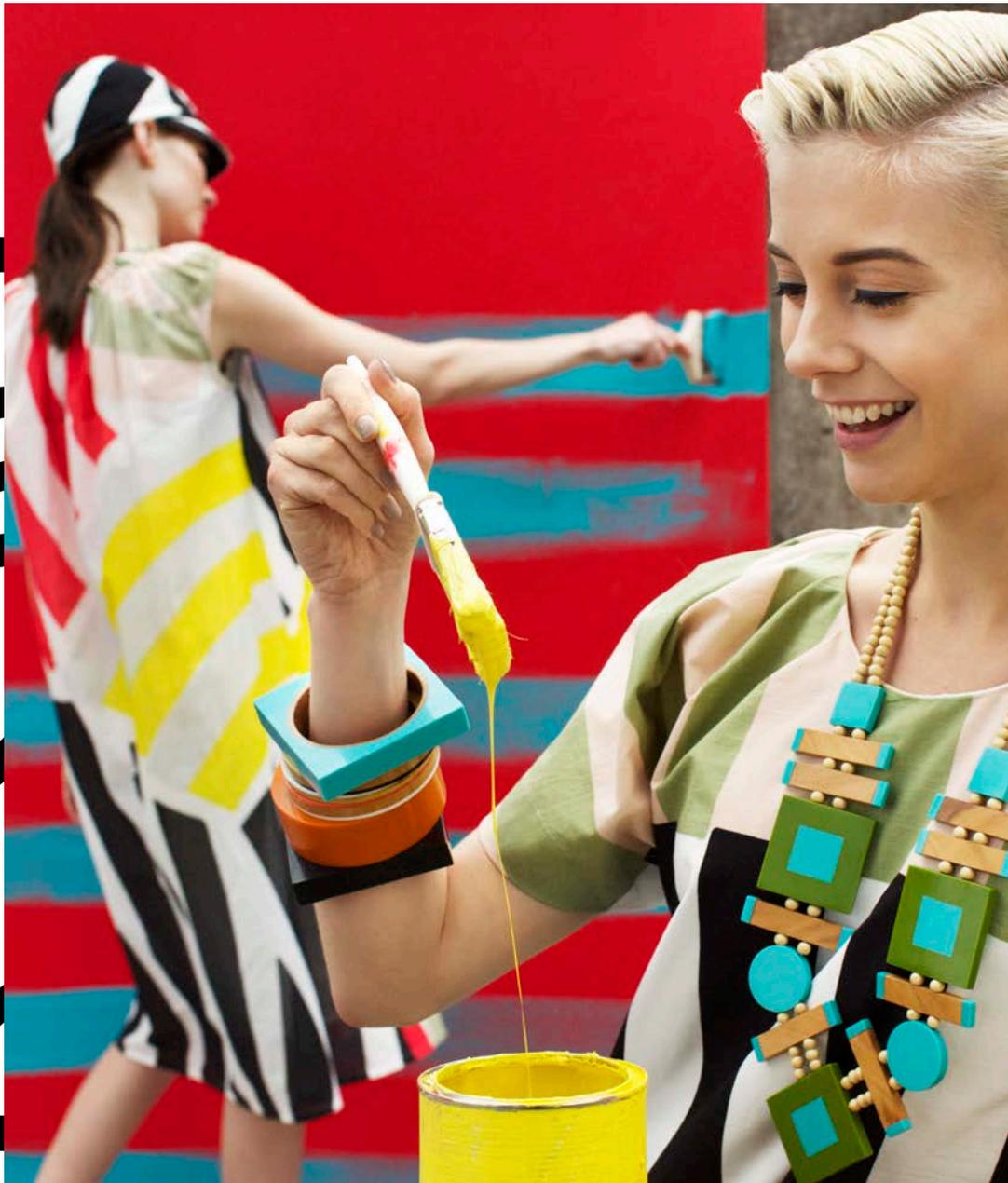


marimekko



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Marimekko Corporation, Financial Statements Bulletin, 31 January 2013 at 8.30 a.m.

During 2012, the Marimekko Group's net sales grew by 14 per cent and international sales by 31 per cent due to openings of new stores. Profitability declined, but cash flow increased significantly. The trend in the closing quarter of the year fell well short of expectations. In 2013, Marimekko will continue moderate investments in growth, concentrating particularly on improving the profitability of the stores opened in 2012.

Year 2012

- Net sales grew by 14.2% to EUR 88.5 million (77.4).
 - International sales grew by 30.7% and were EUR 36.1 million (27.6). The strongest growth was in North America at 56.1% and in the Asia-Pacific region at 50.5%, fuelled by the openings of new stores.
 - In Finland, sales rose by 5.1% due to good growth in retail sales, reaching EUR 52.3 million (49.8).
- Operating profit fell by 42.8% and was EUR 2.0 million (3.5). A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the high expenses and low cost-effectiveness of in-house manufacturing in Finland.
- Cash flow from operating activities was EUR 8.6 million (0.7).
- Investments were EUR 7.6 million (9.2).
- Brand sales* grew by 11.1% and reached EUR 187.2 million (168.6).
- The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.25 per share be paid for 2012 (0.55).

Q4 of 2012

- Net sales grew by 9.2% to EUR 25.7 million (23.6).
- Operating profit fell by 99.2% to EUR 0.0 million (1.6).
- Cash flow from operating activities was EUR 5.9 million (2.5).

Market outlook and growth targets

The general uncertainty in the global economy is forecast to continue, and this may impact consumers' purchasing behaviour in all of Marimekko's market areas. The prospects for the European economic trend have deteriorated and growth is slow in the region. In the United States and Asia, economic forecasts are distinctly better than in Europe, but growth is fairly slow. In Finland, market conditions are fair, but the economic prospects for trade and industry in Finland for the next few months have deteriorated markedly and retail sales are forecast to decline. (Confederation of Finnish Industries EK: Business Tendency Survey, November 2012, and Economic Review, December 2012). The weak trend in Marimekko's own stores in Finland at the end of 2012 and lower consumer confidence overshadow prospects for this year in Finland.

The stores opened in 2012 and the other considerable investments made in the expansion of the distribution network will generate a marked increase in sales in 2013. The main thrust in expansion during 2013 will be on openings of retailer-owned Marimekko stores and shop-in-shops. Furthermore, the company will invest in developing the business of the stores it opened in 2012. The aim is to open 15 to 24 Marimekko stores and shop-in-shops this year, 4 to 6 of which will be company-owned.

The planned total investments for 2013 of the Marimekko Group are estimated as being in excess of EUR 3 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

Financial guidance

Due to the current market conditions and the change undergone by the company recently, it is very difficult to forecast the financial result for 2013. The Marimekko Group's net sales are estimated to grow by over 5% in 2013 and operating profit is forecast to be, at the most, at the same level as in 2012. The increased proportion of retail sales will further boost the seasonal nature of business, so the major portion of operating profit will, as is typical, accrue in the second half of the year.

Key indicators	10-12/ 2012	10-12/ 2011	Change, %	1-12/ 2012	1-12/ 2011	Change, %
Net sales, EUR 1,000	25,748	23,581	9.2	88,471	77,442	14.2
proportion of international sales, %	39.6	33.8		40.8	35.8	
EBITDA, EUR 1,000	1,038	2,411	-56.9	5,573	5,744	-3.0
Operating profit, EUR 1,000	13	1,645	-99.2	2,019	3,528	-42.8
Operating profit margin, %	0.1	7.0		2.3	4.6	
Result for the period, EUR 1,000	-339	1,411		1,100	2,826	-61.1
Earnings per share, EUR	-0.04	0.18		0.14	0.35	-60.0
Cash flow from operating activities, EUR 1,000	6,066	2,467	145.9	8,605	651	
Return on investment (ROI), %				4.1	11.4	
Equity ratio, %				54.6	67.2	
Personnel at the end of the period outside Finland				535	434	23.3
				103	63	63.5
Brand sales*, EUR 1,000	54,416	47,409	14.8	187,184	168,557	11.1
proportion of international sales, %	45.8	44.1		53.8	47.5	
Number of stores**				108	90	20.0

* Estimated sales of Marimekko products at consumer prices. Brand sales are calculated by adding together the company's own retail sales and the estimated retail value of Marimekko products sold by other retailers. The estimate, based on Marimekko's actual wholesale sales to these retailers, is unofficial and does not include VAT. This key figure is not audited.

** Includes the company's own retail stores, retailer-owned Marimekko stores and shop-in-shops with an area exceeding 30 sqm. The company's own retail stores numbered 47 at the end of 2012 (37). Information on changes is available in the section Internationalisation and changes in the store network.

Mika Ihamuotila, President and CEO:

"Uncertainty continued in the global economy, and 2012 was a mixed year for Marimekko. We succeeded in implementing our growth strategy, and our net sales grew by 14%. Profitability fell short of our expectations, but cash flow improved significantly. Our international sales grew by 31% in spite of difficult market conditions. Growth was stimulated by openings of new stores as well as by an increase in wholesale sales in Japan and in Central and Southern Europe. In other regions, wholesale sales declined, which also eroded our profitability. Sales in our own stores in Finland took a favourable trend during the year, but there was a marked turn for the worse at the end of the year, which also overshadows prospects for this year. The low cost-effectiveness of our manufacturing located in Finland had a negative impact on earnings.

"We continued to make strong investments in international growth: in the course of the year, a total of 19 new Marimekko stores and shop-in-shops were opened, 12 of which were in the international market. In the last quarter of the year, we opened the first two company-owned stores in Australia as well as two stores on the West Coast of the United States. The Australian stores exceeded our expectations, whereas the start-up of the new American stores was a distinct disappointment. We also reinforced our position in Finland by opening a fashion-focused store in downtown Helsinki and by extending our webshop to Finland. The openings of stores clearly favoured the closing months of the year, so we can expect the new stores to boost our net sales this year.

"Expanding the network of company-owned stores has increased our fixed costs, which will lead to a considerably greater fluctuation in operating result. In 2012, the trend for the stores opened outside Finland did not match our expectations, and our operating result deteriorated sharply in the United States and Sweden. In the United States, our operations posted a loss due to extensive front-loaded expenses and the negative results of the recently opened stores. However, these stores' business is still in its early stage, and this year we intend to invest especially in enhancing the operations of these new stores and in improving their profitability. From the start, it has been a purpose of the company-owned stores also to attract the attention of high-end department stores and other retailers to our products. Partly for this reason, the main thrust of our expansion this year will be more clearly than last year on openings of retailer-owned stores and department stores' shop-in-shops.

"In spite of challenging market conditions, we will continue in 2013 our long-perspective work focused on international growth, paying particular attention to profitability and cost-effectiveness. Building a genuinely international design company and especially a profitable network of company-owned stores will take a lot of time, and I believe we are on the right path in this work."

Briefing for the media and analysts

A briefing for the media and analysts will be held concerning this financial statements bulletin today at 9 a.m. in Marimekko's flagship store at Pohjoisesplanadi 33, Helsinki. The presentation material is available on the company's website at company.marimekko.com under Releases/Interim reports and financial statements.

Corporate governance statement

The Corporate Governance Statement 2012 is available on the company's website at company.marimekko.com under Investors/Management/Corporate governance.

Financial calendar 2013

The 2012 financial statements and yearbook will be published in week 12. The Annual General Meeting will be held on 23 April 2013 at 2 p.m. The following interim reports will be published in 2013: January to March, on Tuesday 7 May 2013 at 8:30 a.m.; January to June, on Thursday 15 August 2013 at 8:30 a.m.; and January to September, on Thursday 7 November 2013 at 8:30 a.m.

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MARIMEKKO CORPORATION'S FINANCIAL STATEMENTS BULLETIN, 1 JANUARY - 31 DECEMBER 2012

MARKET SITUATION

The general uncertainty in the global economy continued in 2012, and for this reason consumers' purchasing behaviour was cautious. In Europe, the severe loan crisis afflicting EU states continued and the economic trend was gloomy. The troubles of the euro zone were also worsened by weaker growth. The situation was better in the United States and Asia, although growth was fairly slow.

In Finland, market conditions continued to be moderate, but the economic prospects and consumer confidence deteriorated towards the end of the year. In 2012, Finnish retail net sales were up by 4.4%, but the quantity of sales, which measures real growth, was up by only 0.7%. December's sales volume was down by 1.2%. (Statistics Finland: Turnover of trade, retail trade flash estimate, January 2013). In 2012, retail sales of clothing (excluding sportswear) grew by 1.1%. Sales of womenswear decreased by 0.3%, while sales of menswear rose by 2.2% and sales of childrenswear by 3.9%. Sales of bags grew by 4.3%. (Finnish Textile and Fashion Industries TMA). In the January-October period of 2012, exports of clothing (SITC 84) rose by 10%, while imports fell by 4%; exports of textiles (SITC 65) declined by 3% and imports by 2% (National Board of Customs, monthly review, October 2012).

INTERNATIONALISATION AND CHANGES IN THE STORE NETWORK

On the basis of good experience in Northern Europe and the United States, Marimekko invested more in 2012 in expanding its company-owned store network. This changed the ratio of wholesale to retail and tied up a larger proportion of the company's capital and resources than before.

During 2012, a total of 19 new Marimekko stores and shop-in-shops were opened, of which 12 were outside Finland. The stores opened in the course of the year were divided as follows: 11 company-owned, 4 retailer-owned stores and 4 shop-in-shops. New stores were opened in all the company's main market areas. In Finland, one company-owned store was closed during the financial year.

In the final quarter of the year, seven Marimekko stores were opened: in Finland a company-owned store in Helsinki, a retailer-owned store in Kuopio and a shop-in-shop in Salo; in North America company-owned stores in Beverly Hills and Palo Alto; and in the Asia-Pacific region company-owned stores in Sydney and Melbourne.

Number of retail stores and shop-in-shops	31 Dec. 2012	31 Dec. 2011
Finland	48	42
Own retail stores	28	26
Scandinavia	12	10
Own retail stores	7	5
Central and Southern Europe	5	5
Own retail stores	4	4
North America	16	11
Own retail stores	6	2
Asia-Pacific	27	22
Own retail stores	2	-
TOTAL	108	90
Own retail stores	47	37

NET SALES

Year 2012

In 2012, the Marimekko Group's net sales rose by 14.2%, powered by international sales, reaching EUR 88,471 thousand (77,442). Net sales in Finland grew by 5.1% and international sales by 30.7%.

Q4 of 2012

In the October-December period of 2012, the Group's net sales rose, fuelled by international sales, by 9.2% and were EUR 25,748 thousand (23,581). In Finland, net sales were on a par with the same period in the previous year. International sales grew by 28.0%.

NET SALES BY MARKET AREA

(EUR 1,000)	10-12/ 2012	10-12/ 2011	Change,%	1-12/ 2012	1-12/ 2011	Change,%
Finland	15,555	15,617*	-0.4	52,344	49,807*	5.1
Retail sales	10,096	8,926	13.1	34,000	28,267	20.3
Wholesale sales	5,090	6,405	-20.5	17,546	20,584	-14.8
Royalties	369	286	29.0	798	956	-16.5
Scandinavia	2,063	2,210*	-6.7	7,856	7,518*	4.5
Retail sales	944	795	18.7	3,299	2,241	47.2
Wholesale sales	1,119	1,412	-20.8	4,554	5,269	-13.6
Royalties	-	3	-100.0	3	8	-62.5
Central and Southern Europe	1,875	1,821*	2.9	7,783	6,691*	16.3
Retail sales	426	418	1.9	1,492	1,394	7.0
Wholesale sales	1,422	1,375	3.3	6,185	5,183	19.3
Royalties	27	28	-3.6	106	114	-7.0
North America	2,809	2,152*	30.5	7,743	4,960*	56.1
Retail sales	1,742	972	79.2	4,020	972	313.6
Wholesale sales	955	910	4.9	3,193	3,430	-6.9
Royalties	112	270	-58.5	530	558	-5.0
Asia-Pacific	3,446	1,781*	93.5	12,745	8,466*	50.5
Retail sales	655	-	-	655	-	-
Wholesale sales	2,791	1,781	56.7	12,087	8,458	42.9
Royalties	-	-	-	3	8	-62.5
International sales, total	10,193	7,964*	28.0	36,127	27,635*	30.7
Retail sales	3,767	2,185	72.4	9,466	4,607	105.5
Wholesale sales	6,287	5,478	14.7	26,019	22,340	16.5
Royalties	139	301	-53.8	642	688	-6.7
TOTAL	25,748	23,581	9.2	88,471	77,442	14.2
Retail sales	13,863	11,111	24.8	43,466	32,874	32.2
Wholesale sales	11,377	11,883	-4.3	43,565	42,924	1.5
Royalties	508	587	-13.5	1,440	1,644	-12.4

* Due to adjustments made in internal sales reporting structures, the previously reported sales figures by market area have changed.

Finland

In 2012, sales in Finland grew by 5.1% and reached EUR 52,344 thousand. Retail sales rose by 20.3%. Sales were boosted by three stores opened in the last quarter of 2011 and three stores opened in 2012. Comparable growth in sales by company-owned stores was 10.8%. Wholesale sales fell by 14.8%. This was due partly to changes effected in the retailer network in line with the company's distribution strategy.

In the final quarter of the year, retail sales grew by 13.1%. Comparable growth in sales by company-owned stores was 1.4%. Wholesale sales fell by 20.5%.

Scandinavia

Sales in Scandinavia rose by 4.5%, reaching EUR 7,856 thousand. Retail sales grew by 47.2%. Sales were boosted by three stores opened in 2011 and by two stores opened in Sweden in 2012. Comparable sales by company-owned stores fell by 12.2%. Wholesale sales decreased by 13.6%. Consumers' purchasing behaviour continued to be cautious in all countries, but particularly in Sweden.

In the final quarter of the year, retail sales grew by 18.7%. Comparable sales by company-owned stores were down by 13.5%. Wholesale sales fell by 20.8%.

Central and Southern Europe

In Central and Southern Europe, net sales for 2012 grew to EUR 7,783 thousand, which was up by 16.3% on the previous year. Retail sales rose by 7.0% which was attributable to sales by the small company-owned store opened in London near the end of 2011. Comparable growth in sales by company-owned stores was 0.6%. Wholesale sales grew by 19.3%. Sales performed well in Belgium, Germany, the UK and France. The weak Italian economy impacted consumer demand and made itself felt in a downturn in sales.

In the final quarter of the year, retail sales grew by 1.9%. Comparable sales by company-owned stores fell by 2.5%. Wholesale sales grew by 3.3%.

North America

Net sales in North America grew by 56.1% and were EUR 7,743 thousand. When measured in the invoicing currency (mainly the US dollar), sales showed growth of about 44%. The increase in net sales came from the New York flagship store as well as the four stores opened in the latter half of 2012. Marimekko also expanded its distribution in Canada: during 2012, a shop-in-shop was opened in EQ3's new flagship store in Toronto. Wholesale sales fell short of expectations, however, and declined by 6.9%.

In the final quarter of the year, retail sales grew by 79.2%. Comparable sales by company-owned stores fell by 22.5%. Wholesale sales rose by 4.9%.

Asia-Pacific

The strong trend in wholesale sales seen in the previous year in the Asia-Pacific region continued throughout the period under review. In 2012, sales in the region grew by 50.5% and were EUR 12,745 thousand. Wholesale sales rose by 42.9%. Sales exceeded expectations in all countries, but Japan yielded clearly the largest slice of growth. During the year, one new retailer-owned store and a shop-in-shop were opened in Tokyo. Improved sales were also contributed to by a new store opened in Hong Kong. Investments made in Australia made themselves felt, and wholesale sales also grew there. In addition, Marimekko opened two company-owned stores in Australia in the last quarter of the year.

In the final quarter of the year, wholesale sales grew by 56.7%.

FINANCIAL RESULT

Year 2012

In 2012, the Group's operating profit was EUR 2,019 thousand (3,528). A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the high expenses and low cost-effectiveness of in-house manufacturing in Finland. Operating profit was boosted by wholesale growth in the Asia-Pacific region and in Central and Southern Europe as well as by an improvement in the profitability of retailing in Finland. Average sales margin grew, in spite of the fact that inventories were reduced at the same time.

Marketing expenses for the year totalled EUR 5,132 thousand (4,115), or 5.8% of the Group's net sales (5.3).

The Group's depreciation grew as a result of considerable investments and was EUR 3,550 thousand (2,216), representing 4.0% of net sales (2.9).

Operating profit margin was 2.3% (4.6).

Net financial expenses were EUR 606 thousand (-187), or 0.7% of net sales (0.2).

Profit for the financial year before taxes was EUR 1,413 thousand (3,715). Profit after taxes was EUR 1,100 thousand (2,826) and earnings per share were EUR 0.14 (0.35).

Q4 of 2012

In the October-December period of 2012, the Group's operating profit was EUR 13 thousand (1,645). A drag on operating profit was exerted by the loss posted by stores in Sweden and the United States at the launching stage, expenses related to expansion of business, and a decline in wholesale sales in Finland, Scandinavia and the United States. Operating profit was also substantially burdened by the high expenses and low cost-effectiveness of in-house manufacturing in Finland. Operating profit was boosted by wholesale growth in the Asia-Pacific region and in Central and Southern Europe as well as by an improvement in the profitability of retailing in Finland. Average sales margin grew, in spite of the fact that inventories were reduced at the same time.

BALANCE SHEET

The Group's balance sheet total as at 31 December 2012 was EUR 54,961 thousand (48,580). Equity attributable to the equity holders of the parent company was EUR 29,996 thousand (32,663), or EUR 3.71 per share (4.06).

Non-current assets at the end of 2012 were EUR 24,977 thousand (17,418). As of March 2012, tangible assets include the present value of future lease payments for the new 30-year land lease on the property of the Helsinki head office and printing factory. The present value of the future lease payments is EUR 3,324 thousand.

At the year end, net working capital was EUR 15,034 thousand (19,214). Inventories were EUR 18,947 (21,348).

CASH FLOW AND FINANCING

In 2012, cash flow from operating activities was EUR 8,605 thousand (651), or EUR 1.06 per share (0.08). Cash flow before cash flow from financing activities was EUR 1,033 thousand (-8,569).

In the October-December period of 2012, cash flow from operating activities was EUR 6,066 thousand (2,467), or EUR 0.75 per share (0.31). Cash flow before cash flow from financing activities was EUR 3,960 thousand (-1,224).

The Group's financial liabilities at the end of 2012 were EUR 9,317 thousand (4,944). As of the end of March, financial liabilities include the present value of future lease payments for the new 30-year land lease on the property of the Helsinki head office and printing factory. The present value of the future lease payments is EUR 3,324 thousand.

At the end of the period under review, the Group's cash and cash equivalents were EUR 3,106 thousand (1,620). Additionally, the Group had unused committed credit lines amounting to EUR 10,683 thousand (5,056).

The Group's equity ratio at the year end was 54.6% (67.2). Gearing was 52.7% (10.2).

INVESTMENTS

The Group's gross investments were EUR 7,582 thousand (9,220), or 8.6% of net sales (11.9). Most of the investments went to building new stores and to refurbishing the property in Herttoniemi. The Group's total investments were estimated at roughly EUR 6 million. The estimate was exceeded due to higher-than-anticipated building costs for stores.

PERSONNEL

In 2012, the number of employees averaged 497 (402). At the end of the year, the Group had 535 (434) employees, of whom 103 (63) worked outside Finland. The number of employees working abroad was broken down as follows: Scandinavia 24 (19), Central and Southern Europe 14 (12), North America 53 (32) and Asia-Pacific 12 (0). The personnel at company-owned stores totalled 235 (180) at the year end.

CHANGES IN MANAGEMENT

Marimekko's Marketing Director and member of the Management Group Malin Groop resigned from the company on 15 August 2012 and she has since served the company as a consultant for strategic projects related to brand development. Acting Marketing Director Tiina Alahuhta-Kasko was appointed as the Group's Marketing Director and member of the Management Group from 15 August 2012. Alahuhta-Kasko has been in the company's employ since 2005.

SHARES AND SHAREHOLDERS

Share capital

At the end of 2012, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 8,040,000 and the number of shares totalled 8,089,610.

Shareholdings

According to the book-entry register, Marimekko had 7,417 (6,898) shareholders at the end of 2012. Of the shares, 5.9% (13.6) were registered in a nominee's name and 15.0% (15.9) 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 1,338,930 (1,150,930), representing 16.6% of the number and voting rights of the company's shares (14.3).

The largest shareholders according to the book-entry register on 31 December 2012		Number of shares and votes	%
1.	Muotitila Ltd	1,297,700	16.04
2.	Semerca Investments SA	850,377	10.51
3.	Varma Mutual Employment Pension Insurance Company	385,920	4.77
4.	ODIN Finland	344,251	4.26
5.	Ilmarinen Mutual Pension Insurance Company	265,419	3.28
6.	Keva	235,845	2.92
7.	Veritas Pension Insurance Company	220,000	2.72
8.	Danske Fund Finnish Small Cap	155,000	1.92
9.	OP-Finland Small Firm Fund	150,414	1.86
10.	Nordea Nordic Small Cap Fund	101,500	1.25
	Total	4,006,426	49.53
	Nominee-registered	478,419	5.91
	Others	3,604,765	44.56
	Total	8,089,610	100.00

Share trading and the company's market capitalisation

During 2012, a total of 1,788,378 Marimekko shares were traded, representing 22.1% of the shares outstanding. The total value of Marimekko's share turnover was EUR 26,043,996. The lowest price of the Marimekko share was EUR 9.92, the highest was EUR 17.15 and the average price was EUR 14.48. At the year end, the closing price of the share was EUR 14.30. The company's market capitalisation on 31 December 2012 was EUR 115,681,423 (79,435,200).

Flaggings

SEB Asset Management S.A.'s share of Marimekko Corporation's share capital and voting rights declined to 1.64%, or 132,152 shares, due to a stock loan on 11 April 2012 and rose to 6.00%, or 482,752 shares, at the termination of the stock loan on 22 May 2012.

The combined holding of funds administered by ODIN Forvaltning AS in the number and voting rights of Marimekko Corporation's shares declined to less than 5.00% as a result of a transaction concluded on 20 November 2012.

The share of Muotitila Ltd, a company controlled by Mika Ihamuotila, of the number and voting rights of Marimekko Corporation's shares exceeded 3/20, or increased to 16.04% as a result of a transaction concluded on 20 November 2012. After the transaction, Muotitila Ltd holds 1,297,700 Marimekko shares.

SEB Asset Management S.A.'s share of the number and voting rights of Marimekko Corporation's shares fell below 1/20, or declined to 0.00% as a result of a transaction concluded on 21 November 2012.

Authorisations

The Annual General Meeting of 17 April 2012 authorised the Board of Directors to decide on a directed offering of shares to the personnel, in deviation from the shareholders' pre-emptive right, in one or more offerings. The total number of new shares to be offered for subscription pursuant to the authorisation may not exceed 150,000 shares, representing approximately 1.9% of the total number of the company's shares. The authorisation includes the right of the Board of Directors to decide on all the other terms of the share issue. The authorisation is in effect for two years from the date of the Annual General Meeting's decision.

At the end of 2012, the Board of Directors had no other valid authorisations to carry out share issues or issue convertible bonds or bonds with warrants, or to acquire or surrender Marimekko shares.

Personnel share offering

Marimekko Corporation's Board of Directors decided on 13 August 2012 on the terms of a personnel share offering. In the personnel share offering, a total of 150,000 new shares in the company were offered, in deviation from the shareholders' pre-emptive right, to the personnel and designers for subscription in Finland.

The company's Board of Directors approved subscriptions in the personnel share issue for a total of 49,610 new shares, with a subscription price totalling EUR 501,449. The shares subscribed for in the share issue represent a total of 0.61 per cent of the company's shares and the voting rights they confer after the share issue. The majority of those entitled to subscribe took part in the share issue. Subscriptions were placed by 308 company employees and freelance designers out of a total of 510 who were entitled.

MAJOR RISKS AND FACTORS OF UNCERTAINTY

The key strategic risks for the near future are associated with overall economic trends and the consequent uncertainty in the operating environment as well as the management of expansion. The global economic cycle and factors of uncertainty affect consumers' purchasing behaviour and buying power in all of the company's market areas. The severe problems of the international financial markets dampen the prospects for retail sales as well as Marimekko's growth and earnings outlook.

Marimekko is undergoing a phase of extensive internationalisation and change. The distribution of products is being expanded in all key market areas. Unlike before, the focus of growth has increasingly been on opening company-owned stores outside Finland. This calls for larger or brand-new country organisations in these market areas, which will exert a drag on the cost-effectiveness of the company, especially in the early stages of expansion. Moreover, expanding the network of company-owned stores will increase the company's investments, lease liabilities of store premises, and inventories, and it will raise the company's fixed costs. It follows from this that a larger portion of Group net sales will come from sales by the company's own retail stores, which will add to the seasonality of the business and shift the bulk of net sales and profit accumulation to the last quarter, thus having a negative impact on profitability in the first half of the year. Furthermore, partnerships and the choice of partners in the company's key market areas also involve risks.

The company's ability to develop and commercialise new products that meet consumers' expectations while maintaining profitable and effective in-house production has an impact on the company's sales and profitability.

The company's key operational risks prominently include those related to the management of expansion projects, the operational reliability of procurement and logistics processes, and changes in cost of raw materials and other procurement items. As a result of new products, the share of in-house production has diminished, and the company uses subcontractors for its manufacturing to an increasing extent. Therefore, the company's dependence on the supply chain has increased. Any delays or disturbances in supply or fluctuations in the quality of products may have a temporary harmful impact on business. As the operations are being expanded and diversified, risks related to the management of inventories also increase.

Among the company's economic risks, those related to the structure of sales, increased investments, price trends for factors of production, changes in cost structure, customers' liquidity, and changes in exchange rates may have an impact on the company's financial status.

RESEARCH AND DEVELOPMENT

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

THE ENVIRONMENT, HEALTH AND SAFETY

Responsibility for the environment and nature is an integral aspect of Marimekko's business. The company's environmental monitoring is largely based on legislation and other regulations. The waste materials formed in Marimekko's manufacturing are handled and sorted appropriately. In the interest of monitoring the environmental impact of production and other business operations, the company develops its operating models and conducts regular tests on the materials used in products. Cooperation agreements require Marimekko's subcontractors and other partners to commit themselves to shouldering their environmental responsibilities. The company seeks to save energy by developing its production methods, investing in energy-efficient machinery and equipment, and monitoring energy consumption. Safety and well-being in the workplace are actively monitored and improved at Marimekko, in collaboration with the workplace safety committee and occupational healthcare.

In 2012, Marimekko continued the long-term development of a corporate social responsibility management system. The company has chosen sourcing and design as the key areas for the next few years. Marimekko's Yearbook contains a more extensive report on environmental, health and safety issues and a summary is also included in each interim report. The framework for reporting is provided by the G3 guidelines of the Global Reporting Initiative (GRI).

DECISIONS OF THE ANNUAL GENERAL MEETING

The decisions of Marimekko Corporation's Annual General Meeting are reported in the stock exchange release dated 17 April 2012 as well as in the interim report dated 9 May 2012.

CHANGES TO THE GROUP STRUCTURE

In 2012, a subsidiary was set up in Australia, Marimekko PTY Ltd, which is wholly owned by Marimekko Corporation.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DIVIDEND FOR THE 2012 FINANCIAL YEAR

A dividend of EUR 0.55 per share was paid for 2011 to a total of EUR 4,422,000. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.25 per share be paid for 2012. The proposed dividends represent 178.6% of the Group's earnings per share and 23.5% of the cash flow from operating activities for the financial year. On 31 December 2012, the parent company's distributable funds amounted to EUR 19,549,850.44, of which EUR 1,957,492.29 was profit for the financial year. The Board will propose 26 April 2013 as the dividend record date, and 7 May 2013 as the dividend payout date.

MARKET OUTLOOK AND GROWTH TARGETS

The general uncertainty in the global economy is forecast to continue, and this may impact consumers' purchasing behaviour in all of Marimekko's market areas. The prospects for the European economic trend have deteriorated and growth is slow in the region. In the United States and Asia, economic forecasts are distinctly better than in Europe, but growth is fairly slow. In Finland, market conditions are fair, but the economic prospects for trade and industry in Finland for the next few months have deteriorated markedly and retail sales are forecast to decline. (Confederation of Finnish Industries EK: Business Tendency Survey, November 2012, and Economic Review, December 2012). The weak trend in Marimekko's own stores in Finland at the end of 2012 and lower consumer confidence overshadow prospects for this year in Finland.

The stores opened in 2012 and the other considerable investments made in the expansion of the distribution network will generate a marked increase in sales in 2013. The main thrust in expansion during 2013 will be on openings of retailer-owned Marimekko stores and shop-in-shops. Furthermore, the company will invest in developing the business of the stores it opened in 2012. The aim is to open 15 to 24 Marimekko stores and shop-in-shops this year, 4 to 6 of which will be company-owned.

The planned total investments for 2013 of the Marimekko Group are estimated as being in excess of EUR 3 million. The majority of investments will be directed at building new store premises and purchasing new furniture.

FINANCIAL GUIDANCE

Due to the current market conditions and the change undergone by the company recently, it is very difficult to forecast the financial result for 2013. The Marimekko Group's net sales are estimated to grow by over 5% in 2013 and operating profit is forecast to be, at the most, at the same level as in 2012. The increased proportion of retail sales will further boost the seasonal nature of business, so the major portion of operating profit will, as is typical, accrue in the second half of the year.

Helsinki, 31 January 2013

MARIMEKKO CORPORATION
Board of Directors

The information presented in the financial statements bulletin has not been audited.

APPENDICES

Accounting principles
Formulas for key figures
Consolidated income statement and comprehensive consolidated income statement
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ACCOUNTING PRINCIPLES

This financial statements bulletin was prepared in accordance with IAS 34. The same accounting principles were applied as in the 2011 financial statements. The new or amended standards and interpretations that have become effective in 2012 and whose contents are presented in the financial statements for 2011 have had no effect on the information in the financial statements bulletin.

FORMULAS FOR THE KEY FIGURES

Earnings per share (EPS), EUR:
 $(\text{Profit before taxes} - \text{income taxes}) / \text{Number of shares (average for the financial year)}$

Equity per share, EUR:
 $\text{Shareholders' equity} / \text{Number of shares, 31 December}$

Return on equity (ROE), %:
 $(\text{Profit before taxes} - \text{income taxes}) \times 100 / \text{Shareholders' equity (average for the financial year)}$

Return on investment (ROI), %:
 $(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100 / (\text{Balance sheet total} - \text{non-interest-bearing liabilities (average for the financial year)})$

Equity ratio, %:
 $\text{Shareholders' equity} \times 100 / (\text{Balance sheet total} - \text{advances received})$

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

Net working capital:
 $\text{Inventories} + \text{trade and other receivables} + \text{current tax assets} - \text{trade and other payables}$

CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/2012	10-12/2011	1-12/2012	1-12/2011
NET SALES	25,748	23,581	88,471	77,442
Other operating income	55	-	97	2
Increase or decrease in inventories of completed and unfinished products	740	809	2,192	-2,353
Raw materials and consumables	8,751	7,478	29,515	30,287
Employee benefit expenses	7,320	5,885	24,384	20,030
Depreciation	1,021	766	3,550	2,216
Other operating expenses	7,958	6,998	26,908	23,736
OPERATING PROFIT	13	1,645	2,019	3,528
Financial income	17	203	48	246
Financial expenses	-325	31	-654	-59
	-308	234	606	187
RESULT BEFORE TAXES	-295	1,879	1,413	3,715
Income taxes	44	468	313	889
NET RESULT FOR THE PERIOD	-339	1,411	1,100	2,826
Distribution of net result to equity holders of the parent company	-339	1,411	1,100	2,826
Basic and diluted earnings per share calculated on the result attributable to equity holders of the parent company, EUR	-0.04	0.18	0.14	0.35

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT

(EUR 1,000)	10-12/2012	10-12/2011	1-12/2012	1-12/2011
Net result for the period	-339	1,411	1,100	2,826
Other comprehensive income				
Change in translation difference	1	17	10	-28
COMPREHENSIVE RESULT FOR THE PERIOD	-338	1,428	1,110	2,798
Distribution of net result to equity holders of the parent company	-338	1,428	1,110	2,798

CONSOLIDATED BALANCE SHEET

(EUR 1,000)	31.12.2012	31.12.2011
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	21,976	14,966
Intangible assets	2,663	2,296
Available-for-sale financial assets	16	16
Deferred tax assets	322	140
	24,977	17,418
CURRENT ASSETS		
Inventories	18,947	21,348
Trade and other receivables	6,571	7,680
Current tax assets	1,360	514
Cash and cash equivalents	3,106	1,620
	29,984	31,162
ASSETS, TOTAL	54,961	48,580
SHAREHOLDERS' EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Share capital	8,040	8,040
Invested non-restricted equity reserve	502	-
Translation differences	-8	-18
Retained earnings	21,462	24,641
Shareholders' equity, total	29,996	32,663
NON-CURRENT LIABILITIES		
Deferred tax liabilities	480	630
Financial liabilities	9,317	4,944
Financial lease	3,324	-
	13,121	5,574
CURRENT LIABILITIES		
Trade and other payables	11,844	10,328
Current tax liabilities	-	15
	11,844	10,343
Liabilities, total	24,965	15,917
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL	54,961	48,580

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

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	1-12/2012	1-12/2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	1,100	2,826
Adjustments		
Depreciation according to plan	3,550	2,216
Other non-cash transactions	143	-
Unrealised exchange rate gains	-	-416
Financial income and expenses	606	-187
Taxes	313	890
Cash flow before change in working capital	5,712	5,329
Change in working capital	4,674	-3,454
Increase (-) / decrease (+) in current non-interest-bearing trade receivables	930	-969
Increase (-) / decrease (+) in inventories	2,401	-4,175
Increase (+) / decrease (-) in current non-interest-bearing liabilities	1,343	1,690
Cash flow from operating activities before financial items and taxes	10,386	1,875
Paid interest and payments on other financial expenses	-650	129
Interest received	47	66
Taxes paid	-1,178	-1,419
CASH FLOW FROM OPERATING ACTIVITIES	8,605	651
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-7,572	-9,220
CASH FLOW FROM INVESTING ACTIVITIES	-7 572	-9,220
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	502	-
Long-term loans drawn	4,373	4,944
Dividends paid	-4,422	-4,422
CASH FLOW FROM FINANCING ACTIVITIES	453	522
Change in cash and cash equivalents	1,486	-8,047
Cash and cash equivalents at the beginning of the period	1,620	9,667
Cash and cash equivalents at the end of the period	3,106	1,620

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR 1,000)	Equity attributable to equity holders of the parent company				
	Share capital	Invested non-restricted equity reserve	Translation differences	Retained earnings	Shareholders' equity, total
Shareholders' equity 1 Jan. 2011	8,040		10	26,237	34,287
Comprehensive result					
Net result for the period				2,826	2,826
Translation differences			-28		-28
Total comprehensive result for the period			-28	2,826	2,798
Transactions with owners					
Dividends paid				-4,422	-4,422
Shareholders' equity 31 Dec. 2011	8,040		-18	24,641	32,663
Shareholders' equity 1 Jan. 2012	8,040		-18	24,641	32,663
Comprehensive result					
Net result for the period				1,100	1,100
Translation differences			10		10
Total comprehensive result for the period			10	1,100	1,110
Transactions with owners					
Share issue		502			502
Share-based transactions, personnel share issue				143	143
Dividends paid				-4,422	-4,422
Shareholders' equity 31 Dec. 2012	8,040	502	-8	21,462	29,996

KEY FIGURES

	1-12/2012	1-12/2011	Change, %
Earnings per share, EUR	0.14	0.35	-60.0
Equity per share, EUR	3.71	4.06	-8.6
Return on equity (ROE), %	3.5	8.4	
Return on investment (ROI), %	4.1	11.4	
Equity ratio, %	54.6	67.2	
Gearing, %	52.7	10.2	
Gross investments, EUR 1,000	7,582	9,220	-17.8
Gross investments, % of net sales	8.6	11.9	
Contingent liabilities, EUR 1,000	39,986	27,610	44.8
Average personnel	497	402	23.6
Personnel at the end of the period	535	434	
Number of shares at the end of the period (1,000)	8,090	8,040	
Number of shares outstanding, average (1,000)	8,046	8,040	

SEGMENT INFORMATION

(EUR 1,000)	1-12/2012	1-12/2011
Marimekko business		
Net sales	88,471	77,442
Operating result	2,019	3,528
Assets	54,961	48,580

NET SALES BY MARKET AREA

(EUR 1,000)	10-12/ 2012	10-12/ 2011	Change,%	1-12/ 2012	1-12/ 2011	Change,%
Finland	15,555	15,617*	-0.4	52,344	49,807*	5.1
Retail sales	10,096	8,926	13.1	34,000	28,267	20.3
Wholesale sales	5,090	6,405	-20.5	17,546	20,584	-14.8
Royalties	369	286	29.0	798	956	-16.5
Scandinavia	2,063	2,210*	-6.7	7,856	7,518*	4.5
Retail sales	944	795	18.7	3,299	2,241	47.2
Wholesale sales	1,119	1,412	-20.8	4,554	5,269	-13.6
Royalties	-	3	-100.0	3	8	-62.5
Central and Southern Europe	1,875	1,821*	2.9	7,783	6,691*	16.3
Retail sales	426	418	1.9	1,492	1,394	7.0
Wholesale sales	1,422	1,375	3.3	6,185	5,183	19.3
Royalties	27	28	-3.6	106	114	-7.0
North America	2,809	2,152*	30.5	7,743	4,960*	56.1
Retail sales	1,742	972	79.2	4,020	972	313.6
Wholesale sales	955	910	4.9	3,193	3,430	-6.9
Royalties	112	270	-58.5	530	558	-5.0
Asia-Pacific	3,446	1,781*	93.5	12,745	8,466*	50.5
Retail sales	655	-	-	655	-	-
Wholesale sales	2,791	1,781	56.7	12,087	8,458	42.9
Royalties	-	-	-	3	8	-62.5
International sales, total	10,193	7,964*	28.0	36,127	27,635*	30.7
Retail sales	3,767	2,185	72.4	9,466	4,607	105.5
Wholesale sales	6,287	5,478	14.7	26,019	22,340	16.5
Royalties	139	301	-53.8	642	688	-6.7
TOTAL	25,748	23,581	9.2	88,471	77,442	14.2
Retail sales	13,863	11,111	24.8	43,466	32,874	32.2
Wholesale sales	11,377	11,883	-4.3	43,565	42,924	1.5
Royalties	508	587	-13.5	1,440	1,644	-12.4

* Due to adjustments made in internal sales reporting structures, the previously reported sales figures by market area have changed.

NET SALES BY PRODUCT LINE

(EUR 1,000)	10-12/2012	10-12/2011	Change, %	1-12/2012	1-12/2011	Change, %
Clothing	7,811	7,817	-0.1	30,936	28,351	9.1
Interior decoration	12,700	11,714	8.4	38,122	34,003	12.1
Bags	5,237	4,050	29.3	19,413	15,088	28.7
TOTAL	25,748	23,581	9.2	88,471	77,442	14.2

QUARTERLY TREND IN NET SALES AND EARNINGS

(EUR 1,000)	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Net sales	25,748	24,214	19,701	18,808
Operating result	13	3,486	-545	-935
Earnings per share, EUR	-0.04	0.31	-0.03	-0.10
(EUR 1,000)	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Net sales	23,581	19,812	16,815	17,234
Operating result	1,645	2,321	-798	360
Earnings per share, EUR	0.18	0.21	-0.07	0.04