



marimekko®

ANNUAL REPORT 2002

# 2002

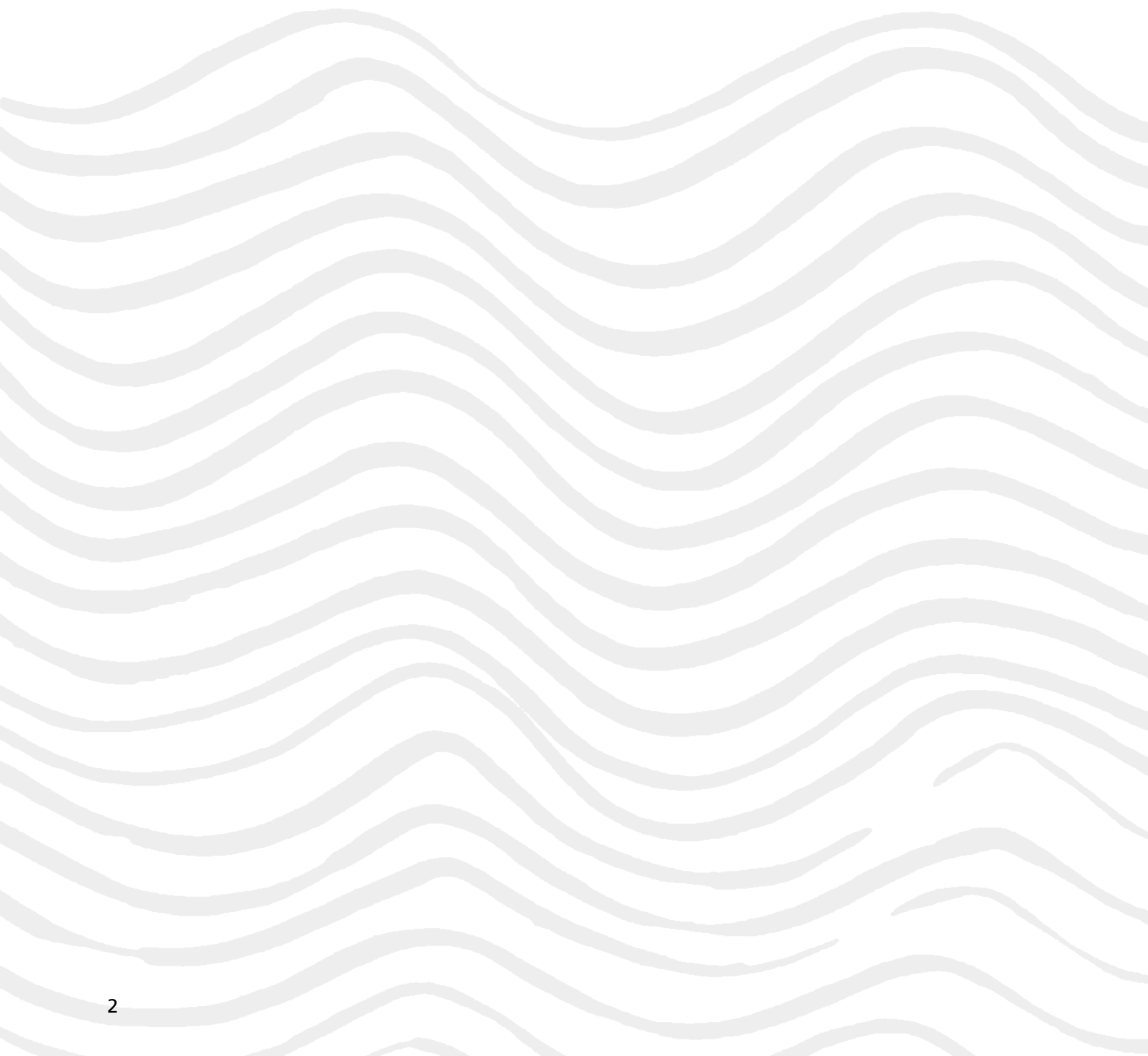




### CONTENTS

Marimekko	03
Marimekko brand	04
President's review	05
Core values and strategy of Marimekko's business operations	06
2002 in brief	07
MARIMEKKO'S BUSINESS OPERATIONS	
Net sales by market area and product line	08
Clothing	09
Interior decoration	10
Accessories	12
Retail sales	13
Domestic wholesale	13
Exports and international operations	14
Licensing	14
Production and subcontracting	15
Grünstein Product Oy	15
FINANCIAL STATEMENTS	
Report of the Board of Directors	16
Information on Marimekko's share	20
Income statement	22
Statement of changes in financial position	23
Balance sheet	24
Notes to the financial statements	26
Formulas for the key figures	34
Quarterly trends 2001-2002	35
Five-year review	35
Key figures	36
The Board of Directors' proposal for the distribution of profit	37
Auditors' report	37
Administration and auditors	38
Stock exchange releases in 2002	38
Information for shareholders	39
Addresses	40







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 and accessories. The products are marketed under the Marimekko brand, both in Finland and internationally.

Marimekko's success and competitive factors are a business idea that lives with the times, its strong brand, a clear product concept that embodies the company's core philosophy, the flexibility of its business operations and a corporate culture that fosters creativity.

In 2002, the company had net sales of EUR 49.3 million. Exports and income from international operations accounted for 27.1% of the Group's net sales. The company had a payroll of 344 at the end of 2002. The company went public on Helsinki Exchanges' I List in March 1999. Trading of the share on Helsinki Exchanges' Main List began on 27 December 2002. At the end of 2002, the company had 2,157 shareholders.

## Marimekko brand

The Marimekko brand was born and set out on its path in an era of global reconstruction. At the time, the world looked ahead to a gleaming future full of dreams and opportunities. People were open to the new. Marimekko's business idea drew on the ideals of this giddy era and combined a strong belief in the future with freedom, joy and power of creativity. However, the business idea was also built from daily realities, as Armi Ratia stated in her President's Review in the 1978 Annual Report: "Marimekko represents aesthetic thinking in the form of printed textile patterns, without permitting technical problems to stand in the way of freedom of expression. — — Marimekko started out with printed textiles because that was the option that was available to the company. However, the concept could have been equally well expressed in the form of music, poetry, architecture – or even as a new kind of bread, rugs, furniture, ceramics, glass, jewellery, cars, a florist's shop, ice cream or toys. It is worthwhile for us to be aware of this and keep it in mind when thinking about tomorrow's – and today's – Marimekko."

There is no physical product at the innermost core of Marimekko's business idea. What you will find there are ideas generated by the sheer force of creative energy – ideas that are then elaborated into products, operations, events or trends by the company's various business processes. This is the energy that has guided the building of the Marimekko brand. The company's firm self-confidence and its corporate culture that respects the core values of life have given the brand further depth. The building of the brand has involved the bold analysis of opportunities, development and the systematic implementation of new ideas.

As the company's business operations have evolved, the Marimekko brand has gained new content and added value. Marimekko's success in different eras has stemmed from how well the company's identity and operations – and the impression these two aspects have created in people's minds – have meshed with reality. Marimekko has worked to build a successful future by relying on its own strengths. The business idea and the product concept which form the essence of the Marimekko brand have provided virtually unlimited scope for business operations. The factors affecting the brand's value and the stature have also changed time and time again. Marimekko alone is responsible for its brand-building efforts. After all, the company is in the best position to know at which stage of its life cycle any given product is or the status of any other aspect related to the company's business. Only by internalising this concept has Marimekko been able to guide its business down the right road.

Marimekko has consistently honed its operations in line with the basic philosophy of its business idea. The image of the Marimekko brand is bright. The company's product profile is distinct, strengthening the brand's image. The positive trend in business operations has generated financial added value. The international respect given to the products has increased brand recognition.

Marimekko has claimed its place in the values of each successive era through controlled brand building that reflects the spirit of the day, choosing on its own the direction of its operations. Marimekko has become successful by developing and renewing itself with an open mind, relying on its own strengths. Marimekko still represents aesthetic thinking.

## President's review

As we entered the 2002 financial year, our expectations were high. Our company's solvency, the good demand for our products and our strong brand gave us firm grounds for expecting a solid trend in our business operations. In fact, the year surpassed our expectations. Even in the first quarter, we achieved a good rate of growth that continued throughout the year. We improved our earnings significantly by developing our functions and efficiently keeping track of our costs.

One of the important events in 2002 was the transfer of the quotation of the company's share from Helsinki Exchanges' I List to the Main List at the end of December. When the company went public on the I List of Helsinki Exchanges in March 1999, we set firm objectives for business growth and profitability. Our aim was to lay the foundations for growth in the company's market capitalisation and to strengthen investors' confidence in us by developing our operations consistently. In 2002, we achieved this goal. The company's market capitalisation almost doubled compared with the previous year.

Finland is an important market area for Marimekko. Our domestic sales have grown at a very rapid clip in the last few years. This excellent trend continued during 2002. Our own shops kept up their strong growth rate. Our sales to domestic retailers exceeded all our predictions. We have achieved a solid market position in Finland through successful marketing measures and by developing our distribution channels and product portfolio.

In our international operations, we have progressed with profitable growth as our objective, all the while taking the current market situation and our own resources into consideration. In 2002, growth in exports and international operations fell slightly short of our assessments. Development was muted by the rapid weakening of the German economy – an important market area especially for Marimekko's clothing line. Compared with the growth figures for our field of business in general, however, the trend in our exports was good. We successfully increased our sales even in those markets where sales had previously grown at a slower rate. These markets include Australia, the UK and Spain. In the 2002 financial year, we also made new licensing agreements with both Finnish and foreign manufacturers.

At the end of 2002, we expanded our co-operation with Designor Oy Ab. The aim of the new product development and marketing co-operation project is to harness the design and production expertise of two leading Finnish design companies, along with the strengths of both brands and the opportunities afforded by our

distribution channels in Finland and the international arena. The newcomers in Marimekko's clothing product line in 2003 include sportswear collections designed for women by Ritva Falla and for men by Matti Seppänen.

As a design company, Marimekko has played an active role in the development of Finnish design by giving young designers who are just starting out a chance to showcase their talents. During the spring of the present year, we will organise, in association with the University of Art and Design Helsinki, a product design competition called "Nuoren elämän raamit" ("Framing Young Life"). The competition is open to students of the Design Department, who will be asked to design products related to clothing and home decoration.



During the present year, the events that are important for Marimekko's international profile include exhibitions in the United States and Japan. In New York, an extensive Marimekko exhibition will be opened in the autumn. It is being organised by the Bard Graduate Center for Studies in the Decorative Arts, Design and Culture. In Japan, we are participating in the Feel

Finland campaign, which comprises events showcasing Finnish scientific and cultural achievements.

We expect the year 2003 to be a good business year for Marimekko in spite of the unstable outlook for trends in the global economy. Thanks to strong growth and the improvement in our profitability in the last few years, we have been able to bolster our business capabilities for the coming years. Demand for our products remains good. We have expanded our distribution channels both in Finland and in export markets. The Marimekko exhibitions that will be held in Japan and in the United States this year will increase our international visibility. In our estimation, growth in Finland will remain strong in the 2003 financial year. We expect that the positive trends will continue in export markets as well.

All of us at Marimekko can be proud of what we have achieved during the past few years. We have steered our company on to a good growth vector and have improved our earnings each year. We still have a great many opportunities to tap into in the years ahead. By upgrading our operations and allocating our resources properly, we can ensure our future success. At Marimekko, we get results by pulling together in an encouraging and inspiring environment. I would like to extend my warmest thanks to Marimekko's skilled employees and brilliant designers. I would also like to thank our company's Board of Directors, retailers, shareholders and all our partners for constructive co-operation.

*Kirsti Paakkanen*

## Core values and strategy of Marimekko's business operations

### CORE VALUES

#### Ethics

For Marimekko, ethics means respecting the individuality of different cultures and people as well as bearing the social, financial and cultural responsibilities of the company. Business thinking always involves emotions and caring as well.

#### Genuineness and honesty

All of Marimekko's business operations – its products, services and corporate communications alike – must clearly be identified with Marimekko's core values.

#### Freedom of creativity, courage and responsibility

Marimekko's strength and the cornerstone of its success is creative design. Free rein has been given to creativity – but everyone must always be aware of their responsibilities, too. The ideas that are realised must have a clear connection to business realities and objectives.

#### Commitment and goal-orientation

Commitment means making consistent progress towards objectives and shouldering one's responsibilities in the achievement of objectives.

#### Positivity, aestheticism

The basic philosophy informing Marimekko's business operations includes a positive attitude to life and the sensitivity to seeing and expressing beauty.

### STRATEGY

- ⊕ Maintaining a strong corporate identity in an international business environment
- ⊕ Maintaining superior and innovative design expertise as a factor that strengthens competitiveness
- ⊕ Controlled brand building that is committed to the core values of the business operations
- ⊕ Developing and expanding distribution channels that support the brand's image
- ⊕ Ensuring the company's growth and profitability and generating financial added value on the capital invested in the company by its shareholders; this is done by developing the core business areas and by upgrading the internal efficiency and flexibility of operations
- ⊕ Fostering an inspiring corporate culture that values the expertise of each and every employee

### FINANCIAL OBJECTIVES SET FOR BUSINESS OPERATIONS

Ensuring profitable growth

- ⊕ Operating profit as a share of net sales 10%
- ⊕ Return on equity over 15%
- ⊕ Equity ratio 60%

Generating financial added value on the capital invested into the company by its shareholders

- ⊕ Dividends from earnings per share at least 50%

#### Achievement of objectives 1998 - 2002

	1998	1999	2000	2001	2002
Annual growth of net sales, %	19.0	13.0	25.1	27.1	17.4
Operating profit as a share of net sales, %	8.6	10.0	9.8	11.2	13.1
Return on equity (ROE), %	17.3	18.6	16.7	21.5	26.5
Equity ratio, %	66.7	62.3	54.3	58.3	61.1
Dividend per share, EUR	0.08	0.44	0.50	*)0.65	**)0.85
Dividend per earnings, %	13.4	59.5	61.0	*)56.5	**)51.8

\*) Included an additional dividend of EUR 0.15 in honour of the 50<sup>th</sup> jubilee year.

\*\*) Proposal by the Board of Directors.



## 2002 in brief

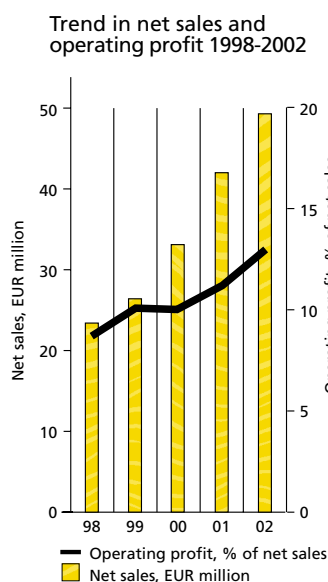
- Ⓡ The company's share is quoted on the Main List of Helsinki Exchanges  
In December, trading of the company's share was transferred from the I List to the Main List of Helsinki Exchanges.
- Ⓡ Unikko charms the world  
With Unikko leading the way, Marimekko's printed textile patterns became a worldwide success. The popularity of the prints was evident both in strong sales growth and in the increased interest of the press in Marimekko design.
- Ⓡ Strong growth in Finland; developing and expanding distribution channels  
Marimekko's shop in Lahti moved to new, larger premises. The company landed new retailers in good business locations for its distribution network.
- Ⓡ International visibility for the brand; new distribution channels in export markets  
New Marimekko concept shops established by Marimekko's agents were opened in London, England, and Stavanger, Norway. The company landed new retailers in export markets, especially for interior decoration products.
- Ⓡ New articles for the product range  
The newcomers in the company's clothing range for spring 2003 include sportswear collections for men and women. Plastic folders and cases are new best-sellers in the company's interior decoration line.
- Ⓡ Sales of licensed products up significantly  
New licensing agreements were made in Finland and the United States.
- Ⓡ Product development co-operation started up with Designor  
Co-operation in the development of products that will be marketed under the Marimekko and iittala brands was started up with Designor Oy Ab.

### Net sales and earnings

- Ⓡ Net sales increased by 17.4%
- Ⓡ Growth in net sales by product line
  - Ⓡ clothing 3.9%
  - Ⓡ interior decoration 40.6%
  - Ⓡ accessories 30.5%
- Ⓡ Marimekko's own shops in Finland increased their sales by 12.7%
- Ⓡ Sales to retailers in Finland were up 48.2%
- Ⓡ Exports and income from international operations grew by 2.6%
- Ⓡ Earnings per share improved by 42.4%
- Ⓡ Equity ratio rose to 61%

### Key figures

	2002	2001	Change, %
Net sales, EUR 1,000	49,318	42,003	17.4
Share of exports and international operations, % of net sales	27.1	31.1	
Operating profit, EUR 1,000	6,450	4,720	36.7
% of net sales	13.1	11.2	
Profit before extraordinary items and taxes, EUR 1,000	6,160	4,391	40.3
% of net sales	12.5	10.4	
Earnings per share, EUR	1.64	1.15	42.4
Dividend per share, EUR	*)0.85	**)0.65	
Return on investment (ROI), %	29.5	23.8	
Return on equity (ROE), %	26.5	21.5	
Equity ratio, %	61.1	58.3	
Personnel at the end of the financial year	344	324	6.2



- \*) Proposal by the Board of Directors.
- \*\*) Included an additional dividend of EUR 0.15 in honour of the 50<sup>th</sup> jubilee year.  
The formulas for the key figures are presented on page 34.

## Marimekko's business operations

### Net sales by market area and product line

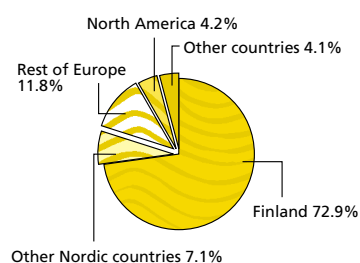
#### By market area

(EUR 1,000)	2002	2001	Change, %
Finland	35,937	28,959	24.1
Other Nordic countries	3,481	3,129	11.2
Rest of Europe	5,807	6,509	-10.8
North America	2,062	1,923	7.2
Other	2,031	1,483	37.0
TOTAL	49,318	42,003	17.4

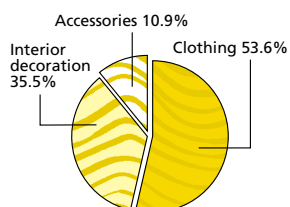
#### By product line

(EUR 1,000)	2002	2001	Change, %
Clothing	26,437	25,436	3.9
Interior decoration	17,486	12,434	40.6
Accessories	5,395	4,133	30.5
TOTAL	49,318	42,003	17.4

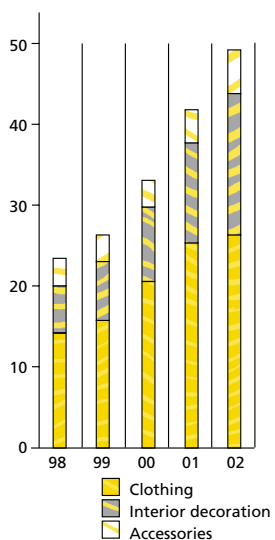
#### Net sales by market area 2002



#### Net sales by product line 2002



#### Trend in net sales by product line 1998-2002, EUR million





## Clothing

In clothing, Marimekko's strategy is to design, manufacture and market outfits representing excellence in design and quality. The clothes are targeted at different kinds of groups and all types of situations. The collections include woven fabric garments as well as knitwear and jerseys made of pure natural materials.

2002 was a challenging year for the clothing business. The uncertainty shadowing the global economy weakened growth in consumption demand. Due to the internationalisation of trade, product price competition heated up. In 2002, clothing sales in Finland grew by 1.5% (preliminary information released by the Association of Textile and Footwear Importers and Wholesalers). In the January-November period of 2002, exports of clothing (SITC 84) declined by 4% and imports were up 3% (National Board of Customs, monthly review, November 2002).

In 2002, the Marimekko Group's net sales of clothing grew by 3.9%. Sales trends varied greatly by market area and product. Clothing sales grew well in Finland, while growth in exports and income from international operations fell short of expectations. The slowing down of the growth in the Group's net sales of clothing was due primarily to the rapid weakening in exports of Grünstein products, particularly to Germany. The most important export markets for clothing in 2002 were Germany, Sweden, Russia, the United States, Switzerland, Norway and the Netherlands.

Many factors have an effect on sales by the clothing sector, of which the most important are trends in consumption demand, changes in consumer behaviour and in competition within the field, and the contents of collections. The distinctness and variety that are the hallmarks of Marimekko's collections have given the company's clothing line a clear competitive edge on the market. Marimekko's clothing line comprises both basic products and seasonal collections. The company's design expertise hinges on combining individualistic and timeless design with high quality and excellent workmanship. The collections are kept diverse and modifiable so that a large clientele can be reached.

The clothing collections that will be introduced in 2003 include new sportswear lines, designed by Ritva Falla for women and by Matti Seppänen for men. These collections reflect the tastes of today and are expected to be warmly received by the market. The first sports clothes will be available in stores in spring 2003.

The future of the clothing business is challenging due to the rapid changes in consumption demand and the structure of the clothing trade. The outlook for Marimekko's clothing remains favourable. Marimekko's strengths are its design expertise and diverse collections. However, in the design, manufacture and marketing of clothing, greater attention must be paid to the contents of the collections and the flexibility and efficiency of operations, because the sales seasons have shortened.



## Interior decoration

Cotton and linen fabrics that are printed at the company's own textile printing factory comprise the foundation of Marimekko's interior decoration collections. In addition to fabrics, the collections include ready-made goods, such as table-setting products, bed linen, bathroom textiles and interior decoration accessories.

In 2002, retail sales of home textiles in Finland rose by 1.1% (Association of Textile and Footwear Importers and Wholesalers). In the January-November period, exports of textile products (SITC 65) grew by 4% and imports were down 2% (National Board of Customs, monthly review, November 2002).

Annual growth in sales of Marimekko's interior decoration products has clearly outperformed general market trends. 2002 was a record-breaking year. Net sales of interior decoration products grew by 40.6% to EUR 17.5 million. Sales grew significantly in all product groups both in Finland and export markets. Apart from bed linen and bathroom textiles, table-setting products were especially popular. Sales of interior fabrics by the metre also increased buoyantly. The major export countries for interior decoration products in 2002 were the United States, Sweden, Germany, the UK, Japan and Norway.

Products featuring printed textile patterns comprise Marimekko's core expertise area and are an integral part of its corporate identity. The printed patterns have risen into the spotlight once again; their worldwide success is a good indication of the vitality of excellent design and its ability to renew itself. Marimekko's best-selling and globally best-known print is Unikko. Thanks to new colour schemes and collections, demand for Unikko-patterned interior decoration products





remains strong both in Finland and internationally. The success of Unikko has also increased the popularity of other Marimekko prints in all markets. New collections by young designers, launched alongside the classics, have sparked great interest and increased Marimekko's reputation as an evolving design company.

Marimekko's interior decoration line comprises classic products and new seasonal collections. The flexibility of the company's design and manufacturing operations enables it to revamp the product range rapidly. In 2002, a new product group was launched in interior decoration: a collection of polypropylene notebooks, calendars, folders and cases featuring Marimekko designs.

The products were an instant hit on the market, especially among young consumers.

In interior decoration, the most significant development project in 2002 was the co-operation started with Designor Oy Ab at the end of the year. The aim of this project is to harness the design and production expertise of both of these design companies, along with their comprehensive distribution channels. New table-setting products marketed under the Marimekko and iittala brands will be available in stores in Finland and internationally in spring 2003.

In 2002, concerted efforts were made to develop new product concepts and the market visibility of the products. The distribution network expanded both in Finland and abroad. The company landed exclusive interior decoration shops as customers.

Encouraged by the good sales of Marimekko's interior decoration products, retailers have been eager to expand their Marimekko product ranges and have also participated actively in the development of new product ideas.





## Accessories

Marimekko's accessories include a wide range of bags for different uses: tote bags, briefcases, backpacks, shoulder bags, mobile phone cases, purses and makeup bags. The most popular classic bags in the collection have been manufactured for thirty years.

Accessories play an important role in Marimekko's product concept. Thanks to flexible product development and production expertise, the product line can take the ideas that best match its operating model and elaborate them into products, and do so both rapidly and with small outlays. Of all of Marimekko's product lines, this is the one that provides the company with the best opportunity for reaching young consumers.

Sales of Marimekko accessories have grown very rapidly in recent years both in Finland and export markets. In 2002, net sales of accessories rose by 30.5% to EUR 5.4 million. The greatest volumes of accessories were exported to Japan, Sweden, the United States, the UK, Norway and Switzerland.

Marimekko's classic canvas bags remain very popular. Their sales have risen continuously. Particularly successful products in 2002 were bags and totes designed by Mika Piirainen that feature Marimekko's classic textile designs. Various kinds of makeup bags were in high demand as gifts and as part of the portfolio of bathroom textiles and bed linen sold under the interior decoration product line.

In accessories, the strategy is to maintain the integrity and manageability of the collection by favouring clean design that is easily associated with the world of Marimekko products. Efforts are made to ensure that the product range is sufficiently diverse and is renewed seasonally.



## Retail sales

Marimekko has 25 retail shops of its own in Finland, and one in Stockholm, Sweden. The company's own shops play a key role in maintaining its brand image, the marketing of the entire product concept and the monitoring of sales trends.

The greatest changes in the Finnish retail sector in recent years have been consolidation, the emergence of chains and increasing international competition. New challenges are posed for the retail sector by changes in consumers' purchasing behaviour and consumption habits. Key factors affecting sales by individual shops are the attractiveness of the business location, the diversity of the product range and customer service.

The annual growth in sales by Marimekko's own shops and their customer volumes has outpaced general trends in the business. In 2002, sales by Marimekko's own shops in Finland increased by 12.7% to EUR 22.6 million. Marimekko's own shop network is an important sales and marketing channel for the company. Up-to-date monitoring of sales and customer volumes and the information received as direct feedback from customers can be rapidly and efficiently utilised in business planning and control.

When developing and enlarging its shop network, Marimekko has employed a long-term strategy hinging on the profitability of operations. New shops have been established and business premises expanded with due consideration for the development prospects of the business location and the structure of the local clientele. In September 2002, Marimekko's shop in Lahti was moved to larger premises on Vesijärvenkatu street. The new premises, spread out over three floors, provide a better layout for the presentation of the entire product concept. The move had a positive impact on sales trends, as was already clearly evident in the 2002 financial year.

In 2002, "Creative Service Training" was started up for sales staff. The training programme aims to increase the capability of staff to measure up to the growing demands of customer service as well as bolster the role of sales staff in the building of the corporate image. During the present financial year, there will be a greater focus on the design of shop-specific operating models and product ranges. Events created around a variety of themes will be used to approach new target groups and firm up the company's relationship with its existing clientele.

## Domestic wholesale

Marimekko has about 80 retailers in Finland. Alongside Marimekko's own shops, this extensive network of retailers covers the most significant locations in Finland. Some of the retailers are shops operating under the full Marimekko product concept, while some only sell certain Marimekko products.

Marimekko's sales to Finnish retailers have grown strongly in recent years, with growth amounting to 48.2% in 2002. Factors behind the excellent sales trend include successful co-operation with retailers in the building of product concepts, retailers' active efforts to develop their own business operations and the opening of new distribution channels.

Marimekko has expanded and developed its retailer network in accordance with the market conditions. When selecting individual retailers, attention is paid to the viability of their business idea, the extent of the product range, regional growth prospects and the profitability of operations. The company seeks to establish a co-operative model and product concept that are most aptly suited to the customer's own business idea and the region in question. The retailers' solid expertise, knowledge of the local customer base and commitment to the Marimekko business philosophy have been of key significance when establishing successful co-operation.

The contents of the product concepts and the presentation of the products have been honed successfully in association with the retailers. As the sales network has expanded, the visibility and availability of Marimekko products in key business locations have strengthened.

## Exports and international operations

Exports and income from international operations accounted for 27.1% of the Group's net sales in 2002. Marimekko has subsidiaries in Sweden and Germany, as well as its own retail shop in Stockholm, Sweden. Exports to other countries are primarily handled through local agents and importers.

In 2002, the Marimekko Group's exports and income from international operations grew by 2.6% and amounted to EUR 13.4 million. Due to the instability of the global economy, trends in sales varied greatly in different market areas. In relative terms, the fastest growth was seen in exports to Japan, Sweden and the UK. The Group's most important export countries in 2002 were Sweden, the United States, Germany, Japan, Russia and Norway.

In the development of exports and international operations, Marimekko has progressed in a controlled fashion, building from a foundation of profitable growth by focusing the main thrust of operations on areas where exports have already stabilised. Increasing exports hinges primarily on bolstering and developing the existing distribution network and seeking new sales channels while building the international visibility of the brand.

Marimekko's foreign retailers include both large department store chains and independent boutiques. Efforts are made to establish product portfolios that are tailored to each customer's business concept. Marimekko concept stores, which are set up by agents or retailers, represent a flexible operating model that has proved itself to generate the greatest international visibility for the Marimekko brand. Such shops can now be found in New York, USA, London, England, and in Oslo, Trondheim and Stavanger in Norway.

Marimekko will continue to employ its chosen strategy in the development of exports and international operations. Resources will be primarily allocated to areas where sales have stabilised and where the growth potential is the greatest. The company will focus on the design of specific product concepts when opening new distribution channels. In the development of the dealer network, the company seeks the most suitable distribution channels and operating models for each product.

Marimekko's successful collections and the internationally-recognised good trend in its business operations have laid a strong foundation for the positive development of exports and international operations in the future. For interior decoration products, the outlook for exports is particularly upbeat. Marimekko's printed textile patterns have gained international visibility, increasing brand awareness of Marimekko design on the market.

## Licensing

In licensing, Marimekko utilises its design expertise and the high profile of the Marimekko brand. Marimekko products are manufactured under license in Finland, the United States and Japan.

In 2002, Marimekko's royalty earnings from sales of licensed products saw extremely vigorous growth. The greatest sales growth was seen in the United States and Finland. Sales in Japan also picked up significantly compared with the previous year.

During the 2002 financial year, licensing co-operation was started up with Finlux Ltd and Pyrollpack Oy in Finland. The Group also landed new licensing co-operation partners in the United States: Mudlark Papers, Inc. and WallCandy LLC. At the end of the financial period, an agreement was made with the American Zak Designs Inc. concerning the start-up of the licensed manufacture and distribution of plastic table-setting products in autumn 2003.

In licensing, Marimekko's strategy is to increase sales of licensed products by honing co-operation with its existing licensed manufacturers and by seeking new partners that are capable of engaging in long-term co-operation, are highly skilled in the design and manufacture of designer products and have a distribution network that is sufficiently extensive to support the image of the Marimekko brand.



## Production and subcontracting

Marimekko has three factories of its own in Finland: a textile printing factory in Helsinki, a clothing factory in Kitee and a bag factory in Sulkava. In addition, subcontractors manufacture products in Finland and abroad.

Marimekko's collections include both high-volume goods and limited-series products. The manufacturing methods and production models employed for the products vary. The cyclical sensitivity of the business means that demand for the products fluctuates greatly. Due to these features of the business, Marimekko's production operations must not only rely on top-notch manufacturing expertise, but must also be extremely flexible and adaptable.

In order to ensure the high quality of products, delivery reliability and a flexible production structure, Marimekko both manufactures and outsources products. Product characteristics, production volumes and delivery times influence the choice of manufacturing location. As a Finnish company, Marimekko always strives to find Finnish manufacturers for its products in the first instance.

Due to the rapid growth in sales volumes, the capacity of the company's own textile printing factory was expanded in the 2002 financial year by increasing work shifts. Product subcontracting was also stepped up substantially, especially from Finnish suppliers but also from foreign manufacturers. Part of the product warehousing and dispatching functions were outsourced so that the greater goods flows could be managed.

In the development of production operations in the 2002 financial year, the company focused on utilising the operations control system deployed in 2001 in the management of the order-delivery chain. The focus area in 2003 will be improving warehouse systems. Quality development has upgraded material testing. The information gleaned from testing has been used in the design of collections and the product information provided to consumers.

## Grünstein Product Oy

Grünstein Product Oy designs, manufactures and markets fashionable clothing made of fur, leather and other top-quality materials. Its products represent excellence in design and quality. The clothes are marketed in Finland and abroad under their own brands.

Grünstein Product Oy operates as an independent subsidiary of Marimekko in its own specialised area of expertise. The company has its own factory in Loviisa, Finland. Part of its products are manufactured by subcontractors. The products are marketed through the company's own distribution network. Exports account for about 80% of Grünstein Product Oy's net sales. Its most significant export countries were Russia, Germany, France, Japan, Switzerland and Austria.

# Report of the Board of Directors

## General overview

The uncertainty in the global economy in 2002 weakened consumption demand in all the main market areas. According to the statistics published by Statistics Finland, the value of retail sales in Finland increased by 4.2% in the January-November period. In 2002, textile production grew by 2.5% and clothing production contracted by 18.1%. Both imports and exports of clothing and textiles were up 1% (National Board of Customs, monthly review, November 2002). In 2002, retail sales of clothing and home textiles in Finland grew by 1.5% and 1.1%, respectively (preliminary information released by the Association of Textile and Footwear Importers and Wholesalers).

In 2002, the trend in Marimekko's operations remained favourable. Net sales grew at a faster rate than expected, and earnings improved significantly. Apart from growth in exports and international operations, all of the objectives set for the period were achieved.

## Net sales up 17.4%

During the 2002 financial year, the Marimekko Group's net sales grew by 17.4% to EUR 49,318 thousand (EUR 42,003 thousand). The Group's exports and income from international operations increased by 2.6% and accounted for 27.1% of its net sales. This did not measure up to the target set for the financial year. Exports of Marimekko products and income from international operations grew by 18.5%.

The breakdown of net sales by product line was as follows: clothing, 53.6%, interior decoration, 35.5%, and accessories, 10.9%. Net sales by market area were: Finland, 72.9%, the other Nordic countries, 7.1%, the rest of Europe, 11.8%, North America, 4.2%, and other countries (regions outside Europe and North America), 4.1%.

Marimekko's own retail shops in Finland increased their sales by 12.7%. In 2002, the retail shops' sales totalled EUR 22,568 thousand (EUR 20,076 thousand). Sales to retailers in Finland rose by 48.2%.

## Clothing

The Group's net sales of clothing in 2002 grew by 3.9% and amounted to EUR 26,437 thousand (EUR 25,436 thousand). Net sales of Marimekko products increased by 9.7%, while net sales of Grünstein products declined by 16.0%. The decrease in net sales of Grünstein products was partly affected by the company's giving up agency business and partly by the rapid weakening of sales in continental Europe, mainly in Germany. Grünstein's exports were down 22.7%, while sales in Finland rose by 45.8%.

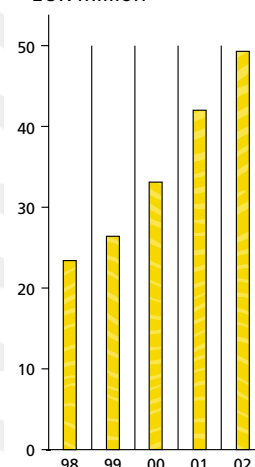
Sales of Marimekko clothing products in Finland grew at a faster rate than anticipated. Exports and income from international operations grew as expected.

Exports and income from international operations accounted for 31.4% of the Group's net sales of clothing.

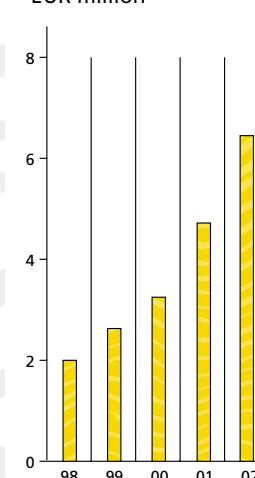
## Interior decoration

Net sales of interior decoration products grew by a record-breaking 40.6% and amounted to EUR 17,486 thousand (EUR 12,434 thousand). Sales of interior decoration products in Finland increased considerably faster than expected, while sales growth in export markets was in line with predictions. The popularity of Marimekko's printed textile patterns, successful product collections and the continuing positive demand for home furnishing products underlay the rapid

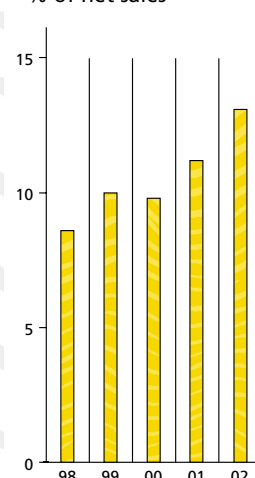
Net sales 1998-2002, EUR million



Operating profit 1998-2002, EUR million



Operating profit 1998-2002, % of net sales





growth in sales of interior decoration products. Exports and income from international operations accounted for 20.6% of net sales of interior decoration products.

### Accessories

Net sales of accessories rose by 30.5% and amounted to EUR 5,395 thousand (EUR 4,133 thousand). Sales of accessories grew vigorously both in Finland and in export markets. Exports and income from international operations accounted for 27.4% of net sales of accessories.

### Business gifts and contract sales

Sales of business gifts and contract sales increased by 26.0% compared with the previous year.

### Exports and international operations

The Group's exports and income from international operations rose by 2.6% and amounted to EUR 13,381 thousand (EUR 13,043 thousand). Marimekko products registered growth of 18.5% in exports and income from international operations, whereas exports of Grünstein products declined by 22.7%. The product lines that saw the greatest growth in exports were interior decoration products and accessories.

In the market area referred to as "other Nordic countries", the Group's exports and income from international operations grew by 11.2%. The best growth – far exceeding expectations – was seen in sales of interior decoration products. Sales of clothing and accessories almost matched predictions.

In the rest of Europe, the Group's exports and income from international operations fell by 10.8% due to the rapid decline in sales of Grünstein products in continental Europe. Sales of Marimekko products in this market area grew well, in line with expectations. The product lines that saw the greatest growth were interior decoration products and accessories, whose sales significantly exceeded expectations.

The fastest growth, 37.0%, was recorded in the market area referred to as "other countries". Sales grew extremely vigorously in all product groups. In this market area, the major export countries are Japan and Australia.

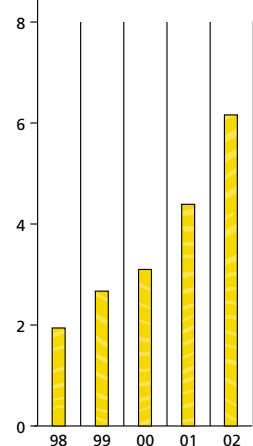
Sales in North America rose by 7.2%. Growth fell considerably short of expectations. Growth was slower than in the previous year due partly to the weakening of the exchange rate of the dollar, but also because the uncertainty prevailing in the US economy has caused retailers to be cautious when making purchases. The product line that saw the greatest growth in North America was clothing.

In the 2002 financial year, royalty earnings from sales of licensed products increased significantly compared with the previous year. The greatest growth was seen in Finland and the United States. During the financial period, new licensing agreements were made in Finland with Finlux Ltd and Pyrollpack Oy. The Group also landed new licensing co-operation partners in the United States: Mudlark Papers, Inc. and WallCandy LLC. At the end of the financial period, an agreement was made with the American Zak Designs Inc. concerning the start-up of the licensed manufacture and distribution of plastic table-setting products in autumn 2003.

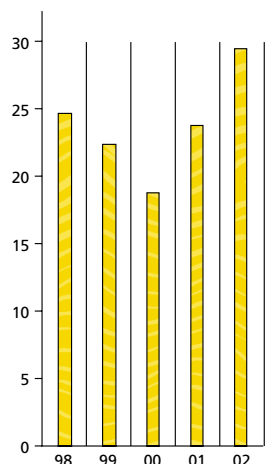
### Production

As a result of the rapid growth in sales volumes during the 2002 financial year, the need for production capacity increased substantially in all product groups. The company stepped up outsourcing from both Finnish and foreign manufacturers to ensure prompt and accurate deliveries. In order to ease the capacity shortage affecting printed textiles in particular, the production volume at the company's own printing factory was increased by changing over from a single shift to one

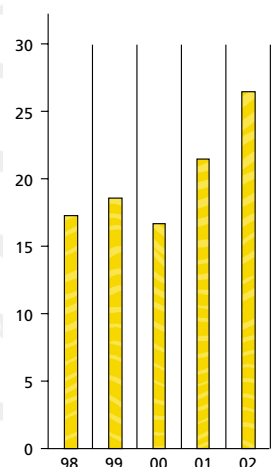
Profit before extraordinary items and taxes 1998-2002, EUR million



Return on investment (ROI) 1998-2002, %



Return on equity (ROE) 1998-2002, %



and a half shifts at the beginning of August. Part of the product warehousing and dispatching functions were outsourced to manage the greater goods flows. The operations control system implemented at the end of 2001 also continued to be utilised in the management of the order-delivery chain during the financial period.

## Earnings improve significantly

The Group's operating profit improved by 36.7% to EUR 6,450 thousand (EUR 4,720 thousand). Grünstein Product Oy fell short of its expected operating result. The Group's operating profit as a percentage of net sales increased to 13.1% (11.2%). Marketing expenses during the financial period totalled EUR 2,699 thousand (EUR 2,860 thousand), or 5.5% of the Group's net sales (6.8%).

The Group's depreciation amounted to EUR 878 thousand (EUR 867 thousand), or 1.8% of the Group's net sales. Net financial expenses were EUR 290 thousand (EUR 329 thousand) and represented 0.6% of the Group's net sales.

The Group's profit before extraordinary items and taxes rose by 40.3% to EUR 6,160 thousand (EUR 4,391 thousand), or 12.5% of the Group's net sales.

Profit after taxes for the period grew by 42.1% to EUR 4,389 thousand (EUR 3,088 thousand), representing 8.9% of the Group's net sales. The Group's earnings per share rose by 42.4% to EUR 1.64 (EUR 1.15).

Strong sales growth and successful cost control achieved by upgrading the efficiency of functions contributed to the good result for the financial year.

## Investments

Gross investments during the financial year amounted to EUR 626 thousand (EUR 546 thousand), or 1.3% of the Group's net sales. The most significant investments were the moving of Marimekko's shop in Lahti to new, larger premises and the renovations made to the Herttoniemi property in Helsinki.

## Equity ratio and financing

The Group's equity ratio rose to 61.1% (58.3% on 31 Dec. 2001). The gearing ratio was 11.2% (25.5% on 31 Dec. 2001). At the end of the financial year, the Group's interest-bearing debt amounted to EUR 5,515 thousand (EUR 5,238 thousand).

The Group's financing from operations was EUR 5,268 thousand (EUR 3,955 thousand). At the end of the financial period, the Group's liquid assets amounted to EUR 3,517 thousand (EUR 1,351 thousand).

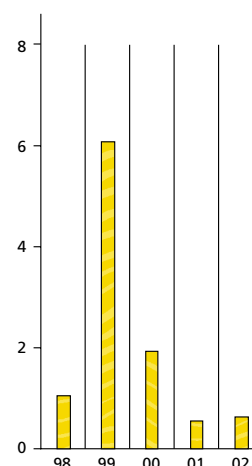
## Shares and share trend

On 31 December 2002, the company's share capital amounted to EUR 5,360,000, consisting of 2,680,000 shares, each having an accounting countervalue of EUR 2.00.

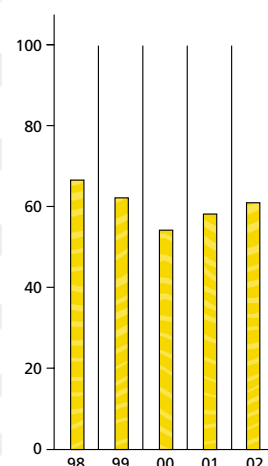
As a result of share deals made on 30 August 2002, Workidea Oy's stake in Marimekko Corporation's share capital and voting rights declined from 50.0% to 32.3%, or 865,000 shares. Following a share deal on 30 August 2002, ODIN Forvaltning AS's holding in Marimekko Corporation's share capital and voting rights rose to 5.81%, or 155,600 shares.

According to the book-entry register, the company had 2,157 registered shareholders at the end of the period. 1.1% of the shares were registered in a nominee's name and 5.7% were owned by foreigners. The number of shares owned

Gross investments  
1998-2002, EUR million



Equity ratio  
1998-2002, %



either directly or indirectly by members of the Board of Directors and the president of the company was 895,200, representing 33.4% of the total votes conferred by the company's shares.

At the end of the report year, the Board of Directors had no valid authorisations to carry out a share issue or issue of convertible bonds or bonds with warrants, or to acquire the company's shares.

At its meeting on 18 December 2002, Marimekko Corporation's Board of Directors decided to request Helsinki Exchanges to transfer the listing of Marimekko Corporation's share from the I List to the Main List. The share was moved to the Main List of Helsinki Exchanges on 27 December 2002. The last day of trading of Marimekko Corporation's share on the I List was 23 December 2002.

During the financial year, a total of 1,543,300 Marimekko shares were traded on the I List, representing 57.6% of the shares, and 18,155 shares were traded on the Main List, representing 0.7% of the shares. The total value of share turnover was EUR 15,821,981 on the I List and EUR 255,274 on the Main List. The market value of the shares at the end of the 2002 financial year was EUR 38,324,000. At the end of 2001, the company's market capitalisation was EUR 19,430,000.

In 2002, the lowest price of the Marimekko share on the I List was EUR 7.35 and the highest was EUR 14.22. The average share price was EUR 10.25. The final price of the share on the I List on 23 December 2002 was EUR 13.58. On the Main List, the lowest price in trading was EUR 13.35, the highest was EUR 14.45 and the average price was EUR 14.04. The final price of Marimekko's share on the Main List on 30 December 2002 was EUR 14.30.

## Personnel

During the period under review, the number of Marimekko Group personnel averaged 333 (317). At the end of the period, the Group employed 344 (324) people, of whom 8 (9) worked abroad.

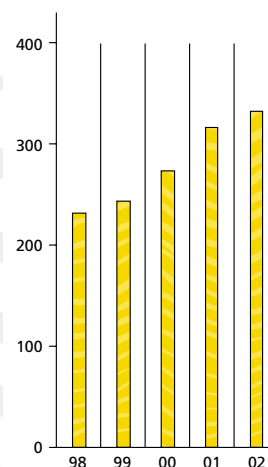
## The Board of Directors' proposal on the dividend for the 2002 financial year

The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for 2002 be EUR 0.85 per share. The proposed dividends represent 51.8% of the Group's earnings per share for the financial year. On 31 December 2002, the Group's distributable funds amounted to EUR 9,654,257.51. The parent company's distributable funds were EUR 8,960,365.80. In 2001, a dividend of EUR 0.50 per share was paid along with an additional dividend of EUR 0.15 in honour of the jubilee year to a total of EUR 0.65 per share. The Board will propose 4 April 2003 as the dividend record date and 11 April 2003 as the dividend payout date.

## Outlook for 2003

The outlook for the trend in the global economy in 2003 is still shadowed by uncertainty, which complicates the assessment of sales growth in different markets during the present year. Thanks to outlays on the development of product concepts and distribution channels in the 2002 financial year, Marimekko is well poised to see favourable sales growth in 2003 as well in both Finland and export markets. Domestic sales are expected to continue to grow strongly in the 2003 financial year. The rate of export growth is significantly affected by the trend in consumption demand in different markets. On the basis of the field's growth outlook, the Marimekko Group's net sales are expected to grow by 10% in 2003. The Group's profitability is anticipated to remain at a good level.

Average personnel  
1998-2002



## Information on Marimekko's share

### Shares

Marimekko Corporation was listed on the I List of Helsinki Exchanges in March 1999. The Marimekko share has been quoted on the Main List of Helsinki Exchanges since 27 December 2002. Quotation of the share on the I List ended on 23 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 5,360,000, consisting of 2,680,000 shares, each having an accounting counter-value of EUR 2.00. 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.

### Authorisations

The Board of Directors has no valid authorisations to carry out a share issue or issue of convertible bonds or bonds with warrants, or to acquire 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

The dividends paid for 2001 amounted to 56.6% of earnings per share, or EUR 0.65 per share, including an additional dividend of EUR 0.15 in honour of the jubilee year. The Board of Directors will propose to the Annual General Meeting that the dividend to be paid for 2002 be EUR 0.85 per share. The proposed dividends amount to 51.8% of earnings per share for the financial year.

### Shareholders

According to the book-entry register, Marimekko Corporation had 2,157 registered shareholders at the end of the financial year. At the turn of the year, 1.1% of the shares were registered in a nominee's name and 5.7% were owned by foreigners.

### Breakdown of ownership by owner group, 30 December 2002

	Shareholders		Shares		Votes	
	no.	%	no.	%	no.	%
Companies	112	5.20	1,088,133	40.60	1,088,133	40.60
Financial institutions and insurance companies	10	0.46	204,750	7.64	204,750	7.64
Public sector entities	2	0.09	140,800	5.25	140,800	5.25
Non-profit bodies	15	0.70	47,310	1.77	47,310	1.77
Households	2,009	93.23	1,046,277	39.04	1,046,277	39.04
Foreigners	7	0.32	152,730	5.70	152,730	5.70
TOTAL	2,155	100	2,680,000	100	2,680,000	100
Nominee-registered	2		29,200	1.09	29,200	1.09

### Ownership by size of holding, 30 December 2002

Shares	Shareholders		Shares		Votes	
	no.	%	no.	%	no.	%
1-100	761	35.28	65,018	2.43	65,018	2.43
101 – 1,000	1,227	56.88	510,523	19.05	510,523	19.05
1,001 – 10,000	147	6.82	371,429	13.86	371,429	13.86
10,001 – 100,000	19	0.88	584,630	21.81	584,630	21.81
100,001 – 1,000,000	3	0.14	1,148,400	42.85	1,148,400	42.85
TOTAL	2,157	100	2,680,000	100	2,680,000	100

## Flagging 2002

As a result of share deals made on 30 August 2002, Workidea Oy's stake in Marimekko Corporation's share capital and voting rights declined from 50.0% to 32.3%, or 865,000 shares.

Following a share deal on 30 August 2002, ODIN Forvaltning AS's holding in Marimekko Corporation's share capital and voting rights rose to 5.81%, or 155,600 shares.

## 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 895,200, representing 33.4% of the total votes conferred by the company's shares.

## 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.

## Insider regulations

Marimekko Corporation's insider regulations comply with Helsinki Exchanges' Guidelines for Insiders.

## Largest shareholders according to the book-entry register, 30 December 2002

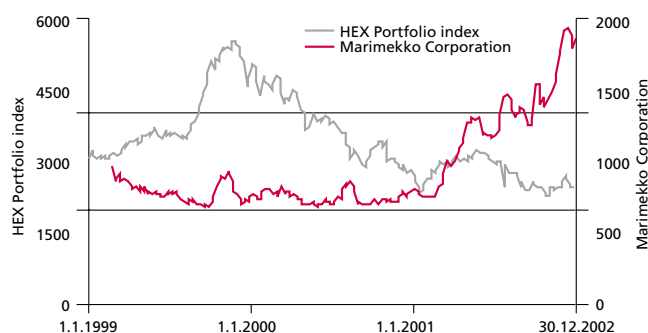
	Percentage of holding and votes
1. Workidea Oy	32.28
2. Odin Finland Oy	5.62
3. Varma-Sampo Mutual Pension Insurance Company	4.96
4. Sinkkonen Raija	3.42
5. Turun Seudun Osuuspankki (Turku District Co-operative Bank)	2.99
6. Oy Lindell Ab	2.80
7. Sampo Life Insurance Company Ltd	1.63
8. Westerberg Olof	1.21
9. Etra-Invest Oy Ab	1.12
10. Aukia Jaakko	1.07
11. OP-Suomi Kasvu Unit Trust	0.93
12. Vidgren Einari	0.82
13. Mandatum Suomi Kasvuosake Unit Trust	0.75
14. Laakkonen Mikko	0.75
15. Foundation for Economic Education	0.75
16. Miettinen Kari	0.60
17. Scanmagnetics Oy	0.49
18. Parhaatpaikat-Invest Oy	0.48
19. Rantanen Heikki	0.45
20. Piekkola Asko	0.40
Other	36.48

## Share turnover

In 2002, a total of 1,543,300 Marimekko shares were traded on the I List, representing 57.6% of the shares outstanding, and 18,155 shares were traded on the Main List, representing 0.7% of the shares. The total value of share turnover was EUR 15,821,981 on the I List and EUR 255,274 on the Main List. The market value of the shares at the end of the 2002 financial year was EUR 38,324,000. At the end of 2001, the company's market capitalisation was EUR 19,430,000.

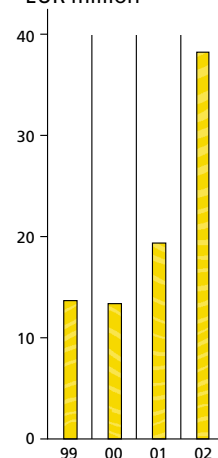
## Share trend

In 2002, the lowest price of the Marimekko share on the I List was EUR 7.35 and the highest was EUR 14.22. The average share price was EUR 10.25. The final price of the share on the I List on 23 December 2002 was EUR 13.58. On the Main List, the lowest price in trading was EUR 13.35, the highest was EUR 14.45 and the average price was EUR 14.04. The final price of Marimekko's share on the Main List on 30 December 2002 was EUR 14.30.



Trading code: MMO1V  
 ISIN code: FI0009007660  
 Round lot: 100 shares  
 Business sector: Other industries  
 Taxable value of the share in 2002: EUR 9.38

## Market capitalisation 1999-2002, EUR million





## Income statement

(EUR 1,000)	Group		Parent company		
	2002	2001	2002	2001	
NET SALES	1.	49 318	42 003	44 628	36 375
Increase or decrease in inventories of completed and unfinished products		1 093	2 090	1 228	1 650
Other operating income	2.	11	41	11	41
Materials and services	3.	19 800	17 114	20 449	16 854
Personnel expenses	4.	11 207	10 166	6 045	5 219
Depreciation and value adjustments	5.	878	867	455	450
Other operating expenses	6.	12 087	11 267	12 866	11 308
OPERATING PROFIT		6 450	4 720	6 052	4 235
Financial income and expenses	7.	-290	-329	-113	-28
PROFIT BEFORE EXTRAORDINARY ITEMS		6 160	4 391	5 939	4 207
Extraordinary items	8.			-136	
PROFIT BEFORE APPROPRIATIONS AND TAXES		6 160	4 391	5 803	4 207
Increase in depreciation difference	9.			-29	-57
Direct taxes	10.	1 771	1 303	1 683	1 229
NET PROFIT FOR THE PERIOD		4 389	3 088	4 091	2 921

## Statement of changes in financial position

(EUR 1,000)	Group		Parent company	
	2002	2001	2002	2001
CASH FLOW FROM OPERATIONS				
Profit before extraordinary items	6 160	4 391	5 939	4 207
Adjustments				
Depreciation according to plan	879	867	455	450
Financial income and expenses	291	329	113	28
Cash flow before change in working capital	7 330	5 587	6 507	4 685
Change in working capital	-493	-3 073	558	-2 831
Cash flow from operations before financial items and taxes	6 837	2 514	7 065	1 854
Paid interest and payments on other operational financial expenses	-354	-397	-251	-279
Dividends received from operations	1			100
Interest received from operations	65	54	125	143
Direct taxes paid	-2 291	-907	-2 218	-873
CASH FLOW FROM OPERATIONS	4 258	1 264	4 721	945
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible assets	-626	-623	-402	-440
CASH FLOW FROM INVESTMENTS	-626	-623	-402	-440
CASH FLOW FROM FINANCING				
Short-term loans drawn down	2 500	1 682	2 000	1 682
Short-term loans repaid	-2 500	-1 682	-2 000	-1 682
Long-term loans drawn down	1 316			
Long-term loans repaid	-1 039	-715	-653	-705
Dividends paid and other distribution of profit	-1 742	-1 340	-1 742	-1 340
CASH FLOW FROM FINANCING	-1 465	-2 055	-2 395	-2 045
Increase (+) / decrease (-) in financial assets	2 166	-1 414	1 924	-1 541
Financial assets at the beginning of the financial period	1 351	2 765	964	2 505
Financial assets at the end of the financial period	3 517	1 351	2 888	964

## Balance sheet

(EUR 1,000)		Group		Parent company	
		2002	2001	2002	2001
ASSETS					
FIXED ASSETS					
Intangible assets	11.1	1 907	2 001	691	698
Consolidated goodwill	11.1	311	428		
Tangible assets	11.2	5 657	5 699	1 462	1 507
Investments	11.3, 12.	58	58	4 544	4 545
		<u>7 933</u>	<u>8 186</u>	<u>6 697</u>	<u>6 750</u>
CURRENT ASSETS					
Inventories	13.	12 823	11 175	10 794	9 032
Current receivables	14.	4 998	5 407	5 637	6 486
Cash in hand and at banks		3 517	1 351	2 888	964
		<u>21 338</u>	<u>17 933</u>	<u>19 319</u>	<u>16 482</u>
ASSETS, TOTAL		<u>29 271</u>	<u>26 119</u>	<u>26 016</u>	<u>23 232</u>

## Balance sheet

(EUR 1,000)

		Group		Parent company	
		2002	2001	2002	2001
LIABILITIES					
SHAREHOLDERS' EQUITY	15.				
Share capital		5 360	5 360	5 360	5 360
Share premium fund		1 353	1 353	1 353	1 353
Reserve fund		782	782	782	782
Retained earnings		6 003	4 656	4 869	3 690
Profit for the period		4 389	3 088	4 091	2 921
Shareholders' equity, total		17 887	15 239	16 455	14 106
ACCUMULATED APPROPRIATIONS	16.			683	655
CREDITORS	17.				
Imputed tax liabilities	17.1				
Non-current liabilities	17.2	4 536	3 990	2 711	3 361
Current liabilities	17.3	6 848	6 890	6 167	5 110
Creditors, total		11 384	10 880	8 878	8 471
LIABILITIES, TOTAL		29 271	26 119	26 016	23 232

# NOTES TO THE FINANCIAL STATEMENTS

## Accounting policy

Marimekko Corporation's financial statements and consolidated financial statements have been prepared in accordance with the legislation and regulations that are in force in Finland. The financial statements of foreign subsidiaries have been arranged to correspond with the Finnish Accounting Act. The financial period of all Group companies is the calendar year.

## Extent of the consolidated financial statements

The consolidated financial statements comprise the parent company Marimekko Corporation together with those Finnish and foreign subsidiaries in which Marimekko Corporation holds either directly or indirectly over 50% of the votes conferred by the shares at the end of the financial year. The subsidiaries included in the consolidated financial statements and the parent company's holding are listed in section 12 of the notes to the financial statements.

## Consolidation policy

The consolidated financial statements are based on the separate financial statements of the Group companies and have been prepared using the acquisition cost method.

Intra-Group share ownership, internal transactions, internal margins included in inventories, intercompany receivables and liabilities, and internal distribution of profit have been eliminated.

Marimekko AB's income statement has been converted to euros at the average rate for the financial year and the balance sheet at the rate on the closing day. Differences arising from translation and translation differences in shareholders' equity are recorded under retained earnings.

## Fixed assets and depreciation

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

Periods for depreciation:

Intangible rights	10 years
Other long-term expenditure	5-10 years
Goodwill on consolidation	5 years
Buildings and structures	40 years
Machinery and equipment	3-10 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 employees of the Group's Finnish companies has been arranged as statutory employment pension through a pension insurance company. Foreign subsidiaries have handled the retirement plans of their employees in accordance with local legislation.

## Items denominated in foreign currency

The foreign-currency-denominated receivables and liabilities of the Group's Finnish companies have been converted to euro amounts using the average exchange rates quoted on the closing date.

## Leasing

Operational leasing payments are treated as rental expenditures.

## Appropriations

On the basis of local legislation and accounting practice, 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. The consolidated income statement and balance sheet are presented without appropriations. In the consolidated financial statements, the depreciation difference is divided between shareholders' equity and the imputed tax liability.

## Taxes

Recorded as the Group's direct taxes are the direct taxes calculated from the results of Group companies, the change in the imputed tax liability and the change in the imputed tax credit. The imputed tax credit is recorded only if it is likely to materialise. The imputed tax liability is deducted from the imputed tax credit in the balance sheet.



## Notes to the income statement

(EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
1. NET SALES BY MARKET AREA AND PRODUCT LINE				
By market area				
Finland	35 937	28 959	35 186	28 441
Other Nordic countries	3 481	3 129	3 065	2 742
Rest of Europe	5 807	6 509	2 805	2 428
North America	2 062	1 923	2 034	1 751
Other	2 031	1 483	1 538	1 013
	<u>49 318</u>	<u>42 003</u>	<u>44 628</u>	<u>36 375</u>
By product line				
Clothing	26 437	25 436	21 941	19 965
Interior decoration	17 486	12 434	17 380	12 313
Accessories	5 395	4 133	5 307	4 097
	<u>49 318</u>	<u>42 003</u>	<u>44 628</u>	<u>36 375</u>
2. OTHER OPERATING INCOME				
Rental income	11	40	11	40
Capital gains from sales of fixed assets		1		1
Total	<u>11</u>	<u>41</u>	<u>11</u>	<u>41</u>
3. MATERIALS AND SERVICES				
Materials and supplies				
Purchases during the financial period	14 487	12 913	12 900	10 801
Change in inventories	-557	-252	-539	-397
Total	<u>13 930</u>	<u>12 661</u>	<u>12 361</u>	<u>10 404</u>
External services	5 870	4 453	8 088	6 450
Total	<u>19 800</u>	<u>17 114</u>	<u>20 449</u>	<u>16 854</u>
4. PERSONNEL EXPENSES				
Salaries, wages and bonuses	9 124	8 227	4 924	4 228
Pension and pension insurance payments	1 501	1 348	832	693
Other personnel expenses	582	591	289	298
Total	<u>11 207</u>	<u>10 166</u>	<u>6 045</u>	<u>5 219</u>
Salaries and bonuses for management				
Members of the Board of Directors and presidents	311	320	135	103
Average personnel				
Salaried employees	189	177	150	140
Workers	144	140		
Total	<u>333</u>	<u>317</u>	<u>150</u>	<u>140</u>
5. DEPRECIATION AND VALUE ADJUSTMENTS				
Intangible assets				
Intangible rights	18	17	18	17
Consolidated goodwill	117	117		
Other capitalised expenditure	258	225	170	135
Total	<u>393</u>	<u>359</u>	<u>188</u>	<u>152</u>
Tangible assets				
Buildings and structures	141	137		
Machinery and equipment	344	371	267	298
Total	<u>485</u>	<u>508</u>	<u>267</u>	<u>298</u>
Total	<u>878</u>	<u>867</u>	<u>455</u>	<u>450</u>

**(EUR 1,000)**

	Group		Parent company	
	2002	2001	2002	2001
6. OTHER OPERATING EXPENSES				
Rents	2 324	2 194	2 553	2 394
Marketing	2 699	2 860	2 543	2 088
Other expenses	7 064	6 213	7 770	6 826
Total	<u>12 087</u>	<u>11 267</u>	<u>12 866</u>	<u>11 308</u>
7. FINANCIAL INCOME AND EXPENSES				
Dividend income				
From Group companies				99
From others	1			1
Total	<u>1</u>			<u>100</u>
Other interest and financial income				
From Group companies			63	93
From others	66	51	64	47
Total	<u>66</u>	<u>51</u>	<u>127</u>	<u>140</u>
Interest income and other financial income, total	67	51	127	240
Interest expenses and other financial expenses				
For Group companies			2	2
For others	357	380	238	266
Total	<u>357</u>	<u>380</u>	<u>240</u>	<u>268</u>
Financial income and expenses, total	<u>-290</u>	<u>-329</u>	<u>-113</u>	<u>-28</u>
Financial income and expenses include gains/losses on exchange rate differences (net)				
From Group companies			-1	
From others	-25	-8	-17	3
Total	<u>-25</u>	<u>-8</u>	<u>-18</u>	<u>3</u>
8. EXTRAORDINARY ITEMS				
Extraordinary expenses				
Group contribution			-136	
Total			<u>-136</u>	
9. APPROPRIATIONS				
Change in depreciation difference			-29	-57
10. DIRECT TAXES				
Income taxes for the present year	1 736	1 254	1 681	1 209
Income taxes for previous years	2	20	2	20
Change in the imputed tax liability	33	38		
Change in the imputed tax credit		-9		
Total	<u>1 771</u>	<u>1 303</u>	<u>1 683</u>	<u>1 229</u>
Taxes on extraordinary items			-39	

## Notes to the balance sheet

(EUR 1,000)

	Group		Parent company	
	2002	2001	2002	2001
11. FIXED ASSETS				
11.1 Intangible assets				
Intangible rights				
Acquisition cost, 1 Jan.	1 111	1 092	213	194
Increases +	20	19	20	19
Acquisition cost, 31 Dec.	1 131	1 111	233	213
Accumulated depreciation, 1 Jan.	160	143	118	101
Depreciation during financial period	18	17	18	17
Accumulated depreciation, 31 Dec.	178	160	136	118
Book value, 31 Dec.	953	951	97	95
Consolidated goodwill				
Acquisition cost, 1 Jan.	584	584		
Acquisition cost, 31 Dec.	584	584		
Accumulated depreciation, 1 Jan.	156	39		
Depreciation during financial period	117	117		
Accumulated depreciation, 31 Dec.	273	156		
Book value, 31 Dec.	311	428		
Other capitalised expenditure				
Acquisition cost, 1 Jan.	2 715	2 429	1 961	1 730
Increases +	162	286	161	231
Acquisition cost, 31 Dec.	2 877	2 715	2 122	1 961
Accumulated depreciation, 1 Jan.	1 665	1 440	1 358	1 223
Depreciation during financial period	258	225	170	135
Accumulated depreciation, 31 Dec.	1 923	1 665	1 528	1 358
Book value, 31 Dec.	954	1 050	594	603
Intangible assets, total	2 218	2 429	691	698
11.2 Tangible assets				
Land and water				
Acquisition cost, 1 Jan.	54	54		
Acquisition cost, 31 Dec.	54	54		
Book value, 31 Dec.	54	54		
Buildings and structures				
Acquisition cost, 1 Jan.	4 152	4 121		
Increases +	50	31		
Acquisition cost, 31 Dec.	4 202	4 152		
Accumulated depreciation, 1 Jan.	419	282		
Depreciation during financial period	140	137		
Accumulated depreciation, 31 Dec.	559	419		
Book value, 31 Dec.	3 643	3 733		
Machinery and equipment				
Acquisition cost, 1 Jan.	4 175	3 952	3 464	3 337
Increases +	401	224	221	127
Decreases -	-9	-1		
Acquisition cost, 31 Dec.	4 567	4 175	3 685	3 464
Accumulated depreciation, 1 Jan.	2 263	1 892	1 957	1 659
Depreciation during financial period	344	371	266	298
Accumulated depreciation, 31 Dec.	2 607	2 263	2 223	1 957
Book value, 31 Dec.	1 960	1 912	1 462	1 507

**(EUR 1,000)**

	Group		Parent company	
	2002	2001	2002	2001
Book value of production machinery and equipment, 31 Dec.	342	321	105	83
Advance payments and incomplete projects				
Acquisition cost, 1 Jan.		13		13
Decreases -		-13		-13
Book value, 31 Dec.		0		0
Tangible assets, total	<u>5 657</u>	<u>5 699</u>	<u>1 462</u>	<u>1 507</u>
11.3 Investments				
Shares in Group companies				
Acquisition cost, 1 Jan.			4 717	4 717
Increases +			26	
Decreases -			-27	
Acquisition cost, 31 Dec.			<u>4 716</u>	<u>4 717</u>
Accumulated depreciation, 31 Dec.			<u>218</u>	<u>218</u>
Book value, 31 Dec.			4 498	4 499
Other shares and participations				
Acquisition cost, 1 Jan.	129	129	117	117
Acquisition cost, 31 Dec.	<u>129</u>	<u>129</u>	<u>117</u>	<u>117</u>
Accumulated depreciation, 31 Dec.	<u>71</u>	<u>71</u>	<u>71</u>	<u>71</u>
Book value, 31 Dec.	58	58	46	46
Investments, total	<u>58</u>	<u>58</u>	<u>4 544</u>	<u>4 545</u>
12. INVESTMENTS				
Group companies			Group's holding, %	Parent company's holding, %
Company and domicile				
Decembre Oy, Helsinki, Finland			100	100
Grünstein Product Oy, Loviisa, Finland			100	100
Keskinäinen Kiinteistö Oy Marikko, Helsinki, Finland			100	100
Marimekko AB, Stockholm, Sweden			100	100
Marimekko GmbH, Düsseldorf, Germany			100	100
Marimekko International Oy, Helsinki, Finland			100	100
Marimekko Kitee Oy, Kitee, Finland			100	100
Marimekko Tuotanto Oy, Helsinki, Finland			100	100
13. INVENTORIES				
Raw materials and consumables	4 227	3 615	3 256	2 611
Incomplete products	161	137	75	41
Finished products/goods	8 269	7 251	7 297	6 208
Advance payments	166	172	166	172
Total	<u>12 823</u>	<u>11 175</u>	<u>10 794</u>	<u>9 032</u>

(EUR 1,000)	Group		Parent company	
	2002	2001	2002	2001
14. CURRENT RECEIVABLES				
Sales receivables	4 058	4 385	2 762	2 554
Receivables from Group companies				
Sales receivables			781	841
Loan receivables			1 600	2 624
Total			2 381	3 465
Other receivables	10	18	4	8
Prepaid expenses and accrued income	930	1 004	490	459
Total	<u>4 998</u>	<u>5 407</u>	<u>5 637</u>	<u>6 486</u>
Prepaid expenses and accrued income				
Interest receivables	2	1	2	
Royalty receivables	262	255	262	255
Social security contribution insurance	15	35		18
Tax assets	82		73	
Imputed tax credit	607	607		
Transfer from imputed tax liability	-301	-268		
Other prepaid expenses and accrued income	263	374	153	186
Total	<u>930</u>	<u>1 004</u>	<u>490</u>	<u>459</u>
15. SHAREHOLDERS' EQUITY				
Share capital, 1 Jan.	5 360	5 360	5 360	5 360
Share capital, 31 Dec.	<u>5 360</u>	<u>5 360</u>	<u>5 360</u>	<u>5 360</u>
Share premium fund, 1 Jan.	1 353	1 353	1 353	1 353
Share premium fund, 31 Dec.	<u>1 353</u>	<u>1 353</u>	<u>1 353</u>	<u>1 353</u>
Reserve fund, 1 Jan.	782	782	782	782
Reserve fund, 31 Dec.	<u>782</u>	<u>782</u>	<u>782</u>	<u>782</u>
Retained earnings, 1 Jan.	7 745	5 996	6 611	5 030
Dividend payout	-1 742	-1 340	-1 742	-1 340
Retained earnings, 31 Dec.	<u>6 003</u>	<u>4 656</u>	<u>4 869</u>	<u>3 690</u>
Net profit for the period	4 389	3 088	4 091	2 921
SHAREHOLDERS' EQUITY, TOTAL	<u>17 887</u>	<u>15 239</u>	<u>16 455</u>	<u>14 106</u>
Share of accumulated appropriations recorded in shareholders' equity	737	656		
Distributable funds in shareholders' equity	9 654	7 089	8 960	6 611

(EUR 1,000)	Group		Parent company		
	2002	2001	2002	2001	
16.	ACCUMULATED APPROPRIATIONS				
	Accumulated depreciation difference				
	Intangible rights	2	3	2	3
	Other capitalised expenditure	80	69	79	68
	Buildings and structures	265	219		
	Machinery and equipment	691	633	602	584
	Total	1 038	924	683	655
	Imputed tax liability	301	268		
	Share recorded in shareholders' equity	737	656		
	The imputed tax liability of the Finnish companies has been calculated using a 29% tax base. The imputed tax liability of foreign subsidiaries has been calculated using the local tax base.				
17.	LIABILITIES				
	Interest-bearing liabilities				
	Non-current	4 536	3 990	2 711	3 361
	Current	979	1 248	649	653
	Total	5 515	5 238	3 360	4 014
	Non-interest-bearing liabilities				
	Current	5 869	5 642	5 518	4 457
	Total	5 869	5 642	5 518	4 457
17.1	Imputed tax liability				
	From appropriations	301	268		
	Transferred to imputed tax credit	301	268		
	Total	0	0		
17.2	Non-current liabilities				
	Loans from financial institutions	509	629		
	Pension loans	4 027	3 361	2 711	3 361
	Total	4 536	3 990	2 711	3 361
	Non-current liabilities include debts that fall due more than five years from now.				
	Loans from financial institutions	101	201		
	Pension loans	1 480	1 036	658	1 036
	Total	1 581	1 237	658	1 036
17.3	Current liabilities				
	Loans from financial institutions	330	595		
	Pension loans	649	653	649	653
	Trade payables	2 060	1 730	1 852	1 181
	Debts to Group companies				
	Trade payables			1 283	865
	Other current liabilities			32	42
	Accrued liabilities and deferred income			110	21
	Total			1 425	928
	Other current liabilities	1 664	1 606	1 059	922
	Accrued liabilities and deferred income	2 145	2 306	1 182	1 426
	Total	6 848	6 890	6 167	5 110

(EUR 1,000)	Group		Parent company	
	2002	2001	2002	2001
Accrued liabilities and deferred income				
Interest	59	56	31	41
Annual holiday pay, with social security contributions	1 314	1 280	707	618
Periodised wages and salaries	264	159	143	71
Taxes	8	479		462
Other accrued liabilities and deferred income	500	332	301	234
Total	<u>2 145</u>	<u>2 306</u>	<u>1 182</u>	<u>1 426</u>
<b>18. GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS</b>				
For own liabilities				
Pledges given	9	9	9	9
Guarantees	437	440	290	295
Corresponding commitments	446	449	299	304
Corporate mortgage and mortgaged promissory notes	5 214	5 214	1 514	1 514
Corresponding pension loan	3 360	4 014	3 360	4 014
Corporate mortgage and mortgaged promissory notes	84	1 598		
Corresponding loans from financial institutions	126	1 224		
For the liabilities of the Group company				
Guarantees			2 119	722
Other liabilities and commitments				
Leasing liabilities				
Payments due in the following financial year	242	208	198	193
Payments due later	443	434	470	409
Total	<u>685</u>	<u>642</u>	<u>668</u>	<u>602</u>

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



## Formulas for the key figures

Operating profit from Marimekko's operations:	1998: the Marimekko Group's operating profit + the parent company Workidea Oy's operating profit, 1999-2002: the Marimekko Group's operating profit
Return on equity (ROE), %:	$\frac{\text{Profit before extraordinary items} - \text{taxes (excl. of taxes on extraordinary items)}}{\text{Shareholders' equity (average for the financial year)}} \times 100$
Return on investment (ROI), %:	$\frac{\text{Profit before extraordinary items} + \text{interest and other financial expenses}}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average for the financial year)}} \times 100$
Equity ratio, %:	$\frac{\text{Shareholders' equity}}{\text{Balance sheet total} - \text{advances received}} \times 100$
Earnings per share (EPS), EUR:	$\frac{\text{Profit before extraordinary items} - \text{taxes (excl. of taxes on extraordinary items)}}{\text{Number of shares (average for the financial period)}}$
Equity per share, EUR:	$\frac{\text{Shareholders' equity}}{\text{Number of shares, 31 December}}$
Dividend per share, EUR:	$\frac{\text{Dividend paid for the financial year}}{\text{Number of shares, 31 December}}$
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, %:	$\frac{\text{Dividend per share}}{\text{Adjusted share price, 31 December}} \times 100$
P/E ratio:	$\frac{\text{Adjusted share price, 31 December}}{\text{Earnings per share (EPS)}}$
Interest-bearing net debt:	Interest-bearing liabilities – cash in hand and at banks – interest-bearing loan receivables
Net gearing:	$\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity}} \times 100$

## Quarterly trends 2001-2002

	Jan.-Mar.		Apr.-June		July-Sept.		Oct.-Dec.	
	2002	2001	2002	2001	2002	2001	2002	2001
Net sales, EUR 1,000	9,495	7,759	12,482	10,047	12,820	11,596	14,521	12,601
Operating result, EUR 1,000	126	-273	2,284	1,136	2,528	1,877	1,513	1,980
Result before extraordinary items and taxes, EUR 1,000	74	-344	2,174	1,085	2,464	1,732	1,448	1,918
Net result, EUR 1,000	53	-241	1,543	767	1,750	1,197	1,043	1,365
Earnings per share, EUR	0.02	-0.09	0.58	0.29	0.65	0.45	0.39	0.50
Equity per share, EUR	5.06	4.45	5.63	4.73	6.29	5.19	6.67	5.69

## Five-year review

	1998	1999	2000	2001	2002
Net sales, EUR 1,000	23,380	26,412	33,052	42,003	49,318
Change in net sales, %	19.0	13.0	25.1	27.1	17.4
Operating profit, EUR 1,000 <sup>1)</sup>	2,002	2,629	3,253	4,720	6,450
% of net sales	8.6	10.0	9.8	11.2	13.1
Financial income and expenses, EUR 1,000	-62	45	-156	-329	-290
Profit before extraordinary items and taxes, EUR 1,000 <sup>2)</sup>	1,940	2,674	3,097	4,391	6,160
% of net sales	8.3	10.1	9.8	10.4	12.5
Taxes, EUR 1,000 <sup>3)</sup>	560	747	843	1,303	1,771
Profit after taxes, EUR 1,000	1,380	1,932	2,015	3,088	4,389
Balance sheet total, EUR 1,000	12,035	20,307	24,830	26,119	29,271
Interest-bearing liabilities, EUR 1,000	246	3,761	5,952	5,238	5,515
Shareholders' equity and reserves, EUR 1,000	8,024	12,653	13,492	15,239	17,887
Return on equity (ROE), %	17.3	18.6	16.7	21.5	26.5
Return on investment (ROI), %	24.7	22.4	18.5	23.8	29.5
Equity ratio, %	66.7	62.3	54.3	58.3	61.1
Gross investments, EUR 1,000	1,049	6,082	1,933	546	626
% of net sales	4.5	23.0	5.8	1.3	1.3
Average personnel	232	244	274	317	333
Personnel at the end of the financial year	238	254	306	324	344

1) 1998: the Marimekko Group's operating profit + Workidea Oy's operating profit

2) 1998: profit from Marimekko operations = the Marimekko Group's profit before extraordinary items, reserves and taxes + Workidea Oy's operating profit

3) Taxes paid during the financial period and the change in the imputed deferred tax liability in 1998-2002

## Key figures

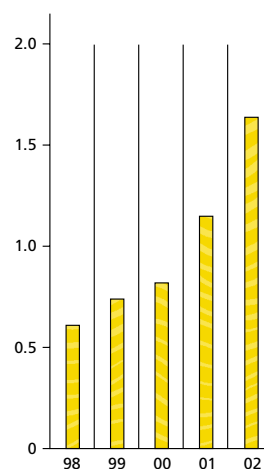
	1998	1999	2000	2001	2002
Earnings per share (EPS), EUR <sup>1)</sup>	0.61	0.74	0.82	1.15	1.64
Equity per share, EUR	3.52	4.72	5.03	5.69	6.67
Dividend per share, EUR	0.08	0.44	0.50	*)0.65	**)0.85
Dividend per profit, %	13.4	59.5	61.0	*)56.5	**)51.8
Effective dividend yield, %		8.6	10.0	9.0	5.9
P/E ratio		6.9	6.1	6.3	8.7
Average number of shares, adjusted for share issues, 1,000	2,280	2,602	2,680	2,680	2,680
Number of shares at the end of the financial period, adjusted for share issues, 1,000	2,280	2,680	2,680	2,680	2,680

1) 1998: from earnings from Marimekko operations

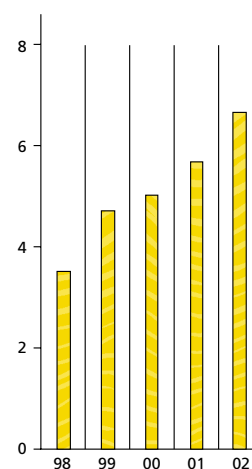
\*) Included an additional dividend of EUR 0.15 in honour of the 50th jubilee year

\*\*) Proposal by the Board of Directors

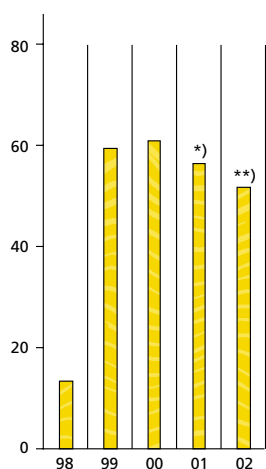
Earnings/share  
1998-2002, EUR



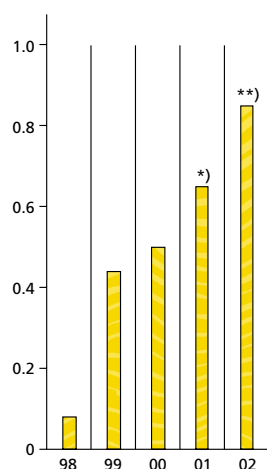
Equity/share  
1998-2002, EUR



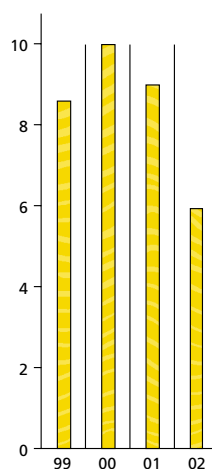
Dividend/profit  
1998-2002, %



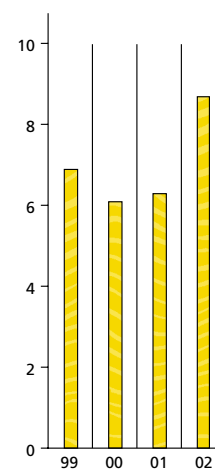
Dividend/share  
1998-2002, EUR



Effective dividend yield  
1999-2002, %



P/E ratio 1999-2002



\*) Included an additional dividend of EUR 0.15 in honour of the 50th jubilee year  
\*\*) Proposal by the Board of Directors

\*) Included an additional dividend of EUR 0.15 in honour of the 50th jubilee year  
\*\*) Proposal by the Board of Directors

## The Board of Directors' proposal for the distribution of profit

The Group's distributable funds on 31 December 2002 amounted to EUR 9,654,257.51.

Marimekko Corporation's distributable funds on 31 December 2002 amounted to EUR 8,960,365.80, of which the profit for the financial period accounts for EUR 4,090,800.13.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.85 per share be paid for the financial year to a total of EUR 2,278,000.00 and that the rest be retained as earnings.

Helsinki, 24 January 2003

Kari Miettinen

Matti Kavetvu

Kirsti Paakkanen  
President & CEO

## Auditors' report

### To the shareholders of Marimekko Corporation

We have audited the accounting, the financial statements and the corporate governance of Marimekko Corporation for the financial period from 1 January to 31 December 2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President. Based on the audit, we express an opinion on these financial statements and on the corporate governance of the parent company.

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

In our opinion, the 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 both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated 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, 3 February 2003

Tilintarkastus Logos 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 2002

**Matti Kavetvuo**, born 1944  
M.Sc. (Eng.), B.Sc. (Econ.)  
Member since 1997  
Term of office 2002

**Kirsti Paakkanen**  
President  
Marimekko Corporation's  
president since 1991  
Member since 1991  
Term of office 2002

### Auditors

Regular auditor  
Tilintarkastus Logos Oy,  
Chief Auditor **Seppo Tervo**,  
Authorised Public Accountant

Deputy auditor  
**Matti Hartikainen**,  
Authorised Public Accountant

### Management group, 1 Jan. 2003

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

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

**Ursula Ilmes**, exports  
Employed by the company since 1998

**Riitta Koljonen**, product information  
Employed by the company since 1986

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

**Sirpa Loukamo**, product development  
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  
Employed by the company since 1972

## Stock exchange releases in 2002

### 25 Jan. Financial results for the financial period 1 January to 31 December 2001

The Marimekko Group's net sales grew by 27% and amounted to EUR 42.0 million (EUR 33.1 million). Exports and income from international operations were up 39%. Operating profit improved by 45% and was EUR 4.7 million (EUR 3.3 million). Profit before extraordinary items and taxes rose by 42% to EUR 4.4 million (EUR 3.1 million). Earnings per share increased by over 40% and came in at EUR 1.15 (EUR 0.82). The Board of Directors proposed to the Annual General Meeting that a dividend of EUR 0.50 per share and an additional dividend of EUR 0.15 per share in honour of the 50th jubilee year be paid for the financial year, with dividends totalling EUR 0.65 per share.

### 20 Feb. Invitation to the Annual General Meeting

#### 12 Mar. Decisions taken by Marimekko Corporation's Annual General Meeting

The Annual General Meeting approved the Board of Directors' proposal to pay a dividend of EUR 0.65 per share for the 2001 financial year, including an additional dividend of EUR 0.15 per share in honour of Marimekko's 50th anniversary. The Annual General Meeting decided that the company's Board of Directors shall consist of three members. Mr Kari Miettinen, B.Sc. (Econ.), Authorised Public Accountant, Mr Matti Kavetvuo, M.Sc. (Eng.), B.Sc. (Econ.), and Mrs Kirsti Paakkanen, President, were re-elected as members of the Board of Directors. At its organisation meeting, the Board of Directors elected Mr Kari

Miettinen as Chairman of the Board. Tilintarkastus Logos Oy, Authorised Public Accountants, was elected as the company's regular auditor by the Annual General Meeting.

### 5 Apr. Marimekko and Finlux Ltd (formerly called Turku TV Operations Ltd) to engage in licensing co-operation

Marimekko Corporation and Finlux Ltd made a licensing co-operation agreement.

### 7 May Interim report, 1 January – 31 March 2002

The Group's net sales grew by 22% to EUR 9.5 million (EUR 7.8 million). Exports and income from international operations were up 36%. The Group's profit before extraordinary items and taxes improved by 122% and was EUR 74 thousand (EUR -344 thousand). Earnings per share were EUR 0.02.

### 23 Aug. Interim Report, 1 January – 30 June 2002

The Marimekko Group's net sales grew by 23% and were EUR 22 million. The Group's profit before extraordinary items and taxes tripled compared with the corresponding period of the previous year and amounted to EUR 2.2 million. Exports and income from international operations increased by 13%. Earnings per share were EUR 0.60 (EUR 0.20).

### 30 Aug. Notification of changes in shareholdings as required in Article 10 of Chapter 2 of the Securities Market Act

As a result of share deals made on 30 August 2002,

Workidea Oy's stake in Marimekko Corporation's share capital and voting rights declined from 50.0% to 32.3%, or 865,000 shares.

### 2 Sept. Notification of changes in shareholdings as required in Article 10 of Chapter 2 of the Securities Market Act

As a result of a share deal on 30 August 2002, ODIN Forvaltning AS's holding in Marimekko Corporation's share capital and voting rights rose to 5.81%, or 155,600 shares.

### 30 Oct. Interim Report, 1 January – 30 September 2002

The Marimekko Group's net sales increased by 18% to EUR 35 million. Exports and income from international operations grew by 5.7%. The Group's profit before extraordinary items and taxes rose by 91% to EUR 4.7 million. Earnings per share improved by 95% to EUR 1.25 (EUR 0.64).

### 16 Dec. Schedule for Marimekko's financial reporting in 2003

### 18 Dec. Marimekko Corporation applies for the transfer of its share quotation to the Main List of Helsinki Exchanges

At its meeting on 18 December 2002, Marimekko Corporation's Board of Directors decided to apply to Helsinki Exchanges for the transfer of Marimekko Corporation's share from the I List to the Main List of Helsinki Exchanges.

## Information for shareholders

### Annual General Meeting

Marimekko Corporation's Annual General Meeting will be held from 14.00 onwards on 1 April 2003 at Marimekko Corporation's head office, Puusepänkatu 4, 00880 Helsinki, Finland.

Shareholders who have been registered by 21 March 2003 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.

Shareholders who wish to attend the Annual General Meeting must notify the company of their intention to do so before 16:00 on Wednesday, 26 March 2003 at the latest, either in writing or by telephone: Marimekko Corporation, Share Register, P.O. Box 107, 00811 Helsinki, Finland, tel. +358 9 758 7238 (Marja Korkeela), email: marja.korkeela@marimekko.fi.

### Dividends

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.85 per share be paid for 2002. The dividend will be paid to shareholders who are registered, on the dividend payout record date of 4 April 2003, 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 11 April 2003.

### Schedule of financial reporting in 2003

Financial statement bulletin for the 2002 financial year	Friday, 24 January
Annual Report 2002	week 11
Interim Report 1 Jan. – 31 March 2003	Thursday, 8 May
Interim Report 1 Jan. – 30 June 2003	Friday, 22 August
Interim Report 1 Jan. – 30 Sept. 2003	Thursday, 30 October

Published in Finnish and English.

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)
Email	info@marimekko.fi

Financial information is also posted on Marimekko Corporation's site: [www.marimekko.com](http://www.marimekko.com).

### Changes in personal information and addresses

We kindly request shareholders to submit changes of address either to their bank or to Finnish Central Securities Depository Ltd, depending on where their book-entry accounts are held.

# ADDRESSES

## MARIMEKKO CORPORATION

Puusepätkäkatu 4, 00880 Helsinki, Finland / P.O. Box 107, 00811 Helsinki, Finland, tel. +358 9 758 71, fax +358 9 755 3051

Corporate site: <http://www.marimekko.com>, email: [info@marimekko.fi](mailto:info@marimekko.fi)

### MARIMEKKO STORES

#### Finland

##### Helsinki:

Kämp Galleria,  
Pohjoisesplanadi 31,  
00100 Helsinki,  
tel. +358 9 686 0240  
Eteläesplanadi 14,  
00130 Helsinki,  
tel. +358 9 170 704  
Pohjoisesplanadi 2,  
00130 Helsinki,  
tel. +358 9 622 2317  
Forum Shopping Mall,  
Mannerheimintie 20,  
00100 Helsinki,  
tel. +358 9 694 1498  
Hakaniemi Market Hall,  
00530 Helsinki,  
tel. +358 9 753 6549  
Itäkeskus Shopping Mall,  
Itäkatu 1-5 a 27, 00930 Helsinki,  
tel. +358 9 323 1772  
Factory shop,  
Kirvesmiehenkatu 7,  
00880 Helsinki,  
tel. +358 9 758 7244  
**Espoo:**  
Kulttuuriauukio, 02100 Espoo,  
tel. +358 9 463 230  
**Vantaa:**  
Helsinki-Vantaa Airport,  
01530 Vantaa,  
tel. +358 9 870 2110

##### Humppila:

Factory shop, Humppilan Lasi,  
31640 Humppila,  
tel. +358 3 437 8702

##### Joensuu:

Metropol Shopping Mall,  
Torikatu 29, 80100 Joensuu,  
tel. +358 13 224 141

##### Jyväskylä:

Torikulma, Asemakatu 12,  
40100 Jyväskylä,  
tel. +358 14 337 3400

##### Kitee:

Factory shop, Karhutie 1,  
82500 Kitee,  
tel. +358 13 414 761

##### Kyyjärvi:

Factory shop,  
Paletti Shopping Mall,  
Vaasantie 2, 43700 Kyyjärvi,  
tel. +358 14 471 784

##### Lahti:

Vesijärvenkatu 22, 15140 Lahti,  
tel. +358 3 782 9455

##### Rovaniemi:

Sampokeskus Shopping Mall,  
Koskikatu 17,  
96200 Rovaniemi,  
tel. +358 16 346 844  
Factory shop, Napapiirin Lasi,  
96930 Napapiiri,  
tel. +358 16 356 1186

##### Sulkava:

Factory shop, Alanteentie 3,  
58700 Sulkava,  
tel. +358 15 676 283

##### Tampere:

Koskikeskus Shopping Mall,  
33100 Tampere,  
tel. +358 3 223 7627  
Aleksanterinkatu 25,  
33100 Tampere,  
tel. +358 3 222 9909  
Sokos Department Store,  
Hämeenkatu 21, 33200 Tampere,  
tel. +358 10 765 2262

##### Turku:

Aurakatu 10,  
20100 Turku,  
tel. +358 2 274 0900  
Kristiinankatu 9,  
20100 Turku,  
tel. +358 2 274 0915

##### Vaasa:

Rewell Center, Ylätori,  
65100 Vaasa,  
tel. +358 6 312 4488

##### Virrat:

Factory shop, Palmroth Center,  
Pirkantie 26, 34800 Virrat,  
tel. +358 3 475 3490

#### Sweden

##### Stockholm:

Norrmalmsstorg 4,  
111 46 Stockholm,  
tel. +46 8 4403275

#### SUBSIDIARIES

##### Finland

Grünstein Product Oy  
Tykistökatu 2  
07900 Loviisa  
Finland  
Tel. +358 19 517 740  
Fax +358 19 532 169  
Email: [furs@grunsteinproduct.fi](mailto:furs@grunsteinproduct.fi)

##### Germany

Marimekko GmbH  
Rheinstrasse 19  
60325 Frankfurt/Main  
Germany  
Tel. +49 69 749084  
Fax +49 69 742643  
Email: [liisa.tapola@marimekko.fi](mailto:liisa.tapola@marimekko.fi)

##### Sweden

Marimekko AB  
Årstaängsvägen 31 G  
117 60 Stockholm  
Sweden  
Tel. +46 8 7940730  
Fax +46 8 7940739  
Email:  
[salesoffice@marimekko.se](mailto:salesoffice@marimekko.se)

#### AGENTS AND IMPORTERS

##### Austria

Wohnen & So  
Enzersdorfer Strasse 6/2/3  
2340 Mödling/Wien  
Austria  
Tel. +43 2236 864864  
Fax +43 2236 864777  
Email: [info@wohnenundso.at](mailto:info@wohnenundso.at)  
Agent: bags, interior textiles

##### Belgium

Finn Trade Sprl  
Avenue van Bever 1  
1180 Brussels  
Belgium  
Tel. +32 2 3741002  
Fax +32 2 3744373  
Email:  
[hellevi.lampinen@finntrade.be](mailto:hellevi.lampinen@finntrade.be)  
Agent: bags, interior textiles

##### Denmark

Match Interiør  
Hovedgaden 69  
8220 Brabrand  
Denmark  
Tel. +45 86 26 16 11  
Fax +45 86 26 16 31  
Email: [bs@match-interieur.dk](mailto:bs@match-interieur.dk)  
Agent: clothing, bags, interior  
textiles

##### Japan

Chelsea International, Inc.  
4-45 Minami-Motomachi  
Shinjuku-ku  
Tokyo 160-0012  
Japan  
Tel. +81 3 5367 1061  
Fax +81 3 3341 3641  
Email: [n.miyashita@chelsea-international.com](mailto:n.miyashita@chelsea-international.com)  
Importer: fabrics

M-aalto Corporation  
Suzuki Honten Bldg. 2F  
5-14-8, Ginza, Chuo-ku  
Tokyo 104-0061  
Japan  
Tel. +81 3 3541 1022  
Fax +81 3 3541 1711  
Email: [ohori@m-aalto.co.jp](mailto:ohori@m-aalto.co.jp)  
Importer: clothing, bags

##### Netherlands

Bineke de Vries Agenturen  
Westereems 11  
8602 CR Sneek  
Netherlands  
Tel. +31 515 430670  
Fax +31 513 419 342  
Email: [bineke@euroonet.nl](mailto:bineke@euroonet.nl)  
Agent: clothing, bags, interior  
textiles

##### Norway

Artinteriør A/S  
Box 57, Skøyen, 0212 Oslo  
Norway  
Tel. +47 22 51 61 50  
Fax +47 22 52 31 45  
Email: [artinterior.mod.design@artinterior.no](mailto:artinterior.mod.design@artinterior.no)  
Agent: clothing, bags, interior  
textiles

##### Spain

Kivet SCP  
Passeig Comte d'Egara,  
2-4 sot./3  
08221 Terrassa (Barcelona)  
Spain  
Tel. +34 93 783 10 92  
Fax +34 93 783 79 40  
Email: [kivet@infonegocio.com](mailto:kivet@infonegocio.com)  
Agent: bags, interior textiles

##### Switzerland

Schatulle  
Rosshofgasse 15  
4051 Basel  
Switzerland  
Tel. +41 61 2614611  
Fax +41 61 2610696  
Email:  
[heidi.stoll@schatulle-basel.ch](mailto:heidi.stoll@schatulle-basel.ch)  
Agent: clothing, bags, interior  
textiles

##### U.K.

Skandium  
65 B Wigmore Street  
London W1U 2QT  
United Kingdom  
Tel. +44 20 74874646  
Fax +44 20 74864164  
Email:  
[skandium@skandium.com](mailto:skandium@skandium.com)  
Agent: clothing, bags, interior  
textiles

#### LICENSING PARTNERS

##### Finland

Designor Oy Ab  
Hämeentie 135  
00560 Helsinki  
Finland  
Tel. +358 20 439 11  
Fax +358 20 439 5180  
Glassware

LogoWorld Oy  
Valuraudantie 7  
00700 Helsinki  
Finland  
Tel. +358 9 3507 2161  
Fax +358 9 3507 2162  
Email: [sales@logowww.com](mailto:sales@logowww.com)  
Computer mice and wrist rests

Nokia Mobile Phones  
P.O. Box 86  
24101 Salo  
Finland  
Tel. +358 7180 08000  
Fax +358 7180 42400  
Email:  
[juha.murttopuro@nokia.com](mailto:juha.murttopuro@nokia.com)  
Mobile phone covers

Pyrollpack Oy  
Teollisuuskylläntie 2  
37500 Lempäälä  
Finland  
Tel. +358 3 383 7700  
Fax +358 3 383 7750  
Email:  
[erja.sulasaari-maki@pyroll.com](mailto:erja.sulasaari-maki@pyroll.com)  
Household paper

Suomen Kerta Oy  
Runeberginkatu 25  
48200 Kotka  
Finland  
Tel. +358 5 350 4400  
Fax +358 5 350 4450  
Email:  
[riitta.lindeberg@suomenkerta.fi](mailto:riitta.lindeberg@suomenkerta.fi)  
Paper tablecloths and napkins,  
disposable dishes

##### Japan

Nishikawa Sangyo Co. Ltd.  
8-8 Tomizawa-cho  
Nihonbashi, Chuo-ku  
Tokyo 103-0006  
Japan  
Tel. +81 3 3664 3972  
Fax +81 3 3664 8193  
Bed linen, home textiles

##### USA

Crate & Barrel  
1250 Techny Road  
Northbrook, IL 60062  
USA  
Tel. +1 847 2722888  
Fax +1 847 2723607  
Towels, table linen

DelGreco Textiles, Inc.  
232 East 59th Street  
Ground Floor  
New York, N.Y. 10022  
USA  
Tel. +1 212 6885310  
Fax +1 212 6885207  
Fabrics for outdoor use

Mudlark Papers, Inc.  
232 East South Frontage Road  
Bolingbrook, IL 60440  
USA  
Tel. +1 630 7710000  
Fax +1 630 7710047  
Stationery, gifts

Paper Products Design U.S. Inc.  
60 Galli Drive, Suite 1  
Novato, CA 94949  
USA  
Tel. +1 415 8831888  
Fax +1 415 8831999  
Paper products

Revman Industries, Inc.  
1211 Avenue of the Americas  
30th Floor  
New York, N.Y. 10036  
USA  
Tel. +1 212 2780300  
Fax +1 212 8408446  
Bed linen, bathroom textiles

Sweet Potatoes, Inc.  
2390 Fourth Street  
Berkeley, CA 94710  
USA  
Tel. +1 510 9824600  
Fax +1 510 9824651  
Children's clothing

WallCandy LLC  
Allison Epstein  
9 Barrow Street  
New York, N.Y. 10014  
USA  
Tel. +1 212 3678872  
Fax +1 212 367 8899  
Decorative posters

Zak Designs Inc.  
1604 South Garfield Road  
Spokane, WA 99224  
USA  
Tel. +1 509 2440555  
Fax +1 509 2440704  
USA  
Plastic tableware

Representative in the United  
States

Donna Gorman, Inc.  
1115 Weed Street  
New Canaan, CT 06840  
USA  
Tel. +1 203 9723685  
Fax +1 203 9723281  
Email:  
[gormandw@optonline.net](mailto:gormandw@optonline.net)





