

Financial statements 2014

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10 February 2015

Agenda

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

19 Marimekko stores and shop-in-shops were opened in 2014.

Marimekko's and Banana Republic's limited edition capsule collection was launched.

Marimekko announced the signing of a partnership contract with BinHendi Enterprises, with the aim of opening a total of eight Marimekko stores in the Middle East by the end of 2019.

2) **Net sales:**

In 2014, the Group's net sales were on a par with those of the previous year.

Net sales in Finland were at the same level as in 2013; international sales rose by 1%.

3) **Operating profit:**

The results for 2014 were improved in difficult market conditions. The results were boosted by reorganisations and cost savings implemented in Finland and the United States in 2013 and 2014, nonrecurring promotions in Finland, and increased licensing income.

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

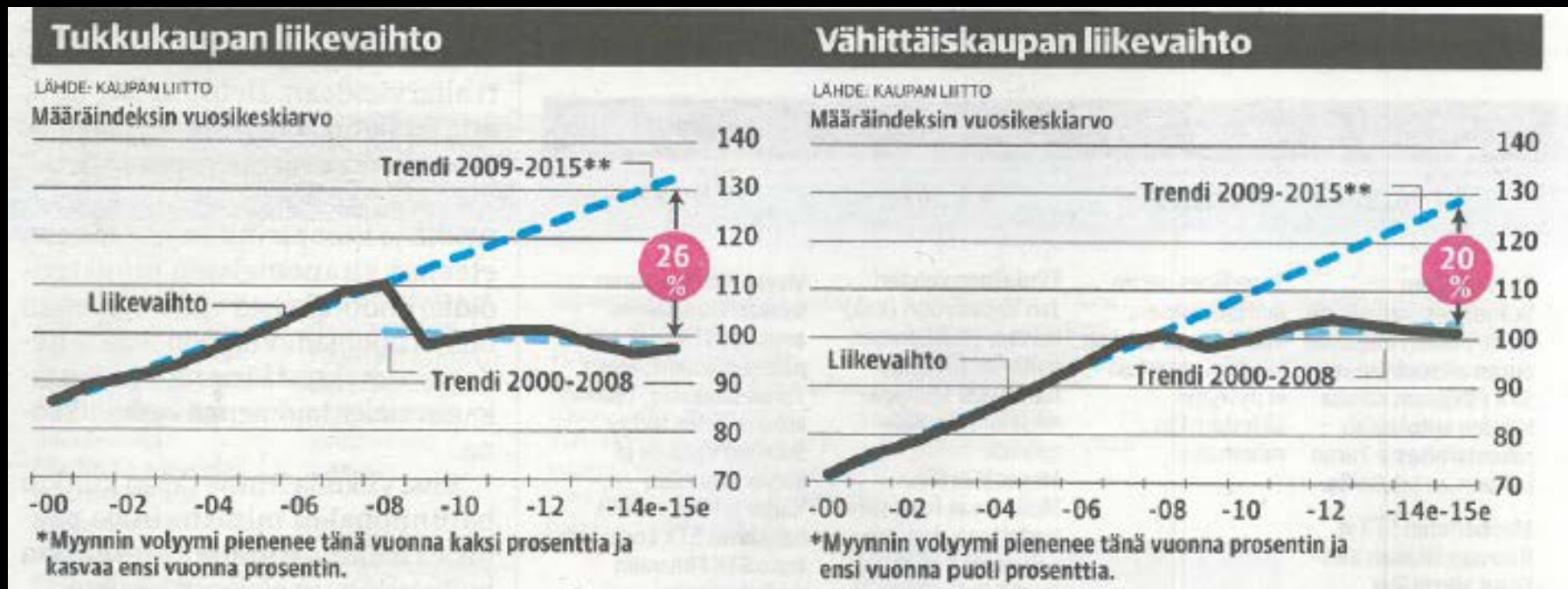
Based on the market outlook, estimated sales development in the company's market areas, especially in Finland, the company's growth targets as well as other estimated factors, the Marimekko Group's year 2015 net sales are forecast to be at the same level as in 2014 or lower. Operating profit excluding nonrecurring items in 2015 is estimated to be lower than in 2014.

5) **Events after the close of the financial year:**

Marimekko is continuing its expansion in Asia. Retailer-owned Marimekko stores will be opened in the major Southeast Asian metropolises of Singapore and Bangkok in spring 2015.

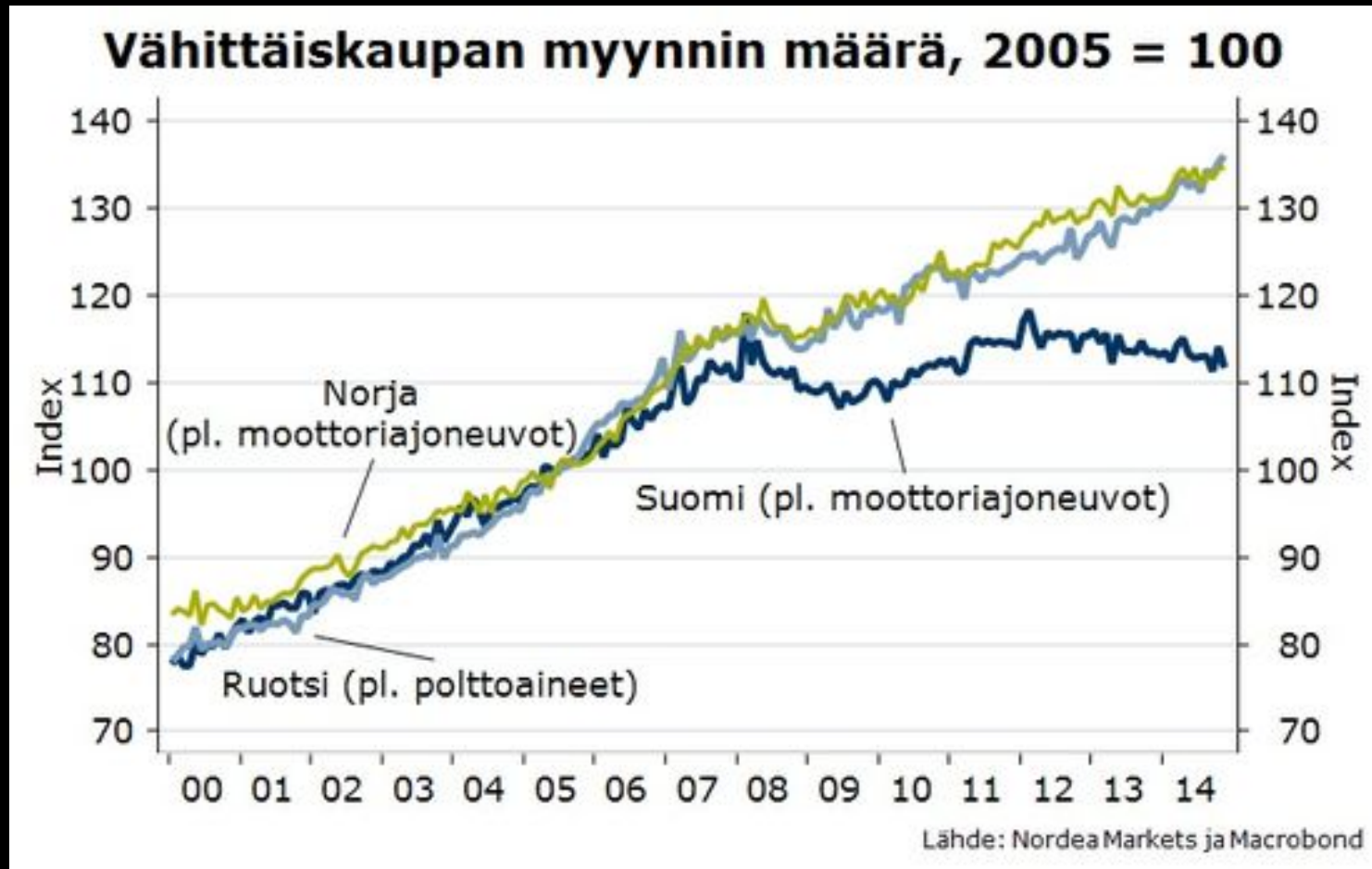
New fashion focused shop-in-shop opened in Beijing, China in February 2015.

Wholesale and retail sales in Finland 2000-2015E



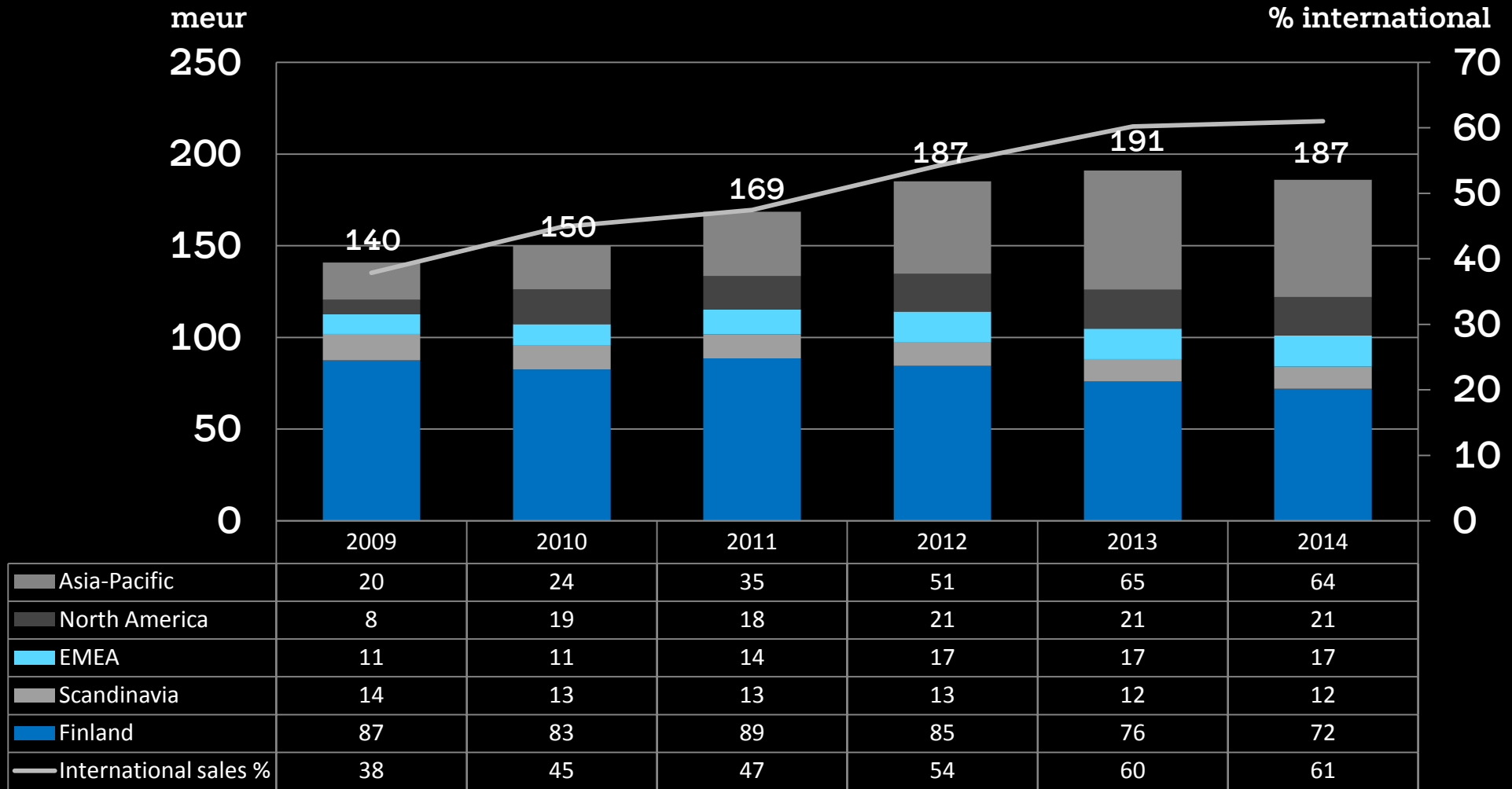
Source: Kauppalehti 5.8.2014

Retail sales in Finland, Sweden, Norway 2000-2014



Source: Uusi Suomi 15.1.2015

Marimekko brand sales 2009-2014: +34%



Marimekko strategic focus areas

2008 – 12	2010 – 14	2014 – 18
Foundations	Global company	Profitable and global fashion & home brand with strong digital operations
<ul style="list-style-type: none">• Crystallization of the brand• Building a professional organization• Corporate culture• New categories in home products• Store concept• New stores and teams in Asia and Americas	<ul style="list-style-type: none">• Development of fashion• Launch of a global network of stores• Launch of US e-comm and focus on digital communication• Efficiency improvements• Successful global collaborations• Launch of sustainability and CSR organization	<ul style="list-style-type: none">• From a "niche design cult brand" to much broader appeal for selected target customers• Fashion to an entirely new level• Translating recent growth into stronger profitability• Strong store growth with special focus in Asia• New generation steps in digital and collaborations



Key events in Q4

Four new Marimekko stores opened in the Asia-Pacific region during the last quarter of 2014: one in Hongkong, one in Chengdu in mainland China, and two in Seoul in South Korea.

Marimekko expands into Southeast Asia: A Marimekko shop-in-shop was opened in Singapore in November 2014 at the famous Tangs department store, whose international peers include, for example, Bloomingdale's of New York and London's Selfridges.

October 2014, continuation of the collaboration between Marimekko and Finnair was revealed: Finnair Airbus 330 features a previously unseen blue colorway of Marimekko's classic Unikko ("poppy") print.



Key events in 2014

Half of the new Marimekko stores opened in 2014 were in the Asia-Pacific region: two in Hong Kong, one in Chengdu in mainland China, two in Seoul in South Korea, and two in Japan. In Australia, Marimekko opened a company-owned store in Melbourne. Two further shop-in-shops were opened, one in New Zealand and another in Singapore.

During the year 2014, one shop-in-shop opened in San Francisco, USA, and in Mexico two shop-in-shops were opened. In Finland, three company-owned stores and three shop-in-shops were opened.

Marimekko's and Banana Republic's limited edition capsule collection launched at selected Banana Republic locations worldwide and online in May 2014.

Marimekko announced the signing of a partnership contract with BinHendi Enterprises, with the aim of opening a total of eight Marimekko stores in the Middle East by the end of 2019. The first store will open in Dubai in 2015.

Anna Teurnell started as Creative Director of Marimekko in July, and Tiina Alahuhta-Kasko was appointed as COO in August.

Marimekko's winter/fall 2014 fashion show was held in March, and Spring/Summer 2015 fashion collection "Mindscapes" was presented in September.



Autumn/winter 2014 fashion show was held at the Helsinki Central Railway Station in March.



New retailer-owned store opened in Taikoo Shing, Hong Kong in April.

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EQ3's new Marimekko shop-in-shop opened in San Francisco in May.

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Marimekko's and Banana Republic's limited edition capsule collection was launched around the world in May.

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The image shows the exterior of a Marimekko store at night. The store's name, "marimekko", is displayed in a glowing, lowercase font above the entrance. The building's facade is made of horizontal wooden slats. Large glass windows and doors provide a view into the store's interior, which is brightly lit and filled with clothing racks and shelves. In the foreground, a window display features several patterned pillows and a decorative panel with a botanical print. To the right, a portion of another store, "ASSO", is visible.

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Marimekko opened a second company owned store in Melbourne, Australia in September.

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Nagasaki, Japan

New retailer-owned stores in Japan: one opened in Nishinomiya in March and one in Nagasaki in September.

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Spring/Summer 2015 fashion show was held in Helsinki in September.



**Marimekko store in Parnas Mall, Seoul, South Korea
opened in October.**



Marimekko store in Lotte Avenuel Worldtower (in Jamsil) Seoul, South Korea opened in October.

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**Collaboration between Marimekko and Finnair continues:
Finnair Airbus 330 features a previously unseen blue colorway of
Marimekko's classic Unikko ("poppy") print.**

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Marimekko shop-in-shop opened at the famous Tangs department store in Singapore in November.



New retailer-owned store opened in Chengdu, China, in December.

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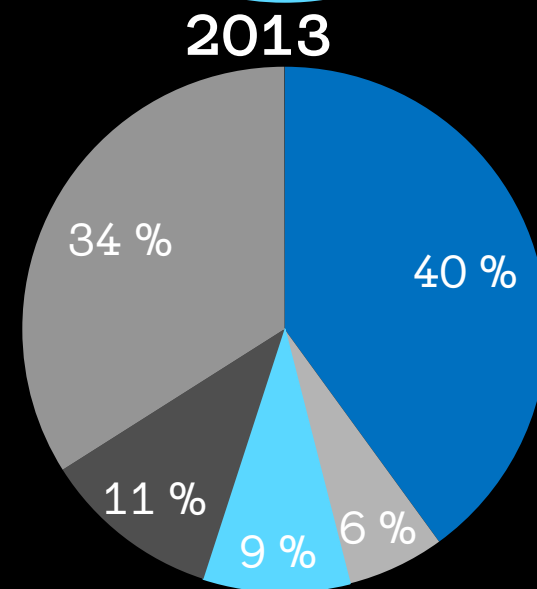
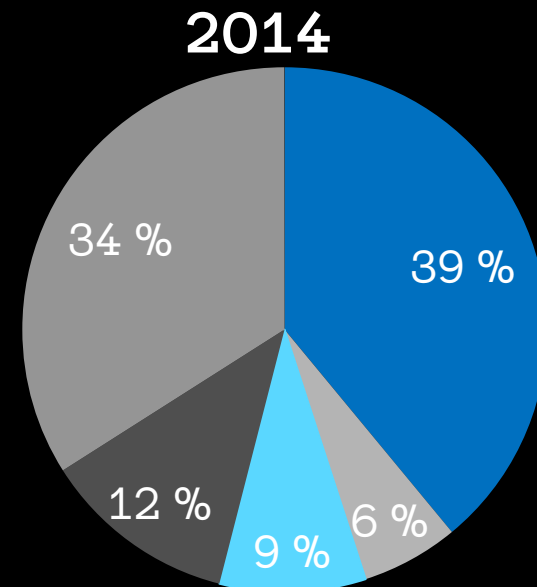
New products in 2014.

Brand sales

In 2014 brand sales* was EUR 186.8 million (191.1).

61% of the sales came from abroad (60%).

	(EUR 1,000)	2014	2013	Change,%
Finland		72,192	76,037	-5
Scandinavia		11,975	12,203	-2
EMEA**		17,050	16,581	3
North America		21,468	21,282	1
Asia-Pacific		64,102	64,995	-1
TOTAL		186,787	191,098	-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 figure is not audited.

** The market area of Central and Southern Europe previously referred to in Marimekko's financial disclosures has changed to EMEA (Europe and Middle East Area) as a result of the partnership initiated in the Middle East during the second quarter of the year 2014.

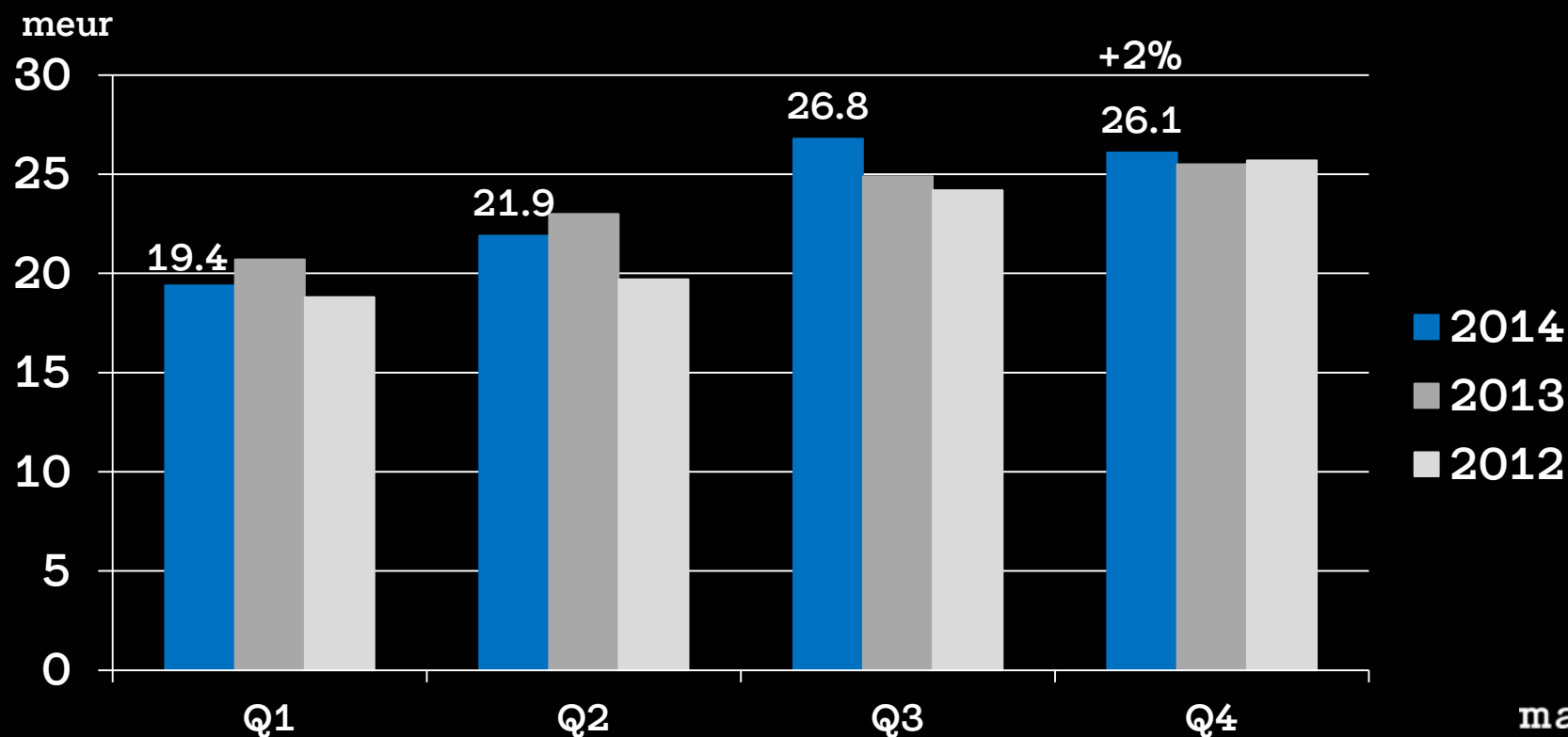
Net sales

In 2014, the Group's net sales were on a par with those of the previous year. The net sales was EUR 94.2 million (94.0).

Net sales in Finland were at the same level as in 2013: retail sales rose by 1%, wholesale sales fell by 1%. International sales rose by 1%: retail sales increased by 12% and wholesale sales decreased by 6%.

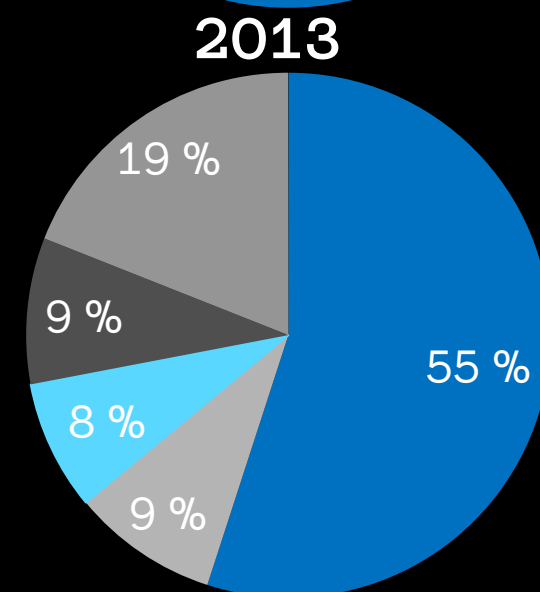
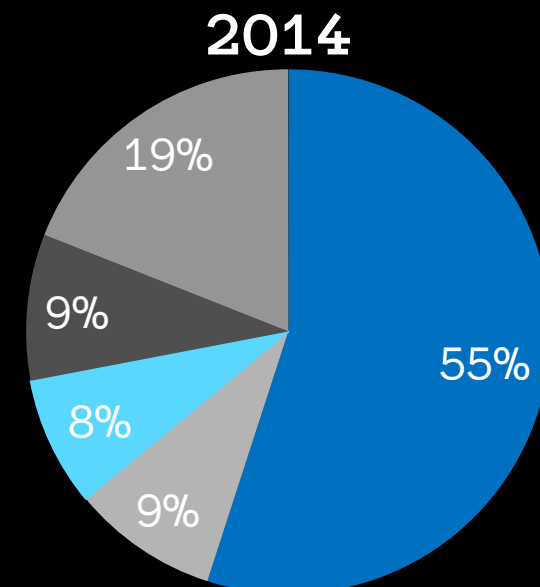
During Q4 net sales were up by 2% to EUR 26.1 million (25.5).

In Finland net sales grew by 1% and international sales by 5%.



Net sales by market area

(EUR 1,000)	2014	2013	Change,%
Finland	52,034	52,159	0
Scandinavia	8,452	8,152	4
EMEA*	7,554	7,702	-2
North America	8,584	8,534	1
Asia-Pacific	17,527	17,460	0
TOTAL	94,150	94,007	0



* Previously reported comparison figures for net sales by market area have been adjusted because the market area of Central and Southern Europe referred to in Marimekko's financial disclosures has changed to EMEA (Europe and Middle East Area).

Net sales by market area in 2014

Finland 0%: retail sales +1%, wholesale sales -1%. Comparable retail sales were on a par with 2013. Wholesale sales fell in spite of considerable nonrecurring promotional deliveries during the second half of the year.

Scandinavia +4%: retail sales +18%, wholesale sales -13%. Retail sales were boosted by two new Marimekko stores opened in 2013 as well as the extension of Marimekko's e-commerce into Sweden and Denmark. Wholesale sales fell partly due to a change in the rhythm of deliveries for the spring collection.

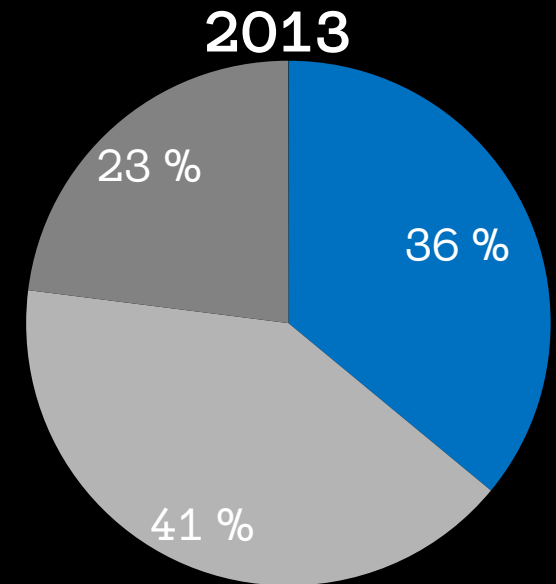
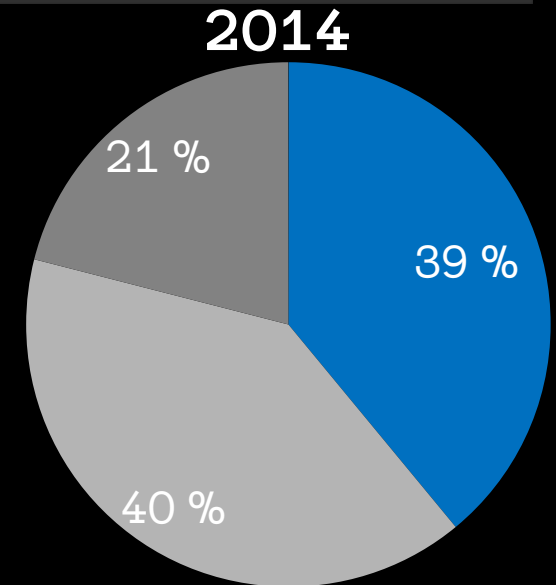
EMEA -2%: retail sales +7%, wholesale sales -5%.

North America +1%: retail sales +7%, wholesale sales -22%. In terms of the sales currency (mostly the US dollar), sales were on a par with the previous year.

Asia-Pacific 0%: retail sales +16%, wholesale sales -2%. Net sales in the Asia-Pacific region in 2014 held steady at the previous year's level. Wholesale sales fell partly due to a change in the rhythm of deliveries for the spring collection during the first quarter. Moreover, the appreciation of the euro against the yen and an increase in sales tax which came into effect in Japan in spring 2014 exerted a drag on wholesale sales in Japan.

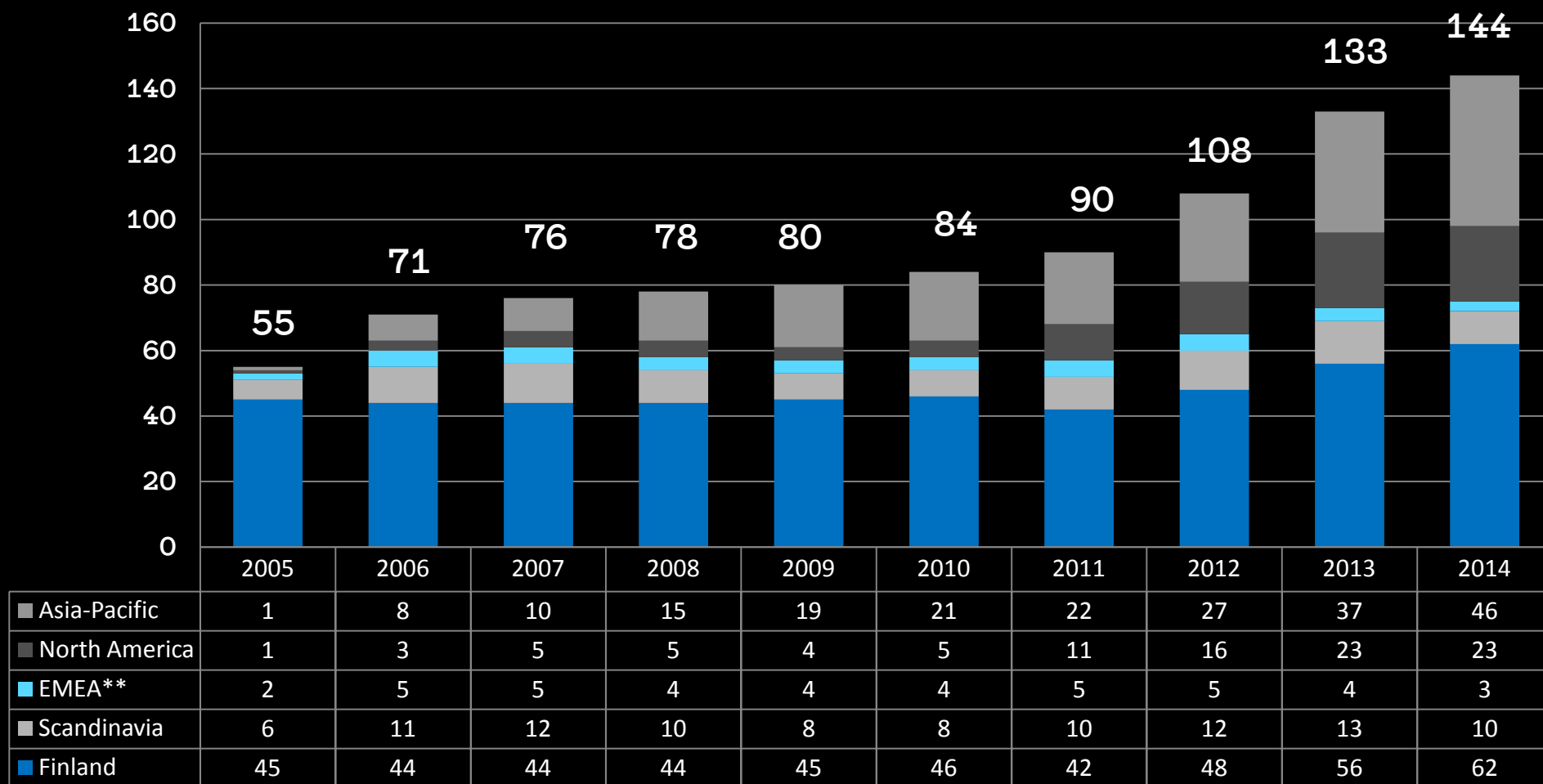
Net sales by product line

	(EUR 1,000)	2014	2013	Change,%
Fashion		36,256	33,979	7
Home		37,703	38,577	-2
Bags & accessories		20,191	21,452	-6
TOTAL		94,150	94,007	0



Marimekko stores

144 stores* at the end of 2014



*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 54 at the end of 2014 (51).

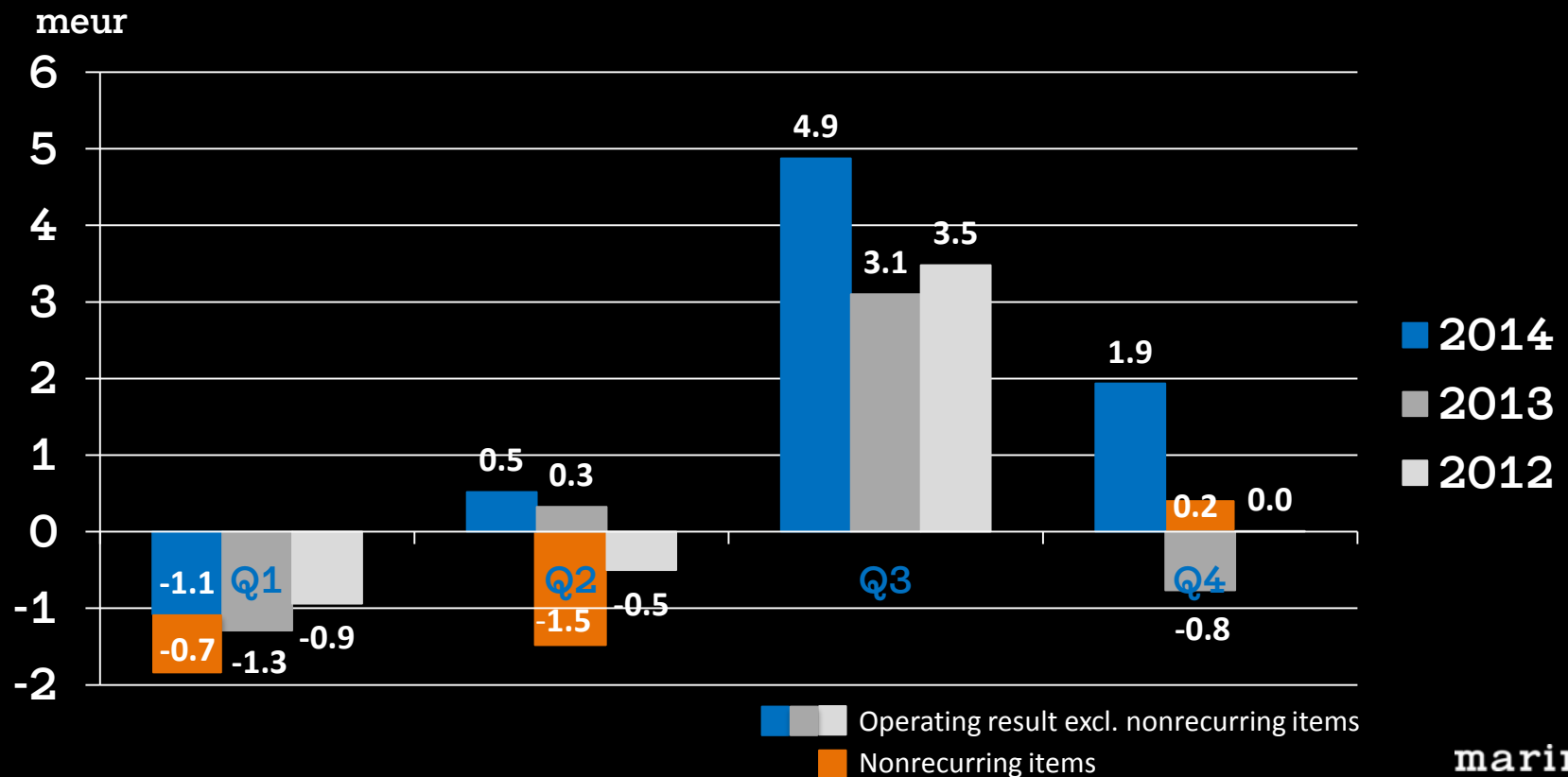
** The market area of Central and Southern Europe previously referred to in Marimekko's financial disclosures has changed to EMEA (Europe and Middle East Area).

Operating profit

In 2014, the operating profit was EUR 5.6 million (0.1), and the operating profit excluding nonrecurring items was EUR 6.3 million (1.4).

The result was boosted by reorganisations and cost-cutting effected in Finland and the United States in 2013 and 2014, nonrecurring promotional deliveries in Finland, and increased licensing income due to the Banana Republic Marimekko collection for summer 2014.

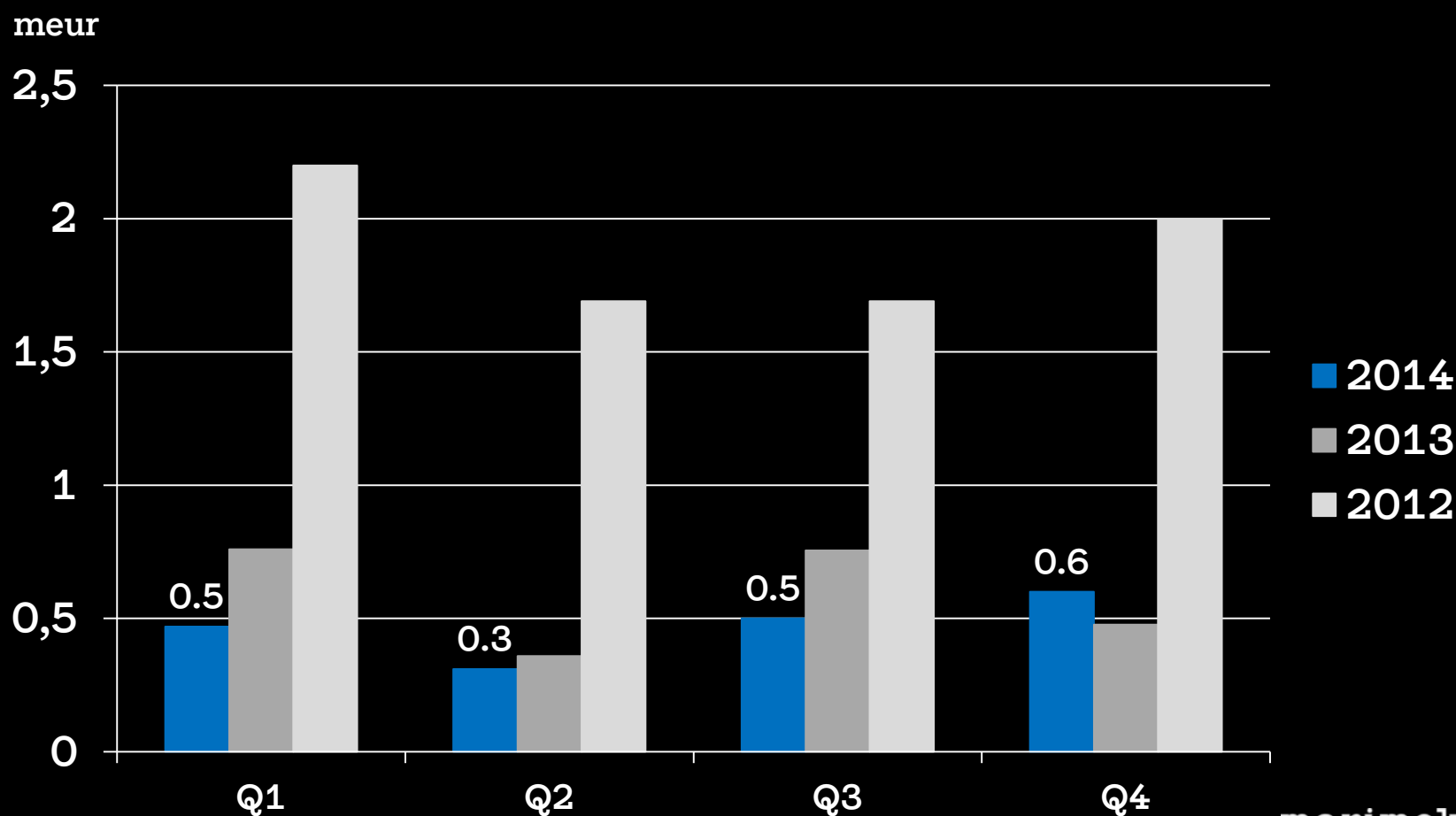
In the fourth quarter, the operating result was EUR 1.9 million (-0,6).



Investments at the same level than in comparison period

Gross investments in 2014 were EUR 2.1 million (2.4) representing 2% of net sales (3%).

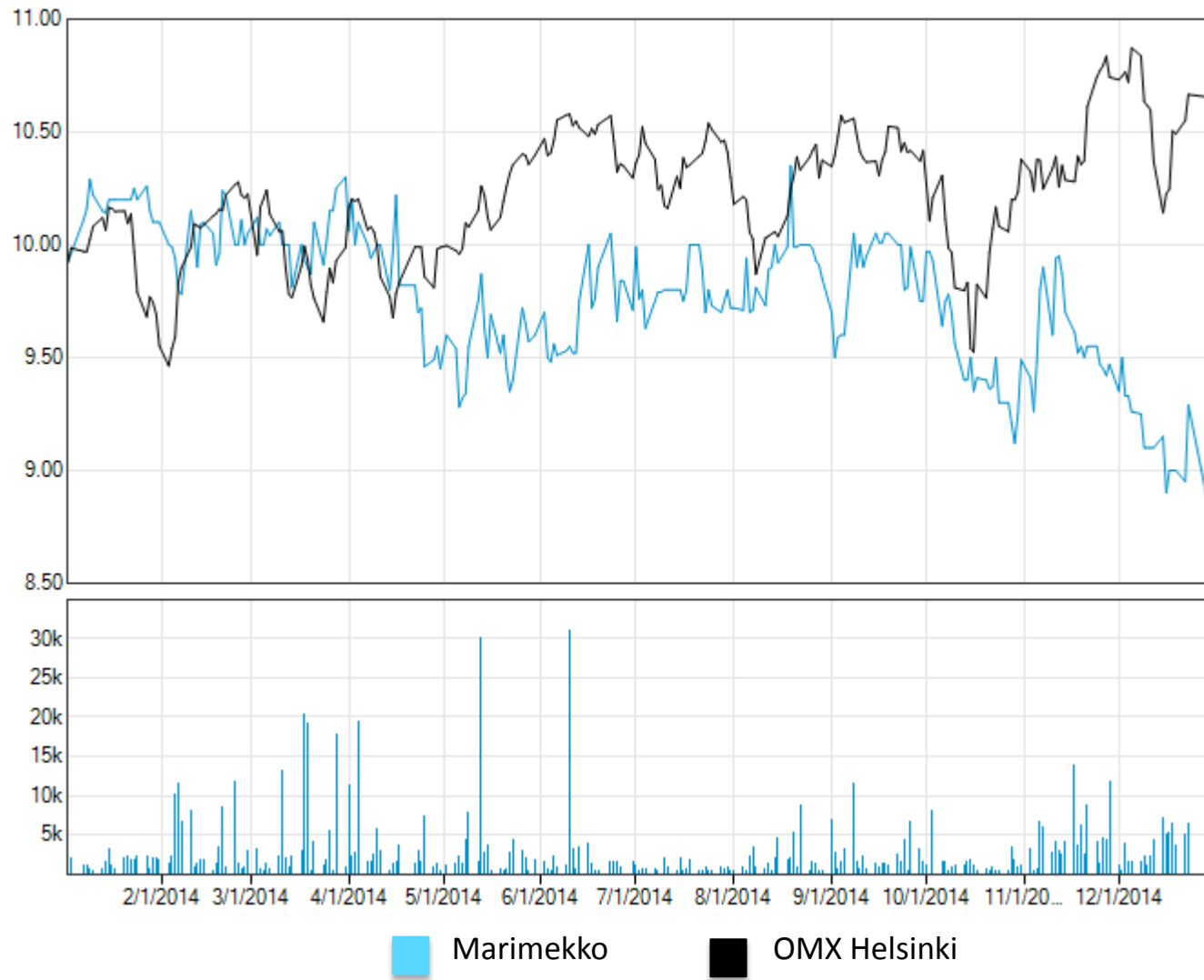
Most of the investments were devoted to building store premises, IT systems and other building expenses.



Key figures

	2014	2013	Change, %
Net sales, EUR 1,000	94,150	94,007	0
International sales, EUR 1,000	42,116	41,848	1
% of net sales	45	45	
EBITDA, EUR 1,000	9,875	6,854	44
Operating profit, EUR 1,000	5,592	82	
Operating profit margin, %	5.9	0.1	
Result for the period, EUR 1,000	4,114	-955	
Earnings per share, EUR	0.51	-0.12	
Cash flow from operating activities, EUR 1,000	9,851	5,424	82
Gross investments, EUR 1,000	2,063	2,353	-12
Return on investment (ROI), %	15.6	-1.1	
Equity ratio, %	61.6	55.5	
Gearing, %	10.5	31.7	
Contingent liabilities, EUR 1,000	34,310	37,365	-8
Personnel at the end of the period	479	502	-5
outside Finland	129	124	4
Brand sales, EUR 1,000	186,787	191,098	-2
outside Finland, EUR 1,000	114,595	115,060	0
proportion of international sales, %	61	60	
Number of retail stores and shop-in-shops	144	133	8

Share price previous 12 months



Proposal for the dividend

On 31 December 2014, the parent company's distributable funds amounted to EUR 16,164,059.59; profit for the financial year was EUR 5,096,205.19.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.35 per share be paid for 2014. The Board of Directors will propose 13 April 2015 as the dividend record date, and 20 April 2015 for the dividend payout.

A dividend of EUR 0.25 per share was paid for 2013 to a total of EUR 2,022,403.

Market outlook and growth targets in 2015

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 situation has remained difficult in retailing in Finland, which is particularly important for Marimekko as its domestic market, and this trend appears to be continuing. In December and during the first weeks of the current year, comparable retail sales in Finland have declined by approximately 5 percent. Lower consumer confidence, a downturn in purchasing power, and rising unemployment cast a significant shadow over Marimekko's retail sales expectations for 2015 and make themselves felt in cautious restocking by retailers. No significant nonrecurring promotional deliveries are in sight which would support wholesale sales. On the other hand, sales are boosted by the stores opened in 2014.

The Asia-Pacific region, Marimekko's second biggest market, plays an important part in the company's internationalisation, and the company still sees growing demand for its products in this area. In recent years, new markets have opened up in China, Hong Kong and Taiwan, and the number of Marimekko stores in the region has doubled to 46. In 2015, at least Singapore and Thailand (Bangkok) will be opened as new markets. In Australia, the outlook is bright and Marimekko's retail sales have developed well, even exceeding expectations. Although sales in these countries are expected to grow, their combined proportion of Marimekko's net sales is still relatively small compared with Japan, which is clearly the most important single country in this region to the company. The appreciation of the euro against the yen and an increase in sales tax which came into effect in Japan in spring 2014 exerted a drag on Marimekko's wholesale sales in Japan in 2014. During the current year and in the next few years, sales in Japan are forecast to take a more modest trend than in recent years. Sales growth will be generated increasingly by organic growth, and new stores will be opened at a rate of a few per year.

Market outlook and growth targets in 2015

The US economy is growing as a whole, but the trend in Marimekko's foreign-currency-denominated net sales in North America is expected to be roughly on a par with the previous year. The appreciation of the US dollar is expected to boost sales markedly in euro terms. Due to the loss-making nature of operations in North America, the appreciation of the dollar will have a negative impact on Marimekko's operating result in 2015, however. Efforts are being made to close the store in Beverly Hills this year, which if accomplished will mean considerable expenses.

Sales expectations in Scandinavia and EMEA are moderate. In the Middle East, two new stores will open in Dubai in spring 2015.

The main thrust in expansion in 2015 will be on openings of retailer-owned Marimekko stores. The aim is to open a total of 10-20 new Marimekko stores and shop-in-shops, 1-3 of which would be company-owned. Also, the company will continue the operational enhancement and the improvement of profitability of company-owned stores opened in recent years. Changes in business locations of company-owned stores may have a deleterious effect on sales during the current year.

The expenses of marketing operations scheduled for 2015 are expected to be markedly higher than in the previous year, that is approximately EUR 5.5 million (4.7). The total investments for 2015 of the Marimekko Group are estimated as being in excess of EUR 3 million. Most of the investments will be devoted to building new retail facilities and purchases of fittings as well as improving data systems supporting business operations.

Financial guidance for 2015

Based on the market outlook, estimated sales development in the company's market areas, especially in Finland, the company's growth targets as well as other estimated factors, the Marimekko Group's year 2015 net sales are forecast to be at the same level as in 2014 or lower. Operating profit excluding nonrecurring items in 2015 is estimated to be lower than in 2014.



Events after the review period

Marimekko is continuing its expansion in Asia. Retailer-owned Marimekko stores will be opened in the major Southeast Asian metropolises of Singapore and Bangkok in spring 2015.

The intention is to open more stores in the next few years. The forthcoming store in Singapore will be in an excellent business location in the new Capitol Piazza mall.

The Bangkok store will be opened in one of the city's biggest and busiest shopping centres, Central World, which attracts as many as 150,000 customers a day.



New fashion focused shop-in-shop opened in Shin Kong Plaza, Beijing, China at the beginning of February 2015.

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