

Marimekko Corporation

FINANCIAL STATEMENT BULLETIN

3 February 2010 at 9 a.m.

 MARIMEKKO CORPORATION'S FINANCIAL STATEMENT BULLETIN,  
 1 January - 31 December 2009

In 2009, the Marimekko Group's net sales fell by 10.7% to EUR 72.5 million (EUR 81.1 million). Operating profit fell to EUR 6.3 million (EUR 10.0 million). Operating profit without non-recurring items amounted to EUR 6.8 million (EUR 10.0 million). Profit after taxes for the financial year was EUR 4.7 million (EUR 7.4 million) and earnings per share were EUR 0.59 (EUR 0.92). Cash flow from operating activities was EUR 9.9 million (EUR 8.0 million). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.45 (EUR 0.55) per share be paid for 2009. The Marimekko Group's net sales and operating profit for 2010 are expected to be approximately at the same level as in 2009.

|   | 1-12/<br>2009 | 1-12/<br>2008 | Change,<br>% |
|---|---------------|---------------|--------------|
| Net sales, EUR 1,000  | 72,473        | 81,107        | -10.7        |
| Share of exports and international operations, % of net sales | 27.3          | 27.0          |              |
| Operating profit, EUR 1,000                                   | 6,291         | 9,956         | -36.8        |
| Operating profit without non-recurring items, EUR 1,000       | 6,803         | 9,956         | -31.7        |
| Profit before taxes, EUR 1,000                                | 6,354         | 9,964         | -36.2        |
| Profit for the financial year, EUR 1,000                      | 4,701         | 7,378         | -36.3        |
| Earnings per share, EUR                                       | 0.59          | 0.92          | -35.9        |
| Equity per share, EUR   | 3.96          | 3.92          | 1.0          |
| Return on equity (ROE), %                                     | 14.8          | 24.2          |              |
| Return on investment (ROI), %                                 | 20.1          | 32.3          |              |
| Equity ratio, %   | 77.7          | 78.7          |              |

Mika Ihamuotila, President and CEO:

"The year 2009 was exceptionally challenging for the industry and for Marimekko as well. The sharp decline in consumer demand decreased our sales both in Finland and abroad. However, we managed to achieve passable earnings and a strong cash flow. In the last quarter of 2009, our operating result improved clearly on the previous year. Full-year earnings were adversely affected by non-recurring expenses related to personnel reductions and the fact that royalty income and revenues from promotions were lower than the year before. We adjusted our operations to the reduced demand, and the decrease in profitability slowed down. We are confident that the implemented reorganisation of functions and enhanced efficiency of operations will improve our chances for growth in the coming years.

Despite the difficult market conditions, we purposefully guided the company forward in the direction set by our long-term strategy. In 2009, six new Marimekko concept stores opened abroad: five in Japan and one in Copenhagen, Denmark. Marimekko acquired the ownership of the London concept store in April. The Marimekko shops in Stockholm and the Helsinki-Vantaa airport were refurbished and expanded, and one of the two Tampere shops moved to new premises. We complemented our collections with new product categories, and successfully launched new products where our own product design is combined with Marimekko's renowned, powerful patterns.

Some weak signs of a turn for the better are visible, but we expect the market conditions to remain challenging this year as well. Nevertheless, we will continue our long-term input into product development and building international growth. In geographical terms, we will mainly focus on countries where our brand is already well-known. We are also planning to explore some new market areas. I would like to thank our loyal customers for the support we have received and our staff for doing an excellent job in extremely challenging market conditions."

#### Financial calendar 2010

The Annual Report for 2009 will be published in week 12. The Annual General Meeting will be held on Thursday, 15 April 2010 at 2 p.m. The following interim reports will be published in 2010: January to March, on Thursday 6 May 2010 at 9 a.m.; January to June, on Thursday 12 August 2010 at 9 a.m.; and January to September, on Thursday 4 November 2010 at 9 a.m.

#### Annual summary 2009 and releases

A summary of Marimekko's stock exchange releases and other significant releases published during the financial year 2009 is available on the company's website at [www.marimekko.com](http://www.marimekko.com), in the section Investors/Financial Releases/Summary of Significant Releases. All of the company's stock exchange releases are available in the section Investors/Releases.

For additional information, please contact:

Mika Ihamuotila, President and CEO, tel. +358 9 758 71

Thomas Ekström, CFO, tel. +358 9 758 7261

MARIMEKKO CORPORATION

Group Communications

Piia Pakarinen

Tel. +358 9 758 7293

Fax +358 9 755 3051

E-mail: [piia.pakarinen@marimekko.fi](mailto:piia.pakarinen@marimekko.fi)

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd

Principal media

Marimekko's website [www.marimekko.com](http://www.marimekko.com)

Marimekko, established in 1951, is a leading Finnish textile and clothing design company renowned for its original prints and colours. The company designs and manufactures high-quality clothing, interior textiles, bags and other accessories. Marimekko products are sold in over 40 countries. Products with Marimekko designs are also manufactured under licence in various countries. In 2009, the company's net sales amounted to EUR 72.5 million, of which exports and international operations accounted for 27.3%. The Group employs about 370 people. The company's share is quoted on the NASDAQ OMX Helsinki Ltd.

MARIMEKKO CORPORATION'S FINANCIAL STATEMENT BULLETIN,  
1 January - 31 December 2009

## MARKET SITUATION

The first signs of a change in the world economy were seen towards the end of 2009. In Finland, the outlook for the whole economy was still cautious, but an end to the downtrend and an upward turn in retail sales were visible. (Confederation of Finnish Industries EK: Business Tendency Survey, November 2009 and Economic Review, 21 January 2010). Consumers' confidence in the Finnish economy was stronger than average in January, but people still felt insecure about their own employment prospects. (Statistics Finland: Consumer Barometer, January 2010). In 2009, the value of retail sales in Finland fell by 2.6% (Statistics Finland: Retail trade quick estimate, December 2009). From January to November 2009, retail sales of clothing (excluding sportswear) fell by 2.6% (Textile and Fashion Industries TMA). Sales of womenswear fell by 1.8%, sales of menswear by 5.0%, and sales of childrenswear by 1.2%. Sales of bags decreased by 10.0%. In the January–November period of 2009, exports of clothing (SITC 84) fell by 17% and imports by 10%; exports of textiles (SITC 65) declined by 24% and imports by 23% (National Board of Customs, monthly review, November 2009).

## NET SALES

### Financial year 2009

In 2009, the Marimekko Group's net sales decreased by 10.7% to EUR 72,473 thousand (EUR 81,107 thousand). Net sales in Finland fell by 10.9% to EUR 52,711 thousand (EUR 59,175 thousand). Exports and income from international operations declined by 9.9%, totalling EUR 19,762 thousand (EUR 21,932 thousand). Exports and income from international operations accounted for 27.3% (27.0%) of the Group's net sales. The fall in net sales was largely due to a slowdown in demand caused by weak market conditions. Wholesale sales both in Finland and abroad were especially affected by the slowdown. The difference to the comparison period was also increased by income from sales of licensed products and revenues from individual promotions that were larger in 2008 than in the year under review. The six new concept stores that opened during the year increased wholesale sales abroad.

The breakdown of the Group's net sales by product line was as follows: clothing 37.9%, interior decoration 45.1%, and bags 17.0%. Net sales by market area were: Finland 72.7%, the other Nordic countries 9.7%, the rest of Europe 6.7%, North America 4.1%, and other countries (Japan and other regions outside Europe and North America) 6.8%.

In 2009, sales by Marimekko's own retail shops in Finland fell by 1.4% compared with 2008. Sales to retailers in Finland declined by 13.9%; the decrease was partly attributable to significant deliveries for promotions in 2008, larger than orders for promotions during the year under review.

## 4Q of 2009

In the October-December period of 2009, the Marimekko Group's net sales fell by 6.1% to EUR 20,719 thousand (EUR 22,061 thousand). In Finland, net sales declined by 6.9% to EUR 16,538 thousand (EUR 17,762 thousand). Deliveries for promotions were at the level of the previous year. Exports and income from international operations fell by 2.7%, totalling EUR 4,181 thousand (EUR 4,299 thousand). The six new concept stores that opened during the year increased foreign wholesale sales for the period.

## REVIEWS BY BUSINESS UNIT

### Clothing

In 2009, net sales of clothing decreased by 8.1% to EUR 27,466 thousand (EUR 29,898 thousand). Japan showed vigorous growth, and sales also increased slightly in the market area referred to as "the rest of Europe". In Finland, sales fell somewhat. Sales decreased notably in North America and in the market area referred to as "the other Nordic countries", where the fall was partly attributable to the significant income from sales of licensed products that was recognised in the second quarter of 2008. Exports and income from international operations accounted for 23.1% of net sales of clothing.

### Interior decoration

Net sales of interior decoration products fell by 13.4% to EUR 32,687 thousand (EUR 37,747 thousand). Sales in Japan grew, while other export markets and Finland registered a decline in sales. In Finland, the decrease was partly due to the fact that revenues from individual promotions were larger in 2008 than in the year under review. Exports and income from international operations accounted for 29.5% of net sales of interior decoration products.

### Bags

Net sales of bags fell by 8.5% to EUR 12,320 thousand (EUR 13,462 thousand). Sales grew well in Japan and the market area referred to as "the rest of Europe". In North America and the market area referred to as "the other Nordic countries", sales declined substantially. Sales in Finland fell somewhat; the decrease was almost entirely attributable to income from a significant promotion in 2008. Exports and income from international operations accounted for 30.7% of net sales of bags.

### Business-to-business sales

Business-to-business sales fell by 51.2%. The decrease was partly due to significant deliveries for promotions in 2008, larger than

orders for promotions during the year under review. In addition, the poor economic conditions in 2009 significantly reduced purchases by corporate customers.

## Exports and international operations

Uncertain economic conditions prevailed in 2009. Consumer demand decreased, and customers were cautious about making purchases. A slight recovery was perceptible towards the end of the year, but the hoped-for turn for the better was not realised. In 2009, Marimekko's exports and income from international operations decreased by 9.9%, totalling EUR 19,762 thousand (EUR 21,932 thousand). Sales trends varied greatly by country. Japan showed vigorous growth, while sales increased slightly in the market area referred to as "the rest of Europe". In other export markets, sales fell markedly. The major countries for exports were Japan, Sweden, the United States, Denmark and Germany.

In the market area referred to as "the other Nordic countries", sales in all product lines decreased considerably. Net sales fell to EUR 7,042 thousand, which was 25.3% less than the previous year (EUR 9,423 thousand). In addition to a decrease in sales volumes, the weakening of the Swedish krona (by about 20%) as well as significant income generated from sales of licensed products in the second quarter of 2008 contributed to the fall in net sales.

In the market area referred to as "the rest of Europe", net sales rose by 2.6% to EUR 4,821 thousand (EUR 4,700 thousand). Sales of bags showed good growth; clothing sales grew slightly. Sales of interior decoration products fell somewhat. The growth in net sales was attributable to the transfer of the Marimekko shop in London to Marimekko's ownership.

In North America, net sales fell by 24.8% to EUR 3,003 thousand (EUR 3,994 thousand). Bag and clothing sales declined very sharply; sales of interior decoration products fell slightly.

In the market area referred to as "other countries", net sales rose by 28.3% to EUR 4,896 thousand (EUR 3,815 thousand). The growth was generated by Japan, mainly by the five new concept stores opened during the year. Sales of clothing and bags, in particular, grew extremely vigorously. At the end of the year, there were a total of twenty Marimekko concept stores and shop-in-shops in Japan.

## Licensing

Royalty earnings from sales of licensed products fell considerably during 2009. The fall was mainly due to significant income from licensing cooperation with H & M Hennes & Mauritz AB, recognised in the second quarter of 2008. Royalty earnings grew somewhat in Finland and fell slightly in the United States.

## Production and sourcing

The output of the Herttoniemi textile printing factory decreased by 21% in 2009. This was due to the reduction of inventories and a decrease in sales. After the old printing machine was taken out of use in June, production capacity diminished and was in full use. To ensure employment, subcontract manufacture of some products was reduced and their production transferred to the Kitee and Sulkava factories. The changes to the production structure and the personnel reductions implemented during the last quarter of the year improved the competitiveness of Marimekko's own production units and the profitability of operations. In 2009, the production volume of the Sulkava factory was at the same level as in the previous year; the output of the Kitee factory fell slightly.

## EARNINGS

### Financial year 2009

In 2009, the Group's operating profit fell by 36.8% to EUR 6,291 thousand (EUR 9,956 thousand). Operating profit as a percentage of net sales amounted to 8.7% (12.3%). Operating profit includes a non-recurring expense of EUR 512 thousand related to personnel reductions resulting from savings and efficiency actions. Operating profit without non-recurring items stood at EUR 6,803 thousand (EUR 9,956 thousand).

Operating profit was decreased by a sharp decline in sales. The difference to the comparison period was also increased by significant income from sales of licensed products in the previous year and the fact that revenues from individual promotions were larger in 2008 than in the year under review. Furthermore, increased lease expenses from shops had a negative impact on profitability. On the other hand, savings of about EUR 600 thousand in fixed costs were achieved through efficiency enhancements and various savings actions.

The Group's marketing expenses for the year totalled EUR 3,137 thousand (EUR 3,398 thousand), representing 4.3% (4.2%) of net sales.

The Group's depreciation amounted to EUR 1,394 thousand (EUR 1,324 thousand), representing 1.9% (1.6%) of net sales. Net financial income totalled EUR 63 thousand (EUR 8 thousand), or 0.1% (0.0%) of net sales.

Profit after taxes for the financial year decreased by 36.3% to EUR 4,701 thousand (EUR 7,378 thousand), representing 6.5% (9.1%) of net sales. Earnings per share were EUR 0.59 (EUR 0.92).

### 4Q of 2009

In the October-December period of 2009, the Marimekko Group's operating profit grew by 27.5% on the comparison period, amounting to EUR 2,353 thousand (EUR 1,845 thousand). Revenues from promotions were at the same level as in the previous year. As a



result of efficiency enhancement actions and various savings measures, costs declined from the corresponding period of 2008. Earnings were also improved due to the fact that, in the last quarter of 2008, the rapid decline in market conditions was already visible as a sharp fall in sales in Finland and abroad. Earnings per share were EUR 0.22 (EUR 0.17).

## INVESTMENTS

The Group's gross investments amounted to EUR 1,202 thousand (EUR 1,362 thousand), representing 1.7% (1.7%) of net sales. The majority of investments were directed at the refurbishment of shops and the renovation of the Herttoniemi facilities.

## EQUITY RATIO AND FINANCING

The Group's equity ratio was 77.7% at the end of the period (78.7% on 31 December 2008). The ratio of interest-bearing liabilities minus financial assets to shareholders' equity (gearing) was -32.2%, while it was -18.8% at the end of the previous year.

At the end of the year, the Group's financial liabilities stood at EUR 0 (EUR 185 thousand). The Group's financial assets at the end of the financial year amounted to EUR 10,245 thousand (EUR 6,112 thousand).

## SHARES AND SHARE PRICE TREND

### Share capital

At the end of the period, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 8,040,000, and the number of shares totalled 8,040,000.

### Shareholdings

According to the book-entry register, Marimekko had 6,716 (6,351) shareholders at the end of the period. Of the shares, 13.8% were registered in a nominee's name and 18.0% were in foreign ownership. At the end of 2009, the number of shares owned either directly or indirectly by members of the Board of Directors and the President of the company was 1,087,340, representing 13.5% of the total share capital and of the votes conferred by the company's shares.



The largest shareholders according to the book-entry register on 31 December 2009

|   | Number of<br>shares and<br>votes | Percentage of<br>holding and<br>votes |
|---|----------------------------------|---------------------------------------|
| 1. Muotitila Ltd  | 1,045,200                        | 13.00                                 |
| 2. Semerca Investment Ltd                               | 850,377                          | 10.58                                 |
| 3. ODIN Finland   | 406,284                          | 5.05                                  |
| 4. Varma Mutual Employment<br>Pension Insurance Company | 385,920                          | 4.80                                  |
| 5. Ilmarinen Mutual<br>Pension Insurance Company        | 265,419                          | 3.30                                  |
| 6. Veritas Pension Insurance Company                    | 220,000                          | 2.74                                  |
| 7. Nordea Nordenfonden                                  | 173,506                          | 2.16                                  |
| 8. Sairanen Seppo                                       | 71,379                           | 0.89                                  |
| 9. Nacawi Ab  | 60,300                           | 0.75                                  |
| 10. Mutual Fund Tapiola Finland                         | 57,455                           | 0.71                                  |
| 11. Foundation for Economic Education                   | 50,000                           | 0.62                                  |
| 12. Scanmagnetics Oy                                    | 40,000                           | 0.50                                  |
| 13. Nordea Nordic Small Cap Fund                        | 38,904                           | 0.48                                  |
| 14. Haapanala Auvo                                      | 33,000                           | 0.41                                  |
| 15. Fromond Elsa  | 32,200                           | 0.40                                  |
| Total   | 3,729,944                        | 46.39                                 |
| Nominee-registered                                      | 1,105,593                        | 13.75                                 |
| Others  | 3,204,463                        | 39.86                                 |
| Total   | 8,040,000                        | 100.00                                |

## Flaggings

The share of Workidea Oy, a company controlled by Kirsti Paakkanen, of Marimekko Corporation's share capital and voting rights decreased to 0.00%, or 0 shares, as a result of a transaction made on 8 January 2009.

As a result of a transaction made on 8 April 2009, Barclays Capital Securities Limited's share of Marimekko Corporation's share capital and voting rights rose to 6.09%, or 490,00 shares; and then fell to 0.00%, or 0 shares, as a result of a transaction made on 14 April 2009.

Fautor S.P.R.L's share of Marimekko Corporation's share capital and voting rights fell to 0.00%, or 0 shares, as a result of a transaction concluded on 18 June 2009. Semerca Investments S.A.'s share of Marimekko Corporation's share capital and voting rights rose to 10.58%, or 850,377 shares, as a result of a transaction concluded on 18 June 2009. According to Marimekko Corporation's knowledge, Semerca Investments S.A. is the parent company of Fautor S.P.R.L.

## Authorisations

At the end of the review period, the Board of Directors had no valid authorisations to carry out share issues or issue

convertible bonds or bonds with warrants, or to acquire or surrender Marimekko shares.

## Share trading

In 2009, a total of 1,620,304 Marimekko shares were traded, representing 20.2% of the shares outstanding. The total value of Marimekko's share turnover was EUR 15,104,869. The lowest price of the Marimekko share was EUR 7.50, the highest was EUR 11.44, and the average price was EUR 9.70. At the end of the year, the final price of the share was EUR 10.30. The company's market capitalisation on 31 December 2009 was EUR 82,812,000 (EUR 67,134,000 on 31 December 2008).

## PERSONNEL

In 2009, the number of employees averaged 400 (411). At the end of the year, the Group employed 370 (414) people, of whom 17 (16) worked abroad.

## RISK MANAGEMENT AND MAJOR RISKS

Risk management is an integral element of the company's management and decision-making process, covering all of the Group's functions. Risk identification builds on Marimekko's strategic and operational objectives. The company's Board of Directors has confirmed the principles, responsibilities and organisation of risk management. The Board of Directors also monitors the success of risk management. According to its risk management principles, Marimekko classifies its risks as strategic, operational, economic and accident risks. Risk reporting is part of the company's regular reporting.

The risk factors described below may have a harmful impact on the company's shareholder value, business, or financial standing. However, other risks which Marimekko is currently not aware of or which are not currently considered major, may become significant in the future.

Key strategic risks assessed by Marimekko are associated with the general economic development and the consequent increased uncertainty in the operating environment. Trends in the world economy affect consumers' purchasing behaviour and buying power in all of the company's market areas. The decline in consumer demand has affected sales trends, which has an adverse impact on the company's growth and earnings outlook. Marimekko is going through a phase of intensive change and the company has a number of development projects in progress. In 2009, the company's functions were reorganised and the efficiency of its operations was enhanced. There were personnel changes in Marimekko's executive management, as well as in areas of core expertise with key significance to the company's business. The company's ability to develop and commercialise new products that meet consumers' expectations has an impact on the company's sales and

profitability. The management and monitoring of change and ensuring sufficient core expertise are emphasised in risk management.

Among the company's operational risks, the key factor is the operational reliability of procurement and logistics processes. The share of in-house production has diminished, and Marimekko uses subcontractors to an increasing extent. Therefore, the company's dependence on the supply chain has increased. Any delays or disturbances in supply may have a temporary harmful impact on business. In 2009, the company conducted a procurement process risk analysis aimed at identifying key risk areas from the perspective of the efficiency of operations, the correctness of financial reporting, compliance with laws and regulations, and prevention of malpractice. Control points and responsibilities were determined in order to take notice of any realisation of risks and to take preventive action. Risks are managed by improving the disturbance tolerance of the procurement process and by training purchasing staff. The company is continuously developing the availability of key products and alternative procurement channels, the operational efficiency of procurement, the competence of the purchasing staff and the comprehensiveness and functionality of reporting.

Among the company's financial risks, those related to the structure of sales, the price trends for factors of production, customers' liquidity and changes in exchange rates may have an impact on the company's financial status. A number of raw materials are used to manufacture Marimekko products, the most important being cotton. Sudden changes in the prices of raw materials may have an impact on the company's earnings. The company protects itself against credit risks related to trade receivables by continuously monitoring its customers' credit limits, credit history and financial situation. Credit risks are also reduced by means of advance payments, bank guarantees and letters of credit. In 2009, no significant changes took place in credit losses or the customers' payment behaviour. The company's main invoicing and purchasing currency is the euro. The other significant invoicing currencies are the Swedish krona and the US dollar. Marimekko protects itself against foreign currency risks of sales by taking exchange rate fluctuations into account when pricing its products. In 2009, changes in exchange rates did not have any material effect on the company's business. In 2009, Marimekko identified and assessed risk areas related to the Group's financial reporting process, in particular. Control objectives and Group-level control points were defined for the risks identified. In order to avoid the realisation of risks, the company has enhanced the effectiveness of business activity monitoring and especially that of cost management.

The company strives to minimise its accident risks by means of labour protection and security training, as well as operating procedures concerning work and working methods. Group companies

have taken out policies to insure their personnel, assets and operations. The scope, insurance value and excess amount of the policies are reviewed annually with the insurance companies.

## RESEARCH AND DEVELOPMENT

Marimekko's product planning and development costs arise from the design of collections. Design costs are recorded in expenses.

## THE ENVIRONMENT, HEALTH AND SAFETY

Responsibility for the environment and nature is an integral aspect of Marimekko's business. In environmental matters, the company's business supervision is largely based on legislation and other regulations. The Herttoniemi textile printing factory has a valid environmental permit and the production operations comply with its terms. Marimekko's production processes do not generate any waste that is classified as hazardous or detrimental to health. In the interest of monitoring the environmental impact of production and other business operations, the company develops its operating models and conducts regular tests on the materials used in the products. Cooperation agreements require Marimekko's subcontractors and other partners to commit themselves to shouldering their environmental responsibilities. The company seeks to save energy by developing its production methods, investing in energy-efficient machinery and equipment, and monitoring energy consumption.

In 2009, Marimekko continued the long-term development of a corporate social responsibility management system. The company has chosen procurement, design, production and quality control, warehousing, distribution and logistics as the key areas for the next few years. Marimekko's Annual Report contains a more extensive report on environmental, health and safety issues. A summary is also included in each interim report. The Group applies the Global Reporting Initiative (GRI) reporting framework's G3 guidelines.

## A SUBSIDIARY AND A COMPANY-OWNED SHOP IN GREAT BRITAIN

The business of the Marimekko shop in London was acquired from Skandium Ltd on 1 April 2009. The shop's operations are managed by Marimekko UK Ltd, a subsidiary established in the United Kingdom at the end of March 2009.

## DECISIONS OF THE ANNUAL GENERAL MEETING

Marimekko Corporation's Annual General Meeting, held on 8 April 2009, adopted the company's financial statements for 2008 and discharged the President and members of the Board from liability. The Annual General Meeting approved the Board of Directors' proposal for a dividend payment of EUR 0.55 per share for the 2008 financial year, totalling EUR 4,422,000.00. The dividend payout

record date was 15 April 2009, and the dividend payout date 22 April 2009.

The Annual General Meeting confirmed that the company's Board of Directors shall have five (5) members. Ami Hasan, Mika Ihamuotila, Joakim Karske, Pekka Lundmark, and Tarja Pääkkönen were re-elected as members of the Board of Directors. The term of office for the Board of Directors runs until the end of the next Annual General Meeting. At its organisation meeting held after the Annual General Meeting, the Board of Directors elected Pekka Lundmark as Chairman and Mika Ihamuotila as Vice Chairman of the Board.

The Annual General Meeting re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's regular auditor, with Kim Karhu, Authorised Public Accountant, as chief auditor. It was decided that the auditor's fee would be paid as per invoice.

#### Amendment of the Articles of Association

The Annual General Meeting approved the Board of Directors' proposal to amend the Articles 3, 4, 5, 6, 8, 9, 11, 12 and 13 of Marimekko Corporation's Articles of Association. The amendments have been detailed in the Notice of the Annual General Meeting published on 16 March 2009. The Articles of Association approved at the Annual General Meeting are appended to the stock exchange release dated 8 April 2009.

#### CHANGES IN THE COMPANY'S MANAGEMENT

Malin Groop, Marimekko's Marketing Manager, was appointed as the Group's Marketing Director and member of the Management Group as of 1 August 2009. Marja Korkeela, Head of Group Communications and Investor Relations and member of the Management Group, left the company on 31 August 2009. Mervi Metsänen-Kalliovaara, Marimekko's Sales Director and member of the Management Group, left the company on 7 October 2009. As of 7 October 2009, the Marimekko Group's Management Group comprised Mika Ihamuotila as Chairman and Thomas Ekström (finance, administration and investor relations), Malin Groop (marketing), Päivi Lonka (international sales), Niina Nenonen (clothing, bags and accessories), Piia Rossi (company-owned retail shops in Finland), and Helinä Uotila (production, purchases and interior decoration) as members.

#### EFFICIENCY ENHANCEMENT AND STATUTORY EMPLOYER-EMPLOYEE NEGOTIATIONS REGARDING OPERATIONS IN FINLAND

On 13 August 2009, Marimekko announced the start of Group-wide statutory employer-employee negotiations regarding possible temporary lay-offs and a permanent reduction in the number of employees in Finland. The maximum number of permanent reductions was not expected to exceed 35 employees. The aim of the negotiations was to adapt the company's cost structure to the rapidly deteriorating market situation and improve the company's

ability to develop its operations as well as safeguard the conditions for the stable development of the company.

On 7 October 2009, Marimekko announced that its Group-wide statutory employer-employee negotiations had been completed. The company stated that reorganisation of functions and rationalisation of operations would result in the elimination of 35 positions. In addition, the company announced a need to fill eight new positions; as far as possible, these positions would be filled by internal transfers. The annual costs of the new positions were estimated at about EUR 0.4 million. Temporary layoffs were rejected for the rest of 2009, but the decision was made to prepare for them in certain functions until 31 May 2010. Subsequently, temporary lay-offs were also rejected for the spring of 2010. The personnel cutbacks and other measures to be taken are expected to bring annual cost savings of approximately EUR 1.5 million in total. In connection with the personnel reductions, the company recognised a non-recurring cost provision of EUR 0.5 million in the third quarter of 2009.

## THE BOARD OF DIRECTORS' PROPOSAL FOR THE DIVIDEND FOR THE 2009 FINANCIAL YEAR

A dividend of EUR 0.55 per share was paid for 2008 to a total of EUR 4,422,000. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.45 per share be paid for 2009. The proposed dividends represent 76.3% of the Group's earnings per share for the financial year. On 31 December 2009, the parent company's distributable funds amounted to EUR 19,982,129. The Board will propose 20 April 2010 as the dividend record date, and 27 April 2010 as the dividend payout date.

## OUTLOOK FOR 2010

Marimekko Corporation operates in a field where economic trends affect its business activities. In the last quarter of 2009, some positive signs were visible in the trend in Marimekko's sales. However, challenging market conditions are anticipated to continue in 2010.

The majority of the Group's net sales are generated in Finland. In recent years, however, exports have increasingly been driving Marimekko's net sales growth. In 2009, a clearly positive sales trend was seen only in Japan, where a significant part of growth was based on new concept store openings. In 2010, Marimekko's exports are estimated to grow slightly. In 2009, the Group's net sales and earnings included significant revenues generated from individual promotions. In 2010, similar revenues that increase net sales and improve earnings are estimated to be lower.

The Marimekko Group's net sales and operating profit for 2010 are expected to be approximately at the same level as in 2009.

Helsinki, 3 February 2010

MARIMEKKO CORPORATION  
Board of Directors

Information presented in the financial statement bulletin is unaudited.

## APPENDICES

Accounting principles

Consolidated income statement and comprehensive consolidated income statement

Consolidated balance sheet

Consolidated cash flow statement

Consolidated statement of changes in shareholders' equity

Key indicators

Consolidated net sales by market area and product line

Segment information

Quarterly trend in net sales and earnings

Accounting principles

This financial statement bulletin has been prepared in accordance with IAS 34: Interim Financial Reporting and applying the same accounting policy as for the 2008 financial statements. In addition, on 1 January 2009 the Group adopted the following new or amended standards published by the IASB in 2008:

IAS 1 standard (amended)

In accordance with the amended IAS 1 standard, Marimekko Corporation presents both the consolidated and comprehensive consolidated income statements.

IFRS 8

The operational segment reported by the Marimekko Group is the Marimekko business.



## FORMULAS FOR THE KEY FIGURES

Earnings per share (EPS), EUR:

(Profit before extraordinary items - taxes (excl. of taxes on extraordinary items)) / Number of shares (average for the financial period)

Equity per share, EUR:

Shareholders' equity / Number of shares, 31 December

Return on equity (ROE), %:

(Profit before extraordinary items - taxes (excl. of taxes on extraordinary items)) X 100 / Shareholders' equity (average for the financial period)

Return on investment (ROI), %:

(Profit before extraordinary items + interest and other financial expenses) X 100 / (Balance sheet total - non-interest-bearing liabilities (average for the financial period))

Equity ratio, %:

Shareholders' equity X 100 / (Balance sheet total - advances received)

Gearing, %:

Interest-bearing net debt X 100 / Shareholders' equity

## CONSOLIDATED INCOME STATEMENT

| (EUR 1,000)   | 10-12/<br>2009 | 10-12/<br>2008 | 1-12/<br>2009 | 1-12/<br>2008 |
|---|----------------|----------------|---------------|---------------|
| NET SALES   | 20,719         | 22,061         | 72,473        | 81,107        |
| Other operating income  | 6              | 203            | 41            | 244           |
| Increase or decrease in<br>inventories of completed<br>and unfinished products  | 739            | -1,851         | 2,135         | 185           |
| Raw materials and consumables   | 7,678          | 8,097          | 26,890        | 33,597        |
| Employee benefit expenses   | 4,660          | 5,133          | 18,202        | 18,287        |
| Depreciation  | 363            | 341            | 1,394         | 1,324         |
| Other operating expenses  | 4,932          | 4,997          | 17,602        | 18,372        |
| OPERATING PROFIT  | 2,353          | 1,845          | 6,291         | 9,956         |
| Financial income  | 26             | 52             | 86            | 205           |
| Financial expenses  | -10            | -57            | -23           | -197          |
|   | 16             | -5             | 63            | 8             |
| PROFIT BEFORE TAXES   | 2,369          | 1,840          | 6,354         | 9,964         |
| Income taxes  | 630            | 474            | 1,653         | 2,586         |
| NET INCOME FOR THE PERIOD   | 1,739          | 1,366          | 4,701         | 7,378         |
| Distribution of net income to<br>equity holders of the parent<br>company  | 1,739          | 1,366          | 4,701         | 7,378         |
| Basic and diluted earnings<br>per share calculated on the<br>profit attributable to equity<br>holders of the parent<br>company, EUR | 0.22           | 0.17           | 0.59          | 0.92          |

## COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

| (EUR 1,000)  | 10-12/<br>2009 | 10-12/<br>2008 | 1-12/<br>2009 | 1-12/<br>2008 |
|--|----------------|----------------|---------------|---------------|
| Net income for the period  | 1,739          | 1,366          | 4,701         | 7,378         |
| Other comprehensive income   |                |                |               |               |
| Change in translation<br>difference                                      | 13             | -19            | 4             | -5            |
| TOTAL COMPREHENSIVE<br>INCOME FOR THE PERIOD                             | 1,752          | 1,347          | 4,705         | 7,373         |
| Distribution of net income<br>to equity holders of<br>the parent company | 1,752          | 1,347          | 4,705         | 7,373         |

## CONSOLIDATED BALANCE SHEET

(EUR 1,000)

31.12.2009    31.12.2008

## ASSETS

## NON-CURRENT ASSETS

|                                     |        |        |
|-------------------------------------|--------|--------|
| Tangible assets                     | 9,805  | 9,948  |
| Intangible assets                   | 409    | 458    |
| Available-for-sale financial assets | 20     | 20     |
|                                     | 10,234 | 10,426 |

## CURRENT ASSETS

|                             |        |        |
|-----------------------------|--------|--------|
| Inventories                 | 15,229 | 17,286 |
| Trade and other receivables | 5,241  | 6,109  |
| Current tax assets          | 18     | 268    |
| Cash and cash equivalents   | 10,245 | 6,112  |
|                             | 30,733 | 29,775 |

## ASSETS, TOTAL

40,967    40,201

## SHAREHOLDERS' EQUITY AND LIABILITIES

 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS  
OF THE PARENT COMPANY

|                             |        |        |
|-----------------------------|--------|--------|
| Share capital               | 8,040  | 8,040  |
| Translation differences     | 2      | -2     |
| Retained earnings           | 23,783 | 23,504 |
| Shareholders' equity, total | 31,825 | 31,542 |

## NON-CURRENT LIABILITIES

|                          |     |     |
|--------------------------|-----|-----|
| Deferred tax liabilities | 683 | 705 |
| Financial liabilities    | -   | -   |
|                          | 683 | 705 |

## CURRENT LIABILITIES

|                          |       |       |
|--------------------------|-------|-------|
| Trade and other payables | 7,874 | 7,751 |
| Current tax liabilities  | 585   | 18    |
| Financial liabilities    | -     | 185   |
|                          | 8,459 | 7,954 |

## Liabilities, total

9,142    8,659

## SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL

40,967    40,201

The Group has no liabilities resulting from derivative contracts, and there are no outstanding guarantees or any other contingent liabilities which have been granted on behalf of the management of the company or its shareholders.

## CONSOLIDATED CASH FLOW STATEMENT

| (EUR 1,000)   | 2009   | 2008   |
|---|--------|--------|
| CASH FLOW FROM OPERATING ACTIVITIES   |        |        |
| Net profit for the period   | 4,701  | 7,378  |
| Adjustments   |        |        |
| Depreciation according to plan  | 1,394  | 1,324  |
| Financial income and expenses   | -63    | -8     |
| Taxes   | 1,653  | 2,586  |
| Cash flow before change in working capital                                    | 7,685  | 11,280 |
| Change in working capital   |        |        |
| Increase (-) / decrease (+) in current non-interest-bearing trade receivables | 834    | -574   |
| Increase (-) / decrease (+) in inventories                                    | 2,055  | 995    |
| Increase (-) / decrease in current non-interest-bearing liabilities           | 108    | -1,050 |
| Cash flow from operating activities before financial items and taxes          | 10,682 | 10,651 |
| Paid interest and payments on other operational financial expenses            | -24    | -200   |
| Interest received   | 120    | 201    |
| Taxes paid  | -837   | -2,616 |
| CASH FLOW FROM OPERATING ACTIVITIES   | 9,941  | 8,036  |
| CASH FLOW FROM INVESTING ACTIVITIES   |        |        |
| Investments in tangible and intangible assets                                 | -1,202 | -1,362 |
| CASH FLOW FROM INVESTING ACTIVITIES   | -1,202 | -1,362 |
| CASH FLOW FROM FINANCING ACTIVITIES   |        |        |
| Short-term loans drawn  | -      | 4,600  |
| Short-term loans repaid   | -185   | -5,550 |
| Long-term loans repaid  | -      | -655   |
| Dividends paid  | -4,422 | -5,226 |
| CASH FLOW FROM FINANCING ACTIVITIES   | -4,607 | -6,831 |
| Change in cash and cash equivalents   | 4,133  | -157   |
| Cash and cash equivalents at the beginning of the period                      | 6,112  | 6,269  |
| Cash and cash equivalents at the end of the period                            | 10,245 | 6,112  |

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)

Equity attributable to equity holders of the parent company

|   | Share<br>capital | Translation<br>differences | Retained<br>earnings | Shareholders'<br>equity,<br>total |
|---|------------------|----------------------------|----------------------|-----------------------------------|
| Shareholders'<br>equity<br>1 Jan. 2008    | 8,040            | 3                          | 21,352               | 29,395                            |
| Comprehensive<br>income for the<br>period |                  | -5                         | 7,378                | 7,373                             |
| Dividends paid                            |                  |                            | -5,226               | -5,226                            |
| Shareholders'<br>equity<br>31 Dec. 2008   | 8,040            | -2                         | 23,504               | 31,542                            |
| Shareholders'<br>equity<br>1 Jan. 2009    | 8,040            | -2                         | 23,504               | 31,542                            |
| Comprehensive<br>income for the<br>period |                  | 4                          | 4,701                | 4,705                             |
| Dividends paid                            |                  |                            | -4,422               | -4,422                            |
| Shareholders'<br>equity<br>31 Dec. 2009   | 8,040            | 2                          | 23,783               | 31,825                            |

## KEY INDICATORS

|   | 2009   | 2008   | Change, % |
|---|--------|--------|-----------|
| Earnings per share, EUR   | 0.59   | 0.92   | -35.9     |
| Equity per share, EUR   | 3.96   | 3.92   | 1.0       |
| Share of exports and income from international operations, % of net sales | 27.3   | 27.0   |           |
| Return on equity (ROE), %   | 14.8   | 24.2   |           |
| Return on investment (ROI), %   | 20.1   | 32.3   |           |
| Equity ratio, %   | 77.7   | 78.7   |           |
| Gearing, %  | -32.2  | -18.8  |           |
| Gross investments, EUR 1,000  | 1,202  | 1,362  | -11.8     |
| Gross investments, % of net sales   | 1.7    | 1.7    |           |
| Contingent liabilities, EUR 1,000   | 11,819 | 17,861 | -33.8     |
| Average personnel   | 400    | 411    | -2.7      |
| Personnel at the end of the period  | 370    | 414    | -10.6     |
| Number of shares at the end of the period (1,000)                         | 8,040  | 8,040  |           |
| Number of shares outstanding, average (1,000)                             | 8,040  | 8,040  |           |

## NET SALES BY MARKET AREA

| (EUR 1,000)               | 10-12/<br>2009 | 10-12/<br>2008 | Change,<br>% | 1-12/<br>2009 | 1-12/<br>2008 | Change,<br>% |
|---------------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| Finland                   | 16,538         | 17,762         | -6.9         | 52,711        | 59,175        | -10.9        |
| Other Nordic<br>countries | 1,725          | 1,614          | 6.9          | 7,042         | 9,423         | -25.3        |
| Rest of Europe            | 978            | 933            | 4.8          | 4,821         | 4,700         | 2.6          |
| North America             | 694            | 1,117          | -37.9        | 3,003         | 3,994         | -24.8        |
| Other countries           | 784            | 635            | 23.5         | 4,896         | 3,815         | 28.3         |
| TOTAL                     | 20,719         | 22,061         | -6.1         | 72,473        | 81,107        | -10.7        |

## NET SALES BY PRODUCT LINE

| (EUR 1,000)            | 10-12/<br>2009 | 10-12/<br>2008 | Change,<br>% | 1-12/<br>2009 | 1-12/<br>2008 | Change,<br>% |
|------------------------|----------------|----------------|--------------|---------------|---------------|--------------|
| Clothing               | 6,213          | 6,531          | -4.9         | 27,466        | 29,898        | -8.1         |
| Interior<br>decoration | 11,658         | 12,935         | -9.9         | 32,687        | 37,747        | -13.4        |
| Bags                   | 2,848          | 2,595          | 9.7          | 12,320        | 13,462        | -8.5         |
| TOTAL                  | 20,719         | 22,061         | -6.1         | 72,473        | 81,107        | -10.7        |

## SEGMENT INFORMATION

| (EUR 1,000)        | 2009   | 2008   | Change, % |
|--------------------|--------|--------|-----------|
| Marimekko business |        |        |           |
| Net sales          | 72,473 | 81,107 | -10.7     |
| Operating result   | 6,291  | 9,956  | -36.8     |
| Assets             | 40,967 | 40,201 | 1.9       |

## QUARTERLY TREND IN NET SALES AND EARNINGS

| (EUR 1,000)             | 10-12/<br>2009 | 7-9/<br>2009 | 4-6/<br>2009 | 1-3/<br>2009 |
|-------------------------|----------------|--------------|--------------|--------------|
| Net sales               | 20,719         | 19,492       | 15,999       | 16,263       |
| Operating result        | 2,353          | 2,901        | 1,058        | -21          |
| Earnings per share, EUR | 0.22           | 0.27         | 0.10         | 0.00         |
| (EUR 1,000)             | 10-12/<br>2008 | 7-9/<br>2008 | 4-6/<br>2008 | 1-3/<br>2008 |
| Net sales               | 22,061         | 21,913       | 18,539       | 18,594       |
| Operating result        | 1,845          | 3,747        | 2,540        | 1,824        |
| Earnings per share, EUR | 0.17           | 0.35         | 0.23         | 0.17         |