marimekko®

ANNUAL REPORT 2005

Marimekko is a leading Finnish textile and clothing design company that was established in 1951. The company designs, manufactures and markets high-quality clothing, interior decoration textiles, bags and other accessories under the Marimekko brand, both in Finland and abroad.

The factors behind Marimekko's success and competitiveness are its business idea that lives with the times, its strong brand, a distinct product concept embodying the company's core philosophy, flexible business operations, and a corporate culture that fosters creativity.

In 2005, the company's net sales amounted to EUR 67.2 million. Exports and income from international operations accounted for 19.4% of the Group's net sales. The company had a payroll of 377 at the end of 2005. Marimekko's share has been quoted on the Helsinki Stock Exchange since 1999.

marimekko®

ANNUAL REPORT 2005

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"When, in far-off Japan, I first became acquainted with Maija Isola's Lokki, Kaivo and Melooni fabrics, I was immediately intrigued. What is this Marimekko that creates such fabrics, I asked, and I determined to find out. So I travelled to Finland. I came to Marimekko and here I remained. Marimekko's printed patterns were the stimulus."

Fujiwo Ishimoto, Spirit&Life, 2001

The first fabric prints Fujiwo Ishimoto designed for Marimekko were launched 30 years ago.

MARIMEKKO DESIGN IS UNDERSTOOD IN ALL LANGUAGES AND CULTURES

One of the secrets of Marimekko's success has been its desire and ability to communicate across borders. Marimekko design has become a universal language of form that unites different cultures.

Universal language of form

The language of form speaks to people authentically. Marimekko design nurtures great emotions. This has formed a strong bond between Marimekko and people. The clarity of the patterns and the vibrancy of the colours – their harmonious interplay – have sparked positive feelings that have lasted for generations. All that is valuable for Marimekko can be attributed to design. With its design, Marimekko has spoken a language that crosses boundaries and has made Finnish design well-known the world over.

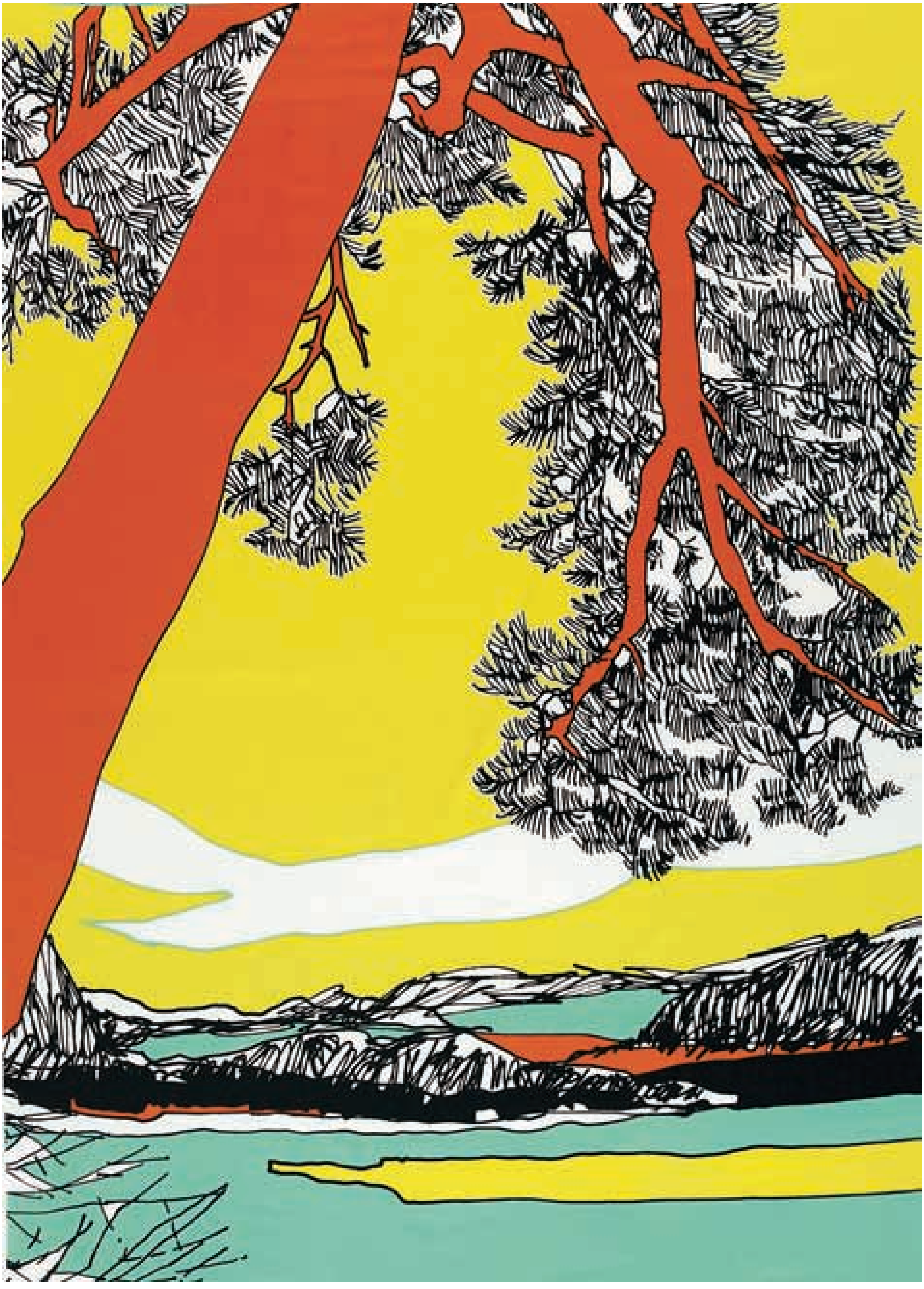
New design enriches Marimekko's language of form. Different cultures endow it with new colours and meanings. Through their works, each designer interprets his or her experiences at this moment, in today's world.

Values and the company

Marimekko's strength stems from the richness of life, such as nature, which all the people of the world share. Nature is the wellspring of the continuity of life. As a company, Marimekko has been guided by good core values and the realities of life. The right direction has been found by learning – sometimes through trial and error.

The future

As its business operations grow and become more diverse, a company is faced with many new demands and expectations. Even then, a company must not lose its faith in itself. It must retain its personality, but it must also be receptive. Marimekko's corporate culture has always valued unique creativity, which is latent in some, and bursts out of others. Creativity and boldness are the source of Marimekko's power to revitalise itself. Even though Marimekko has endured difficult periods over the course of its history, the spark of design has never been extinguished in people's minds. Marimekko has strengthened its identity with the language of form.



Maija Louekari's HO-HOI! design was chosen the best fabric pattern of 2005 in the worldwide Elle Deco International Design Awards (EDIDA) competition.

PRESIDENT'S REVIEW

In the development of its business operations, Marimekko has taken the long view, building a sustainable future. The company's key goal has been not only to safeguard growth and profitability, but also to maintain the value of the company's creative capital. We have succeeded in these aims. The good trend in business operations and the international recognition of Marimekko design have sparked growing interest in our company and brand the world over. This has also boosted growth in the company's market capitalisation.

2005 was a very favourable year for Marimekko. We achieved the key goals we had set for our business operations. Our sales saw growth in almost all markets, and earnings improved significantly. We held on to our strong position in Finland, and sales grew steadily. In export markets, we progressed in line with our strategy and achieved solid growth. We were most successful in the market area referred to as "the other Nordic countries", where sales of all product lines surged. We also maintained solid growth in the United States and the market area referred to as "other countries". Only in the market area referred to as "the rest of Europe" did we fall short of our targets, which was largely due to the slow recovery of consumption demand in Germany.

Our production development progressed according to plans. Thanks to the new printing machine that was brought into use in autumn 2004, the production volume of the Herttoniemi textile printing factory increased by almost 60% on the previous year. In the 2005 financial year, we modernised the product control system and acquired the clothing factory property in Kitee. In 2006, we will focus on technical product development in our printed textile production. By harnessing the state-of-the-art technology of the new printing machine, we seek to broaden our expertise and thus bolster our competitiveness.

We will overhaul our store chain in 2006. We will open two new, 600 m² outlets in Finland, the first in March at the Kamppi Centre in Helsinki, the other in November at IdeaPark in Lempäälä. The new, large premises will provide an impressive showcase for our diverse product range and upgrade operational efficiency. At the end of March 2006, we will also open a retail outlet of our own in Frankfurt, Germany.

During the past few years, we have strengthened distribution both here in Finland and in export markets. In Finland, Marimekko already has quite a broad distribution network comprising its own stores and retailers. Our growth strategy has also been successful in export markets. The strategy is based on expanding distribution channels primarily by increasing the number of Marimekko concept and shop-in-shop outlets established by retailers. Four new concept stores were opened in Finland in 2005: in Espoo, Nokia, Nurmijärvi and Vantaa. The new concept stores abroad are located in the United Arab Emirates (Dubai), Iceland (Reykjavik), Sweden (Malmö) and the United States (Oxford). In 2006, new concept stores and shop-in-shops will be opened in Belgium, Japan, Portugal and Sweden.

In 2005, the most significant new development in exports was the reorganisation of distribution functions in Japan. Under the co-operation agreement we signed in June, the exclusive right to import Marimekko products was transferred to Mitsubishi Corporation and the right to wholesale and retail the products to Look Inc. With the reorganisation, we wished not only to increase sales, but also to streamline distribution and polish the image of the Marimekko brand in Japan. We are delighted with this partnership, which has got off to a good start and represents a major new step in Marimekko's growing international presence.

The outlook for 2006 is bright. We estimate that good trends will continue in Finland and that growth in exports will pick up the pace on the previous year. We have opened channels for Marimekko's international growth. This creates completely new kinds of development opportunities for our company. Going international also ushers in great challenges for Marimekko, which we will have to take into account in our business planning. The general trend in the global economy and the changes in consumption demand in different markets also have a great influence on how we will achieve our goals.

I firmly believe that Marimekko has a good future. However, growth alone must not be an end in itself, if it does not enable the company to realise the values that drive it forward. The value of creative capital can be maintained and accrued only when the company's highest goal is to hold on to innovation and the company's operations are guided by financial objectives that hinge on good profitability.

The past few years have been highly successful for Marimekko. Every Marimekko employee, firmly committed to our shared goals, has contributed to our success. I would like to extend my warmest thanks to Marimekko's fabulous employees, brilliant designers and good customers for the year now ended. I would also like to thank our Board of Directors, retailers, shareholders and all our partners for fruitful co-operation and their confidence in the company.

2005 IN BRIEF

Key business goals were achieved.

- Steady growth continued in Finland.
- The company's progress in exports measured up to plans.
  - Good growth in comparable net sales.
  - New concept stores and shop-in-shops were set up.
  - Position in the Japanese market was bolstered by overhauling distribution.
- Earnings improved significantly.
- Solvency remained good.
- Exhibitions provided extensive visibility to Marimekko design in different parts of the world.

Business trends

- The Group's net sales grew by 4.1%.
  - Comparable net sales increased by 9.3%.
- Trend in net sales by product line
  - clothing –3.9% (comparable net sales +7.0%)
  - interior decoration +13.3%
  - bags +5.3%.
- Comparable sales by Marimekko's own shops in Finland increased by 7.1%.
- Comparable sales to retailers in Finland were up 7.2%.
- The Group's exports and income from international operations declined by 9.1%.
  - Comparable net sales from exports and international operations grew by 12.6%.
- The Group's earnings per share improved by 40.5%.
- The equity ratio rose to 66.5%.

Figures of Grünstein Product Oy, which was sold in December 2004, have been eliminated from the comparable figures presented in the Annual Report.

Key figures

	2005	2004	Change, %
Net sales, EUR 1,000	67,219	64,592	4.1
Comparable net sales, EUR 1,000	67,219	61,486	9.3
Share of exports and international operations, % of net sales	19.4	22.2	
Operating profit, EUR 1,000	11,413	9,129	25.0
% of net sales	17.0	14.1	
Profit after taxes, EUR 1,000	8,424	5,995	40.5
% of net sales	12.5	9.3	
Earnings per share, EUR	1.05	0.75	40.5
Dividend per share, EUR	*) 0.65	0.50	
Return on investment (ROI), %	43.9	35.0	
Return on equity (ROE), %	38.4	28.9	
Equity ratio, %	66.5	60.3	
Personnel at the end of the financial year	377	355	6.2

*) Proposal by the Board of Directors.

The formulas for the key figures are presented on page 61.

OBJECTIVES AND STRATEGY

Marimekko's objective is to grow and succeed in the international arena as a Finnish design company that has a strong identity. Business development primarily focuses on organic growth. The brand is built in a controlled manner. When expanding into new product and business areas, the company is committed to its core business idea.

Key objectives

- Maintaining a strong market position and steady growth in Finland.
- Expanding exports and international operations by slightly over one-fifth annually compared with the previous year.
- Developing and expanding licensing as an integral part of the company's product and distribution policy.
- Expanding the distribution network, primarily by increasing the number of concept stores and shop-in-shops.

Strategy

- Maintaining superior and innovative design expertise as a factor that strengthens competitiveness.
- Honing the product concept and generating added value for the brand.
- Developing and expanding distribution channels that support the brand's image both in Finland and abroad.
- Fostering a corporate culture that values creativity and the expertise of each and every employee.

Financial objectives

Ensuring profitable growth

• annual growth in consolidated net sales	over 10%
• operating profit as a share of net sales	10%
• return on equity	over 15%
• equity ratio	60%

Stable dividends policy

- the objective is to distribute dividends each year
- dividends from earnings per share at least 50%

Achievement of objectives 2001–2005

	FAS 2001	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005
Annual growth in net sales, %	27.1	17.4	14.7	14.1	4.1
Annual growth in comparable net sales, %	19.4	22.6	18.0	16.1	9.3
Operating profit as a share of net sales, %	11.2	13.1	15.6	14.1	17.0
Return on equity (ROE), %	21.5	26.5	30.6	28.9	38.4
Equity ratio, %	58.3	61.1	64.5	60.3	66.5
Dividend per share, EUR	0.22	0.28	1.00	0.50	*) 0.65
Dividend per profit, %	56.5	51.8	133.0	67.1	*) 62.0

*) Proposal by the Board of Directors.

MARIMEKKO'S BUSINESS OPERATIONS

NET SALES BY MARKET AREA AND PRODUCT LINE

(EUR 1,000)

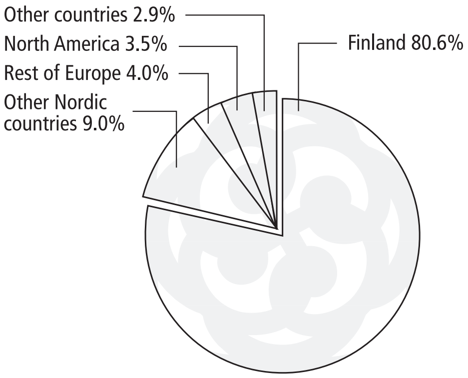
BY MARKET AREA

	2005	2004	Change, %
Finland	54,180	50,244	7.8
Other Nordic countries	6,074	5,136	18.3
Rest of Europe	2,674	5,183	-48.4
North America	2,375	2,120	12.0
Other countries	1,916	1,909	0.4
TOTAL	67,219	64,592	4.1

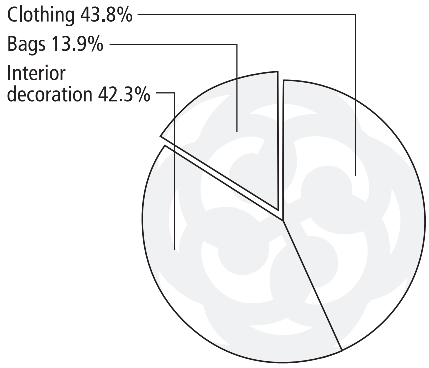
BY PRODUCT LINE

	2005	2004	Change, %
Clothing	29,411	30,594	-3.9
Interior decoration	28,434	25,100	13.3
Bags	9,374	8,898	5.3
TOTAL	67,219	64,592	4.1

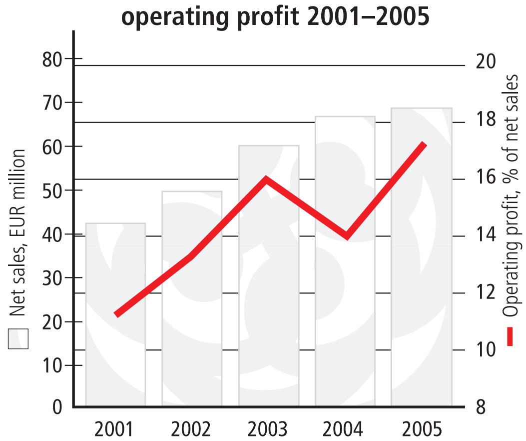
Net sales by market area 2005



Net sales by product line 2005

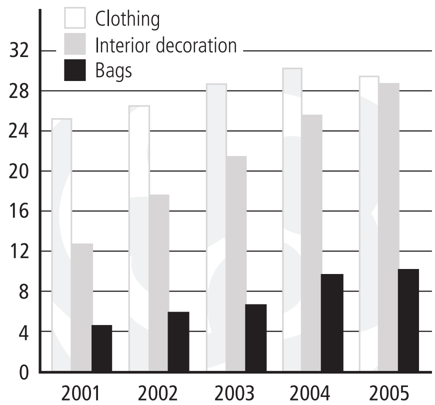


Trend in net sales and operating profit 2001–2005



2001–2003 FAS; 2004–2005 IFRS

Trend in net sales by product line 2001–2005, EUR million



CLOTHING

MARIMEKKO FOLLOWS ITS OWN TREND

Marimekko's ready-to-wear collections represent a trend of their own. The spirit of the day has always been present in their design, but at the same time, passing fads have been avoided. A principle of Marimekko design is that it should not date, but rather brings its users lasting pleasure. Marimekko style is characterised by freedom from strict definitions. The designer's personal vision is expressed in every product. Individuality has made Marimekko an interesting, desirable brand.

Competition in the clothing trade has become even more severe. A successful product must have an appealing design and competitive price, and be of high quality. The lines between seasons have blurred: new products are brought to market at an ever-faster rate. The competitive challenges faced by Marimekko's clothing collections have been taken into account by incorporating both high-volume and small-series products. Good quality and flexibility in manufacture are ensured by maintaining Marimekko's own production and outsourcing to top-tier Finnish and foreign suppliers.

In 2005, Marimekko's comparable net sales of clothing grew by 7.0% to EUR 29.4 million. Exports and income from international operations accounted for 16.0% of the Group's net sales of clothing. The largest export countries were Sweden, the United States, Germany, Norway, Denmark and Iceland.

In Marimekko's clothing collections, classics and seasonal products walk hand-in-hand. Artfully combined patterns, colours and materials link clothing to products in Marimekko's other product lines. The 2006 collections contain quality clothing for different target groups – elegant business and festive outfits as well as relaxed leisurewear. The Jokapoika shirt, which is celebrating its 50th anniversary, holds the place of honour in 2006 and has received new colours and forms in the collections of different designers. New for the autumn is Samu-Jussi Koski's charming collection of children's clothing, which includes high-quality everyday and festive wear for both girls and boys. The designers of the ready-to-wear collections for 2006 are Ritva Falla, Samu-Jussi Koski, Jaana Parkkila, Mika Piirainen, Jukka Rintala and Matti Seppänen.

Supply in the clothing sector is increasing and competition continues to heat up. Winners are brands that can take their place in the market again and again. Marimekko is in a good position to meet the challenges of the market with its profound expertise in design and ability to harness the strength of the whole Marimekko concept in brand building.

INTERIOR DECORATION

MARIMEKKO SETS THE MOOD IN HOMES AND PUBLIC PREMISES

Printed cotton and linen textiles are Marimekko's main interior decoration products. In addition, the collections include a variety of ready-made goods, such as kitchen and tabletop products, bed linen and bathroom textiles. The collections comprise both classic and seasonal products.

Printed patterns are at the heart of Marimekko interior decoration, and it is around these that Marimekko builds its collections. Products in different collections are co-ordinated so that it is easy to build up harmonious interiors. Thanks to the continuity of basic lines, decoration schemes can easily be complemented with new products.

In recent years, people all over the world have been investing more in living and home comfort. Consequently, Marimekko is well poised to develop its product ranges and strengthen its position in the growing market. In the last few years, sales of Marimekko's interior decoration products have surged both in Finland and abroad. Marimekko design has received wide recognition at many different exhibitions and other events all around the world, which has also boosted the sales trend. In 2005, net sales of Marimekko's interior decoration products grew by 13.3% to EUR 28.4 million. Exports and income from international operations accounted for 21.8% of net sales in the product line. The major countries for exports were Sweden, the United States, Japan, Norway, Denmark and Germany.

The success of Marimekko's interior decoration products is founded on the general appeal of Marimekko design, strong technical and design expertise and excellent product palettes. Many new product groups that generate additional volumes have appeared alongside Marimekko's printed textiles. A coherent Marimekko interior decoration concept has emerged from the many and varied products. In autumn 2005, the concept was rounded out with a new collection of upholstery fabrics. The diversity within collections has also given Marimekko the opportunity to expand the distribution of its products.

Marimekko already has a strong position in the home decoration market. New sales growth is now being sought from public premises. Marimekko has progressed step by step in this area by developing its product range, creating co-ordinating collections and building up the distribution network. Fabric collections have been received extremely well among both interior designers and furniture manufacturers. In autumn 2005, the Italian Company Cassina brought to market a Wink chair upholstered in Marimekko fabric to celebrate the 25th anniversary of the chair, which was designed by the world-renowed designer Toshiyuki Kita. Plenty of worldwide interest has been generated by the Flakes and Chip chairs manufactured by Piiroinen Oy, which feature Marimekko's fabrics pressed into fibreglass.

At the end of 2005, Marimekko launched its "Muotoilu, kohtaa käyttäjä!" ("Design, meet the user!") design competition. The competition is being organised with the Finnish Association of Designers Ornamo and will adhere to their competition regulations. The aim of the competition is to promote good Finnish design by inspiring designers living in Finland to come up with fresh ideas for Marimekko design for both the decoration of homes and public premises.

Marimekko's interior decoration collection for spring 2006 is built around classics and young designers' bold creations. In this fresh collection, summer's flowering nature comes out in all its glorious colour. Fujiwo Ishimoto's first printed textiles came onto the market 30 years ago. To commemorate this, a wonderful anniversary collection of Ishimoto's classic designs will be launched in the spring. Another of spring's interesting newcomers is the collection arising out of co-operation between Kiasma, the advertising agency Taivas Design and Marimekko. The collection is linked to the ARS 06 exhibition at the Kiasma Museum of Contemporary Art in Helsinki and, in addition to interior decoration products, also contains T-shirts and bags. In 2006, Marimekko design will also be widely on display at differently themed exhibitions in countries all around the world, including Belgium, Canada, China, Norway, France and Thailand.

The 2006 interior decoration collections contain works by the following designers: Maija Isola, Kristina Isola, Fujiwo Ishimoto, Anna Danielsson, Nora Fleming, Erja Hirvi, Tina Karvonen, Maija Louekari, Teresa Moorhouse, Tanja Orsjoki, Jukka Rintala, Robert Segal & Alicia Rosauer, Oiva Toikka, Katsuji Wakisaka and Marjaana Virta.

BAGS

CLASSIC BAGS ARE PERENNIAL FAVOURITES

Marimekko's bag collections comprise both classic and seasonal models. The product line also includes umbrellas featuring Marimekko prints. The fundamental elements of the collections are timeless and distinctive design, quality materials and well-thought-out functional details.

Marimekko bags are manufactured at the company's own bag factory in Sulkava and also outsourced. Marimekko strives to concentrate production primarily in Finland. The majority of classic bags are still manufactured at the company's own factory, where decades of experience in the production of canvas bags guarantees top-quality products.

In 2005, net sales of bags grew by 5.3% to EUR 9.4 million. Exports and income from international operations accounted for 23.0% of net sales. The major countries for exports were Japan, Sweden, the United States, Denmark, Norway and the UK.

The bag collections for 2006 are fresh and varied. Besides classic models, the range includes many printed fabric bags that co-ordinate with Marimekko's clothing and interior decoration collections. With their 1950s prints – Vuokko Nurmesniemi's Piccolo and Maija Isola's Musta tamma – Mika Piirainen's new bags and umbrellas are fine examples of the convergence of modern and classic Marimekko design. The same patterns are repeated in Mika Piirainen's clothing collection. In addition to the casual printed fabric bags and rucksacks that are especially popular with young consumers, the collections include elegant leather bags designed by Ritva Falla and Jaana Parkkila.

The growth outlook for Marimekko's bags remains upbeat. Classic bags have retained their solid popularity and bags that co-ordinate with clothing are still trendy. Growth is also expected in business-to-business sales, as bags and umbrellas are in great demand as business gifts and campaign products.

The 2006 collections contain bags from the following designers: Ritva Falla, Bo Haglund, Samu-Jussi Koski, Jaana Parkkila, Mika Piirainen, Ristomatti Ratia, Jukka Rintala and Marjaana Virta.

RETAIL SALES

MARIMEKKO'S OWN SHOPS PLAY A VITAL ROLE IN BRAND BUILDING

Marimekko has had shops of its own almost from the outset. As the trade becomes more international and competition heats up, the importance of Marimekko's own shops as a distribution and marketing channel to strengthen the brand is greater than ever. In 2005, Marimekko had 25 shops of its own in Finland, and one in Stockholm, Sweden. The shops' product range and image are based on the coherent Marimekko concept which reflects the Marimekko brand. The shops are situated in key business locations in the largest towns and cities.

Marimekko's strong ties to its customer base are not just due to its beautiful products and successful marketing. Customer loyalty has always been linked to deeper feelings. Confidence in the company has emerged gradually out of all of the values that Marimekko has communicated with its operations, products and service. In building a positive image, the company's own shops have a key role. In 2005, the development of shops focused on enhanced customer service and greater flexibility in day-to-day functions. In the spring, Marimekko revamped its loyal customer programme by bringing to market a new loyal customer card and a Marimekko MasterCard. Thanks to the overhaul, there was a notable rise in the number of subscribers to the loyal customer programme. The renewal of cash register systems in shops got under way at the end of the year.

Marimekko has reorganised its chain of shops in line with its own business targets and general trends in the trade. A policy of controlled growth is adhered to when developing shops. Renewal requirements are evaluated on the basis of business objectives as well as the outlook for growth and trends in the areas. Profitable growth for shops is the underlying objective behind all shop investments.

Annual sales at Marimekko's own shops have grown faster than general trends in retail. In 2005, total sales by Marimekko's own shops amounted to EUR 28.0 million. Comparable sales by shops in Finland grew by 7.1%. The number of customers and the average purchase per shopper both increased slightly.

In 2006, Marimekko will open two new, 600 m² shops in Finland: one in March in the Kamppi shopping centre in Helsinki and the other in November at IdeaPark in Lempäälä. As part of the overhaul, the shops on Eteläesplanadi street and in the Forum shopping centre in Helsinki, as well as the one on Aleksanterinkatu street in Tampere will be closed during 2006. In March 2006, Marimekko will also open a retail outlet in Frankfurt, Germany. The overhaul of the chain of shops adheres to Marimekko's strategy, which aims to boost operational efficiency and enhance the brand.

Retail competition in Finland continues to heat up. An enticing brand, a central location, good customer service and efficient operations are factors on which the success of a shop depends. Marimekko will also focus on strengthening these when developing its own shops.

DOMESTIC WHOLESALE

INTENSIFIED CO-OPERATION WITH RETAILERS

In addition to its own shops, Marimekko has a retailer network covering the whole of Finland. It includes both department stores and specialist shops. Some of the retailers operate under the full Marimekko concept, while some only specialise in those Marimekko products that are an ideal match for the retailer's own business concept. At the end of 2005, Marimekko had about 140 retailers in Finland, of which just under a quarter were concept shops. Four new concept shops opened during 2005: in Espoo, Nokia, Nurmijärvi and Vantaa. Marimekko's sales to domestic retailers increased by 7.2% in 2005.

A versatile retailer network that is committed to Marimekko's operating philosophy is an important distribution channel for the company. The network is being developed alongside Marimekko's own chain of shops as an integral part of the company's comprehensive distribution policy. The guiding principle is that co-operation is founded on a flexible operational model that supports the objectives that Marimekko and its retailers have set for their respective business operations. Marimekko's retailer network has grown very vigorously in recent years. This growth has been influenced by a broader and more diverse product range and changes that have occurred in the retail structure in Finland.

As competition heats up, management of distribution channels becomes increasingly important. In the coming years, Marimekko will engage in even closer and more well-defined co-operation with current retailers. A core objective is to polish the Marimekko brand profile in all distribution channels. This will be achieved by sharpening up the product concepts offered to different distribution channels and defining common principles. Unified operating methods will ensure healthy competition and a strong position on the market for the Marimekko brand.

EXPORTS AND INTERNATIONAL OPERATIONS

SEEKING GROWTH IN EXPORTS FROM CONCEPT STORES AND SHOP-IN-SHOPS

In 2005, exports and income from international operations accounted for 19.4% of the Marimekko Group's net sales. Marimekko has subsidiaries in Sweden and Germany. In addition, the company has its own retail shop in Stockholm, Sweden; Marimekko will open its own store in Germany this March. Exports to other countries are handled directly or through local agents and importers. Marimekko also engages in licensed sales abroad.

Marimekko's key goal for the next few years is to achieve annual growth of slightly over one-fifth on the previous year in net sales from exports and international operations. The development of exports has progressed stage by stage: potential growth areas have been explored and resources allocated to their development. In the past few years, the company has focused on solidifying sales in the largest market areas and increasing international awareness of the brand.

In 2005, comparable net sales from exports and international operations grew by 12.6% to EUR 13.0 million. The largest export countries were Sweden, the United States, Japan, Norway, Denmark and Germany. Exports and income from international operations continued to see favourable growth in 2005. The fastest growth was achieved in Scandinavian countries, where sales of all product lines surged. Good growth trends also continued in the United States and the market area referred to as "other countries", in which the major export countries are Japan and Australia. The company only fell clearly short of its objectives in the market area referred to as "the rest of Europe", mainly due to weak consumption demand in Germany. Sales also slackened in the UK.

The growth strategy for exports is based on expanding distribution channels, primarily by stepping up the number of Marimekko concept stores and shop-in-shops set up by retailers. Four new concept stores were opened abroad in 2005: in Dubai, United Arab Emirates, in Reyjavik, Iceland, in Malmö, Sweden, and in Oxford, USA. In June 2005, Marimekko signed a co-operation agreement with the Japanese companies Mitsubishi Corporation and Look Inc. Under the agreement, the exclusive right to import Marimekko products into Japan was transferred to Mitsubishi Corporation and the right to wholesale and retail the products to Look Inc. as from the beginning of 2006. During the next few years, Look Inc. will set up about 15 Marimekko stores in Japan. The first Marimekko shops will open during the present year: in Tokyo in March, in Kyoto and Osaka in April, in Hakata in September and in Nagoya in October-November.

In 2006, new concept stores and shop-in-shops will also be set up in Antwerp, Belgium, in Lisbon, Portugal, and in Gothenburg and Haparanda, Sweden. In Frankfurt, Germany, Marimekko will open a retail shop of its own in March. The store, together with a new showroom, will also serve German retailers by providing them with even better opportunities to acquaint themselves with Marimekko's extensive world of products and concept store idea.

The growth outlook for Marimekko's exports and international operations has improved substantially in recent years. Good product collections, numerous exhibitions and other events around the world, and the company's robust financial development have increased interest in Marimekko. The strategy for developing exports and international operations in the next few years is to keep expanding the distribution network based on concept stores and shop-in-shops as well as to hone the product range and the concept store idea. Marimekko's diverse product range provides good opportunities for setting up alternative models for different types of concept stores.

LICENSING

LICENSING IS DEVELOPED AS PART OF THE COMPANY'S PRODUCT AND DISTRIBUTION POLICY

Licensing provides Marimekko with a flexible opportunity to expand the use of its designs and brand to new products that naturally fit in with the Marimekko concept. Licensing has been an integral part of Marimekko's operations since the late 1960s. In 2005, Marimekko products were manufactured under license in Denmark, Finland, Japan, the Netherlands and the United States.

In 2005, royalty earnings from sales of licensed products grew slightly compared with the previous year. Very strong growth was seen in Finland. Earnings in Japan and the United States contracted significantly. During the financial year, licensing co-operation was started up with the Finnish company Berner Oy, the Danish company Le Klint A/S, the US company Mara-Mi Inc., and the Dutch companies Fatboy® the original BV and Smead International bv.

In the development of licensing, the focus in recent years has been on strengthening co-operation with existing licensing partners. When expanding into new product areas and markets, Marimekko follows a strategy of controlled growth. The company seeks to concentrate licensing in markets where the brand is already known. Before starting up a new licensing partnership, the company assesses the significance of the project on business operations, both in terms of sales growth and brand value. The licensee is required to have expertise in the design and manufacture of designer products and expected to commit itself to selective distribution which is in line with the Marimekko brand. The aim is good long-term co-operation that generates added value for both the licensee and the Marimekko brand.

Licensing is developed as an integrated part of the company's product and distribution policy. Thus, licensing supports the company's other business operations in the desired manner.

PRODUCTION AND SOURCING

MARIMEKKO'S OWN TEXTILE PRINTING FACTORY PLAYS AN IMPORTANT PART IN GENERATING DESIGN

Marimekko's own production facilities are located in Finland: a textile printing factory in Helsinki, a clothing factory in Kitee and a bag factory in Sulkava. At the end of 2005, the textile printing factory had 48 employees, the clothing factory 50 and the bag factory 20. Thanks to the new printing machine that went on stream in autumn 2004, production volume at the textile printing factory increased by 59% in 2005. Production volumes at both the clothing and bag factories remained at the levels of the previous year.

Marimekko's collections contain an extensive range of products with varying production methods and volumes. Some of the collections are perennial, others seasonal. Due to sales growth and the expansion of the product range, a significantly larger share of production has been outsourced in recent years. As a Finnish company, Marimekko strives to find Finnish manufacturers for its products in the first instance. Product characteristics, production volumes and delivery times influence the choice of manufacturing location. The majority of Marimekko's foreign suppliers are located in the EU. In 2005, outsourcing from Finnish and foreign suppliers grew in all product lines.

The Herttoniemi textile printing factory is vital for Marimekko's production operations, because the majority of its printed fabrics are manufactured there. Development at the printing factory continued during the 2005 financial year with the aim of making broader use of the new printing machine technology in product development. The product information control system was also modernised during the financial year. The new system brings improvements to both product development processes and production control. At the end of 2005, the company bought the Kitee clothing factory property.

As a consequence of growth and the internationalisation of business operations, greater flexibility will be required in Marimekko's production and logistics. The central goals for the coming years are to develop the company's own existing production, increase outsourcing and improve internal efficiency by revamping operating procedures.

PERSONNEL

MARIMEKKO SUPPORTS INDIVIDUAL STRENGTHS

Skilled and enthusiastic employees who shoulder their responsibilities are Marimekko's most valuable resource. Personnel well-being is maintained by fostering an open and encouraging corporate culture. At Marimekko, work is based on interaction – mutual learning. By supporting and emphasising individual strengths, the company taps into everyone's best expertise. Thanks to the flat and flexible organisation, employees enjoy a great variety of opportunities for self-improvement on the job and learning new things in different tasks and projects.

Marimekko has a varied and effective orientation programme. It ensures that Marimekko's values and business objectives are quickly adopted by new employees. In addition, the programme introduces them to their colleagues and the operating methods of the working community. Marimekko employees enjoy extensive freedom – but they must also shoulder great responsibilities. Individual and collective responsibility are equally important.

Going international ushers in mounting challenges for Marimekko's business operations, requiring personnel to have new kinds of capabilities and to adapt themselves to changing circumstances. On the other hand, the greater diversity of tasks and operating in the international market provide employees with excellent opportunities to expand their expertise and knowledge of other cultures.

In 2005, the Marimekko Group's number of employees rose by 22. At the end of the financial year, the Group had 377 employees, of whom 237 were salaried and 140 non-salaried employees. Of the Group's personnel, 90.9% were women and 9.1% were men. The average age of employees was 42. Personnel turnover was 6.2%.

RISK MANAGEMENT

Operative management is responsible for risk management. The Board of Directors supervises risk management. Appropriate insurance policies have been taken out to protect the company against substantial business risks.

Production and sourcing

In order to ensure delivery reliability and the flexibility of the production structure, Marimekko both manufactures and outsources products. All of the company's own production plants are located in Finland. To balance out production risks, the company uses many subcontractors both in Finland and abroad. Warehousing has been partially outsourced. Due to the greater international scope of operations and sales growth, the significance of purchasing in Marimekko's business operations will grow in the next few years. The company seeks to minimise the potential risks of purchasing by dealing with numerous subcontractors and aiming at long-term co-operation with its partners.

Financing

The Group's long-term financing has been arranged through the parent company. The financing of subsidiaries is arranged by means of intra-Group loans. The Group's liabilities include both long-term and short-term loans. All the loans are denominated in euros.

The Group operates in international markets and is thus exposed to foreign currency risks due to currency fluctuations. The foreign currency risk primarily comprises sales denominated in foreign currencies. Purchases denominated in foreign currencies reduce foreign currency risks. The most important currency in sales and purchases is the euro. Foreign currency risks mainly involve purchases and sales in the US dollar. The company protects itself against the foreign currency risks of sales by taking exchange rate fluctuations into account when pricing its products. Hedging decisions concerning the Group's currencies are based on estimates of the effects of each currency on the Group's result and balance sheet indicators, long-term cash flow and hedging expenses.

The company seeks to minimise credit loss risks by setting credit limits and actively keeping track of the payment behaviour of customers. The credit risk related to business operations is also reduced with advance payments, bank guarantees and letters of credit.

Demand and competition

Marimekko operates in a field in which the sales trend is more than usually sensitive to cyclical fluctuations in demand. Competition in the textile and clothing business has tightened strongly in recent years as the supply has grown. Marimekko seeks to meet market challenges by focusing on top-notch design and quality. Marimekko's sales are divided between numerous market areas, which reduces the effects on total sales of any changes in individual markets. The diversity of Marimekko's product range levels off the seasonal variations in sales of individual product groups.

Key employees

Product design plays a decisive role in Marimekko's business operations. In order to safeguard design continuity, Marimekko employs numerous designers. To discover young new talents, the company works in close co-operation with the field's educational institutions. As the company's business growth increasingly comes from international markets, the key employees of different business areas play a central role. During the next few years, some of the company's key employees will retire. The company seeks to prepare itself for the generation shift.

SOCIAL RESPONSIBILITY

Financial responsibility

Marimekko seeks to grow and evolve in a controlled manner, thus ensuring the smooth continuity of its business operations. By keeping its finances on a solid foundation, the company can provide steady returns to its shareholders and fulfil its obligations as a responsible employer.

Marimekko has set clear financial objectives for its business operations. These objectives and their realisation are detailed on page 9. The company aims to follow a stable and active dividends policy. The company's dividends policy is presented on page 71. Information on the company's shares and shareholders is given on pages 71–73.

Social responsibility

Marimekko's business ethics are based on respecting the individuality of different cultures and people. Quality is important to Marimekko in all its business areas. In its customer relationships, the company aims to engage in long-term, confidential co-operation, to the mutual satisfaction and success of all the parties involved. Marimekko monitors its product supply chains and requires its partners to be socially responsible. In agreements, the parties commit themselves to operating in line with internationally recognised social and ethical norms.

Culture

Marimekko promotes the development of Finnish design. The company's business concept and competitiveness are based on creative design. Marimekko fosters its strong cultural heritage by engaging in close co-operation with the field's educational institutions and associations. Co-operation includes coaching for students, projects related to the promotion of design, competitions and participation in exhibitions and other design events.

The environment

Responsibility for the environment and nature is an integral aspect of Marimekko's operations. A major component of the company's business supervision in environmental matters is based on legislation. Environmental legislation and impacts are taken into consideration in the choice of raw materials, chemicals and working methods. The materials used in the products are tested regularly. Marimekko's subcontractors and other partners are also required to commit themselves to shouldering their environmental responsibilities.

In December 2005, the company was granted an environmental permit for the Herttoniemi printing factory and its operations. The permit is based on the regulations of the Environmental Protection Act (86/2000) and the Environmental Protection Decree (169/2000). The environmental permit commits the company to taking environmental issues into even closer consideration in its business operations.

Energy

The company seeks to save energy by developing its production methods, investing in energy-efficient machinery and equipment, and monitoring energy consumption. A study of how to use heat wasted in production to reduce heating energy consumption was started up in September 2005. It is slated for completion in spring 2006.

Wastes and sorting

Marimekko's production does not generate wastes that can be classified as hazardous or wastes that are detrimental to health. Mixed waste is minimised by recycling, and the wastes that cannot be recycled are sorted. The generation, recycling and sorting of wastes are monitored with reports and statistics on operations. Marimekko attends to the waste recycling of packaging in accordance with Decision 962/97 of the Council of State and the EU Packaging Directive.

CORPORATE GOVERNANCE

Applicable provisions

Marimekko Corporation is a Finnish public limited company. The Finnish Companies Act, other regulations concerning public listed companies and Marimekko Corporation's Articles of Association are complied with in its decision-making and administration. In its operations, Marimekko Corporation also complies with the Helsinki Stock Exchange's Guidelines for Insiders, effective as from 1 January 2006, and the Corporate Governance Recommendation for Listed Companies issued by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries. The recommendation came into force on 1 July 2004. The principles of corporate governance are published on the company's Internet site.

Group structure

The Marimekko Group comprises Marimekko Corporation and its subsidiaries.

General Meeting

Marimekko Corporation's highest decision-making authority is exercised by the company's shareholders at the General Meeting. General Meetings are either Annual or Extraordinary General Meetings. According to the Articles of Association, the Annual General Meeting shall be held annually by the end of June on the day set by the Board of Directors. According to the Articles of Association, the Notice of General Meeting shall be given to shareholders by means of an advertisement in at least one daily newspaper which is published in Helsinki and which has been determined by the Board of Directors, not earlier than two (2) months and not later than seventeen (17) days before the meeting. 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 to do so or when shareholders owning 1/10 of the shares demand, in writing, that a meeting be held to deliberate on a specified matter. Shareholders have the right to have items included in the agenda of the General Meeting, provided they demand, in writing, the Board of Directors to do so early enough that the item can be included in the Notice of Meeting. The Notice of Meeting is usually drafted about four (4) weeks before a General Meeting.

The Annual General Meeting deliberates on the matters that are specified as being the business of Annual General Meetings in Section 12 of the Articles of Association as well as any other possible proposals made to the General Meeting. The company's Board of Directors prepares an agenda for the meeting. As specified in the Companies Act, the Annual General Meeting takes decisions on matters such as:

- approving the financial statements
- the distribution of profit
- the number of Board members, their election and the remuneration to be paid to them
- the number of auditors, their election and the remuneration to be paid to them
- amendments to the Articles of Association.

Marimekko Corporation's Articles of Association do not include a redemption clause. The company is not aware of any shareholder agreements concerning the use of voting rights or restrictions on the conveyance of the company's shares.

Election of Board members and their term of office

The members of Marimekko Corporation's Board of Directors are elected by the Annual General Meeting. Their term of office ends at the conclusion of the next Annual General Meeting. According to the Articles of Association, the Board of Directors shall include a minimum of three and a maximum of five 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. The Board of Directors elects a chairman from amongst its members for a period of a year.

Marimekko Corporation's Annual General Meeting held on 7 April 2005 elected three members to the Board of Directors for a term beginning on 7 April 2005 and ending at the conclusion of the 2006 Annual General Meeting. Mr Kari Miettinen, B.Sc. (Econ.), Authorised Public Accountant, Mr Matti Kavetvuo, M.Sc. (Eng.), B.Sc. (Econ.), and Mrs Kirsti Paakkanen, President, were re-elected as members of the Board of Directors. The Board of Directors elected Kari Miettinen as Chairman of the Board. Of the Board's current three members, Kirsti Paakkanen is Marimekko Corporation's president. Kari Miettinen and Matti Kavetvuo are independent of the company. The number of Marimekko shares owned by Board members is reported on page 72.

Duties and responsibilities of the Board of Directors

The Board of Directors is responsible for the company's administration and the proper organisation of operations. The duties of Marimekko Corporation's Board of Directors primarily comprise the Board duties specified in the Companies Act and the Articles of Association. All matters that are significant to the company's business operations are deliberated on by the Board. Matters to be handled at Board meetings include:

- specifying and ratifying the company's strategic policies
- deliberating on and approving the annual operating plan and budget
- deliberating on and approving interim reports, the consolidated financial statements and the Board's report
- deciding on investments and the acquisition and sale of assets that are either strategically or financially significant
- deciding on funding-related contingent liabilities
- approving the Group's risk management and reporting procedures
- the election of the president and deciding on the remuneration of the president.

Meeting procedures and decision-making

The Board of Directors convenes six times a year on average. In 2005, the Board convened six times. The participation rate of Board members in the meetings has been 100%.

Committees

Due to the small size of its Board of Directors, Marimekko has no separate committees.

President

The Board of Directors elects the company's president and decides on the terms of the president's employment. The president is responsible for the Group's operative management and development in line with the instructions and regulations laid down by the Board of Directors. Kirsti Paakkanen has served as the company's president since 1991.

Management group

The company's business operations have been divided into responsibility areas. The persons in charge of them comprise the company's management group. The company's president is the chairman of the management group. The members of the management group are listed on page 70.

Bonuses and other benefits

In accordance with the Articles of Association, the bonuses of the Board of Directors are set by the Annual General Meeting. In 2005, the Board of Directors was paid a total of EUR 50,000 in annual bonuses. The bonus of the chairman of the Board amounted to EUR 20,000 and the bonus of each Board member to EUR 15,000 per year.

Marimekko Corporation's Board of Directors decides on the president's salary and remuneration. In 2005, the salary paid to Marimekko Corporation's president for attending to the duties of president amounted to EUR 100,000. No agreement has been made with President Kirsti Paakkanen concerning her retirement age.

The company has no share or equity-derivative bonus systems.

Audit

According to the Articles of Association, the company must have one auditor and, if this auditor is not a firm of auditors, one deputy auditor. The auditor and deputy auditor must be authorised by the Central Chamber of Commerce. The auditors are appointed to their tasks for an indefinite term. Nexia Tilintarkastus Oy, Authorised Public Accountants, is responsible for the auditing of the Marimekko Group and the Group companies, with Seppo Tervo, Authorised Public Accountant, as chief auditor. The company's deputy auditor is Matti Hartikainen, Authorised Public Accountant. In the 2005 financial year, the auditors of the Marimekko Group were paid a total of EUR 42,000 in fees.

Reporting

The realisation of Marimekko Corporation's financial objectives is monitored by means of financial reporting covering the entire Group. Sales reports are drafted, as applicable, on a daily, weekly and monthly basis. The consolidated result and balance sheet reports are drafted on a monthly basis.

Supervision and risk management

The Board of Directors supervises and evaluates the sufficiency, appropriateness and effectiveness of the Group's risk management, supervision and administration process. Business operations and asset management are monitored using the abovementioned reports. Appropriate insurance policies have been taken out to protect the company against asset, loss-of-profits and liability risks arising from its business operations.

Insider administration

Marimekko Corporation's Board of Directors confirmed the company's new insider regulations on 22 December 2005. The regulations comply with the Helsinki Stock Exchange's Guidelines for Insiders, effective as from 1 January 2006. Marimekko's insiders with the duty to declare are the members of the Board of Directors, the president and the auditor as well as the persons responsible for the company's financial reporting, production, exports and communications. Permanent company-specific insiders include the managing directors of the subsidiaries and other persons who by virtue of their duties are designated as company-specific insiders. The need for project-specific insider registers is evaluated on a case-by-case basis.

Marimekko Corporation's insider regulations prohibit insiders with the duty to declare and permanent company-specific insiders as well as their related parties and their controlled corporations from trading in Marimekko shares during the 30-day period preceding the publication of the company's Interim Reports and financial statement information. The person in charge of corporate communications and investor relations is responsible for maintaining the company's insider register and for insider communications. The company's insider register is maintained in Finnish Central Securities Depository Ltd's SIRE register. The shareholdings of Marimekko Corporation's public insiders and their related parties are listed on the company's Internet site under Investors/Share information.

Investor relations

The management of Marimekko Corporation's investor relations is co-ordinated by the person in charge of corporate communications. Corporate communications is responsible for the company's stock exchange releases, organising meetings with investors and analysts, and the company's online investor information.

Marimekko publishes all its investor information in Finnish and English on the company's Internet site under Investors. The company's printed Annual Report is published in Finnish and English.

REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS OF MARIMEKKO CORPORATION FOR THE FINANCIAL PERIOD FROM 1 JANUARY TO 31 DECEMBER 2005

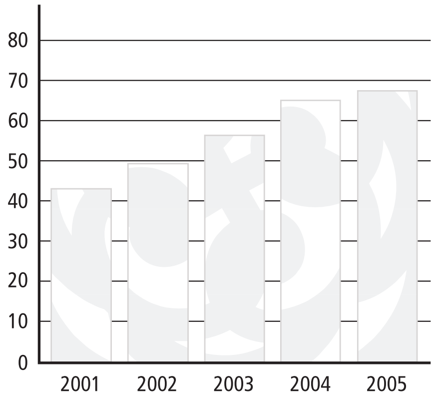
CONTENTS

Report of the Board of Directors

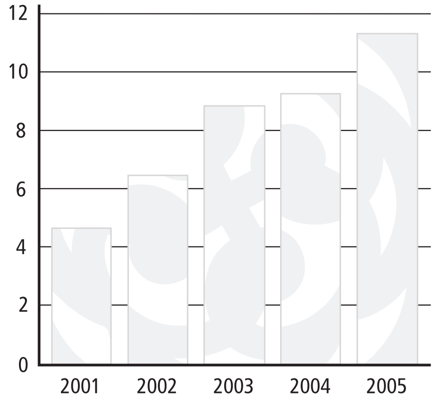
In 2005, the Marimekko Group's net sales rose by 4% to EUR 67.2 million (EUR 64.6 million). In comparable terms, net sales increased by 9% to EUR 67.2 million (EUR 61.5 million). Operating profit improved by 25% and amounted to EUR 11.4 million (EUR 9.1 million). Profit after taxes for the financial year increased by 41% to EUR 8.4 million (EUR 6.0 million). Earnings per share rose to EUR 1.05 (EUR 0.75). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2005. In 2006, the Group's net sales are estimated to grow by about 10%, with profitability remaining at a good level.

2005 was a favourable year for Marimekko's business operations. Growth continued in almost all markets, and earnings improved significantly. Sales saw further steady growth in Finland. Good growth trends continued in export markets. The Group's profitability remained solid and the balance sheet strong. The key targets set for business operations were achieved.

Net sales 2001–2005, EUR million



Operating profit 2001–2005, EUR million



2001–2003 FAS; 2004–2005 IFRS

General overview

In 2005, growth in the global economy continued. The fastest growth was seen in the United States and Asia. Economic development in the euro zone was still slow but picked up towards the end of the year. In Finland, households' confidence in the development of their own finances remained good and strength growth in consumption demand continued. 2005 was an excellent year for the retail trade in Finland due to an upward trend in purchasing power. Retail sales in Finland exclusive of car sales rose by 2.2% (Federation of Finnish Commerce). In 2005, retail sales of clothing in Finland grew by 6.0%, home textiles by 5.8% and bags by 8.2% (Association of Textile and Footwear Importers and Wholesalers). According to Statistics Finland, clothing production in Finland contracted by 19.4% and textile production by 7.8%. In the January-November period of 2005, exports of clothing (SITC 84) increased by 6.0% and imports by 3.0%. Exports of textiles (SITC 65) declined by 1.0% and imports by 6.0% (National Board of Customs, monthly review, 11/2005).

Comparable net sales grow in line with estimates

In 2005, the Marimekko Group's net sales rose by 4.1% to EUR 67,219 thousand (EUR 64,592 thousand). In comparable terms, net sales increased by 9.3% to EUR 67,219 thousand (EUR 61,486 thousand). Exports and income from international operations accounted for 19.4% (22.2%) of the Group's net sales. Comparable net sales from exports and international operations increased by 12.6%.

Grünstein Product Oy, which was sold in December 2004, has been eliminated from the comparable figures in this report.

The breakdown of the Group's net sales by product line was as follows: clothing, 43.8%, interior decoration, 42.3%, and bags, 13.9%. Net sales by market area were: Finland, 80.6%, the other Nordic countries, 9.0%, the rest of Europe, 4.0%, North America, 3.5%, and other countries (regions outside Europe and North America), 2.9%.

In 2005, comparable sales in Marimekko's own retail shops in Finland rose by 7.1% (6.9%). Sales by the company's own shops totalled EUR 28,008 thousand (EUR 26,279 thousand). Comparable sales to retailers in Finland increased by 7.2% (27.2%).

Net sales and earnings in Q4

In the October-December period of 2005, the Marimekko Group's comparable net sales rose by 5.3% to EUR 18,753 thousand (EUR 17,814 thousand). Net sales growth was seen in all product lines. The Group's operating profit in the fourth quarter amounted to EUR 3,435 thousand (EUR 2,137 thousand). Earnings per share improved to EUR 0.32 (EUR 0.14). The loss on the divestment of Grünstein Product Oy decreased earnings for the corresponding period of the previous year.

Reviews by business unit

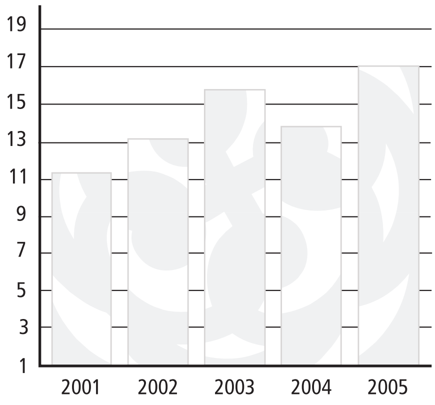
Clothing

In 2005, the Group's net sales of clothing fell by 3.9% to EUR 29,411 thousand (EUR 30,594 thousand). In comparable terms, net sales rose by 7.0% to EUR 29,411 thousand (EUR 27,488 thousand). Sales in Finland continued to grow steadily. Trends in exports varied between market areas. Rapid sales growth was seen in the market areas referred to as "other Nordic countries" and "other countries". In the United States and the market area referred to as "the rest of Europe", sales were down on the previous year. Exports and income from international operations accounted for 16.0% of the Group's net sales of clothing.

Interior decoration

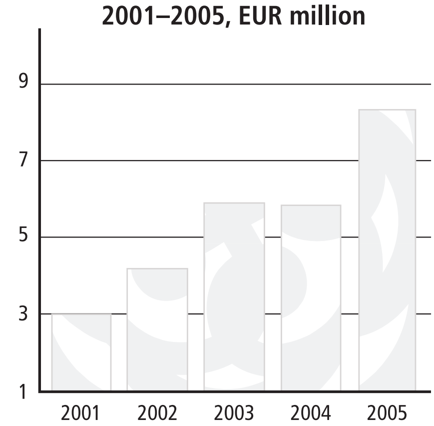
In 2005, net sales of interior decoration products rose by 13.3% to EUR 28,434 thousand (EUR 25,100 thousand). Sales in Finland continued to grow well. Growth on the export markets was slightly faster paced than in Finland. Sales were up in all market areas. In relative terms, the greatest increase in exports and income from international operations was seen in the market area referred to as "other Nordic countries", where sales rose by over 30%. A good rate of growth was maintained in the United States and the market area referred to as "other countries", and favourable development also continued in the market area referred to as "the rest of Europe". Exports and income from international operations accounted for 21.8% of net sales of interior decoration products.

Operating profit 2001–2005, % of net sales



2001–2003 FAS; 2004–2005 IFRS

Profit after taxes 2001–2005, EUR million



2001–2003 FAS; 2004–2005 IFRS

Bags

In 2005, sales of bags continued to grow, but at a slower pace than a year earlier. Net sales increased by 5.3% on the previous year and amounted to EUR 9,374 thousand (EUR 8,898 thousand). Trends varied greatly between markets. Growth slowed noticeably in Finland, while sales grew extremely vigorously in the United States. Growth also continued at a good level in the market areas referred to as "other Nordic countries" and "other countries". In the market area referred to as "the rest of Europe", sales declined substantially. Exports and income from international operations accounted for 23.0% of net sales of bags.

Business gifts and contract sales

Sales of business gifts and contract sales both grew substantially, up 34.5% on the previous year.

Exports and international operations

In 2005, the Group's exports and income from international operations fell by 9.1% on the previous year to EUR 13,039 thousand (EUR 14,348 thousand). Comparable net sales rose by 12.6% and amounted to EUR 13,039 thousand (EUR 11,583 thousand).

In the market area referred to as "other Nordic countries", sales grew well in all product lines. Comparable net sales rose by 21.9% and amounted to EUR 6,074 thousand (EUR 4,982 thousand). In relative terms, the fastest growth was seen in sales of interior decoration products.

In the market area referred to as "the rest of Europe", sales slackened further. Comparable net sales fell by 5.7% and amounted to EUR 2,674 thousand (EUR 2,837 thousand). Sales of interior decoration products rose slightly, but sales of clothing and bags declined substantially.

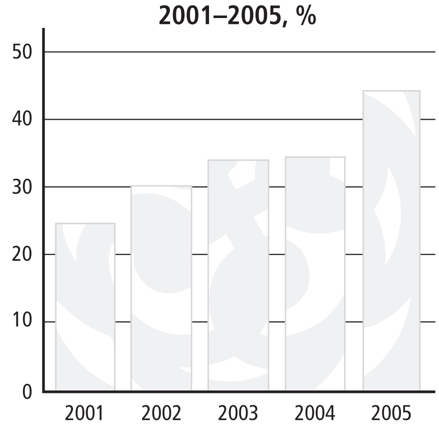
In North America, the Group's comparable net sales from exports and international operations rose by 12.0% to EUR 2,375 thousand (EUR 2,120 thousand). Sales of bags increased especially vigorously and sales of interior decoration products also continued to grow well. Sales of clothing fell slightly.

Sales of all product lines grew well in the market area referred to as "other countries", where Japan and Australia are the most important export markets. Comparable net sales rose by 16.5% and amounted to EUR 1,916 thousand (EUR 1,644 thousand). Particularly strong growth was seen in sales of clothing and interior decoration products, but sales of bags also increased well.

Licensing

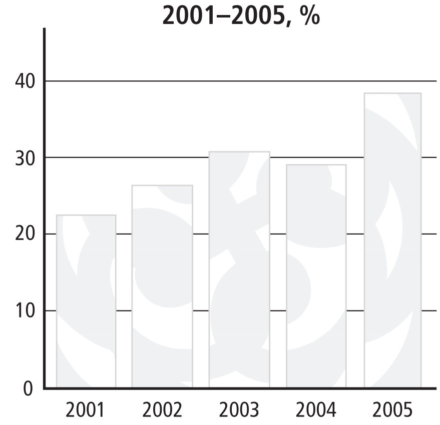
Royalty earnings from sales of licensed products increased slightly in 2005. Growth was extremely buoyant in Finland, but there was a noticeable decline in royalty earnings in Japan and the United States.

Return on investment (ROI)
2001–2005, %



2001–2003 FAS; 2004–2005 IFRS

Return on equity (ROE)
2001–2005, %



2001–2003 FAS; 2004–2005 IFRS

Production

In the financial period, the production volume of the Herttoniemi textile printing factory increased by 59% on the previous year. Production volumes at the clothing factory in Kitee and the bag factory in Sulkava remained at the same level as in the previous year. A new product information control system was deployed in production operations during 2005. At the end of the financial year, the clothing factory property in Kitee was acquired. Other production investments centred on rationalising the textile printing factory.

Significant improvement in earnings

The Group's operating profit improved by 25.0% to EUR 11,413 thousand (EUR 9,129 thousand). Operating profit as a percentage of net sales rose to 17.0% (14.1%). Marketing expenses during the financial year amounted to EUR 3,619 thousand (EUR 3,436 thousand), or 5.4% (5.3%) of net sales. The loss on the divestment of Grünstein Product Oy decreased earnings for the previous year.

The Group's depreciation amounted to EUR 919 thousand (EUR 900 thousand), or 1.4% (1.4%) of the Group's net sales. Net financial expenses amounted to EUR 66 thousand (EUR 177 thousand), or 0.1% (0.3%) of the Group's net sales.

The Group's profit after taxes for the financial year increased by 40.5% to EUR 8,424 thousand (EUR 5,995 thousand), representing 12.5% (9.3%) of the Group's net sales. Earnings per share improved by 40.5% to EUR 1.05 (EUR 0.75).

Investments

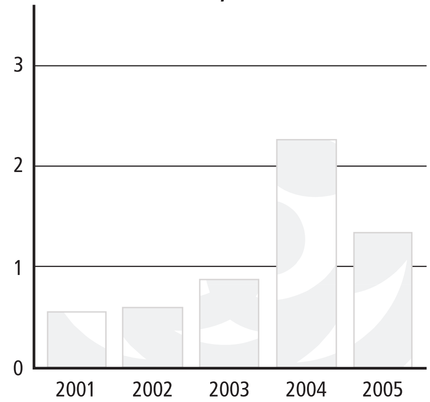
The Group's gross investments during the financial year amounted to EUR 1,361 thousand (EUR 2,234 thousand), representing 2.0% (3.5%) of the Group's net sales. The major investments were made in production machinery for the textile printing factory, and the shop that will open in March 2006 in the Kamppi Centre, Helsinki. Investments in the Kamppi shop have and will be made during both the 2005 and 2006 financial years. Investments in 2005 included the acquisition of the factory property in Kitee. Other investments were focused on the replacement of IT hardware and software.

Equity ratio and financing

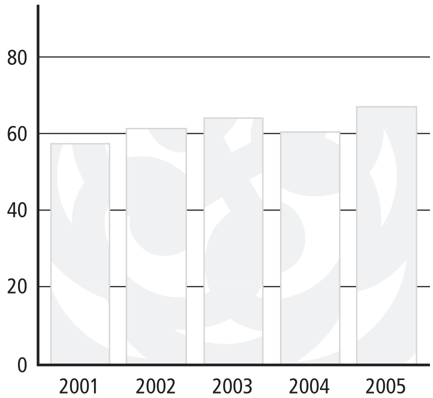
Equity ratio was 66.5% (60.3% on 31 December 2004). The ratio of interest-bearing liabilities minus financial assets to shareholders' equity (gearing) was –15.6%, while it was –13.9% at the end of the previous year.

The Group's financing position and liquidity remained good in the review period. At the end of the financial year, the Group's interest-bearing liabilities amounted to EUR 3,738 thousand (EUR 4,912 thousand). The Group's financing from

Gross investments 2001–2005, EUR million



Equity ratio 2001–2005, %



2001–2003 FAS; 2004–2005 IFRS

operations was EUR 9,343 thousand (EUR 6,896 thousand). At the end of the financial year, the Group's financial assets amounted to EUR 7,515 thousand (EUR 7,646 thousand).

Shares and share performance

At the end of the 2005 financial year, the company's paid-in share capital, as recorded in the Trade Register, was EUR 8,040,000 and the total number of shares 8,040,000. The accounting countervalue of a share is one (1) euro.

According to the book-entry register, the company had 4,834 registered shareholders at the end of the financial period. 20.0% of the shares were registered in a nominee's name and 2.2% were in foreign ownership. The number of shares owned either directly or indirectly by members of the Board of Directors and the president of the company was 1,657,500, representing 20.6% of the total votes conferred by the company's shares.

Flagging notifications
Workidea Oy's share of Marimekko Corporation's share capital and voting rights declined from 32.28% to 20.00%, or 1,608,000 shares, as a result of a transaction made on 2 September 2005.

The American company Grantham, Mayo, Van Otterloo & Co. LLC's share of Marimekko Corporation's share capital and voting rights increased to 5.35%, or 430,200 shares, as a result of a transaction made on 2 September 2005.

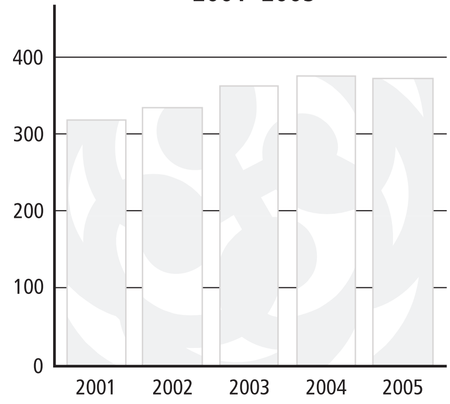
At the end of the report year, the Board of Directors had no valid authorisations to carry out share issues or issue convertible bonds or bonds with warrants, or to acquire or transfer Marimekko shares.

During the financial year, a total of 4,048,319 Marimekko shares were traded, representing 50.4% of the shares outstanding. The total value of Marimekko's share turnover was EUR 64,129,912. In 2005, the lowest price of the Marimekko share was EUR 13.53, the highest was EUR 18.40, and the average price was EUR 15.99. At the end of the financial year, the final price of the share was EUR 16.24. The company's market capitalisation at the end of 2005 was EUR 130,569,600. At the end of 2004, the company's market capitalisation was EUR 118,188,000.

Personnel

In 2005, the number of Group personnel grew by 22. During the financial year, the number of employees averaged 371 (375). At the end of the year, the Group employed 377 (355) people, of whom 10 (10) worked abroad.

Average personnel 2001–2005



Board of Directors and auditors

The Annual General Meeting of 7 April 2005 resolved that the company's Board of Directors shall have three members. Mr Kari Miettinen, B.Sc. (Econ.), Authorised Public Accountant, Mr Matti Kavetvuo, M.Sc. (Eng.), B.Sc. (Econ.), and Mrs Kirsti Paakkanen, President, were re-elected as members of the Board of Directors until the end of the next Annual General Meeting. At its organisation meeting held after the Annual General Meeting, the Board of Directors elected Kari Miettinen as Chairman of the Board.

The Annual General Meeting also confirmed that Nexia Tilintarkastus Oy, Authorised Public Accountants, will continue as the company's regular auditor, with Mr Seppo Tervo, Authorised Public Accountant, as chief auditor and Mr Matti Hartikainen, Authorised Public Accountant, as deputy auditor.

Adoption of IFRS

Marimekko prepared its first financial statements in line with IFRS (International Financial Reporting Standards) for the 2005 financial year. The major impacts of the IFRS transition on the accounting principles applied in the consolidated financial statements as well as the comparative information on 2004 were presented in a bulletin on 3 May 2005. All interim reports for 2005 have been presented using IFRS recognition and measurement principles.

The main changes in Marimekko's financial statements resulting from the transition to IFRS relate to inventories, goodwill, finance leasing as well as deferred tax assets and liabilities. The changeover to IFRS improved Marimekko's net profit for 2004 by EUR 221 thousand. The opening balance sheet dated 1 January 2004 grew by EUR 435 thousand. The balance sheet at 31 December 2004 grew by EUR 730 thousand.

The Board of Directors' proposal for the dividend for the 2005 financial year

A dividend of EUR 0.50 per share was paid for 2004 to a total of EUR 4,020,000. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2005 to a total of EUR 5,226,000. The proposed dividends represent 62.0% of the Group's earnings per share for the financial year. On 31 December 2005, the Group's distributable funds amounted to EUR 14,862,380.29 and the parent company's distributable funds to EUR 13,237,859.91. The Board will propose 11 April 2006 as the dividend record date and 20 April 2006 as the dividend payout date.

Reorganisation of distribution in Japan

At the end of June 2005, Marimekko signed a co-operation agreement with the Japanese companies Mitsubishi Corporation and Look Inc. Under the agreement, the exclusive right to import Marimekko products into Japan was transferred to Mitsubishi Corporation and the right to distribute and retail the products to Look Inc. as from the beginning of 2006. Look Inc. will set up several Marimekko concept and shop-in-shop outlets in Japan. The first Marimekko shops will open in spring 2006. Licensing co-operation with Nishikawa Sangyo Co. Ltd. will continue.

Outlook for 2006

Growth in the world economy is expected to continue in 2006, although it will slacken somewhat. Consumption demand in Finland is predicted to increase by slightly over 2.5%. Growth in the United States and Asian countries is anticipated to continue. Demand in the euro zone is expected to pick up (The Research Institute of the Finnish Economy, ETLA, "Suhdanne", 2005/4). On the basis of the cyclical outlook and market situation, the Marimekko Group's net sales for 2006 are estimated to increase by about 10% on the previous year. Profitability is forecast to remain at a good level.

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

Consolidated balance sheet

(EUR 1,000)		31 Dec. 2005	31 Dec. 2004
ASSETS			
NON-CURRENT ASSETS	1.		
Tangible assets	1.1	8 683	8 265
Intangible assets	1.2	359	361
Available-for-sale investments	1.3	20	20
		9 062	8 646
CURRENT ASSETS	2.		
Inventories	2.1	15 598	12 885
Trade and other receivables	2.2	4 127	3 558
Cash and cash equivalents	2.3	7 515	7 646
		27 240	24 089
ASSETS, TOTAL		36 302	32 735

Consolidated balance sheet

(EUR 1,000)		31 Dec. 2005	31 Dec. 2004
SHAREHOLDERS' EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3.		
Share capital	3.1	8 040	8 040
Retained earnings	3.2	16 097	11 693
Shareholders' equity, total		24 137	19 733
NON-CURRENT LIABILITIES	4.		
Deferred tax liabilities	4.1	567	501
Interest-bearing liabilities	4.2	1 842	2 942
		2 409	3 443
CURRENT LIABILITIES	5.		
Interest-bearing liabilities	5.1	1 896	1 970
Tax liabilities		358	646
Trade and other payables	5.2	7 502	6 943
		9 756	9 559
Liabilities, total		12 165	13 002
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		36 302	32 735

Consolidated income statement

(EUR 1,000)		1 Jan.–31 Dec. 2005	1 Jan.–31 Dec. 2004
NET SALES	10.	67 219	64 592
Other operating income	11.	47	18
Increase or decrease in inventories of completed and unfinished products		2 046	790
Raw materials and consumables	12.	27 208	26 320
Employee benefit expenses	13.	14 324	13 625
Depreciation and impairment	14.	919	900
Other operating expenses	15.	15 448	15 426
OPERATING PROFIT		11 413	9 129
Financial income	16.	87	51
Financial expenses	17.	-153	-228
		-66	-177
PROFIT BEFORE TAXES		11 347	8 952
Income taxes	18.	2 923	2 957
NET PROFIT FOR THE PERIOD		8 424	5 995
Distribution			
To equity owners of the parent company		8 424	5 995
Earnings per share from profit attributable to equity holders of the parent company, EUR	19.	1.05	0.75

Consolidated cash flow statement

(EUR 1,000)	2005	2004
CASH FLOW FROM OPERATIONS		
Profit for the period	8 424	5 995
Adjustments		
Depreciation according to plan	919	901
Financial income and expenses	66	177
Taxes	2 923	2 957
Other adjustments	27	731
Cash flow before change in working capital	12 359	10 761
Change in working capital	-2 714	331
Cash flow from operations before financial items and taxes	9 645	11 092
Paid interest and payments on other financial expenses	-167	-250
Dividends received		2
Interest received	97	48
Taxes paid	-3 151	-2 346
CASH FLOW FROM OPERATIONS	6 424	8 546
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-1 361	-1 344
CASH FLOW FROM INVESTMENTS	-1 361	-1 344
CASH FLOW FROM FINANCING		
Short-term loans drawn down	200	700
Long-term loans repaid	-1 323	-653
Finance leasing debts paid	-51	-113
Dividends paid and other distribution of profit	-4 020	-8 040
CASH FLOW FROM FINANCING	-5 194	-8 106
Change in cash and cash equivalents	-131	-904
Cash and cash equivalents at the beginning of the period	7 646	8 550
Cash and cash equivalents at the end of the period	7 515	7 646

Consolidated statement of changes in shareholders' equity

(EUR 1,000)

	Equity attributable to equity holders of the parent company				
	Share capital	**Translation differences**	**Fair value and other reserves**	**Retained earnings**	**Shareholders' equity, total**
Shareholders' equity 31 Dec. 2003	8 040			13 613	21 653
Impact of transition to IFRS				124	
Adjusted shareholders' equity 1 Jan. 2004	8 040			13 737	21 777
Net profit for the period				5 995	
Dividends paid				-8 040	
Shareholders' equity 31 Dec. 2004	8 040			11 693	19 733
Adjusted shareholders' equity 1 Jan. 2005	8 040			11 693	19 733
Net profit for the period				8 424	
Dividends paid				-4 020	
Shareholders' equity 31 Dec. 2005	8 040			16 097	24 137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Group profile

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

The Group's parent company is Marimekko Corporation, whose shares are quoted on the Main List of the Helsinki Stock Exchange. 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 from www.marimekko.com and the head office of the Group's parent company at Puusepänkatu 4, 00880 Helsinki, Finland.

Accounting policy applied in the consolidated financial statement

Segment reporting

Business segments provide products and services whose risks and profitability differ from those of the products and services of other business segments. As per this definition, the Group has only one primary segment: the Marimekko business.

The Group's secondary segment is geographical, and is divided into Finland and other countries. The risks and profitability of the products and services of geographical segments differ from those of the products and services of segments operating in different types of economic environments. The net sales of geographical segments are disclosed in accordance with customer location, and assets in accordance with asset location. Inter-segment pricing is set at fair market value.

Accounting policy

These are the Group's first financial statements drafted in accordance with International Financial Reporting Standards. The financial statements have been drawn up in compliance with the IAS and IFRS standards in force as at 31 December 2005 as well as the SIC and IFRIC interpretations. 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 community legislation.

Transition to IFRS

Marimekko adopted International Financial Reporting Standards (IFRS) in 2005, applying the standard IFRS 1 *First Time Adoption of International Financial Reporting Standards*. The transition date is 1 January 2004, with the exception of standards IAS 32 *Financial Instruments: Disclosure and Presentation* and IAS 39 *Financial Instruments: Recognition and Measurement*. In respect of these standards, the Marimekko Group does not have to draft comparison information for 2004 due to the application in the 2005 financial statements of the amendment to IAS 39 that was made in March 2004. Therefore, Finnish Accounting Standards have been applied in the presentation of the comparison information for 2004 in the case of the presentation of financial instruments in the scope of IAS 32 and 39.

The Group released its IFRS comparison information on 2004 and the effects of the IFRS transition on 3 May 2005. Interim reports in 2005 have been drafted in accordance with IFRS measurement and accounting policies. Differences arising from the transition to IFRS are presented in the reconciliation statements, which are included in note 21. Comparison information on 2004 has been adjusted to correspond to IFRS, with the exception of financial instruments.

Principles of consolidation

Marimekko's consolidated financial statements are based on the separate financial statements 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, or in which the Group holds more than half of the voting rights. Intra-Group share ownership has been eliminated using the acquisition cost method. Internal transactions, internal margins included in inventories and tangible assets, intercompany receivables and liabilities and internal distribution of profit have been eliminated.

Changes in the group structure

No acquisitions or divestments were carried out in 2005. Marimekko sold all the shares in Grünstein Product Oy in December 2004. The transaction caused a loss of EUR 1.2 million for the Group.

Foreign currency transactions

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.

The foreign-currency-denominated receivables and liabilities of the parent company and Finnnish subsidiaries have been converted to euro amounts using the average 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.

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 revenue recognition of licensing and royalty income is handled in accordance with the substance of the agreement. 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 carrying amount and the taxable value. The largest temporary differences are due to the amortisation of fixed assets. Deferred taxes have been calculated using the tax rates set by the closing date. Deferred tax assets are recorded only if they are likely to materialise.

Intangible assets

Intangible assets are recognised in the balance sheet at original cost less depreciation according to plan. Depreciation of intangible assets is based on their estimated useful life.

Depreciation periods of intangible assets:

Intangible rights	5–10 years
Other capitalised expenditure	3–10 years

The major intangible asset items are trademarks and software. Research and development expenditure is recognised in the income statement during the year incurred.

Tangible assets

Tangible assets are recorded in the balance sheet at original cost less depreciation according to plan. The depreciation according to plan of tangible assets has been calculated on straight-line basis according to the estimated useful life of the assets.

Depreciation periods of tangible assets:

Buildings and structures	40 years
Machinery and equipment	3–15 years

The maintenance and repair costs of buildings, machinery and equipment are generally expensed in the year incurred. Large basic improvement expenditure may be capitalised and depreciated over its period of economic effect if it will in all likelihood generate financial benefits for the company in excess of the previously estimated performance level of said asset.

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

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 carrying amount 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.

Derivative contracts

The Group does not have any derivative contracts.

Investments

The company has classified its investments as available-for-sale investments and they are measured at fair value.

Lease agreements

Lease agreements concerning tangible assets in which the Group is transferred a material share of the risks and rewards incident to ownership are classified as finance lease agreements. Assets leased under finance lease agreements are recorded in tangible assets less accumulated depreciation, and lease commitments are included in other interest-bearing liabilities. 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 expensed 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 replacement cost or the probable market price. 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.

Trade receivables

Trade and other receivables are recorded at original cost. The amount of doubtful debts is estimated on the basis of the risk of individual items. Credit losses are expensed in the income statement when there is valid evidence indicating that the Group will not get all its receivables under the original terms.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and at banks and mature in less than three months.

Interest-bearing liabilities

Interest-bearing liabilities are recognised in the balance sheet at cost. Transaction costs have been expensed.

Employee benefits

Pension commitments
The pension security of the personnel of the Group's Finnish companies is arranged under the Finnish statutory employee pension plan (TEL) through an external pension insurance company. Foreign subsidiaries have arranged pensions for their personnel in accordance with local legislation. All of the Group's pension schemes are defined contribution schemes, for which payments are expensed in the income statement in the period in which they occur.

Share-based payments
The Group does not have any share option schemes.

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

The Board of Directors' dividend payout proposal is not booked in the financial statements; dividends are recorded on the basis of a decision by the Annual General Meeting.

Use of estimates

When consolidated financial statements are prepared in accordance with IFRS, the management of the company must make estimates and assumptions that have an effect on the amounts of assets and liabilities in the balance sheet, the presentation of contingent liabilities and assets, if any, in the financial statements, and the amounts of income and expenses reported for the financial period. The actual figures may deviate from these estimates.

Earnings per share

Earnings per share are calculated by dividing the result for the period by the average number of shares during the period in question.

Use of standards

The following standards and their interpretations are not applicable due to the nature of the Group's business operations and transactions:

IFRS 2
IFRS 4
IFRS 5
IAS 11
IAS 26
IAS 29
IAS 30
IAS 31
IAS 41

IASB's amendment to IAS 39 that was released in 2004 will be adopted in 2006. The Group estimates that the adoption of the amended standard will not have a material effect on future financial statements.

Standard IFRS 7, released by IASB in 2005, will be adopted in 2007. It will primarily affect the notes to the consolidated financial statements.

Notes to the balance sheet

(EUR 1,000)

1. NON-CURRENT ASSETS

1.1 Tangible assets

2005	**Land and water**	**Buildings and structures**	**Machinery and equipment**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2005	874	4 563	6 888	12	12 337
Increases	37	85	766	967	1 855
Decreases			-26	-623	-649
Exchange differences		-10			-10
Acquisition cost, 31 Dec. 2005	911	4 638	7 628	356	13 533
Accumulated depreciation, 1 Jan. 2005		820	3 252		4 072
Depreciation		227	551		778
Accumulated depreciation, 31 Dec. 2005		1 047	3 803		4 850
	911	3 591	3 825	356	8 683
Carrying amount, 1 Jan. 2005	874	3 743	3 636	12	8 265
Carrying amount, 31 Dec. 2005	911	3 591	3 825	356	8 683
Carrying amount of production machinery and equipment, 31 Dec. 2005					2 292

2004	**Land and water**	**Buildings and structures**	**Machinery and equipment**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2004	909	4 647	5 228	324	11 108
Increases		575	2 078	332	2 985
Decreases	-35	-659	-418	-644	-1 756
Acquisition cost, 31 Dec. 2004	874	4 563	6 888	12	12 337
Accumulated depreciation, 1 Jan. 2004		705	2 971		3 676
Accumulated depreciation of decreases and transfers		-29	-266		-295
Depreciation		144	547		691
Accumulated depreciation, 31 Dec. 2004		820	3 252		4 072
	874	3 743	3 636	12	8 265
Carrying amount, 1 Jan. 2004	909	4 026	2 258	324	7 517
Carrying amount, 31 Dec. 2004	874	3 743	3 636	12	8 265
Carrying amount of production machinery and equipment, 31 Dec. 2004					1 966

Finance lease agreements

"Machinery and equipment" in tangible assets includes
the following assets leased under finance lease agreements:

	2005	**2004**
Acquisition cost, 1 Jan.	250	250
Accumulated depreciation	171	116
Carrying amount, 31 Dec.	79	134

(EUR 1,000)

1.2 Intangible assets

2005	**Intangible rights**	**Goodwill**	**Other capitalised expenditure**	**Total**
Acquisition cost, 1 Jan. 2005	340		2 613	2 953
Increases	40		147	187
Decreases	-10		-49	-59
Exchange differences			10	10
Acquisition cost, 31 Dec. 2005	370		2 721	3 091
Accumulated depreciation, 1 Jan. 2005	219		2 373	2 592
Depreciation	26		114	140
Accumulated depreciation, 31 Dec. 2005	245		2 487	2 732
	125		234	359
Carrying amount, 1 Jan. 2005	121		240	361
Carrying amount, 31 Dec. 2005	125		234	359

2004	**Intangible rights**	**Goodwill**	**Other capitalised expenditure**	**Total**
Acquisition cost, 1 Jan. 2004	305	584	2 561	3 450
Increases	35		80	115
Decreases		-584	-28	-612
Acquisition cost, 31 Dec. 2004	340		2 613	2 953
Accumulated depreciation, 1 Jan. 2004	197	390	2 212	2 799
Accumulated depreciation of decreases and transfers		390	-26	364
Depreciation	22		187	209
Accumulated depreciation, 31 Dec. 2004	219		2 373	2 592
	121		240	361
Carrying amount, 1 Jan. 2004	107		266	373
Carrying amount, 31 Dec. 2004	121		240	361

1.3 Available-for-sale investments

	2005	**2004**
Available-for-sale shares		
Acquisition cost, 1 Jan.	20	58
Decreases		-38
Acquisition cost, 31 Dec.	20	20
Accumulated depreciation, 31 Dec.		
Carrying amount, 31 Dec.	20	20
Investments, total	20	20

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

(EUR 1,000)

		2005	2004
2.	CURRENT ASSETS	**2005**	**2004**
2.1	Inventories		
	Raw materials and consumables	5 015	4 111
	Incomplete products	178	172
	Finished products/goods	10 266	8 455
	Advance payments	139	147
	Total	15 598	12 885
2.2	Trade and other receivables		
	Trade receivables	3 302	2 914
	Other receivables	56	32
	Prepaid expenses and accrued income	769	612
	Total	4 127	3 558
	Prepaid expenses and accrued income		
	Interest receivables	24	15
	Royalty receivables	410	378
	Social security contribution insurance	21	
	Tax assets	11	5
	Other prepaid expenses and accrued income	303	214
	Total	769	612
	Impairment of trade receivables	65	-1
2.3	Cash and cash equivalents		
	Cash in hand and at banks	7 515	7 646

3.	SHAREHOLDERS' EQUITY	**Number of shares (1,000)**	**Share capital EUR**	**Total EUR**
3.1	1 Jan. 2004	8 040	8 040 000	8 040 000
	31 Dec. 2004	8 040	8 040 000	8 040 000
	1 Jan. 2005	8 040	8 040 000	8 040 000
	31 Dec. 2005	8 040	8 040 000	8 040 000

The maximum number of shares is 20,000,000. The accounting countervalue of the share is one (1) euro. The Group's maximum share capital is EUR 12,000,000. All shares in issue have been paid in full. The Group does not possess any of its own shares. After the closing date, the Board of Directors has proposed that a dividend of EUR 0.65 per share be paid for 2005. The Group does not have any share option schemes.

3.2	Distributable funds, 31 Dec.	**2005**	**2004**
	Retained earnings	7 673	5 698
	Profit for the period	8 424	5 995
	Translation differences	-	-
	Share of the accumulated depreciation difference entered in shareholders' equity	-1 235	-1 089
	Distributable funds, 31 Dec.	14 862	10 604

(EUR 1,000)

4.1 Deferred tax assets and liabilities

Changes in deferred taxes in 2005

	1 Jan. 2005	Recognised in the income statement	Recognised in shareholders' equity	Sales of subsidiaries	31 Dec. 2005
Deferred tax assets					
Internal margin of inventories	49	-1			48
Other items	8	2			10
Total	57	1			58
Deferred tax asset	57	1			58
Deferred tax liabilities					
Internal margin of inventories	-2	2			0
Accumulated depreciation difference	-428	-17			-445
Inventories	-128	-52			-180
Total	-558	-67			-625
Deferred tax liability	-558	-67			-625
Deferred tax liability, net					-567

Changes in deferred taxes in 2004

	1 Jan. 2004	Recognised in the income statement	Recognised in shareholders' equity	Sales of subsidiaries	31 Dec. 2004
Deferred tax assets					
Internal margin of inventories	49				49
Confirmed losses	375			-375	0
Other items	8				8
Total	432			-375	57
Deferred tax asset	432			-375	57
Deferred tax liabilities					
Internal margin of inventories		-2			-2
Accumulated depreciation difference	-327	-101			-428
Inventories	-138	10			-128
Total	-465	-93			-558
Deferred tax liability	-465	-93			-558
Deferred tax liability, net					-501

(EUR 1,000)

	INTEREST-BEARING LIABILITIES	2005	2004
4.2	Non-current		
	Bank loans	857	1 428
	Pension loans	925	1 400
	Finance lease liabilities	60	114
	Total	1 842	2 942
5.1	Current		
	Bank loans	571	571
	Pension loans	370	647
	Other liabilities	900	700
	Finance lease liabilities	55	52
	Total	1 896	1 970

Maturities of non-current liabilities 2005	2006	2007	2008	2009
Bank loans, variable interest	571	571	286	
Pension loans	370	370	370	185
Finance lease liabilities	55	60		
Total	996	1 001	656	185

Maturities of non-current liabilities 2004	2005	2006	2007	2008	2009
Bank loans, variable interest	571	571	571	286	
Pension loans	752	370	370	370	185
Finance lease liabilities	52	55	60		
Total	1 375	996	1 001	656	185

Range of variation of the interest rate applied to interest-bearing liabilities, %	2005	2004
Loans from financial institutions	2.69–2.72	2.54–2.71
Pension loans	3.00	3.00–3.45
Other liabilities	5.00	5.00
Finance lease liabilities	5.00	5.00

All interest-bearing liabilities are denominated in euros.

Maturities of finance lease liabilities		
Minimum lease payments		
No later than 1 year	65	65
Later than 1 year – no later than 5 years	65	130
Present value of minimum lease payments	130	195
Present value of minimum lease payments		
No later than 1 year	55	55
Later than 1 year – no later than 5 years	60	111
Present value of minimum lease payments	115	166
Financial expenses accrued in the future	15	29

(EUR 1,000)

5.2	Trade and other payables	2005	2004
	Trade payables	2 342	2 186
	Other payables	2 464	2 208
	Accrued liabilities and deferred income	2 696	2 549
	Total	7 502	6 943
	Accrued liabilities and deferred income		
	Interest	15	29
	Employee benefits	2 586	2 072
	Other accrued liabilities and deferred income	95	448
	Total	2 696	2 549

6. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Carrying amount 2005	Fair value 2005	Carrying amount 2004	Fair value 2004
Trade and other receivables	4 127	4 127	3 558	3 558
Cash and cash equivalents	7 515	7 515	7 646	7 646
Bank loans	1 428	1 428	2 000	2 000
Pension loans	1 295	1 295	2 047	2 047
Other liabilities	900	900	700	700
Finance lease liabilities	115	115	166	166
Trade and other payables	7 860	7 860	7 589	7 589

The fair values of loans correspond to their carrying amounts.

7.	GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS	2005	2004
	For own liabilities		
	Guarantees	101	208
	Corresponding commitments	101	208
	Corporate mortgage and mortgaged promissory notes	5 214	5 214
	Corresponding pension loan	1 295	2 047
	For the liabilities of other companies		
	Guarantees	1 140	1 304
	Other own liabilities and commitments		
	Lease liabilities	69	111
	Lease agreement commitments	9 853	9 374
	Commitments, total	16 377	16 211

The Group has no liabilities from derivative contracts.

(EUR 1,000)

Other lease agreements	**2005**	**2004**
The Group as lessee Minimum lease payments under non-cancellable lease agreements		
No later than 1 year	2 322	2 361
Later than 1 year – no later than 5 years	5 025	4 703
Later than 5 years	2 575	2 421
Total	9 922	9 485

The Group has leased many of its stores 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 2005 income statement includes EUR 2,279 thousand in rental expenses paid on the basis of other non-cancellable lease agreements.

8. 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, Düsseldorf, Germany	100	100
Marimekko Kitee Oy, Kitee, Finland	100	100
Marimekko Tuotanto Oy, Helsinki, Finland	100	100

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

a) Employee benefits of management	**2005**	**2004**
Salaries and bonuses of the president		
Kirsti Paakkanen	100	100
Salaries and bonuses of the Board of Directors		
Kari Miettinen	20	20
Matti Kavetvuo	15	15
Kirsti Paakkanen	15	15
b) Loans from related parties		
Workidea Oy	22	28
Gemmi Furs Oy (former Grünstein Product Oy)	900	700

Repayment of said loans on demand.

In 2004, Marimekko Corporation granted a loan guarantee on behalf of a related-party company as part of the Group's business operations. The loan amounted to EUR 1,140 thousand as at 31 Dec. 2005. The debtor has given a counter-obligation and corporate mortgages valued at EUR 1,177 thousand as a counter-guarantee.

9. 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.

Notes to the income statement

(EUR 1,000)

10. SEGMENT INFORMATION

Primary segment
The Marimekko Group's primary segment is the Marimekko business.

Secondary segment
The Marimekko Group's secondary segment is geographical.

			2005			**2004**
	Finland	**Other countries**	**Total**	**Finland**	**Other countries**	**Total**
Net sales	54 180	13 039	67 219	50 244	14 348	64 592
Assets	35 487	815	36 302	31 861	874	32 735
Investments	1 361		1 361	2 219	15	2 234

11. OTHER OPERATING INCOME	**2005**	**2004**
Rental income	5	3
Sale of fixed assets	6	10
Other income	36	5
Total	47	18

12. RAW MATERIALS AND CONSUMABLES

	2005	2004
Materials and supplies		
Purchases during the financial year	20 647	19 309
Change in inventories	-923	-716
Total	19 724	18 593
External services	7 484	7 727
Total	27 208	26 320

13. EMPLOYEE BENEFIT EXPENSES

	2005	2004
Salaries, wages and bonuses	11 657	11 184
Pension expenses – defined contribution plans	1 949	1 835
Other indirect social expenditure	718	606
Total	14 324	13 625
Average number of employees		
Salaried employees	234	219
Non-salaried employees	137	156
Total	371	375

14. DEPRECIATION AND IMPAIRMENT

	2005	2004
Intangible assets		
Intangible rights	26	22
Other capitalised expenditure	114	187
Total	140	209
Tangible assets		
Buildings and structures	227	144
Machinery and equipment	551	547
Total	778	691
Total	918	900

(EUR 1,000)

		2005	2004
15.	OTHER OPERATING EXPENSES	**2005**	**2004**
	Leases	2 399	2 351
	Marketing	3 619	3 436
	Other expenses	9 430	9 639
	Total	15 448	15 426
16.	FINANCIAL INCOME		
	Interest income	87	49
	Dividend income		2
	Total	87	51
17.	FINANCIAL EXPENSES		
	Interest expenses	-168	-171
	Other financial expenses	15	-57
	Total	-153	-228
18.	INCOME TAXES		
	Taxes on taxable earnings for the period	2 844	2 864
	Taxes for prior years	13	
	Deferred taxes	66	93
	Total	2 923	2 957
	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	11 347	8 952
	Taxes calculated at the Finnish tax rate	2 950	2 506
	Different tax rates of foreign subsidiaries	-4	-4
	Non-deductible expenses	-4	305
	Taxes for prior years	13	
	Losses with no effect on income tax		144
	Deferred tax proceeds/expenses due to the decline in the Finnish tax rate	-32	6
	Taxes in the income statement	2 923	2 957
19.	EARNINGS PER SHARE		
	Profit for the period	8 424	5 995
	Weighted average number of shares, 1,000	8 040	8 040
	Earnings per share, EUR	1.05	0.75

20. RISK MANAGEMENT

Financial risks

At their present level, the Marimekko Group's financial risks are relatively small. The equity ratio is high, the Group's net debt negative and the financial situation good.

The credit risk of the Group's trade receivables is reduced by its broad and geographically diverse clientele. The credit limits of customers and their financial situation are monitored constantly. The credit risk related to business operations is also reduced with advance payments, bank guarantees and letters of credit.

The Group's customers are mainly located in the euro area, and regions outside this area are invoiced primarily in euros, so there is no significant foreign exchange risk. The most important currency in sales and purchases is the euro. Foreign currency risks mainly involve purchases and sales in the US dollar. The company protects itself against the foreign currency risks of sales by taking exchange rate fluctuations into account when pricing its products. Due to low indebtedness, variations in the interest rate level have only a slight effect on the Group's interest expenses. The Group seeks to maintain good liquidity under all circumstances to eliminate liquidity risk.

Accident risks

Marimekko 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 insurance companies.

Personnel risks

The Marimekko Group's business operations are based on the expertise of leading professionals, on the creativity of talented and competent personnel on a broad front, and a sufficient number of employees. Marimekko's success hinges on the company's ability to recruit and retain expert employees and freelance product designers in its service.

21. TRANSITION TO IFRS FINANCIAL STATEMENTS

Marimekko drafted its first financial statements in line with International Financial Reporting Standards (IFRS) for the 2005 financial year.

Marimekko has applied IFRS 1 First Time Adoption of International Financial Reporting Standards, which permits certain alternatives when applying the standards. The main changes in Marimekko's financial statements resulting from the IFRS transition relate to inventories, goodwill, finance leases as well as deferred tax assets and liabilities. There are no material differences between the IFRS cash flow statement and the FAS statement of changes in financial position.

IMPACT OF IFRS CHANGES ON THE 2004 INCOME STATEMENT AND THE BALANCE SHEET AS AT 1 JAN. 2004 AND 31 DEC. 2004

The changeover to IAS/IFRS improved Marimekko's net profit for 2004 by EUR 221 thousand. The opening balance sheet dated 1 January 2004 grew by EUR 435 thousand. The balance sheet at 31 December 2004 grew by EUR 730 thousand.

MAJOR CHANGES DUE TO THE IFRS TRANSITION AND THEIR IMPACT ON THE INCOME STATEMENT AND BALANCE SHEET

Inventories

Inventories are measured at the acquisition cost or the lower net realisable value. In accordance with IFRS, the acquisition cost also includes a share of the fixed manufacturing costs. Due to the change in the recognition policy, inventories in the opening balance sheet have increased by EUR 476 thousand. In connection with the adoption of IFRS, the policy applied in the periodisation of purchases has been revised with respect to inventories in transport.

Goodwill

Under IFRS, goodwill is not amortised under planned depreciation. Instead of amortisation, goodwill is tested for impairment. The Marimekko Group's goodwill arose from the acquisition of the shares outstanding in Grünstein Product Oy in 2000. The shares in said company were sold in their entirety on 17 December 2004. Non-recurring amortisation of goodwill amounting to EUR 195 thousand was recognised in the opening IFRS balance sheet for 2004. The write-down had a positive effect on Marimekko's IFRS result for 2004.

Finance leases

As per the principles of IAS 17 Leases, lease agreements in which the company substantially assumes the risks and rewards of asset ownership are treated as finance lease agreements. Assets leased under finance lease agreements are recognised, less accumulated depreciation, under tangible assets, and the commitments arising from the agreement are booked under interest-bearing liabilities. Rent paid under lease agreements is divided between financial expenses and repayment of liabilities. Assets are depreciated in the balance sheet in accordance with the Group's principles for depreciation. Previously, lease agreements were presented as commitments in the notes to the financial statements. The recognition of finance lease agreements in the balance sheet increased Marimekko's opening IFRS balance sheet for 2004 by EUR 250 thousand. The impact on interest-bearing liabilities was EUR 278 thousand.

Deferred tax assets and liabilities
In accordance with IAS 12, deferred taxes have been recognised on all IFRS adjustments having an effect on taxable earnings. The tax rate used in the opening balance sheet dated 1 January 2004 is 29% and the rate used in the balance sheet at 31 December 2004 is 26%.

Pensions
The pension security of the personnel of the Group's Finnish companies is arranged under the Finnish statutory employee pension plan (TEL) through an external pension insurance company. Foreign subsidiaries have arranged pensions for their personnel in accordance with local legislation. All of the Group's pension schemes are defined contribution schemes, for which payments are entered in the income statement in the period in which they occur. Due to the revised calculation bases approved by the Ministry of Social Affairs and Health in December 2004, the occupational disability pension portion of TEL has been treated on a defined contribution basis.

Tangible and intangible assets
Balance sheet items have been regrouped in line with IFRS presentation. The basic improvement costs of buildings and rented individual premises have been transferred from intangible assets to buildings (tangible assets) in accordance with IAS 16. Likewise, plot rental rights have been transferred to land (tangible assets).

Other operating expenses
Expenditure on advertising and sales promotion is expensed in accordance with IAS 38 when the goods have been delivered or the service provided. In the FAS interim reports for 2004, Grünstein Product Oy's marketing and sales expenses were periodised in line with predicted full-year sales. These periodised expenses have been derecognised in IFRS reporting. The change in the recognition practice has no impact on the full-year result for 2004.

Commitments
As a departure from previous practice, commitments related to leased premises and properties have also been included in the Group's commitments.

Segments
Marimekko's primary segment is the business segment, which is Marimekko, encompassing all of the Group's business operations.
The secondary, geographical segment, comprises Finland and other countries.

Opening balance sheet, 1 Jan. 2004

Consolidated balance sheet

(EUR 1,000)	FAS 1 Jan. 2004	Adjustments	IFRS 1 Jan. 2004
ASSETS			
Non-current assets			
Tangible assets	5 902	1 615	7 517
Other intangible assets	1 738	-1 365	373
Goodwill on consolidation	194	-194	0
Available-for-sale investments	58		58
	7 892	56	7 948
Current assets			
Inventories	11 949	476	12 425
Trade and other receivables	5 201	-97	5 104
Cash and cash equivalents	8 550		8 550
	25 700	379	26 079
Assets, total	33 592	435	34 027
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	8 040		8 040
Retained earnings	13 613	124	13 737
	21 653	124	21 777
Non-current			
Interest-bearing	5 351	161	5 512
Deferred tax liabilities		33	33
Current			
Interest-bearing	652	117	769
Non-interest-bearing	5 936		5 936
	11 939	311	12 250
Shareholders' equity and liabilities, total	33 592	435	34 027

Consolidated income statement, 1 Jan.–31 Dec. 2004

(EUR 1,000)	FAS 2004	Adjustments	IFRS 2004
Net sales	64 592		64 592
Operating expenses	54 911	-348	54 563
Depreciation	785	115	900
Operating profit	8 896	233	9 129
Financial income	51		51
Financial expenses	-206	-22	-228
Profit before taxes	8 741	211	8 952
Income taxes	-2 967	10	-2 957
Net profit for the period	5 774	221	5 995

Consolidated balance sheet, 31 Dec. 2004

(EUR 1,000)	FAS 31 Dec. 2004	Adjustments	IFRS 31 Dec. 2004
ASSETS			
Non-current assets			
Tangible assets	6 849	1 416	8 265
Intangible assets	1 642	-1 281	361
Other financial assets	20		20
	8 511	135	8 646
Current assets			
Inventories	12 290	595	12 885
Trade and other receivables	3 558		3 558
Cash and cash equivalents	7 646		7 646
	23 494	595	24 089
Assets, total	32 005	730	32 735
SHAREHOLDERS’ EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	8 040		8 040
Retained earnings	11 348	345	11 693
	19 388	345	19 733
Non-current			
Interest-bearing	2 828	114	2 942
Deferred tax liabilities	381	120	501
Current			
Interest-bearing	1 918	51	1 969
Non-interest-bearing	7 490	100	7 590
	12 617	385	13 002
Shareholders’ equity and liabilities, total	32 005	730	32 735

Reconciliation statement for the profit for the period

(EUR 1,000)	1 Jan.–31 Mar. 2004	1 Jan.–30 June 2004	1 Jan.–30 Sept. 2004	1 Jan.–31 Dec. 2004
Profit for the period, FAS	1,047	2,530	4,872	5,774
IAS 36 Impairment of Assets	29	58	88	195
IAS 2 Inventories	15	-6	-18	19
IAS 17 Leases	-1	-1	-2	-3
IAS 38 Intangible Assets	-202	-186	-107	
IAS 12 Income Taxes	55	56	37	10
IFRS adjustments, total	-104	-79	-2	221
Profit for the period, IFRS	943	2,451	4,870	5,995

Reconciliation statement for shareholders' equity

(EUR 1,000)	1 Jan. 2004	31 Mar. 2004	30 June 2004	30 Sept. 2004	31 Dec. 2004
Shareholders' equity, FAS	21,653	18,681	20,163	22,501	19,388
IAS 36 Impairment of Assets	-195	-165	-136	-107	
IAS 2 Inventories	476	490	469	460	495
IAS 17 Leases	-27	-28	-29	-30	-30
IAS 38 Intangible Assets		-202	-186	-107	
IAS 12 Income Taxes	-130	-75	-74	-94	-120
IFRS adjustments, total	124	20	44	122	345
Shareholders' equity, IFRS	21,777	18,701	20,207	22,623	19,733

Key figures

	FAS 1 Jan.–31 Dec. 2004	IFRS 1 Jan.–31 Dec. 2004
Earnings per share, EUR	0.72	0.75
Earnings per share, exclusive of a non-recurring capital loss on the sale of shares, EUR	0.87	0.88
Equity per share, EUR	2.41	2.45
Share of exports and international operations, % of net sales	22.2	22.2
Return on equity (ROE), %	28.1	28.9
Return on investment (ROI), %	34.5	35.0
Equity ratio, %	60.6	60.3
Gross investments, EUR 1,000	2,234	2,234
Gross investments, % of net sales	3.5	3.5
Contingent liabilities, EUR 1,000	7,528	16,211
Average personnel	375	375
Personnel at the end of the period	355	355
Number of shares at the end of the period (1,000)	8,040	8,040
Number of shares outstanding, average (1,000)	8,040	8,040

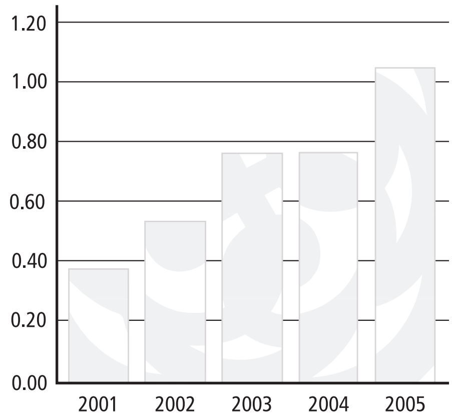
Key financial figures of the Group

Per-share key figures	FAS 2001	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005
Earnings per share, EUR	0.38	0.55	0.75	0.75	1.05
Equity per share, EUR	1.90	2.22	2.69	2.45	3.00
Dividend per share, EUR	0.22	0.28	1.00	0.50	*) 0.65
Dividend per profit, %	56.5	51.8	133.0	67.1	*) 62.0
Effective dividend yield, %	9.0	5.9	10.9	3.4	4.0
P/E ratio	6.3	8.7	12.2	19.7	15.5
Adjusted average number of shares, 1,000	8,040	8,040	8,040	8,040	8,040
Adjusted number of shares at the end of the period, 1,000	8,040	8,040	8,040	8,040	8,040

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

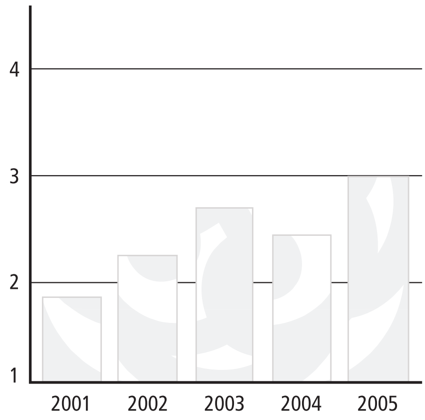
The formulas for the key figures are on page 61.

Earnings per share 2001–2005, EUR



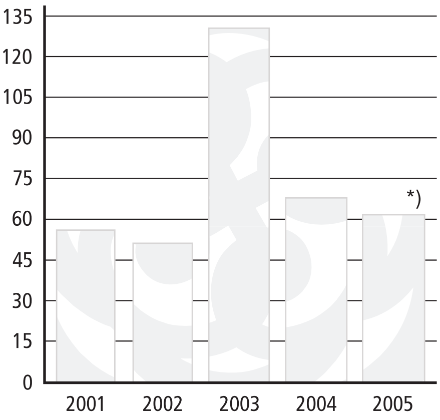
2001–2003 FAS; 2004–2005 IFRS

Equity per share 2001–2005, EUR



2001–2003 FAS; 2004–2005 IFRS

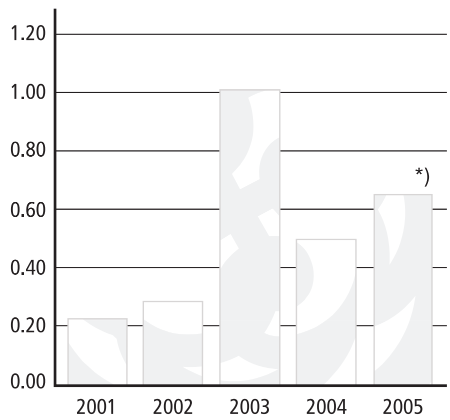
Dividend per profit 2001–2005, %



2001–2003 FAS; 2004–2005 IFRS

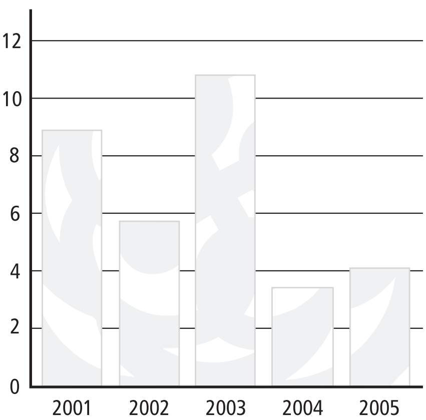
*) Proposal by the Board of Directors.

Dividend per share 2001–2005, EUR

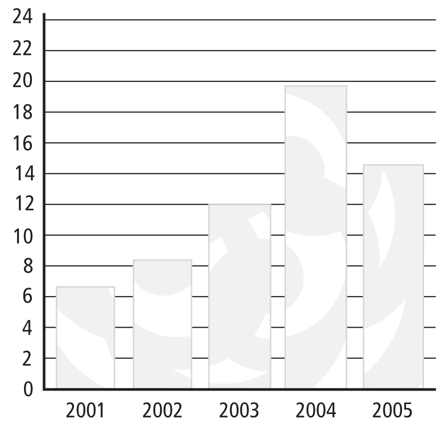


*) Proposal by the Board of Directors.

Effective dividend yield 2001–2005, %



P/E ratio 2001–2005



2001–2003 FAS; 2004–2005 IFRS

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

Quarterly trends 2004–2005

	Jan.–March		Apr.–June		July–Sept.		Oct.–Dec.	
	2005	2004	2005	2004	2005	2004	2005	2004
Net sales, EUR 1,000	14,617	14,109	16,713	15,402	17,136	16,402	18,753	18,679
Operating profit, EUR 1,000	1,652	1,371	3,295	2,168	3,031	3,453	3,435	*) 2,137
Profit before extraordinary items and taxes, EUR 1,000	1,635	1,336	3,266	2,121	3,006	3,409	3,440	*) 2,086
Net profit, EUR 1,000	1,261	943	2,417	1,508	2,211	2,419	2,535	*) 1,125
Earnings per share, EUR	0.16	0.12	0.30	0.18	0.27	0.31	0.32	*) 0.14
Equity per share, EUR	2.61	2.33	2.41	2.51	2.69	2.81	3.00	2.45

*) Includes a non-recurring capital loss on the sale of the shares in Grünstein Product Oy.

Five-year review

	FAS 2001	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005
Net sales, EUR 1,000	42,003	49,318	56,587	64,592	67,219
Change in net sales, %	27.1	17.4	14.7	14.1	4.1
Operating profit, EUR 1,000	4,720	6,450	8,849	*) 9,129	11,413
% of net sales	11.2	13.1	15.6	14.1	17.0
Financial income, EUR 1,000	51	66	67	51	87
Financial expenses, EUR 1,000	-380	-356	-379	-228	-153
Profit before taxes, EUR 1,000	4,391	6,160	8,537	8,952	11,347
% of net sales	10.4	12.5	15.1	13.9	16.9
Taxes, EUR 1,000	1,303	1,771	2,492	2,957	2,923
Profit after taxes, EUR 1,000	3,088	4,389	6,045	5,995	8,424
Balance sheet total, EUR 1,000	26,119	29,271	33,592	32,735	36,302
Interest-bearing liabilities, EUR 1,000	5,238	5,515	6,004	4,912	3,738
Shareholders' equity and reserves, EUR 1,000	15,239	17,887	21,653	19,733	24,137
Return on equity (ROE), %	21.5	26.5	30.6	28.9	38.4
Return on investment (ROI), %	23.8	29.5	34.6	35.0	43.9
Equity ratio, %	58.3	61.1	64.5	60.3	66.5
Gearing, %	25.5	11.2	-11.8	-13.9	-15.6
Gross investments, EUR 1,000	546	626	893	2,234	1,361
% of net sales	1.3	1.3	1.6	3.5	2.0
Average personnel	317	333	356	375	371
Personnel at the end of the financial year	324	344	365	355	377

*) Includes a non-recurring capital loss of EUR 1,235 thousand on the sale of the shares in Grünstein Product Oy.

PARENT COMPANY FINANCIAL STATEMENTS, FAS

Parent company balance sheet

(EUR 1,000)		31 Dec. 2005	31 Dec. 2004
ASSETS			
FIXED ASSETS	1.		
Intangible assets	1.1	511	512
Tangible assets	1.2	3 646	3 032
Investments	1.3	2 494	2 494
		6 651	6 038
CURRENT ASSETS			
Inventories	2.	14 674	12 033
Current receivables	3.	5 631	5 411
Cash in hand and at banks		7 382	7 451
		27 687	24 895
ASSETS, TOTAL		34 338	30 933
LIABILITIES			
SHAREHOLDERS' EQUITY	4.		
Share capital		8 040	8 040
Retained earnings		5 319	3 551
Profit for the period		7 918	5 788
Shareholders' equity, total		21 277	17 379
ACCUMULATED APPROPRIATIONS	5.	1 227	1 043
CREDITORS	6.		
Non-current liabilities	6.1	1 782	2 828
Current liabilities	6.2	10 052	9 683
Creditors, total		11 834	12 511
LIABILITIES, TOTAL		34 338	30 933

Parent company income statement

(EUR 1,000)		1 Jan.– 31 Dec. 2005	1 Jan.– 31 Dec. 2004
NET SALES		66 519	60 888
Increase or decrease in inventories of completed and unfinished products		1 881	467
Other operating income	7.	47	19
Materials and services	8.	29 952	27 305
Personnel expenses	9.	8 520	7 422
Depreciation and impairment	10.	610	506
Other operating expenses	11.	18 434	17 152
OPERATING PROFIT		10 931	8 989
Financial income and expenses	12.	-22	-78
PROFIT BEFORE EXTRAORDINARY ITEMS		10 909	8 911
Extraordinary items	13.	-14	
PROFIT BEFORE APPROPRIATIONS AND TAXES		10 895	8 911
Appropriations	14.	-183	-332
Income taxes	15.	-2 794	-2 791
NET PROFIT FOR THE PERIOD		7 918	5 788

Parent company cash flow statement

(EUR 1,000)	2005	2004
CASH FLOW FROM OPERATIONS		
Profit before extraordinary items	10 909	8 911
Adjustments		
Depreciation according to plan	610	506
Financial income and expenses	22	78
Capital gains (-)/losses (+) from the sale of shares in subsidiaries and other shares, net		1 005
Other adjustments	27	
Cash flow before change in working capital	11 568	10 500
Change in working capital	-2 132	241
Cash flow from operations before financial items and taxes	9 436	10 741
Paid interest and payments on other operational financial expenses	-154	-201
Interest received from operations	128	115
Direct taxes paid	-3 086	-2 270
CASH FLOW FROM OPERATIONS	6 324	8 385
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-1 250	-1 656
Capital gains from the transfer of shares in Group companies		1 005
Capital gains from the transfer of other investments		40
CASH FLOW FROM INVESTMENTS	-1 250	-611
CASH FLOW FROM FINANCING		
Short-term loans drawn down	200	700
Long-term loans repaid	-1 323	-648
Dividends paid and other distribution of profit	-4 020	-8 040
CASH FLOW FROM FINANCING	-5 143	-7 988
Change in financial assets	-69	-214
Financial assets at the beginning of the financial period	7 451	7 665
Financial assets at the end of the financial period	7 382	7 451

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 period 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 economic life of the fixed assets.

Periods for depreciation:	
Intangible rights	5–10 years
Other long-term 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 (TEL) 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 the average exchange rates 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 PARENT COMPANY FINANCIAL STATEMENTS

Notes to the balance sheet

(EUR 1,000)

1. FIXED ASSETS

1.1 Intangible assets

2005	**Intangible rights**	**Other capitalised expenditure**	**Total**
Intangible rights			
Acquisition cost, 1 Jan. 2005	297	2 245	2 542
Increases	40	158	198
Decreases	-10		-10
Acquisition cost, 31 Dec. 2005	327	2 403	2 730
Accumulated depreciation, 1 Jan. 2005	177	1 853	2 030
Depreciation during financial period	26	163	189
Accumulated depreciation, 31 Dec. 2005	203	2 016	2 219
Carrying amount, 31 Dec. 2005	124	387	511

2004	**Intangible rights**	**Other capitalised expenditure**	**Total**
Intangible rights			
Acquisition cost, 1 Jan. 2004	262	2 167	2 429
Increases	35	78	113
Acquisition cost, 31 Dec. 2004	297	2 245	2 542
Accumulated depreciation, 1 Jan. 2004	155	1 700	1 855
Depreciation during financial period	22	153	175
Accumulated depreciation, 31 Dec. 2004	177	1 853	2 030
Carrying amount, 31 Dec. 2004	120	392	512

1.2 Tangible assets

2005	**Machinery and equipment**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2005	5 846	12	5 858
Increases	718	967	1 685
Decreases	-27	-623	-650
Acquisition cost, 31 Dec. 2005	6 537	356	6 893
Accumulated depreciation, 1 Jan. 2005	2 826		2 826
Depreciation during financial period	421		421
Accumulated depreciation, 31 Dec. 2005	3 247		3 247
Carrying amount, 31 Dec. 2005	3 290	356	3 646

2004	**Machinery and equipment**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2004	3 994	320	4 314
Increases	1 852		1 852
Decreases		-308	-308
Acquisition cost, 31 Dec. 2004	5 846	12	5 858
Accumulated depreciation, 1 Jan. 2004	2 495		2 495
Depreciation during financial period	331		331
Accumulated depreciation, 31 Dec. 2004	2 826		2 826
Carrying amount, 31 Dec. 2004	3 020	12	3 032

(EUR 1,000)

Carrying amount of production machinery and equipment	
31 Dec. 2005	2 207
31 Dec. 2004	1 868

1.3 Investments

2005	**Shares in Group companies**	**Other shares and participations**	**Total**
Acquisition cost, 1 Jan. 2005	2 766	17	2 783
Acquisition cost, 31 Dec. 2005	2 766	17	2 783
Accumulated depreciation, 31 Dec. 2005	289		289
Carrying amount, 31 Dec. 2005	2 477	17	2 494

2004	**Shares in Group companies**	**Other shares and participations**	**Total**
Acquisition cost, 1 Jan. 2004	4 787	46	4 833
Decreases	-2 021	-29	-2 050
Acquisition cost, 31 Dec. 2004	2 766	17	2 783
Accumulated depreciation, 31 Dec. 2004	289		289
Carrying amount, 31 Dec. 2004	2 477	17	2 494

1.3 INVESTMENTS

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, Düsseldorf, Germany	100
Marimekko Kitee Oy, Kitee, Finland	100
Marimekko Tuotanto Oy, Helsinki, Finland	100

(EUR 1,000)	2005	2004

2. INVENTORIES

Raw materials and consumables	4 996	4 091
Incomplete products	112	112
Finished products/goods	9 349	7 546
Advance payments	217	284
Total	14 674	12 033

3. CURRENT RECEIVABLES

Sales receivables	3 283	2 898
Receivables from Group companies		
Sales receivables	566	622
Loan receivables	1 150	1 350
Total	1 716	1 972
Other receivables	43	28
Prepaid expenses and accrued income	589	513
Total	5 631	5 411
Prepaid expenses and accrued income		
Interest receivables	24	15
Royalty receivables	410	378
Other prepaid expenses and accrued income	155	120
Total	589	513

4. SHAREHOLDERS' EQUITY

Share capital, 1 Jan.	8 040	8 040
Share capital, 31 Dec.	8 040	8 040
Retained earnings, 1 Jan.	9 339	11 591
Dividend payout	-4 020	-8 040
Retained earnings, 31 Dec.	5 319	3 551
Net profit for the period	7 918	5 788
SHAREHOLDERS' EQUITY, TOTAL	21 277	17 379
Distributable funds in shareholders' equity	13 237	9 339

5. ACCUMULATED APPROPRIATIONS

Accumulated depreciation difference		
Intangible rights	10	7
Other capitalised expenditure	111	96
Machinery and equipment	1 106	940
Total	1 227	1 043

6. LIABILITIES

Interest-bearing liabilities		
Non-current	1 782	2 828
Current	1 841	1 918
Total	3 623	4 746
Non-interest-bearing liabilities		
Current	8 211	7 765
Total	8 211	7 765

6.1 Non-current liabilities

Loans from financial institutions	857	1 428
Pension loans	925	1 400
Total	1 782	2 828

	2005	2004

Non-current liabilities do not include liabilities that mature in more than five years.

6.2 Current liabilities

Loans from financial institutions	571	571
Pension loans	370	647
Trade payables	2 311	2 156
Debts to Group companies		
Trade payables	1 938	1 657
Other current liabilities	55	45
Accrued liabilities and deferred income	66	33
Total	2 059	1 735
Other current liabilities	2 833	2 546
Accrued liabilities and deferred income	1 908	2 028
Total	10 052	9 683
Accrued liabilities and deferred income		
Interest	15	29
Wages and salaries, with social security contributions	1 355	1 085
Taxes	346	637
Other accrued liabilities and deferred income	192	277
Total	1 908	2 028

GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

For own liabilities		
Pledges given	9	9
Guarantees	574	530
Corresponding commitments	583	539
Corporate mortgage and mortgaged promissory notes	1 514	1 514
Corresponding pension loan	1 295	2 047
For the liabilities of the Group company		
Guarantees	153	158
For the liabilities of other companies		
Guarantees	1 140	1 304
Other liabilities and commitments		
Leasing liabilities		
Payments due in the following financial year	125	153
Payments due later	53	148
Total	178	301

The parent company has no liabilities from derivative contracts.

RELATED PARTY TRANSACTIONS

The parent company has granted a loan guarantee on behalf of Gemmi Furs Oy. At 31 Dec. 2005, the guarantee amounted to EUR 1,140 thousand. As a counter-guarantee, the debtor 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)	2005	2004
7. OTHER OPERATING INCOME		
Rental income	5	4
Sale of fixed assets	6	10
Other income	36	5
Total	47	19
8. MATERIALS AND SERVICES		
Materials and supplies		
Purchases during the financial period	20 625	18 014
Change in inventories	-905	-652
Total	19 720	17 362
External services	10 232	9 943
Total	29 952	27 305
9. PERSONNEL EXPENSES		
Salaries, wages and bonuses	6 997	6 118
Pension and pension insurance payments	1 096	955
Other personnel expenses	427	349
Total	8 520	7 422
Salaries and bonuses for management		
Members of the Board of Directors and the president	150	150
Average personnel		
Salaried employes	197	177
Total	197	177
10. DEPRECIATION AND IMPAIRMENT		
Intangible assets		
Intangible rights	26	22
Other capitalised expenditure	163	153
Total	189	175
Tangible assets		
Machinery and equipment	421	331
Total	421	331
Total	610	506

	2005	2004
11. OTHER OPERATING EXPENSES		
Rents	2 879	2 810
Marketing	3 615	3 234
Other expenses	11 940	11 108
Total	18 434	17 152
12. FINANCIAL INCOME AND EXPENSES		
Interest income and other financial income		
From Group companies	31	34
From others	87	82
Total	118	116
Interest expenses and other financial expenses		
To Group companies	1	27
To others	139	167
Total	140	194
Financial income and expenses, total	-22	-78
Financial income and expenses include exchange rate differences (net)		
From Group companies	-2	
From others	28	-11
Total	26	-11
13. EXTRAORDINARY ITEMS		
Group contribution	-14	
14. APPROPRIATIONS		
Change in depreciation difference	-183	-332
15. INCOME TAXES		
Income taxes on extraordinary items	-3	
Income taxes on operations	2 784	2 791
Income taxes for previous financial years	13	
Total	2 794	2 791

The Board of Directors' proposal for the distribution of profit

The Group's distributable funds on 31 December 2005 amounted to EUR 14,862,380.29.

Marimekko Corporation's distributable funds on 31 December 2005 amounted to EUR 13,237,859.91, of which the profit for the financial period accounts for EUR 7,918,233.97.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for the financial year to a total of EUR 5,226,000.00 and that the rest be retained as earnings.

Helsinki, 26 January 2006

Kari Miettinen   Matti Kavetvuo   Kirsti Paakkanen
President

Auditors' report

To the shareholders of Marimekko Corporation

We have audited the accounting, the financial statements and the corporate governance of Marimekko Corporation for the financial period from 1 January to 31 December 2005. The Board of Directors and the President have prepared the report of the Board of Directors and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU as well as the parent company's financial statements, which include the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements, in accordance with Finnish regulations. Based on the audit, we express an opinion on the consolidated financial statements and on the financial statements and corporate governance of the parent company.

We have conducted the audit in accordance with Finnish Auditing Standards. Those standards require that we perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The purpose of the audit of corporate governance is to examine that the Board of Directors and the President of the parent company have legally complied with the rules of the Companies Act.

Consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the EU. The financial statements give a true and fair view, as defined in the Accounting Act and the IFRS standards approved for use in the EU, of the Group's result of operations as well as of the financial position. The consolidated financial statements can be adopted.

Parent company's financial statements and administration

The parent company's financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the parent company's result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the President of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Helsinki, 6 February 2006

Nexia Tilintarkastus Oy
Authorised Public Accountants
Seppo Tervo
Authorised Public Accountant

Administration and auditors

Board of Directors

Kari Miettinen, born 1951
B.Sc. (Econ.), Authorised Public Accountant
Chairman of the Board since 1991
Term of office 2005

Matti Kavetvuo, born 1944
M.Sc. (Eng.), B.Sc. (Econ.)
Member since 1997
Term of office 2005

Kirsti Paakkanen
Marimekko Corporation's president since 1991
Member since 1991
Term of office 2005

Auditors

Regular auditor
Nexia Tilintarkastus Oy
Chief auditor: **Seppo Tervo**,
Authorised Public Accountant

Deputy auditor
Matti Hartikainen,
Authorised Public Accountant

Management group, 1 Jan. 2006

Chairman:
Kirsti Paakkanen, President
Employed by the company since 1991

Members:
Raija Anjala, finance and administration
Employed by the company since 1999

Riitta Koljonen, product information
Employed by the company since 1986

Marja Korkeela, corporate communications and investor relations
Employed by the company since 1999

Päivi Lonka, exports and licensing sales
Employed by the company since 2004

Sirpa Loukamo, product development, clothing
Employed by the company since 1973

Merja Puntila, domestic wholesale
Employed by the company since 1970

Piia Rossi, retail sales
Employed by the company since 1988

Ritva Schoultz, personnel affairs
Employed by the company since 1982

Helinä Uotila, production and purchases
Employed by the company since 1972

Shares and shareholders

Shares

Marimekko Corporation was listed on the I List of the Helsinki Stock Exchange in March 1999. In the public offering, the sales and subscription price was EUR 2.42 per share. The share has been quoted on the Main List of the Helsinki Stock Exchange since 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, each having an accounting countervalue of one (1) euro. According to the Articles of Association, the minimum share capital is EUR 3,000,000 and the maximum share capital is EUR 12,000,000. The minimum number of shares is 5,000,000 and the maximum number is 20,000,000.

Changes in the share capital

Split
In 2003, the company's number of shares was doubled (split), without increasing the share capital, in proportion to the existing holdings of shareholders. Due to doubling the number of shares, each share with an accounting countervalue of two (2) euros was split into two shares with an accounting countervalue of one (1) euro each.

Bonus issue
In 2003, the company's share capital was increased by means of a bonus issue of EUR 2,680,000, from EUR 5,360,000 to EUR 8,040,000. In the bonus issue, 2,680,000 new shares with an accounting countervalue of one (1) euro were issued. The bonus issue was implemented by transferring EUR 2,680,000 to the share capital so that the funds from the premium fund and reserve fund were transferred in full and the rest from retained earnings. In the bonus issue, a shareholder received, without consideration, one (1) new share for each two (2) post-split shares with an accounting countervalue of one (1) euro. Trading in the split and bonus issue shares began on the Helsinki Stock Exchange on 7 April 2003.

Authorisations

The Board of Directors has no 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.

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 2004

A dividend of EUR 0.50 per share was paid for 2004 in accordance with the decision of the Annual General Meeting held on 7 April 2005. The dividend was paid out on 19 April 2005.

Proposal for the dividend for the 2005 financial year

The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for the 2005 financial year be EUR 0.65 per share to a total of EUR 5,226,000. The proposed dividends amount to 62.0% of the Group's earnings per share for 2005.

Shareholders

According to the book-entry register, Marimekko Corporation had 4,834 registered shareholders at the end of the financial year. At the turn of the year, 20.0% of the shares were registered in a nominee's name and 2.2% were owned by foreigners.

Flagging notifications

Workidea Oy's share of Marimekko Corporation's share capital and voting rights declined from 32.28% to 20.00%, or 1,608,000 shares, as a result of a transaction made on 2 September 2005.

The American company Grantham, Mayo, Van Otterloo & Co. LLC's share of Marimekko Corporation's share capital and voting rights increased to 5.35%, or 430,200 shares, as a result of a transaction made on 2 September 2005.

Management's shareholding

At the end of the financial year, the total number of shares owned either directly or indirectly by members of the Board of Directors and the president was 1,657,500, representing 20.6% of the total votes conferred by the company's shares.

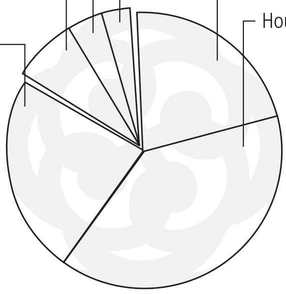
Marimekko shares owned directly or indirectly by members of the Board of Directors, 31 Dec. 2005

	Shares	Percentage of holding and votes
Matti Kavetvuo	1,500	0.02
Kari Miettinen	48,000	0.60
Kirsti Paakkanen	1,608,000	20.00

Breakdown of ownership by owner group, 31 Dec. 2005

Owner	**Shareholders**		**Shares**		**Votes**	
	No.	**%**	**No.**	**%**	**No.**	**%**
Companies	173	3.58	1,913,740	23.80	1,913,740	23.80
Financial institutions and insurance companies	18	0.37	660,950	8.22	660,950	8.22
Public sector entities	5	0.10	454,500	5.65	454,500	5.65
Non-profit bodies	33	0.68	193,200	2.40	193,200	2.40
Households	4,580	94.75	3,029,223	37.68	3,029,223	37.68
Foreigners and nominee-registered	25	0.52	1,788,387	22.24	1,788,387	22.24
TOTAL	4,834	100.00	8,040,000	100.00	8,040,000	100.00

Breakdown of ownership by owner group, 31 Dec. 2005



Ownership by size of holding, 31 Dec. 2005

Shares	**Shareholders**		**Shares**		**Votes**	
No.	**No.**	**%**	**No.**	**%**	**No.**	**%**
1 – 100	1,389	28.73	113,138	1.41	113,138	1.41
101 – 500	2,051	42.43	615,064	7.65	615,064	7.65
501 – 5,000	1,301	26.91	1,748,980	21.75	1,748,980	21.75
5,001 – 100,000	84	1.74	1,522,997	18.94	1,522,997	18.94
100,001 – 500,000	7	0.14	1,641,242	20.41	1,641,242	20.41
500,001 –	2	0.04	2,398,579	29.83	2,398,579	29.83
TOTAL	4,834	100.00	8,040,000	100.00	8,040,000	100.00

Largest shareholders according to the book-entry register, 31 Dec. 2005

	Percentage of holding and votes
1. Workidea Oy	20.00
2. Nordea Life Assurance Finland Ltd	3.16
3. Varma Mutual Employment Pension Insurance Company	2.48
4. ODIN Forvaltning AS	2.12
5. Mutual Insurance Company Pension-Fennia	1.86
6. Nordea Fennia Fund	1.55
7. Nordea Pro Finland Fund	1.03
8. Westerberg Olof	0.82
9. Nordea Optioma.fi Fund	0.79
10. Vidgrén Einari	0.72
11. Veritas Life Insurance Company	0.69
12. Foundation for Economic Education	0.65
13. Miettinen Kari	0.60
14. Neste Oil Eläkesäätiö	0.55
15. Gyllenberg Small Firm Fund	0.50
Other	37.10
Nominee-registered	20.01

Shareholder agreements

The company 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.

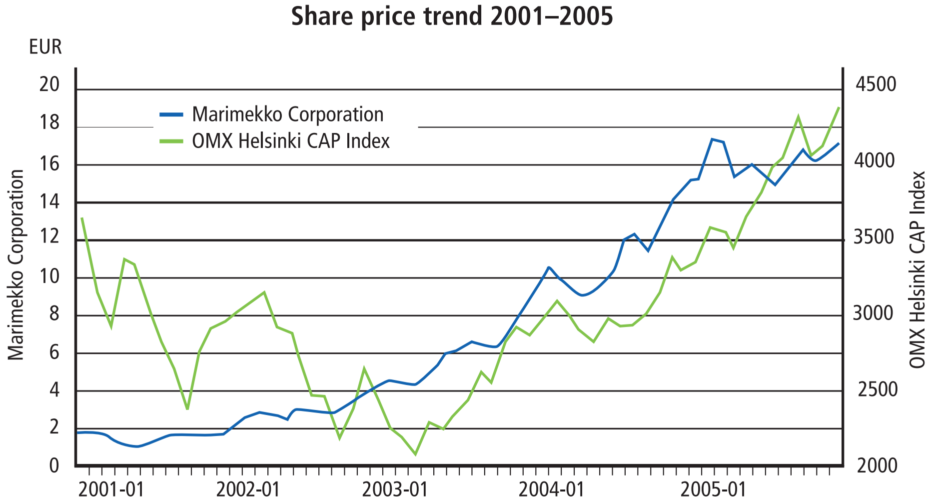
Share turnover

In 2005, a total of 4,048,319 Marimekko shares were traded, representing 50.4% of the shares outstanding. The total value of share turnover was EUR 64,129,912. The company's market capitalisation at the end of the 2005 financial year was EUR 130,569,600 (EUR 118,188,000 on 31 Dec. 2004).

Share price trend

	2005	**2004**
Low, EUR	13.53	8.80
High, EUR	18.40	15.45
Average, EUR	15.99	11.70
Closing price (31 Dec.), EUR	16.24	14.70

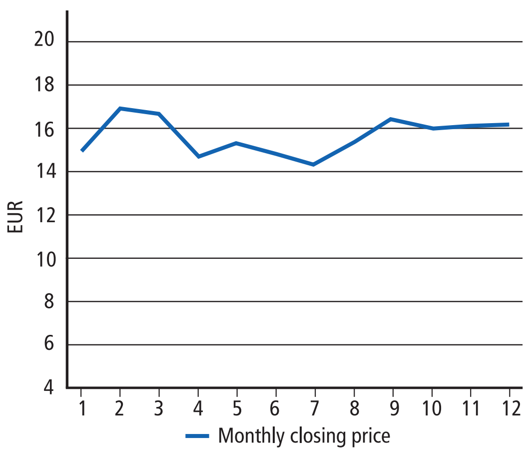
Share price trend 2001–2005



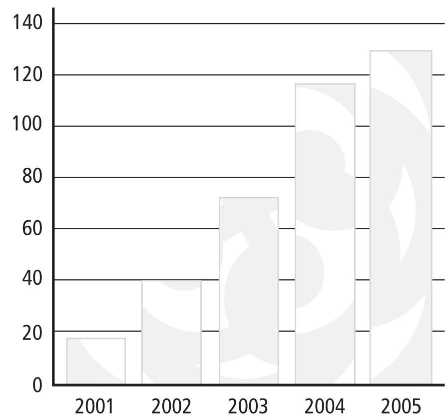
Share data

Trading code:	MMO1V
ISIN code:	FI0009007660
Listing date:	I list, 12 March 1999 Main list, 27 December 2002
Sector:	Consumer discretionary
Round lot:	100 shares
Taxable value of the share in 2005:	EUR 11.41

Share price trend 2005, EUR



Market capitalisation 2001–2005, EUR million



Information for shareholders and investors

Schedule for financial reporting in 2006

Financial statement bulletin 2005	Thursday, 26 Jan. 2006
Annual Report 2005	week 11
Interim Report Jan.–March	Tuesday, 9 May 2006
Interim Report Jan.–June	Thursday, 17 Aug. 2006
Interim Report Jan.–Sept.	Thursday, 26 Oct. 2006

Annual General Meeting

Marimekko Corporation's Annual General Meeting will be held from 14:00 onwards on Thursday, 6 April 2006 at Marimekko Corporation's head office, Puusepänkatu 4, 00880 Helsinki, Finland.

Right to attend the Annual General Meeting
Shareholders who have been registered by 27 March 2006 at the latest in the company's Shareholder Register, which is kept by Finnish Central Securities Depository Ltd, have the right to attend the Annual General Meeting.

Registration in the Shareholder Register
The shareholder in whose name the shares are registered is automatically entered in the company's Shareholder Register. Those owners of nominee-registered shares who wish to participate in the Annual General Meeting can be temporarily recorded in the Shareholder Register. This must be done by 27 March 2006 at the latest. For temporary registration, shareholders must contact their account operator.

Notice of attendance at the Annual General Meeting
Shareholders who wish to attend the Annual General Meeting must notify the company of their intention to do so before 16:00 on 31 March 2006 at the latest, either in writing or by telephone:
Marimekko Corporation, Share Register, P.O. Box 107, 00811 Helsinki, Finland, tel. +358 9 758 7238 (Marja Korkeela), fax +358 9 759 1676, email: marja.korkeela@marimekko.fi.

Dividends
The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2005. The dividend will be paid to shareholders who are registered, on the dividend payout record date of 11 April 2006, in the company's Shareholder Register kept by Finnish Central Securities Depository Ltd. The Board of Directors will propose to the Annual General Meeting that the dividend be paid on 20 April 2006.

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 Internet site 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. Interim Reports are sent, upon request, to the address provided by the subscriber. Financial information is also posted on Marimekko Corporation's site: www.marimekko.com.

To order publications, contact:

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Stock exchange releases in 2005

27 Jan. 2005	Financial statement bulletin, 1 Jan.–31 Dec. 2004
16 March 2005	Notice of Annual General Meeting on 7 April 2005
7 Apr. 2005	Resolutions of the Annual General Meeting
3 May 2005	Comparative information on 2004 for the IFRS financial statements
10 May 2005	Interim Report 1 Jan.–1 March 2005
21 June 2005	Marimekko strengthens its position in Japan by reorganising the distribution of its products
18 Aug. 2005	Interim Report, 1 Jan.–30 June 2005
2 Sept. 2005	Disclosure of change in ownership of Marimekko Corporation
8 Sept. 2005	Disclosure of change in ownership of Marimekko Corporation
27 Oct. 2005	Interim Report, 1 Jan.–30 Sept. 2005
15 Dec. 2005	Several Marimekko concept shops to open in Japan in 2006

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