

MARTELA INTERIM REPORT

01-06 / 2010

4 August 2010

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JANUARY – JUNE 2010

- The demand for office furniture slightly increased in comparison with the figure for the same period in 2009.
- Consolidated revenue for January-June amounted to EUR 48.3 million (45.3), a year-on-year increase of 6.6 per cent.
- Revenue for the second quarter increased to EUR 25.7 million (21.3), a year-on-year increase of 21.0 per cent.
- Operating profit for January-June was EUR -1.6 million (-0.8), and for the second quarter EUR -0.5 million (-0.7).
- The cash flow from operating activities in January-June was EUR -2.2 million (7.1).
- The equity ratio was 54.4 per cent (55.7).
- The gearing ratio was -19.7 per cent (-26.4).

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DEVELOPMENTS DURING THE FIRST HALF YEAR 2010

- Martela has acquired Pa-Ri Materia Oy's used furniture business, which has been operating under the name Martela Poistomyynti.
- New second-hand store opened in Turku
- Martela launched a new solution for managing office property, using radio frequency identification (RFID) - a unique way of managing office property.
- Promising start for operations in St. Petersburg , Plans for Moscow proceeding
- Efforts on improved quality continues
- The “Lompsa project” – reduction of working capital has brought results
- Actions in all parts of Group to adapt to new situation

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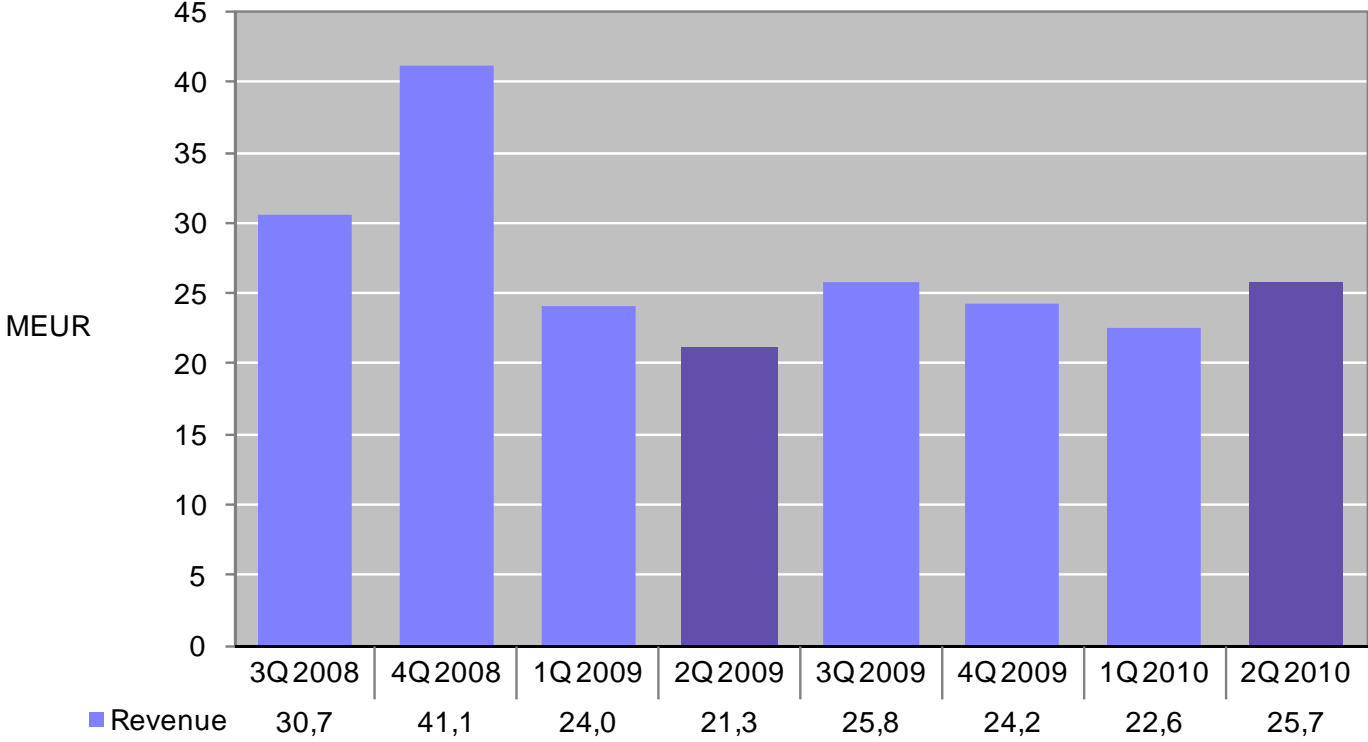
CENTRAL FOCUS AREAS 2010

- Novelty products:
 - James+ task chair
 - Pinta II and Spot meeting room tables
 - MyBox desk
 - Book space divider/ shelf
- Tarmo project in process
- Brand renewal project ongoing, corporate social responsibility project starting
- Working capital improvement still in focus
- Launch of Moscow operations during the year
- Development of Martela second-hand store concept

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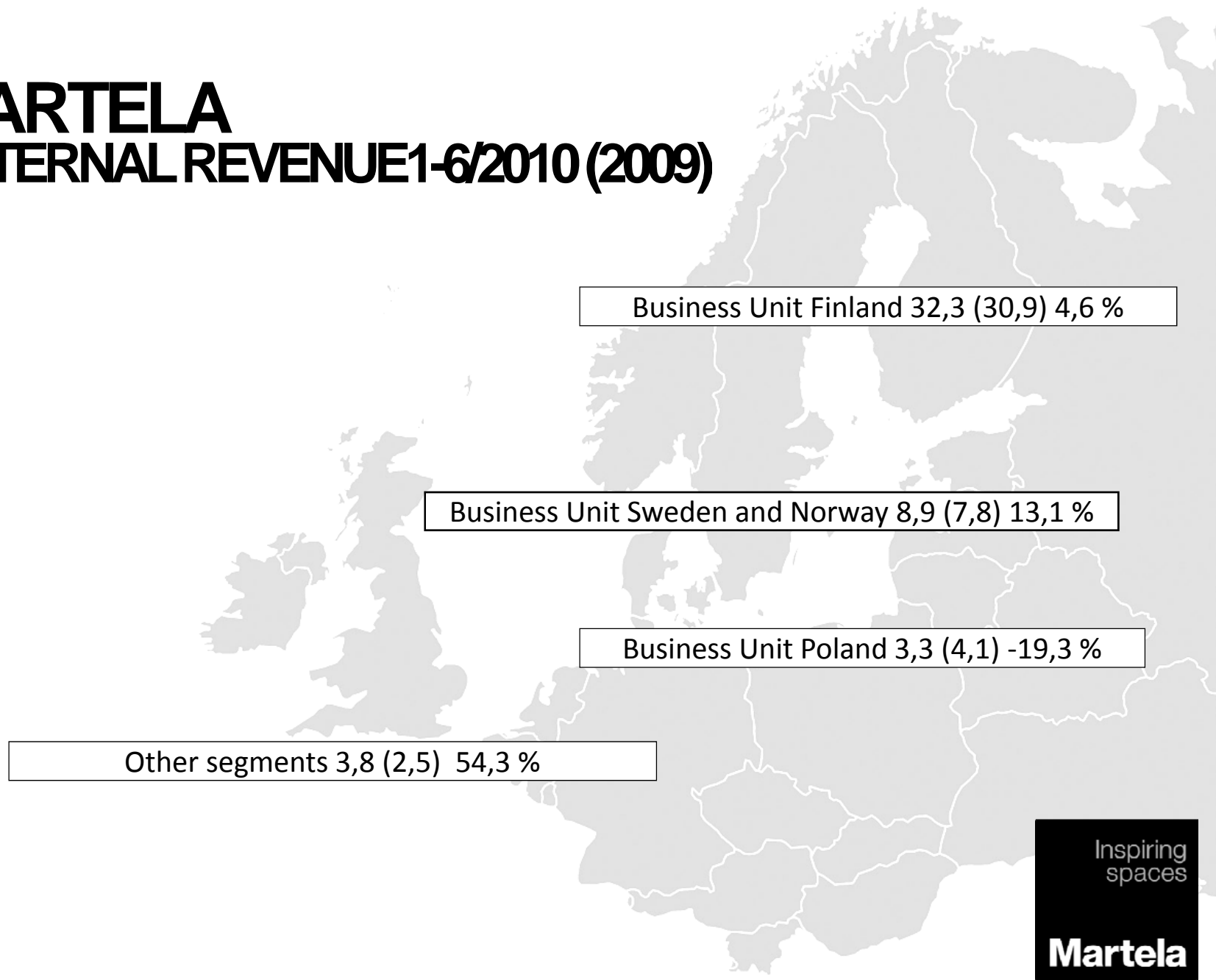
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MARTELA TURNOVER



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EXTERNAL REVENUE 1-6/2010 (2009)

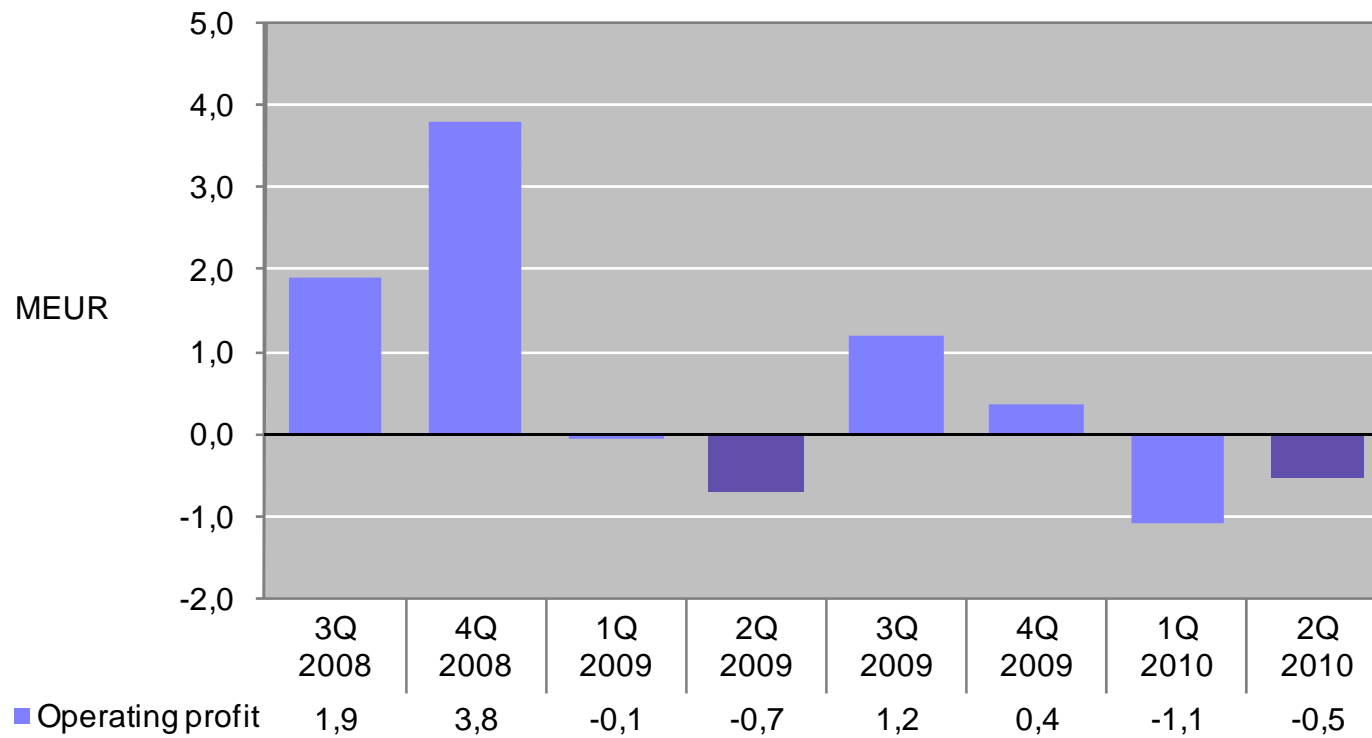


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OPERATING PROFIT (EXCLUDING NON-RECURRING ITEMS)

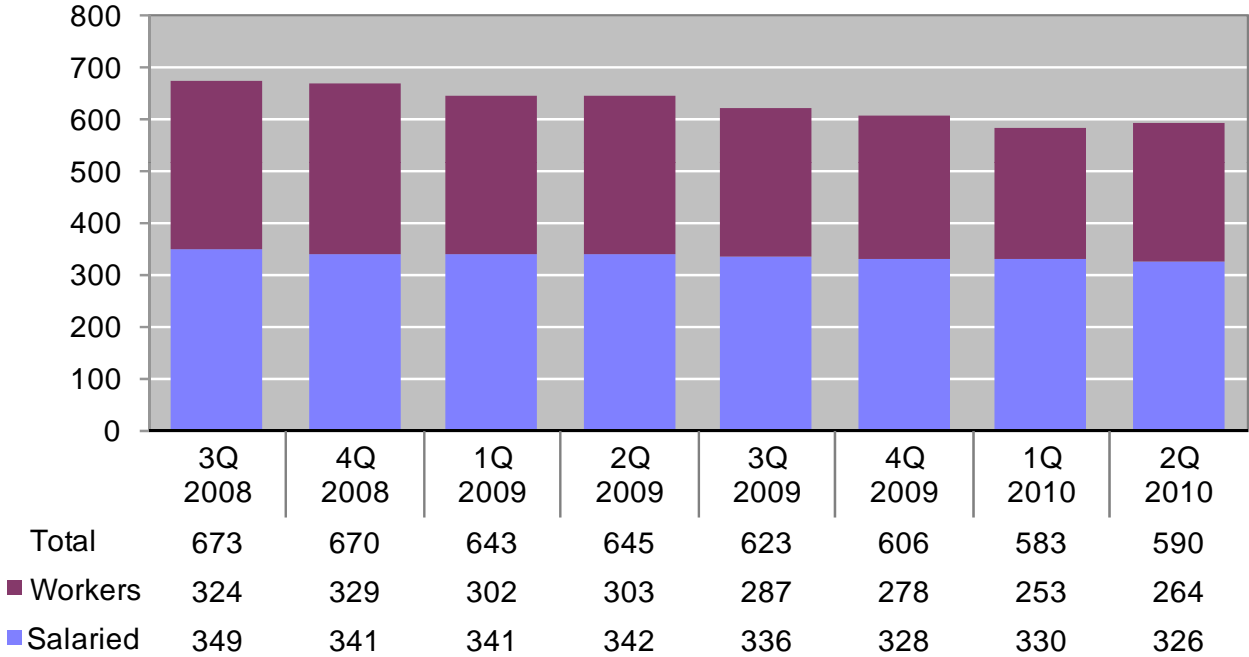


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PERSONNEL AT WORK, END OF PERIOD



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MARKET SITUATION – OFFICE CONSTRUCTION IN FINLAND*

- During 2009 started office constructions declined by approx. 50 % compared to the previous year.
- During 2009 around 60% less office space construction was completed than in the previous year. In 2009, the area of office space finalized was 199 000 sqm (458 000).

* source: Statistics Finland

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OUTLOOK FOR 2010

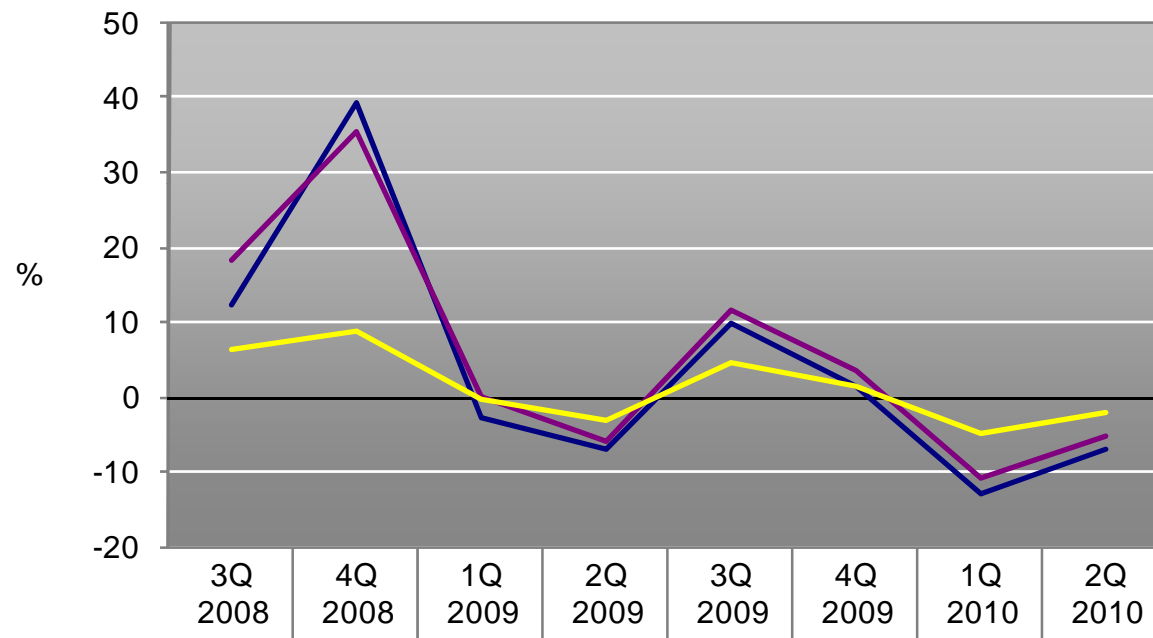
Low demand will have an effect on the company's revenue and operating profit in 2010. The company will continue to review its cost structure and to improve its operating efficiency.

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PROFITABILITY QUARTERLY



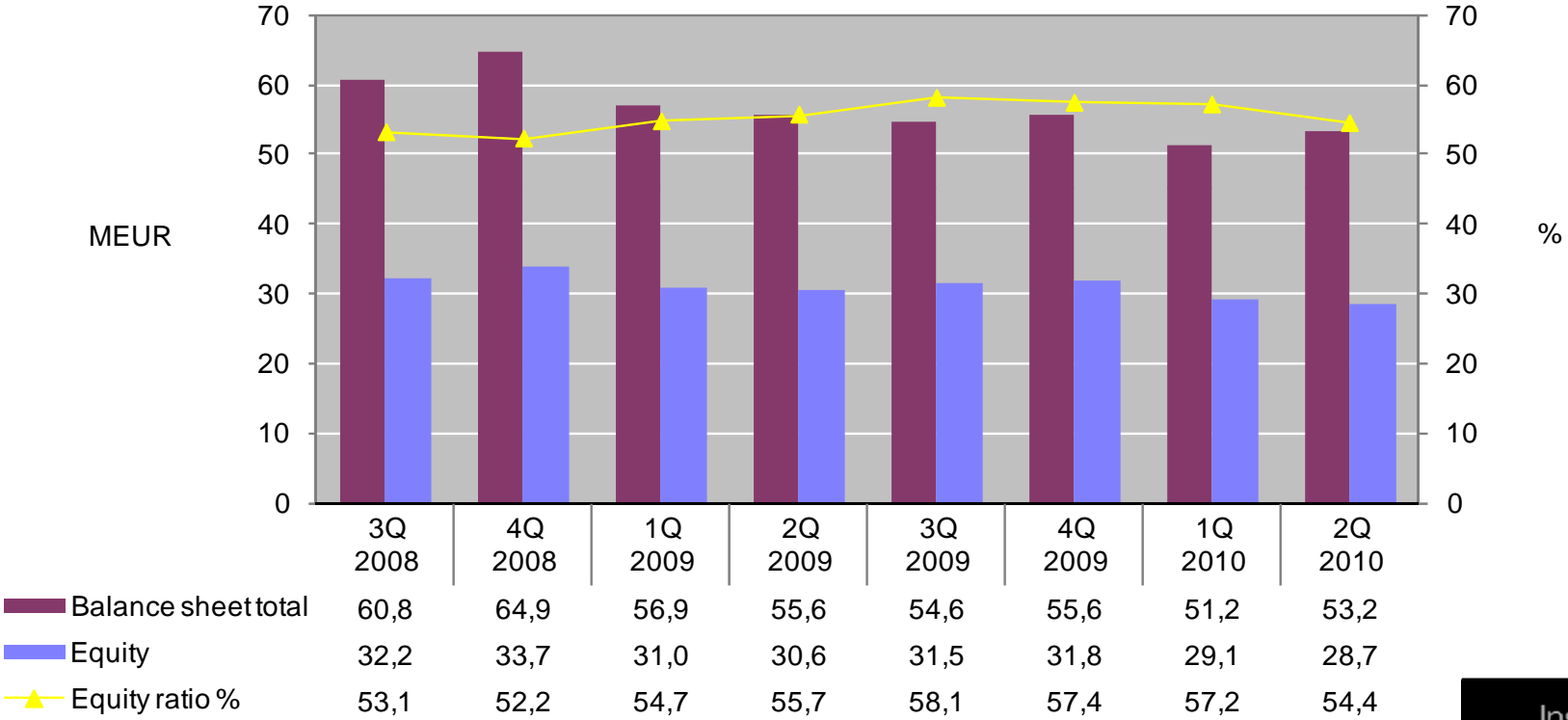
Return on equity	12,3	39,2	-2,7	-7,0	9,7	1,6	-12,9	-7,0
Return on investment	18,3	35,6	0,2	-6,1	11,5	3,6	-10,7	-5,2
Operating profit %	6,2	8,8	-0,3	-3,3	4,6	1,5	-4,8	-2,0

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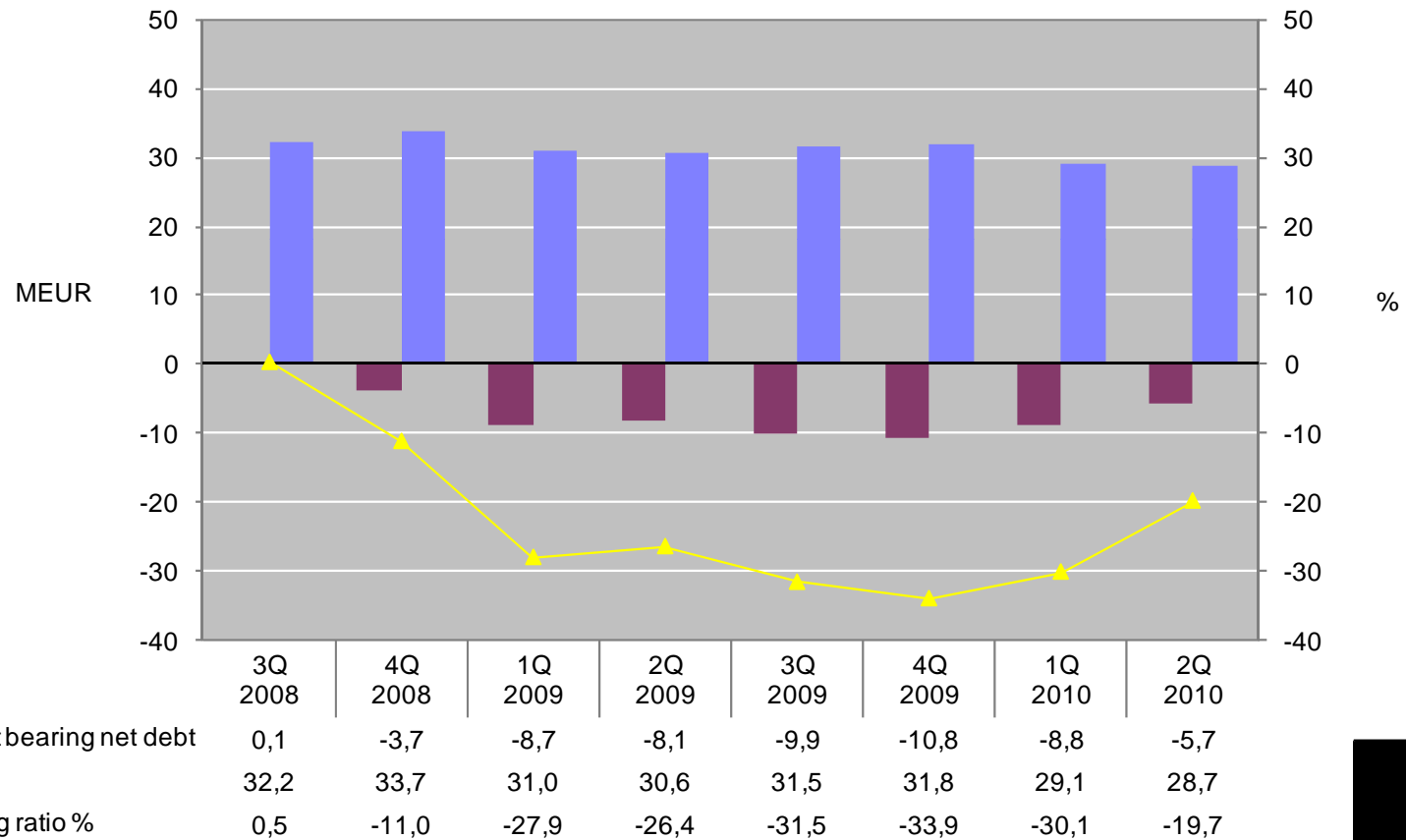
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BALANCE SHEET



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GEARING

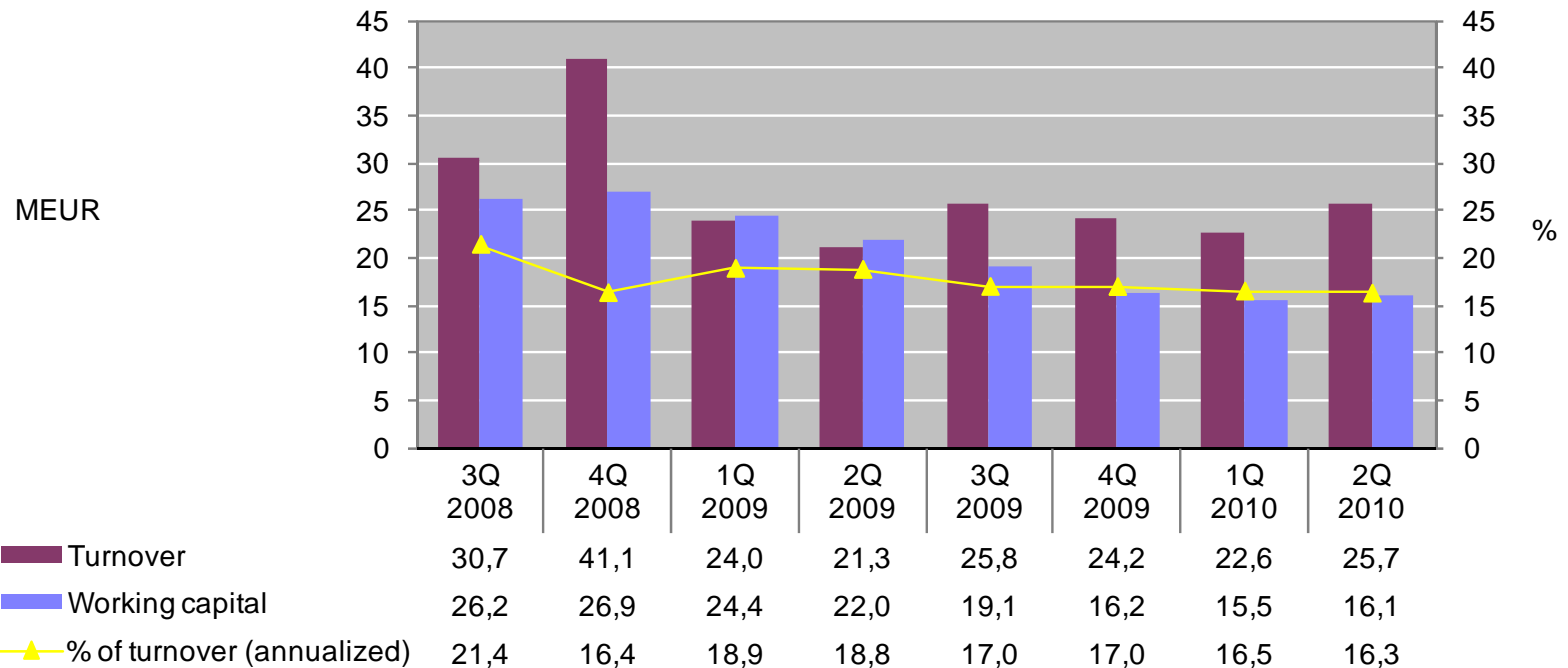


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WORKING CAPITAL (AVERAGE 12 MONTHS)

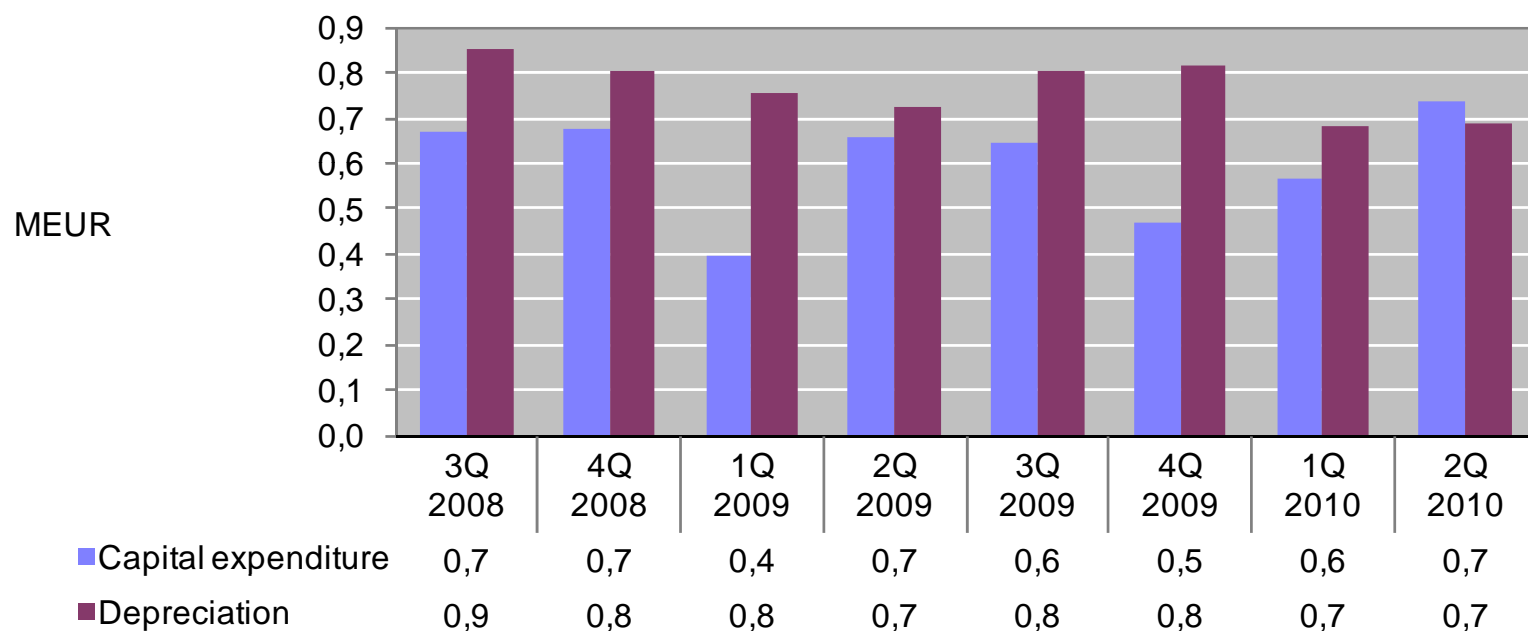


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CAPITAL EXPENDITURE AND DEPRECIATION



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GROUP INCOME STATEMENT (EUR 1,000)

	2010 1.1.-30.06.	2009 1.1.-30.06.	Change %	2009 1.1.-31.12.
Net sales	48,290	45,283	6,6 %	95,349
Other operating income	0,149	0,388	-61,6 %	0,746
Personnel expenses	-13,591	-13,914	-2,3 %	-25,989
Other operating expenses	-35,077	-31,033	13,0 %	-66,204
Depreciation and impairment	-1,371	-1,485	-7,6 %	-3,109
Operating profit/loss	-1,600	-0,760		0,793
As a percentage of turnover	-3,3 %	-1,7 %		0,8 %
Financial income and expenses	-0,109	-0,188		-0,365
Profit/loss before taxes	-1,709	-0,948		0,426
As a percentage of turnover	-3,5 %	-2,1 %		0,4 %
Income tax	0,196	0,164		-0,291
Profit/loss for the period	-1,512	-0,784		0,136
As a percentage of turnover	-3,1 %	-1,7 %		0,1 %

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GROUP BALANCE SHEET (EUR 1,000)

	30.06.2010	30.6.2009	Change %	31.12.2009
ASSETS				
Non-current assets				
Intangible assets	1,188	0,796	49,2 %	0,716
Tangible assets	11,366	12,210	-6,9 %	11,862
Investments	0,034	0,039	-12,7 %	0,039
Deferred tax assets	0,348	0,295	17,9 %	0,262
Pension receivables and other rec.	0,197	0,072	174,2 %	0,197
Investment property	0,600	0,600	0,0 %	0,600
Total	13,733	14,011	-2,0 %	13,676
CURRENT ASSETS				
Inventories	9,274	11,437	-18,9 %	9,407
Receivables	17,383	12,423	39,9 %	13,210
Financial assets securities	1,094	1,073	2,0 %	1,093
Cash and cash equivalents	11,718	16,658	-29,7 %	18,212
Total	39,470	41,591	-5,1 %	41,921
Total assets	53,203	55,602	-4,3 %	55,598

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GROUP BALANCE SHEET (EUR 1,000)

	30.06.2010	30.6.2009	Change %	31.12.2009
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	7,000	7,000	0,0 %	7,000
Share premium account	1,116	1,116	0,0 %	1,116
Other funds	0,117	0,117	0,0 %	0,117
Translation diff.	-0,279	-0,568	-50,9 %	-0,409
Retained earnings & shareb.incentives	21,922	24,122	-9,1 %	25,138
Treasury shares	-1,212	-1,200	1,0 %	-1,200
Total	28,664	30,588	-6,3 %	31,762
Non-current liabilities				
Interest-bearing debts	2,699	6,875	-60,7 %	3,518
Deferred tax liability	1,033	1,201	-14,0 %	1,305
Total	3,732	8,076	-53,8 %	4,823
Current liabilities				
Interest-bearing	4,456	2,796	59,3 %	5,008
Non-interest bearing	16,351	14,143	15,6 %	14,005
Total	20,807	16,939	22,8 %	19,014
Total liabilities	24,539	25,015	-1,9 %	23,836
Total shareholders' equity and liabilities	53,203	55,603	-4,3 %	55,598

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SCOPE OF OPERATIONS

	2010 1.1.-30.06.	2009 1.1.-30.06.	Change %	2009 1.1.-31.12.
Earnings / share, EUR	-0,38	-0,19		0,03
Equity / share, EUR	7,11	7,59	-6,3 %	7,88
Equity ratio %	54,4	55,7		57,4
Return on equity %	-10,01	-4,9		0,4
Return on investment %	-8,1	-2,9		2,3
Interest- bearing net debt, EUR million	-5,7	-8,1	-29,9 %	-10,8
Gearing ratio	-19,7	-26,4		-33,9
Capital expenditure, EUR million	1,3	1,1	23,5 %	2,2
Personnel at the end of period	590	645	-8,5 %	606
Average personnel	584	645	-9,5 %	636
Net sales / employee, EUR thousand	82,7	70,2	17,8 %	149,9

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS (1000 EURO)

	2009 7-9	2009 10-12	2010 1-3	2010 4-6	12m rolling
Net cash from operating activities (A)	2,386	1,276	0,028	-2,263	1,427
Cash flow from investing activities (B)	-0,227	-0,390	-0,563	-0,523	-1,703
Net cash from financial activities (C)	-0,494	-1,015	-2,098	-1,205	-4,811
Net increase in cash and cash equivalents	1,665	-0,129	-2,633	-3,991	-5,087
Cash and equivalents at the beginning	17,731	19,412	19,304	16,837	17,731
Cash and equivalents at the end of period	19,412	19,304	16,837	12,812	12,812

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (1000 EURO)

	2010 1.1.-30.06.	2009 1.1.-30.06.	Change %	2009 1.1.-31.12.
Net cash from operating activities (A)	-2,235	7,100	-131,5 %	10,762
Cash flow from investing activities (B)	-1,086	-0,042	2485,7 %	-0,659
Net cash from financial activities (C)	-3,302	-3,927	-15,9 %	-5,436
Net increase in cash and cash equivalents	-6,623	3,131	-311,5 %	4,667
Cash and equivalents at the beginning	19,304	14,620	32,0 %	14,620
Cash and equivalents at the end of period	12,812	17,731	-27,7 %	19,304

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