Annual Report 2006

marimekko®

"Marimekko represents aesthetic thinking in the form of printed patterns, without permitting technical problems to stand in the way of freedom of expression. Patterns that are graphically clean and distinctive, and colours that are tranquil and earthy."

Armi Ratia, 1978

The spring 2007 fabric collections continue Marimekko's strong tradition in the design of graphic textile prints – offering a multifaceted range of patterns of the highest artistic and technical quality.

The new Vuokko Eskolin-Nurmesniemi collection epitomises classic modernism. She was one of Marimekko's first designers and her familiar stripes and checks in vibrant colour schemes are still as well loved as when they first came onto the scene in the 1950s. Elegant black and white colourways beautifully accentuate the graphic character of the patterns.

Another new graphic fabric collection features perceptive and compelling interpretations of the modern world and its myriad phenomena. The varying moods of this collection have been created by some of the most successful designers in the Nordic countries: Björn Dahlström, Anna Danielsson, Harri Koskinen and Ilkka Suppanen.

Marimekko – dreams of everyday happiness

Throughout the many phases of its history, Marimekko has always believed in a bright future. A bold approach that makes dreams come true and a strong desire to bring joy and beauty into people's lives have led the company to make the right choices. An ability to channel creative expertise into the achievement of ambitious goals has brought commercial success. Marimekko's insight and instinct, its values and methods, have formed a powerful and secure corporate culture. Marimekko embodies a unique blend of unbridled creativity, a bold, open-minded approach, and solid professional expertise and experience.

Annual Report 2006

marimekko®

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 a 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 2006, the company's net sales amounted to EUR 71.4 million, 24.6% of which were accounted for by exports and income from international operations. The company had a payroll of 396 at the end of 2006. Marimekko's share has been quoted on the Helsinki Stock Exchange since 1999.

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President’s review

In Marimekko’s history, 2006 marks a global resurgence. Growth in income from exports and international operations amounted to 35%, surpassing our goals by a good margin. Sales trends were excellent in all markets. The distribution network expanded considerably and sales surged in all product lines. Seventeen new Marimekko concept stores and shop-in-shops established by retailers opened around the world – a major step on our path of international growth. Exports have now progressed to a stage that provides a good foundation for continuing the building of the Marimekko brand internationally.

In Finland, Marimekko has grown at a very fast pace in recent years. However, it will be increasingly challenging to maintain a strong rate of growth in Finland due to the small size of the country’s population and the greater range of products available on the market. For this reason, we have set out to bolster Marimekko’s export strategy and seek growth from abroad. This has proven to be a wise decision – in 2006, development in Finland was already slower than expected, a clear indication of the limited scale of the domestic market and its sensitivity to changes.

As we expand the international presence of our business, aligning our growth with our capabilities will play a key role in our risk management. Operating in diverse markets poses new challenges to Marimekko – meeting them will demand both re-evaluating our resources and adapting operations to changes. One of our major objectives for the present year is to improve the control of our business processes to ensure operational flexibility and efficiency. From the standpoint of growth and competitiveness, our main needs concern the development and management of subcontracting and logistics.

It can be said that Marimekko is now at a major turning point as its business operations are increasingly focused on exports markets. We are excellently poised to succeed: the company’s finances are in solid shape, Marimekko design enjoys great recognition around the world, and interest in the Marimekko brand is greater than ever. As we take Marimekko to new markets, we will have to compete with strong international brands, but I believe that Marimekko will thrive. We just have to keep in mind our company’s core business concept and the values that have supported Marimekko throughout its eventful history.

In 2006, we initiated a worldwide concept store project. It aims to offer a consistent operating model and guidelines for retailers planning to set up a Marimekko concept store or shop-in-shop. The new operating model is meant to help retailers design the operations and visual image of a successful, lifestyle-oriented Marimekko store. We will draw on the experiences of the effectiveness of this concept in the development of our distribution network both here in Finland and in other countries.

Marimekko's outlook for 2007 is favourable. Our new collections have been extremely well received both in Finland and abroad. In our view, the company's best growth prospects are in export markets; the expansion of distribution channels and the international recognition of Marimekko design support this view. We believe that favourable trends will also hold in Finland and have chosen boosting domestic sales as one of our key objectives in 2007. We will launch new products, hone our marketing and approach our customers with many interesting events and campaigns. One of the main target groups is our loyal customers – their number grew significantly in 2006. In the pursuit of new growth, our most important consideration is to maintain sustainable development and good profitability in our business operations, both here in Finland and in export markets.

Stable and profitable growth hinges on upholding the strengths behind Marimekko's success in the past. Among the most important of these strengths are our innovative design and unique corporate culture, which attract a great range of talent to us. Creative expertise is the heart of Marimekko's business and our company's most valuable competitive asset. In recent years, we have set out to bolster our design expertise – we can now proudly state that Marimekko design ranks amongst the best in its industry, worldwide.

Marimekko's employees are creative thinkers, true professionals and firmly committed to the company's objectives. 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.

2006 in brief

New Marimekko stores open in Finland and abroad

Marimekko opened its own retail stores in:

- Finland, in the Kamppi Centre in Helsinki and at Ideapark in Lempäälä
- Germany, in Frankfurt.

Retailers opened Marimekko concept stores and shop-in-shops in:

- Antwerp, Belgium
- Girona, Spain
- Tokyo (two shops), Osaka, Kyoto, Hakata, Kumamoto and Kobe, Japan
- Bergen, Bodø and Oslo, Norway
- Lisbon, Portugal
- Gothenburg and Haparanda, Sweden
- Cambridge and Miami, USA.

Licensing expands to a new product area

Marimekko and Kone Corporation began licensing co-operation on patterns to decorate elevator car interiors.

Marimekko design on prominent display at design events

- Designpartners06 in Helsinki at the Cable Factory cultural centre
- The Finnish Home exhibition in Paris, France
- An exhibition of fabrics designed by Maija Louekari for Marimekko held in Strasbourg, France
- Marimekko: Fabrics, Fashion, Architecture exhibition in:
    - Bangkok, Thailand
    - Chicago, USA
    - Roubaix and Caen, France
    - Ghent, Belgium

Business trends

Growth continued.
Profitability remained at a good level.
Going international progressed according to plan.

- The Group's net sales grew by 6.3%.
- Growth in net sales by product line
    - clothing 3.1%
    - interior decoration 8.0%
    - bags 10.9%.
- Sales by Marimekko's own shops in Finland increased by 2.5%.
- Sales to retailers in Finland were down 2.8%.
- Exports and income from international operations increased by 35.0%.
- Earnings per share were EUR 1.00.
- The equity ratio rose to 70.5%.

Key figures

	2006	2005	Change, %
Net sales, EUR 1,000	71,424	67,219	6.3
Share of exports and international operations, % of net sales	24.6	19.4	
Operating profit, EUR 1,000	10,864	11,413	-4.8
% of net sales	15.2	17.0	
Profit after taxes, EUR 1,000	7,990	8,424	-5.2
% of net sales	11.2	12.5	
Earnings per share, EUR	1.00	1.05	-4.8
Dividend per share, EUR	*) 0.65	0.65	
Return on investment (ROI), %	38.2	43.9	
Return on equity (ROE), %	31.3	38.4	
Equity ratio, %	70.5	66.5	
Personnel at the end of the financial year	396	377	5.0

*) 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 with a strong identity. Business development primarily focuses on organic growth. When expanding into new product areas, the company is committed to its core business idea.

Objectives

- Maintaining a strong market position in Finland.
- Increasing international recognition of the brand.
- 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 and expanding the product concept, 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 2002–2006

	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005	IFRS 2006
Annual growth in net sales, %	17.4	14.7	14.1	4.1	6.3
Annual growth in comparable net sales, %	22.6	18.0	16.1	9.3	6.3
Operating profit as a share of net sales, %	13.1	15.6	14.1	17.0	15.2
Return on equity (ROE), %	26.5	30.6	28.9	38.4	31.3
Equity ratio, %	61.1	64.5	60.3	66.5	70.5
Dividend per share, EUR	0.28	1.00	0.50	0.65	*) 0.65
Dividend per profit, %	51.8	133.0	67.1	62.0	*) 65.4

*) Proposal by the Board of Directors.

Marimekko's business operations

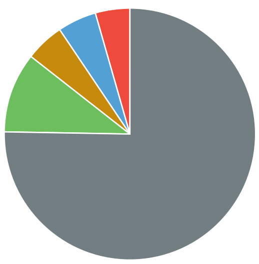
Net sales by market area

(EUR 1,000)	2006	2005	Change, %
Finland	53,826	54,180	-0.7
Other Nordic countries	7,373	6,074	21.4
Rest of Europe	3,655	2,674	36.7
North America	3,410	2,375	43.6
Other countries	3,160	1,916	64.9
TOTAL	71,424	67,219	6.3

Net sales by product line

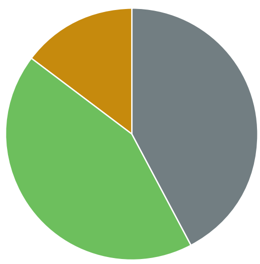
(EUR 1,000)	2006	2005	Change, %
Clothing	30,309	29,411	3.1
Interior decoration	30,716	28,434	8.0
Bags	10,399	9,374	10.9
TOTAL	71,424	67,219	6.3

Net sales
by market area
2006



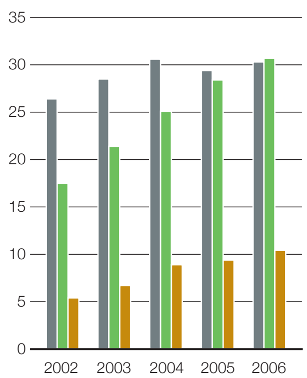
Finland 75.4%
Other Nordic countries 10.3%
Rest of Europe 5.1%
North America 4.8%
Other countries 4.4%

Net sales
by product line
2006



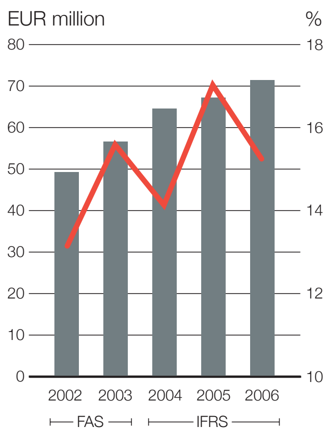
Clothing 42.4%
Interior decoration 43.0%
Bags 14.6%

Trend in net sales
by product line
EUR million



Clothing
Interior decoration
Bags

Trend in net sales
and operating profit



Net sales, EUR million
Operating profit, % of net sales

Clothing

Marimekko interprets trends in a distinctive manner

Marimekko is known for its original style. Trends are reviewed and then interpreted in a distinctive and selective manner. Marimekko design aims to emphasise its customers' individuality, rather than to represent the latest fashion. Collections are not knowingly limited to certain target groups. Designers are encouraged to create original clothing, but they are also expected to be aware of current trends and customers' expectations.

In Marimekko's clothing line, timeless classics walk hand-in-hand with seasonal collections from a variety of distinctive designers. The collections offer clothing for people of different ages, including elegant business and festive outfits as well as leisurewear. Marimekko brings out two extensive main ranges and two smaller mid-season collections every year. As business becomes increasingly international, the lines between seasons have blurred and new collections are designed to ever faster and more flexible schedules.

Marimekko manufactures its clothing both at the company's own factory in Kitee and through outsourcing to Finnish and foreign suppliers. Collection structures, product delivery times, order volumes and the price level all influence the choice of production location. Over the past few years, outsourcing to foreign manufacturers has increased considerably.

Competition in the clothing trade has in recent years become even more severe all over the world. Heightened competition resulting from increased supply has been reflected in both the price level of clothing and the structure of the trade. The weather also has its own effect on sales. Trends in Marimekko's clothing sales have varied in different markets every year. In 2006, Marimekko's net sales of clothing grew by 3.1% to EUR 30.3 million. Although extremely brisk growth was seen in exports, sales in Finland fell slightly on the previous year. Exports and income from international operations accounted for 19.8% of the Group's net sales of clothing. The largest export countries were Sweden, the United States, Japan, Germany, Denmark and Norway.

Brand recognition, design appeal, the product concept and product price and quality all affect success in the fashion industry. Every brand has to know how to renew itself and approach customers in an intriguing way. This also forms the basis of Marimekko's clothing strategy, whose trump cards are strong design and the Marimekko lifestyle concept. The appeal of the Marimekko brand and design are reinforced with designer-driven marketing.

Marimekko's 2007 clothing collections are built around several varied lines. Collections have also been adapted to the needs of different markets by better taking into account the wishes of foreign customers. The designers of the 2007 collections are Ritva Falla, Samu-Jussi Koski, Jaana Parkkila, Mika Piirainen, Jukka Rintala and Matti Seppänen. Anna Ervamaa and Marita Huurinainen have also designed their first collections for Marimekko.

Marimekko builds its future with avant-garde design

Marimekko interior decoration brings a distinctive new vision for homes and public premises alike. Artfully combined patterns and colours create fresh looks that are varied yet harmonious. Marimekko relies on bold design to build its future. Continuity and a connection to the past are maintained by including treasures from bygone decades in the collections.

Cotton and linen fabrics printed at Marimekko's own factory are the main interior decoration products. In addition, collections include a variety of ready-made goods, such as kitchen and tabletop products, bed linen and bath textiles. The collections comprise both classic and seasonal products. New fabric collections are brought to market every year for spring, autumn and Christmas. The flexibility of Marimekko's design and production also enables quick launches of special collections.

Interest in home decorating has grown all over the world in recent years. Natural disasters and world events affect trends. People want to live in an atmosphere of safety, beauty and comfort. The increased enthusiasm for decorating has also had an accelerating impact on the trade, as can be seen in the brisk rise in sales of Marimekko's interior decoration products, especially in export markets. In 2006, net sales of Marimekko's interior decoration products rose by 8.0% to EUR 30.7 million. Exports and income from international operations accounted for 28.3% of net sales in the product line. The major countries for exports were Sweden, the United States, Norway, Japan, Denmark and Germany.

Marimekko's 2007 interior decoration range features a rich variety of motifs and products, including both classics and engaging contemporary creations from many new designers. A multidimensional feel – in both space and mood – comes across vividly in the spring collection created by renowned Nordic designers Björn Dahlström, Anna Danielsson, Harri Koskinen and Ilkka Suppanen. This modern collection comprises cotton upholstery fabrics as well as flame-retardant Trevira CS curtain fabrics for public premises.

Pride of place in the 2007 interior decoration range goes to the celebratory collection of one of Marimekko's first designers: Vuokko Eskolin-Nurmesniemi. Some of her best-known patterns from the 1950s have been brought up to date for today's customers to enjoy on both fabrics and ready-made goods. The collection was launched in honour of the summer 2007 Vuokko Eskolin-Nurmesniemi exhibition at the Helsinki Design Museum.

Looking for and testing new materials to improve quality and diversify the offering are an important part of the development of interior decoration products. A quality grade label will be added to Marimekko's bed linen during 2007, and Marimekko's first eco-cotton terry cloth towels will be introduced this spring.

In recent years, development of Marimekko's interior decoration line has focused on strengthening design and structuring collections. Strategy has been honed by dividing collections into different themes, which makes it easier to both market products and design the visual feel of shops.

The 2007 interior decoration range contains works by the following designers: Iiro A. Ahokas, Björn Dahlström, Anna Danielsson, Nora Fleming, Vuokko Eskolin-Nurmesniemi, Erja Hirvi, Fujiwo Ishimoto, Kristina Isola, Maija Isola, Tuula Kaakinen, Tina Karvonen, Elina Keltto, Harri Koskinen, Maija Louekari, Teresa Moorhouse, Tanja Orsjoki, Heikki Orvola, Ilkka Suppanen, Oiva Toikka, Jenni Tuominen, Katsuji Wakisaka, Katriina Viitaniemi and Marjaana Virta.

Marimekko bags flourish alongside top international brands

Marimekko's extensive range offers both classic and seasonal bags for every imaginable use: tote bags, briefcases, rucksacks, shoulder bags, makeup bags and purses. It also contains colourful umbrellas featuring Marimekko patterns.

Sales of Marimekko bags have increased steadily year by year. Growth in export markets has been distinctly faster than in Finland in recent years. In 2006, net sales of bags rose by 10.9% to EUR 10.4 million. Exports and income from international operations accounted for 28.0% of net sales. The major countries for exports were Japan, Sweden, the United States, Norway, Denmark and Germany.

Clean lines and a timeless feel form the essence of Marimekko bag design. Collections are put together with an eye to their compatibility with Marimekko's other products. The range is kept as extensive and varied as possible, while ensuring that production and marketing remain manageable. In-house production and design provide the flexibility to also create customised bags to meet customers' needs.

Marimekko's bags are manufactured in the company's own facilities in Finland – at the bag factory in Sulkava and the clothing factory in Kitee – as well as through subcontractors both in Finland and abroad. Fabric for printed cloth bags mainly comes from Marimekko's own textile printing factory. Although Marimekko strives to concentrate bag production in Finland, expanded ranges and increased sales volumes have meant that a growing amount of production has had to be transferred to foreign subcontractors.

The multifaceted range for 2007 has been designed to appeal to a variety of target groups. It contains plenty of bags and umbrellas inspired by Marimekko prints, as well as elegant leather bags. Ristomatti Ratia's new bag collection, Roadie, displays a fresh and relaxed feel. Also new for 2007 are bags and purses by Mika Piirainen using Vuokko Eskolin-Nurmesniemi's colourful printed patterns. The same motifs are repeated in Mika Piirainen's clothing collection. The 2007 range features bags from the following designers: Björn Dahlström, Ritva Falla, Bo Haglund, Samu-Jussi Koski, Jaana Parkkila, Mika Piirainen and Ristomatti Ratia.

Supply in the bag trade is increasing and trends are changing rapidly. Bags that co-ordinate with clothing are part of modern style. This has also inspired Marimekko to continue developing colourful bags with patterns that match its clothing collections. The distinctive design and clean lines of Marimekko's bags have earned them a place alongside top international brands, as evidenced by the good bag sale trends in export markets over the past few years.


marimekko

Marimekko shops – creating positive experiences

Marimekko has been building its brand through a network of its own shops right from the outset. Shops should be places that create positive experiences – places where the whole exciting and inspiring world of Marimekko opens up to customers. At its own retail shops, Marimekko can display its extensive range of merchandise in an impressive manner and market products to just the right target groups. Direct feedback from customers can be used to develop operations in all business areas.

Marimekko has 24 shops of its own in Finland, one in Stockholm, Sweden, and one in Frankfurt, Germany. The shops are situated in key locations in the largest towns and cities. Sales have increased steadily each year. In 2006, total sales by Marimekko's own shops amounted to EUR 29.2 million. Sales by shops in Finland grew by 2.5%.

Marimekko adheres to a policy of controlled growth when expanding its network of shops. Location is the key criterion. New shops are only established in areas where the economic outlook and the population structure support profitable growth. Each shop's product and service concept is customised according to the store's location, size and customer base. Development is monitored daily through sales and customer figures.

In 2006, Marimekko opened two new, 600 m^2 shops in Finland: one in early March in the Kamppi shopping centre in Helsinki and the other at the beginning of December at Ideapark in Lempäälä. A retail shop was also opened in Frankfurt, Germany, at the end of March. This shop, together with a new showroom, offers German retailers the chance to get acquainted with the Marimekko concept in a genuine retail environment. Marimekko's shop in Joensuu, Finland, moved into more spacious premises at the beginning of February 2007.

In 2006, the development of shops in Finland focused on strengthening the loyal customer programme, improving purchasing and warehousing, and enhancing the look and feel of stores. Personnel training included both product display design and customer service. Key areas in marketing were the loyal customer events held in shops and the functions for various target groups organised with different partners. Sales were also boosted by several promotions built around a variety of themes.

The development of Marimekko's own shops during the 2007 financial year will primarily focus on renovating stores and honing the look and the product concepts of individual shops. Improvements to shop operating models will also continue to enhance product turnover. Loyal customers will be approached through an even wider range of promotions and events.

Domestic wholesale

Retailer network to be developed around the Marimekko concept

Marimekko has an extensive retailer network covering the whole of Finland. It includes both department stores and specialist shops. Some retailers operate under the full Marimekko concept, while others only specialise in those Marimekko products that are an ideal match for their own business concept. Close co-operation with retailers over the years has forged, alongside the company's own shops, a strong distribution network that is committed to Marimekko's philosophy. At the end of 2006, Marimekko had around 140 retailers in Finland, of which about a quarter were concept shops.

Marimekko's sales to domestic retailers have increased extremely vigorously in recent years thanks to the addition of new retailers. In 2006, growth ceased and sales fell by 2.8% on the previous year. The decrease was primarily due to a reduction in purchases by larger customers. Small, specialised shops were also more cautious. This trend was especially evident in the clothing trade, which was affected by exceptional fluctuations in the weather.

Marimekko has built up its retailer network in response to the general market situation. Distribution channels have undergone major expansion in recent years. Marimekko's increasingly broad product ranges and changes that have occurred in the structure of the Finnish retail trade have supported this development. The diversification of distribution channels aims to increase sales by directing supply to the largest potential customer flows.

As competition heats up, a consistent Marimekko brand profile will become increasingly important for both Marimekko and its retailers. To this end, the company is developing its Finnish distribution network around a concept that is even more committed to genuine Marimekko philosophy. In 2007, the developmental needs of the retailer network focus on the honing of distribution policy and shop concepts. Marimekko will engage in even closer and more seamless co-operation with retailers to provide added support for the growth targets of both parties. The retailer network will be expanded according to a comprehensive distribution policy that takes into account the developmental needs of both Marimekko's own shops and those of its retailers.

Exports and international operations

2006 the all-time best for exports

In 2006, Marimekko's exports and international operations progressed in line with the strategy and all key targets were achieved. Distribution channels underwent major expansion and sales were buoyant in all markets. The new Marimekko concept stores and shop-in-shops established by retailers across the globe also played their part in boosting sales. Marimekko design was on show at many international events, increasing interest in the brand.

Marimekko has its own subsidiaries and retail shops in Stockholm, Sweden, and Frankfurt, Germany. Exports to other countries are handled directly or through local agents and importers. Marimekko products were exported to over 40 countries in 2006. Foreign retailers number about 1,200, 30 of which run concept stores. Marimekko also engages in licensed sales abroad.

Marimekko's 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. In 2006, net sales from exports and international operations rose by 35.0% to EUR 17.6 million. The major export countries were Sweden, the United States, Japan, Germany, Denmark and Norway. Exports and income from international operations accounted for 24.6% of the Group's net sales.

Marimekko's export strategy aims at controlled and profitable growth. Resources are mainly directed to those markets where sales are already established. In addition to sales growth, Marimekko also seeks increased awareness of the brand and consistent visibility across markets. This is primarily achieved by expanding the distribution network with Marimekko concept stores and shop-in-shops established by retailers. The company's goal is for each market to have a distribution network based on genuine Marimekko philosophy. A total of seventeen Marimekko concept stores and shop-in-shops opened abroad during 2006: in Antwerp, Belgium; Girona, Spain; Tokyo (two outlets), Osaka, Kyoto, Hakata, Kumamoto and Kobe, Japan; Bergen, Bodø and Oslo, Norway; Lisbon, Portugal; Haparanda and Gothenburg, Sweden; and Cambridge and Miami in the United States.

Efforts to increase exports in 2007 will focus on expanding the concept store network, and on developing existing stores to safeguard their stable growth. In the presentation of the Marimekko lifestyle concept, a consistent policy will be followed in shops, at trade fairs and in marketing materials with regard to look and feel. A vital aspect of marketing the concept is familiarising agents, importers and retailers with the Marimekko business idea and its broad range of products.

Tokyo, Japan

Takashimaya Department Store, Tokyo, Japan

Osaka, Japan

Kumamoto, Japan

Kobe, Japan

Girona, Spain

Licensing – capitalising on design and brand value

Marimekko's licensing operations, which began in the 1960s, stemmed from a need to expand into new products that would complement the company's collections and suit its distribution channels. Licensing was a means of opening up new opportunities in product design and marketing – opportunities that weren't dependent on Marimekko's own production capacity or the scale of its distribution channels. As the recognition of the Marimekko brand and its design has grown, licensing has become an established part of the company's business.

Marimekko follows a strategy of controlled growth when developing licensing. Before starting up a new licensing partnership, Marimekko assesses its significance for both parties. Licensees are required to have expertise in the design and manufacture of designer products and are expected to commit themselves to selective distribution that is in line with the Marimekko brand. The aim is long-term, beneficial co-operation.

In 2006, Marimekko products were manufactured under license in the Netherlands, Japan, Finland, Denmark and the United States. In November 2006, licensing co-operation was begun with Kone Corporation for patterns to decorate elevator car interiors. Co-operation with Kone marks a major new opening for Marimekko licensing. Licensing co-operation with the Japanese company Nishikawa Sangyo Co. Ltd ceased at the end of 2006.

Marimekko's licensing earnings are generated in the form of royalties paid by licensees. Royalty percentages are agreed on separately with each licensing partner. Trends in royalty earnings are affected by product launches and new partnerships. Thanks to successful promotions and product launches, royalty earnings from the sale of licensed products grew noticeably in 2006 both in Finland and abroad.

Solid design expertise and lengthy experience in designer product and brand licensing provide Marimekko with a flexible opportunity to develop new product ideas. For its licensing range, Marimekko primarily seeks products that complement its own collections and that can be distributed in line with the company's selective distribution policy.

Production and sourcing

In-house design and production together form a major competitive asset

Marimekko has three production plants of its own, all located in Finland: a textile printing factory in Helsinki, a clothing factory in Kitee and a bag factory in Sulkava. At the end of 2006, the textile printing factory had 47 employees, the clothing factory 51 and the bag factory 20. Production volume at the textile printing factory increased by 20% in 2006. Production volumes at 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 2006, outsourcing to Finnish and foreign suppliers grew noticeably in all product lines.

The Herttoniemi textile printing factory is vital for Marimekko's production operations, because the majority of fabrics sold are printed there. The major investments in production also focus on textile printing. A new textile steamer and automatic colour kitchen were installed at the factory in 2006. The refurbishments are part of a developmental project aimed at improving quality, making cost savings and increasing technical capabilities to facilitate product development.

As a consequence of growth and the internationalisation of business operations, greater flexibility will be required in Marimekko's production, sourcing and logistics. Production strategy in the near future will focus on ensuring the competitiveness of Marimekko's own production and developing outsourcing. The need for outsourcing will increase significantly in the next few years along with the anticipated growth in sales. Marimekko will meet this challenge by finding new production locations and engaging in even closer co-operation with existing subcontractors.


Zimmer
marimekko

An open and supportive corporate culture inspires creative thinking

Well-being is evident in employees' creativity and their commitment to shared goals. Marimekko inspires its personnel 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.

In 2006, the Marimekko Group employed an average of 393 people, of whom 255 were salaried and 138 non-salaried employees. At the end of the financial year, the Group's payroll numbered 396. Fourteen people worked abroad. Of the Group's personnel, 91.8% were women and 8.2% were men. The average age of employees was 41. The personnel turnover rate was 23.4% joining and 18.3% leaving. A total of twelve people retired.

Health and safety

The well-being of a company's personnel has a major impact on its success. Well-being is maintained by ensuring a safe and pleasant working environment. Marimekko monitors this in co-operation with occupational healthcare. During 2006, an extensive ergonomics survey was carried out in offices, and occupational safety risks were evaluated at the Herttoniemi textile printing factory, sewing workshop and warehouse. The average absence percentage in 2006 was 5.3% in production and 2.3% in other business units.

Orientation

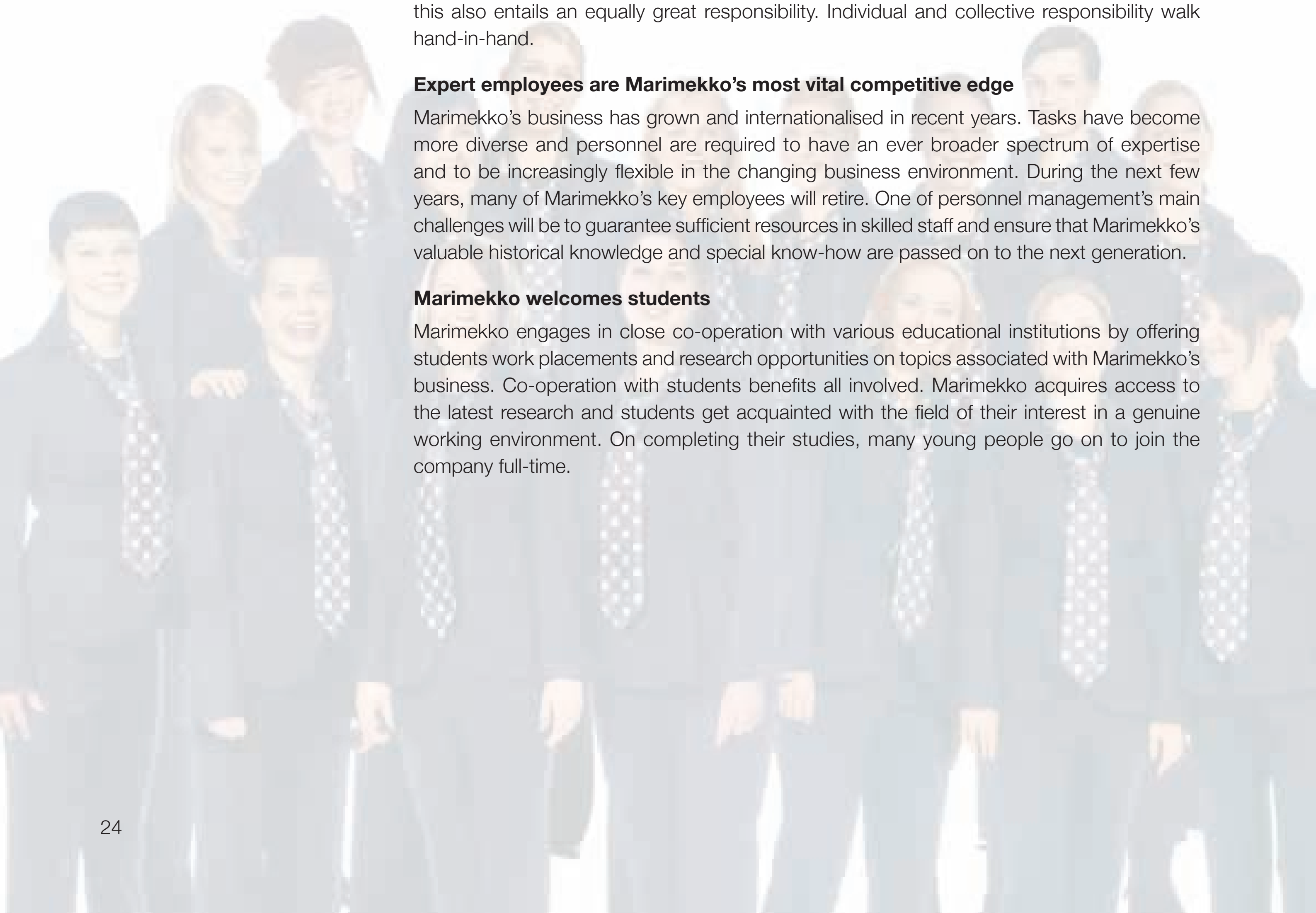
All new Marimekko personnel participate in an extensive orientation programme. This diverse and efficient training ensures that they will quickly internalise Marimekko's values and key business targets, and also get to know their colleagues and the operating methods of the working community. Marimekko's personnel enjoy great freedom in their work, but this also entails an equally great responsibility. Individual and collective responsibility walk hand-in-hand.

Expert employees are Marimekko's most vital competitive edge

Marimekko's business has grown and internationalised in recent years. Tasks have become more diverse and personnel are required to have an ever broader spectrum of expertise and to be increasingly flexible in the changing business environment. During the next few years, many of Marimekko's key employees will retire. One of personnel management's main challenges will be to guarantee sufficient resources in skilled staff and ensure that Marimekko's valuable historical knowledge and special know-how are passed on to the next generation.

Marimekko welcomes students

Marimekko engages in close co-operation with various educational institutions by offering students work placements and research opportunities on topics associated with Marimekko's business. Co-operation with students benefits all involved. Marimekko acquires access to the latest research and students get acquainted with the field of their interest in a genuine working environment. On completing their studies, many young people go on to join the company full-time.



Risk management

The company's risk management aims to safeguard the smooth continuity of its business operations. The risk management process evaluates and controls those risks that could prevent or jeopardise success in reaching business targets. Risk management is supported by internal guidelines and is supervised by the Board of Directors. Responsibility for risk management lies with the company's operative 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 has increased. The company seeks to minimise the potential risks of purchasing by reinforcing its subcontractor network and engaging in even closer co-operation with current 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 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.

Business environment and demand

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 heightened a lot in recent years as the supply has grown. Marimekko seeks to meet market challenges by focusing on top-notch, distinctive design and quality. Competitiveness is improved by sharpening product concepts and strengthening the brand. 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 collection-related and 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. All the company's current designers are freelancers and most of them have worked with Marimekko for years. Increased diversity has been injected into Marimekko design in recent years through, for example, co-operation with several well-known designers. New young talents have been sought through design competitions and close co-operation with the field's educational institutions.

As Marimekko's business growth increasingly comes from international markets, the key employees of different business areas play an ever more central role. During the next few years, many of the company's key employees will retire. The company seeks to prepare itself for the generation shift.

Social responsibility

Sustainable operations that generate value for future generations lie at the heart of Marimekko's business idea. A fundamental aspect of this is a firm commitment to social responsibility, which is supported by the company's internal guidelines, co-operation agreements and the obligations that these agreements include.

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 7. The company aims to follow a stable and active dividends policy. The company's dividends policy is presented on page 74. Information on the company's shares and shareholders is given on pages 74–76.

Social responsibility

Social responsibility includes caring for the well-being of Marimekko personnel and requiring the company's partners to be socially responsible. Duties and principles are laid down in co-operation agreements, and parties commit themselves to operating in line with internationally recognised social and ethical norms. All sourcing agreements require partners to adhere to the ILO standards governing company rules and regulations. Since autumn 2006, all Marimekko products have carried a country of origin label to enhance transparency in production processes.

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 and other regulations. Environmental legislation and impacts are taken into consideration in the choice of raw materials, chemicals and working methods. The materials used in products are tested regularly. Marimekko's subcontractors and other partners are also required to commit themselves to shouldering their environmental responsibilities.

Marimekko engages in continual product development to improve the environmental friendliness of its products. Marimekko's bed linen, as well as several clothing fabrics and knits, have been granted the Öko-Tex Standard 100 certificate – a guarantee that the products do not contain any substances that are hazardous to humans. New eco-cotton terry cloth towels will be brought to market in spring 2007.

Energy

The company seeks to save energy by developing its production methods, investing in energy-efficient machinery and equipment, and monitoring energy consumption. Thanks to a waste heat recovery system that was introduced at the Herttoniemi textile printing factory at the end of 2006, all the heat released during production can now be used to heat the production premises.

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.

Culture

As a design company, Marimekko feels a responsibility towards the preservation of creative culture, and in its operations actively strives to support the development of Finnish 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.

In spring 2006, Marimekko organised the "Muotoilu, kohtaa käyttäjä!" ("Design, meet the user!") competition with the Finnish Association of Designers Ornamo. The competition aimed to promote Finnish design and find fresh ideas for the world of Marimekko interior decoration. The prize-winning designs of Iiro A. Ahokas, Anna Ervamaa, Tuula Kaakinen, Elina Keltto, Jenni Tuominen and Katriina Viitaniemi will all be included in Marimekko's 2007 clothing and interior decoration collections.

Marimekko also encourages talented young designers with a variety of grants. At the 2006 Masters of Arts Festival, which was organised by the University of Art and Design Helsinki, Marita Huurinainen was awarded a Marimekko grant for her diploma work entitled "Art of Human Body". Marita Huurinainen has also designed an autumn 2007 clothing collection for Marimekko.

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 6 April 2006 elected three members to the Board of Directors for a term beginning on 6 April 2006 and ending at the conclusion of the 2007 Annual General Meeting. Kari Miettinen, B.Sc. (Econ.), Authorised Public Accountant, Matti Kavetvuo, M.Sc. (Eng.), B.Sc. (Econ.), and 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 74.

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 2006, the Board convened seven 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 73.

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 2006, 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 2006, the salary paid to Marimekko Corporation's president for attending to the duties of president amounted to EUR 120,000. 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 2006 financial year, the auditors of the Marimekko Group were paid a total of EUR 43,400 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 above-mentioned 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 complies 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. An insider list for the company is maintained in Finnish Central Securities Depository Ltd's SIRE register. The up-to-date shareholdings of Marimekko Corporation's public insiders and their related parties are listed on the company's Internet site under Investors/Share information/Shareholders/Insiders.

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.

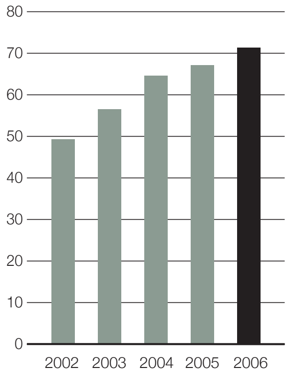
Marimekko publishes all its investor information in Finnish and English on the company's Internet site under Investors. The company's printed Annual Report is published in Finnish and English.

Report of the Board of Directors and the financial statements of Marimekko Corporation for the financial period from 1 January to 31 December 2006

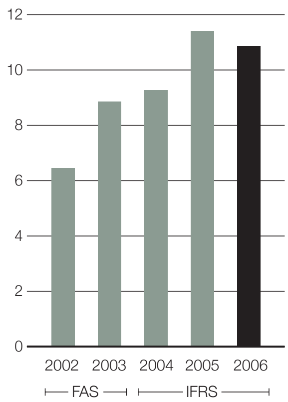
CONTENTS

Report of the Board of Directors

Net sales
EUR million



Operating profit
EUR million



In 2006, the Marimekko Group's net sales rose by 6% to EUR 71.4 million (EUR 67.2 million). Operating profit fell by 5% to EUR 10.9 million (EUR 11.4 million). Profit after taxes for the financial year decreased by 5% to EUR 8.0 million (EUR 8.4 million). Earnings per share were EUR 1.00 (EUR 1.05). The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2006. Net sales growth in 2007 is expected to be at the same level as in 2006. Profitability is estimated to remain good.

General overview

The boom in the global economy continued in 2006. Economic trends were favourable in all of Marimekko's key market areas. In Finland, consumers' confidence in the development of their own finances remained good and consumption demand strengthened. Brisk growth in the retail trade continued in Finland, although it slowed slightly towards the end of the year. December sales fell noticeably short of growth targets. Slower price increases weakened retail profitability. In 2006, retail sales of clothing in Finland grew by 4.0% (Association of Textile and Footwear Importers and Wholesalers). Sales of womenswear rose by 3.9%, menswear by 3.9% and childrenswear by 3.9%. Sales of home textiles grew by 6.4% and bags by 10.7%. In the January-November period of 2006, exports of clothing (SITC 84) rose by 3.0% and imports by 8.0%. Both imports and exports of textiles (SITC 65) increased by 4.0% (National Board of Customs, monthly review, November/2006).

Net sales

In 2006, the Marimekko Group's net sales increased by 6.3% to EUR 71.4 million (EUR 67.2 million). In Finland, net sales fell by 0.7% to EUR 53.8 million (EUR 54.2 million). Exports and income from international operations rose by 35.0% and totalled EUR 17.6 million (EUR 13.0 million). In all key export countries, growth was brisk in all product lines. Exports and income from international operations accounted for an increased percentage of the Group's net sales at 24.6% (19.4%).

The breakdown of the Group's net sales by product line was as follows: clothing, 42.4%, interior decoration, 43.0%, and bags, 14.6%. Net sales by market area were: Finland, 75.4%, the other Nordic countries, 10.3%, the rest of Europe, 5.1%, North America, 4.8%, and other countries (Japan and other regions outside Europe and North America), 4.4%.

In 2006, sales in Marimekko's own retail shops totalled EUR 29.2 million (EUR 28.0 million). Sales in the company's own shops in Finland rose by 2.5% (7.1%). Sales to retailers in Finland declined by 2.8% (+7.2%).

Net sales of the parent company Marimekko Corporation in 2006 (FAS) amounted to EUR 70.8 million (EUR 66.5 million in 2005; EUR 60.9 million in 2004).

Reviews by business unit

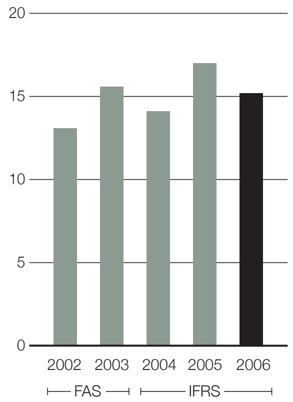
Clothing

In 2006, net sales of clothing rose by 3.1% to EUR 30.3 million (EUR 29.4 million). Sales in Finland fell slightly, but trends were extremely favourable in exports and sales increased well in all key markets. The briskest growth was seen in the United States and the market area referred to as "other countries". A notable pick-up in growth on the previous year was also seen in the market area referred to as "the rest of Europe". Exports and income from international operations accounted for 19.8% of net sales of clothing.

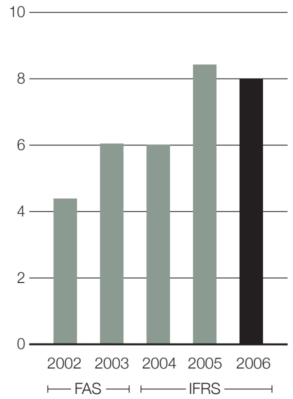
Interior decoration

Net sales of interior decoration products rose by 8.0% in 2006 and amounted to EUR 30.7 million (EUR 28.4 million). Sales declined somewhat in Finland, while buoyant growth continued in all main export markets. Exports and income from international operations accounted for 28.3% of net sales of interior decoration products.

Operating profit
% of net sales



Profit after taxes
EUR million



Bags

In 2006, net sales of bags increased by 10.9% to EUR 10.4 million (EUR 9.4 million). Sales in Finland rose only slightly, but growth was extremely brisk in all key export markets. Exports and income from international operations accounted for 28.0% of net sales of bags.

Business gifts and contract sales

Sales of business gifts and contract sales fell by 17.0%.

Exports and international operations

In 2006, the Group's exports and income from international operations increased by 35.0% to EUR 17.6 million (EUR 13.0 million). Growth was extremely vigorous in all main market areas. The major export countries were Sweden, the United States, Japan, Germany, Denmark and Norway. High demand for Marimekko products coupled with the opening up of new distribution channels provided a boost to growth. A total of seventeen Marimekko concept stores and shop-in-shops established by retailers opened during the financial year: in Antwerp, Belgium; Girona, Spain; Bergen, Bodø and Oslo, Norway; Lisbon, Portugal; Haparanda and Gothenburg, Sweden; Tokyo (two stores), Osaka, Kyoto, Hakata, Kumamoto and Kobe in Japan; and Cambridge and Miami in the United States.

Strong growth continued in the market area referred to as "other Nordic countries". Net sales rose by 21.4% to EUR 7.4 million (EUR 6.1 million). In relative terms, the greatest increase was seen in sales of interior decoration products and bags. Sales of clothing also grew well.

In the market area referred to as "the rest of Europe", growth was significantly up on the previous year in all product lines. Net sales rose by 36.7% to EUR 3.7 million (EUR 2.7 million). Growth noticeably quickened in all countries; sales of interior decoration products and bags grew especially vigorously.

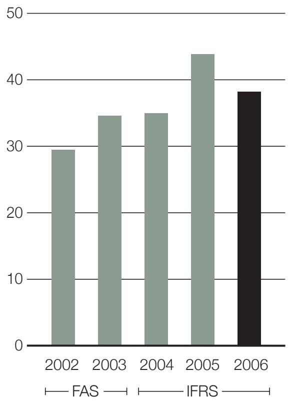
Growth in North America was extremely buoyant in all product lines. Net sales rose by 43.6% to EUR 3.4 million (EUR 2.4 million). Growth was bolstered by an increase in the number of dealers and the new concept stores established by retailers in the United States during the financial year.

Vigorous growth was seen in all product lines in the market area referred to as "other countries", where Japan is the major export country. Net sales rose by 64.9% to EUR 3.2 million (EUR 1.9 million). The opening of a total of seven new Marimekko concept stores and shop-in-shops in Japan during 2006 played a large role in this rapid growth. The opening of the new concept stores is part of a co-operation agreement signed in 2005, under which the exclusive right to import Marimekko products into Japan was granted to Mitsubishi Corporation and the right to wholesale and retail the products to Look Inc. as from the beginning of 2006. Look Inc. aims to set up several Marimekko concept stores and shop-in-shops in Japan during the next few years.

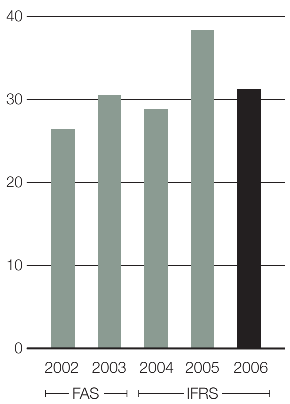
Licensing

Royalty earnings from sales of licensed products rose significantly in 2006. Growth was good in all licensing countries, with the greatest increase seen in the United States. At the beginning of November, licensing co-operation with Kone Corporation began with patterns to decorate elevator car interiors. Licensing co-operation with the Japanese company Nishikawa Sangyo Co. Ltd. ceased at the end of 2006.

Return on investment (ROI)
%



Return on equity (ROE)
%



Production

The production volume of the Herttoniemi textile-printing factory increased by 20% during the 2006 financial 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. In autumn 2006, switching to a double shift system raised the utilisation rate of the new printing machine at the Herttoniemi textile-printing factory. The major investments of 2006 were the renovation of the clothing factory in Kitee and renewal of the textile steamer and colour kitchen at the Herttoniemi textile-printing factory.

Earnings

In 2006, the Group's operating profit fell by 4.8% to EUR 10.9 million (EUR 11.4 million). Operating profit as a percentage of net sales amounted to 15.2% (17.0%). Marketing expenses for 2006 totalled EUR 3.7 million (EUR 3.6 million), or 5.2% (5.4%) of net sales.

The Group's depreciation amounted to EUR 1.2 million (EUR 0.9 million), representing 1.6% (1.4%) of the Group's net sales. Net financial expenses totalled EUR 0.07 million (EUR 0.07 million), or 0.1% (0.1%) of the Group's net sales.

The Group's profit after taxes for the financial year fell by 5.2% to EUR 8.0 million (EUR 8.4 million), representing 11.2% (12.5%) of the Group's net sales. Earnings per share were EUR 1.00 (EUR 1.05).

Earnings for the 2006 financial year were weakened by a fall in sales in Finland, higher fixed costs, as well as a decline in the average clothing sales margin in the second quarter. In addition, earnings were burdened by expenses associated with the opening of the shops in the Kamppi Centre in Helsinki and in Frankfurt, Germany.

Trends in the Marimekko Group's key figures over the last three years have been as follows:

	2006	2005	2004
Net sales, EUR million	71.4	67.2	64.6
Operating profit, EUR million	10.9	11.4	9.1
Operating profit, % of net sales	15.2	17.0	14.1
Return on equity (ROE), %	31.3	38.4	28.9
Equity ratio, %	70.5	66.5	60.3

In 2006, the operating profit of the parent company Marimekko Corporation (FAS) amounted to EUR 10.7 million (EUR 10.9 million in 2005; EUR 9.0 million in 2004).

Investments

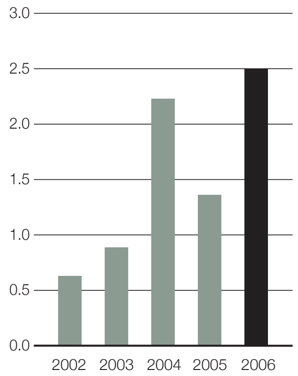
The Group's gross investments during the financial year amounted to EUR 2.5 million (EUR 1.4 million), representing 3.4% (2.0%) of consolidated net sales. The major investments focused on the interior decoration and furnishing of the new shops in the Kamppi Centre in Helsinki and at Ideapark in Lempäälä, renovation of the Kitee factory, and the renewal of both the cash register systems in shops and textile printing production equipment.

Equity ratio and financing

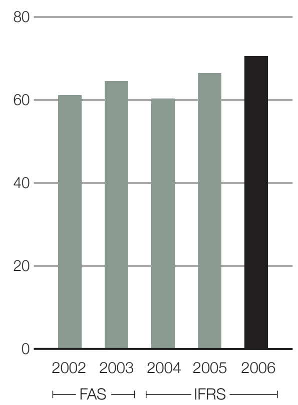
At the end of the financial period, the equity ratio was 70.5% (66.5% on 31 December 2005). The ratio of interest-bearing liabilities minus financial assets to shareholders' equity (gearing) was -11.7%, while it was -15.6% at the end of the previous year.

At the end of the financial year, the Group's interest-bearing liabilities amounted to EUR 2.6 million (EUR 3.7 million). The Group's financing from operations was EUR 9.1 million (EUR 9.3 million). At the end of 2006, the Group's financial assets amounted to EUR 5.8 million (EUR 7.5 million).

Gross investments
EUR million



Equity ratio
%



The equity ratio of the parent company Marimekko Corporation (FAS) was 71.2% at the end of 2006 (64.5% in 2005; 58.6% in 2004).

Shares and share performance

At the end of the 2006 financial year, the company's paid-in share capital, as recorded in the Trade Register, amounted to EUR 8,040,000 and the number of shares totalled 8,040,000. The company has one series of shares, each having an accounting countervalue of one (1) euro.

According to the book-entry register, the company had 5,244 (4,834) registered shareholders at the end of the financial period. 16.8% 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

Threadneedle Asset Management Holdings Ltd's share of Marimekko Corporation's share capital and voting rights rose to 5.05%, or 405,824 shares, as a result of a transaction made on 18 May 2006; and then fell to 4.42%, or 355,624 shares, as a result of a transaction made on 28 July 2006.

The total share of Marimekko Corporation's share capital and voting rights held by the investment funds administered by Nordea Investment Fund Company Finland Ltd (Nordea Nordic Small Cap Fund, Nordea Fennia Fund, Nordea Pro Finland Fund, Nordea Stable Return Fund) rose to 7.47%, or a total of 600,500 shares, as a result of transactions made on 17 August 2006; and then fell to 4.98%, or 400,500 shares, as a result of the sale of 200,000 Marimekko shares by the Nordea Nordic Small Cap Fund on 18 August 2006.

Authorisations

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.

Shares traded

During the financial year, a total of 3,470,027 Marimekko shares were traded, representing 43.2% of the shares outstanding. The total value of Marimekko's share turnover was EUR 52,224,311. In 2006, the lowest price of the Marimekko share was EUR 12.52, the highest was EUR 18.70, and the average price was EUR 15.56. At the end of the financial year, the final price of the share was EUR 14.65. The company's market capitalisation at the end of 2006 was EUR 117,786,000. At the end of 2005, the company's market capitalisation was EUR 130,569,600.

Dividend paid for the 2005 financial year

The Annual General Meeting held on 6 April 2006 decided to pay a dividend of EUR 0.65 per share for 2005 to a total of EUR 5,226,000.00, as proposed by the Board of Directors.

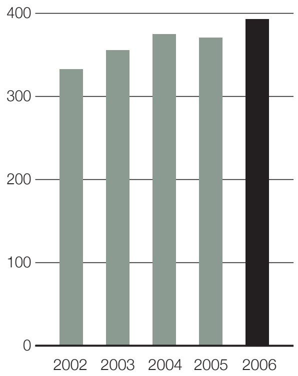
Personnel

During the financial year, the number of employees averaged 393 (371). At the end of the year, the Group employed 396 (377) people, of whom 14 (10) worked abroad.

Risk management and major risks

Marimekko regularly evaluates and monitors its risk environment and any changes that occur in it. The company's risk management aims to identify and control any key risks that could endanger success in reaching targets and implementing strategy.

Average personnel



The main risks that have been identified are associated with fluctuations in demand caused by changes in the business climate, heightened competition in the textile and clothing industry due to increased supply, maintaining strong and diverse design expertise, the retirement of key employees, ensuring delivery reliability and the flexibility of production structure as well as foreign currencies and credit losses. Details of an evaluation of the major risks and uncertainty factors, as well as any other factors that may affect the company's business, prepared in accordance with section 2.7 of the general guidance issued by the Finnish Accounting Board on 12 September 2006, are presented on page 57 in note 20 to the consolidated income statement.

The Group is not party to any significant agreements that would come into force, be amended or be terminated if controlling interest in the company were to change due to a public tender offer.

The environment, health and safety

A major component of Marimekko's business supervision in environmental matters is based on legislation and other regulations. The company was granted an environmental permit for the Herttoniemi printing factory and its operations in 2005. The new EU chemicals regulation REACH (Registration, Evaluation and Authorisation of Chemicals) will come into force on 1 June 2007. Although the colours and chemicals used in textile printing fall under the scope of the regulation, it is not expected to bring any significant changes to the colours or chemicals used by the Herttoniemi factory. In December 2006, a heat recovery system was introduced in the printing factory. Thanks to the system, all the heat released during the production process can now be used to heat the printing building.

Occupational safety and the well-being of the Marimekko working community are monitored and enhanced through active co-operation between the workplace safety committee and occupational healthcare. The company purchases occupational healthcare services from external practitioners or local healthcare centres. Occupational healthcare focuses on preventing sickness and monitoring both individual ability to work and the well-being of the working community as a whole. In 2006, the absence percentage – calculated from theoretical regular working time – was 5.3% in production and 2.3% in other business units.

Research and development

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

Board of Directors, management and auditors

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 members. The Board elects a chairman from amongst its members.

The duties and responsibilities of the Board of Directors are determined primarily by 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. These include approving strategic policies, budgets and operating plans, and deciding on significant investments, mergers and acquisitions. The Articles of Association do not provide the Board of Directors or the president with any powers other than those that are customary. Decisions to amend the Articles of Association or to increase the share capital are made in accordance with the provisions of the Companies Act in force.

The Annual General Meeting of 6 April 2006 resolved that the company's Board of Directors shall have three members. Kari Miettinen, B.Sc. (Econ.), Authorised Public Accountant, Matti Kavetvuo, M.Sc. (Eng.), B.Sc. (Econ.), and 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 Board convened seven times during 2006. All members were present at all meetings.

The Board of Directors elects the president and decides on the president's salary and other remuneration. The president's duties are set down in the Companies Act. Kirsti Paakkanen is currently serving as Marimekko's president.

At the end of the year, the company's management group comprised Kirsti Paakkanen, President, Thomas Ekström (finance and administration), Riitta Koljonen (product information), Marja Korkeela (corporate communications and investor relations), Päivi Lonka (exports and licensing sales), Sirpa Loukamo (product development, clothing), Merja Puntila (domestic wholesale), Piia Rossi (retail sales), Ritva Schoultz (personnel affairs) and Helinä Uotila (production and purchases).

The Annual General Meeting held on 6 April 2006 confirmed that Nexia Tilintarkastus Oy, Authorised Public Accountants, will continue as the company's regular auditor, with Seppo Tervo, Authorised Public Accountant, as chief auditor and Matti Hartikainen, Authorised Public Accountant, as deputy auditor.

The Board of Directors' proposal for the dividend for the 2006 financial year

On 31 December 2006, the parent company's distributable funds amounted to EUR 15,785,611.09, of which EUR 7,773,751.18 was profit for the financial year. The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2006 to a total of EUR 5,226,000.00 and that the remaining profit be retained in equity. No substantial changes in the company's financial position have occurred after the end of the financial year. The company's liquidity is good and, in the view of the Board of Directors, the proposed dividend payout does not jeopardise the company's solvency.

Outlook for 2007

Growth in the world economy is expected to continue in 2007, although it will slacken slightly compared to 2006. Increased total production and high consumption demand will also maintain good growth in Finland during 2007. Economic growth is expected to slow slightly in the United States. In Japan, favourable economic trends are forecast to continue. A pick-up in exports and consumption demand is expected to boost growth in the euro zone. Based on the business climate outlook and the market situation, growth in the Marimekko Group's net sales in 2007 is forecast to remain at the same level as in 2006. Exports are anticipated to continue to grow vigorously. The Group's profitability is expected to remain good.

Consolidated financial statements, IFRS

Consolidated balance sheet

(EUR 1,000)		31 Dec. 2006	31 Dec. 2005
ASSETS			
NON-CURRENT ASSETS	1.		
Tangible assets	1.1	9 992	8 683
Intangible assets	1.2	348	359
Available-for-sale investments	1.3	20	20
		10 360	9 062
CURRENT ASSETS	2.		
Inventories	2.1	16 304	15 598
Trade and other receivables	2.2	5 717	4 127
Cash and cash equivalents	2.3	5 789	7 515
		27 810	27 240
ASSETS, TOTAL		38 170	36 302

The notes are an integral part of the financial statements.

Consolidated balance sheet

(EUR 1,000)		31 Dec. 2006	31 Dec. 2005
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	18 861	16 097
Shareholders' equity, total		26 901	24 137
NON-CURRENT LIABILITIES	4.		
Deferred tax liabilities	4.1	614	567
Interest-bearing liabilities	4.2	841	1 842
		1 455	2 409
CURRENT LIABILITIES	5.		
Trade and other payables	5.1	7 803	7 502
Tax liabilities		210	358
Interest-bearing liabilities	5.2	1 801	1 896
		9 814	9 756
Liabilities, total		11 269	12 165
SHAREHOLDERS' EQUITY AND LIABILITIES, TOTAL		38 170	36 302

The notes are an integral part of the financial statements.

Consolidated income statement

(EUR 1,000)		**1 Jan.–31 Dec. 2006**	**1 Jan.–31. Dec. 2005**
NET SALES	10.	71 424	67 219
Other operating income	11.	60	47
Increase or decrease in inventories of completed and unfinished products		-33	2 046
Raw materials and consumables	12.	27 868	27 208
Employee benefit expenses	13.	15 407	14 324
Depreciation and impairment	14.	1 158	919
Other operating expenses	15.	16 154	15 448
OPERATING PROFIT		10 864	11 413
Financial income	16.	124	87
Financial expenses	17.	-192	-153
		-68	-66
PROFIT BEFORE TAXES		10 796	11 347
Income taxes	18.	2 806	2 923
NET PROFIT FOR THE PERIOD		7 990	8 424
Distribution			
To equity holders of the parent company		7 990	8 424
Earnings per share calculated on the profit attributable to equity holders of the parent company, EUR	19.	1.00	1.05

The notes are an integral part of the financial statements.

Consolidated cash flow statement

(EUR 1,000)	**2006**	**2005**
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	7 990	8 424
Adjustments		
Depreciation and impairment	1 158	919
Financial income and expenses	68	66
Income taxes	2 806	2 923
Other adjustments		27
Cash flow before change in working capital	12 022	12 359
Change in working capital	-2 069	-2 714
Cash flow from operating activities before financial items and taxes	9 953	9 645
Paid interest and payments on other financial expenses	-194	-167
Interest received	101	97
Taxes paid	-2 958	-3 151
CASH FLOW FROM OPERATING ACTIVITIES	6 902	6 424
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-2 301	-1 361
CASH FLOW FROM INVESTING ACTIVITIES	-2 301	-1 361
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term loans drawn	3 000	200
Short-term loans repaid	-3 100	
Long-term loans repaid	-946	-1 323
Finance leasing debts paid	-55	-51
Dividends paid	-5 226	-4 020
CASH FLOW FROM FINANCING ACTIVITIES	-6 327	-5 194
Change in cash and cash equivalents	-1 726	-131
Cash and cash equivalents at the beginning of the period	7 515	7 646
Cash and cash equivalents at the end of the period	5 789	7 515

The notes are an integral part of the financial statements.

Consolidated statement of changes in shareholders' equity

(EUR 1,000)

	Equity attributable to equity holders of the parent company				
	Share capital	**Translation differences**	**Fair value and other reserves**	**Retained earnings**	**Shareholders' equity, total**
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
Adjusted shareholders' equity 1 Jan. 2006	8 040			16 097	24 137
Net profit for the period				7 990	
Dividends paid				-5 226	
Shareholders' equity 31 Dec. 2006	8 040			18 861	26 901

The notes are an integral part of the financial statements.

Notes to the consolidated financial statements

GROUP PROFILE

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

Marimekko Corporation's shares are quoted on 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 at www.marimekko.com and the head office of the Group's parent company at Puusepänkatu 4, 00880 Helsinki, Finland.

Marimekko Corporation's Board of Directors approved these financial statements for publication at its meeting on 25 January 2007. According to the Finnish Companies Act, shareholders have the right to accept or reject the financial statements at the Annual General Meeting held after the publication. The Annual General Meeting may also amend the financial statements.

ACCOUNTING POLICY APPLIED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting policy

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), complying with the IAS and IFRS standards as well as the SIC and IFRIC interpretations in force as at 31 December 2006. In the Finnish Accounting Act and the provisions laid down pursuant to the Act, International Financial Reporting Standards refer to the standards approved for use in the EU in accordance with the procedures laid down in IAS Regulation (EC) 1606/2002 of the European Parliament, and the interpretations of these standards. The notes to the consolidated financial statements also comply with Finnish accounting and company legislation.

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

Use of estimates

The preparation of financial statements in accordance with IFRS calls for the management to use estimates and assumptions. These estimates and assumptions affect the value of assets and liabilities in the balance sheet, the disclosure of contingent liabilities and assets, if any, and the amounts of revenue and expenses during the reporting period. The actual figures may deviate from these estimates.

Principles of consolidation

Marimekko's consolidated financial statements include the accounts of the parent company Marimekko Corporation and its subsidiaries. Subsidiaries are companies in which the Group has the right to determine the financial and operating principles of the undertaking or business operations, 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 profits have been eliminated.

Changes in the group structure

No acquisitions or divestments were carried out in 2006.

Translation of items denominated in foreign currency

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

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

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

Revenue recognition

Sales of products are recognised as income when the significant risks and rewards incident to the ownership of goods have been transferred to the buyer. The Group then relinquishes oversight and control of the product. Mainly, this is the moment when the goods are handed over to the customer as set forth in the agreed delivery clause. The revenue recognition of licensing and royalty income is handled in accordance with the 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 book value 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.

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.

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 a 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 useful life if it is probable that the resulting economic benefit exceeds the estimated revenue originally obtainable from the asset in question.

Investment-related costs of debt are expensed in the financial period during which they materialise.

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

Intangible assets

The company has no goodwill to be recognised in the balance sheet.

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

Impairment

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

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 fixed assets in which the Group is transferred a material share of the risks and rewards incident to ownership are classified as finance lease agreements. Fixed assets leased under finance lease agreements are recorded in tangible assets less accumulated depreciation, and lease commitments are included in other interest-bearing liabilities. Fixed assets acquired under finance lease agreements are depreciated in line with the Group's depreciation policy over their useful life or lease period, whichever is shorter. Rents payable under lease agreements are divided into financial expenses and debt repayment. Lease agreements in which the risks and rewards incident to ownership are retained by the lessor are treated as other lease agreements. Rents payable under other lease agreements are 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 objective evidence indicating that the Group will not get all its receivables in full.

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 payable

Dividends paid by the company are booked as a reduction in shareholders' equity in the financial period during which shareholders have approved the dividend payout at the Annual General Meeting.

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 Share-based Payment
IFRS 4 Insurance Contracts
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
IFRS 6 Exploration for and Evaluation of Mineral Resources
IAS 11 Construction Contracts
IAS 26 Accounting and Reporting by Retirement Benefit Plans
IAS 28 Investments in Associates
IAS 29 Financial Reporting in Hyperinflationary Economies
IAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions
IAS 31 Interests in Joint Ventures
IAS 41 Agriculture

In 2007, Marimekko will adopt the following new or amended standards and interpretations that were released by the IASB in 2005 and 2006:

IFRS 7 Financial Instruments: Disclosures. The Group estimates that the adoption of the standard will primarily affect the notes to the consolidated financial statements.

IAS 1 Presentation of Financial Statements (amended). The Group estimates that the amendment will primarily affect the notes to the consolidated financial statements.

IFRIC 8 Scope of IFRS 2. The Group estimates that the new interpretation will not have any effect on the Group's next financial statements.

IFRIC 9 Reassessment of Embedded Derivatives. The Group estimates that the new interpretation will not have any effect on the Group's next financial statements.

IFRIC 10 Interim Financial Reporting and Impairment. The Group estimates that the new interpretation will not have any effect on the Group's next financial statements.

Notes to the balance sheet

(EUR 1,000)

1. NON-CURRENT ASSETS

1.1 Tangible assets

2006	**Land and water**	**Buildings and structures**	**Machinery and equipment**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2006	911	4 638	7 629	356	13 534
Increases		1 248	1 405		2 653
Decreases				-354	-354
Acquisition cost, 31 Dec. 2006	911	5 886	9 034	2	15 833
Accumulated depreciation, 1 Jan. 2006		1 047	3 803		4 850
Depreciation		256	735		991
Accumulated depreciation, 31 Dec. 2006		1 303	4 538		5 841
	911	4 583	4 496	2	9 992
Book value, 1 Jan. 2006	911	3 591	3 825	356	8 683
Book value, 31 Dec. 2006	911	4 583	4 496	2	9 992
Book value of production machinery and equipment, 31 Dec. 2006					2 615

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	767	967	1 856
Decreases			-26	-623	-649
Exchange differences		-10			-10
Acquisition cost, 31 Dec. 2005	911	4 638	7 629	356	13 534
Accumulated depreciation, 1 Jan. 2005		820	3 252		4 072
Depreciation		227	552		779
Accumulated depreciation, 31 Dec. 2005		1 047	3 804		4 851
	911	3 591	3 825	356	8 683
Book value, 1 Jan. 2005	874	3 743	3 636	12	8 265
Book value, 31 Dec. 2005	911	3 591	3 825	356	8 683
Book value of production machinery and equipment, 31 Dec. 2005					2 292

Finance lease agreements

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

	2006	**2005**
Acquisition cost, 1 Jan.	250	250
Accumulated depreciation	226	171
Book value, 31 Dec.	24	79

(EUR 1,000)

1.2 Intangible assets

2006	Intangible rights	Other capitalised expenditure	Total
Acquisition cost, 1 Jan. 2006	370	2 721	3 091
Increases	28	128	156
Acquisition cost, 31 Dec. 2006	398	2 849	3 247
Accumulated depreciation, 1 Jan. 2006	245	2 487	2 732
Depreciation	31	136	167
Accumulated depreciation, 31 Dec. 2006	276	2 623	2 899
	122	226	348
Book value, 1 Jan. 2006	125	234	359
Book value, 31 Dec. 2006	122	226	348

2005	Intangible rights	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
Book value, 1 Jan. 2005	121	240	361
Book value, 31 Dec. 2005	125	234	359

1.3 Available-for-sale investments

	2006	2005
Available-for-sale shares		
Acquisition cost, 1 Jan.	20	20
Acquisition cost, 31 Dec.	20	20
Book value, 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)		**2006**	**2005**
2.	CURRENT ASSETS		
2.1	Inventories		
	Raw materials and consumables	5 293	5 015
	Incomplete products	182	178
	Finished products/goods	10 392	10 266
	Advance payments	437	139
	Total	16 304	15 598
2.2	Trade and other receivables		
	Trade receivables	4 635	3 302
	Other receivables	38	56
	Prepaid expenses and accrued income	1 044	769
	Total	5 717	4 127
	Prepaid expenses and accrued income		
	Interest receivables	28	24
	Royalty receivables	610	410
	Social security contribution insurance		21
	Tax assets	62	11
	Other prepaid expenses and accrued income	344	303
	Total	1 044	769
	Impairment of trade receivables	67	65
2.3	Cash and cash equivalents		
	Cash in hand and at banks	5 789	7 515

3.	SHAREHOLDERS' EQUITY	**Number of shares (1,000)**	**Share capital EUR**	**Total EUR**
3.1	1 Jan. 2005	8 040	8 040 000	8 040 000
	31 Dec. 2005	8 040	8 040 000	8 040 000
	1 Jan. 2006	8 040	8 040 000	8 040 000
	31 Dec. 2006	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. Marimekko Corporation'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 2006. The Group does not have any share option schemes.

3.2	Distributable funds, 31 Dec.	**2006**	**2005**
	Retained earnings from previous years	–	7 673
	Profit for the period	–	8 424
	Retained earnings	–	16 097
	Share of the accumulated depreciation difference entered in shareholders' equity	–	-1 235
	Distributable funds, 31 Dec.	–	14 862

(EUR 1,000)

4.1 Deferred tax assets and liabilities

Changes in deferred taxes in 2006

	1 Jan. 2006	Recognised in the income statement	31 Dec. 2006
Deferred tax assets			
Internal margin of inventories	48	5	53
Other items	10		10
Total	58	5	63
Deferred tax asset	58	5	63
Deferred tax liabilities			
Accumulated depreciation difference	-445	-72	-517
Inventories	-180	20	-160
Total	-625	-52	-677
Deferred tax liability	-625	-52	-677
Deferred tax liability, net			-614

Changes in deferred taxes in 2005

	1 Jan. 2005	Recognised in the income statement	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

	INTEREST-BEARING LIABILITIES	2006	2005
4.2	Non-current		
	Bank loans	286	857
	Pension loans	555	925
	Finance lease liabilities		60
	Total	841	1 842

(EUR 1,000)	**2006**	**2005**
5.2 Current		
Bank loans	571	571
Pension loans	370	370
Other liabilities	800	900
Finance lease liabilities	60	55
Total	1 801	1 896
Interest-bearing liabilities, total	2 642	3 738

Maturities of non-current liabilities 2006	**2008**	**2009**
Bank loans, variable interest	286	
Pension loans	370	185
Total	656	185

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

Range of variation of the interest rate applied to interest-bearing liabilities, %	**2006**	**2005**
Loans from financial institutions	2.18–4.10	2.69–2.72
Pension loans	3.00	3.00
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	60	65
Later than 1 year – no later than 5 years		65
Present value of minimum lease payments	60	130
Present value of minimum lease payments		
No later than 1 year	60	55
Later than 1 year – no later than 5 years		60
Present value of minimum lease payments	60	115
Financial expenses accrued in the future	5	15

5.1 Trade and other payables		
Trade payables	2 870	2 342
Other payables	2 245	2 464
Accrued liabilities and deferred income	2 688	2 696
Total	7 803	7 502

(EUR 1,000)	**2006**	**2005**
Accrued liabilities and deferred income		
Interest	12	15
Employee benefits	2 323	2 586
Other accrued liabilities and deferred income	353	95
Total	2 688	2 696

6. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Book value 2006	**Fair value 2006**	**Book value 2005**	**Fair value 2005**
Trade and other receivables	5 717	5 717	4 127	4 127
Cash and cash equivalents	5 789	5 789	7 515	7 515
Bank loans	857	857	1 428	1 428
Pension loans	925	925	1 295	1 295
Other liabilities	800	800	900	900
Finance lease liabilities	60	60	115	115
Trade and other payables	7 803	7 803	7 502	7 502

The fair values of loans correspond to their book values.

7. GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	2006	**2005**
For own liabilities		
Guarantees	168	101
Corresponding commitments	168	101
Corporate mortgages and mortgaged promissory notes	5 214	5 214
Corresponding pension loan	925	1 295
For the liabilities of other companies		
Guarantees	975	1 140
Other own liabilities and commitments		
Lease liabilities	169	69
Lease agreement commitments	7 987	9 853
Commitments, total	14 513	16 377

The Group has no liabilities from derivative contracts.

Other lease agreements

The Group as lessee
Minimum lease payments under other non-cancellable lease agreements

No later than 1 year	1 818	2 322
Later than 1 year – no later than 5 years	4 065	5 025
Later than 5 years	1 876	2 575
Total	7 759	9 922

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 2006 income statement includes EUR 2,653 thousand in rental expenses paid on the basis of other non-cancellable lease agreements.

(EUR 1,000)

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, Frankfurt am Main, 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	**2006**	**2005**
Salaries and bonuses of the president		
Kirsti Paakkanen	120	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	35	22
Gemmi Furs Oy	800	900

Repayment of said loans on demand.

In 2004, Marimekko Corporation granted a loan guarantee on behalf of a related-party company (Gemmi Furs Oy) as part of business operations. The guarantee amounted to EUR 975 thousand as at 31 Dec. 2006. 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.

	2006	2005
Net sales		
Finland	53 826	54 180
Other countries	17 598	13 039
Total	71 424	67 219
Assets		
Finland	36 662	34 799
Other countries	2 228	1 616
Eliminations	-720	-113
Total	38 170	36 302
Investments		
Finland	2 365	1 361
Other countries	90	
Total	2 455	1 361

11. OTHER OPERATING INCOME

Rental income	4	5
Capital gains from the sale of non-current assets		6
Other income	56	36
Total	60	47

12. RAW MATERIALS AND CONSUMABLES

Materials and supplies		
Purchases during the financial year	20 451	20 647
Change in inventories	-537	-923
Total	19 914	19 724
External services	7 954	7 484
Total	27 868	27 208

13. EMPLOYEE BENEFIT EXPENSES

Salaries, wages and bonuses	12 575	11 657
Pension expenses – defined contribution plans	2 044	1 949
Other indirect social expenditure	788	718
Total	15 407	14 324
Average number of employees		
Salaried employees	255	234
Non-salaried employees	138	137
Total	393	371

(EUR 1,000)

		2006	2005
14.	DEPRECIATION AND IMPAIRMENT	**2006**	**2005**
	Intangible assets		
	Intangible rights	31	26
	Other capitalised expenditure	136	114
	Total	167	140
	Tangible assets		
	Buildings and structures	256	227
	Machinery and equipment	735	552
	Total	991	779
	Total	1 158	919

15. OTHER OPERATING EXPENSES

	2006	2005
Leases	2 765	2 399
Marketing	3 705	3 619
Other expenses	9 684	9 430
Total	16 154	15 448

16. FINANCIAL INCOME

	2006	2005
Interest income	124	87
Total	124	87

17. FINANCIAL EXPENSES

	2006	2005
Interest expenses	-160	-168
Other financial expenses	-32	15
Total	-192	-153
Financial expenses include losses/gains on exchange rates	-11	28

18. INCOME TAXES

	2006	2005
Taxes on taxable earnings for the period	2 759	2 844
Taxes for prior years		13
Deferred taxes	47	66
Total	2 806	2 923

Reconciliation statement of taxes calculated on the basis of tax expenses in the income statement and the Group's Finnish tax rate (26%)

	2006	2005
Profit before taxes	10 796	11 347
Taxes calculated at the Finnish tax rate	2 807	2 950
Different tax rates of foreign subsidiaries	-4	-4
Non-deductible expenses	3	-4
Taxes for prior years		13
Deferred tax proceeds/expenses due to the decline in the Finnish tax rate		-32
Taxes in the income statement	2 806	2 923

19. EARNINGS PER SHARE	**2006**	**2005**
Net profit for the period, EUR 1,000	7 990	8 424
Weighted average number of shares, 1,000	8 040	8 040
Earnings per share, EUR	1.00	1.05

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.

The Group is not involved in any pending judicial proceedings or other ongoing disputes, and the Board of Directors is not aware of any other legal risks to the Group that would have a significant effect on the continuity of the company's operations.

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.

Contractual risks
The Group is not party to any significant agreements that would come into force, be amended or be terminated if controlling interest in the company were to change due to a public tender offer.

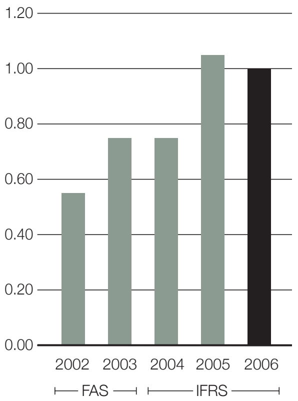
Key financial figures of the Group

Per-share key figures

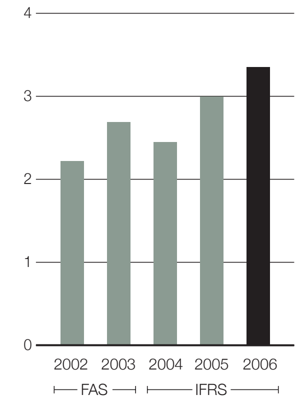
	FAS 2002	FAS 2003	IFRS 2004	IFRS 2005	IFRS 2006
Earnings per share (EPS), EUR	0.55	0.75	0.75	1.05	1.00
Equity per share, EUR	2.22	2.69	2.45	3.00	3.35
Dividend per share, EUR	0.28	1.00	0.50	0.65	*) 0.65
Dividend per profit, %	51.8	133.0	67.1	62.0	*) 65.4
Effective dividend yield, %	5.9	10.9	3.4	4.0	4.4
P/E ratio	8.7	12.2	19.7	15.5	14.6
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.

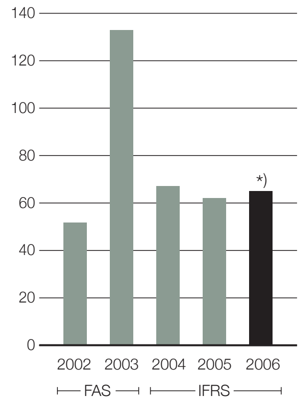
Earnings per share
EUR



Equity per share
EUR

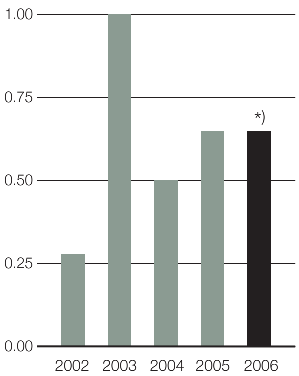


Dividend per profit
%



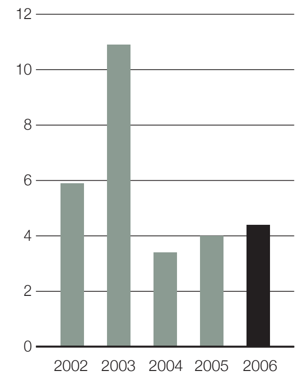
*) Proposal by the Board of Directors

Dividend per share
EUR

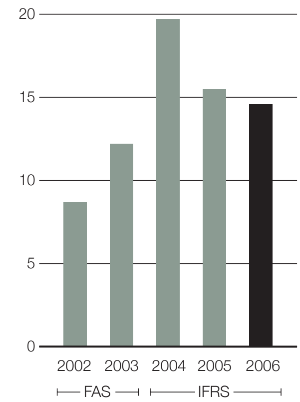


*) Proposal by the Board of Directors

Effective dividend yield
%



P/E ratio



Quarterly trends 2005–2006

	Jan.–March		April–June		July–Sept.		Oct.–Dec.	
	2006	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
Net sales, EUR 1,000	16,174	14,617	16,751	16,713	18,357	17,136	20,142	18,753
Operating profit, EUR 1,000	1,452	1,652	2,144	3,295	3,492	3,031	3,776	3,435
Profit before extraordinary items and taxes, EUR 1,000	1,442	1,635	2,114	3,266	3,478	3,006	3,762	3,440
Net profit, EUR 1,000	1,071	1,261	1,560	2,417	2,580	2,211	2,779	2,535
Earnings per share, EUR	0.13	0.16	0.20	0.30	0.32	0.27	0.35	0.32
Equity per share, EUR	3.14	2.61	2.68	2.41	3.00	2.69	3.34	3.00

Five-year review

	FAS 2002	**FAS 2003**	**IFRS 2004**	**IFRS 2005**	**IFRS 2006**
Net sales, EUR 1,000	49,318	56,587	64,592	67,219	71,424
Change in net sales, %	17.4	14.7	14.1	4.1	6.3
Operating profit, EUR 1,000	6,450	8,849	*) 9,129	11,413	10,864
% of net sales	13.1	15.6	14.1	17.0	15.2
Financial income, EUR 1,000	66	67	51	87	124
Financial expenses, EUR 1,000	-356	-379	-228	-153	-192
Profit before taxes, EUR 1,000	6,160	8,537	8,952	11,347	10,796
% of net sales	12.5	15.1	13.9	16.9	15.1
Taxes, EUR 1,000	1,771	2,492	2,957	2,923	2,806
Profit after taxes, EUR 1,000	4,389	6,045	5,995	8,424	7,990
Balance sheet total, EUR 1,000	29,271	33,592	32,735	36,302	38,170
Interest-bearing liabilities, EUR 1,000	5,515	6,004	4,912	3,738	2,642
Shareholders' equity and reserves, EUR 1,000	17,887	21,653	19,733	24,137	26,901
Return on equity (ROE), %	26.5	30.6	28.9	38.4	31.3
Return on investment (ROI), %	29.5	34.6	35.0	43.9	38.2
Equity ratio, %	61.1	64.5	60.3	66.5	70.5
Gearing, %	11.2	-11.8	-13.9	-15.6	-11.7
Gross investments, EUR 1,000	626	893	2,234	1,361	2,455
% of net sales	1.3	1.6	3.5	2.0	3.4
Average personnel	333	356	375	371	393
Personnel at the end of the financial year	344	365	355	377	396

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

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

Parent company financial statements, FAS

Parent company balance sheet

(EUR 1,000)			31 Dec. 2006		31 Dec. 2005
ASSETS					
FIXED ASSETS	1.				
Intangible assets	1.1				
Intangible rights		122		124	
Other capitalised expenditure		919	1 041	387	511
Tangible assets	1.2				
Machinery and equipment		2 629		3 286	
Other tangible assets		4		4	
Advance payments and acquisitions in progress		2	2 635	356	3 646
Investments	1.3				
Participations in Group companies		2 477		2 477	
Other shares and participations		17	2 494	17	2 494
CURRENT ASSETS					
Inventories	2.				
Raw materials and consumables		5 273		4 996	
Incomplete products		144		112	
Finished products/goods		9 359		9 349	
Other inventories		123		77	
Advance payments		314	15 213	140	14 674
Current receivables	3.				
Trade receivables		4 614		3 283	
Receivables from Group companies		2 436		1 716	
Other receivables		20		43	
Prepaid expenses and accrued income		799	7 869	589	5 631
Cash in hand and at banks			5 439		7 382
ASSETS, TOTAL			34 691		34 338

Parent company balance sheet

(EUR 1,000)			31 Dec. 2006		31 Dec. 2005
LIABILITIES					
SHAREHOLDERS' EQUITY	4.				
Share capital			8 040		8 040
Retained earnings			8 012		5 319
Profit for the period			7 774		7 918
			23 826		21 277
ACCUMULATED APPROPRIATIONS	5.				
Depreciation difference			1 196		1 227
CREDITORS	6.				
Non-current liabilities	6.1				
Loans from financial institutions		286		857	
Pension loans		555	841	925	1 782
Current liabilities	6.2				
Loans from financial institutions		571		571	
Pension loans		370		370	
Advances received		5		6	
Trade payables		2 760		2 311	
Debts to Group companies		685		2 059	
Other liabilities		2 765		2 827	
Accrued liabilities and deferred income		1 672	8 828	1 908	10 052
LIABILITIES, TOTAL			34 691		34 338

Parent company income statement

(EUR 1,000)			**1 Jan.–31 Dec. 2006**		**1 Jan.–31. Dec. 2005**
NET SALES			70 782		66 519
Increase or decrease in inventories of completed and unfinished products			87		1 881
Other operating income	7.		29		47
Materials and services	8.				
Materials and supplies					
Purchases during the financial year		20 427		20 625	
Change in inventories		-277		-905	
External services		11 007	31 157	10 232	29 952
Personnel expenses	9.				
Salaries, wages and bonuses		7 584		6 997	
Indirect social expenditure					
Pension expenses		1 126		1 096	
Other indirect social expenditure		488	9 198	427	8 520
Depreciation and impairment	10.				
Depreciation according to plan			726		610
Other operating expenses	11.		19 136		18 434
OPERATING PROFIT			10 681		10 931
Financial income and expenses	12.				
Other interest and financial income					
From Group companies		34		31	
From others		123		87	
Interest and other financial expenses					
To Group companies		-2		-3	
To others		-180	-25	-137	-22
PROFIT BEFORE EXTRAORDINARY ITEMS			10 656		10 909
Extraordinary items	13.				
Extraordinary expenses			-167		-14
PROFIT BEFORE APPROPRIATIONS AND TAXES			10 489		10 895
Appropriations	14.				
Change in depreciation difference			30		-183
Income taxes	15.		-2 745		-2 794
NET PROFIT FOR THE PERIOD			7 774		7 918

Parent company cash flow statement

(EUR 1,000)	**2006**	**2005**
CASH FLOW FROM OPERATIONS		
Profit before extraordinary items	10 656	10 909
Adjustments		
Depreciation according to plan	726	610
Financial income and expenses	25	22
Other adjustments		27
Cash flow before change in working capital	11 407	11 568
Change in working capital	-4 057	-2 132
Cash flow from operations before financial items and taxes	7 350	9 436
Paid interest and payments on other operational financial expenses	-185	-154
Interest received from operations	135	128
Direct taxes paid	-2 885	-3 086
CASH FLOW FROM OPERATIONS	4 415	6 324
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-91	-1 250
CASH FLOW FROM INVESTMENTS	-91	-1 250
CASH FLOW FROM FINANCING		
Short-term loans drawn	3 000	200
Short-term loans repaid	-3 100	
Long-term loans repaid	-941	-1 323
Dividends paid	-5 226	-4 020
CASH FLOW FROM FINANCING	-6 267	-5 143
Change in financial assets	-1 943	-69
Financial assets at the beginning of the financial period	7 382	7 451
Financial assets at the end of the financial period	5 439	7 382

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 useful 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 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 balance sheet

(EUR 1,000)

1. FIXED ASSETS

1.1 Intangible assets

2006	**Intangible rights**	**Other capitalised expenditure**	**Total**
Intangible rights			
Acquisition cost, 1 Jan. 2006	327	2 403	2 730
Increases	29	750	779
Acquisition cost, 31 Dec. 2006	356	3 153	3 509
Accumulated depreciation, 1 Jan. 2006	203	2 016	2 219
Depreciation during financial period	31	218	249
Accumulated depreciation, 31 Dec. 2006	234	2 234	2 468
Book value, 31 Dec. 2006	122	919	1 041

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
Book value, 31 Dec. 2005	124	387	511

1.2 Tangible assets

2006	**Machinery and equipment**	**Other tangible assets**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2006	6 533	4	356	6 893
Increases	1 198		1 292	2 490
Decreases	-1 378		-1 646	-3 024
Acquisition cost, 31 Dec. 2006	6 353	4	2	6 359
Accumulated depreciation, 1 Jan. 2006	3 247			3 247
Depreciation during financial period	477			477
Accumulated depreciation, 31 Dec. 2006	3 724			3 724
Book value, 31 Dec. 2006	2 629	4	2	2 635

2005	**Machinery and equipment**	**Other tangible assets**	**Advance payments and acquisitions in progress**	**Total**
Acquisition cost, 1 Jan. 2005	5 842	4	12	5 858
Increases	718		967	1 685
Decreases	-27		-623	-650
Acquisition cost, 31 Dec. 2005	6 533	4	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
Book value, 31 Dec. 2005	3 286	4	356	3 646

Book value of production machinery and equipment	
31 Dec. 2006	1 269
31 Dec. 2005	2 207

(EUR 1,000)

1.3 Investments

2006	**Shares in Group companies**	**Other shares and participations**	**Total**
Acquisition cost, 1 Jan. 2006	2 766	17	2 783
Acquisition cost, 31 Dec. 2006	2 766	17	2 783
Accumulated depreciation, 31 Dec. 2006	289		289
Book value, 31 Dec. 2006	2 477	17	2 494

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
Book value, 31 Dec. 2005	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, Frankfurt am Main, Germany	100
Marimekko Kitee Oy, Kitee, Finland	100
Marimekko Tuotanto Oy, Helsinki, Finland	100

(EUR 1,000)	**2006**	**2005**
2. INVENTORIES		
Raw materials and consumables	5 273	4 996
Incomplete products	144	112
Finished products/goods	9 359	9 349
Other inventories	123	77
Advance payments	314	140
Total	15 213	14 674
3. CURRENT RECEIVABLES		
Trade receivables	4 614	3 283
Receivables from Group companies		
Trade receivables	1 065	566
Loan receivables	1 000	1 150
Prepaid expenses and accrued income	371	
Total	2 436	1 716
Other receivables	20	43
Prepaid expenses and accrued income	799	589
Total	7 869	5 631
Prepaid expenses and accrued income		
Interest receivables	28	24
Royalty receivables	610	410
Other prepaid expenses and accrued income	161	155
Total	799	589
4. SHAREHOLDERS' EQUITY		
Share capital, 1 Jan.	8 040	8 040
Share capital, 31 Dec.	8 040	8 040
Retained earnings, 1 Jan.	13 238	9 339
Dividend payout	-5 226	-4 020
Retained earnings, 31 Dec.	8 012	5 319
Net profit for the period	7 774	7 918
SHAREHOLDERS' EQUITY, TOTAL	23 826	21 277
Calculation of distributable funds, 31 Dec.		
Retained earnings	8 012	5 319
Net profit for the period	7 774	7 918
Total	15 786	13 237

(EUR 1,000)	**2006**	**2005**
5. ACCUMULATED APPROPRIATIONS		
Accumulated depreciation difference		
Intangible rights	13	10
Other capitalised expenditure	92	111
Machinery and equipment	1 091	1 106
Total	1 196	1 227
6. LIABILITIES		
Interest-bearing liabilities		
Non-current	841	1 782
Current	1 741	1 841
Total	2 582	3 623
Non-interest-bearing liabilities		
Current	7 087	8 211
Total	7 087	8 211
6.1 Non-current liabilities		
Loans from financial institutions	286	857
Pension loans	555	925
Total	841	1 782

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

(EUR 1,000)	**2006**	**2005**
6.2 Current liabilities		
Loans from financial institutions	571	571
Pension loans	370	370
Advances received	5	6
Trade payables	2 760	2 311
Debts to Group companies		
Trade payables	407	1 938
Other current liabilities	62	55
Accrued liabilities and deferred income	216	66
Total	685	2 059
Other current liabilities	2 765	2 827
Accrued liabilities and deferred income	1 672	1 908
Total	8 828	10 052
Accrued liabilities and deferred income		
Interest	12	15
Wages and salaries, with social security contributions	1 385	1 355
Taxes	206	346
Other accrued liabilities and deferred income	69	192
Total	1 672	1 908

(EUR 1,000)	**2006**	**2005**
GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS		
For own liabilities		
Pledges given	12	9
Guarantees	606	574
Corresponding commitments	618	583
Corporate mortgages and mortgaged promissory notes	1 514	1 514
Corresponding pension loan	975	1 295
For the liabilities of the Group company		
Guarantees	165	153
For the liabilities of other companies		
Guarantees	975	1 140
Other own liabilities and commitments		
Leasing liabilities		
Payments due in the following financial year	96	125
Payments due later	99	53
Total	195	178

The parent company has no liabilities from derivative contracts.

RELATED PARTY TRANSACTIONS

The parent company has granted a loan guarantee on behalf of a related-party company (Gemmi Furs Oy) as part of business operations. At 31 Dec. 2006, the guarantee amounted to EUR 975 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)	2006	2005
7. OTHER OPERATING INCOME		
Rental income	4	5
Capital gains from the sale of fixed assets		6
Other income	25	36
Total	29	47

(EUR 1,000)	2006	2005
8. MATERIALS AND SERVICES		
Materials and supplies		
Purchases during the financial period	20 427	20 625
Change in inventories	-277	-905
Total	20 150	19 720
External services	11 007	10 232
Total	31 157	29 952

(EUR 1,000)	2006	2005
9. PERSONNEL EXPENSES		
Salaries, wages and bonuses	7 584	6 997
Pension and pension insurance payments	1 126	1 096
Other indirect social expenditure	488	427
Total	9 198	8 520
Salaries and bonuses for management		
Members of the Board of Directors and the president	170	150
Average personnel		
Salaried employees	214	197
Total	214	197

(EUR 1,000)	2006	2005
10. DEPRECIATION AND IMPAIRMENT		
Intangible assets		
Intangible rights	31	26
Other capitalised expenditure	218	163
Total	249	189
Tangible assets		
Machinery and equipment	477	421
Total	477	421
Total	726	610

(EUR 1,000)	2006	2005
11. OTHER OPERATING EXPENSES		
Rents	3 237	2 879
Marketing	3 867	3 615
Other expenses	12 032	11 940
Total	19 136	18 434

(EUR 1,000)	2006	2005
12. FINANCIAL INCOME AND EXPENSES		
Other interest and financial income		
From Group companies	34	31
From others	123	87
Total	157	118
Interest and other financial expenses		
To Group companies	2	1
To others	180	139
Total	182	140
Financial income and expenses, total	-25	-22
Financial income and expenses include exchange rate differences (net)		
From Group companies		-2
From others	12	28
Total	12	26

(EUR 1,000)	2006	2005
13. EXTRAORDINARY ITEMS		
Group contributions	-167	-14
14. APPROPRIATIONS		
Change in depreciation difference	30	-183
15. INCOME TAXES		
Income taxes on extraordinary items	-43	-3
Income taxes on operations	2 788	2 784
Income taxes for previous financial years		13
Total	2 745	2 794

The Board of Directors' proposal for the distribution of profit

Marimekko Corporation's distributable funds on 31 December 2006 amounted to EUR 15,785,611.09, of which the profit for the financial period accounts for EUR 7,773,751.18.

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, 25 January 2007

Kari Miettinen Matti Kavetvuo Kirsti Paakkanen
President

Auditors' report

To the shareholders of Marimekko Corporation

We have audited the accounting, the financial statements, the report of the Board of Directors and the corporate governance of Marimekko Corporation for the financial period from 1 January to 31 December 2006. The Board of Directors and the president have prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) approved for use in the EU as well as the report of the Board of Directors and 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 rules and regulations. Based on the audit, we express an opinion on the consolidated financial statements, the report of the Board of Directors, the parent company's financial statements and corporate governance.

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 and the report of the Board of Directors are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the report of the Board of Directors, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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, of the Group's result of operations and financial position.

Parent company's financial statements and administration and the report of the Board of Directors

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 and financial position.

The report of the Board of Directors has been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of Board reports. The report of the Board of Directors is consistent with the financial statements and gives a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's result of operations and financial position.

The consolidated financial statements and the parent company's 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, 16 February 2007

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 2006

Matti Kavetvuo, born 1944
M.Sc. (Eng.), B.Sc. (Econ.)
Member since 1997
Term of office 2006

Kirsti Paakkanen
Marimekko Corporation's president since 1991
Member since 1991
Term of office 2006

AUDITORS

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

Deputy auditor
Matti Hartikainen, Authorised Public Accountant

MANAGEMENT GROUP, 1 Jan. 2007

Chairman:

Kirsti Paakkanen, President
Employed by the company since 1991

Members:

Thomas Ekström, finance and administration
Employed by the company since 2006

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. The company's 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

2003 split and bonus issue

The 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.

The 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

At the end of 2006, the Board of Directors did not have any valid authorisations to carry out a share issue or issue of convertible bonds or bonds with warrants, or to acquire or transfer the company's shares. Marimekko Corporation does not own any Marimekko shares.

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 2005

A dividend of EUR 0.65 per share to a total of EUR 5,226,000 was paid for 2005 in accordance with the decision of the Annual General Meeting held on 6 April 2006. The dividend was paid out on 20 April 2006.

Proposal for the dividend for 2006

The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for the 2006 financial year be EUR 0.65 per share to a total of EUR 5,226,000. The proposed dividends amount to 65.4% of the Group's earnings per share for 2006.

Shareholders

According to the book-entry register, Marimekko Corporation had 5,244 registered shareholders at the end of the financial year. At the turn of the year, 16.8% of the shares were registered in a nominee's name and 2.2% were owned by foreigners.

Flagging notifications

Threadneedle Asset Management Holdings Ltd's share of Marimekko Corporation's share capital and voting rights rose to 5.05%, or 405,824 shares, as a result of a transaction made on 18 May 2006; and then fell to 4.42%, or 355,624 shares, as a result of a transaction made on 28 July 2006.

The total share of Marimekko Corporation's share capital and voting rights held by the investment funds administered by Nordea Investment Fund Company Finland Ltd (Nordea Nordic Small Cap Fund, Nordea Fennia Fund, Nordea Pro Finland Fund, Nordea Stable Return Fund) rose to 7.47%, or a total of 600,500 shares, as a result of transactions made on 17 August 2006; and then fell to 4.98%, or 400,500 shares, as a result of the sale of 200,000 Marimekko shares by the Nordea Nordic Small Cap Fund on 18 August 2006.

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.

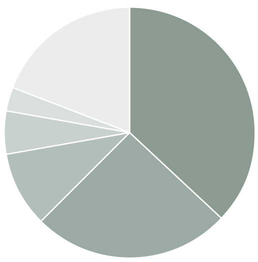
Marimekko shares owned directly or indirectly by members of the Board of Directors, 31 Dec. 2006

	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
Total	1,657,500	20.62

Breakdown of ownership by owner group, 31 Dec. 2006

Owner	Shareholders No.	%	Shares No.	%	Votes No.	%
Companies	197	3.75	2,050,612	25.51	2,050,612	25.51
Financial institutions and insurance companies	14	0.27	782,733	9.73	782,733	9.73
Public sector entities	4	0.08	451,900	5.62	451,900	5.62
Non-profit bodies	47	0.90	229,445	2.85	229,445	2.85
Households	4,950	94.39	2,993,836	37.24	2,993,836	37.24
Foreigners and nominee-registered	32	0.61	1,531,474	19.05	1,531,474	19.05
TOTAL	5,244	100.00	8,040,000	100.00	8,040,000	100.00

Breakdown of ownership by owner group
31 Dec. 2006



- Households 37.2%
- Companies 25.5%
- Financial institutions and insurance companies 9.7%
- Public sector entities 5.6%
- Non-profit bodies 2.9%
- Foreigners and nominee-registered 19.1%

Ownership by size of holding, 31 Dec. 2006

Shares No.	Shareholders No.	%	Shares No.	%	Votes No.	%
1–100	1,647	31.41	128,472	1.60	128,472	1.60
101–500	2,214	42.22	654,072	8.14	654,072	8.14
501–5,000	1,287	24.54	1,732,883	21.55	1,732,883	21.55
5,001–100,000	87	1.66	1,572,518	19.56	1,572,518	19.56
100,001–500,000	7	0.13	1,519,050	18.89	1,519,050	18.89
500,001–	2	0.04	2,433,005	30.26	2,433,005	30.26
TOTAL	5,244	100.00	8,040,000	100.00	8,040,000	100.00

Largest shareholders according to the book-entry register, 31 Dec. 2006

		Percentage of holding and votes
1.	Workidea Oy	20.00
2.	Varma Mutual Employment Pension Insurance Company	4.27
3.	Nordea Life Assurance Finland Ltd	2.69
4.	ODIN Forvaltning AS	2.12
5.	Nordea Fennia Fund	1.49
6.	SEB Gyllenberg Small Firm	1.40
7.	Nordea Nordic Small Cap Fund	1.33
8.	Neste Oil Eläkesäätiö	1.12
9.	Säästöpankki Kotimaa	1.05
10.	Nordea Stable Return Fund	1.04
11.	Nordea Pro Finland Fund	0.98
12.	Evli Nordic Dividend	0.63
13.	Foundation for Economic Education	0.62
14.	Miettinen Kari	0.60
15.	Westerberg Olof	0.59
Others		43.24
Nominee-registered		16.83
Total		100.00

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.

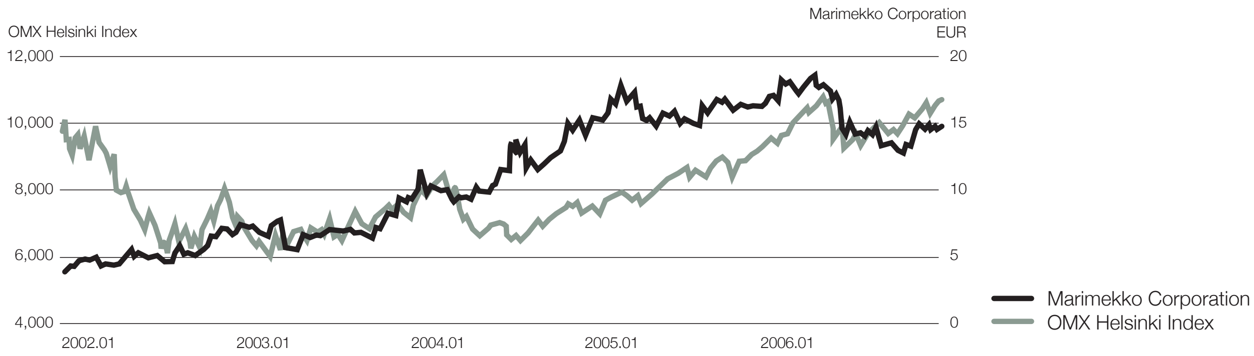
Share turnover

In 2006, a total of 3,470,027 Marimekko shares were traded, representing 43.2% of the shares outstanding. The total value of share turnover was EUR 52,224,311. The company's market capitalisation at the end of the 2006 financial year was EUR 117,786,000 (EUR 130,569,600 on 31 Dec. 2005).

Share price trend

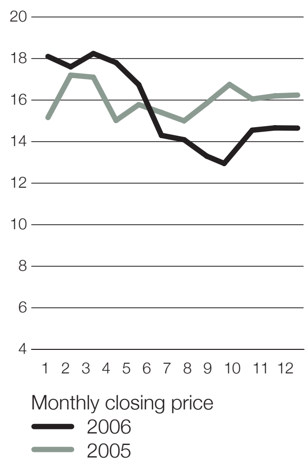
	2006	2005
Low, EUR	12.52	13.53
High, EUR	18.70	18.40
Average, EUR	15.56	15.99
Closing price (31 Dec.), EUR	14.65	16.24

Share price trend
2002–2006

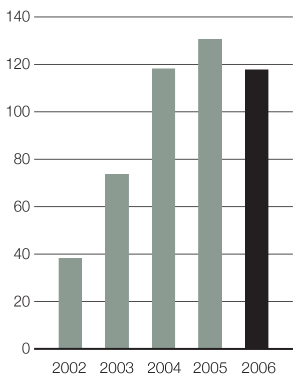


⊢ Adjusted for split and bonus issue. ⊣

Share price trend
2005/2006
EUR



Market capitalisation
EUR million



Share data

Trading code:	MMO1V
ISIN code:	FI0009007660
List:	Nordic List
Sector:	Consumer discretionary
Listing date:	I list, 12 March 1999 Main list, 27 December 2002

Information for shareholders and investors

Schedule for financial reporting in 2007

Financial statement bulletin 2006	Thursday, 25 Jan. 2007
Annual Report 2006	week 11
Interim Report Jan.–March	Wednesday, 9 May 2007
Interim Report Jan.–June	Thursday, 16 Aug. 2007
Interim Report Jan.–Sept.	Wednesday, 31 Oct. 2007

Annual General Meeting

Marimekko Corporation's Annual General Meeting will be held from 14:00 onwards on Thursday, 12 April 2007 at Marimekko Corporation's head office, Puusepänkatu 4, 00880 Helsinki, Finland.

Right to attend the Annual General Meeting

Shareholders who have been registered by 2 April 2007 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 2 April 2007 at the latest. For temporary registration, shareholders must contact their account custodian.

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 10 April 2007 at the latest:

- by post to Marimekko Corporation, Share Register, P.O. Box 107, 00811 Helsinki, Finland
- by telephone on +358 9 758 7238 (Marja Korkeela)
- by fax on +358 9 759 1676
- by email to marja.korkeela@marimekko.fi
- via the Investors section of the company's website www.marimekko.com.

Notification of attendance must be received before the end of the registration period.

Dividends

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2006. The dividend will be paid to shareholders who are registered, on the dividend payout record date of 17 April 2007, 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 24 April 2007.

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:

Address	Marimekko Corporation, Communications, P.O. Box 107, 00811 Helsinki, Finland
Tel.	+358 9 758 71, +358 9 758 7238 (Communications)
Fax	+358 9 755 3051, +358 9 759 1676 (Communications)
E-mail	info@marimekko.fi

Changes in personal information and addresses

We kindly request shareholders to submit changes of address or personal information to the custodian of their book-entry account.

Investor relations

Marja Korkeela, corporate communications

Address	Marimekko Corporation, Communications, P.O. Box 107, 00811 Helsinki, Finland
Tel.	+358 9 758 7238
Fax	+358 9 759 1676
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Thomas Ekström, finance and administration

Address	Marimekko Corporation, Financial Administration, P.O. Box 107, 00811 Helsinki, Finland
Tel.	+358 9 758 7261
Fax	+358 9 727 6227
E-mail	thomas.ekstrom@marimekko.fi

Stock exchange releases in 2006

26 Jan. 2006	Financial statement bulletin, 1 Jan.–31 Dec. 2005
15 March 2006	Notice of Annual General Meeting on 6 April 2006
15 March 2006	Correction to Marimekko Corporation's stock exchange release on the notice of Annual General Meeting
6 April 2006	Resolutions of the Annual General Meeting
9 May 2006	Interim Report, 1 Jan.–31 March 2006
22 May 2006	Disclosure of change in ownership of Marimekko Corporation
5 June 2006	Profit warning
1 Aug. 2006	Disclosure of change in ownership of Marimekko Corporation
17 Aug. 2006	Interim Report, 1 Jan.–30 June 2006
18 Aug. 2006	Disclosure of change in ownership of Marimekko Corporation
21 Aug. 2006	Disclosure of change in ownership of Marimekko Corporation
26 Oct. 2006	Interim Report, 1 Jan.–30 Sept. 2006

All important information released by Marimekko is available on the company's website www.marimekko.com under Investors/ Stock Exchange Releases.

Banks and securities brokers analysing Marimekko

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