

MARTELA INTERIM REPORT 1-9 / 2012

26 October 2012

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JANUARY – SEPTEMBER 2012

- Consolidated revenue for January-September amounted to EUR 101.9 million (91.7), a year-on-year increase of 11.1 per cent.
- Revenue was partly grown due to Grundell companies that were acquired at the end of 2011. Revenue also grew in traditional sales channels in Finland, but in Sweden and in Poland the revenue declined. The comparable revenue growth in the Group was 6.1 per cent.
- Operating result for January-September was EUR -1.2 million (0.7). This is affected by continued strong investments into the growth and hence increased fixed costs. So far the made investments have not yet generated enough revenue. Moreover, we have not been able to sufficiently compensate for the decrease in revenue that has taken place in our foreign business units by adjusting expenses.
- The cash flow from operating activities in January-September was EUR -3.1 million (1.3).
- The equity ratio was 44.5 per cent (55.5).
- The gearing ratio was 35.9 per cent (-4.9).

CENTRAL FOCUS AREAS

- **Inspiring spaces concept**
- **Service business development continues**
- **IT system projects - ERP**
- **Businesses in Russia**
- **Development of Martela Outlet concept continues**
- **Profitability before growth**



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MARKET SITUATION – OFFICE CONSTRUCTION IN FINLAND*

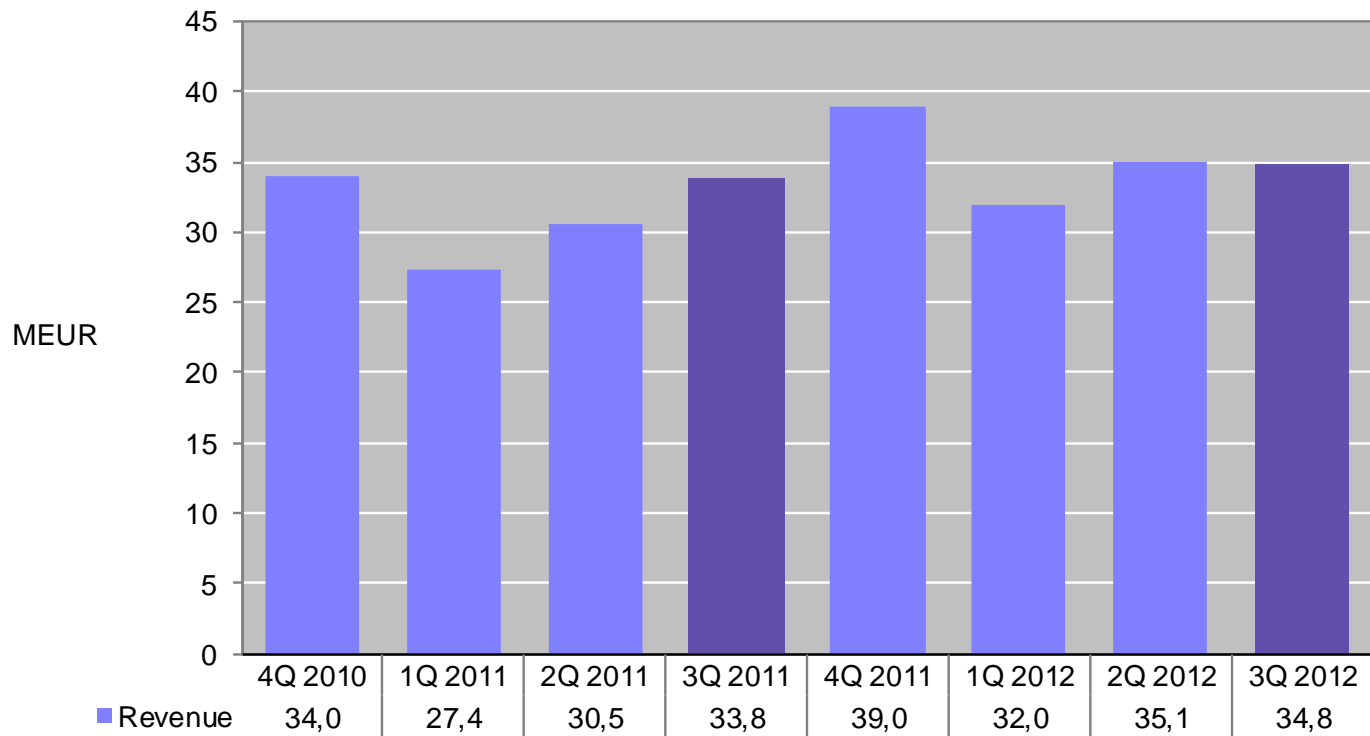
- During January – June 2012, less office building square meters were completed in Finland than previous year (-14%).
- 6% less building permits were issued than previous year.
- New office building starts were 9% less than previous year.

* Statistics, Finland

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TURNOVER



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EXTERNAL REVENUE 1-9/2012 (2011)

Business Unit Finland 71,9 (62,2) 15,6 %

Business Unit Sweden&Norway 14,1 (14,6) -4,0 %

Business Unit Poland 7,7 (8,9) -12,9 %

Other segments 8,1 (6,0) 36,5 %

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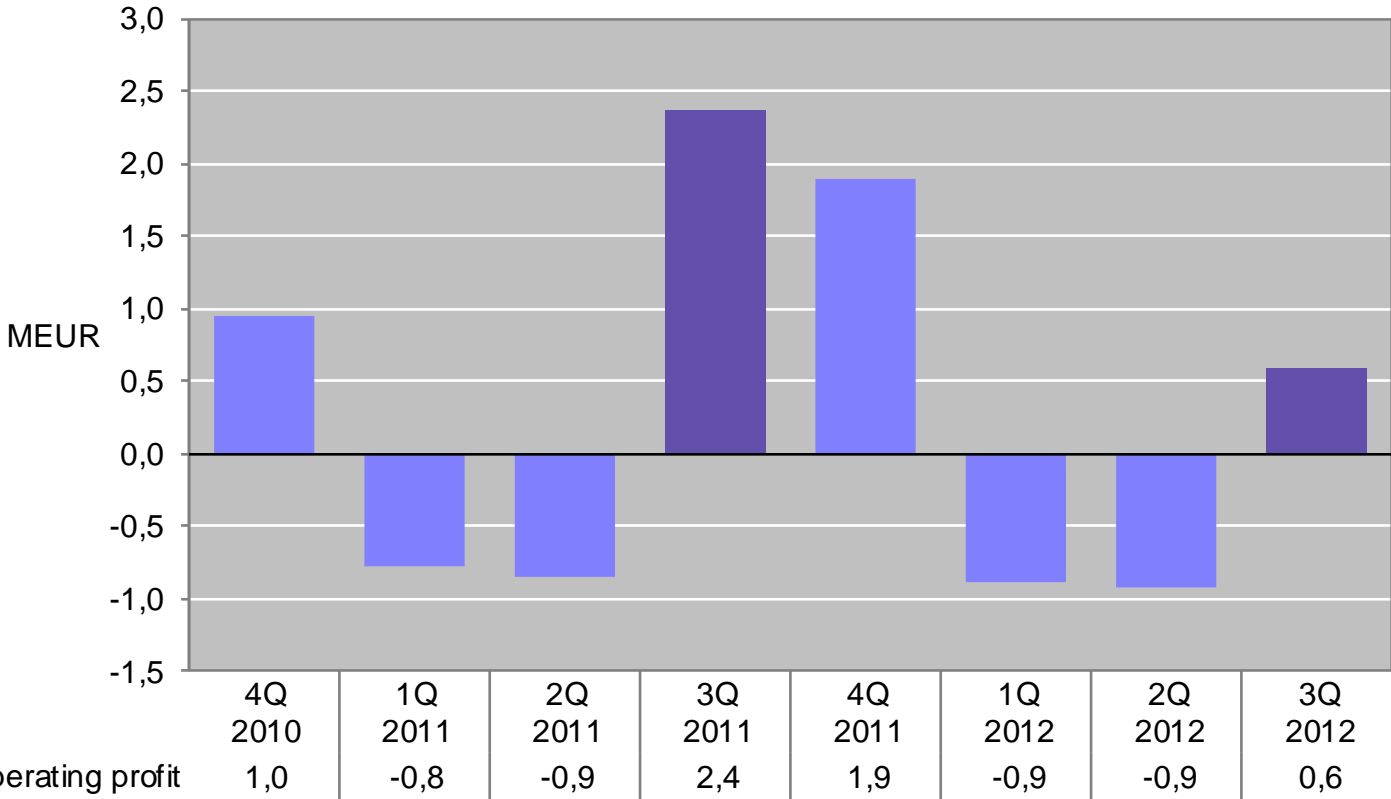
OPERATING PROFIT DEVELOPMENT 2012

EUR million	7-9 2012	7-9 2011	1-9 2012	1-9 2011	1-12 2011
Finland	1.3	2.3	2.7	4.0	6.5
Sweden & Norway	-0.1	0.2	-0.8	0.1	0.3
Poland	-0.4	-0.1	-1.4	-0.6	-0.6
Other Segments	-0.5	-0.4	-1.8	-2.1	-2.3
Other	0.1	-0.3	0.0	-0.6	-1.2
Total	0.6	2.4	-1.2	0.7	2.6

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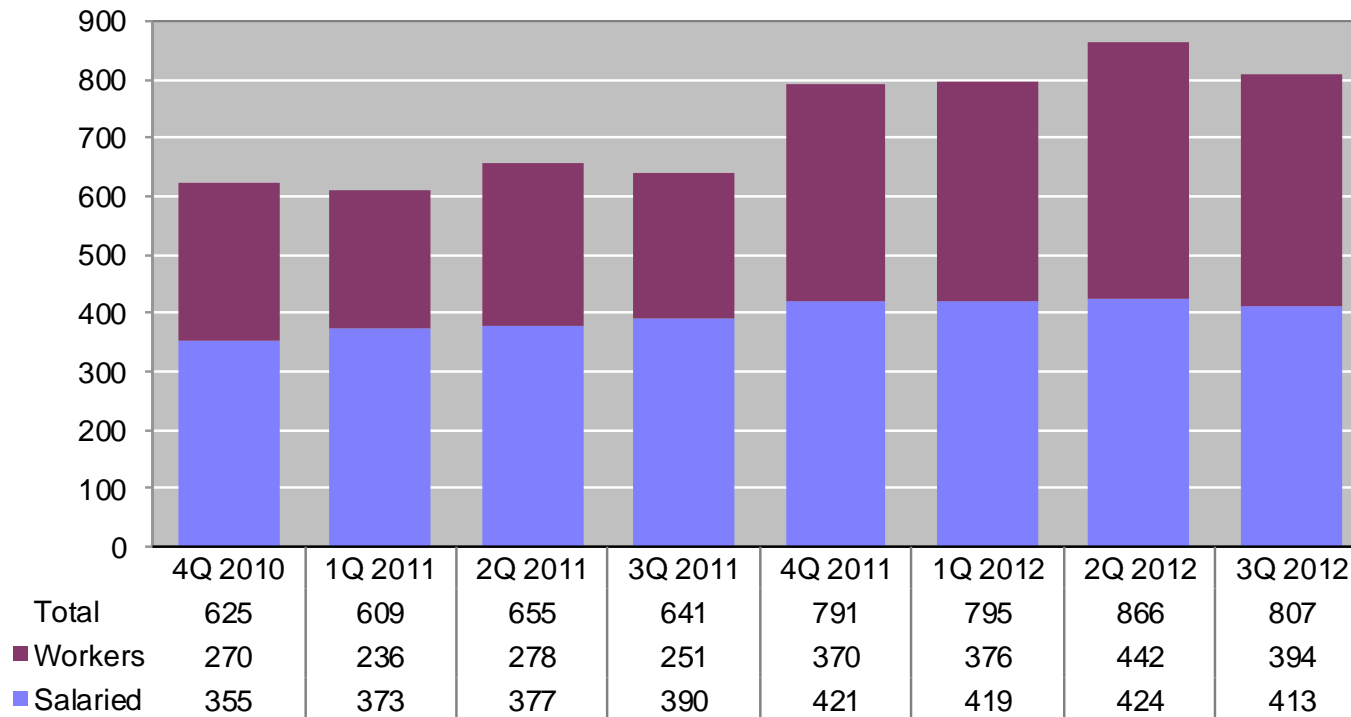
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OPERATING PROFIT

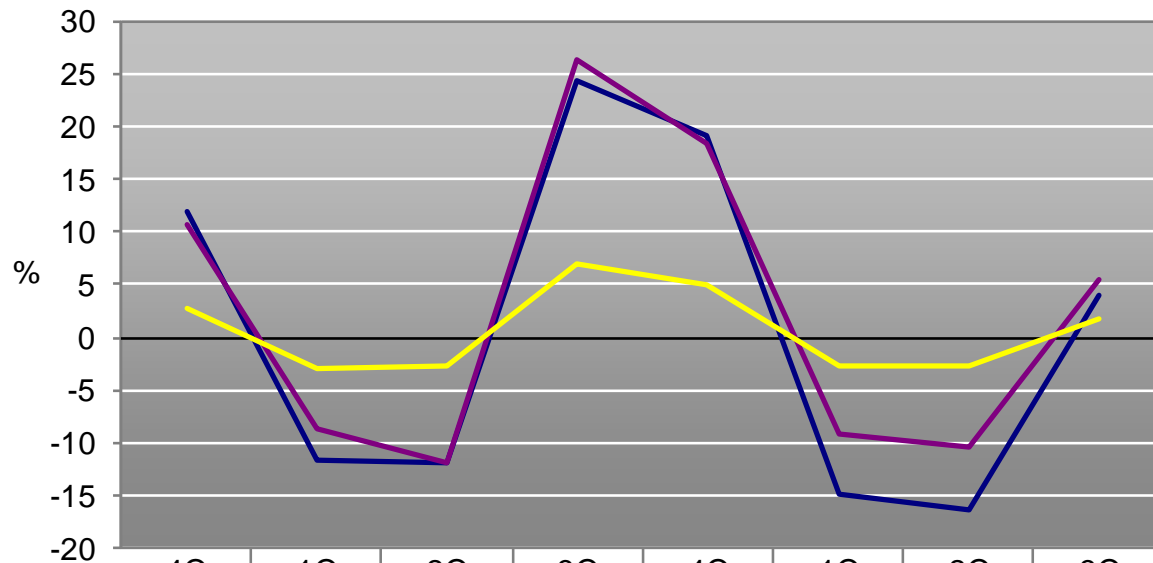


■ Operating profit

PERSONNEL AT WORK, END OF PERIOD



PROFITABILITY QUARTERLY

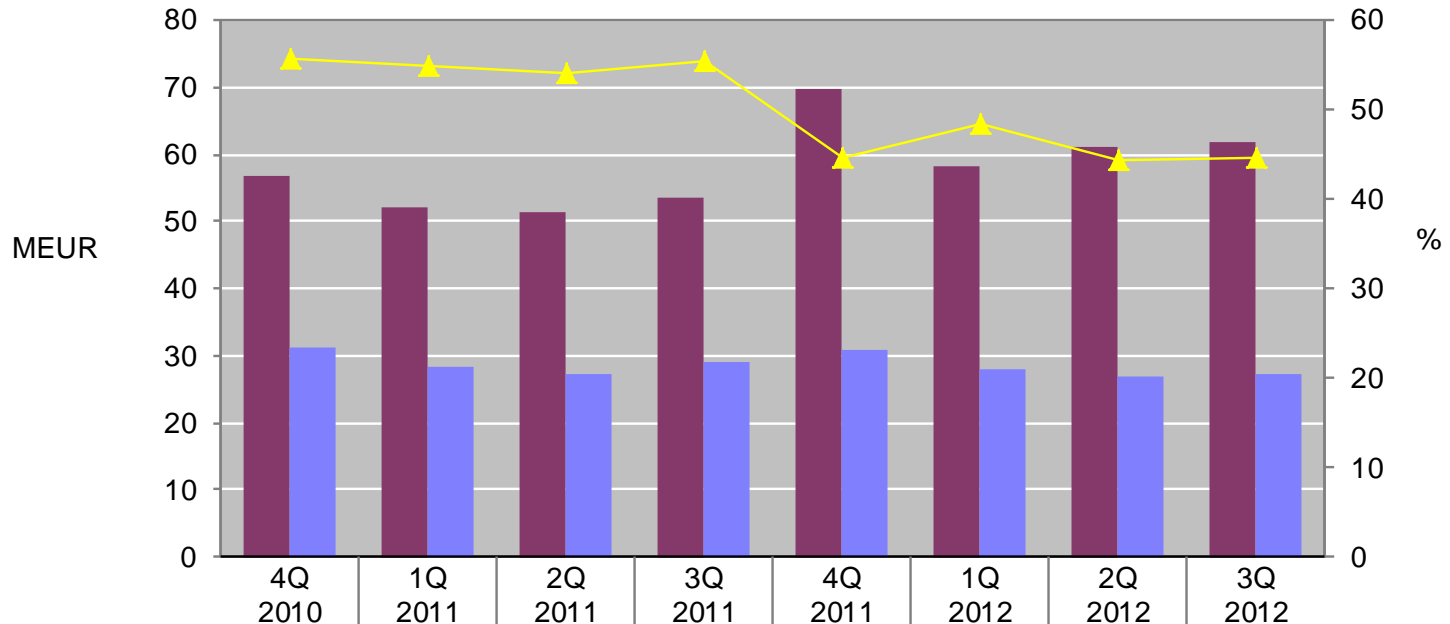


	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012
Return on equity	11,9	-11,8	-11,9	24,3	19,1	-14,9	-16,5	4,0
Return on investment	10,6	-8,6	-12,0	26,3	18,4	-9,3	-10,4	5,5
Operating profit %	2,8	-2,9	-2,8	7,0	4,9	-2,8	-2,6	1,7

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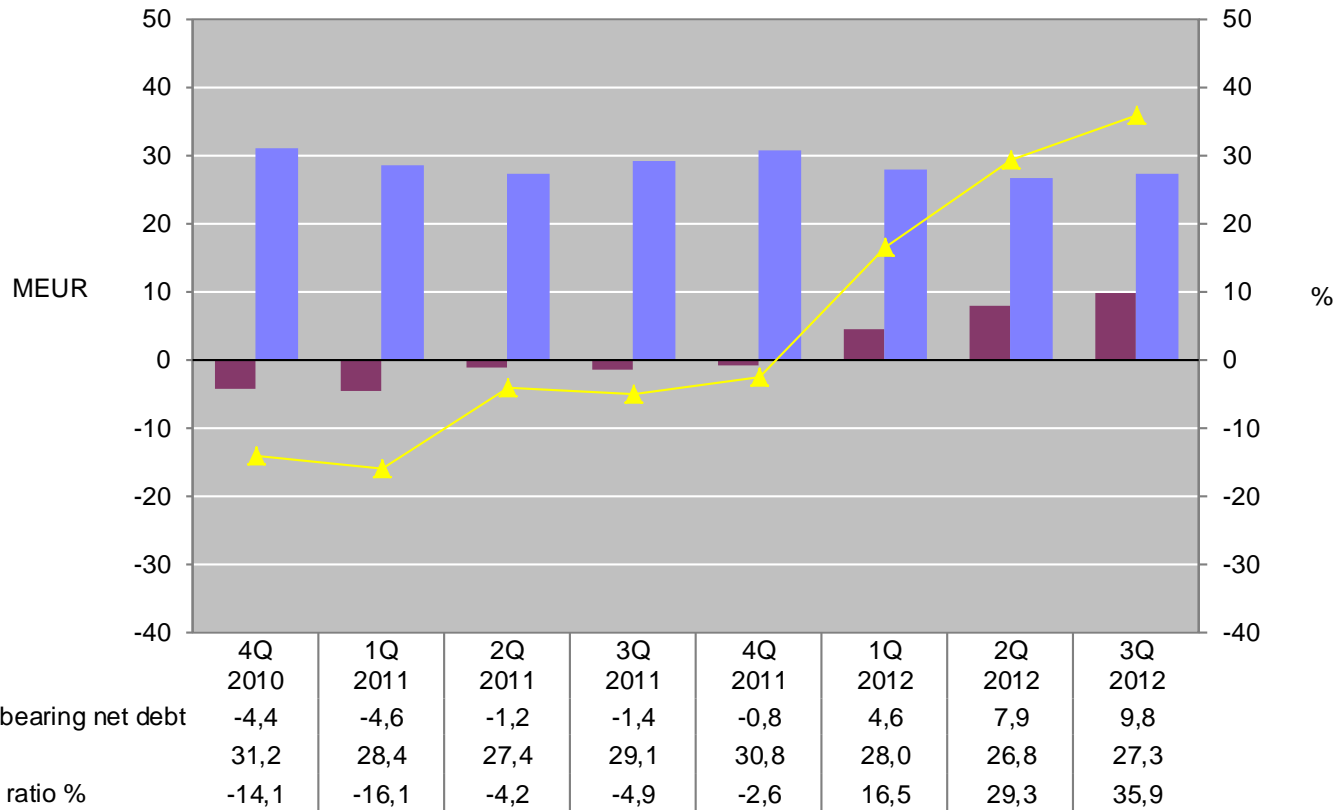
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BALANCE SHEET



■ Balance sheet total
■ Equity
▲ Equity ratio %

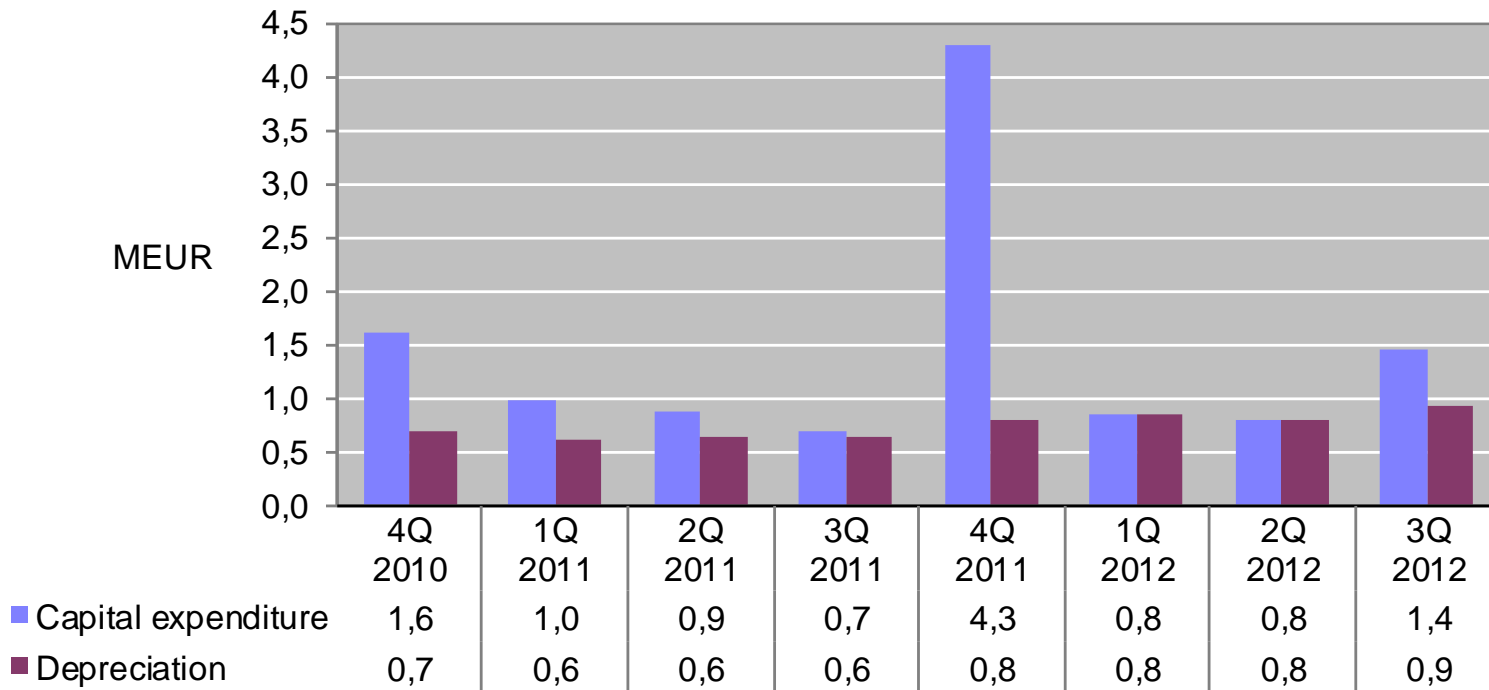
GEARING



WORKING CAPITAL (AVERAGE 12 MONTHS)



CAPITAL EXPENDITURE AND DEPRECIATION



OUTLOOK FOR 2012

The Martela Group expects to post year-on-year revenue growth for 2012, and an operating result around zero or slightly positive.

Appendices

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GROUP INCOME STATEMENT (EUR 1,000)

	2012 1.1.-30.09.	2011 1.1.-30.09.	Change %	2011 1.1.-31.12.
Net sales	101,879	91,725	11,1 %	130,685
Other operating income	0,322	0,425	-24,3 %	0,417
Personnel expenses	-28,627	-22,190	29,0 %	-30,931
Other operating expenses	-72,259	-67,366	7,3 %	-94,896
Depreciation and impairment	-2,554	-1,870	36,5 %	-2,649
Operating profit/loss	-1,239	0,724		2,625
As a percentage of turnover	-1,2 %	0,8 %		2,0 %
Financial income and expenses	-0,414	-0,242	70,6 %	-0,358
Share of associates' results	-0,231	-0,243	-4,8 %	-0,358
Profit/loss before taxes	-1,884	0,239		1,909
As a percentage of turnover	-1,8 %	0,3 %		1,5 %
Income tax	-0,108	-0,149	-27,5 %	-0,343
Profit/loss for the period	-1,992	0,090		1,566
As a percentage of turnover	-2,0 %	0,1 %		1,2 %

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GROUP BALANCE SHEET (EUR 1,000)

	30.09.2012	30.9.2011	Change %	31.12.2011
ASSETS				
Non-current assets				
Intangible assets	5,663	2,840	99,4 %	4,699
Tangible assets	13,290	11,956	11,2 %	13,653
Investments	0,055	0,167	-67,0 %	0,097
Deferred tax assets	0,333	0,344	-3,2 %	0,315
Pension receivables and other rec.	0,112	0,354	-68,4 %	0,258
Investment property	0,600	0,600	0,0 %	0,600
Total	20,052	16,261	23,3 %	19,622
CURRENT ASSETS				
Inventories	14,809	12,001	23,4 %	12,988
Receivables	21,239	17,890	18,7 %	25,148
Financial assets securities	0,000	0,000		0,000
Cash and cash equivalents	5,646	7,258	-22,2 %	11,947
Total	41,694	37,149	12,2 %	50,081
Total assets	61,746	53,410	15,6 %	69,703

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GROUP BALANCE SHEET (EUR 1,000)

	30.09.2012	30.9.2011	Change %	31.12.2011
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	0,116	0,0 %	0,118
Translation diff.	0,023	-0,368	-106,3 %	-0,236
Retained earnings & shareb.incentives	20,072	22,323	-10,1 %	23,809
Treasury shares	-1,050	-1,050	0,0 %	-1,050
Total	27,278	29,137	-6,4 %	30,757
Non-current liabilities				
Interest-bearing debts	7,735	1,895	308,1 %	7,645
Deferred tax liability	1,140	0,995	14,6 %	1,366
Other non-current liabilities	0,150	0,175		0,175
Total	9,025	3,065	194,4 %	9,186
Current liabilities				
Interest-bearing	7,691	3,930	95,7 %	3,490
Non-interest bearing	17,752	17,277	2,8 %	26,271
Total	25,443	21,207	20,0 %	29,762
Total liabilities	34,468	24,272	42,0 %	38,947
Total shareholders' equity and liabilities	61,746	53,410	15,6 %	69,703

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SCOPE OF OPERATIONS

	2012 1.1.-30.09.	2011 1.1.-30.09.	Change %	2011 1.1.-31.12.
Earnings / share, EUR	-0,49	0,02		0,39
Equity / share, EUR	6,74	7,20	-6,4 %	7,60
Equity ratio %	44,5	55,5		44,7
Return on equity %	-9,1	0,4		5,1
Return on investment %	-4,4	2,1		6,0
Interest-bearing net debt, EUR million	9,8	-1,4		-0,8
Gearing ratio	35,9	-4,9		-2,6
Capital expenditure, EUR million	3,1	2,5	21,9 %	6,8
Personnel at the end of period	807	641	25,9 %	791
Average personnel	821	634	29,5 %	637
Net sales / employee, EUR thousand	124,1	144,7	-14,2 %	205,2

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS (1000 EURO)

	2011 10-12	2012 1-3	2012 4-6	2012 7-9	12m rolling
Net cash from operating activities (A)	-0,063	-2,887	0,759	-0,981	-3,172
Cash flow from investing activities (B)	-0,246	-0,965	-3,720	-0,969	-5,900
Net cash from financial activities (C)	4,676	-2,022	0,676	3,681	7,011
Net increase in cash and cash equivalents	4,366	-5,874	-2,285	1,731	-2,062
Cash and equivalents at the beginning period	7,258	11,947	6,166	3,847	7,258
Cash and equivalents at the end of period	11,640	6,166	3,847	5,646	5,646

	2012 1.1.-30.09.	2011 1.1.-30.09.	Change %	2011 1.1.-31.12.
Net cash from operating activities (A)	-3,109	1,255		1,192
Cash flow from investing activities (B)	-5,654	-1,888		-2,134
Net cash from financial activities (C)	2,335	-2,302		2,374
Net increase in cash and cash equivalents	-6,428	-2,934		1,432
Cash and equivalents at the beginning period	11,947	10,249	16,6 %	10,249
Cash and equivalents at the end of period	5,646	7,258	-22,2 %	11,640

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