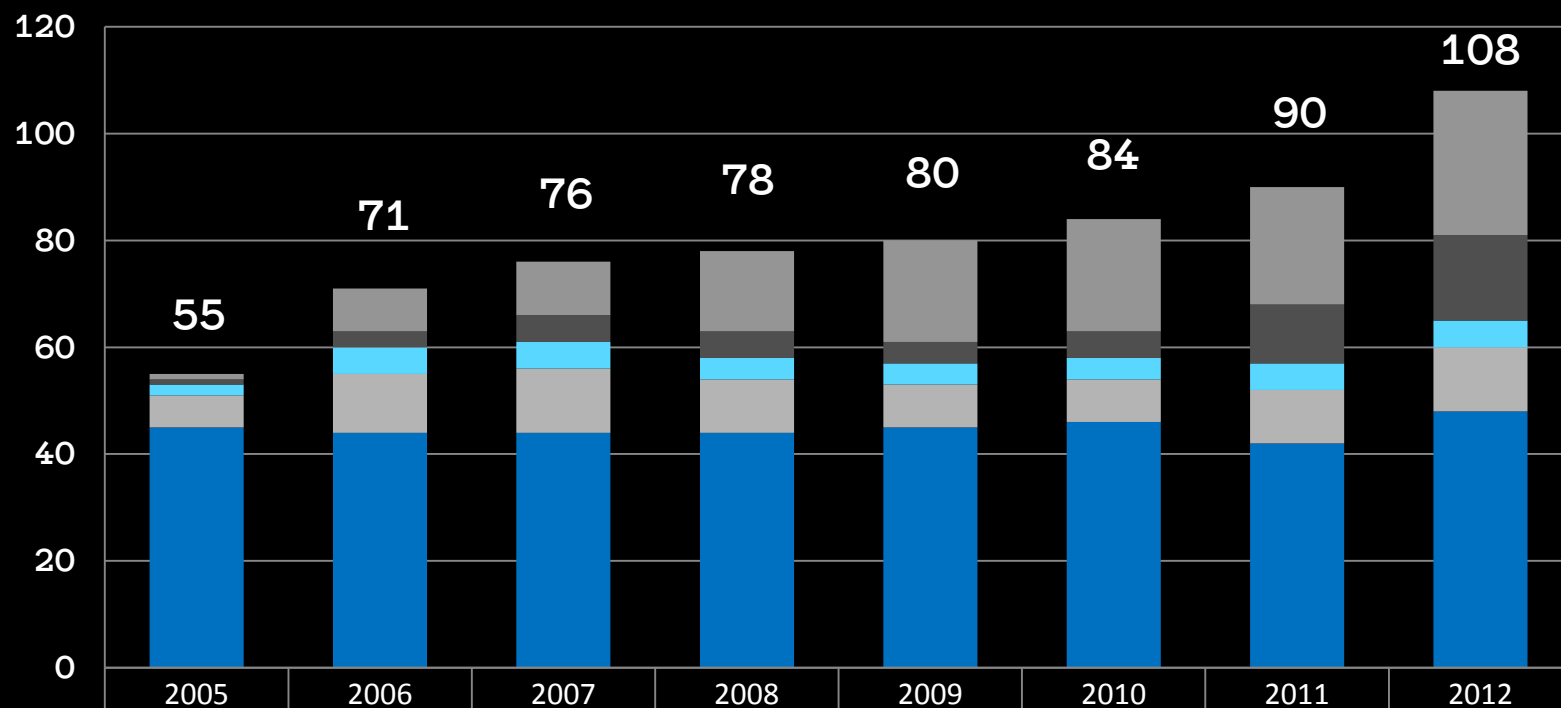


Increasing PR-driven awareness of Marimekko in “gained” and digital media



# Marimekko stores

108 stores\* at the end of December 2012.



	2005	2006	2007	2008	2009	2010	2011	2012
■ Asia-Pacific	1	8	10	15	19	21	22	27
■ North America	1	3	5	5	4	5	11	16
■ Central and Southern Europe	2	5	5	4	4	4	5	5
■ Scandinavia	6	11	12	10	8	8	10	12
■ Finland	45	44	44	44	45	46	42	48

\*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).



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

**marimekko®**

## Kevätmuotia

Kevään vaatevalikoimamme on runsaimmillaan.

OSTOKSILLE



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. The store in Gothenburg is located in the centre of the city.**

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**The new store in Stockholm is located in SoFo area.**



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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A photograph of the Marimekko store in Palo Alto at night. The store's name "marimekko" is displayed in a large, black, lowercase, sans-serif font on a white illuminated sign above the entrance. The store is flanked by two large trees. The interior is visible through the glass windows and doors, showing a bright yellow wall and various merchandise. In the foreground, there is a well-maintained garden with green hedges, pink flowers, and a light blue outdoor sofa.

marimekko

Palo Alto store.

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Boston store.





**Canada's first Marimekko shop-in-shop was opened at the EQ3's flagship store in Toronto.**

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**In China, the first Marimekko store opened in Hong Kong and the second will open close to the year end. The first Marimekko stores in mainland China will open in Beijing and Shanghai during the summer.**



Photo: Michael Bradfield

**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.



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**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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**A company-owned store opened in Oulu and the area of one of the company's stores in Tampere was doubled during spring 2013.**



Google marked beginning of spring and autumn with doodles designed by Marimekko.



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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The Sauna Duet, a collaboration between Marimekko and Aesop, will be available in stores from the end of April 2013.

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# Cornerstones of strategy

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Unique Marimekko spirit and corporate culture, that emphasises creativity and internal entrepreneurship

# Marimekko spirit

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Living, not pretending

Fairness to everyone and everything

Common sense

Getting things done – together

Courage, even at the risk of failure

Joy

# Personnel share issue

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In 2012, Marimekko organised a share issue directed to the company's personnel and designers employed by the company on a freelance basis.

A total of 49,610 new Marimekko shares were subscribed for in the share issue.

Subscriptions were placed by 308 company employees and designers, i.e. the majority of those entitled to subscribe.

After the share issue, the number of Marimekko's shares is 8,089,610.

# Marimetri

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Staff satisfaction is examined with an annual personnel survey called Marimetri.

In 2012, the overall results of the survey were highly positive and the engagement of the personnel was exceptionally high when compared to other companies.

The personnel see the visions of the management as believable, and the company's strategy has been communicated well to the personnel.

Marimekko's reputation as an employer was good and reliable among the employees and the company invests in the development of its personnel.

The quality of the management was seen clearly better compared to other service-production organisations.

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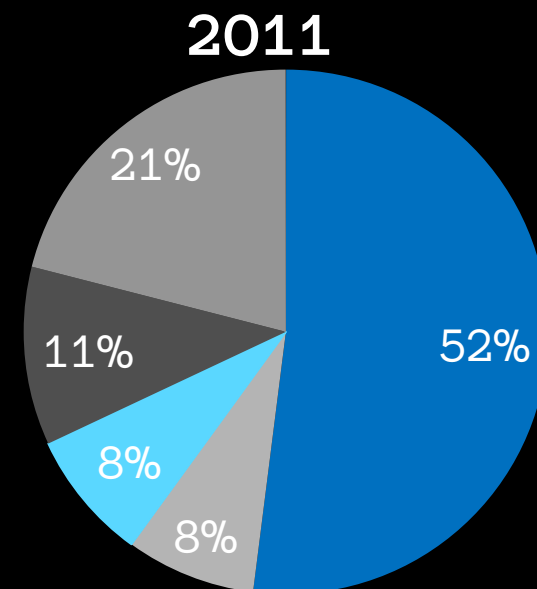
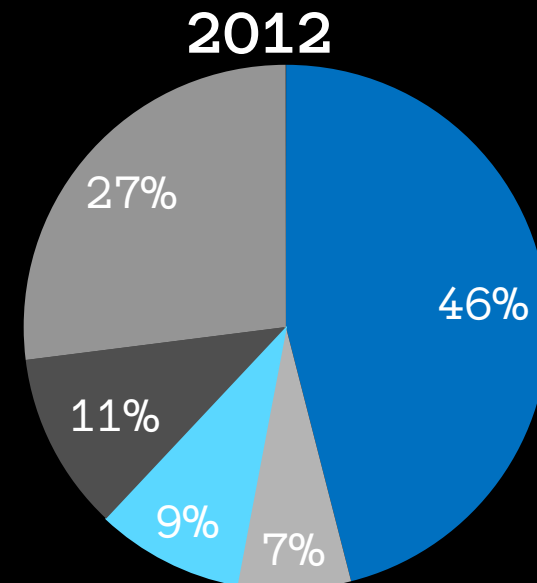
# FINANCIAL DEVELOPMENT

# 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



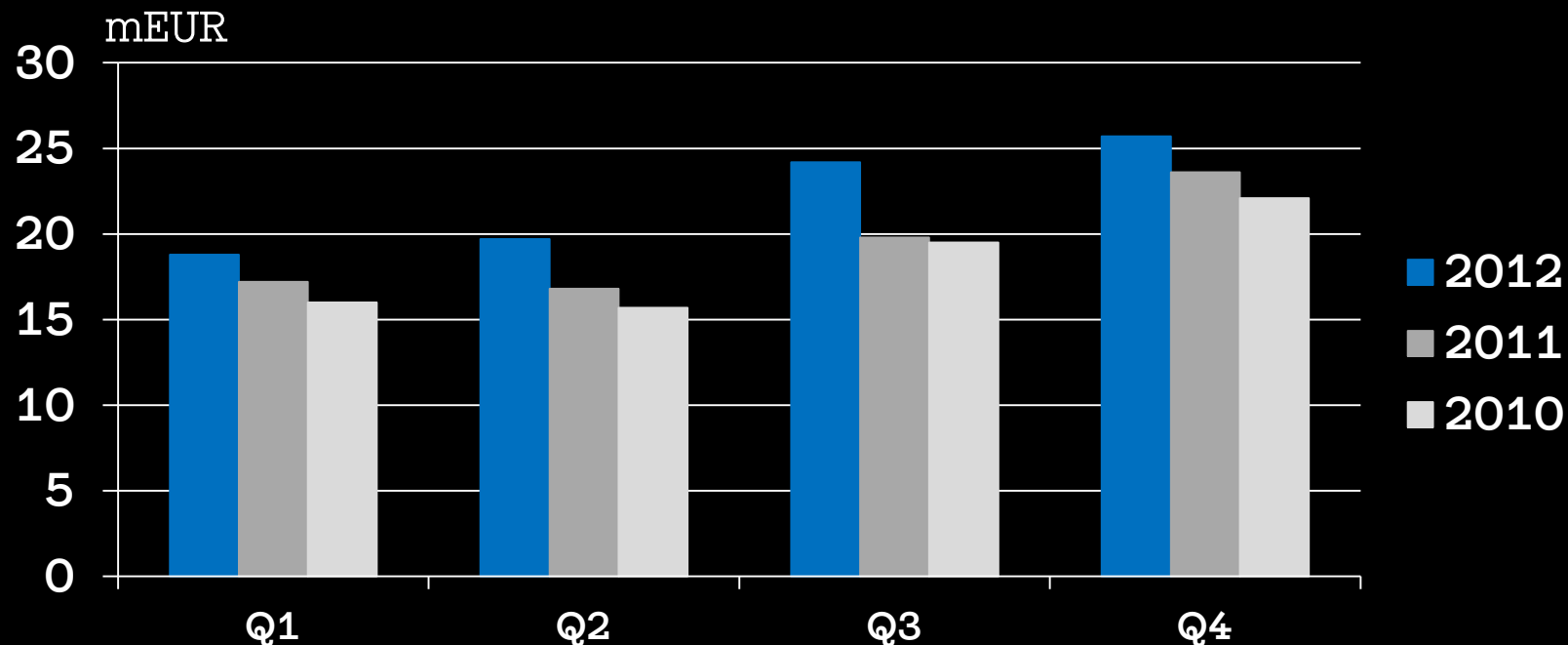
\* Estimated sales of Marimekko products at consumer prices. Brand sales are calculated by adding together the company's own retail sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's actual wholesale sales to these retailers, is unofficial 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%.

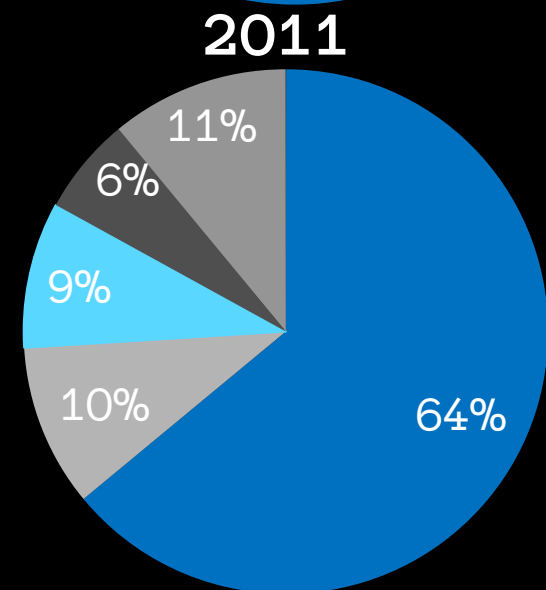
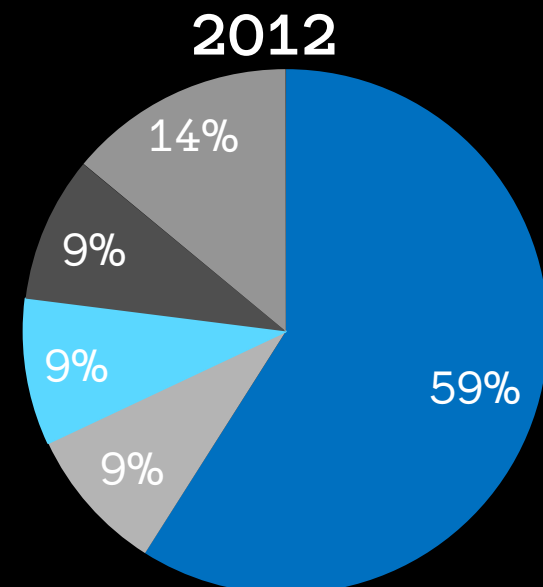




# Net sales by market area

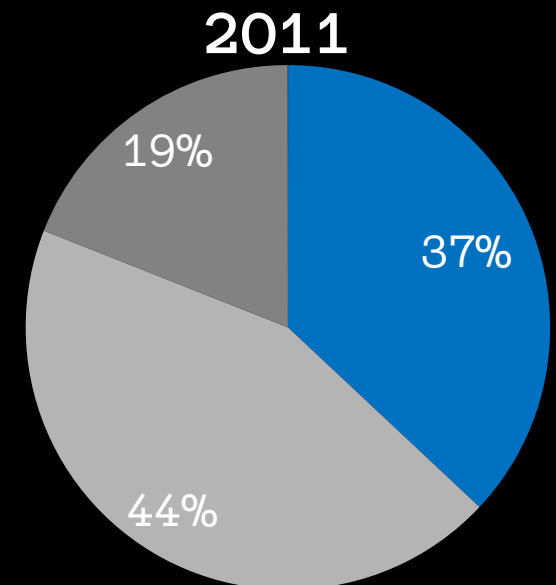
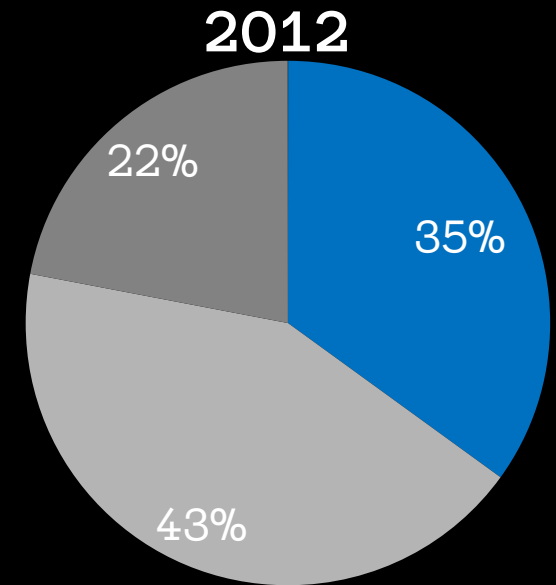
(EUR 1,000)	2012	2011*	Change,%
Finland	52,344	49,807	5.1
Scandinavia	7,856	7,518	4.5
Central and Southern Europe	7,783	6,691	16.3
North America	7,743	4,960	56.1
Asia-Pacific	12,745	8,466	50.5
TOTAL	88,471	77,442	14.2

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



# Net sales by product line

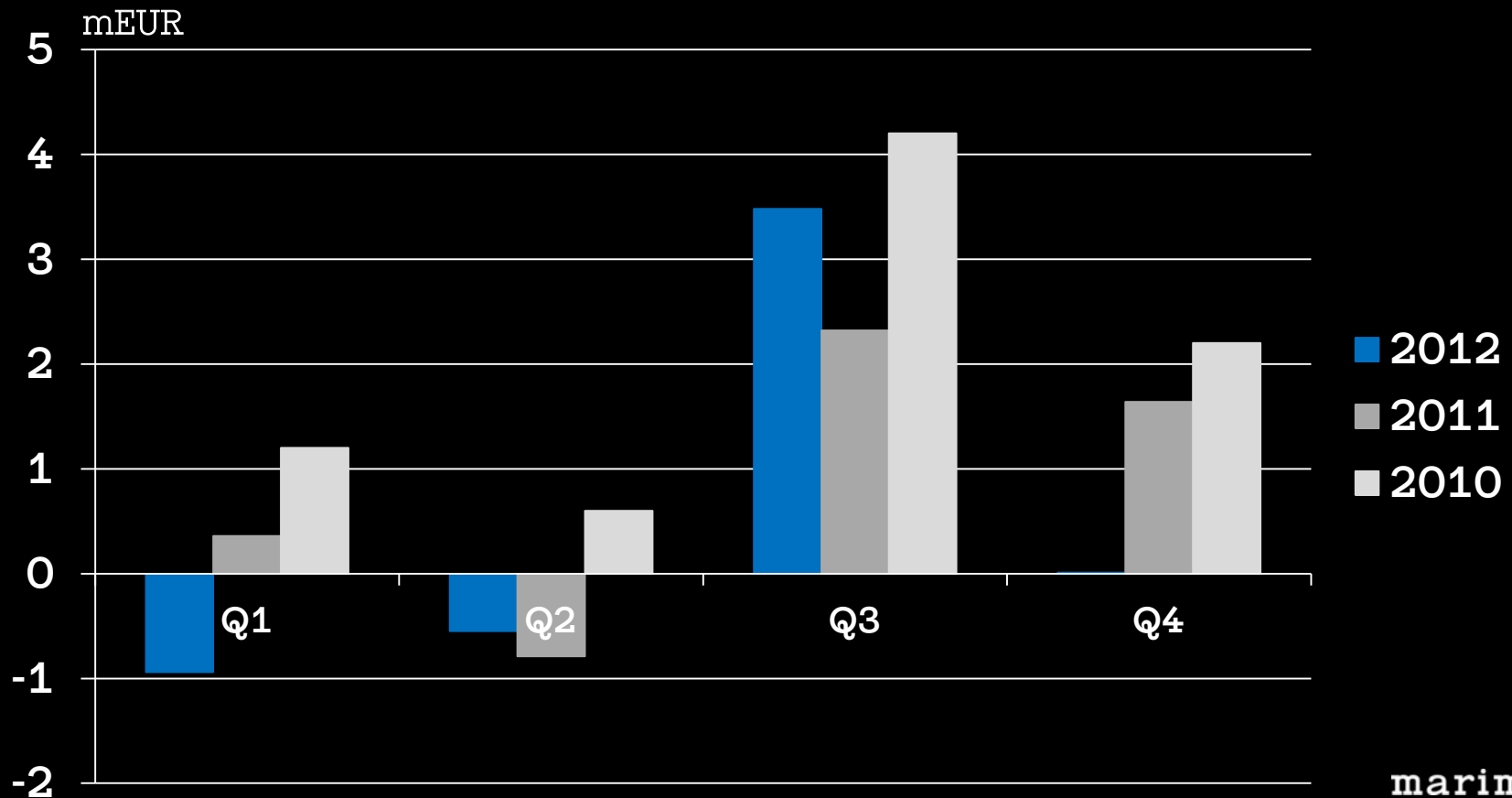
	(EUR 1,000)	2012	2011	Change,%
Clothing		30,936	28,351	9.1
Interior Decoration		38,122	34,003	12.1
Bags		19,413	15,088	28.7
TOTAL		88,471	77,442	14.2



# Operating result fell short of expectations

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

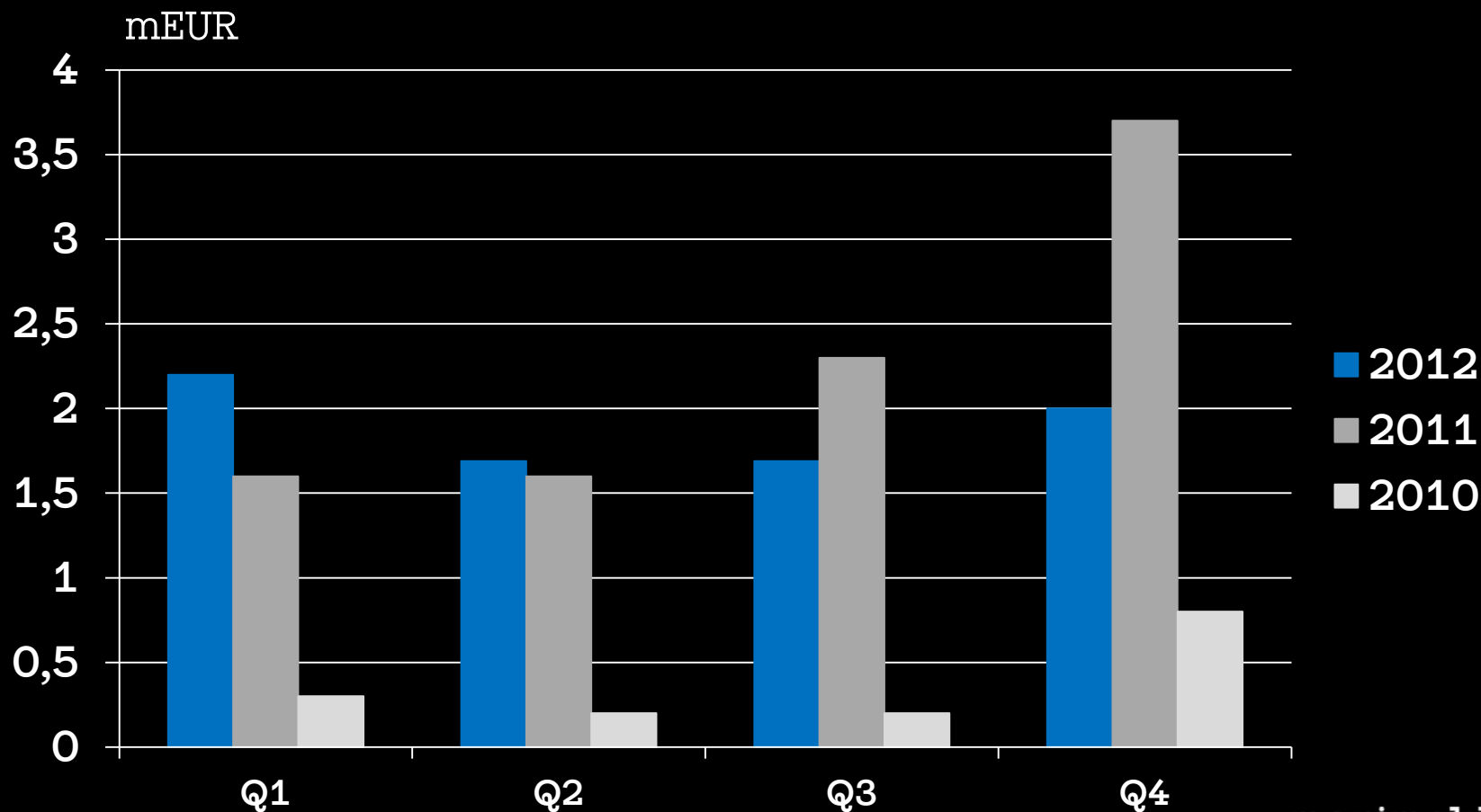
A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the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



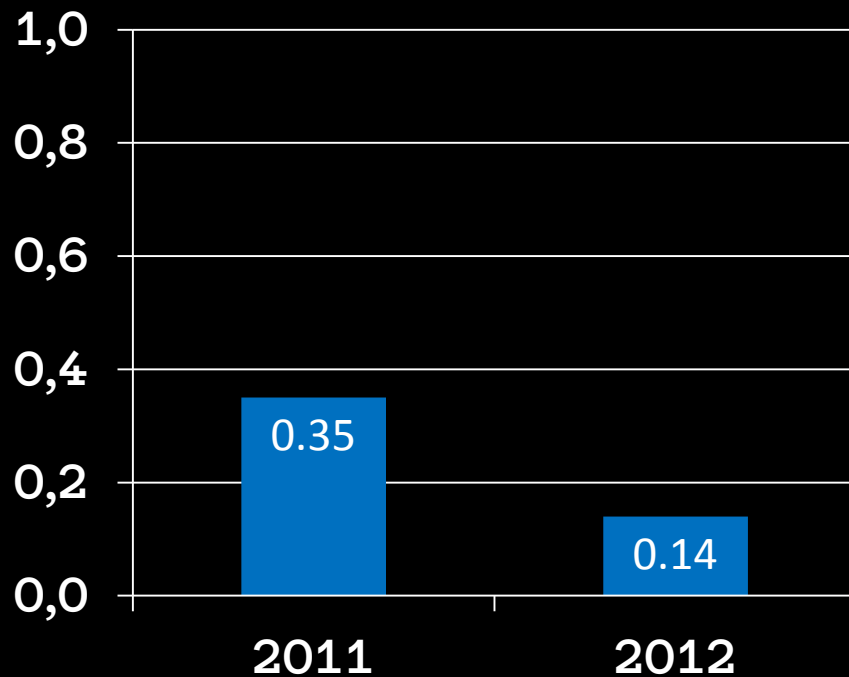
# Key figures

	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

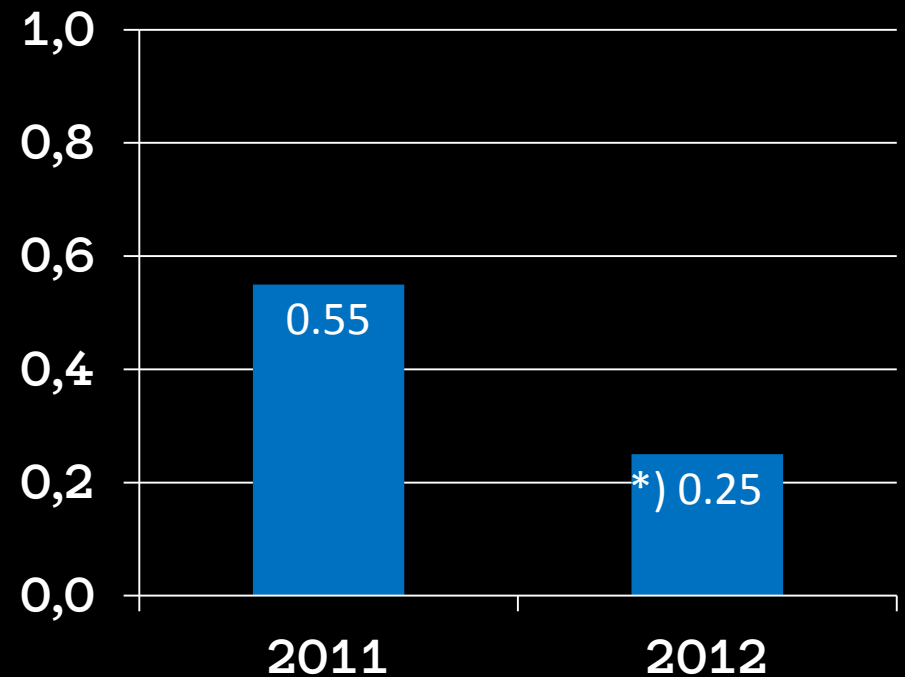
# Earnings per share and dividend per share

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## Earnings per share (EUR)



## Dividend per share (EUR)



\* ) Proposal by the Board of Directors

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