

MARTELA INTERIM REPORT 1-3 / 2014

April 29th, 2014



JANUARY – MARCH 2014

- Consolidated revenue for January-March amounted to EUR 34.1 million (31.9)
 - Finland: revenue decreased significantly. Market climate remains weak but customer interest in Activity Based Office field.
 - Poland: revenue decreased from previous year. Market climate stable
 - Sweden and Norway: revenue grew clearly compared to previous year due to big customer projects
 - Russia: revenue increased
 - Group's Q1 revenue EUR 34.1 million grew compared to previous year due to big projects (31.9)

- Operating result for January-March was EUR -1.4 million (-1.4)
 - Due to the restructuring activities Group's fixed expenses were slightly lower compared to previous year's level
 - Sales margin according the forecast lower than previous year due to the bigger projects
 - Group's Q1 was -1.4 million (-1.4)

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JANUARY – MARCH 2014

- Implementation of cost savings program continues. So far decided activities and those under negotiation phase form 4.5 million euros out of total cost saving program (6.0 million eur)
- SCM units changes in production has been started

Other key figures:

- The cash flow from operating activities in January-March was EUR 2.8 million (3.4)
- The equity ratio was 37.6 per cent (43.1)
- The gearing ratio was 44.9 per cent (28.5)

CENTRAL FOCUS AREAS

- **Improvement of profitability**
 - Implementation of savings program
 - Improvement of margins
- **Exploitation of the Activity Based Office Demand**
 - Utilization of references and leads
 - Development of own activities and portfolio to match the demand
- **Increase of revenue in Total services and solutions**
- **Controlled realization of SCM changes**
 - Production changes and clear roles for the production units
 - Warsaw – Nummela – Riihimäki
 - Sweden - Finland
- **Businesses in Russia**



MARKET SITUATION – OFFICE CONSTRUCTION IN FINLAND*



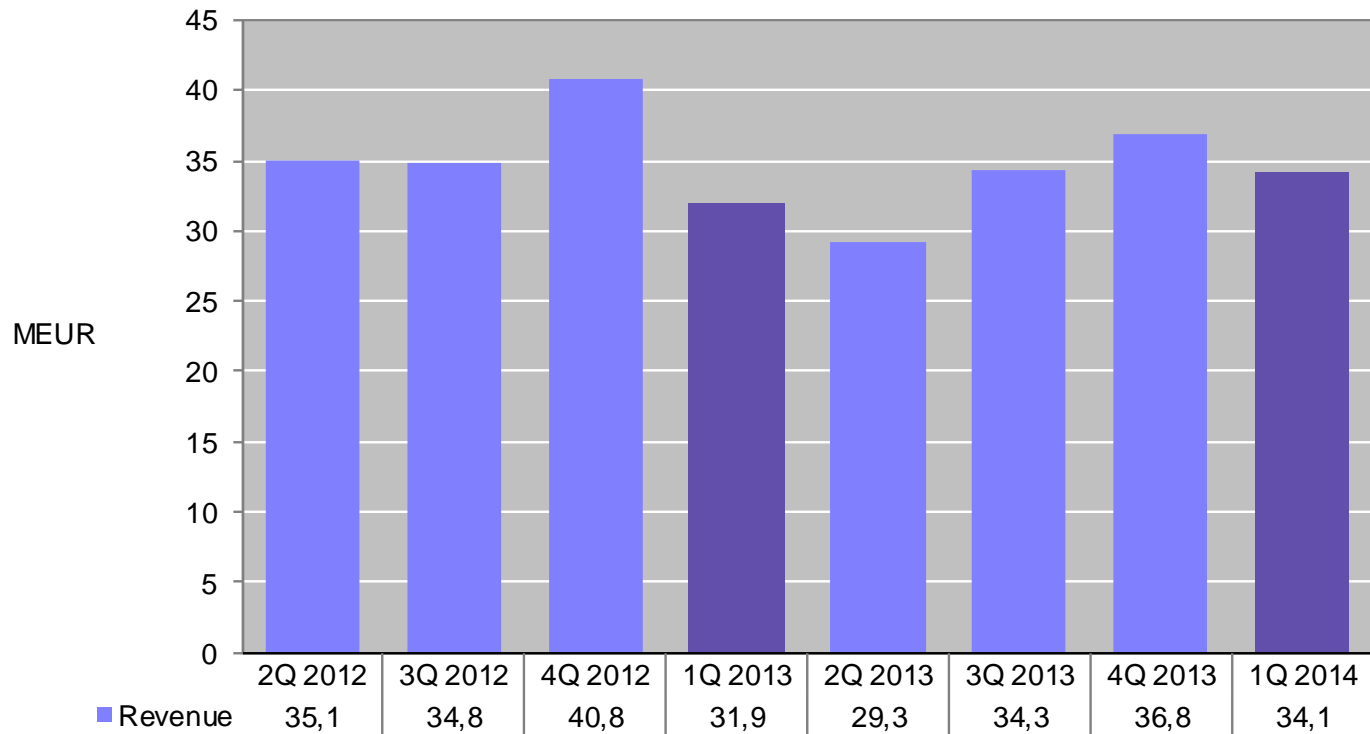
Office building statistics in Finland (square meters)

12 months floating average, change	31.12.2013 vs. 31.12.2012
Office buildings completed	-48 %
Building permissions	-45 %
New office building starts	-53 %

* Change in the 12-month rolling average between the dates is compared.

Statistics, Finland

TURNOVER



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EXTERNAL REVENUE

1-3/2014 (2013)

Business Unit Finland	19,4	(21,7)	-10,4 %
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Business Unit Sweden&Norway	10,3	(6,0)	70,1 %
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Business Unit Poland	2,3	(2,5)	-7,8 %
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Other segments	2,1	(1,6)	27,7 %
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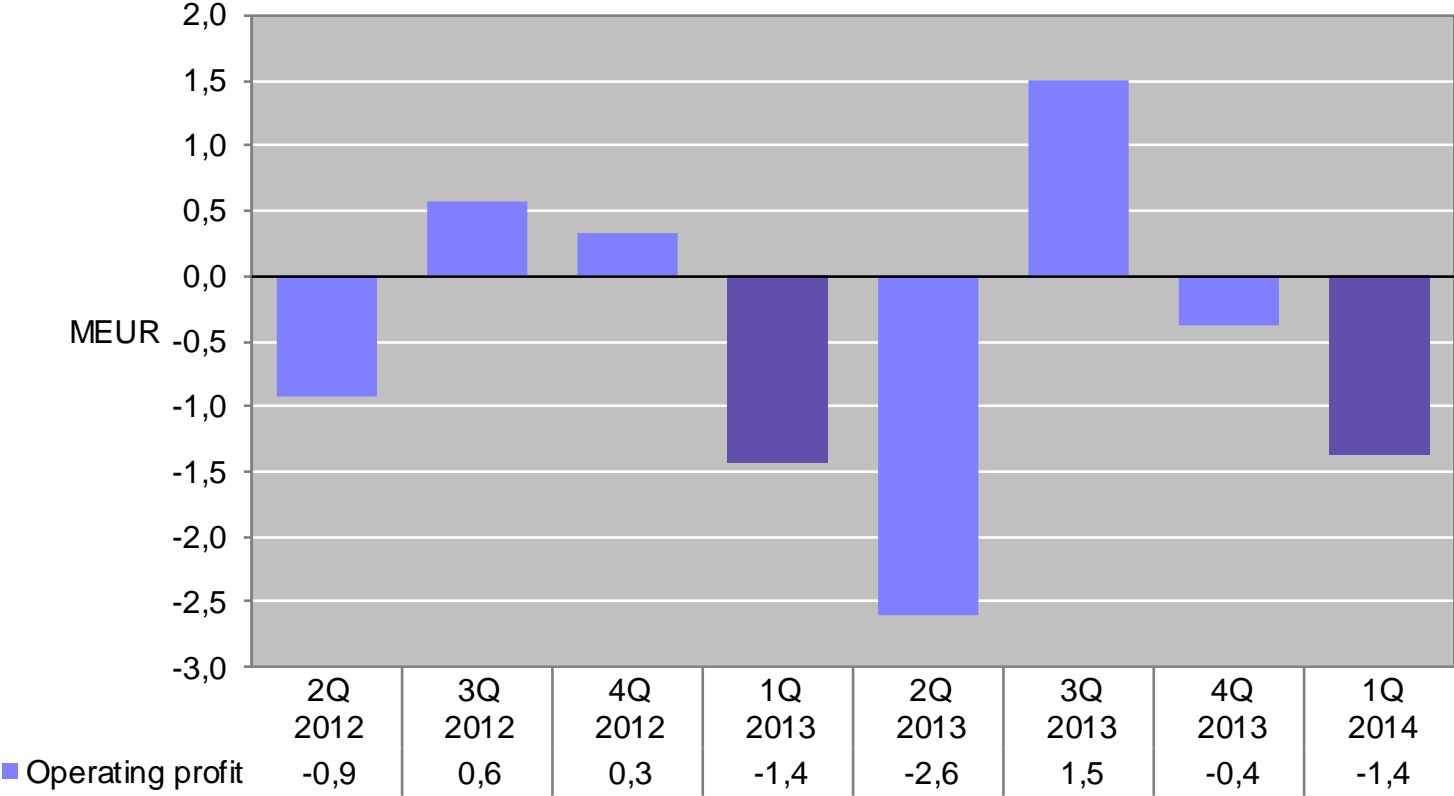
OPERATING PROFIT DEVELOPMENT 2014

EUR million	1-3 2014	1-3 2013	1-12 2013
Finland	-0,4	0,0	1,4
Sweden & Norway	0,2	-0,4	-1,4
Poland	-0,4	-0,3	-0,7
Other Segments	-0,5	-0,6	-1,6
Other	-0,3	-0,2	-0,7
Total	-1,4	-1,4	-2,9

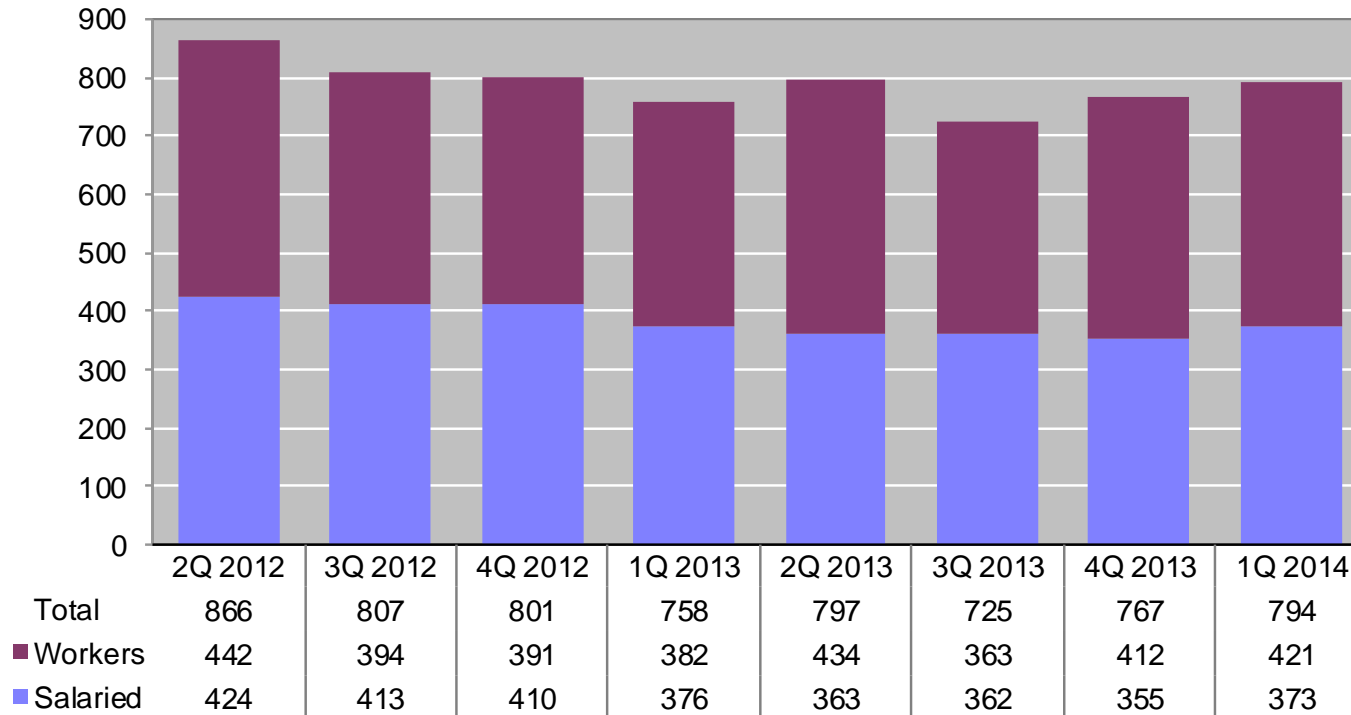
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OPERATING PROFIT



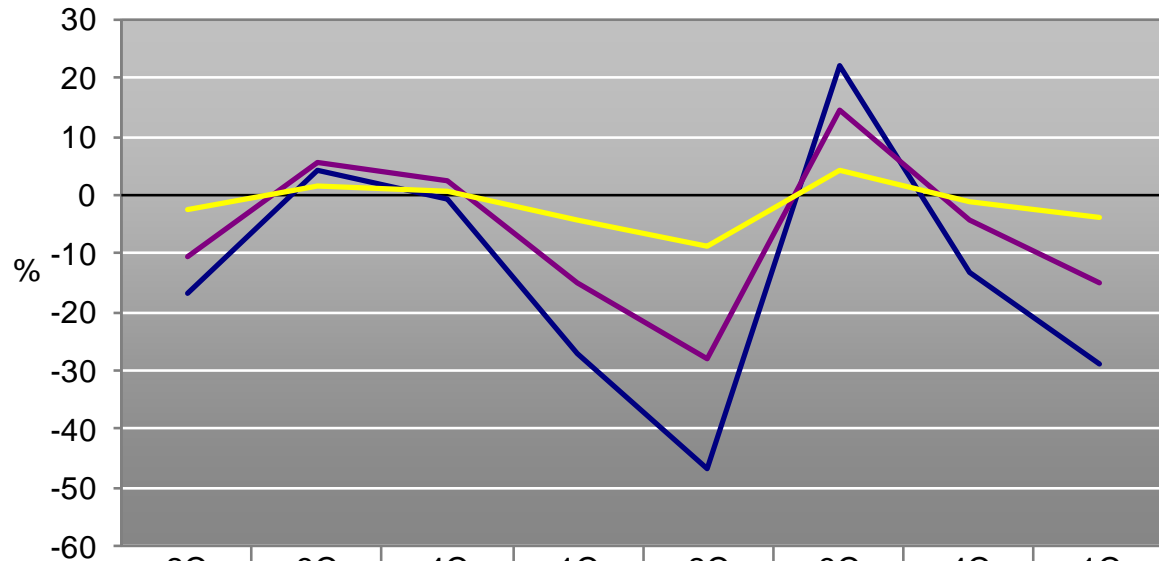
PERSONNEL AT WORK, END OF PERIOD



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PROFITABILITY QUARTERLY

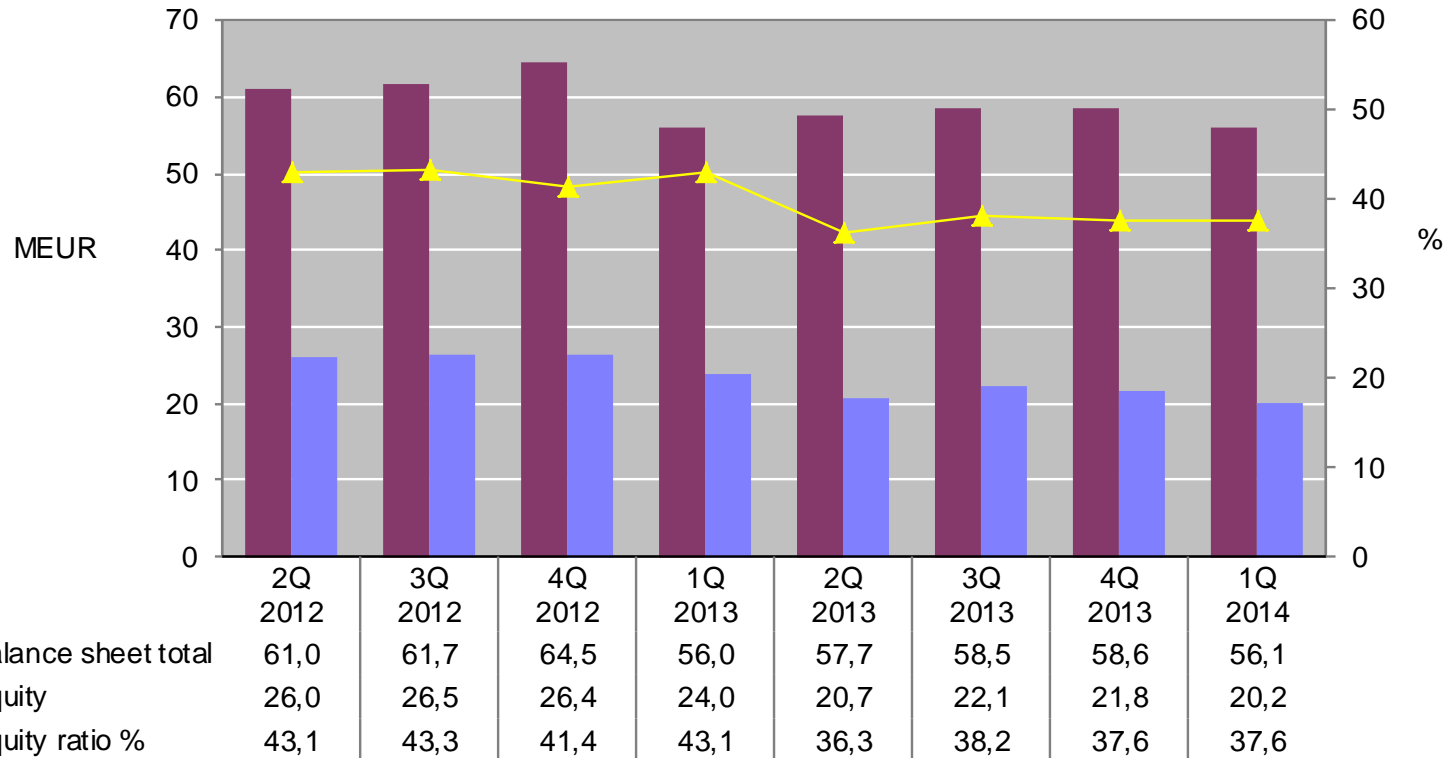


	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014
Return on equity	-16,8	4,1	-0,8	-27,2	-46,9	22,3	-13,4	-28,7
Return on investment	-10,4	5,5	2,4	-15,0	-27,8	14,4	-4,2	-14,9
Operating profit %	-2,6	1,7	0,8	-4,5	-8,9	4,4	-1,0	-4,0

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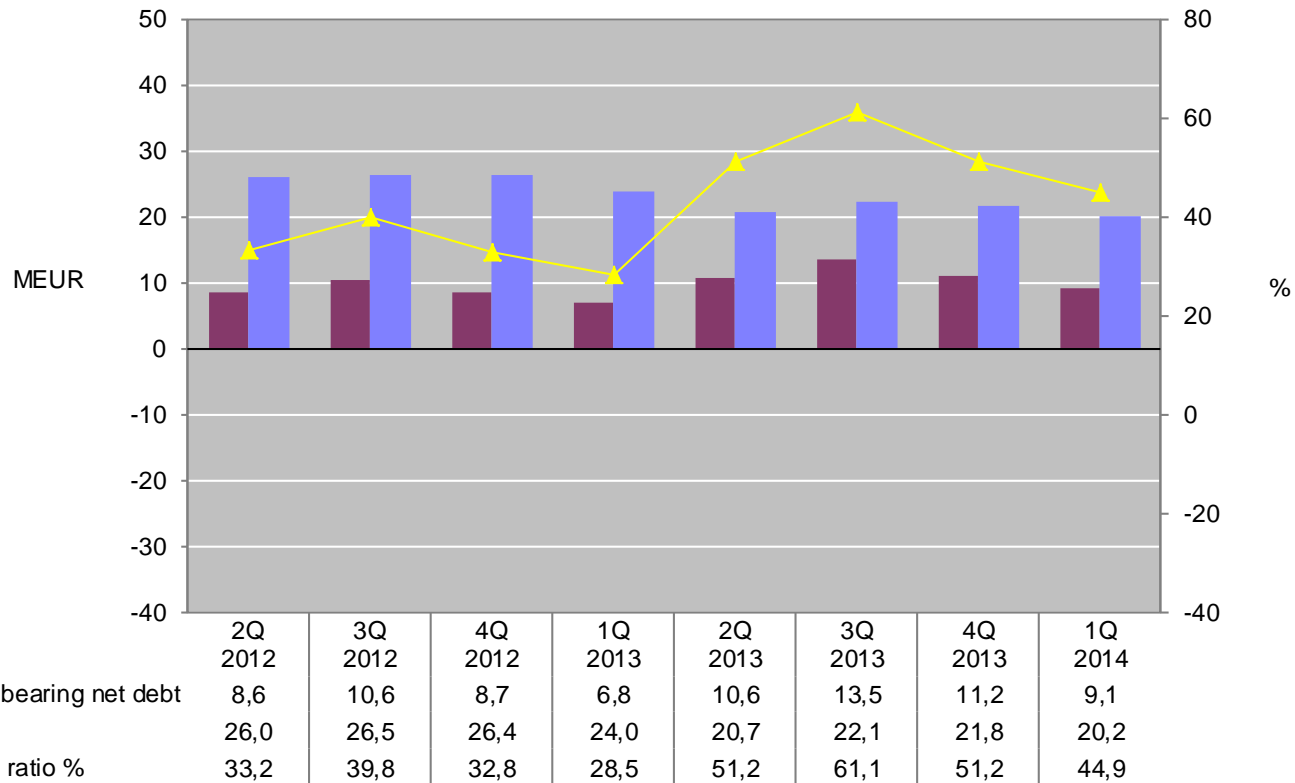
BALANCE SHEET



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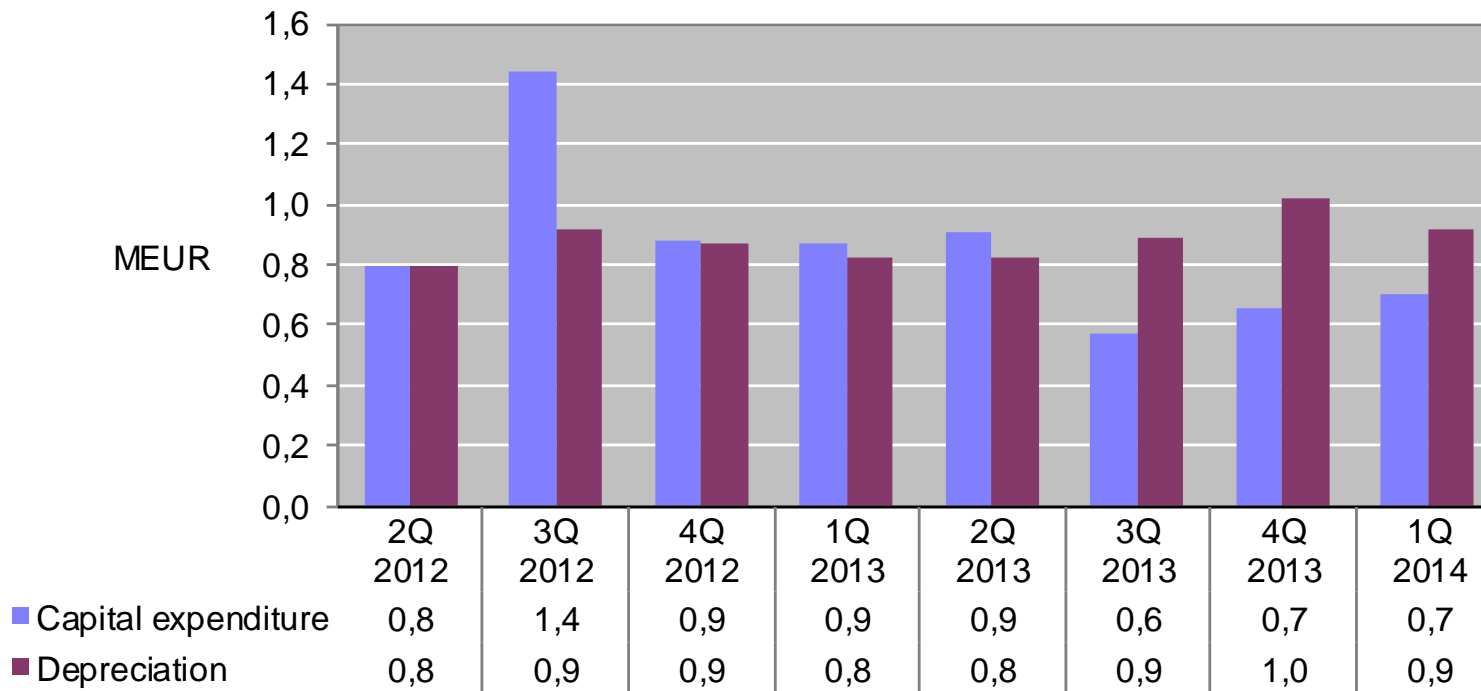
GEARING



WORKING CAPITAL (AVERAGE 12 MONTHS)



CAPITAL EXPENDITURE AND DEPRECIATION



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OUTLOOK FOR 2014

The Martela Group anticipates that its revenue in 2014 will be at the 2013 level, and that its operating result will show a year-on-year improvement. Due to normal seasonal variation, the Group's operating result is weighted towards the second half of the year.