marimekko® ANNUAL REPORT 2009

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Joie de vivre & timeless beauty for everyday life

Marimekko is a Finnish textile and clothing design company. The core of its business is the design and manufacture of timeless and individual, practical and beautiful consumer goods. The array of Marimekko design embraces household products ranging from furnishing fabrics to tableware as well as clothing, bags, jewellery and other accessories for people of all ages.

When Marimekko was founded in 1951, the unparalleled patterns and colours of its printed fabrics gave it a strong and unique identity. A heritage acquired over decades, with its values and legends, is an inexhaustible treasure from which it is good to draw courage and the strength for renewal, even today. The meaning of Marimekko design is to create aesthetic experiences for every moment in life.

In 2009, Marimekko's net sales were EUR 72.5 million, of which exports and international operations accounted for 27.3%. Marimekko products are sold in roughly 40 countries. The number of employees at the end of 2009 was 370. The company's shares are quoted on NASDAQ OMX Helsinki Ltd.

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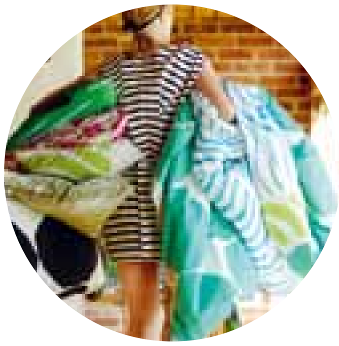


GENUINENESS

LOVE

COURAGE

JOY

THESE ARE WHAT MARIMEKKO IS MADE OF

From the CEO

"Marimekko is not about trendy fashion, with a few minor exceptions. We make lasting and timeless products. Timelessness may, however, occasionally come into fashion by chance, like now."

These wise words of Marimekko's founder Armi Ratia from 1978 came to mind in October, when I was in Cambridge, USA, to open a large Marimekko gala. In the windows of the venue, an exhibition staged in a grand glasshouse, were Marimekko's vintage clothes and fabrics from different decades. People of all ages constantly gathered around the windows, asking where they could buy this or that dress or fabric. In other words, what was on show was undeniably genuine Marimekko design, lasting and timeless products, ones which were most obviously also still fashionable.

When people talk about sustainable development and responsibility, they often focus exclusively on various aspects of manufacturing, such as the attributes and recycling of materials, energy consumption, and working conditions. These are definitely all extremely important perspectives from the viewpoint of responsible production – for Marimekko as for other companies – but good design is also important. Good design is long-lasting. Durability is a key measure of a product's ecological acceptability. It is easy to become attached to a well designed product; it is not cast aside the moment fashions change. It is products like this that we at Marimekko seek to make.

Now that I have been in charge of Marimekko for two years, our goal has become even stronger and clearer. With the inspiration of our unique, bold and colourful design heritage, we create products to which people become attached and which will have a special meaning for their owners. Not everyone will like us, nor is it necessary that they should. But, fortunately, there is a growing band of independent spirits who want to express their personalities without regard for the latest trends and luxury brands that reflect success. I firmly believe that more and more consumers are letting their values and identities show through choices about how they dress or decorate their homes. This is the group of people to whom we want to offer a love that lasts year after year.

In order to be able to produce lasting happiness, Marimekko, a stock exchange listed company, naturally has to generate the best financial performance possible. I would describe the financial performance in 2009 with the term defensive victory. Our net sales fell by roughly 11%, and the net profit declined markedly, but our cash flow improved by about a quarter. In very difficult market conditions, we took the company determinedly in the direction we have chosen. We launched a number of entirely new products – tableware, wallpaper, jewellery – which received a very warm welcome. We also concentrated on quality issues and improved the fit of clothes, among other things. In accordance with our strategy, new concept stores were opened in Japan and in Copenhagen, Europe. Unfortunately, we also had to go through a hard period of reducing the number of personnel when we decided to rationalise our operations in all business areas. Against this backdrop, we succeeded in achieving a passable financial performance and making an investment in the future. I would like to express my warmest thanks to each and every Marimekko employee for toughing out this difficult year admirably, giving more of themselves than I could reasonably expect.

Marimekko is now a sound company. We have embarked on the year 2010 in a good financial position: we have a strong cash flow and a high equity ratio. The awareness achieved by our brand over the decades and our distinctive design afford us a solid foundation for our work on which it is good to build. Marimekko is known to most professionals in the field worldwide. Our original design and our business philosophy are of broad-based interest, and we are constantly being written about in prestigious international magazines. In the years ahead, we will build an even stronger network of Marimekko retail stores to enable us to introduce our unique world to new consumers in the best possible way. A strong network of stores is also a prerequisite for the long-term building of the brand's pricing strengths. As a small company, our strategy is to advance step by step, targeting our resources on areas in which the interest in our design idiom and our brand is strongest. In 2010, our geographical regions of emphasis are Scandinavia, Japan and the United States. We are also looking at some entirely new market areas in Asia, for example. We will continue to invest in product development and the commercialisation of our design to boost the profitability of retailing – both for our own shops and for our dealers.

I am convinced that the transformation in consumers' values in the way I have outlined above will be no short-lived phenomenon in fashion but rather will be rooted in our behaviour for a long time. It is therefore even more important than before that the products we now design continue to look beautiful and fulfil their function for years to come, yielding people much joy in life and warm memories along the way.

MIKA IHAMUOTILA

Marimekko in 2009

It was an exceptionally challenging year in the sector as well as for Marimekko. A sharp downturn in consumer demand cut into the company's sales, both in Finland and abroad. A positive exception to the market trend was Japan, where sales grew, boosted by new concept stores. In 2009, the Marimekko Group's net sales declined by 10.7% and were EUR 72.5 million (2008: EUR 81.1 million). Operating profit fell to EUR 6.3 million (EUR 10.0 million). Operating profit net of non-recurring items was EUR 6.8 million (EUR 10.0 million). The after-tax profit for the year was EUR 4.7 million (EUR 7.4 million) and earnings per share were EUR 0.59 (EUR 0.92).

During the year, functions were reorganised and operations were adjusted to lower demand. The company's financial position is strong: cash flow from operating activities in 2009 was EUR 9.9 million (EUR 8.0 million) and the equity ratio was 77.7% (78,7%). During the final quarter of the year, operating profit improved markedly on the previous year. 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.

In spite of the difficult market conditions prevailing in 2009, the company was taken forwards with determination along the path set out by the long-term strategy. The development of concepts related to products, retail stores and distribution, which was launched in 2008, was continued. Collections were augmented with new product categories and individual products combining in-house product design with Marimekko's famously strong patterns in accordance with the design strategy. During the year, the distribution network was expanded; in geographical terms, the main thrust was on regions where the Marimekko brand was already known. Six new Marimekko concept stores were opened abroad: five in Japan and one in Copenhagen, Denmark. In the United Kingdom, a subsidiary was established, Marimekko UK Ltd, to manage the operations of the Marimekko shop in London after it became owned by the company in April. The shops in Stockholm, Sweden, and at Helsinki-Vantaa airport were remodelled and expanded, and one of the two shops in Tampere, Finland, moved to new premises.

Marimekko

- Design company established in 1951.
- Three product lines: clothing, interior decoration, bags.
- Three manufacturing plants in Finland: a textile printing factory, a sewing factory, and a bag factory.
- A total of 81 Marimekko stores in Finland and abroad, including 26 company-owned shops.
- Subsidiaries in Frankfurt (Germany), London (UK), and Stockholm (Sweden).
- Net sales of EUR 72.5 million.
- Personnel of 370.

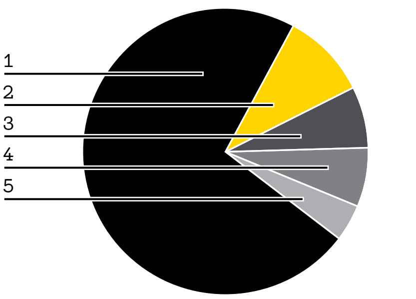
Net sales by market area

(EUR 1,000)	2009	2008	Change, %
Finland	**52,711**	59,175	–10.9
Other Nordic countries	**7,042**	9,423	–25.3
Rest of Europe	**4,821**	4,700	2.6
North America	**3,003**	3,994	–24.8
Other countries	**4,896**	3,815	28.3
Total	**72,473**	81,107	–10.7

Net sales by product line

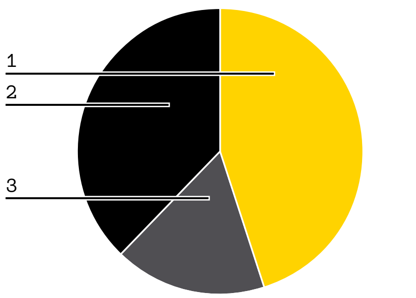
(EUR 1,000)	2009	2008	Change, %
Clothing	**27,466**	29,898	–8.1
Interior decoration	**32,687**	37,747	–13.4
Bags	**12,320**	13,462	–8.5
Total	**72,473**	81,107	–10.7

Net sales by market area 2009



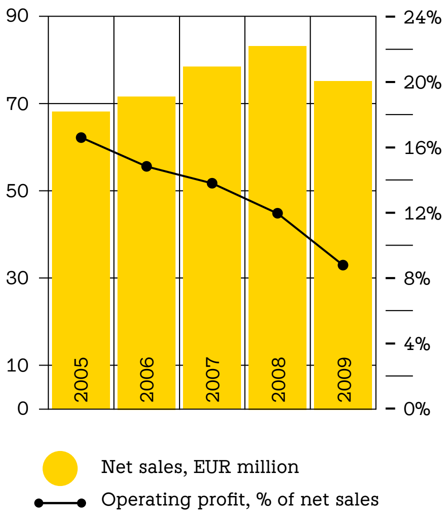
1 Finland 72.7%
2 Other Nordic countries 9.7%
3 Other countries 6.8%
4 Rest of Europe 6.7%
5 North America 4.1%

Net sales by product line 2009

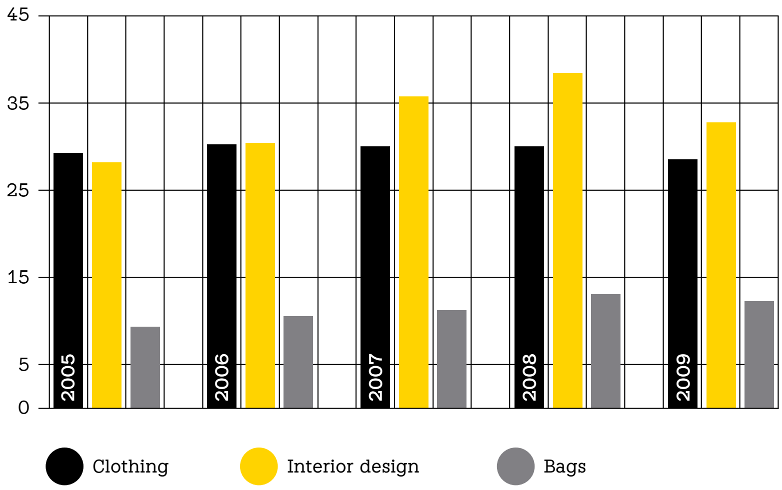


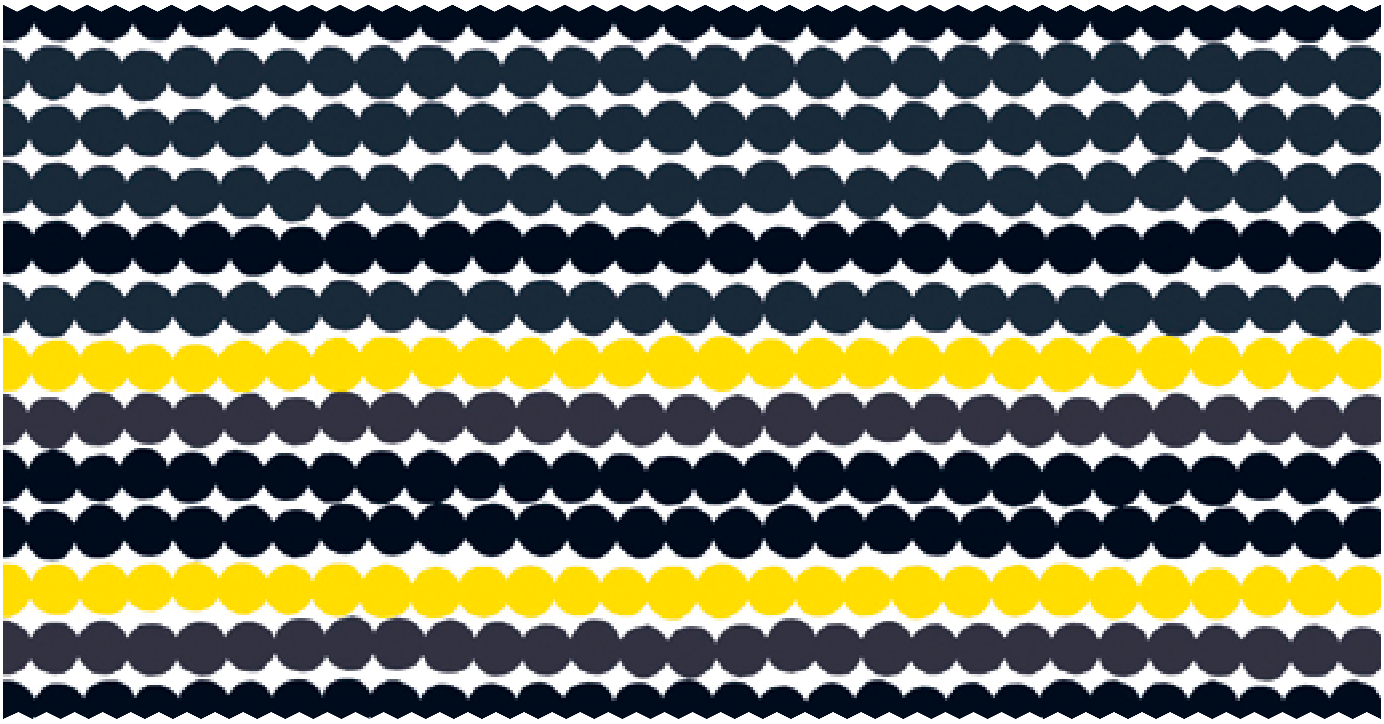
1 Interior decoration 45.1%
2 Clothing 37.9%
3 Bags 17.0%

Trend in net sales and operating profit



Trend in net sales by product line (EUR million)

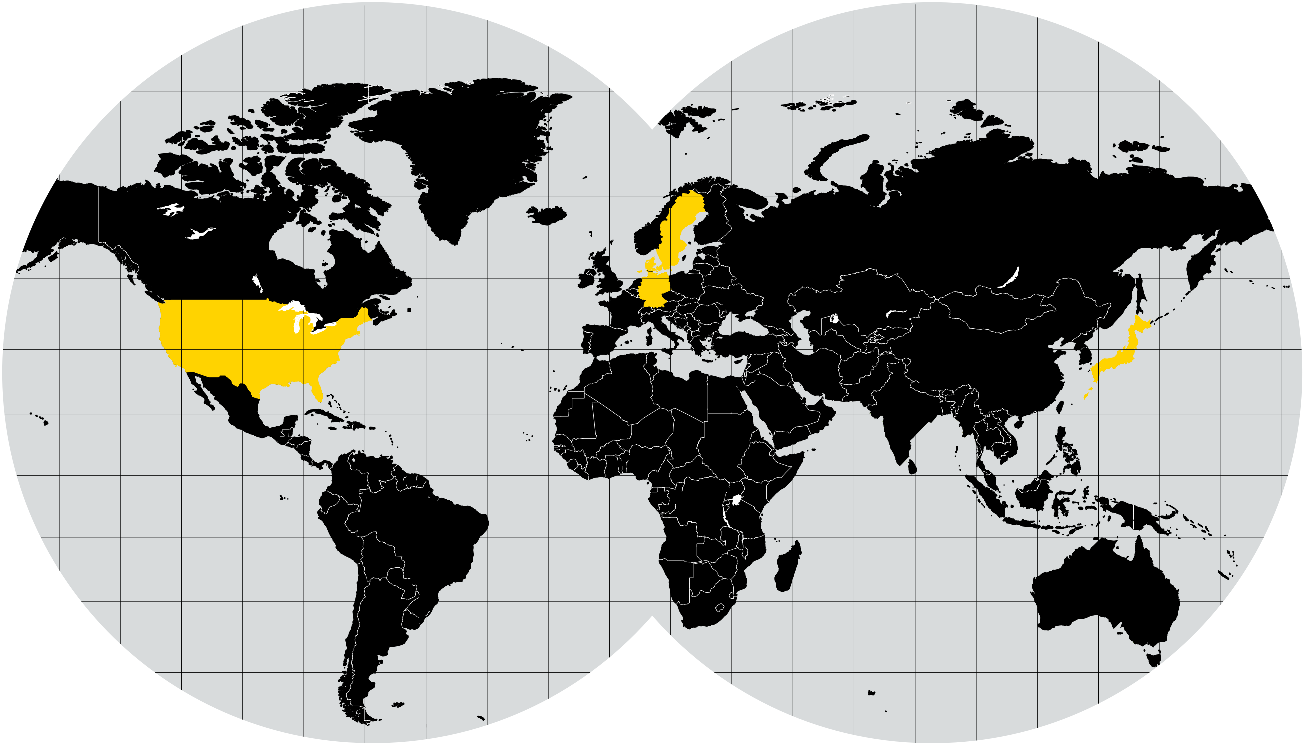




"Räsymatto", design: Maija Louekari

Marimekko in 2009

Major export countries



In 2009, Marimekko's major export countries were Japan, Sweden, the United States, Denmark and Germany.

Key figures	**2009**	2008	Change, %
Net sales, EUR 1,000	**72,473**	81,107	–10.7
Operating profit, EUR 1,000	**6,291**	9,956	–36.8
% of net sales	**8.7**	12.3	
Operating profit net of non-recurring items, EUR 1,000	**6,803**	9,956	–31.7
Profit before taxes, EUR 1,000	**6,354**	9,964	–36.2
% of net sales	**8.8**	12.3	
Net profit for the financial year, EUR 1,000	**4,701**	7,378	–36.3
% of net sales	**6.5**	9.1	
Earnings per share, EUR	**0.59**	0.92	–35.9
Equity per share, EUR	**3.96**	3.92	1.0
Dividend per share, EUR	***) 0.45**	0.55	
Return on equity (ROE), %	**14.8**	24.2	
Return on investment (ROI), %	**20.1**	32.3	
Equity ratio, %	**77.7**	78.7	
Share of exports and international operations, % of net sales	**27.3**	27.0	
Personnel at year-end	**370**	414	–10.6

*) Proposal by the Board of Directors.
The formulas for the key figures are given on page 86.

Marimekko in 2009

HIGHLIGHTS OF THE YEAR

1 The world tour since 2003 of the Marimekko: Fabrics, Fashion, Architecture retrospective, organised by the Design Museum in Helsinki, was staged during the year in Borås, Ljubljana and Madrid. Another touring exhibition, Design Forum Finland's Cool Dozen+, put Marimekko's fabrics on display in Rome and Izmir, Turkey.

2 Marimekko's clothing collections for autumn and winter 2009/10 were unveiled at fashion shows in January and February in Helsinki and at the Gallery International Fashion Fair in Copenhagen.

3 A Marimekko wallpaper range produced under licence by the Italian company Sirpi S.p.A. was launched with success in Milan during the international furniture fair in April.

4 Designer duo Rinne Niinikoski were presented with the Newcomer of the Year prize in April for their knitwear designed for Marimekko at the first Elle Style Awards gala held in Finland.

5 Marimekko's summer show for the public was held as usual in Helsinki in June. Marimekko design was also seen at the Habitare fair and other Helsinki Design Week events in September.

6 A total of six new concept stores opened abroad: five in different parts of Japan and one in Copenhagen, Denmark. The concept store in London became owned by Marimekko and a subsidiary was started in the UK. Marimekko's shop in Stockholm reopened in October after refurbishments and expansion.

7 Marimekko's retail facilities were doubled at Helsinki-Vantaa airport. The Marimekko shops in Rovaniemi and at the Sokos department store in Tampere moved into new premises.

8 Sami Ruotsalainen's Oiva tableware designs, with patterns and matching table textiles by Maija Louekari, were featured by many major newspapers and magazines around the world after the international launch of the range at the Maison & Objet fair in Paris in September.

9 Marimekko took part in the Pink Ribbon campaign against breast cancer on two continents: in Finland by donating proceeds from sales of campaign products to the Finnish Cancer Foundation and in the United States by designing an Unikko-pattern shoulder bag for Avon Products Inc., the net profits from the sales of which were donated in their entirety to supporting breast cancer research and public education.

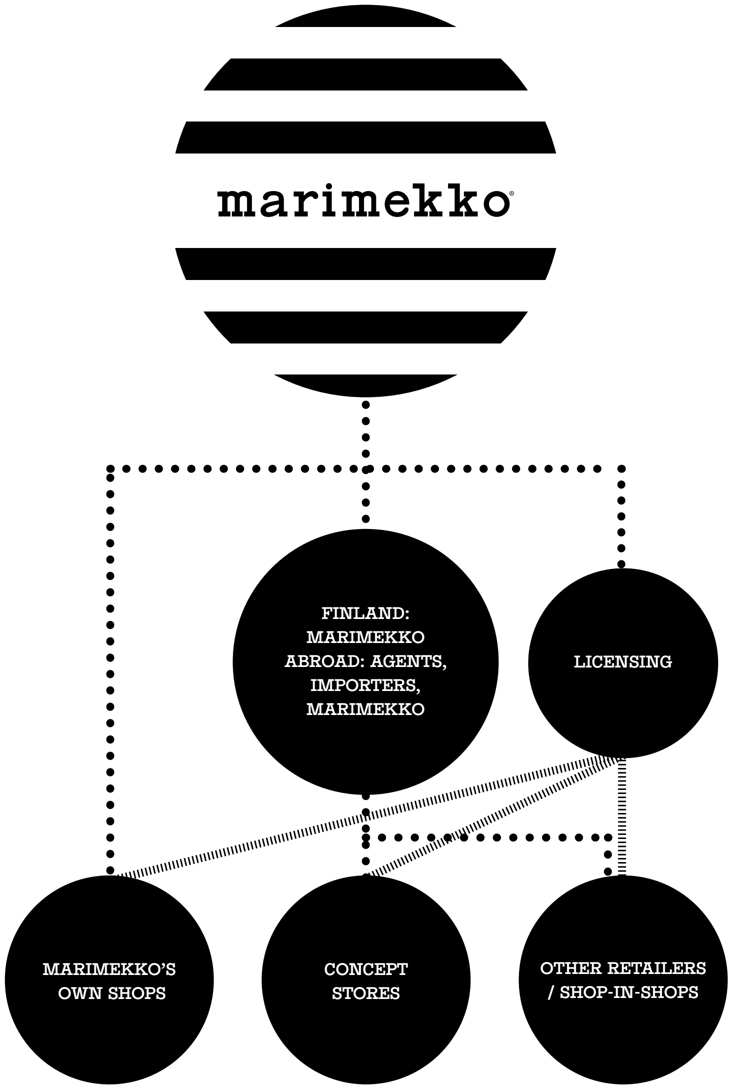
10 In Cambridge, USA, the arrival was celebrated of Marimekko in the American market 50 years before. Design Research (D/R), which operated 1953–78, began importing and retailing Marimekko's clothing and fabrics in 1959, in honour of which former D/R employees assembled a colourful retrospective in D/R's old glasshouse, featuring the very latest Marimekko design along with classic fabrics and vintage dresses.

11 The Japanese cult brand Comme des Garçons put together a sales exhibition of Marimekko products in the Seibu department stores in the Tokyo districts of Ginza and Shibuya. The exhibition was on from the end of November until Christmas.

Photograph: Jane Thompson

Photograph: Avon

Vision, goals and strategy



Our vision is to be the world's most prestigious pattern designer and one of the most fascinating design brands.

Marimekko's strengths are the uniqueness and inherent interest of the brand, the diversity of the patterns, and the originality of the design idiom. Marimekko's strategic goal is to grow and succeed in the international arena as a Finnish design company that has a strong identity. In business development, there is a focus on controlled organic growth in Finland and selected export markets. The geographical areas of emphasis are the regions in which the Marimekko brand is already known. The key markets in 2010 are Scandinavia, Japan and the United States. We are also looking at some entirely new market areas in Asia, for example. Every effort is made to boost the brand's value through the long-term development of product, store and distribution concepts. Another aim is to maintain good solvency and liquidity in all market conditions.

THE CORNERSTONES OF THE STRATEGY

Unique design and a strong brand	A more customer-driven and profitable product concept	Developing the distribution network	Creativity combined with operational efficiency
The brand is built to be more international and the profile is raised with the help of Marimekko's unique and fascinating design. Marimekko's skills as an expert in colours and patterns are accentuated more clearly as a factor of differentiation. High-quality and innovative design expertise is maintained and enhanced as a factor boosting competitiveness.	Growth is sought with new customer groups and with product innovations. The coordination of product lines and collections is improved. The share of in-house product design in the collections will be stepped up and it will be integrated better with Marimekko's strong expertise in patterns. The number of accessories and small utensils in the ranges will be increased to enhance the profitability of the product concept.	More profitable retail store and distribution concepts will be built. The brand's competitiveness and attractiveness will be reinforced in the different distribution channels. The distribution network will be expanded in a controlled manner, primarily by increasing the number of concept stores and shop-in-shops. Geographically, the focus is on areas in which the Marimekko brand is already known or where there is a natural demand.	Operational efficiency will be improved along with systematic working and coordination in all business areas. A creative corporate culture that emphasises internal entrepreneurship is encouraged and the personnel's expertise is reinforced.

FINANCIAL GOALS

Securing profitable growth	
Annual growth in consolidated net sales	over 10%
Operating profit as a percentage of net sales	10%
Return on equity (ROE)	over 15%
Equity ratio	60%

A steady dividend policy	
The intention is to pay a yearly dividend.	
Percentage of earnings per share allocated to dividends	at least 50%

Attainment of financial goals	2009	2008	2007	2006	2005
Annual trend in net sales, %	**–10.7**	5.0	8.2	6.3	4.1
Annual trend in comparable net sales, %	**–10.7**	5.0	8.2	6.3	9.3
Operating profit as a percentage of net sales, %	**8.7**	12.3	13.6	15.2	17.0
Return on equity (ROE), %	**14.8**	24.2	27.4	31.3	38.4
Equity ratio, %	**77.7**	78.7	72.7	70.5	66.5
Dividend per share, EUR	***) 0.45**	0.55	0.65	0.65	0.65
Dividend per profit, %	***) 76.3**	59.9	67.7	65.4	62.0

*) Proposal by the Board of Directors.

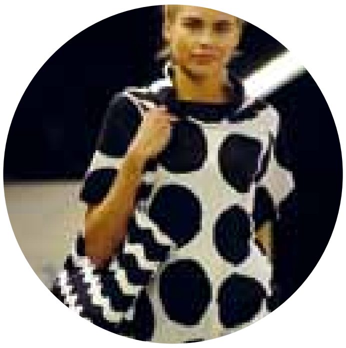
Products

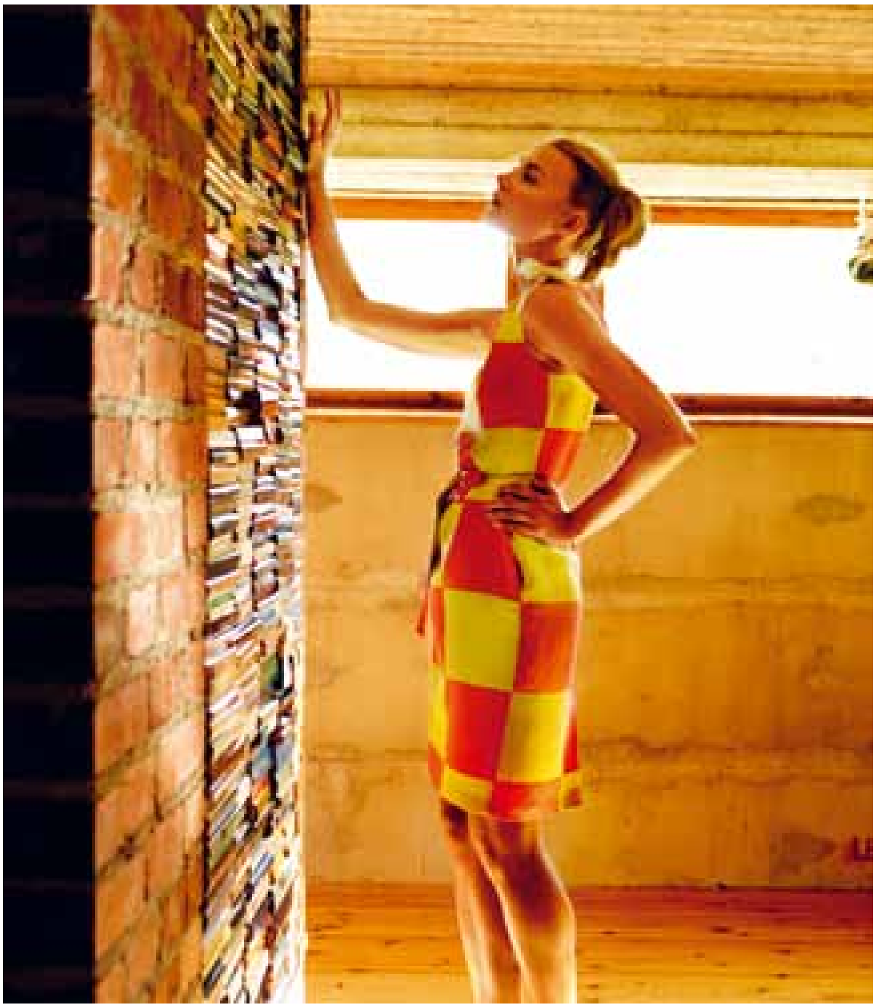
FOR CLOTHING, FOR THE HOME, FOR LIVING

Marimekko's three product lines – clothing, interior decoration and bags – together form a holistic lifestyle concept which graphically illustrates the spirit and special character of Marimekko: a bold, self-respecting and positive attitude to life. The collections of the various product lines are coordinated through common palettes of colours and patterns; harmonious ranges are also created by building the seasonal collections for the lines around the same, topical theme. In addition to seasonally changing launches, the ranges of all the product lines have classics which have long been in production, some unchanged from the originals, others modernised with new colours or patterns or other adaptations. Every season, the collections also include attention-grabbing exclusive designs produced with brand-building in mind.

In a heavily contested market, Marimekko's aces are its unique patterns, which make its products stand out clearly and instantly recognised. Along with pattern design, Marimekko continues to invest in beefing up its expertise in product design as well as seeking and innovating new products that go naturally with the lifestyle concept.

In 2009, a global recession hit consumer demand hard, and this was reflected in sales of Marimekko's product lines: clothing net sales were down 8.1%, interior decoration 13.4% and bags 8.5%. The trend in sales varied from country to country. Sales of all product lines fell in Finland, North America and the market area referred to as "other Nordic countries", where the downturn in net sales was affected not only by a decrease in sales volumes but also by depreciation in the Swedish currency (roughly 20%) and the considerable royalty earnings which accrued during the second quarter of 2008. In the market area referred to as "the rest of Europe", only sales of interior decoration products fell; growth in the sales of clothing and bags was attributable to the transfer of the Marimekko shop in London to Marimekko's ownership. In Japan, sales of all product lines grew well. The increase was due principally to new concept stores, five of which were opened during the year. The breakdown of the Marimekko Group's net sales in 2009 by product line was as follows: clothing 37.9%, interior decoration 45.1% and bags 17.0%.





CLOTHING

The distinguishing features of Marimekko clothing are simplicity and individuality. The collections include a variety of alternatives for leisure, work and special occasions alike. The multiple-use garments are rounded out by a growing selection of accessories, like scarves, headwear, jewellery and shoes.

Of central importance to the operations of the clothing product line in 2009 was the development of processes related to quality and procurement. Closer attention was paid to choices of materials, and the organisation was updated by measures including a review of job descriptions and vocational skills. In product development, the main thrust was on improving the fit of the garments; a new, standardised size and measurement table was introduced, one that matches international standards. Different kinds of experiments with materials were undertaken with the company's own textile printing factory. The aim is to harness the possibilities afforded by the printing factory on a broader front.

A new product group introduced to the collection in 2009 was jewellery. The amount of other accessories was also increased; for example, the knitwear range designed by Piia Rinne and Noora Niinikoski, inspired by Marimekko's strong floral patterns, also included a great variety of accessories. The duo received the Newcomer of the Year award for the range at Finland's first Elle Style Awards gala in April.

In 2010, the development of the procurement network continues. Collaboration is being intensified between the purchasing organisation, design and product development to identify the best procurement channels for various products. Corporate social responsibility is being integrated more firmly into the working of the entire product line.

The spring will see the launch of Marimekko's first children's wear, for which the cotton production process meets the requirements of the Global Organic Textile Standard (GOTS). Clothing and other products designed for children are another area, in addition to accessories, in which it is intended to invest in the next few years.

In addition to garments designed by Ritva Falla, Samu-Jussi Koski, Mika Piirainen and the Rinne Niinikoski duo, Marimekko's spring and summer 2010 collections include two new product categories: Julia Lundsten's shoe range and the swimwear for adults and children designed by Anu Susi. Shoes by Julia Lundsten are also featured in the autumn collection. In July, new jewellery designed by Kaisli Kiuru, partly made with Marimekko's printed fabrics, will hit the shops.

Familiar names among the clothing designers of the autumn and winter 2010/11 collection are Mika Piirainen and Noora Niinikoski. The team is reinforced with the fresh, international young talents Nora Iknadossian, Derek Lawlor, Joanna Vanderpuije and Chary Westberg, all of whom bring their own fascinating interpretations of Marimekko, like many other foreign designers before them. The themes of the collection are the colour blue and return to the roots – the hundreds of shades of blue found in Finnish and Scandinavian nature as well as classic Marimekko prints have been the source of inspiration for the new designers from abroad, too. The number of single-colour garments has been somewhat increased so that the clothing in the collection can be more easily used to build a variety of ensembles.

[redacted]

Marimekko's spring line delights children with sunny colours and fun patterns.

[redacted]

Julia Lundsten has designed for Marimekko's spring 2010 collection a delicious range of shoes, perfect heels and slender ballerinas. A graduate of the famed Royal College of Art in London and twice winner of the prestigious Manolo Blahnik award, Lundsten is considered one of today's most promising shoe designers.

INTERIOR DECORATION

In addition to fabrics produced in the company's own textile printing factory, Marimekko's interior decoration line offers a wide range of products for the home, including bathroom textiles, bedclothes, seats and cushions, dishware and other kitchen and tabletop products. Also available are flame-retardant Trevira CS fabrics designed for public areas.

In 2009, the interior decoration line concentrated on product development with the goal of bringing in-house product design up to speed with Marimekko's strong pattern design. This goal was achieved: autumn saw the launch of the Oiva tableware designed by Sami Ruotsalainen, and this was given an excellent welcome both in Finland and abroad. The dishware attracted consumers of all ages and it performed exceptionally well in terms of sales. The first patterns for the dishes were designed by Maija Louekari; during spring this year, the array of patterns will be augmented with Unikko and other Marimekko classics. Oiva tableware is also produced in single colours. Among the most interesting new textile products launched during the year were Sami Ruotsalainen's design for a single-colour, organic cotton kitchen textile set and a woollen blanket designed by Pirkko Heikkilä.

In 2010, the good start to the development of product design will be followed up. Spring will see the launch of the acrylic Lumme containers designed by Mikko Laakkonen, winner of the Young Designer of the Year award in 2009. The autumn collection will include canvas storage boxes with sturdy carrying handles, designed by Sami Ruotsalainen. The collaboration with Mikko Laakkonen will continue in the autumn with the launch of his design for the humorous Polku coat rack, which is just as well suited to the children's room as to public spaces that need a little extra something. Other interesting new items include cushions designed by Piia Rinne and Noora Niinikoski and produced in South Africa by a traditional rug-hooking technique. The cushions are made by unemployed people in the Cape Town area, and the material for them is waste fabric from local jersey manufacturing.

Marimekko's strong and versatile pattern design team includes well-known, experienced names and young talents alike. Excellent, close collaboration between designers of different ages and diverse styles gives the collections both continuity and new, striking design to take the world by surprise. In 2010, Marimekko's interior decoration collections have printed patterns by the following designers: Iiro A. Ahokas, Anna Danielsson, Vuokko Eskolin-Nurmesniemi, Erja Hirvi, Pia Holm, Fujiwo Ishimoto, Kristina Isola, Maija Isola, Harri Koskinen, Maija Louekari, Aino-Maija Metsola, Teresa Moorhouse, Tanja Orsjoki, Heikki Orvola, Piia Rinne & Noora Niinikoski, Sanna Annukka, Ilkka Suppanen, Oiva Toikka, Jenni Tuominen, Katsuji Wakisaka and Miina Äkkijyrkkä.

Sami Ruotsalainen's designs for the unpretentious Oiva tableware invite you to enjoy good company around the table. Every day, and on every occasion. Year after year. The mugs, bowls and plates in different patterns with their matching tablecloths and napkins can be combined according to personal taste to create a variety of attractive table settings. »

Lumme by Mikko Laakkonen – a container like a flower with overlapping petals.

The Kukka cushion designed by the Rinne Niinikoski duo has been made in South Africa using a traditional rug-hooking technique.

BAGS

Both small and large objects can find protection for storage or transport in Marimekko's bag collection: purses, wallets, clutches, shoulder bags, backpacks or good, honest tote bags. The famous classics in durable cotton canvas are the cornerstone of the collection, augmented by seasonal launches, new products that link in with Marimekko's clothing collections. The colours and patterns of the cosmetic bags are designed to go with Marimekko's terry and duvet cover collections.

Bags are a product group attracting an extremely wide customer base, and Marimekko sees a great deal of unexploited potential there. In 2009, the focus of the development of the line was on quality and on streamlining production. Demand for the ever-popular fabric purses has grown steadily, and towards the end of the year the manufacturing capacity for these was increased at Marimekko's factory in Kitee. Of the new market launches during the year, the most attention was gained by the spring debut of the Mari's New Bags collection designed by Virva Launo.

In work on the bag line, product development and improvement to the procurement processes will continue to be emphasised during the current year. In order to maintain the interest of the customers, it is also necessary to update classics and other ongoing collections. Ristomatti Ratia has designed for the autumn season 2010 a series of new canvas bags which have the wherewithal to become tomorrow's Marimekko classics. The new bags are made in Marimekko's own factory in Sulkava, like most of today's classic bags. Virva Launo has adapted Maija Louekari's Onneli pattern for her Mari's New Bags collection, which will also be augmented by a couple of new models for the autumn. In addition, the 2010 collections include bags designed by Samu-Jussi Koski, Mika Piirainen and the Rinne Niinikoski duo.

[redacted]

Perhaps the best-loved of all Marimekko's popular classic bags is Olkalaukku designed by Ristomatti Ratia in 1971.

[redacted]

The Rinne Niinikoski duo's individual Kesäkukka pattern blooms on new bag models in the spring 2010 collection.

LICENSED PRODUCTS

Marimekko-patterned products are also made under licence in different countries. Licensing has been an established part of Marimekko's business since the 1960s. It is an excellent way to round out Marimekko's lifestyle concept with the kind of products for which the company itself does not have enough manufacturing expertise or through which Marimekko gains access to wider distribution channels. Licensing partnerships also offer excellent opportunities for networking with known brands possessing the same set of values, to reach new and desirable customer groups, and to attain widespread international visibility. Thanks to the high profile and appreciation of Marimekko's distinctive pattern design, big-name Finnish and international companies have constantly been attracted to collaboration with Marimekko.

In 2009, Marimekko had licensing business in the Netherlands, Italy, Finland, Denmark and the United States. The Italian company Sirpi S.p.A.'s Marimekko wallpaper range was a new launch during the year; the wallpaper hit the shops across the world during the spring. In addition to wallpaper, Marimekko patterns have been licensed for – to take a few examples – beanbag chairs, lampshades, various paper products, rain accessories and cosmetics.

During the current year, licensing continues in the well-established way. It is a prerequisite for new licensed products that they generate added value for Marimekko in terms of both sales and image. The products must fit in naturally with Marimekko's lifestyle concept and their distribution must follow the policy of Marimekko's own distribution routes.

Through its licensing collaboration with Sirpi S.p.A., Marimekko reaches new target groups in both contract and home furnishings markets. »

Sales and stores

BY WHOLESALE, BY RETAIL, JOINTLY PROVIDING THE BEST OF SERVICE

Marimekko's distribution network is comprised of the company's own retail shops, concept stores selling exclusively Marimekko products and owned by independent retailers, and other dealers, including both specialist shops and department stores. The aim is a more coherent network in terms of both looks and operating methods, which will underpin the Marimekko brand in all distribution channels. Profitable growth will not be sought so much by expanding the network as by streamlining operations and by deepening collaboration between the different channels. In expanding the distribution network, the main thrust will be on opening concept stores in areas in which Marimekko is already known.

Marimekko's new retail store concept has been developed by degrees. The functionality of the concept has been tested in pilot outlets since autumn 2008 and the experience gained has been used to reformulate the concept to make it more inspiring, for example. Of the latest stores opened based on the concept, those in Copenhagen, Tampere and Stockholm have yielded highly positive feedback. The development of the concept continues.

At the end of 2009, there were a total of 81 Marimekko stores in Finland and abroad, 26 of which were Marimekko's own shops and 55 of which were concept stores.

SALES IN FINLAND

In 2009, Marimekko's sales declined in Finland; net sales were down 10.9% to EUR 52.7 million. The downturn in net sales was influenced by a slump in demand due to weak market conditions, which impacted on wholesale in particular. According to a poll carried out by the Confederation of Finnish Industries EK in January 2010, conditions in the Finnish economy were still strikingly weak at the start of the present year, although a small recovery was visible in some sectors towards the end of 2009. The economic outlook for the trade sector is described as very bleak and expectations for the early months of 2010 are cautious.

Retail sales

At the end of 2009, Marimekko had 23 retail shops of its own in Finland. During the year, Marimekko's retail facilities were doubled at Helsinki-Vantaa airport, and the shops in Rovaniemi and at the Sokos department store in Tampere moved into new premises. In all shops, there was a focus on training the staff with the aim of enhancing expertise and improving service in a more active and personal direction than hitherto. Excellent product launches and the updated store concept attracted a new clientele to the shops. Special events held for loyal customers were successful, and another of the year's bright spots was a considerable increase in the purchases made by tourists. In 2009, the sales of Marimekko's own shops in Finland were down 1.4% on 2008. According to Statistics Finland, overall Finnish retail sales were down 2.6%.

A number of development projects for improving the profitability and operational efficiency of the retail shops are in hand, some of which will be carried out in 2010 and others in the longer term. The customer loyalty system and shop reporting systems are being updated, product ranges are being streamlined, and the personnel's skills are being expanded and diversified. Internationalisation and increased tourism have a twofold impact on retailing: on the one hand, competition is intensifying and the expectations and demands of globetrotting consumers increase as they have more points of comparison, and on the other hand higher numbers of tourists bring shops new customers, who report their favourable impressions when they get home. Consumers are also increasingly making choices on the basis of ethical and ecological aspects. The right values, expert and trustworthy service, and unique experiences are factors, in addition to desirable and qualitatively durable products, which will be essential for survival in tomorrow's retail trade.

The new Marimekko shop in Tampere has been built in an old, beautifully renovated bank in a very central location.

The refurbished and doubled in size Marimekko shop at Helsinki-Vantaa airport serves customers from all parts of the world with more experiences and more comprehensively than before. »

Sales and stores

Wholesale
Together with its own retail shops, Marimekko's dealer network reaches all the major urban communities in Finland. At the end of 2009, there were more than a hundred retailers in all, 22 of which were Marimekko concept stores. During the year, two new concept stores were opened, one in the Skanssi shopping centre in Turku and the other in the Elo shopping centre in Ylöjärvi.

Marimekko's sales to Finnish retailers fell by 13.9% in 2009. The downturn relative to the comparison year was partly due to deliveries for promotions, which in the previous year were considerably larger than in 2009. Because of the difficult economic conditions, the reorders placed by retailers were also down. Small shops in small towns performed better during the recession than larger stores, thanks to their individuality and loyal clientele. Selective distribution of new products, the Oiva tableware and the Mari's New Bags collection, enjoyed good success. Tableware was also sold for use in some cafés and restaurants, which will add valuable visibility for the new product group.

In developing the retailer network, the main thrust is on better management of existing customer relationships. During 2010, there will be no major changes in the dealer network. The main upgrade is an ordering system under development, which will make collaboration between Marimekko and the retailers more fluent.

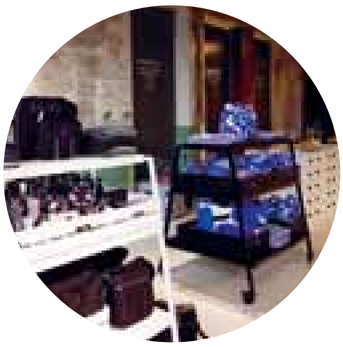
INTERNATIONAL SALES
Marimekko has subsidiaries and retail shops of its own outside Finland in London (UK), Stockholm (Sweden), and Frankfurt (Germany). The concept store in London became owned by Marimekko at the beginning of April 2009. The shop in Stockholm reopened in refurbished and extended form in October.

Marimekko exports its products to roughly 40 different countries. In the most important export countries apart from Sweden and Germany, sales are handled by a local agent or importer. In 2009, the biggest export countries were Japan, Sweden, the United States, Denmark and Germany. In addition to its own three retail shops, at the end of 2009 there were outside Finland a total of 33 Marimekko concept stores in seven different countries. The most comprehensive network, comprising 20 concept stores, was in Japan, where five new outlets were opened during the financial year. A new concept store was opened in Copenhagen city centre in July.

The downturn in consumer demand caused by the global recession eroded sales of Marimekko products in most of the export countries in 2009. Sales grew rapidly in Japan, mainly due to openings of new concept stores. All in all, Marimekko's exports and income from international operations declined by 9.9% to EUR 19.8 million. Exports and international operations generated 27.3% of the Group's net sales. Towards the end of the year, a slight recovery was visible in the export markets, but the expected change for the better failed to materialise.

Exports are forecast to grow slightly in 2010. Scandinavia, Japan and North America are still the main foci of Marimekko's international operations. The good success in Japan in recent years encourages the company to examine opportunities in other Asian countries as well. In spite of the difficult state of the global economy, the interest of foreign customers and the media in Marimekko design and the brand has continued to be very strong. During the current year, Marimekko will present its design and corporate philosophy at many interesting forums around the world. At the World Expo opening in Shanghai at the beginning of May, Marimekko will have an opportunity to showcase its design to tens of millions of people and gain valuable consumer feedback from the attractive and high-potential Chinese market.

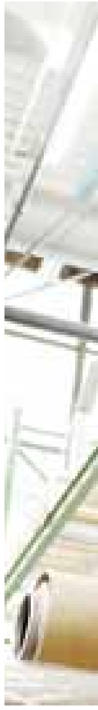
Shops employing the new concept in Copenhagen and Stockholm are boosting Marimekko's presence in the Scandinavian capitals.



A new store in Ginza, Tokyo's most famous shopping area, is the fifth Marimekko concept store in Tokyo. »

Production and sourcing

FLEXIBLY, EXPERTLY, RESPONSIBLY



Marimekko has three manufacturing plants of its own, all of which are in Finland: a textile printing factory in Helsinki, a sewing factory in Kitee and a bag factory in Sulkava. In-house production has the effect of conferring a considerable competitive edge, and it is very important for Marimekko to have its own manufacturing in Finland today and in the future. Of the products sold in 2009, nearly half were made in the company's own plants. A significant part of the domestic content of Marimekko's products is design and product development, which take place in Finland.

In 2009, the output of Marimekko's textile printing factory fell by 21%, caused by running down stocks and a downswing in sales. After an old printing machine was retired in June, manufacturing capacity diminished and was fully utilised. The production volume of the factory in Sulkava was on a par with the previous year's figure, while that of the Kitee factory declined slightly. At the end of the year, the competitiveness and operational profitability of the company's own production plants were boosted by changes in the manufacturing structure and by reductions in staff.

Marimekko products are made by subcontractors both in Finland and abroad. Finland is an important manufacturing country for Marimekko. The manufacturing location depends, however, on many factors, such as quantities, costs, and any special skills that the product requires. The most capable manufacturer is always the first choice for each product. Ethical and environmental perspectives are figured into the selection of the manufacturing location. The changes that have taken place in the product range have expanded Marimekko's supplier network, and the share of foreign procurement will continue to rise in the years ahead. Some of the biggest challenges to the management of the global supply chain are questions of transparency and responsibility. To increase the transparency of the manufacturing processes, all Marimekko products bear a country of origin label. As part of the development work on its international processes, Marimekko is a participant in the multidisciplinary GlobeNet globalisation research project, started in 2009 by Nordic universities and companies. The subjects of the research include the impacts of changes in the business environment on the manufacturing network. Marimekko's environmental and corporate social responsibility matters related to production and sourcing are reported in more detail on pages 28–32.

During the current year, Marimekko's own manufacturing plants are continuing to refine working methods as a part of product development. As business operations continue to internationalise, the development of production and sourcing will emphasise the maintenance of high quality standards as well as assuring product availability and adequate procurement skills.

The design philosophy
At Marimekko, the designer's mission is to create genuine, honest, distinctive and true-to-life design. Products and forms, patterns and colours that bring joy and beauty into people's everyday lives. Long-lasting experiences. In bold and original ways. Each one with faith and trust in his or her own vision.

From sketch to printed fabric
Designers don't have to realise their visions alone. They have the help and support of a host of specialised professionals for whom it is a point of honour to join the designer in finding the right, individual look and spirit for each product as well as the best possible technical solutions. For example, no new printed fabrics could be made without the talents behind the artwork studio, the colour lab, the screen-making shop and the printing machine, poised to make the designer's wildest notions a reality.

From fabric to dress
Marimekko does not define the way its fabrics are used; one and the same fabric can be seen as a curtain just as well as for clothing. And the same pattern can appear on a bag as on a plate. In the wide product range, patterns can live a rich and varied life.

Personnel

SKILLED, CREATIVE, COMMITTED

During 2009, the Marimekko Group employed an average of 400 people, of whom 275 were salaried and 125 non-salaried employees. At the end of the financial year, the Group's payroll numbered 370, including 17 employees outside Finland. Of the personnel, 91% were women and 9% men. The average age of employees was 41 years. The personnel turnover rate was 7.8% for joining and 20.0% for leaving. A total of 7 employees retired.

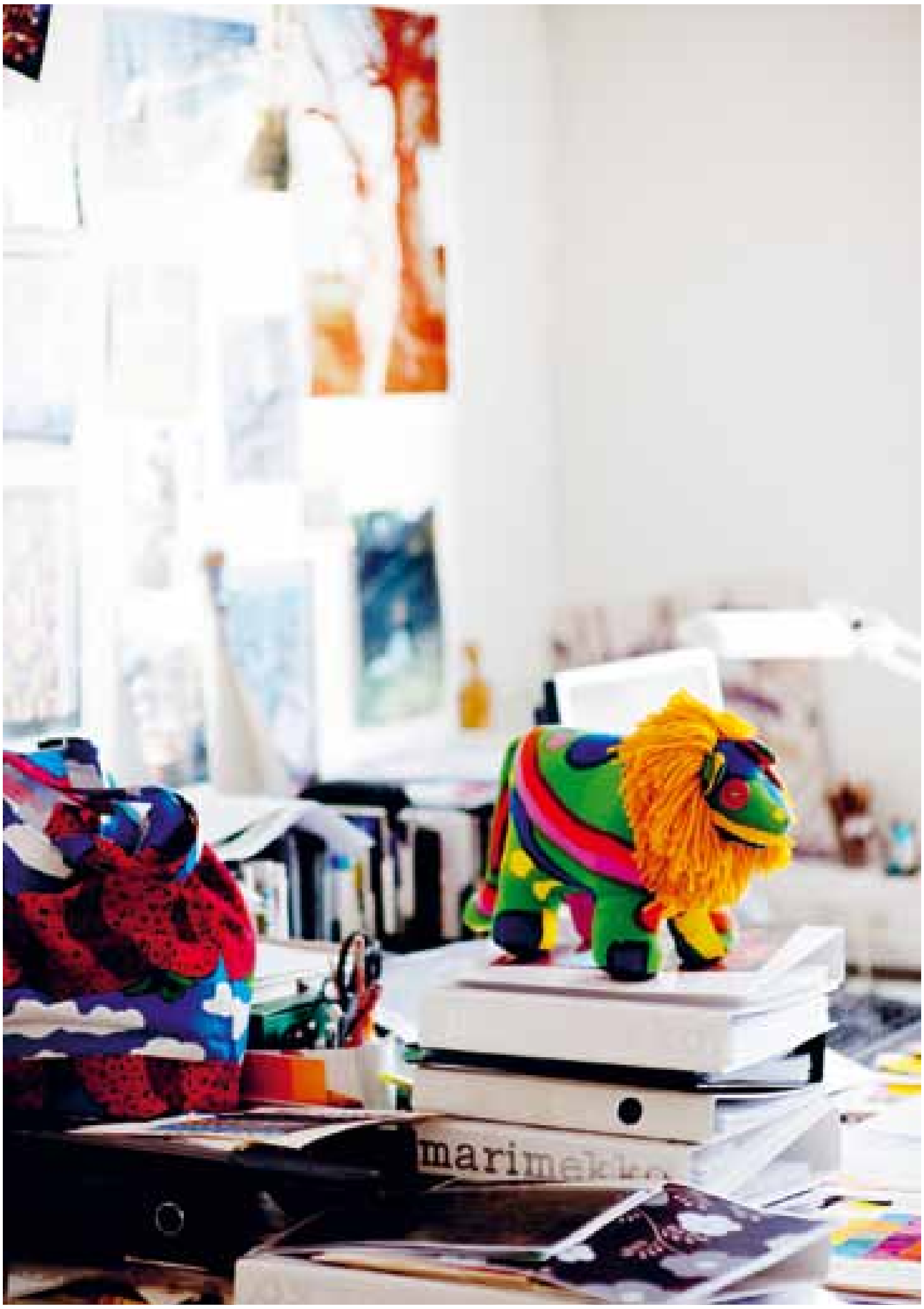
In 2009, Marimekko engaged in Group-wide statutory employer-employee negotiations concerning possible lay-offs and permanent reductions in personnel in Finland. As a result of the negotiations, operations were streamlined and functions were reorganised, which led to the elimination of 35 posts. At the same time, the company had a need for eight additional posts; these were filled, as far as possible, by in-house transfers. The lay-offs were rejected.

The internationalisation of Marimekko's business operations sets new demands and requires the personnel to possess new kinds of more specialised expertise. During 2009, Marimekko trained its personnel on a broad front. An extensive sales training programme launched in autumn 2008 and leading to a qualification continued; part of the team also attended training in management. Manufacturing personnel took part in taking specialist qualifications in various fields. Training related to responsible product design and procurement was held for designers and purchasing personnel. At Marimekko, mentoring has always played a very important role in accumulating specialised skills in the sector; a profession is learned and skills are enhanced with the guidance and support of a more experienced co-worker.

Marimekko is widely seen as an attractive workplace, which is a great advantage when the company is looking for skilled new personnel. Close collaboration with educational institutions in various fields is one good way to recruit skilled employees. Marimekko is highly popular as a place for on-the-job training among both Finnish and foreign students. In particular, students from international universities of design are keen to apply for designer apprenticeships at Marimekko. At the WorldSkills 2009 world championships in young people's vocational skills held in Canada, the silver medal in the fashion and clothing category was won by a Finnish student who had been trained by Marimekko.

Marimekko monitors and actively works towards enhancing occupational safety and well-being at work in cooperation with the workplace safety committee and occupational healthcare. The company purchases occupational healthcare services from external clinics or local healthcare centres. Occupational healthcare focuses on preventive healthcare and monitoring both individual fitness for work and the well-being of the working community as a whole. During 2009, Marimekko's personnel absenteeism based on theoretical regular working hours was 7.8% for the entire Group. The workplace safety committee investigates occupational safety and employee well-being issues, provides guidance and organises training. In 2009, a number of ergonomic surveys were carried out and the company continued the ASKELMA assessment and training programme related to the management of occupational safety risks.

At Marimekko's premises in Helsinki, work is done in a sewing workshop, printing factory, warehouse… A colourful lion guards designer Mika Piirainen's workroom. »



Corporate social responsibility

An increasing number of consumers assess the ecological and ethical quality of the product when making their purchase. The product has to have a purpose and a meaning – consumption without need is not acceptable or desirable. Durability has become a key indicator of a product's ecological quality. Marimekko firmly believes that when choosing a Marimekko product the consumer makes an ecologically sustainable purchase: a well-designed, timeless, high-quality and functional product brings long-lasting joy to the owner; it will not be discarded immediately when fashion changes. At its best, the affection is for life.

In 2009, Marimekko paid special attention to training its personnel in social responsibility matters. The training organised for designers and other personnel working in product development dealt with such issues as the environmental impact of materials and their recyclability, as well as issues related to the lifecycle of products. In the training for purchasing personnel, the main themes were quality, the environment and social responsibility. Shop personnel, in turn, received training on the materials and origin of products in order to be better able to serve customers interested in these issues.

Marimekko has identified sourcing, design, production and quality control, as well as warehousing, distribution and logistics as the current areas of emphasis for the development of social responsibility. The key one of these is the sourcing process where the largest challenges are related to the management and transparency of the supply chain. The company continuously develops the availability of its main products and alternative supply channels, the operational efficiency of the procurement activities and the expertise of the purchasing personnel.

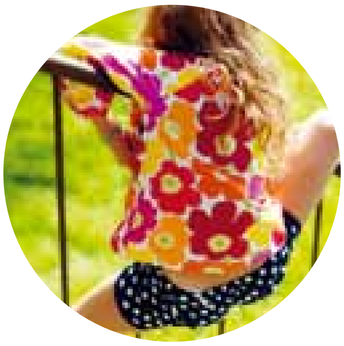
The objective set for Marimekko's social responsibility, based on shared values and goals, is its incorporation into all of the company's activities. The general principles of social responsibility, reflecting the commitment of the top management and the company's values, are available on the company's website under Marimekko Corporation / Social Responsibility. A social responsibility steering group monitors and coordinates the implementation of the principles and reports the results to the Board of Directors at least once a year. Business units and functions are responsible for accountability, supervision, information collection and reporting concerning their own area. The company encourages its employees to adopt responsible working practices. Shouldering this responsibility is supported by a social responsibility training and development programme and internal instructions.

In its social responsibility reporting, Marimekko applies the G3 guidelines of the Global Reporting Initiative (GRI). Reporting complies with the division into financial, social and environmental responsibility as provided in the guidelines. Marimekko regards compliance with laws and regulations and responding to the expectations of its key stakeholders as the essential principles. The company's key stakeholders are the customers, personnel, shareholders, partners and the media. The company aims to have the social responsibility section in its Annual Report verified by an external party within the next three years.

FINANCIAL RESPONSIBILITY

Achieving a good financial result by responsible means is becoming increasingly important to all of the company's stakeholders. Responsible practices help to ensure the company's competitiveness and long-term profitability. By keeping its finances on a solid foundation, the company can provide steady

During the spring, Marimekko will introduce its first children's clothes where the production process of the cotton used meets the requirements of the Global Organic Textile Standard (GOTS).



The production of Marimekko's new cushions, designed by Piia Rinne and Noora Niinikoski, is organised by a Cape Town cooperative, Mielie. Unemployed people in the area make the cushions by hand using a traditional rug-hooking technique. The material used is waste fabric from local jersey production.

Corporate social responsibility

returns to its shareholders and fulfil its obligations as a responsible company and employer. Marimekko has set clear financial objectives for its business operations. The financial responsibility indicators are associated with profitability and competitiveness and response to the owners' profit expectations. The key figures are presented on page 8, the financial objectives and their achievement on page 13. The company's dividend policy is described in more detail on page 87.

Marimekko's operations generate financial well-being for a number stakeholder groups both in Finland and abroad. The company's operations also have an indirect employment impact: in 2009, the share of materials, supplies and services purchased from Finnish and international suppliers amounted to 56.3% of Marimekko's net sales. Salaries, wages and bonuses paid to Marimekko's own personnel amounted to EUR 15.0 million, representing 20.7% of net sales. Dividends to a total of EUR 4,422,000 were paid to shareholders for 2008; the Board of Directors' proposal for dividends for the financial year 2009 is EUR 3,618,000. Taxes and social security expenses amounted to EUR 6.8 million, representing 9.4% of net sales.

SOCIAL RESPONSIBILITY AND SUSTAINABLE SOURCING

Social responsibility includes caring for the well-being of Marimekko's personnel and requiring the company's partners to be socially responsible. Information on Marimekko's personnel is given on page 26. Marimekko has three production plants of its own, all located in Finland: a textile printing factory in Helsinki, a sewing factory in Kitee and a bag factory in Sulkava. In-house production has the effect of conferring a considerable competitive edge, and it is very important for Marimekko to have its own manufacturing in Finland today and in the future.

Of the products sold in 2009, nearly half were manufactured in Marimekko's own factories. The share of in-house production has diminished over the past few years, and Marimekko uses subcontractors to an increasing extent for manufacturing its products. Changes in the product range will also be reflected in the supplier pool. Subcontracted Marimekko products are manufactured both in Finland and abroad. A number of factors, such as production volumes, manufacturing costs and any special expertise required, influence the choice of manufacturing location. The most competent manufacturer is the primary choice for each product, and the starting point is that new partners are committed to the unified Marimekko practice from the beginning. In 2009, the value of subcontracted goods and services amounted to EUR 16.7 million. The geographical breakdown of subcontracting was as follows: Finland 29.4%, other EU countries 57.4%, and non-EU countries 13.2%. All Marimekko products carry a country of origin label to enhance transparency in the production processes.

Whenever possible, Marimekko aims to use certified suppliers with valid standards or certificates that are internationally recognised or important in Marimekko's branch of business. These include the ISO 9000 and ISO 14000 standards, the Social Accountability SA 8000 standard, the Öko-Tex Standard 100 certificate and the Business Social Compliance Initiative (BSCI) monitoring system. Of these, the ISO 9000 and ISO 14000 standards and the Öko-Tex Standard 100 are the most common in Marimekko's supplier companies. The validity of the standards and certificates of Marimekko's suppliers and their products is verified and the origin of raw materials as well as production conditions are regularly monitored. In accordance with objectives, cooperation agreements were reviewed and updated in 2009. In the agreements, the parties commit themselves to adhering to internationally recognised social and ethical norms. Sourcing agreements require partners to follow the fundamental rules laid down by the ILO. They relate to forced labour, freedom of association, promotion of employment, social security, discrimination, minimum age and working conditions. Marimekko, or its authorised representative, has the right to check compliance with the agreed processes and the ILO's fundamental rules. Furthermore, Marimekko has the right to require a partner to correct any detected shortcomings. Suppliers must also be able to ensure that their respective subcontractors operate in a responsible manner.

The impact of globalisation on Marimekko's business will increase further, continuously bringing up new challenges for the operations. Because of the complexity of supply chains, Marimekko cannot guarantee that the operating models of all suppliers in its supply chains fully meet the company's requirements. The management of the supply chain is one of the focus areas for Marimekko's development work concerning social responsibility. In the long term, the goal is to enhance transparency throughout the supply chain, minimise the risks associated with procurement and further improve the management of supplier relationships. With regard to these efforts, a sufficient exchange of information and open dialogue with the various suppliers are of primary importance. In 2009, Marimekko organised training for its purchasing personnel in quality, environmental and social responsibility issues. As part of the development of its sourcing process, Marimekko participates in the multidisciplinary GlobeNet globalisation research project for Nordic universities and companies, launched in 2009. The subjects of the research include the impacts of changes in the business environment on the production network.

PRODUCT SAFETY AND ECOLOGY

A well-designed, high-quality and functional product gives long-lasting joy to its owner, and is thus a sustainable choice. In 2009, Marimekko's designers and other personnel working in product development received training in such issues as the environmental impact of materials and their recyclability, as well as issues related to the lifecycle of products.

Marimekko bed linen and terry cloth products, almost all fabrics printed in the Herttoniemi textile printing factory, as well as several clothing materials and knits have been granted the Öko-Tex Standard 100 certificate, which guarantees that the products do not contain any substances that are hazardous to people or to the environment. The Öko-Tex standard has four levels: I baby clothes, II clothes worn next to the skin, III other clothes and IV other textile products. Level I has the strictest requirements. Marimekko products comply with level I or II Öko-Tex standards.

During this spring, Marimekko will introduce its first children's clothes where the production process of the cotton used meets the requirements of the Global Organic Textile Standard (GOTS). Marimekko's product range also includes organic cotton terry cloth products and bed linen. Organic cotton is grown without any environmentally harmful pesticides or fertilisers. Its production process is certified, and the origin of the cotton is traceable. In general, the cotton production chain is wide, complex and difficult to trace. The objective is to increase the proportion of products manufactured from organic materials in Marimekko's product range. Interesting new products for spring 2010 include cushions designed by Piia Rinne and Noora Niinikoski and produced in South Africa by a traditional rug-hooking technique. The cushions are made by unemployed women in the Cape Town area, and the material for them is waste fabric from local jersey production.

As the proportion of subcontracting increases, quality control is becoming more and more important. As new collections are being compiled, Marimekko's in-house quality control team tests materials and product structures during the various stages of the process. The compilation of a comprehensive set of quality criteria was completed in 2009, providing Marimekko with a practical tool for instructing its subcontractors and other partners and further improving the quality and safety of its products.

The challenges related to the ecological nature of products are regarded as a common cause in Marimekko's branch of business. In order to obtain more information and share views about responsibility issues with other companies, Marimekko takes part in the Nordic Initiative Clean and Ethical (NICE) project coordinated by the Nordic Fashion Association. The goal of NICE is to contribute to the development of Nordic fashion companies into even more responsible actors. Several well-known companies are involved in the project.

THE ENVIRONMENT

Caring for the environment and nature is an integral aspect of Marimekko's business. Environmental impacts are taken into consideration in the choice of raw materials, chemicals and working methods. The materials used in the products are tested regularly. Agreements require subcontractors and other partners to commit themselves to shouldering their environmental responsibilities. In relation to the EU's REACH Regulation (a regulation on the registration, evaluation, authorisation and restriction of chemical substances), Marimekko is a downstream user who does not have the obligation to register. All substances used at the Herttoniemi textile printing factory have been pre-registered. As an importer of articles from outside the EU, Marimekko is, under certain conditions, obliged to inform the European Chemicals Agency and downstream users if a product imported by it contains a specified amount of a substance causing specific concern. The most important environmental aspects of Marimekko's operations are related to energy and water consumption and waste.

Marimekko seeks to save energy by developing its production methods, investing in energy-efficient machinery and equipment, and monitoring energy consumption. A significant part of the machinery and equipment at the Herttoniemi textile printing factory were replaced in 2004–2008, including a new printing machine, screen-making equipment, textile steamer, automatic colour kitchen, stenter frame and new fabric inspection machines. Thanks to a waste heat recovery system at the Herttoniemi textile printing factory, most of the heat released during production can be used to heat the production premises. In manufacturing, direct natural gas heating is used in process heat production. In 2009, power consumption in Marimekko's Herttoniemi textile printing factory and property was 2,275 MWh, heating energy consumption was 2,392 MWh and natural gas consumption was 4,121 MWh. Water consumption was 28,501 m^3. Water consumption is minimised in the printing process by recycling water whenever possible.

Marimekko's production processes do not generate any waste that is classified as hazardous or detrimental to health. The amount of mixed waste is minimised by sorting and recycling. The recovery of packaging is arranged in accordance with the EU packaging directive. The ecological aspects of product packaging are becoming increasingly important at Marimekko.

The company has identified warehousing, distribution and logistics as one of the key areas in the development of social responsibility in the next few years. In the long term, the goal is to minimise the transport mileage. The first step will be to reduce transportation between Marimekko's factories and subcontractors. So far, the realisation of this objective cannot be monitored sufficiently precisely, as the organisation of reporting related to transport mileage is in progress.

ACTIVITIES IN THE LOCAL COMMUNITY

Marimekko primarily sponsors activities that are non-profit making or closely related to Marimekko's business operations. In 2009, Marimekko participated in the Pink Ribbon campaign for the third year running. The campaign involved a variety of fund-raising activities for breast cancer awareness in more than 40 countries. Marimekko took part in the campaign both in Finland and in the United States. In Finland, Marimekko donated part of the returns from the sales of two specially designed products – the new Tasaraita shirt with pink stripes and the pink Unikko reflector familiar from the previous years – to the Finnish Cancer Foundation's Pink Ribbon fund. In the United States, Marimekko participated in the campaign by designing an Unikko-patterned shoulder bag for Avon Products Inc. The net profits from the sales of the bag were donated in their entirety for the benefit of breast cancer patients. During the year, Marimekko also sponsored the activities of Plan Finland and the Association of Friends of the University Children's Hospitals in Finland.

1) The Board of Directors' proposal to the Annual General Meeting.
2) Applies to the Herttoniemi textile printing factory and property.
3) The figure of 3,780 MWh indicated in the Annual Report 2008 was erroneous.
4) Calculated on theoretical regular working hours.
5) Includes investments in preventive healthcare and medical care; applies to Marimekko personnel in Finland.
6) Excluding salaries paid for training days; applies to Marimekko personnel in Finland.

KEY FIGURES FOR CORPORATE SOCIAL RESPONSIBILITY

Financial responsibility indicators	2009	2008
Net sales, EUR 1,000	**72,473**	81,107
Profit before taxes, EUR 1,000	**6,354**	9,964
Return on investment (ROI), %	**20.1**	32.3
Dividends paid, EUR 1,000	**3,618**[1]	4,422
Gross investments, EUR 1,000	**1,202**	1,362
Equity ratio, %	**77.7**	78.7
Salaries, wages and bonuses paid to personnel, EUR 1,000	**15,026**	14,881
Payroll taxes and social security contributions, EUR 1,000	**6,823**	7,402
Income taxes, EUR 1,000	**1,653**	2,586
Purchases from suppliers	**40,795**	48,836

Environmental responsibility indicators	2009	2008
Power consumption[2], MWh	**2,275**	2,419
Heating energy consumption[2], MWh	**2,392**	2,979
Natural gas consumption[2], MWh	**4,121**	5,139[3]
Water consumption[2], m^3	**28,501**	37,002
Sourcing		
ISO 14000 certified suppliers	**17**	15

Social responsibility indicators	2009	2008
Average number of employees	**400**	411
Salaried	**275**	274
Non-salaried	**125**	137
Personnel turnover rate, employees		
New	**29**	57
Leaving	**67**	51
Retired	**7**	6
Joining turnover rate of personnel, %	**7.8**	13.8
Leaving turnover rate of personnel, %	**20.0**	13.8
Average age of employees, years	**41**	40
Employees		
Women, %	**91.1**	90.3
Men, %	**8.9**	9.7
Members of the Board of Directors		
Women, %	**20.0**	20.0
Men, %	**80.0**	80.0
Members of the Management Group		
Women, %	**71.4**	77.8
Men, %	**28.6**	22.2
Sick leave absences[4], %	**7.8**	5.4
Healthcare expenses/person[5], EUR	**352**	365
Training expenses/person[6], EUR	**339**	316
Responsible procurement		
SA 8000 certified suppliers	**7**	6
BSCI audited suppliers	**5**	5

Corporate Governance

Applicable provisions
Marimekko Corporation is a Finnish public limited company, which applies the Finnish Companies Act, other regulations concerning public listed companies, Marimekko Corporation's Articles of Association and NASDAQ OMX Helsinki Ltd's rules and regulations in its decision-making and administration. Marimekko Corporation also complies with the Finnish Corporate Governance Code for listed companies, effective as of 1 January 2009, in accordance with the 'comply or explain' principle.

Group Structure
The Marimekko Group comprises Marimekko Corporation and its subsidiaries. The company's registered office is in Helsinki, Finland.

GENERAL MEETING
Shareholders exercise the highest decision-making authority in Marimekko Corporation through the General Meeting. General Meetings are either Annual General Meetings or Extraordinary General Meetings. The Annual General Meeting shall be held every year within six (6) months of the close of the financial year on the day set by the Board of Directors. Extraordinary General Meetings are convened when necessary. According to the Companies Act, an Extraordinary General Meeting must be held when the Board of Directors considers it advisable or when shareholders representing at least one-tenth of the company's shares request in writing that a meeting be held to deliberate on a specified matter. Shareholders have the right to have items included on the agenda of the General Meeting, provided they present their demand in writing to the Board of Directors well in advance, so that the item can be included in the Notice of Meeting.

The Annual General Meeting deliberates on matters set out in Article 10 of the Articles of Association as being the business of Annual General Meetings, and other proposals, if any, made to the General Meeting. The company's Board of Directors prepares the agenda for the meeting. In accordance with the Finnish Companies Act, the Annual General Meeting takes decisions on matters such as:
- adopting the financial statements
- the distribution of profit
- the number of Board members, their election and remuneration
- the number of auditors, their election and remuneration
- amendments to the Articles of Association.

Convening a General Meeting
Shareholders are invited to the General Meeting through a Notice of the General Meeting published on the company's website not earlier than two (2) months and not later than twenty-one (21) days before the meeting. In addition, the Board of Directors may decide to publish the Notice of the General Meeting in one or more newspapers. The Notice of the General Meeting and the Board's proposals to the General Meeting are also published in a stock exchange release.

The following information is also made available on the company's website at least twenty-one (21) days before the General Meeting:
- the total number of shares and voting rights on the day of the Notice
- the documents to be presented to the General Meeting
- proposals by the Board of Directors
- matters included on the agenda for the General Meeting, but concerning which no resolution is proposed to be adopted.

Right to attend a General Meeting
Shareholders registered in the Shareholder Register, maintained by Euroclear Finland Ltd, on the record date notified separately by the company have the right to attend a General Meeting. Shareholders wishing to attend the General Meeting must inform the company of their intention to do so by the deadline specified in the Notice of Meeting. Shareholders may attend the meeting themselves or through a representative by proxy, who must present a power of attorney or other reliable proof of their authority to represent the shareholder.

Shareholders can exercise their right to speak and to vote at a General Meeting. Shareholders are entitled to the total number of votes conferred by their shareholding as on the record date. One share confers one vote in all matters addressed at the General Meeting. Decisions are made by a simple or qualified majority of votes as provided by law and the Articles of Association.

Record of proceedings at General Meetings
The company prepares minutes of the General Meeting, which, together with voting results and appendices to the minutes, are made available to the shareholders on the company's website within two (2) weeks of the General Meeting. The company also announces any decisions taken at the General Meeting in a stock exchange release issued promptly after the meeting.

Presence of administrative bodies at a General Meeting
The company expects all of the members of the Board of Directors and the President to be present at the Annual General Meeting if possible. Candidates up for election to the Board for the first time should be present at the meeting in which the election is held, unless their absence is unavoidable due to particularly compelling reasons. The company's auditor also attends the General Meetings.

Corporate Governance

BOARD OF DIRECTORS

Composition and term of office

The members of Marimekko Corporation's Board of Directors are elected at the Annual General Meeting. The term of office of the Board of Directors expires at the close of the Annual General Meeting following their election. According to the Articles of Association, the Board of Directors comprises a minimum of four (4) and a maximum of seven (7) ordinary members. The number of Marimekko Corporation's Board members is set in proportion to the company's size. The Articles of Association do not set an upper age limit for Board members, restrict the number of their terms of office or in any other way restrict the General Meeting's authority in the election of Board members. There is no particular order governing the appointment of Board members. The Board of Directors elects a Chairman from amongst its members. The company's President cannot be elected to serve as the Chairman of the Board of Directors.

Members of the Board of Directors

Marimekko Corporation's Annual General Meeting held on 8 April 2009 elected five members to the Board of Directors for a term beginning on 8 April 2009 and ending at the close of the 2010 Annual General Meeting. Ami Hasan, Mika Ihamuotila, Joakim Karske, Pekka Lundmark, and Tarja Pääkkönen were re-elected as members of the Board of Directors. At its constitutive 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 Board members are presented on page 41 and on the company's website under Marimekko Corporation/Administration & Auditors. The up-to-date information about the board members' shareholdings in the company is available on the company's website under Investors/Share Information/Shareholders/Insiders.

Independence evaluation

The Corporate Governance Code states that the majority of Board members shall be independent of the company. A person without any significant connection to the company other than Board membership is considered independent of the company. In addition, at least two (2) of the directors representing this majority shall be independent of significant shareholders of the company. The Board evaluates the independence of its members annually. Among the members of Marimekko Corporation's Board of Directors, Ami Hasan, Joakim Karske, Pekka Lundmark and Tarja Pääkkönen are independent of the company and its significant shareholders. Mika Ihamuotila assumed the position of President of Marimekko Corporation in 2008. Muotitila Ltd, a company controlled by Mr Ihamuotila, holds 13% of Marimekko Corporation's shares and voting rights.

Duties and responsibilities of the Board of Directors

The Board of Directors is responsible for the proper organisation of the company's administration, operations, accounting and asset management. In addition to the duties specified in the Finnish Companies Act and the Articles of Association, the written rules of procedure adopted by the Board contain further provisions concerning the Board's operating principles and principal duties. The Board reviews and confirms the rules of procedure annually at its constitutive meeting, held following the Annual General Meeting. The Board reviews all matters that are significant to or that have long-term effects on the company's business operations. According to the rules of procedure, the Board addresses issues such as the following:

- specifying and confirming strategic objectives and policies for the Group and the various business areas
- reviewing and confirming operating plans and budgets for the Group and the various business areas
- reviewing and approving interim reports, the consolidated financial statements and the Report of the Board of Directors
- expanding and downsizing business operations
- considering mergers, acquisitions and demergers and restructuring arrangements
- deciding on investments and the acquisition and sale of assets that are either strategically or financially significant
- deciding on financial policy and contingent liabilities related to financing arrangements
- approving the Group's reporting, risk management procedures and internal control procedures and audit and control systems
- approving the audit plan
- appointing the company's President and the members of the Management Group and deciding on their remuneration
- providing instructions for the President.

Since Marimekko does not have a separate audit committee, the Board of Directors is also responsible for the duties of an audit committee. These include the following:

- monitoring the reporting process of financial statements
- supervising the financial reporting process
- monitoring the efficiency of the company's internal control and internal audit, if applicable, and risk management systems
- reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate

governance statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- evaluating the independence of the statutory auditor or audit firm and especially the related services offered to the company
- preparation of the proposal for resolution on the election of the auditor.

Meeting procedures and decision-making
The Board of Directors convenes six times a year on average. The Chairman of the Board is responsible for convening and chairing Board meetings. The Board has not assigned responsibility for monitoring any particular aspects of the business to individual Board members. The Board evaluates its performance annually each January under the direction of the Chairman. In 2009, the Board convened eleven times. The Board members' attendance rate at meetings was 100%.

Committees
Considering the nature and extent of the company's business, Marimekko's Board of Directors has not found it necessary to establish separate committees. The company's Board, therefore, manages the tasks that would belong to the audit committee.

MANAGEMENT OF THE GROUP

President
The Board of Directors elects the company's President and decides on the terms of the President's employment. The terms are specified in a written contract which is approved by the Board of Directors. The President is responsible for the day-to-day management and development of the Group in accordance with the instructions and orders of the Board of Directors. The President is also responsible for keeping the Board up to date with regard to development of the company's business and financial situation. Mika Ihamuotila has been the company's President since 2008. The shareholding of the President in Marimekko is reported on page 88 and on the company's website under Investors/Share information/Shareholders/Insiders.

Subsidiary administration
The members of the subsidiaries' Boards of Directors are elected from amongst Marimekko Group's executive management.

Management Group
The company's business operations have been divided into a number of responsibility areas, the directors of which form the company's Management Group. The company's President acts as the Chairman of the Management Group. The Board of Directors appoints the members of the Management Group and decides on their remuneration. The Management Group has no authority based on law or the Articles of Association. The Management Group reviews business matters and procedures affecting the entire Group. The Management Group also reviews the operating plans of the various business areas and business development. The Management Group convenes every two weeks on average. Information on the members is presented on page 41 and on the company's website under Marimekko Corporation/Administration & Auditors.

REMUNERATION, REWARDS AND INCENTIVES

Remuneration of the members of the Board of Directors
In accordance with the Articles of Association, the Annual General Meeting decides on the remuneration payable to the Board of Directors. In 2009, the Board of Directors was paid a total of EUR 65,000 in annual fees. The Chairman received EUR 20,000 and the Board members EUR 15,000 each. The President receives no fee for Board membership. The Board members receive their remuneration in the form of fixed payments. The Board members did not receive any shares, option rights or other special rights to shares as compensation. Marimekko has not issued monetary loans to the Board members or guarantees or other contingent liabilities on their behalf. The Board members do not receive a separate fee for attendance.

Remuneration of the President and other management
The Board of Directors of Marimekko Corporation decides on the salary and

The fees received by the members of Marimekko's Board of Directors in 2009

(EUR 1,000)	Fee for Board work	Other financial benefits	Total compensation in the 2009 financial year
Pekka Lundmark	20	–	20
Mika Ihamuotila	–	–	–
Ami Hasan	15	–	15
Joakim Karske	15	–	15
Tarja Pääkkönen	15	–	15
Total	65	–	65

remuneration payable to the President. The salary paid to President Mika Ihamuotila in 2009 amounted to EUR 279,000. Under the contract between the company and Mr Ihamuotila, the President is also entitled to an annual bonus, the maximum amount of which corresponds to his regular salary for six months. The principles determining the bonus are confirmed annually by the Board. The annual bonus is based on the growth of the Group's net sales, operating profit and the strategic objectives separately determined by the Board. In addition, the President is entitled to a defined contribution pension scheme, the terms of which are decided on by the Board of Directors. The contract between the company and the President does not specify a retirement age for the President. If the President resigns of his own accord, his term of notice is six months. If the company terminates the contract, the President is entitled to a remuneration corresponding to his regular salary for twelve months. The company has no share or share-based incentive schemes.

AUDIT

According to the Articles of Association, the company must have one auditor and, if the auditor is not an audit firm, one deputy auditor. The Auditor and Deputy Auditor must be authorised by the Finnish Central Chamber of Commerce. The auditors are appointed until further notice. The Annual General Meeting held on 8 April 2009 elected Pricewaterhouse-Coopers Oy, Authorised Public Accountants, as auditor for the Marimekko Group and the Group companies, with Kim Karhu, Authorised Public Accountant, as chief auditor. The Annual General Meeting also decided that the auditor's fee will be paid by invoice. In the 2009 financial year, Pricewaterhouse Coopers Oy were paid a total of EUR 36,000 in audit fees and EUR 33,000 for other assignments. An itemisation of these fees is included in the notes to the financial statements (note 21) on page 70.

The auditor issues an auditor's report in connection with the company's financial statements to the Board of Directors and, as required by law, an audit report to the shareholders. The auditor is present at the Board meeting where the annual financial statements are reviewed.

INTERNAL CONTROL, RISK MANAGEMENT AND INTERNAL AUDIT

Internal control, risk management and internal auditing are a crucial element of Marimekko's administration and management. The Board of Directors and the President bear responsibility for organising controls.

Risk management and risks

Marimekko's risk management is based on the risk management policy confirmed by the company's Board of Directors, which defines the principles, objectives and responsibilities of risk management, as well as the organisation and control of the risk management process.

Risk management principles

Marimekko's risk management aims to safeguard the smooth continuity of business operations and ensure stable profit development for the Group. Comprehensive risk management is an ongoing, systematic process which involves identifying and evaluating risks associated with the company's operations and operating environment. The company's key risks comprise risks which could prevent Marimekko from exploiting business opportunities or jeopardise or prevent the achievement of the strategic objectives of the Group or a Group company, or the continuity of operations or would otherwise have significant consequences for the company, its personnel or stakeholders. Risk management is an integral element of the company's management and decision-making process, covering all of the Group's functions.

The report of the Board of Directors on pages 49–50 describes the most significant risks. A more detailed description of Marimekko's risk management process is available on the company's website under Investors/Corporate Governance/Risk Management.

Internal control and internal audit

Considering the nature and extent of the company's business, Marimekko has not found it necessary to establish a separate internal audit function. The Board of Directors reviews the level of the company's internal control activities at least once a year. Where necessary, the Board may purchase internal audit services from an external service provider.

In 2009, as part of the management of tasks coming under the remit of an audit committee, the Board of Directors continued the project launched at the

The salaries and bonuses received by Marimekko's President and other management in 2009

(EUR 1,000)	Salary	Bonus-based salary	Other financial benefits	Total compensation in the 2009 financial year
President	279	69	–	348
Management Group	662	35	–	697
Total	941	104	–	1,045

end of the previous year to develop the company's internal control. Principles of internal control were drawn up for the company and the identification and evaluation of risk areas linked to the financial reporting process and procurement process got underway.

Internal control within the Marimekko Group is a process that is the responsibility of the Board, management and personnel. The objective of internal control is to guarantee adequate assurance that:

- the operations are efficient and in line with the company's strategy
- financial and operational reporting are reliable
- the Group's operations are legal.

Marimekko's Board of Directors focuses on increasing shareholder value and, in accordance with good governance, ensures that principles on internal control exist within the company. The Board of Directors is also responsible for monitoring the efficiency of internal controls and risk management.

INSIDER ADMINISTRATION

Marimekko's insider guidelines

Marimekko's insider guidelines are based on the insider guidelines issued by NASDAQ OMX Helsinki Ltd, effective as of 9 October 2009. Marimekko's insider guidelines have been confirmed by Marimekko Corporation's Board of Directors. The Board of Directors annually confirms the updated insider guidelines and list of insiders. The company has distributed copies of its insider guidelines to all of its insiders.

Marimekko's insider registers

Marimekko's permanent public insiders comprise the members of the Board of Directors, the President, the auditor and the company's Management Group. Permanent company-specific insiders include those who due to their position or duties regularly obtain inside information and who are consequently identified by the company as being included in the company's company-specific insiders and not public insiders. Permanent company-specific insiders include the managing directors of the subsidiaries and others who, by virtue of their duties, are identified as company-specific insiders. The company assesses whether project-specific insider registers are necessary on a case-by-case basis.

The company's insider register, which includes the lists of permanent public insiders, permanent company-specific insiders and project-specific insiders, is maintained in the SIRE register of Euroclear Finland Ltd. Up-to-date information required by law concerning Marimekko Corporation's permanent public insiders, their related parties and the corporations in which they exercise influence is presented on the company's website under Investors/Share information/Shareholders/Insiders.

Supervision of insider guidelines

The person in charge of Group communications is responsible for maintaining the Company's insider register and for communicating on insider issues. Marimekko Corporation's insider guidelines prohibit permanent public insiders, permanent company-specific insiders, their related parties and corporations controlled by them from trading in Marimekko shares during the 21-day period preceding the publication of the company's interim reports and financial statement information. The company announces these publication dates annually in advance in a stock exchange release. The insider guidelines also prohibit project-specific insiders from trading in Marimekko shares during the project.

INVESTOR RELATIONS

The Chief Financial Officer is responsible for Marimekko Corporation's investor relations and the content of financial information. Group Communications is responsible for the company's stock exchange releases, investor and analyst meeting arrangements and the company's online investor information. Marimekko publishes all of its investor information in Finnish and English on the company's website under Investors. The company's printed Annual Report is published in Finnish and English.

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement is issued separately from the company's Annual Report. It can be found on the company's website under Investors/Corporate Governance.

Board of Directors and management

BOARD OF DIRECTORS
Pekka Lundmark, born 1963
Chairman of the Board
M.Sc. (Eng.)
Principal occupation: President and CEO of Konecranes Plc, 2005–

Primary work experience and key positions of trust: Managing Director of Hackman Group, 2002–2004; Managing Partner of Startupfactory, 2000–2002; several executive positions in Nokia Corporation in Finland, Denmark and the United States, 1990–2000; Vice Chairman of the Board of The Federation of Finnish Technology Industries 2009–

Mika Ihamuotila, born 1964
Vice Chairman of the Board
Ph.D. (Econ.)
Principal occupation: President and CEO of Marimekko Corporation, 2008–

Primary work experience and key positions of trust: President and CEO of Sampo Bank plc, 2001–2007; President and CEO of Mandatum Bank Plc, 2000–2001; Executive Director of Mandatum Bank Plc, 1998–2000; Partner of Mandatum & Co Ltd, 1994–1998; visiting scholar of Yale University (USA), 1992–1993; Member of the Board of Elisa Corporation, 2003–2005 and Deputy Chairman of the Board, 2006–2007

Ami Hasan, born 1956
Secondary school graduate
Principal occupation: Chairman of the Board of advertising agency Hasan & Partners Finland Oy, 1997–

Primary work experience and key positions of trust: founder and Managing Director of advertising agency Hasan & Partners Finland Oy, 1991–1997; Member of the Board of Marketing Clinic Ltd; Member of the Board of Kiasma Museum of Contemporary Art Foundation; permanent member of the jury for Cresta International Advertising Awards

Joakim Karske, born 1963
MA
Principal occupation: Head of Design Strategy & Portfolio, Nokia Corporation, 2006–

Primary work experience and key positions of trust: designer at Volvo Group in Spain, 2001–2004, as well as in Sweden and the Netherlands, 1995–1998; designer at DaimlerChrysler Advanced Design Centre in Japan, 1999–2001; designer at Mercedes-Benz sports car studio in Germany, 1998–1999

Tarja Pääkkönen, born 1962
Ph.D. (Eng., Business Strategies), M.Sc. (Tech.)
Principal occupation: Senior Vice President and Member of the Executive Board of Itella Corporation, 2005–

Primary work experience and key positions of trust: several executive positions in Nokia Corporation, 1995–2004, including Director of Business Unit of Nokia Multimedia, Strategy Director and member of the Management Group of Nokia Mobile Phones, as well as Director of Technology Unit's Global Services; Management Consultant of Kienbaum GmbH (Germany), 1991–1995; Managing Director of Futum Oy, 1987–1991; Member of the Board of HYY Group; Member of the Board of MJR

Information on the Board members' shareholdings in the company on 31 December 2009 is provided on page 88.

MANAGEMENT GROUP AS OF 7 OCTOBER 2009
Chairman:
Mika Ihamuotila, born 1964
President and CEO
Employed by the company since 2007

Members:
Thomas Ekström, born 1967
Finance, administration and investor relations
Employed by the company since 2006

Malin Groop, born 1972
Brand and marketing communications
Employed by the company since 2009

Päivi Lonka, born 1962
International sales and licensing
Employed by the company since 2004

Niina Nenonen, born 1965
Clothing, bags and accessories
Employed by the company since 2008

Piia Rossi, born 1963
Company-owned retail shops in Finland
Employed by the company since 1988

Helinä Uotila, born 1946
Production, purchases, interior decoration
Employed by the company since 1972

More detailed background information on Board members and members of the Management Group as well as up-to-date information on their shareholdings in Marimekko Corporation are provided on the company's website under Marimekko Corporation / Administration & Auditors.

CREATIVE DIRECTORS
Minna Kemell-Kutvonen, born 1969
Interior decoration
Employed by the company since 1992

Virva Launo, born 1977
Clothing, bags and accessories
Employed by the company since 2008

Information for shareholders

Schedule for financial reporting in 2010
– Financial statement bulletin 2009, Wednesday, 3 Feb. 2010
– Annual Report 2009, week 12
– Interim Reports
· January–March, Thursday, 6 May 2010
· January–June, Thursday, 12 Aug. 2010
· January–September, Thursday, 4 Nov. 2010

Summary of releases published in 2009
A summary of all stock exchange releases and other significant releases published by Marimekko Corporation in 2009 is provided on the company's website under Investors / Financial Releases / Summary of Significant Releases. All stock exchange releases are available under Investors/Releases.

Annual General Meeting
Marimekko Corporation's Annual General Meeting will be held from 2 p.m. onwards on Thursday, 15 April 2010 at Marimekko Corporation's head office, Puusepänkatu 4, 00880 Helsinki, Finland.

Shareholders who have been registered by the Annual General Meeting's record date of 1 April 2010 at the latest in the company's Shareholder Register kept by Euroclear Finland Ltd have the right to attend the Annual General Meeting. The shareholder in whose name the shares are registered is automatically entered in the company's Shareholder Register.

Shareholders who wish to attend the Annual General Meeting must notify the company of their intention to do so before 10 a.m. on 12 April 2010 at the latest:
· via the Investors section of the company's website www.marimekko.com
· by email to yk@marimekko.fi
· by telephone on +358 9 758 7447 (Kristina Lagerroos)
· by fax on +358 9 727 6227
· by post to Marimekko Corporation, Share Register, P.O. Box 107, 00811 Helsinki, Finland.

A holder of nominee-registered shares may participate in the Annual General Meeting with those shares under which the holder would be entitled to be registered in the company's Shareholder Register on 1 April 2010. Additionally, participation requires that the holder of nominee-registered shares is temporarily registered in the Shareholder Register no later than 12 April 2010 at 10 a.m. Temporary registration in the Shareholder Register shall be deemed to be a registration for the Annual General Meeting. A holder of nominee-registered shares is advised to request necessary instructions regarding the temporary registration in the Shareholder Register, the issuing of proxy documents and registration for the General Meeting from his/her custodian bank well in advance. The account management organisation of the custodian bank will register a holder of nominee-registered shares, who wants to participate in the Annual General Meeting, to be temporarily entered into the company's Shareholder Register by the above mentioned date.

Written notification of attendance must be received before the end of the registration period. Any proxy documents should be sent in original to the company before the registration deadline.

Notice of the Annual General Meeting and further information is provided on the company's website under Investors.

Dividends
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 dividend will be paid to shareholders who are registered, on the dividend payout record date of 20 April 2010, in the company's Shareholder Register kept by Euroclear Finland Ltd. The Board of Directors will propose to the Annual General Meeting that the dividend be paid on 27 April 2010.

Principles of investor relations
Marimekko Corporation complies with the principles of equity in its investor communications and publishes all its investor information primarily on its website in Finnish and English.

Information sessions and closed period
Information sessions are held at least twice a year for analysts and the media, always when the financial statements and half-year results are released as well as when necessary in connection with the disclosure of other significant matters. Marimekko has a three-week closed period before the publication of earnings reports.

Financial reports
Marimekko Corporation's Annual Report and Interim Reports are published in Finnish and English. Annual Reports are mailed to all shareholders to the address listed in the company's Shareholder Register kept by Euroclear Finland Ltd. Shareholders are requested to submit changes of address or personal information to the custodian of their book-entry account. Interim Reports are sent, upon request, to the address provided by the subscriber. Financial information is also posted on the company's website.

To order publications, contact:
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P.O. Box 107, 00811 Helsinki, Finland
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Marimekko Corporation

REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY TO 31 DECEMBER 2009

Contents

Report of the Board of Directors

In 2009, the Marimekko Group's net sales fell by 11% to EUR 72.5 million (EUR 81.1 million). Operating profit fell by 37% 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 decreased by 36% to EUR 4.7 million (EUR 7.4 million). Earnings per share were EUR 0.59 (EUR 0.92).

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

In 2009, the Marimekko Group's net sales decreased by 10.7% to EUR 72.5 million (EUR 81.1 million). Net sales in Finland fell by 10.9% to EUR 52.7 million (EUR 59.2 million). Exports and income from international operations declined by 9.9%, totalling EUR 19.8 million (EUR 21.9 million). 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%.

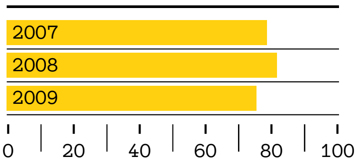
In 2009, sales by Marimekko's own retail shops in Finland fell by 1.4% compared with 2008. Sales to retailers in Finland declined by 13.9%; the decrease was partly attributable to significant deliveries for promotions in 2008, larger than orders for promotions during the year under review.

REVIEWS BY BUSINESS UNIT

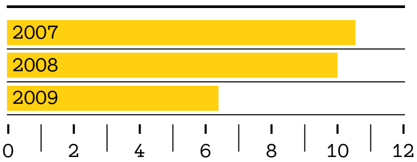
Clothing

In 2009, net sales of clothing decreased by 8.1% to EUR 27.5 million (EUR 29.9 million). 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

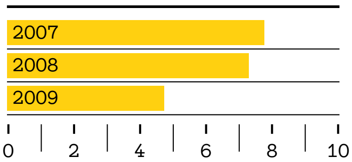
Net sales (EUR million)



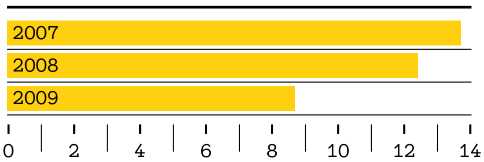
Operating profit (EUR million)



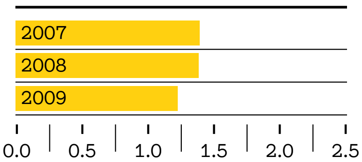
Profit after taxes (EUR million)



Operating profit (% of net sales)



Gross investments (EUR million)

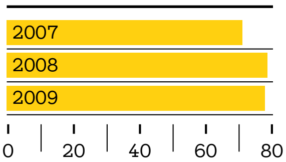


"other Nordic countries", where the fall was partly attributable to the significant income from sales of licensed products that was recognised in the second quarter of 2008. Exports and income from international operations accounted for 23.1% of net sales of clothing.

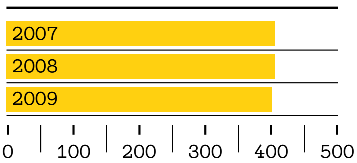
Interior decoration
Net sales of interior decoration products fell by 13.4% to EUR 32.7 million (EUR 37.7 million). Sales in Japan grew, while other export markets and Finland registered a decline in sales. In Finland, the decrease was partly due to the fact that revenues from individual promotions were 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 12.3 million (EUR 13.5 million). 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 "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.

Equity ratio (%)



Average personnel



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 19.8 million (EUR 21.9 million). Sales trends varied greatly by country. Japan showed vigorous growth, and 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 "other Nordic countries", sales of all product lines decreased considerably. Net sales fell to EUR 7.0 million, which was 25.3% less than the previous year (EUR 9.4 million). 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 4.8 million (EUR 4.7 million). 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 3.0 million (EUR 4.0 million). 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 4.9 million (EUR 3.8 million). 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. 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. 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.

EARNINGS
In 2009, the Group's operating profit fell by 36.8% to EUR 6.3 million (EUR 10.0 million). Operating profit as a

percentage of net sales amounted to 8.7% (12.3%). Operating profit includes a non-recurring expense of EUR 0.5 million related to personnel reductions resulting from savings and efficiency actions. Operating profit without non-recurring items stood at EUR 6.8 million (EUR 10.0 million).

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 0.6 million in fixed costs were achieved through efficiency enhancements and various savings actions.

The Group's marketing expenses for the year totalled EUR 3.1 million (EUR 3.4 million), representing 4.3% (4.2%) of net sales.

The Group's depreciation amounted to EUR 1.4 million (EUR 1.3 million), 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 4.7 million (EUR 7.4 million), representing 6.5% (9.1%) of net sales. Earnings per share were EUR 0.59 (EUR 0.92).

The Group's per-share key figures and other key financial figures for the last three years, including the formulas for the figures, are presented under Key figures of the Group on pages 85–86.

INVESTMENTS

The Group's gross investments amounted to EUR 1.2 million (EUR 1.4 million), 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 2009, the Group's financial liabilities stood at EUR 0 (EUR 0.2 million). The Group's financial assets at the end of the financial year amounted to EUR 10.2 million (EUR 6.1 million).

STRATEGIC DIRECTION

The company's long-term strategy is unchanged. The goal is to develop Marimekko as an increasingly international brand based on pattern and colour design. The company also intends to develop new products and product categories that support the brand image and promote the building of a profitable, scalable sales concept. Marimekko's objective is to maintain the company's strong market position in Finland and continue its controlled growth abroad. The distribution network will be expanded primarily by increasing the number of concept stores and shop-in-shops. The geographical areas of emphasis are the regions in which the Marimekko brand is already known. Operational efficiency will be improved along with systematic working and coordination in all business areas. There are no changes to the Group's financial objectives: annual growth in net sales, above 10%; percentage of operating profit of net sales, 10%; return on equity, above 15%; equity ratio, 60%; and percentage of earnings per share allocated to dividends, at least 50%.

SHARES AND SHARE PRICE TREND

Share capital

At the end of the financial year, 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 2009. A total of 18.0% of the shares were in foreign ownership, and 13.8% were registered in a nominee's name. The breakdown of Finnish ownership by owner group was as follows: households 37.1%, companies 17.4%, public sector entities 10.8%, non-profit bodies 1.6%, financial institutions and insurance companies 1.2%.

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 1,086,440, representing 13.5% of the total share capital and of the votes conferred by the company's shares.

Further information about shareholdings is available under Shares and shareholders on pages 87–90.

Authorisations

At the end of the financial year, 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.

Shareholder agreements

Marimekko has neither made nor is aware of any shareholder agreements concerning the company's shares or other commitments agreeing on the company's ownership or the use of voting rights.

Flaggings

Workidea Oy
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.

Barclays Capital Securities Limited
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. and Semerca Investments S.A.
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.

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).

Dividend paid for the 2008 financial year
A dividend of EUR 0.55 per share was paid for 2008 to a total of EUR 4,422,000.

PERSONNEL

The number of the Marimekko Group's personnel decreased by 10.6% in 2009. During the financial year, 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. Salaries, wages and bonuses paid to personnel amounted to EUR 15.0 million (EUR 14.9 million). The personnel turnover rate was 7.8% for joining and 20.0% for leaving.

In 2009, Marimekko conducted Group-wide statutory employer-employee negotiations concerning potential temporary lay-offs and permanent personnel reductions in Finland. The reorganisation of operations and enhancement of efficiency resulted in the termination of 35 jobs. In addition, the company had a need to fill eight new positions; as far as possible, they were filled through internal transfers. Temporary lay-offs were rejected.

The extensive sales training programme launched in autumn 2008 and leading to a qualification continued in 2009. Training in corporate responsibility was arranged for buyers and designers.

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 economic 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. During 2009, Marimekko identified and assessed risk areas related to the Group's financial reporting process, in particular. Control objectives for the risks identified as well as Group-level control points were defined. 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.

INTERNAL CONTROL AND INTERNAL AUDIT

Marimekko does not have a separate internal audit function. The Board of Directors reviews the level of the company's internal audit activities at least once a year. Where necessary, the Board may purchase internal audit services from an external service provider.

In 2009, as part of the management of tasks coming under the remit of an audit committee, the Board of Directors continued the project launched at the end of the previous year to develop the company's internal control. Principles of internal control were drawn up for the company and the identification and evaluation of risk areas linked to the financial reporting process and procurement process got underway.

MARIMEKKO'S CORPORATE GOVERNANCE STATEMENT

The corporate governance statement is provided separate from the company's Annual Report. It can be found on the company website at Investors/Corporate Governance.

RESEARCH AND DEVELOPMENT

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

THE ENVIRONMENT, HEALTH AND SAFETY

The environment

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.

Health and safety

Marimekko monitors and actively works towards enhancing occupational safety and well-being at work in cooperation with the workplace safety committee and occupational healthcare. The company purchases occupational healthcare services from external clinics or local healthcare centres. Occupational healthcare focuses on preventive healthcare and monitoring both individual ability to work and the well-being of the working community as a whole. The workplace safety committee actively investigates occupational safety and employee well-being issues, provides guidance and organises training. During the 2009 financial year, the absence percentage based on theoretical regular working hours was 7.8% in the entire Group.

In 2009, Marimekko continued its long-term project to build a social responsibility management system. Sourcing, design, production and quality control as well as warehousing, distribution and logistics have been identified as the key areas for the development of social responsibility within the next few years. The company's Annual Report provides 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.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The members of Marimekko Corporation's Board of Directors are elected by the Annual General Meeting. According to the Articles of Association, the Board of Directors shall consist of four to seven members. Their term of office ends at the conclusion of the next Annual General Meeting. The Board elects a Chairman from amongst its members.

The duties and responsibilities of the Board of Directors are determined primarily by the Articles of Association and the Finnish Companies Act. The Board deliberates on all matters that are significant to the Marimekko Group's business operations. These include approving strategic policies, budgets and operating plans, and deciding on significant investments, mergers and acquisitions. The Articles of Association do not provide the Board of Directors or the President with any powers other than those that are customary. Decisions to amend the Articles of Association or to increase the share capital are made pursuant to the provisions of the Finnish Companies Act in force. At the Annual General Meeting held on 8 April 2009, the Board of Directors' proposal to amend Marimekko Corporation's Articles of Association was approved unchanged.

The Annual General Meeting appointed five members to the company's Board of Directors: Ami Hasan, Mika Ihamuotila, Joakim Karske, Pekka Lundmark and Tarja Pääkkönen were re-elected. 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 resolved that the remuneration to the Chairman of the Board will be EUR 20,000 per year and the remuneration to each one of the other Board members will be EUR 15,000 per year. In addition, the Annual General Meeting resolved that the President of Marimekko Corporation will not receive remuneration for being a member of the Board.

The Board of Directors elects the President and decides on the President's salary and other remuneration. The President's duties are set down in the Finnish Companies Act. The post of Marimekko Corporation's President is held by Mika Ihamuotila.

At the end of 2009, the composition of the company's Management Group was as follows: 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.

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

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.

THE BOARD OF DIRECTORS' PROPOSAL FOR DIVIDENDS

On 31 December 2009, the parent company's distributable funds amounted to EUR 19,982,128.59, of which EUR 4,583,107.40 was profit for the financial year. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.45 per share be paid for 2009 to a total of EUR 3,618,000 and that the remaining profit be retained in equity. The proposed dividends represent 76.3% of the Group's earnings per share for the financial year. The Board will propose 20 April 2010 as the dividend record date, and 27 April 2010 as the dividend payout date. No substantial changes in the company's financial position have occurred after the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not jeopardise the company's solvency.

ANNUAL GENERAL MEETING

Marimekko Corporation's Annual General Meeting will be held from 2 p.m. onwards on Thursday, 15 April 2010 at the company's head office, Puusepänkatu 4, 00880 Helsinki, Finland.

Helsinki, 2 February 2010

Marimekko Corporation
Board of Directors

Consolidated financial statements, IFRS

CONSOLIDATED BALANCE SHEET

(EUR 1,000)		**31 Dec. 2009**	31 Dec. 2008
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	1.1	**9 805**	9 948
Intangible assets	1.2	**409**	458
Available-for-sale financial assets	1.3	**20**	20
		10 234	10 426
CURRENT ASSETS			
Inventories	2.1	**15 229**	17 286
Trade and other receivables	2.2	**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

The notes are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

(EUR 1,000)		**31 Dec. 2009**	31 Dec. 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3.		
Share capital	3.1	**8 040**	8 040
Translation differences		**2**	-2
Retained earnings		**23 783**	23 504
Shareholders' equity, total		**31 825**	31 542
NON-CURRENT LIABILITIES	4.		
Deferred tax liabilities	4.1	**683**	705
		683	705
CURRENT LIABILITIES	5.		
Trade and other payables	5.1	**7 874**	7 751
Current tax liabilities		**585**	18
Financial liabilities	5.2		185
		8 459	7 954
Liabilities, total		**9 142**	8 659
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		**40 967**	40 201

The notes are an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)		**1 Jan.–31 Dec. 2009**	1 Jan.–31 Dec. 2008
NET SALES	11.	**72 473**	81 107
Other operating income	12.	**41**	244
Increase or decrease in inventories of completed and unfinished products		**2 135**	185
Raw materials and consumables	13.	**26 890**	33 597
Employee benefit expenses	14.	**18 202**	18 287
Depreciation	15.	**1 394**	1 324
Other operating expenses	16.	**17 602**	18 372
OPERATING PROFIT		**6 291**	9 956
Financial income	17.	**86**	205
Financial expenses	18.	**-23**	-197
		63	8
PROFIT BEFORE TAXES		**6 354**	9 964
Income taxes	19.	**1 653**	2 586
NET PROFIT FOR THE PERIOD		**4 701**	7 378
Distribution of net income to equity holders of the parent company		**4 701**	7 378
Basic and diluted earnings per share calculated			
on the profit attributable to equity holders			
of the parent company, EUR	20.	**0,59**	0,92

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT	**1 Jan.–31 Dec. 2009**	1 Jan.–31 Dec. 2008
Net income for the period	**4 701**	7 378
Other comprehensive income		
Change in translation difference	**4**	-5
COMPREHENSIVE INCOME FOR THE PERIOD	**4 705**	7 373
Distribution of net income to equity holders of the parent company	**4 705**	7 373

The notes are an integral part of the financial statements.

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			
Decrease (+) / increase (-) in current non-interest-bearing trade receivables		**834**	-574
Decrease (+) / increase (-) in inventories		**2 055**	995
Decrease (+) / increase (-) 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 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	1.1, 1.2	**-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			-5 550
Long-term loans repaid		**-185**	-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

The notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)

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

The notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP PROFILE

Marimekko Corporation is a Finnish clothing and textile company. Marimekko Corporation and its subsidiaries form a Group that designs, manufactures and markets clothing, interior decoration products and bags.

Marimekko Corporation's shares are quoted on NASDAQ OMX Helsinki Ltd. The company is domiciled in Helsinki, and its registered address is Puusepänkatu 4, 00880 Helsinki, Finland. The financial year of all Group companies is the calendar year.

Copies of the consolidated financial statements are available at www.marimekko.com and the head office of the Group's parent company at Puusepänkatu 4, 00880 Helsinki, Finland.

Marimekko Corporation's Board of Directors approved these financial statements for publication at its meeting on 2 February 2010. According to the Finnish Companies Act, shareholders have the right to accept or reject the financial statements at the Annual General Meeting held after the publication. The Annual General Meeting may also amend the financial statements.

ACCOUNTING POLICY APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force as at 31 December 2009. In the Finnish Accounting Act and the provisions laid down pursuant to the Act, International Financial Reporting Standards refer to the standards approved for use in the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

The financial statements have been prepared at historical cost with the exception of available-for-sale investments in financial assets, which are measured at fair value. Financial statement information is presented in thousands of euros.

Accounting estimates and judgments

The preparation of financial statements in accordance with IFRS calls for the management to use estimates and assumptions. These estimates and assumptions mainly affect the value of tangible and intangible assets in the balance sheet and depreciation according to plan in the income statement through the determination of the useful economic life of asset items, and credit loss items and income taxes in the income statement. The final amount of the income taxes which will be confirmed after the close of the financial year may differ from the preliminary estimate in the income statement. The Group's management must also make judgments when selecting the accounting policy applied for the financial statements and its application and make estimates for provisions (including provisions for credit loss). The actual figures may deviate from these estimates.

Principles of consolidation

Marimekko's consolidated financial statements include the accounts of the parent company Marimekko Corporation and its subsidiaries. Subsidiaries are companies in which the Group has the right to determine the financial and operating principles of the undertaking or business operations, usually by virtue of a shareholding that entitles to more than half of the voting rights. Intra-Group share ownership has been eliminated using the acquisition cost method. Acquired subsidiaries are consolidated in the Group's financial statements as of the date on which the Group acquired a controlling interest and divested subsidiaries until the date when such control ceases. Intra-Group business transactions, intra-Group profit margins related to inventories and fixed assets, intra-Group receivables and liabilities and intra-Group distribution of profit have been eliminated.

Associates are entities over which the Group exercises significant influence. As a rule, significant influence occurs when the Group holds more than 20% of the voting rights or otherwise exerts significant influence but no control. The Marimekko Group does not have any associates.

Joint ventures are entities where the Group exercises joint control with other parties based on an agreement. The Group's holdings in joint ventures are consolidated proportionately item by item. The consolidated financial statements include the Group's share of the joint ventures' assets, liabilities, income and expenses. At the end of the financial year, the Group had no joint ventures.

Translation of items denominated in foreign currency

The results and financial position of Group units are measured in the currency used in the primary business environment of the unit in question (functional currency). The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company.

Transactions in foreign currencies are recognised in the functional currency at the exchange rates on the date of transaction. The foreign-currency-denominated receivables and liabilities of the parent company and Finnish subsidiaries have been converted to euro amounts using the exchange rates quoted by the European Central Bank on the closing date. The foreign-currency-denominated receivables and liabilities of foreign subsidiaries have been converted at the exchange rate of the country in question on the closing date. Foreign exchange differences in business operations are booked in the corresponding income statement accounts above operating profit and foreign exchange differences on financial items in financial income and expenses.

The foreign-currency-denominated income statements of subsidiaries are converted to euro amounts using the average exchange rate for the financial year and the balance sheets at the average rate on the closing date. Differences arising from translation and translation differences in shareholders' equity are recorded as a separate item in shareholders' equity.

Operating profit
IAS 1 Presentation of Financial Statements does not contain a definition of operating profit. The Group has defined this concept as follows: operating profit is the net amount of net sales and other operating income less the purchase expenses adjusted with the expenses incurred due to the increase or decrease in inventories or completed and unfinished products and production for own use, employee benefit expenses, possible impairment loss and other operating expenses. Any income statement items other than the above are presented below the operating profit. Foreign exchange differences and changes in the fair value of derivatives are included in the operating profit, provided they are attributable to items related to business operations. Otherwise they are recognised in financial items.

Revenue recognition
Sales of products are recognised as income when the significant risks and rewards incident to the ownership of goods have been transferred to the buyer. The Group then relinquishes oversight and control of the product. Mainly, this is the moment when the goods are handed over to the customer as set forth in the agreed delivery clause. The revenue recognition of licensing and royalty income is handled in accordance with the clauses of the agreement between Marimekko and the licensee. The clauses mainly provide for royalties payable to Marimekko for sales of products covered by the agreement, based either on a percentage rate or the number of items. At least the minimum annual royalty as stipulated in the agreement is payable by some of the licensees.

In the calculation of net sales, sales proceeds are adjusted with indirect taxes and sales adjusting items. The distribution costs of products sold are recognised in other operating expenses in the income statement.

Income taxes
Taxes on the Group companies' financial results for the period, taxes from previous periods and the change in deferred taxes are recorded as the Group's taxes. Taxes on the taxable income for the period are calculated on taxable income in accordance with the tax rate in force in the country in question. Deferred taxes are calculated on all temporary differences between the book value and the taxable value. However, a deferred tax liability is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable income. In taxation deferred tax is not recognised for non-deductible goodwill and deferred tax is not recognised for distributable earnings of subsidiaries where it is probable that the difference will not reverse in the foreseeable future. The largest temporary differences are due to the amortisation of fixed assets. Deferred taxes are calculated using the tax rates set by the closing date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit, against which the temporary difference can be utilised, will be available

Segment reporting
The Group's business segment is the Marimekko business. Segment information is reported to the chief operational decision-maker in the same way as in internal reporting.

The President of the company acts as the chief operational decision-maker.

Tangible assets
Tangible assets mainly consist of buildings, machinery and equipment. Tangible assets are recorded in the balance sheet at original cost less depreciation. Depreciation of tangible assets is carried out on a straight-line basis over their estimated useful life.

The estimated useful lives are as follows:
- buildings and structures 40 years
- machinery and equipment 3–15 years

The residual value and useful life of assets are checked in connection with each financial statement and if necessary adjusted to reflect changes in the expectation of economic benefit.

If an item of property, plant or equipment consists of several parts with different useful lives, each part is treated as a separate asset. Significant cost of replacing a part is capitalised when the company will derive economic benefit from the asset. Other expenses such as regular maintenance, repair and servicing costs are entered as expenses in the income statement when they are incurred.

Investment aid is recognised as a reduction to investments and the aid recorded in the income statement is booked in other operating income.

Intangible assets
Intangible assets with finite useful lives are recognised in the balance sheet at original cost less depreciation. Depreciation of intangible assets is carried out on a straight-line basis over their estimated useful life.

The estimated useful lives are as follows:
- intangible rights 5–10 years
- computer software 3–5 years

The major intangible asset items are trademarks. The Group has not had any such development expenditure that should be recognised as assets under IAS

38 and recorded as amortised expense over their useful life.

Borrowing costs
Borrowing costs are recognised as expenses during the financial year in which they were incurred. Borrowing costs have not been recognised as part of the acquisition cost of the assets.

Impairment
On each closing date, asset items are assessed for indications of impairment. If there are such indications, the recoverable amount of said asset item is estimated. The impairment recognised is the amount by which the book value of the asset item exceeds its recoverable amount, which is the higher of its net selling price or value in use. Value in use is based on discounted future net cash flows as a rule.

Lease agreements
Lease agreements concerning fixed assets in which the Group is transferred a material share of the risks and rewards incident to ownership are classified as finance lease agreements. Fixed assets leased under finance lease agreements are recorded in tangible assets less accumulated depreciation, and lease commitments are included in other interest-bearing financial liabilities. Fixed assets acquired under finance lease agreements are depreciated in line with the Group's depreciation policy over their useful life or lease period, whichever is shorter. Rents payable under lease agreements are divided into financial expenses and debt repayment. Lease agreements in which the risks and rewards incident to ownership are retained by the lessor are treated as other lease agreements. Rents payable under other lease agreements are expenses in the income statement on a straight-line basis over the lease period.

Inventories
Inventories are presented in accordance with the FIFO principle at the acquisition cost or at the lower probable net realisation value. The acquisition cost of manufactured inventories includes not only purchase expenditure on materials, direct labour and other direct costs, but also a share of the fixed and variable general costs of production. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and selling expenses.

Financial assets
Financial assets are classified as loans and other receivables or available-for-sale investments in accordance with the purpose underlying their acquisition. The assets are classified upon initial recognition.

Available-for-sale financial assets comprise shares and they are included in non-current assets, unless it is intended that they will be held for less than 12 months from the closing date, in which case they are included in current assets. Available-for-sale financial assets are measured at fair value or, where the fair value cannot be reliably determined, at acquisition cost. Available-for-sale financial assets on the closing date comprise unlisted shares measured at fair value less possible impairment. The company does not intend to dispose of these shares for the present.

Loans and other receivables are initially recognised at fair value and subsequently at amortised cost using the internal rate of return. An impairment of trade receivables is recognised when there is objective evidence that the Group will not receive all of the benefits on the original terms. Indications of the impairment of trade receivables include the significant financial difficulties of the debtor, the likelihood of bankruptcy, failure to make payments, or a delay of over 90 days in paying. Impairment loss is recognised under other operating expenses in the income statement. All of the Group's loans and receivables are included in the balance sheet item trade and other receivables.

Cash and cash equivalents
The Group's cash and cash equivalents include cash at hand and at banks. The Group does not have any other items classified as cash and cash equivalents.

Financial liabilities
Financial liabilities are initially recognised at fair value including transaction costs and subsequently at amortised cost using the internal rate of return. Financial liabilities are non-current, unless they are repayable on demand or the Group intends to repay them within the next 12 months.

Interest income
Interest income is recognised on a time-proportion basis using the internal rate of return.

Dividend income
Dividend income is recognised as income when the right to dividends is established.

Employee benefits
Pension commitments
The pension security of the personnel of the Group's Finnish companies has been arranged under the Finnish statutory employee pension plan (TyEL) through an external pension insurance company. Foreign subsidiaries have arranged pensions for their personnel in accordance with local legislation. The Group's pension cover is arranged wholly under defined contribution schemes. Under a defined contribution arrangement, the Group pays contributions to publicly or privately managed pension insurances. These contributions are either compulsory, based on an agreement or voluntary. The Group does not have any payment obligations other than these contributions. The contributions are recognised as employee benefit expenses at the time when they become due. Any contributions paid in advance are included in the assets on the balance sheet, insofar as they are recoverable as

future refunds or future reductions of contributions.

Provisions
Provisions are recognised when the Group incurs, due to a previous event, a legal or constructive obligation whose settlement will probably require payment whose amount can be estimated reliably. Provisions are related to the restructuring of business operations, loss-making contracts, legal proceedings and both environmental and tax risks. A restructuring provision is booked when a detailed and appropriate plan has been drafted concerning said provision and the company has announced the matter.

Dividends, shareholders' equity and treasury shares
The Board of Directors' proposal for dividend distribution has not been recognised in the financial statements; the dividends will only be recognised on the basis of the Annual General Meeting's approval.

Outstanding common shares are presented as share capital. Costs related to the granting or acquisition of the company's own equity instruments are presented as equity allowance. If the company purchases its own shares, the price including direct costs is recognised as decrease in equity.

Earnings per share
The basic earnings per share are calculated by dividing the profit for the period attributable to equity holders of the parent company by the weighted average of shares outstanding. The weighted average number of shares used to calculate the diluted earnings per share takes into account the diluting effect of the conversion of potential common shares into actual shares during the period.

New standards and interpretations
The Group adopted the following new or amended standards and interpretations during the financial year:

IAS 1 (revised) Presentation of Financial Statements. The standard was revised with the aim of improving the ability of financial statement users to analyse and compare the information presented in financial statements by differentiating changes in shareholders' equity associated with transactions with the company's owners from other changes in equity. Non-owner changes are to be presented in one or two statements of comprehensive income.

IFRS 7 (amendment) Enhancing Disclosures on Financial Instruments. The amendment of the standard requires enhanced disclosures about fair value measurement and liquidity risk in the notes to the financial statements. In particular, the amendment requires disclosure of fair value measurement by levels of fair value hierarchy. The change to the accounting principles only increases the information in the notes to the financial statements.

IFRS 8 Operating Segments standard replaces IAS 14. IFRS 8 introduces the "management approach" whereby information used for segment reporting is presented in the same way as in internal reporting. The Group's reportable segments will remain the same as the business segments under IAS 14.

The following new standards, amendments and interpretations that entered into force in 2009 have no effect on the Group's financial statements:

IAS 23 (revised) Borrowing Costs. The revised standard requires that borrowing costs attributable to a qualifying asset form the cost of that asset and therefore should be capitalised. The option to recognise borrowing costs immediately as an expense is no longer permissible.

IFRS 39 (amendment) Financial Instruments: Recognition and Measurement – Eligible Hedged Items. The amendment prohibits designating inflation as a hedgeable component of a fixed rate debt instrument. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

IFRS 1 (amendment) First-time Adoption of IFRS and IAS 27 (amendment) Consolidated and Separate Financial Statements. According to the revised standard, entities adopting IFRSs for the first time as the basis for preparing their financial statements may use either fair value or the book value under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in their separate financial statements. As a result of the amendment, the definition of the cost method will also be removed from IAS 27 and replaced with a requirement to present dividends as income in the separate financial statement of the investor. The Group's subsidiaries have not adopted the IFRSs in their separate financial statements.

The amendment to the IFRS 2 Share-based Payment clarifies that service conditions or performance conditions alone are vesting conditions. Any other features should be included in the grant-date fair value measurement and they will not affect the amount of granted benefits expected to vest or the measurement after the grant-date. The amended standard also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

IFRIC 11, IFRS 2 – Group and Treasury Share Transactions. The interpretation clarifies the treatment of transactions involving treasury shares of Group companies in the financial statements of the parent company and the Group companies, providing guidance on their classification as equity-settled or cash-settled transactions.

IFRIC 13 Customer Loyalty Programmes. The interpretation defines transactions in which entities grant their customers loyalty award credits when buying goods or services as multiple sales transactions. Payments received from customers are allocated to the various components of the sales transaction on the basis of their fair value. The Group companies do not have customer loyalty programmes as defined in the interpretation.

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The interpretation addresses post-employment defined-benefit arrangements according to IAS 19 and other long-term defined-benefit employee benefits when the arrangement involves a minimum funding requirement. The interpretation also clarifies balance sheet recognition conditions for significant asset items via future refunds or future reductions of contributions made into the arrangement. The Group does not have defined-benefit pension arrangements referred to in the interpretation.

The following new standards and interpretations that will enter into force in 2010 will not have an effect on the Group's financial statements:

IFRIC 18 clarifies the requirements of the IFRS standards concerning agreements in which an entity receives from customers an item of property, plant and equipment that the entity must then use to either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

IFRIC 9 and IAS 39 (amendment)* Reassessment of embedded derivatives on reclassification. The amendments clarify that on reclassification of a financial asset out of the "at fair value through profit or loss" category all embedded derivatives have to be reassessed and, if necessary, accounted for separately from the host contract in the financial statements.

IFRS 2 (amendment)* Share-based Payments – Group Cash-settled Share-based Payment Transactions. The amendment clarifies that an entity that receives goods or services must apply IFRS 2 even though the entity has no obligation to make the required share-based cash payments.

IFRS 1 (amendment)* First-time Adoption of IFRSs – Additional Exemptions for First-time Adopters. The amendment sets out additional exemptions for entities that apply IFRS for the first time.

The following new standards and interpretations that will enter into force in 2011 will not have an effect on the Group's financial statements:

IAS 32 (amendment) Financial instruments: Presentation – Classification of Rights Issues. The amendment addresses the accounting for rights issues when the instruments issued are denominated in a currency other than the functional currency of the issuer. If such instruments are issued to the existing shareholders of the issuer on an equal basis against a fixed amount of cash, they should be classified as equity even if the exercise price is denominated in a currency other than the issuer's functional currency.

IAS 24 (renewed)* Related Party Disclosures. The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of related party. The revised standard still requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to the users. It achieves this balance by requiring disclosure about these transactions only if they are individually or collectively significant.

IFRIC 19* Extinguishing Financial Liabilities with Equity Instruments. The interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor. IFRIC 19 requires a gain or loss to the recognised in profit or loss when a liability is settled through the issuance of the entity's own equity instruments. The amount of gain or loss recognised in profit or loss will be the difference between the carrying value of the financial liability and the fair value of the equity instruments issued.

IFRIC 14 (amendment)* Prepayments of a Minimum Funding Requirement. The amendment is aimed at correcting an unintended consequence of IFRIC 14. As a result of the interpretation, entities are in some circumstances not permitted to recognise some prepayments for minimum funding contributions as an asset. The amendment remedies this unintended consequence by requiring prepayments in appropriate circumstances to be recognised as assets.

IFRS 9* Financial Assets – Classification and Measurement. The standard represents the first milestone in the IASB's planned replacement of IAS 39 with a new financial instrument standard. The standard addresses the classification and measurement of financial assets. The next steps of the project involve the classification and measurement of financial assets, impairment testing methods for financial assets, and development of enhanced guidance on hedge accounting.

* The standard, amendment or interpretation concerned has not yet been adopted to the applied in the EU.

(EUR 1,000)

1.1 Tangible assets

2009	Land and leasehold interests	Buildings and structures	Machinery and equipment	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2009	911	7 096	9 835	113	17 955
Increases		609	494	225	1 328
Decreases			-6	-245	-251
Acquisition cost, 31 Dec. 2009	911	7 705	10 323	93	19 032
Accumulated depreciation, 1 Jan. 2009		2 013	5 994		8 007
Depreciation		508	712		1 220
Accumulated depreciation, 31 Dec. 2009		2 521	6 706		9 227
	911	5 184	3 617	93	9 805
Book value, 1 Jan. 2009	911	5 083	3 841	113	9 948
Book value, 31 Dec. 2009	911	5 184	3 617	93	9 805
Book value of production machinery and equipment, 31 Dec. 2009					2 615

2008	Land and leasehold interests	Buildings and structures	Machinery and equipment	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2008	911	6 338	9 521	26	16 796
Increases		783	316	294	1 393
Decreases		-25	-2	-207	-234
Acquisition cost, 31 Dec. 2008	911	7 096	9 835	113	17 955
Accumulated depreciation, 1 Jan. 2008		1 624	5 216		6 840
Depreciation		389	778		1 167
Accumulated depreciation, 31 Dec. 2008		2 013	5 994		8 007
	911	5 083	3 841	113	9 948
Book value, 1 Jan. 2008	911	4 367	4 652	26	9 956
Book value, 31 Dec. 2008	911	5 083	3 841	113	9 948
Book value of production machinery and equipment, 31 Dec. 2008					2 887

1.2 Intangible assets

2009	Intangible rights	Computer software	Total
Acquisition cost, 1 Jan. 2009	493	3 162	3 655
Increases	119	6	125
Acquisition cost, 31 Dec. 2009	612	3 168	3 780
Accumulated depreciation, 1 Jan. 2009	354	2 843	3 197
Depreciation	54	120	174
Accumulated depreciation, 31 Dec. 2009	408	2 963	3 371
	204	205	409
Book value, 1 Jan. 2009	139	319	458
Book value, 31 Dec. 2009	204	205	409

(EUR 1,000)

1.2 Intangible assets

2008	Intangible rights	Computer software	Total
Acquisition cost, 1 Jan. 2008	437	3 014	3 451
Increases	56	148	204
Acquisition cost, 31 Dec. 2008	493	3 162	3 655
Accumulated depreciation, 1 Jan. 2008	311	2 729	3 040
Depreciation	43	114	157
Accumulated depreciation, 31 Dec. 2008	354	2 843	3 197
	139	319	458
Book value, 1 Jan. 2008	126	285	411
Book value, 31 Dec. 2008	139	319	458

1.3 Available-for-sale financial assets

	2009	2008
Available-for-sale shares		
Acquisition cost, 1 Jan.	20	20
Acquisition cost, 31 Dec.	20	20
Book value, 31 Dec.	20	20
Financial assets, total	20	20

Available-for-sale financial assets comprise unlisted shares, which are presented at cost because their fair values are not reliably known.

2.1 Inventories

	2009	2008
Raw materials and consumables	5 035	5 259
Incomplete products	78	198
Finished products/goods	9 612	11 559
Advance payments	504	270
Total	15 229	17 286

No impairment was recognised on inventories.

2.2 Trade and other receivables

	2009	2008
Trade receivables	3 886	4 632
Other receivables	37	32
Prepaid expenses and accrued income	1 336	1 445
Total	5 259	6 109
Prepaid expenses and accrued income		
Interest receivables		34
Royalty receivables	446	467
Other prepaid expenses and accrued income	890	944
Total	1 336	1 445
Impairment of trade receivables	124	83

(EUR 1,000)

Analysis of trade receivables by age	2009	Impairment loss	Net 2009	2008	Impairment loss	Net 2008
Undue trade receivables	3 141		3 141	3 491		3 491
Overdue						
less than 30 days	319		319	600		600
30–60 days	200		200	242		242
more than 60 days	350	-124	226	382	-83	299
Total	4 010	-124	3 886	4 715	-83	4 632

3. SHAREHOLDERS' EQUITY

	Number of shares	Share capital EUR	Total EUR
3.1 1 Jan. 2008	8 040 000	8 040 000	8 040 000
31 Dec. 2008	8 040 000	8 040 000	8 040 000
1 Jan. 2009	8 040 000	8 040 000	8 040 000
31 Dec. 2009	8 040 000	8 040 000	8 040 000

Marimekko Corporation's Articles of Association do not specify maximum share capital. Marimekko Corporation has one series of shares; the shares do not have a nominal value. All shares in issue have been paid in full. The Group does not possess any of its own shares. The Group does not have any share option schemes. After the closing date, the Board of Directors has proposed that a dividend of EUR 0.45 per share be paid for 2009 (2008: EUR 0.55).

4.1 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset against each other where the Group has a legally enforceable right to offset deferred tax assets and liabilities based on taxable earnings for the period against each other and where they relate to income taxes levied by the same taxation authority on the same taxpayer or different taxpayers and the intention is to settle on a net basis. The amounts offset against each other are as follows:

Changes in deferred taxes in 2009	1 Jan. 2009	Recognised in the income statement	31 Dec. 2009
Deferred tax assets			
Internal margin of inventories	51	-6	45
Total	51	-6	45
Deferred tax asset	51	-6	45
Deferred tax liabilities			
Accumulated depreciation difference	-580	-4	-584
Fixed costs included in inventories	-175	31	-144
Total	-755	27	-728
Deferred tax liability	-755	27	-728
Deferred tax liability, net			-683

(EUR 1,000)

Changes in deferred taxes in 2008	1 Jan. 2008	Recognised in the income statement	31 Dec. 2008
Deferred tax assets			
Internal margin of inventories	54	-3	51
Total	54	-3	51
Deferred tax asset	54	-3	51
Deferred tax liabilities			
Accumulated depreciation difference	-555	-26	-581
Fixed costs included in inventories	-175	1	-174
Total	-730	-25	-755
Deferred tax liability	-730	-25	-755
Deferred tax liability, net			-704

	FINANCIAL LIABILITIES	**2009**	**2008**
5.2	Current		
	Pension loans		185
	Total		185
	Financial liabilities, total		185
	Range of variation of the interest rate applied to financial liabilities, %		
	Loans from financial institutions		4.27–5.42
	Pension loans		3.00
	All financial liabilities are euro denominated.		
5.1	Trade and other payables		
	Trade payables	2 408	2 114
	Other payables	2 176	2 659
	Accrued liabilities and deferred income	3 875	2 978
	Total	8 459	7 751
	Accrued liabilities and deferred income		
	Employee benefits	3 133	2 822
	Other accrued liabilities and deferred income	742	156
	Total	3 875	2 978

(EUR 1,000)

6. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Book value 2009	Fair value 2009	Book value 2008	Fair value 2008
Trade and other receivables	5 259	5 259	6 109	6 109
Cash and cash equivalents	10 245	10 245	6 112	6 112
Pension loans			185	185
Trade and other payables	7 874	7 874	7 751	7 751

The fair values of loans correspond to their book values.

7. GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	2009	2008
For own liabilities		
Corporate mortgages and mortgaged promissory notes		5 080
Corresponding pension loan		185
For the liabilities of other companies		
Guarantees	482	646
Other own liabilities and commitments		
Lease liabilities for machinery and equipment	497	252
Liabilities relating to lease agreements for business premises	10 327	11 883
Commitments, total	11 306	17 861
Other lease agreements		
The Group as lessee		
Minimum lease payments under other non-cancellable lease agreements		
No later than 1 year	3 288	2 785
Later than 1 year – no later than 5 years	6 682	7 377
Later than 5 years	854	1 721
Total	10 824	11 883

The Group has leased many of its store and some of its office and warehouse premises. Lease agreements are valid either for a fixed period or for the time being. The index, renewal and other terms of the agreements differ. The 2009 income statement includes EUR 3,482 thousand in rental expenses paid on the basis of other non-cancellable lease agreements.

(EUR 1,000)

8. ACQUISITIONS

On 1 April 2009, the Group acquired the business of the Marimekko store in London from Skandium Ltd. The shop's business operations are managed by Marimekko UK Ltd, a subsidiary established in the United Kingdom at the end of March 2009. The price was EUR 85,561.15, and the sum was set off against Skandium Ltd's debt to Marimekko Corporation.

Marimekko UK Ltd's nine-month result, EUR -203.63, is included in the consolidated income statement for 2009.

The values of acquired assets on the day of acquisition were as follows:

	Recognised fair values on acquisition	Pre-acquisition book values
Property, plant and equipment	20	20
Intangible assets	-	-
Inventories	66	66
Net assets	86	86
Acquisition cost	86	
Goodwill	0	

9. RELATED PARTY TRANSACTIONS

The relationships of the Group's parent company and subsidiaries are as follows:

Group companies
Company and domicile

Parent company
Marimekko Corporation, Helsinki, Finland

Subsidiaries	**Group's holding, %**	**Share of voting rights, %**
Decembre Oy, Helsinki, Finland	100	100
Keskinäinen Kiinteistö Oy Marikko, Helsinki, Finland	100	100
Marimekko AB, Stockholm, Sweden	100	100
Marimekko GmbH, Frankfurt am Main, Germany	100	100
Marimekko Kitee Oy, Kitee, Finland	100	100
Marimekko Tuotanto Oy, Helsinki, Finland	100	100
Marimekko UK Ltd, London, United Kingdom	100	100

Sales of goods and services between related parties are based on fair market prices.

(EUR 1,000)

Employee benefits of management	2009	2008
Salaries and bonuses of the President		
Kirsti Paakkanen		15
Mika Ihamuotila	348	367
Salaries and bonuses of the Board of Directors		
Matti Kavetvuo		5
Kirsti Paakkanen		4
Tarja Pääkkönen		4
Ami Hasan	15	11
Mika Ihamuotila		
Joakim Karske	15	11
Pekka Lundmark	20	15
Tarja Pääkkönen	15	11

In 2004, Marimekko Corporation granted a loan guarantee on behalf of a related-party company (Gemmi Furs Oy) as part of business operations. At 31 Dec. 2009, the guarantee amounted to EUR 482 thousand. Gemmi Furs Oy has given a counter-obligation and corporate mortgages amounting to EUR 1,177 thousand as a counter-guarantee.

10. EVENTS AFTER THE CLOSING DATE

The management of the company is not aware of any significant events after the closing date that would have affected the financial statement calculations.

11. SEGMENT INFORMATION

The operational segments are reported to the chief operational decision-maker in the same way as in internal reporting. The chief operational decision-maker monitors Marimekko's business as a whole. The company is domiciled in Finland. Net sales from external customers in Finland totalled EUR 52,711 thousand and from external customers in other countries EUR 19,762 thousand.

The total amount of non-current assets in Finland excluding financial instruments and deferred tax liabilities (the Group has no assets arising from employee benefits or insurance contracts) was EUR 10,234 thousand (2008: EUR 10,426 thousand) and the total amount of corresponding non-current assets in other countries was EUR 940 thousand (2008: EUR 713 thousand).

	2009	2008
Net sales		
Finland	52 711	59 175
Other countries	19 762	21 932
Total	72 473	81 107
Assets		
Finland	39 084	37 939
Other countries	2 898	3 498
Eliminations	-1 015	-1 236
Total	40 967	40 201
Investments		
Finland	911	1 362
Other countries	291	
Total	1 202	1 362

(EUR 1,000)

12. OTHER OPERATING INCOME	2009	2008
Other income	41	244
Total	41	244

13. RAW MATERIALS AND CONSUMABLES		
Materials and supplies		
Purchases during the financial year	19 171	22 848
Change in inventories	278	964
Total	19 449	23 812
External services	7 441	9 785
Total	26 890	33 597

14. EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and bonuses	15 026	14 881
Pension expenses – defined contribution plans	2 453	2 525
Other indirect social expenditure	723	881
Total	18 202	18 287
Average number of employees		
Salaried employees	275	274
Non-salaried employees	125	137
Total	400	411

15. DEPRECIATION		
Intangible assets		
Intangible rights	54	43
Computer software	120	114
Total	174	157
Tangible assets		
Buildings and structures	508	389
Machinery and equipment	712	778
Total	1 220	1 167
Total	1 394	1 324

No impairment was recognised on non-current assets.

16. OTHER OPERATING EXPENSES		
Leases	3 697	3 133
Marketing	3 137	3 398
Management and maintenance of business premises	1 656	1 690
Administration	2 527	3 065
Other expenses	6 585	7 086
Total	17 602	18 372
Exchange rate differences included in other operating expenses		
Exchange rate differences of sales	24	-286

(EUR 1,000)

17. FINANCIAL INCOME	2009	2008
Interest income on loans and other receivables	86	205
Total	86	205

18. FINANCIAL EXPENSES		
Interest expenses on financial liabilities measured at amortised cost		-155
Other financial expenses	-23	-42
Total	-23	-197
Financial expenses include gains/losses on exchange rates	2	-40

19. INCOME TAXES		
Taxes on taxable earnings for the period	1 649	2 561
Deferred taxes	4	25
Total	1 653	2 586
Reconciliation statement of taxes calculated on the basis of tax expenses in the income statement and the Group's Finnish tax rate (26%)		
Profit before taxes	6 367	9 964
Taxes calculated at the Finnish tax rate	1 655	2 591
Different tax rates of foreign subsidiaries	-2	-4
Non-deductible expenses		-1
Taxes in the income statement	1 653	2 586

20. EARNINGS PER SHARE		
Net profit for the period, EUR 1,000	4 701	7 378
Weighted average number of shares, 1,000	8 040	8 040
Basic and diluted earnings per share, EUR	0.59	0.92

21. AUDITOR'S FEE		
PricewaterhouseCoopers Oy, Authorised Public Accountants		
Audit	36	32
Other services	33	37
Total	69	69
Nexia Tilintarkastus Oy, Authorised Public Accountants		
Audit		21
Total		21
Others		
Audit	3	9
Total	3	9

(EUR 1,000)

22. FINANCIAL RISK MANAGEMENT

During the normal course of its business operations, the Marimekko Group is exposed to financial risks. The principal financial risks are liquidity risk, credit risk, foreign currency risk and interest rate risk.

The company's Board of Directors has confirmed the principles, responsibilities and organisation of risk management for the Group. 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. Economic risks include financial risks. Responsibility for the implementation of risk management measures concerning financial risks lies with the Group's CFO. The main objective of risk management is to minimise the unfavourable effects, if any, on the Group's financial performance. Marimekko has not used derivative instruments when hedging against risks.

Liquidity risk

The Group continuously seeks to assess and monitor the amount of funding required by the business operations to ensure that sufficient liquid funds are available for the daily business and repayment of maturing debts. The assessment is based on monthly cash flow and liquidity forecasts. The Group aims to maintain a high liquidity level at all times in order to eliminate liquidity risk. At their present level, the Group's liquidity risks are relatively small. The equity ratio is high, the Group's net debt is negative and the financial situation good. The need for external funding mainly concerns short-term financing.

Maturity analysis for the Group's financial liabilities; the figures are not discounted, and they include both interest payments and capital repayments

31 Dec. 2009	Less than 1 year	1–2 years	2–5 years	More than 5 years
Trade and other payables	7 874			
Deferred tax liability on taxable earnings for the period	585			
Total	8 459			

31 Dec. 2008	Less than 1 year	1–2 years	2–5 years	More than 5 years
Loans	185			
Trade and other payables	7 751			
Deferred tax liability on taxable earnings for the period	18			
Total	7 954			

Credit risk

The trade receivables generated in the Group's wholesale operations are associated with a credit risk, which is reduced by the Group's broad and geographically diverse clientele. Marimekko continuously monitors the credit limits, credit history and financial situation of its customers. The Group has a centralised process in place for this purpose. Responsibility for the credit monitoring process lies with the Group's CFO. The credit risk related to the wholesale business is also reduced by means of advance payments, bank guarantees and letters of credit. During the 2009 financial year, credit loss recognised through profit or loss amounted to EUR 124 thousand (EUR 83 thousand in 2008).

Retail customers pay for their purchases using cash or the most common credit cards.

Note 2.2 (Trade and other receivables) to the consolidated financial statements includes an analysis of trade receivables by age.

(EUR 1,000)

Foreign currency risk

The Group's principal invoicing currency is the euro. The other significant invoicing currencies are the Swedish krona and the US dollar. Customers in the euro area are invoiced in euros, as are some of the customers located outside this area. Customers in North America and part of the customers in other non-European regions are invoiced in US dollars. Customers operating in the Nordic countries, excluding Finland, and in the United Kingdom are invoiced in their national currency. The principal currencies used for purchases are the euro and, to a lesser extent, the US dollar.

Thus, foreign currency risks mainly involve purchases and sales in the US dollar and sales in the Swedish krona. Marimekko protects itself against foreign currency risks of sales by taking exchange rate fluctuations into account when pricing its products. Hence, the balance sheet items that involve a foreign currency risk are trade receivables, trade payables and net investments in the Swedish subsidiary.

The foreign-currency-denominated assets and liabilities converted to euro amounts using the exchange rates quoted on the closing date are as follows:

	2009		2008	
	USD	SEK	USD	SEK
Non-current assets	-	-	-	-
Non-current liabilities	-	-	-	-
Foreign exchange difference on non-current items	-	-	-	-
Current assets	623	1 374	919	1 619
Current liabilities	76	782	21	1 424

The following table shows the effects on the Group's profit after taxes, if the euro were to weaken or strengthen against the US dollar or the Swedish krona, provided that all other factors would remain unchanged:

	2009		2008	
	USD	SEK	USD	SEK
Change in exchange rate[1], %	10	10	10	10
Effects on profit after taxes	-34	-19	-58	-6
Shareholders' equity	-	-	-	-

[1] Strengthening (+) / weakening (-) of the euro

Interest rate risk

The Group's interest rate risk primarily results from changes in the interest on cash and cash equivalents and on current interest-bearing liabilities due to changes in market rates. Their combined effect on the Group's profit is not significant, and thus the interest rate risk is not a material financial risk for the Group.

	2009	2008
Cash and cash equivalents	10 245	6 112
Interest-bearing liabilities		185

(EUR 1,000)

23. CAPITAL MANAGEMENT

The purpose of capital management is to maintain a capital structure that optimally supports the Group's strategic objectives. Efficient capital management measures ensure normal operating conditions for the business and increase the shareholder value in the long term. The principal factors affecting the capital structure are profitability, dividend distribution and investments. The capital managed equals the shareholders' equity shown on the consolidated balance sheet. No external capital requirements are applied to the Group.

The Group continuously monitors the development of its capital structure by means of the equity ratio and gearing. The Group's strategic objective is to maintain the equity ratio at a minimum of 60%. At the end of 2009, the Group's net liabilities amounted to EUR -10,245 thousand (EUR -5,927 thousand on 31 December 2008) and gearing was -32% (-19% on 31 December 2008).

Gearing	**2009**	**2008**
Interest-bearing liabilities		185
deducting cash and cash equivalents	-10 245	-6 112
Net liabilities	-10 245	-5 927
Shareholders' equity, total	31 825	31 542
Equity, total	21 580	25 615
Gearing, %	-32.2	-18.8

Assessment of fair value

From 1 January 2009, the Group has applied the amendment to IFRS 7 concerning financial instruments measured at fair value. In accordance with the new requirements, fair values are presented according to the following hierarchy levels based on the determination of fair value:

– quoted prices in active markets for identical assets and liabilities (Level 1)
– inputs other than quoted prices included in Level 1 that are observable for the asset or liability (Level 2)
– inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Group's assets and liabilities measured at fair value on 31 December 2009

	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities			20	20
Assets, total			20	20

Parent company financial statements, FAS

PARENT COMPANY BALANCE SHEET

(EUR 1,000)			**31 Dec. 2009**		31 Dec. 2008
ASSETS					
FIXED ASSETS	1.				
Intangible assets	1.1		**1 342**		1 397
Tangible assets	1.2		**2 585**		2 740
Investments	1.3				
Participations in Group companies		2 477		2 477	
Other shares and participations		17	**2 494**	17	2 494
FIXED ASSETS, TOTAL			**6 421**		6 631
CURRENT ASSETS					
Inventories	2.		**14 342**		16 244
Current receivables	3.		**7 049**		8 075
Cash in hand and at banks			**9 808**		5 546
CURRENT ASSETS, TOTAL			**31 199**		29 865
			37 620		36 496

PARENT COMPANY BALANCE SHEET

(EUR 1,000)		**31 Dec. 2009**	31 Dec. 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	4.		
Share capital		**8 040**	8 040
Retained earnings		**15 399**	12 709
Net profit for the period		**4 583**	7 112
SHAREHOLDERS' EQUITY, TOTAL		**28 022**	27 861
ACCUMULATED APPROPRIATIONS	5.	**1 122**	1 143
LIABILITIES	6.		
Current liabilities	6.1	**8 476**	7 492
LIABILITIES, TOTAL		**8 476**	7 492
		37 620	36 496

PARENT COMPANY INCOME STATEMENT

(EUR 1,000)		**1 Jan.–31 Dec. 2009**	1 Jan.–31 Dec. 2008
NET SALES	7.	**71 476**	80 161
Increase or decrease in inventories of completed and unfinished products		**-1 914**	175
Other operating income	8.	**24**	211
Materials and services	9.	**29 497**	36 549
Personnel expenses	10.	**12 329**	12 035
Depreciation and impairment	11.	**933**	915
Other operating expenses	12.	**20 413**	21 404
OPERATING PROFIT		**6 414**	9 644
Financial income and expenses	13.	**93**	36
PROFIT BEFORE EXTRAORDINARY ITEMS		**6 507**	9 680
Extraordinary items	14.	**-320**	-88
PROFIT BEFORE APPROPRIATIONS AND TAXES		**6 187**	9 592
Appropriations	15.	**21**	29
Income taxes	16.	**-1 625**	-2 509
NET PROFIT FOR THE PERIOD		**4 583**	7 112

PARENT COMPANY CASH FLOW STATEMENT

(EUR 1,000)	**2009**	2008
CASH FLOW FROM OPERATIONS		
Net profit for the period	**4 583**	7 112
Adjustments		
Depreciation according to plan	**933**	915
Change in depreciation difference	**-21**	-29
Financial income and expenses	**-93**	-36
Taxes	**1 625**	2 509
Cash flow before change in working capital	**7 027**	10 471
Change in working capital		
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	**743**	-626
Increase (-) / decrease (+) in inventories	**1 901**	959
Increase (-) / decrease (+) in current non-interest-bearing liabilities	**593**	-700
Cash flow from operations before financial items and taxes	**10 264**	10 104
Paid interest and payments on other operational financial expenses	**-23**	-207
Interest received	**148**	236
Taxes paid	**-798**	-2 579
CASH FLOW FROM OPERATIONS	**9 591**	7 554
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	**-723**	-990
CASH FLOW FROM INVESTMENTS	**-723**	-990
CASH FLOW FROM FINANCING		
Short-term loans drawn		4 600
Short-term loans repaid		-5 550
Long-term loans repaid	**-185**	-655
Dividends paid	**-4 422**	-5 226
CASH FLOW FROM FINANCING	**-4 607**	-6 831
Change in cash and cash equivalents	**4 261**	-267
Cash and cash equivalents at the beginning of the financial year	**5 546**	5 813
Cash and cash equivalents at the end of the financial year	**9 807**	5 546

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICY
Marimekko Corporation's financial statements have been prepared in accordance with the legislation and regulations that are in force in Finland. The financial year of the company is the calendar year.

Measurement of fixed assets
Fixed assets are recorded in the balance sheet at the original acquisition cost less depreciation according to plan. Depreciation according to plan has been calculated using straight-line depreciation on the estimated useful life of the fixed assets.

Periods of depreciation:
- intangible rights 5–10 years
- other capitalised expenditure 3–10 years
- machinery and equipment 5–15 years

Inventories
Inventories are presented in accordance with the FIFO principle at the acquisition cost or at the lower replacement cost or the probable market price. The value of inventories does not include any share of fixed purchasing and manufacturing costs.

Pension commitments
The pension security of the company's personnel has been arranged under the statutory employee pension plan (TyEL) through a pension insurance company.

Items denominated in foreign currency
The foreign-currency-denominated receivables and liabilities of the company have been converted to euro amounts using the exchange rate quoted by the European Central Bank on the closing date.

Leasing
Leasing payments are treated as rental expenditures.

Appropriations
On the basis of local legislation and accounting practices, companies in Finland and Sweden can, in their separate financial statements, record in appropriations the depreciation difference and the change in voluntary reserves, which are items that mainly have an effect on taxation.

Taxes
Recorded as direct taxes are the direct taxes calculated from the taxable result of the company.

NOTES TO THE BALANCE SHEET

(EUR 1,000)

1. FIXED ASSETS

1.1 Intangible assets

2009	Intangible rights	Other capitalised expenditure	Total
Acquisition cost, 1 Jan. 2009	451	3 971	4 422
Increases	119	201	320
Acquisition cost, 31 Dec. 2009	570	4 172	4 742
Accumulated depreciation, 1 Jan. 2009	312	2 713	3 025
Depreciation during the financial year	54	321	375
Accumulated depreciation, 31 Dec. 2009	366	3 034	3 400
Book value, 31 Dec. 2009	204	1 138	1 342

2008	Intangible rights	Other capitalised expenditure	Total
Acquisition cost, 1 Jan. 2008	395	3 420	3 815
Increases	56	551	607
Acquisition cost, 31 Dec. 2008	451	3 971	4 422
Accumulated depreciation, 1 Jan. 2008	269	2 463	2 732
Depreciation during the financial year	43	250	293
Accumulated depreciation, 31 Dec. 2008	312	2 713	3 025
Book value, 31 Dec. 2008	139	1 258	1 397

1.2 Tangible assets

2009	Machinery and equipment	Other tangible assets	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2009	7 407	4	113	7 524
Increases	423		225	648
Decreases			-245	-245
Acquisition cost, 31 Dec. 2009	7 830	4	93	7 927
Accumulated depreciation, 1 Jan. 2009	4 784			4 784
Depreciation during the financial year	558			558
Accumulated depreciation, 31 Dec. 2009	5 342			5 342
Book value, 31 Dec. 2009	2 488	4	93	2 585

(EUR 1,000)

1.2 Tangible assets

2008	Machinery and equipment	Other tangible assets	Advance payments and acquisitions in progress	Total
Acquisition cost, 1 Jan. 2008	7 111	4	26	7 141
Increases	296		294	590
Decreases			-207	-207
Acquisition cost, 31 Dec. 2008	7 407	4	113	7 524
Accumulated depreciation, 1 Jan. 2008	4 162			4 162
Depreciation during the financial year	622			622
Accumulated depreciation, 31 Dec. 2008	4 784			4 784
Book value, 31 Dec. 2008	2 623	4	113	2 740

Book value of production machinery and equipment	
31 Dec. 2008	1 745
31 Dec. 2009	1 564

1.3 Investments

2009	Shares in Group companies	Other shares and participations	Total
Acquisition cost, 1 Jan. 2009	2 766	17	2 783
Increases	1		1
Acquisition cost, 31 Dec. 2009	2 767	17	2 784
Accumulated depreciation, 31 Dec. 2009	290		290
Book value, 31 Dec. 2009	2 477	17	2 494

2008	Shares in Group companies	Other shares and participations	Total
Acquisition cost, 1 Jan. 2008	2 766	17	2 783
Acquisition cost, 31 Dec. 2008	2 766	17	2 783
Accumulated depreciation, 31 Dec. 2008	289		289
Book value, 31 Dec. 2008	2 477	17	2 494

Group companies Company and domicile	Parent company's holding, %
Decembre Oy, Helsinki, Finland	100
Keskinäinen Kiinteistö Oy Marikko, Helsinki, Finland	100
Marimekko AB, Stockholm, Sweden	100
Marimekko GmbH, Frankfurt am Main, Germany	100
Marimekko Kitee Oy, Kitee, Finland	100
Marimekko Tuotanto Oy, Helsinki, Finland	100
Marimekko UK Ltd, London, United Kingdom	100

2. INVENTORIES	2009	2008
Raw materials and consumables	5 026	5 247
Incomplete products	59	135
Finished products/goods	8 753	10 592
Advance payments	504	270
Total	14 342	16 244

(EUR 1,000)

3.	**CURRENT RECEIVABLES**	**2009**	**2008**
	Trade receivables	3 816	4 533
	Receivables from Group companies		
	Trade receivables	1 092	1 062
	Loan receivables	720	750
	Prepaid expenses and accrued income	478	310
	Total	2 290	2 122
	Other receivables	37	32
	Prepaid expenses and accrued income	906	1 388
	Total	7 049	8 075
	Prepaid expenses and accrued income		
	Interest receivables		34
	Royalty receivables	446	467
	Statutory employee pension plan accrual	34	308
	Tax receivables		249
	Other prepaid expenses and accrued income	426	330
	Total	906	1 388

4.	**SHAREHOLDERS' EQUITY**		
	Share capital, 1 Jan.	8 040	8 040
	Share capital, 31 Dec.	8 040	8 040
	Retained earnings, 1 Jan.	19 821	17 935
	Dividends paid	-4 422	-5 226
	Retained earnings, 31 Dec.	15 399	12 709
	Net profit for the period	4 583	7 112
	SHAREHOLDERS' EQUITY, TOTAL	28 022	27 861
	Calculation of distributable funds, 31 Dec.		
	Retained earnings	15 399	12 709
	Net profit for the period	4 583	7 112
	Total	19 982	19 821

5.	**ACCUMULATED APPROPRIATIONS**		
	Accumulated depreciation difference		
	Intangible rights	32	24
	Other capitalised expenditure	156	144
	Machinery and equipment	934	975
	Total	1 122	1 143

6.	**LIABILITIES**		
	Non-interest-bearing liabilities		
	Current	8 476	7 492
	Total	8 476	7 492

(EUR 1,000)

6.1 Current liabilities	2009	2008
Pension loans		185
Advances received	14	118
Trade payables	2 344	2 040
Debts to Group companies		
Trade payables	1 348	913
Other current liabilities	88	79
Accrued liabilities and deferred income	320	88
Total	1 756	1 080
Other current liabilities	1 707	2 148
Accrued liabilities and deferred income	2 655	1 921
Total	8 476	7 492

Accrued liabilities and deferred income		
Interest		1
Wages and salaries with social security contributions	2 029	1 866
Accrued income tax liabilities	578	
Other accrued liabilities and deferred income	48	54
Total	2 655	1 921

GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

Corporate mortgages and mortgaged promissory notes		1 514
Corresponding pension loan		185
Pledges given		2 324
For the liabilities of the Group company		
Guarantees	146	139
For the liabilities of other companies		
Guarantees	482	646
Other own liabilities and commitments		
Leasing liabilities		
Payments due in the following financial year	203	125
Payments due later	294	118
Total	497	243
Liabilities relating to lease agreements		
Payments due in the following financial year	2 703	2 463
Payments due later	7 043	8 616
Total	9 746	11 079

The parent company has no liabilities from derivative contracts.

RELATED PARTY TRANSACTIONS

In 2004, the parent company granted a loan guarantee on behalf of a related-party company (Gemmi Furs Oy) as part of business operations. At 31 Dec. 2009, the guarantee amounted to EUR 482 thousand. As a counter-guarantee, Gemmi Furs Oy has given the parent company a counter-obligation and corporate mortgages amounting to EUR 1,177 thousand.

NOTES TO THE INCOME STATEMENT

(EUR 1,000)

7. NET SALES BY MARKET AREA	2009	2008
Sales in Finland	52 726	59 165
Exports	18 750	20 996
Total	71 476	80 161

8. OTHER OPERATING INCOME		
Other income	24	211
Total	24	211

9. MATERIALS AND SERVICES		
Materials and supplies		
Purchases during the financial year	19 162	22 831
Change in inventories	221	961
Total	19 383	23 792
External services	10 114	12 757
Total	29 497	36 549

10. PERSONNEL EXPENSES		
Salaries, wages and bonuses	10 215	9 840
Pension and pension insurance payments	1 649	1 636
Other indirect social expenditure	465	559
Total	12 329	12 035
Salaries and bonuses for management		
Members of the Board of Directors and the President	413	443
Itemised in the note 9 to the consolidated financial statements.		
Average number of employees		
Salaried employees	237	234
Total	237	234

11. DEPRECIATION AND IMPAIRMENT		
Intangible assets		
Intangible rights	54	43
Other capitalised expenditure	321	250
Total	375	293
Tangible assets		
Machinery and equipment	558	622
Total	558	622
Total	933	915

(EUR 1,000)

12. OTHER OPERATING EXPENSES	2009	2008
Leases	3 988	3 418
Marketing	3 515	3 647
Other expenses	12 910	14 339
Total	20 413	21 404

13. FINANCIAL INCOME AND EXPENSES		
Other interest and financial income		
From Group companies	31	40
From others	84	200
Total	115	240
Interest and other financial expenses		
To Group companies	3	4
To others	19	200
Total	22	204
Financial income and expenses, total	93	36
Financial income and expenses include exchange rate differences (net)		
From others	3	40
Total	3	40

14. EXTRAORDINARY ITEMS		
Group contributions	320	88

15. APPROPRIATIONS		
Change in depreciation difference	21	30

16. INCOME TAXES		
Income taxes on extraordinary items	-83	-23
Income taxes on operations	1 708	2 532
Total	1 625	2 509

17. AUDITOR'S FEE		
PricewaterhouseCoopers Oy, Authorised Public Accountants		
Audit	36	32
Other services	33	37
Total	69	69
Nexia Tilintarkastus Oy, KHT-yhteisö		
Audit		21
Total		21

Key figures of the Group

Per-share key figures

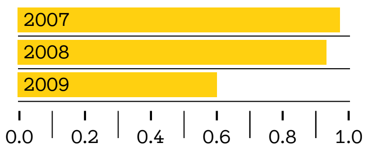
	2007	2008	2009
Earnings per share (EPS), EUR	0.96	0.92	0.59
Equity per share, EUR	3.66	3.92	3.96
Dividend per share, EUR	0.65	0.55	*)0.45
Dividend per profit, %	67.7	59.9	*)76.3
Effective dividend yield, %	4.0	6.6	4.0
P/E ratio	19.0	9.1	17.5
Adjusted average number of shares, 1 000	8,040	8,040	8,040
Adjusted number of shares at the end			
of the period, 1,000	8,040	8,040	8,040

*) The Board of Directors' proposal to the Annual General Meeting.

Key financial figures

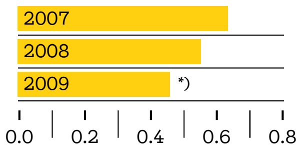
	2007	2008	2009
Net sales, EUR 1,000	77,264	81,107	72,473
Change in net sales, %	8.2	5.0	-10.7
Operating profit, EUR 1,000	10,487	9,956	6,291
% of net sales	13.6	12.3	8.7
Financial income, EUR 1,000	153	205	86
Financial expenses, EUR 1,000	-198	-197	-23
Profit before taxes, EUR 1,000	10,442	9,964	6,354
% of net sales	13.5	12.3	8.8
Taxes, EUR 1,000	2,725	2,586	1,653
Profit after taxes, EUR 1,000	7,717	7,378	4,701
Balance sheet total, EUR 1,000	40,690	40,201	40,967
Interest-bearing liabilities, EUR 1,000	1,791	185	
Shareholders' equity and reserves, EUR 1,000	29,395	31,542	31,825
Return on equity (ROE), %	27.4	24.2	14.8
Return on investment (ROI), %	35.0	32.3	20.1
Equity ratio, %	72.7	78.7	77.7
Gearing, %	-15.2	-18.8	-32.2
Gross investments, EUR 1,000	1,365	1,362	1,202
% of net sales	1.8	1.7	1.7
Employee salaries, wages and bonuses, EUR 1,000	13,629	14,881	15,026
Average personnel	405	411	400
Personnel at the end of the financial year	411	414	370

Earnings per share (EUR)



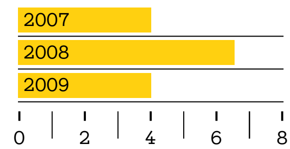
Equity per share (EUR)

Dividend per share (EUR)

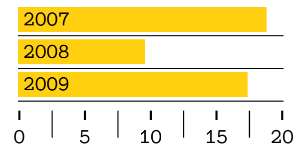


*) Proposal by the Board of Directors

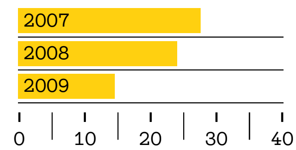
Effective dividend yield (%)



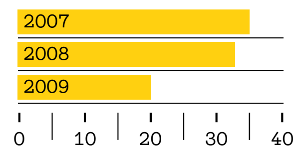
P/E ratio



Return on equity (ROE, %)



Return on investment (ROI, %)



Formulas for the key figures

RETURN ON EQUITY (ROE), %

$$\frac{\text{Profit before extraordinary items – taxes (excl. of taxes on extraordinary items)}}{\text{Shareholders' equity (average for the financial year)}} \times 100$$

RETURN ON INVESTMENT (ROI), %

$$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Balance sheet total – non-interest-bearing liabilities (average for the financial year)}} \times 100$$

EQUITY RATIO, %

$$\frac{\text{Shareholders' equity}}{\text{Balance sheet total – advances received}} \times 100$$

EARNINGS PER SHARE (EPS), EUR

$$\frac{\text{Profit before extraordinary items – taxes (excl. of taxes on extraordinary items)}}{\text{Number of shares (average for the financial year)}}$$

EQUITY PER SHARE, EUR

$$\frac{\text{Shareholders' equity}}{\text{Number of shares, 31 Dec.}}$$

DIVIDEND PER SHARE, EUR

$$\frac{\text{Dividend paid for the financial year}}{\text{Number of shares, 31 Dec.}}$$

DIVIDEND PER PROFIT, %

$$\frac{\text{Dividend paid for the financial year}}{\text{Profit (as in the key figure for earnings per share)}} \times 100$$

EFFECTIVE DIVIDEND YIELD, %

$$\frac{\text{Dividend per share}}{\text{Adjusted share price, 31 Dec.}} \times 100$$

P/E RATIO

$$\frac{\text{Adjusted share price, 31 Dec.}}{\text{Earnings per share (EPS)}}$$

INTEREST-BEARING NET DEBT

Interest-bearing liabilities – cash in hand and at banks – interest-bearing loan receivables

GEARING, %

$$\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity}} \times 100$$

Shares and shareholders

Shares
Marimekko Corporation's share is quoted in the Consumer Discretionary sector of NASDAQ OMX Helsinki Ltd. Marimekko Corporation was listed on the I List of the Helsinki Stock Exchange in March 1999 and on the main list on 27 December 2002.

The company has one series of shares, each conferring the same voting rights to their holders. The company's shares have been included in the book-entry register since 17 February 1999.

Share capital
Marimekko Corporation's paid-in share capital, as recorded in the Trade Register, amounts to EUR 8,040,000, consisting of 8,040,000 shares.

Authorisations
At the end of 2009, the Board of Directors did not have any valid authorisations to carry out a share issue or issue of convertible bonds or bonds with warrants, or to acquire or transfer the company's shares. Marimekko Corporation does not own any Marimekko shares.

Shareholder agreements
Marimekko has neither made nor is aware of any shareholder agreements concerning the company's shares or other commitments agreeing on the company's ownership or the use of voting rights.

Dividends policy
Marimekko aims to pay a regular dividend every year. The dividends to be paid and their amount and the payout date depend on the company's financial result, financial situation, equity ratio, need for working capital and other factors. Marimekko intends to follow a stable and active dividends policy that by and large reflects the company's earnings trend. Marimekko's goal is to distribute as dividends at least half of earnings per share annually.

Dividends for 2008
A dividend of EUR 0.55 per share to a total of EUR 4,422,000 was paid for 2008 in accordance with the decision of the Annual General Meeting held on 8 April 2009. The dividend was paid out on 22 April 2009.

Proposal for the dividend for 2009
The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for the 2009 financial year be EUR 0.45 per share to a total of EUR 3,618,000. The proposed dividends amount to 76.3% of the Group's earnings per share for 2009. The Board will propose 20 April 2010 as the dividend record date and 27 April 2010 as the dividend payout date.

Shareholders
According to the book-entry register, Marimekko Corporation had 6,716 registered shareholders at the end of the 2009 financial year. At the turn of the year, 13.8% of the shares were registered in a nominee's name and 18.0% were in foreign ownership.

Flaggings
Workidea Oy
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.

Barclays Capital Securities Limited
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. and Semerca Investments S.A.
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.

Management's shareholding
At the end of 2009, members of the Board of Directors and the President of the company either directly or indirectly owned 1,086,440 shares, i.e. 13.5% of the company's total share capital and votes.

Largest shareholders according to the book-entry register, 31 December 2009

	Number of shares and votes	Percentage of holding and 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 Pension Insurance Company	385,920	4.80
5. Ilmarinen Mutual 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

Monthly up-dated information about the largest shareholders is available on the company's website under Investors / Share Information / Shareholders.

Marimekko shares owned directly or indirectly by members of the Board of Directors and the President, 31 December 2009

	Number of shares and votes	Percentage of holding and votes
Pekka Lundmark	0	0.00
Mika Ihamuotila	1,045,200	13.00
Ami Hasan	23,230	0.29
Joakim Karske	0	0.00
Tarja Pääkkönen	18,010	0.22
Total	1,086,440	13.51

Updated information on the shareholdings of the members of the Board of Directors and the President and their related parties is presented on the company's website under Investors / Share information / Shareholders / Insiders.

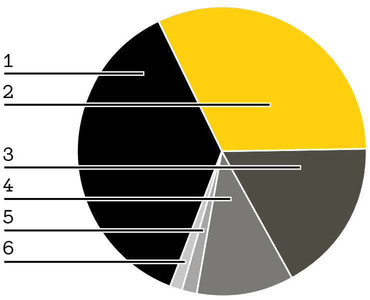
Ownership by size of holding, 31 December 2009

Number of shares	Number of shareholders	%	Number of shares and votes	%
0–100	2,865	42.65	181,676	2.25
101–1,000	3,262	48.57	1,251,714	15.56
1,001–10,000	547	8.14	1,371,199	17.05
10,001–100,000	32	0.47	811,081	10.08
100,001–1,000,000	9	0.13	3,379,130	42.02
1,000,001–	1	0.01	1,045,200	13.00
TOTAL	6,716	100.00	8,040,000	100.00

Breakdown of ownership by owner group, 31 December 2009

Owner	Number of shareholders	%	Number of shares and votes	%
Companies	237	3.52	1,401,622	17.43
Financial institutions and insurance companies	8	0.11	99,749	1.24
Public sector entities	3	0.04	871,339	10.83
Non-profit bodies	33	0.49	128,863	1.60
Households	6,390	95.14	2,983,838	37.11
Foreigners and nominee-registered	45	0.67	2,554,589	31.77
TOTAL	6,716	100.00	8,040,000	100.00

Breakdown of ownership by owner group, 31 December 2009



1 Households 37.1%
2 Foreigners and nominee-registered 31.8%
3 Companies 17.4%
4 Public sector entities 10.8%
5 Non-profit bodies 1.6%
6 Financial institutions and insurance companies 1.2%

Share turnover and market capitalisation

	2007	2008	2009
Share turnover, no. of shares	5,300,535	1,652,527	1,620,304
Share turnover, % of the shares outstanding	65.9	20.6	20.2
Market capitalisation, EUR	146,328,000	67,134,000	82,812,000

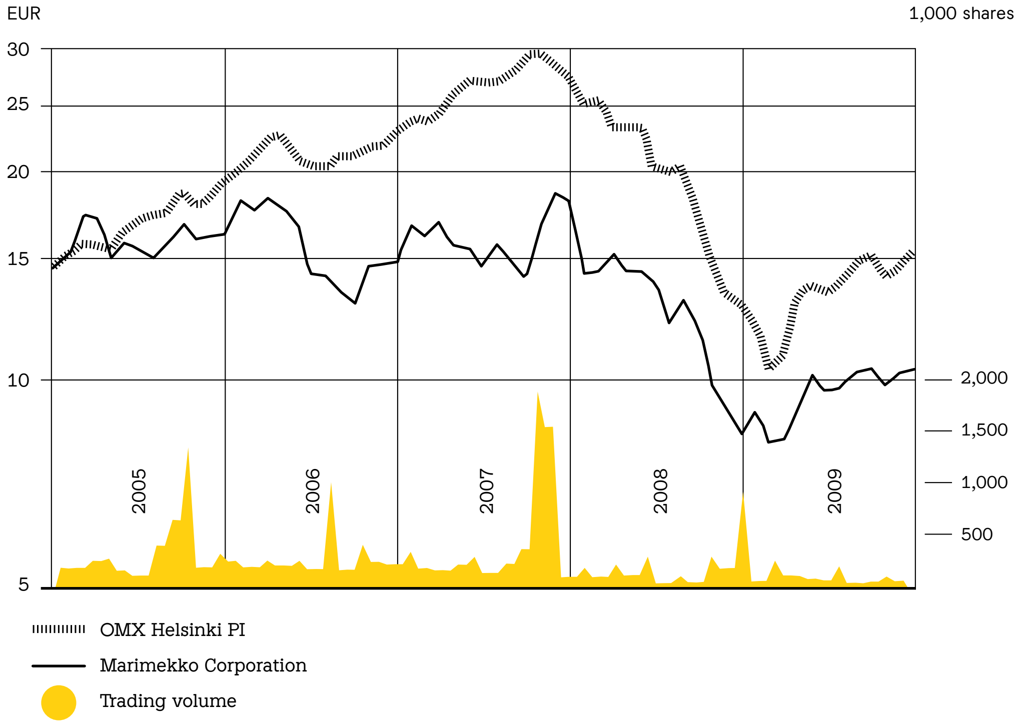
Share price trend

	2007	2008	2009
Low, EUR	13.10	7.41	7.50
High, EUR	19.20	18.20	11.44
Average, EUR	16.23	12.41	9.70
Closing price (31 Dec.), EUR	18.20	8.35	10.30

Share data

Exchange:	NASDAQ OMX Helsinki Ltd
Trading code:	MMO1V
ISIN code:	FI0009007660
List:	Nordic List
Sector:	Consumer Discretionary
Listing date:	I list, 12 March 1999
	Main list, 27 December 2002

Share price trend



Signatures to the financial statements and the report of the Board of Directors

HELSINKI, 2 FEBRUARY 2010

Pekka Lundmark
Chairman of the Board

Mika Ihamuotila
Vice Chairman of the Board
President and CEO

Ami Hasan
Member of the Board

Joakim Karske
Member of the Board

Tarja Pääkkönen
Member of the Board

Auditor's report

TO THE ANNUAL GENERAL MEETING OF MARIMEKKO CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Marimekko Corporation for the financial period of 1 January – 31 December 2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 26 February 2010

PricewaterhouseCoopers Oy
Authorised Public Accountants

Kim Karhu
Authorised Public Accountant

marimekko®