

MARTELA FINANCIAL STATEMENTS

01-12 / 2010

9 February 2011

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JANUARY – DECEMBER 2010

- Demand for office furniture has not significantly changed during 2010 in our main markets.
- Consolidated revenue for January-December amounted to EUR 108.4 million (95.3), a year-on-year increase of 13.7 per cent.
- Revenue for the last quarter increased to EUR 34.0 million (24.2), a year-on-year increase of 40.4 per cent.
- Operating profit for January-December was EUR 1.3 million (0.8), and for the last quarter EUR 1.0 million (0.4).
- The cash flow from operating activities in January-December was EUR -0.1 million (10.8).
- The equity ratio was 55.6 per cent (57.4).
- The gearing ratio was -14.1 per cent (-33.9).

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DEVELOPMENTS DURING THE YEAR 2010

- Martela acquired the business operations of Martela A/S, its long-term partner and importer of its products in Denmark
- Martela acquired Pa-Ri Materia Oy's used furniture business, which now operates with concept "Martela Outlet"
- Martela Outlet stores opened in Helsinki, Turku, Riihimäki, Tampere, and Oulu (January)
- Martela launched a new solution for managing office property, using radio frequency identification (RFID) - a unique way of managing office property.
- Operations in Russia are developing well
- New service center in Hungary opened
- P O Korhonen becomes a joint venture of Martela (51%) and Artek Oy (49%), starting from 1.2.2011

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CENTRAL FOCUS AREAS 2011

- Reinforcing the product portfolio of office segment
- Stockholm fair 8.-12.2.2011
- Corporate responsibility reporting 2011 – GRI reporting and Code of Conduct
- Development of businesses in Denmark and Russia
- Development of Martela Outlet concept
- New organization; Products and Communication
- Enterprise resource planning project (Tarmo)

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Stockholm Furniture Fair

8.-12.2011

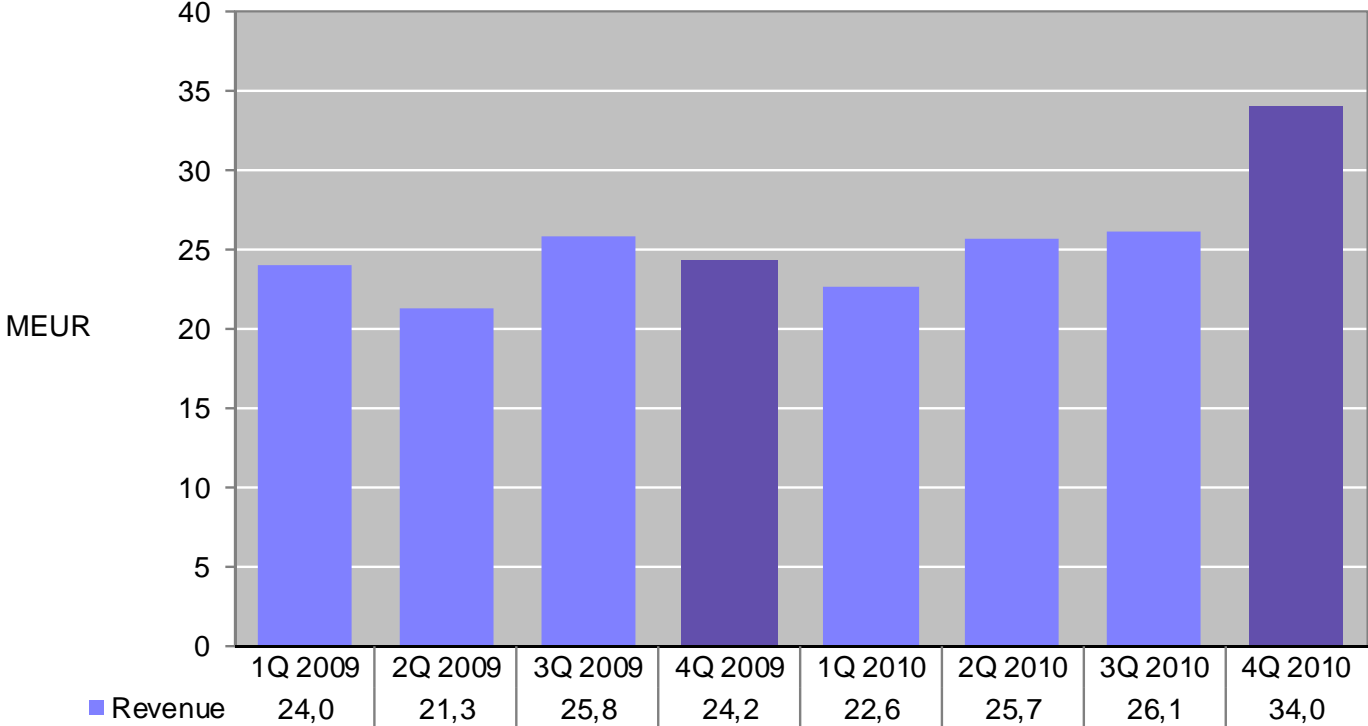
- Theme "Inspiring Office"
- Design of booth; Rane Vaskivuori, Yatta Oy
- Novelty products;
 - JamesH, mesh-back office chair
 - KURU, a chair designed by Antti Kotilainen
 - Spot divider system
 - KOOP, space furniture by Karim Rashid
 - Diagonal, first presentation in Sweden



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MARTELA TURNOVER



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EXTERNAL REVENUE 1-12/2010 (2009)

Business Unit Finland 71,8 (63,9) 12,3 %

Business Unit Sweden and Norway 18,6 (15,8) 17,4 %

Business Unit Poland 9,3 (9,5) -1,9 %

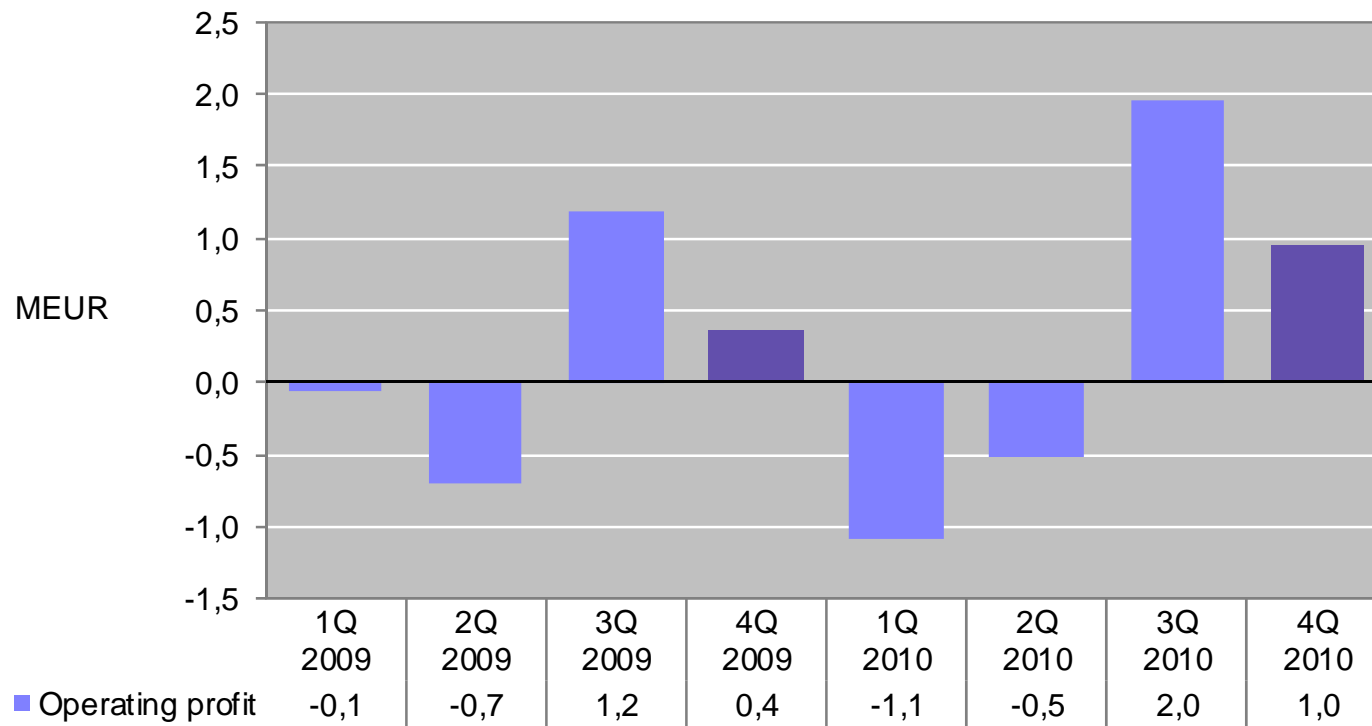
Other segments 8,7 (6,2) 42,1 %

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OPERATING PROFIT

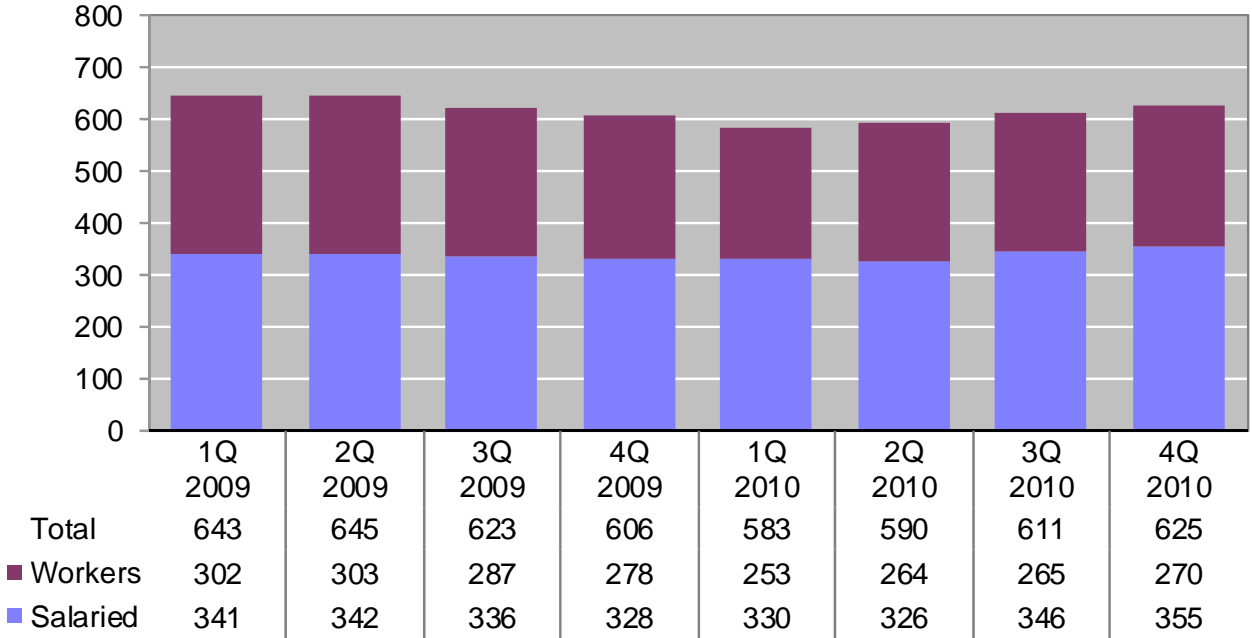


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PERSONNEL AT WORK, END OF PERIOD



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MARKET SITUATION – OFFICE CONSTRUCTION IN FINLAND*

- Fewer office building square meters were completed in Finland this year (January-September) than last year (-10%)
- More building permits were issued (+20%) than the previous year
- New office building starts were also markedly up in 2010 (+66%).

* source: Statistics Finland

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OUTLOOK FOR 2011

We anticipate that the revenue of Martela Group will increase in 2011 and profit will improve.

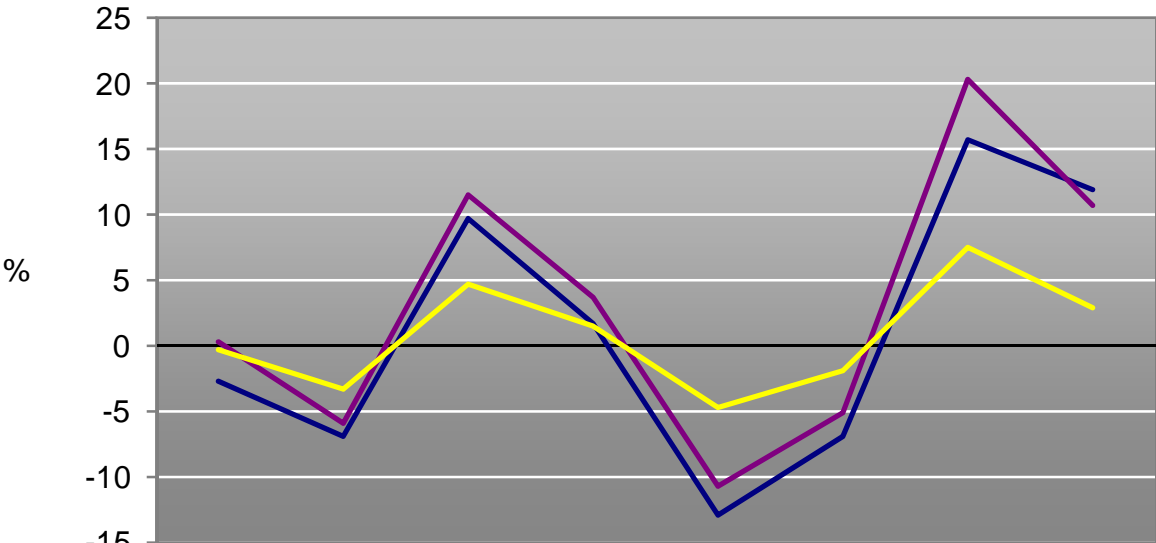
Growth will come mainly from new businesses of which the most significant are the Danish subsidiary Martela A/S and Martela Oyj's Outlet chain.

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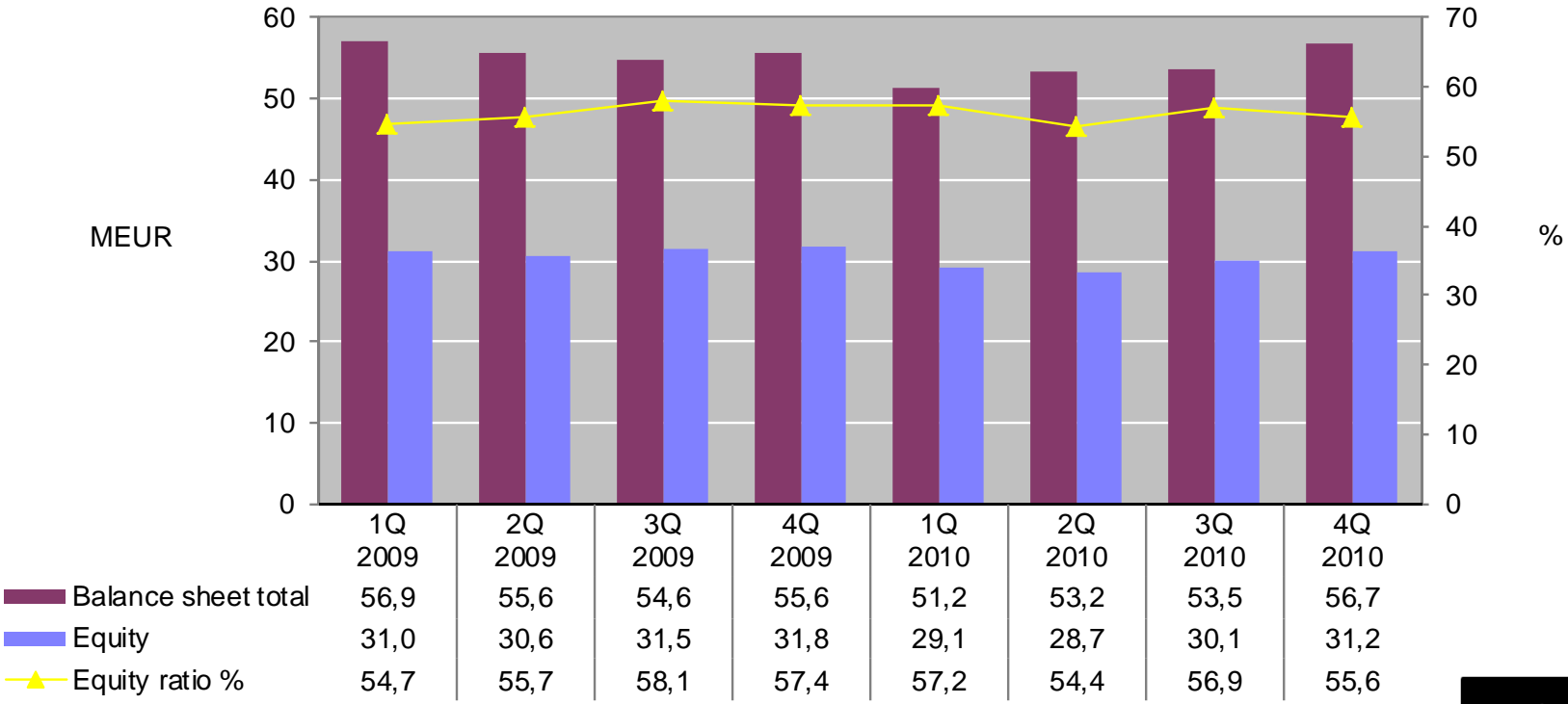
PROFITABILITY QUARTERLY



| | 1Q 2009 | 2Q 2009 | 3Q 2009 | 4Q 2009 | 1Q 2010 | 2Q 2010 | 3Q 2010 | 4Q 2010 |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Return on equity | -2,7 | -7,0 | 9,7 | 1,6 | -12,9 | -7,0 | 15,7 | 11,9 |
| Return on investment | 0,2 | -6,1 | 11,5 | 3,6 | -10,7 | -5,2 | 20,2 | 10,6 |
| Operating profit % | -0,3 | -3,3 | 4,6 | 1,5 | -4,8 | -2,0 | 7,5 | 2,8 |

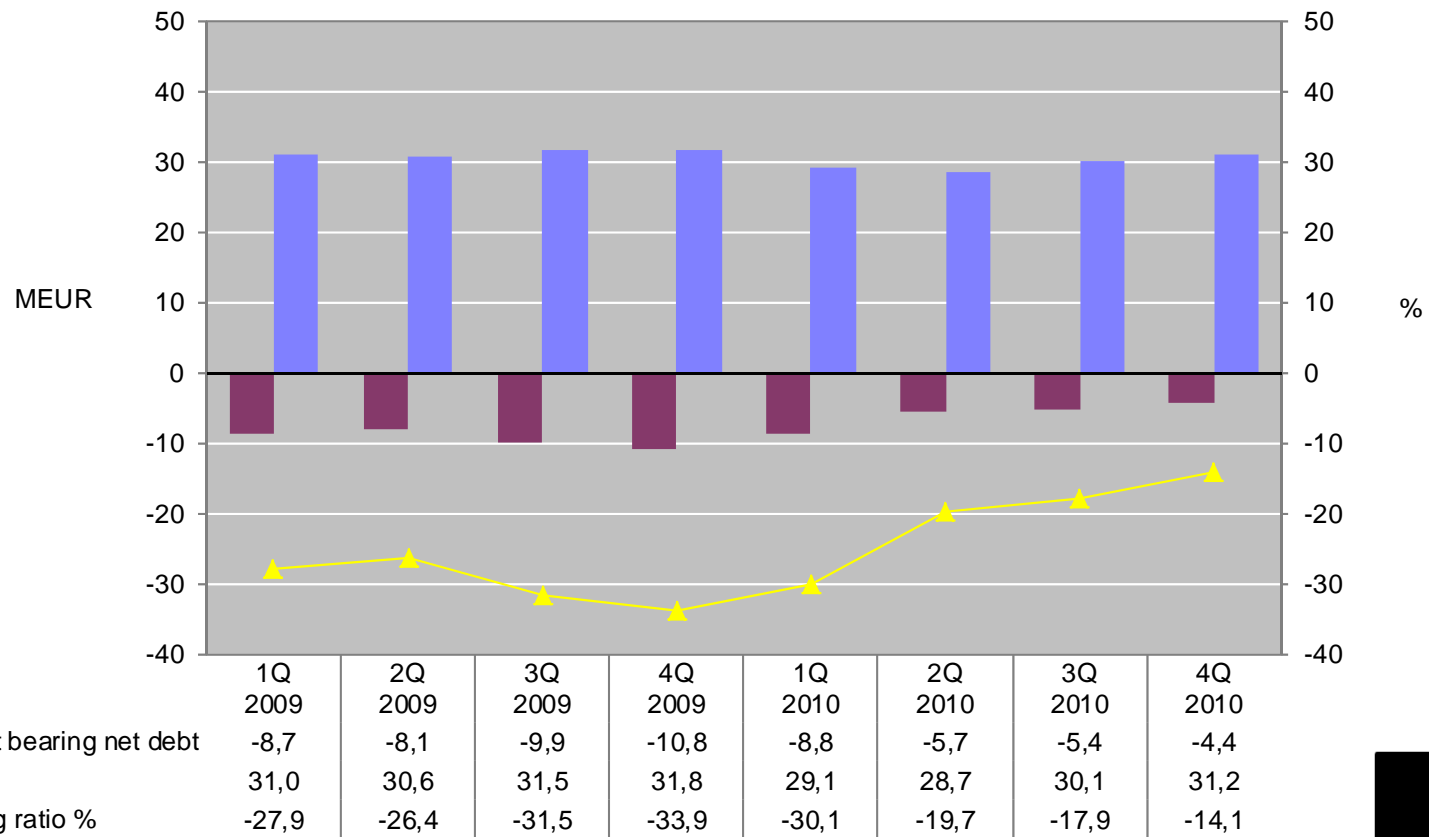
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BALANCE SHEET



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GEARING

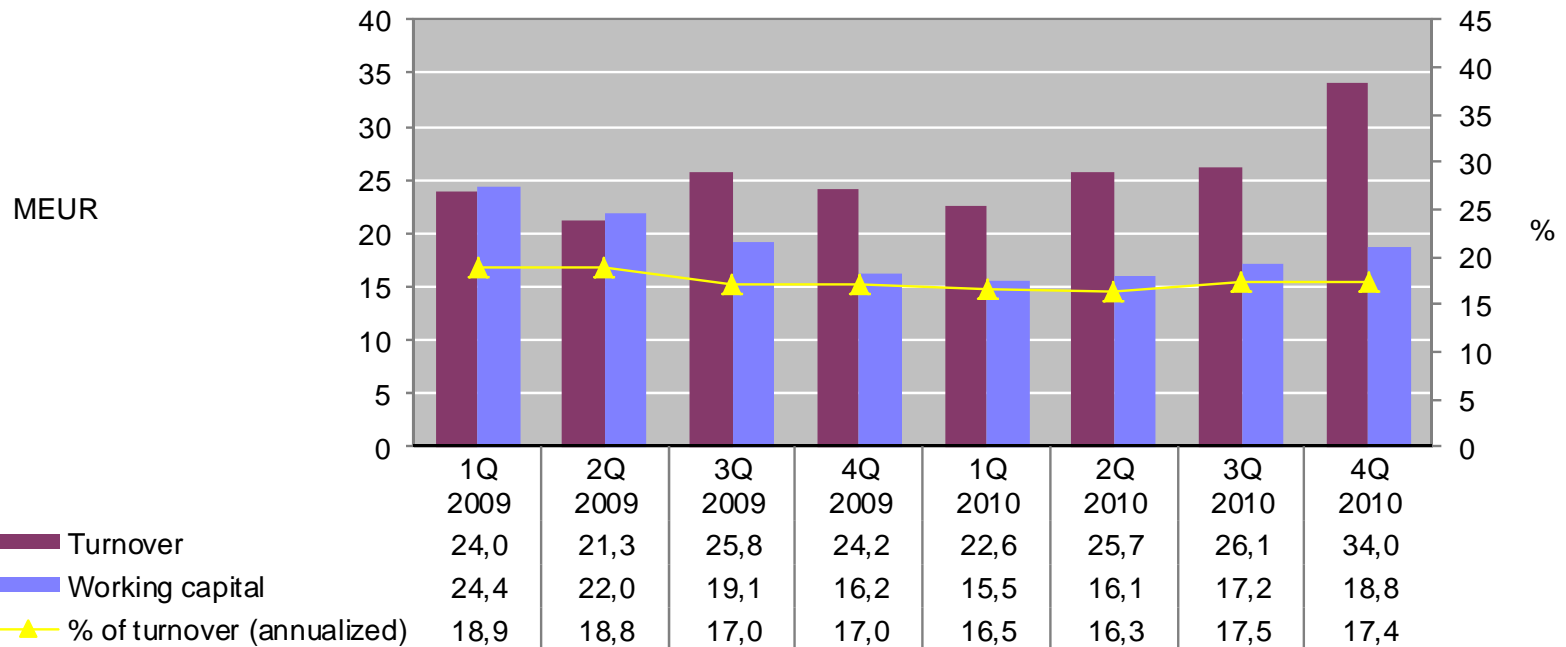


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WORKING CAPITAL (AVERAGE 12 MONTHS)

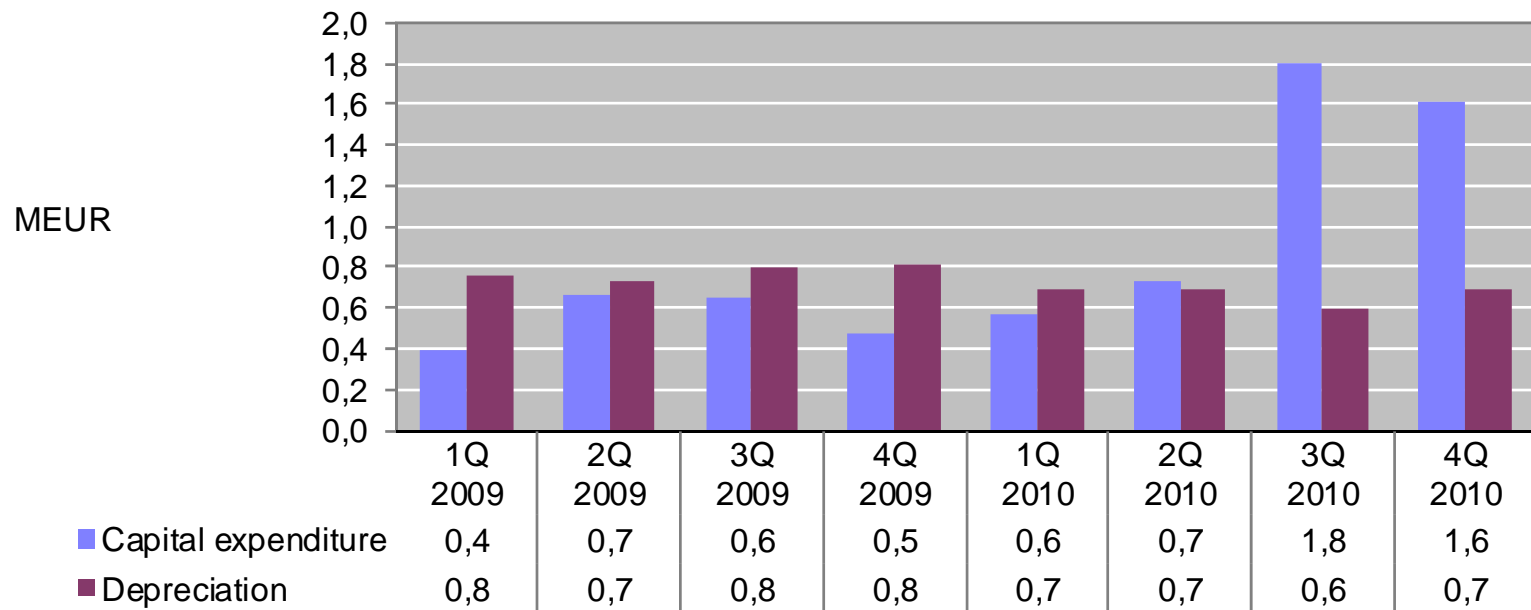


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CAPITAL EXPENDITURE AND DEPRECIATION



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GROUP INCOME STATEMENT (EUR 1,000)

| | 2010 1.1.-31.12. | 2009 1.1.-31.12. | Change % |
|-------------------------------|---------------------|---------------------|----------|
| Net sales | 108,392 | 95,349 | 13,7 % |
| Other operating income | 0,252 | 0,746 | -66,2 % |
| Personnel expenses | -27,885 | -25,989 | 7,3 % |
| Other operating expenses | -76,782 | -66,205 | 16,0 % |
| Depreciation and impairment | -2,664 | -3,109 | -14,3 % |
| Operating profit/loss | 1,313 | 0,793 | 65,6 % |
| As a percentage of turnover | 1,2 % | 0,8 % | |
| Financial income and expenses | -0,229 | -0,365 | -37,2 % |
| Profit/loss before taxes | 1,084 | 0,427 | 153,5 % |
| As a percentage of turnover | 1,0 % | 0,4 % | |
| Income tax | -0,446 | -0,291 | 53,1 % |
| Profit/loss for the period | 0,638 | 0,136 | 367,7 % |
| As a percentage of turnover | 0,6 % | 0,1 % | |

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GROUP BALANCE SHEET (EUR 1,000)

| | 31.12.2010 | 31.12.2009 | Change % |
|------------------------------------|------------|------------|----------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 2,051 | 0,716 | 186,4 % |
| Tangible assets | 12,721 | 11,862 | 7,2 % |
| Investments | 0,260 | 0,039 | 567,3 % |
| Deferred tax assets | 0,298 | 0,262 | 13,7 % |
| Pension receivables and other rec. | 0,267 | 0,197 | 35,3 % |
| Investment property | 0,600 | 0,600 | 0,0 % |
| Total | 16,196 | 13,676 | 18,4 % |
| CURRENT ASSETS | | | |
| Inventories | 10,449 | 9,407 | 11,1 % |
| Receivables | 19,794 | 13,210 | 49,8 % |
| Financial assets securities | 1,107 | 1,093 | 1,3 % |
| Cash and cash equivalents | 9,142 | 18,212 | -49,8 % |
| Total | 40,492 | 41,922 | -3,4 % |
| Total assets | 56,689 | 55,598 | 2,0 % |

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GROUP BALANCE SHEET (EUR 1,000)

| | 31.12.2010 | 31.12.2009 | Change % |
|---|------------|------------|----------|
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | | |
| Share capital | 7,000 | 7,000 | 0,0 % |
| Share premium account | 1,116 | 1,116 | 0,0 % |
| Other funds | 0,118 | 0,117 | 0,0 % |
| Translation diff. | -0,097 | -0,409 | -76,3 % |
| Retained earnings & shareb.incentives | 24,243 | 25,138 | -3,6 % |
| Treasury shares | -1,212 | -1,200 | 1,0 % |
| Total | 31,169 | 31,762 | -1,9 % |
| Non-current liabilities | | | |
| Interest-bearing debts | 3,198 | 3,518 | -9,1 % |
| Deferred tax liability | 1,214 | 1,305 | -7,0 % |
| Other non-current liabilities | 0,240 | 0,000 | |
| Total | 4,651 | 4,823 | -3,6 % |
| Current liabilities | | | |
| Interest-bearing | 2,670 | 5,008 | -46,7 % |
| Non-interest bearing | 18,202 | 14,005 | 30,0 % |
| Total | 20,872 | 19,013 | 9,8 % |
| Total liabilities | 25,523 | 23,836 | 7,1 % |
| Total shareholders' equity and liabilities | 56,689 | 55,598 | 2,0 % |

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SCOPE OF OPERATIONS

| | 2010 1.1.-31.12. | 2009 1.1.-31.12. | Change % |
|--|---------------------|---------------------|----------|
| Earnings / share, EUR | 0,16 | 0,03 | 368,7 % |
| Equity / share, EUR | 7,74 | 7,88 | -1,8 % |
| Equity ratio % | 55,6 | 57,4 | |
| Return on equity % | 2,03 | 0,4 | |
| Return on investment % | 3,7 | 2,3 | |
| Interest-bearing net debt, EUR million | -4,4 | -10,8 | -59,3 % |
| Gearing ratio | -14,1 | -33,9 | |
| Capital expenditure, EUR million | 4,7 | 2,2 | 117,3 % |
| Personnel at the end of period | 625 | 606 | 3,1 % |
| Average personnel | 601 | 636 | -5,5 % |
| Net sales / employee, EUR thousand | 180,4 | 149,9 | 20,3 % |

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS (1000 EURO)

| | 2010 1-3 | 2010 4-6 | 2010 7-9 | 2010 10-12 | 12m rolling |
|--|-------------|-------------|-------------|---------------|----------------|
| Net cash from operating activities (A) | 0,028 | -2,263 | 0,602 | 1,570 | -0,063 |
| Cash flow from investing activities (B) | -0,563 | -0,523 | -0,898 | -2,130 | -4,114 |
| Net cash from financial activities (C) | -2,098 | -1,205 | -0,369 | -0,945 | -4,616 |
| Net increase in cash and cash equivalents | -2,633 | -3,991 | -0,665 | -1,505 | -8,793 |
| Cash and equivalents at the beginning period | 19,304 | 16,837 | 12,812 | 12,171 | 19,304 |
| Cash and equivalents at the end pf period | 16,837 | 12,812 | 12,171 | 10,249 | 10,249 |

STATEMENT OF SOURCE AND APPLICATION OF FUNDS (1000 EURO)

| | 2010 1.1.-31.12. | 2009 1.1.-31.12. | Change % |
|--|---------------------|---------------------|-------------|
| Net cash from operating activities (A) | -0,063 | 10,762 | -100,6 % |
| Cash flow from investing activities (B) | -4,114 | -0,659 | 524,3 % |
| Net cash from financial activities (C) | -4,616 | -5,436 | -15,1 % |
| Net increase in cash and cash equivalents | -8,793 | 4,667 | -288,4 % |
| Cash and equivalents at the beginning period | 19,304 | 14,620 | 32,0 % |
| Cash and equivalents at the end pf period | 10,249 | 19,304 | -46,9 % |

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