MARTELA CORPORATION FINANCIAL STATEMENTS RELEASE 4 February 2015 at 8.30 a.m.

MARTELA CORPORATION'S FINANCIAL STATEMENTS RELEASE, 1 JANUARY - 31 DECEMBER 2014

Consolidated revenue increased slightly, the result improved significantly and the operating result was slightly positive.

Key figures:

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
- Revenue	31.2	36.9	135.9	132.3
- Change in revenue, %	-15.2	-9.7	2.7	-7.3
- Operating result	-1.1	-0.6	0.2	-3.1
- Operating result, %	-3.4	-1.6	0.1	-2.4
- Earnings/share, EUR	-0.27	-0.26	-0.18	-1.03
- Return on investment, %	-11.6	-6.5	0.5	-8.4
- Return on equity, %	-21.2	-17.3	-3.4	-17.4
- Equity ratio, %			38.1	37.2
- Gearing ratio, %			33.4	51.7

The Martela Group anticipates that its revenue in 2015 will remain at the previous year's level and that its operating result will show a slight year-on-year improvement. The Group's operating result is weighted towards the second half of the year due to normal seasonal variation, and this weighting was further emphasised by the timing of larger projects during 2015.

Market

The demand for office furniture in Finland and Sweden continued to be weak and there are still no signs of a clear improvement. Demand in Finland and Sweden is still largely focused on office alteration and enhancement projects of different kinds rather than new offices. In spite of the weak market conditions, the activity-based office model, which is well suited to office alteration and enhancement projects, has aroused plenty of interest in customers in Sweden, Norway, Finland and Russia. Customers who choose the activity-based office model and the Martela Lifecycle model to modify and enhance their offices can make considerable savings in their premises costs, but at the same time they are also able to improve their employees' job satisfaction and efficiency. The Polish market weakened during the second half of the year and this situation has continued. The instability in the Russian economy continued in the second half of the year and this has led to reduced activity in the property market.

Finnish office construction statistics are examined for the first nine months of 2014. These statistics are presented below on the basis of a 12-month rolling average:

Finnish office construction statistics (m2):

12-month rolling average, change	30 Sept 2014 vs 30 Sept 2013*
Building completions	-1%
Building permits granted	22%
Building starts	33%

* Change in the 12-month rolling average between the dates is compared.

Martela has used the above office construction statistics as a key indicator when assessing overall market developments. Despite the weakness of the general market conditions, the increase in the number of building starts can be regarded as a mildly positive sign. Nonetheless, in terms of square metres, the values remain very low. However, the demand for Martela products is affected by many other factors too, such as overall economic growth and the need for companies to use their premises more efficiently. The need to boost efficiency increases the number of office alteration projects, which in turn generates demand especially for Martela's activity-based office model. These projects also result in companies allocating fewer square metres of space for each employee, which means that they purchase fewer pieces of traditional office furniture, such as desks, cupboards and cabinets. However, the demand for products and solutions for all kinds of meeting spaces and lobbies is on the increase.

Consolidated revenue and result

The Group's fourth-quarter revenue performance in all market areas reflected the weak market conditions. Fourth quarter revenue was EUR 31.2 million (36.9), a decrease of 15.2 per cent from the previous year. Consolidated revenue for the full year 2014 was EUR 135.9 million (132.3), an increase of 2.7 per cent on the previous year. Revenue in Finland declined significantly, both in the fourth quarter and cumulatively, as a consequence of the weak market conditions. In Poland, by contrast, slight growth was achieved during the review period measured in the local currency. In Sweden revenue declined in the fourth quarter, but, by contrast, revenue for the full year increased considerably as a consequence of the major customer deliveries in the first half of the year. Revenue and result grew significantly in Russia which is reported in the Group in the other segment. But in the latter half of the year, the turmoil on the Russian market and the impact on the rouble reduced market demand during the last part of the year.

Business Unit Finland's revenue was down by 5.2 per cent. Business Unit Sweden & Norway's revenue was up by 21.7 per cent, and Business Unit Poland's by 4.9 per cent, calculated in local currencies. Movements in exchange rates did not have a significant impact on the Group's revenue.

The operating result for the fourth quarter declined and was EUR -1.1 million (-0.6). The cumulative full-year operating result increased considerably and was EUR 0.2 million (-3.1), which was 0.1 per cent (-2.4) of revenue.

The Group's full year revenue grew and fixed costs fell from the previous year, as anticipated, due to the adjustment measures taken. The sales margin on the Group's products for the review period was unchanged from the previous year. The combined effect of these factors resulted in a clear year-on-year improvement in Martela's consolidated operating result.

The EUR 6 million savings programme launched in the Group in the autumn of 2013 proceeded according to plan. As part of the savings programme, the company held codetermination negotiations during the latter part of 2013. Following the outcome of the negotiations, the Group's cost level was reduced by costs equivalent to 35 employees during 2014. The Group's delivery chain costs were considerably reduced with various production boosting measures during the review period. Production transfers between the Group's units located in Nummela and Riihimäki in Finland, in Warsaw, Poland, and in Bodafors, Sweden proceeded according to plan, and most of these were completed by the end of the year. These measures have created a distinct role for each of Martela's production units and ensure a more flexible and efficient service for customers. Several more minor measures were also implemented during the review period, which will affect the efficiency of service production and the Group's fixed costs. The measures taken are expected to achieve the targeted annual savings of EUR 6 million. It is estimated that due to the timing of the measures the programme's impact on total costs in 2014 was equivalent to about one third of the total savings target. The full saving in costs, which will be felt as a reduction in the Group's delivery chain costs and fixed costs, will be achieved during 2015.

Demand for activity-based office solutions continued to increase considerably during the review period, so Martela will continue to focus on providing even higher quality comprehensive solutions and associated services in the field of activity-based working. Launched in the review period, the Martela Lifecycle model offers customers a comprehensive solution that covers everything from planning to recycling. The model can help to reduce customers' premises costs while also increasing employees' job satisfaction and efficiency at customer companies. The Group's aim is to further strengthen its pioneering position as a supplier of comprehensive solutions and as a leading service provider for offices and other working environments.

The result before taxes was EUR -0.6 million (-4.6), and the result after taxes was EUR -0.7 million (-4.2).

Segment reporting

The business segments are based on the Group's operating structure and internal financial reporting.

Sales between segments are reported as part of the segments' revenue. The segment results presented are their operating results, because tax items and financial items are not allocated by segment. The Group's assets and liabilities are not allocated or monitored by segment in the internal financial reporting. The revenue and operating result are in accordance with the consolidated financial statements.

Business Unit Finland is responsible for sales and marketing and for service production in Finland. Martela has an extensive sales and service network covering the whole of Finland, with a total of 27 sales centres.

Business Unit Sweden & Norway's sales are handled through dealers. The Business Unit also has its own sales and showroom facilities at three locations: Stockholm and Bodafors in Sweden and Oslo in Norway. The Business Unit's administration and order handling are also located in Bodafors. The sales company in Oslo acts as a supporting organisation for Norway's dealer network.

Business Unit Poland is responsible for the sales and distribution of Martela products in Poland through its own sales network. There are a total of seven sales centres in Poland. Business Unit Poland is based in Warsaw, where its administration is located.

'Other segments' includes the business activities of Kidex Oy and Business Unit International. Business Unit International's main market areas are Russia, Denmark and Estonia. Exports are also made to the Netherlands, Germany and Japan. The unit is also responsible for managing the Group's key international accounts. In Russia, sales are organised by the unit's own subsidiary, and in other markets through local authorised importers.

Production and purchasing for the Business Units are carried out by the Group's Supply Chain Management unit, which has logistics centres in Finland, Sweden and Poland.

Revenue by segment

EUR million	Finland	Sweden & Norway	Poland	Other segments	Total
1.1.2014-31.12.2014					
External revenue	87.5	24.8	11.1	12.5	135.9
Internal revenue	0.0	1.6	1.2	12.7	15.6
Total 2014	87.5	26.4	12.3	25.3	
1.1.2013-31.12.2013					
External revenue	92.3	20.5	11.7	7.8	132.3
Internal revenue	0.0	1.7	0.1	10.1	11.8
Total 2013	92.3	22.2	11.8	17.9	
External revenue change, %	-5.2%	20.9%	-4.9%	60.7%	2.7%

Change in segments' external revenue and percentage of consolidated revenue

EUR million	10-12 2014	10-12 2013	Change %	1-12 2014	1-12 2013	Change %	Share %	1-12 2013	Share %
Finland	23.1	25.7	-10.2%	87.5	92.3	-5.2%	64.4%	92.3	69.7%
Sweden & Norway	3.8	5.6	-30.9%	24.8	20.5	20.9%	18.2%	20.5	15.5%
Poland	3.0	3.6	-16.9%	11.1	11.7	-4.9%	8.2%	11.7	8.9%
Other segments	1.3	1.9	-34.3%	12.5	7.8	60.7%	9.2%	7.8	5.9%
Total	31.2	36.9	-15.2%	135.9	132.3	2.7%	100.0%	132.3	100.0%

Operating result by segment

EUR million	10-12 2014	10-12 2013	1-12 2014	1-12 2013
Finland	1.0	1.4	2.8	1.4
Sweden & Norway	-0.5	-0.3	-0.1	-1.4
Poland	-0.4	0.0	-1.4	-0.7
Other Segments	-0.6	-0.3	0.5	-1.6
Other	-0.5	-1.4	-1.7	-0.9
Total	-1.1	-0.6	0.2	-3.1

'Other segments' includes Kidex Oy and Business Unit International. Business Unit International is responsible for the Group's other export markets. The item 'Other' includes non-allocated Group functions, production units and non-recurring sales gains and losses.

Financial position

The Group's financial position is still stable. Cash flow from operating activities was good in January-December and came to EUR 6.2 million (-0.1). Successful management of working capital boosted the Group's cash flow.

Interest-bearing liabilities at the end of the year were EUR 13.2 million (16.0) and net interest-bearing liabilities were EUR 6.8 million (11.2). The gearing ratio at the end of the period was 33.4 per cent (51.7), and the equity ratio was 38.1 per cent (37.2). Net financial expenses were EUR -0.8 million (-1.2). The financing arrangements include a covenant obligation in which it is calculated the Net Debt vs Ebitda ratio. At the time of closing the ratio fulfilled the covenant obligation. On 31 December 2014 EUR 8.4 million out of the total loans were under the covenant obligations.

The balance sheet total at the end of the period was EUR 54.2 million (58.6).

Capital expenditure

The Group's gross capital expenditure for January–December came to EUR 1.7 million (3.0). This consisted of expenditure on the production line start-up in Poland and on production replacements.

Personnel

The Group employed an average of 742 people (770), which represents a decrease of 3.6 per cent. The number of staff was 670 (767) at the end of the period.

Average personnel by region

	1-12 2014	1-12 2013
Finland	559	620
Scandinavia	62	58
Poland	110	80
Russia	11	12
Group total	742	770

Product development and products

Changes in the operating environment

Creating the best work environments is at the core of Martela's strategy, which was redefined during 2014. The best work environments use the Martela Lifecycle® model. This model allows companies to considerably reduce their premises costs, improve employee wellbeing and brand image, and increase sales and employee creativity.

The activity-based office trend is strong in all of the Group's market areas. Even though overall demand for office refurbishment has declined due to the economic recession, interest in activity-based offices is growing. Switching over to an activity-based office in financially challenging times provides companies with clear benefits in terms of total premises costs and as a change management tool that increases the commitment of personnel.

The significance of service and customisation is highlighted in an increasing number of our customer relationships. Activity-based office projects, involving first specification, then planning and implementation, are increasingly customised service packages that take into account the various responsibility perspectives to an increasing degree. Martela believes that this development trend will continue.

Martela Lifecycle® model's products and services

In its domestic markets, Martela has a strong position in the activity-based office business. This position was reinforced further during the review period with a more defined selection of products and services based on the Martela Lifecycle® model. Furniture expenses are just the tip of the iceberg when it comes to the overall life-cycle costs of a company's premises. Operating expenses are typically 10 times higher and staff costs easily 100 times higher than furniture expenses. Instead of individual furniture orders, Martela can supply a comprehensive solution for the entire life cycle of the office and focusing on the premises, the furniture and the people. The best work environments create wellbeing for the entire working community. The comprehensive model enabled by Martela's broad selection of products and services makes it easier to manage premises and helps companies to function in a responsible and environmentally friendly way. When the overall situation is being managed and future needs can be predicted well in advance, the operating expenses of the premises can be reduced.

New innovations

Intelligence is an essential feature in the activity-based office's functional solutions. During 2014 the Group presented many new solutions from the Martela Dynamic product family. Not all employees will require storage space at the same time. The Dynamic Storage solution for temporary storage needs has been developed to complement the personal storage systems at the office. Dynamic Storage can be used where it is most needed: on the second floor today and perhaps the fifth floor tomorrow. Simple reporting solutions make it possible to see where the storage solutions are needed and where they are not being used enough.

In a working environment which no longer has designated workstations, employees can still personalise the workstation that they are using with the help of an intelligent application. The application first identifies the user by means of an ID card. After this the Dynamic table and its lighting and power supply needs can be adjusted to the selected personal settings. The Dynamic Workstation also provides the user with tips on a healthy way of working. It encourages the user to work standing up for part of the day and can even calculate calorie consumption.

The application also ensures the energy efficiency of the workstations. When the employee logs out of the workstation, power supplies and monitors that are not needed are switched off. Logging out also ensures company data security.

Intelligent Axia® Smart chairs continuously monitor the user's working position and issue a vibration alert if the user sits too long in the same position or with poor posture.

Phone booths were once a familiar sight on our streets. But now they have all but disappeared from the urban landscape and have found their way into new activity-based offices. Martela's collection includes three different phone booth solutions designed for open-plan offices, and a meeting module that can be installed in an open-plan office. These products, which can be installed retrospectively, provide an excellent solution to easily alter the workspace and improve productivity.

Corporate responsibility and quality

Corporate responsibility and quality are important parts of Martela's strategy. The Group's operating approach includes supporting the responsibility of its customer companies by offering durable solutions for the work environment and by ensuring the responsible recycling of any furniture that is no longer needed. The company's Martela Lifecycle® model covers the entire life cycle of the work environment. Martela creates responsible work environments by taking into account user needs and by supporting user wellbeing. Efficient use of space is an important factor in the planning of work environments. Well-planned work environments have helped many customer companies to achieve a 20-30% reduction in their space requirements. With responsibly planned spaces it will be possible to respond flexibly to the constant changes in corporate environments. An important part of any premises alteration project that is carried out responsibly is the recycling of furniture that is no longer needed. The Group also offers recycled furniture as part of its new interior solutions.

In interior planning projects, furniture that is in good condition but no longer needed by the company is taken to the nearest of Martela's five Outlet stores in Finland. Furniture that needs repairing is taken to the Group's logistics centre where it is re-upholstered and then sold at an Outlet store. Furniture that is in poor condition is recycled into raw materials: metal is supplied for industrial use as a recycled raw material, and wood, upholstery and plastic are mainly used in energy production.

During 2014, in connection with the reorganisation of the logistics structure, the Group's common quality and environmental systems were introduced in all of the countries of production, Finland, Sweden and Poland. The systems are certified in accordance with the ISO 9001 standard (quality system) and the ISO 14001 standard (environmental system). The high-quality work carried out by Martela was recognised in April 2014, when the test laboratory was accredited according to the SFS-EN ISO/IEC 17025:2005 standard. The scope of the accreditation includes the most common European EN testing standards for office furniture. These standards show that all of the Group's tested products meet Martela's quality requirements and those set by the standards.

Group structure

The Group's Russian companies in St Petersburg (LLC Martela Sp) and Moscow (LLC Martela) were merged in the third quarter. Operations are now being continued by a legal entity named LLC Martela. Grundell Henkilöstöpalvelut Oy was incorporated into Muuttopalvelu Grundell Oy on 31 December 2014. There were no other changes in Group structure during the financial year.

Shares

Martela has two share series, A and K, with each K share entitling its holder to 20 votes at a General Meeting and each A share entitling its holder to one vote. Private holders of K shares have a shareholder agreement that restricts the sale of K shares to any party outside the existing holders of K shares. The total number of K shares is 604,800 and A shares 3,550,800.

During the financial year, 745,536 (629,357) of the company's A shares, or 21.0 per cent (17.8) of all A shares, were traded on NASDAQ OMX Helsinki.

The value of trading turnover was EUR 2.4 million (2.6), and the share price was EUR 3.35 at the beginning of the year and EUR 2.91 at the end of the review period. During the year, the share price was EUR 3.65 at its highest and EUR 2.84 at its lowest. At the end of December, equity per share was EUR 5.02 (5.33).

Treasury shares

Martela did not purchase any of its own shares in January-December. On 31 December 2014, Martela owned a total of 67,700 Martela A shares, purchased at an average price of EUR 10.65. Martela's holding of treasury shares amounts to 1.6 per cent of all shares and 0.4 per cent of all votes.

Share acquisition for the share-based incentive scheme and management of the scheme have been outsourced to an external service provider. These shares have been entered under equity in the consolidated financial statements for 2014. A total of 38,647 shares under the incentive scheme were still undistributed on 31 December 2014.

2014 Annual General Meeting

Martela Corporation's Annual General Meeting was held on 13 March 2014. The AGM approved the financial statements for 2013 and discharged the members of the Board of Directors and the Managing Director from liability. In accordance with the Board of Directors' proposal, the AGM decided that no dividends will be distributed for the 2013 financial year.

The number of members on the Board of Directors was confirmed as seven. Heikki Ala-Ilkka, Kirsi Komi, Heikki Martela, Pekka Martela, Pinja Metsäranta and Yrjö Närhinen were re-elected to the Board, and Eero Leskinen was elected as a new member. KPMG Oy Ab, Authorised Public Accountants, was appointed again as the company's auditor.

The AGM also approved the Board of Directors' proposals, detailed in the meeting notice, to authorise the Board to acquire and/or dispose of Martela shares.

The new Board of Directors convened after the AGM and elected from its members Heikki Ala-Ilkka as Chairman and Pekka Martela as Vice Chairman.

Administration

Martela Corporation is a Finnish limited liability company whose decision-making and administration are governed by Finnish legislation, especially the Limited Liability Companies Act, and by other regulations concerning public listed companies and the Martela Corporation Articles of Association.

The company complies with the NASDAQ OMX Guidelines for Insiders and the Corporate Governance Code 2010 for Finnish listed companies published by the Securities Market Association.

The company has published a report on its corporate governance in accordance with the Corporate Governance Code.

Further information: http://www.martela.com/corporate-governance

Events after the end of the financial year

On 13 January 2015, the Group began codetermination negotiations concerning Martela Corporation's blue-collar employees at the logistics centre in Nummela and the entire personnel of Kidex Oy.

No other significant reportable events have taken place since the financial year, and operations have continued according to plan.

Short-term risks

The principal risk to profit performance is related to general economic uncertainty and the consequent effects on the overall demand for office furniture.

The risks are explained in more detail in the corporate governance section of the company's annual report.

Outlook for 2015

The Martela Group anticipates that its revenue in 2015 will remain at the previous year's level and that its operating result will show a slight year-on-year improvement. The Group's operating result is weighted towards the second half of the year due to normal seasonal variation, and this weighting was further emphasised by the timing of larger projects during 2015.

Proposal of the Board of Directors for distribution of profit

The Board of Directors will propose to the AGM that a dividend of EUR 0.10 per share be distributed for 2014.

Annual General Meeting

Martela Corporation's AGM will be held on 10 March 2015 at 3 p.m. in Martela House, Helsinki. The notice of Annual General Meeting will be published in a separate stock exchange release.

TABLES

Accounting policies

This financial statements release has been prepared in compliance with the IAS 34 standard. Martela Corporation's consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) which were valid on 31 December 2014. At the beginning of the financial year, the company adopted a number of new or revised IFRS standards (IAS 28, IAS 32, IAS 36, IFRS 12 and IFRIC 21). The changes, revisions and interpretations have no material bearing on Martela's financial reporting. In other respects, the accounting policies and calculation methods are the same as those applied in the 2013 financial statements.

The figures in this release have been rounded, and so the combined sum of individual figures may differ from the sums presented. The annual figures presented in this financial statements release have been audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1000)

	2014 1-12	2013 1-12	2014 10-12	2013 10-12
Revenue	**135 918**	**132 293**	**31 243**	**36 850**
Other operating income	1 049	1 352	309	103
Employee benefits expenses	-36 258	-38 160	-8 783	-10 009
Operating expenses	-96 789	-95 053	-22 814	-26 526
Depreciation and impairment	-3 764	-3 550	-1 004	-1 019
Operating profit/loss	**156**	**-3 118**	**-1 049**	**-601**
Financial income and expenses	-753	-1 195	-245	-682
Share of result in associated undertakings	0	-305	0	-62
Profit/loss before taxes	**-597**	**-4 618**	**-1 294**	**-1 345**
Income tax	-112	455	182	307
Profit/loss for the period	**-709**	**-4 163**	**-1 112**	**-1 038**
Other comprehensive income:				
Translation differences	-613	-80	-446	1
Actuarial gains and losses	-72	337	-72	337
Actuarial gains and losses, deferred taxes	14	-81	32	-81
Total comprehensive income	**-1 380**	**-3 987**	**-1 598**	**-781**
Basic earnings per share, eur	-0,18	-1,03	-0,27	-0,26
Diluted earnings per share, eur	-0,18	-1,03	-0,27	-0,26
Allocation of net profit for the period:				
To equity holders of the parent	-709	-4 163	-1 112	-1 038
Allocation of total comprehensive income:				
To equity holders of the parent	-1 380	-3 987	-1 598	-781

GROUP BALANCE SHEET (EUR 1000)	31.12.2014	31.12.2013
ASSETS		
Non-current assets		
Intangible assets	5 481	6 403
Tangible assets	10 499	11 767
Investments	55	55
Deferred tax assets	496	373
Investment properties	600	600
Total	**17 131**	**19 198**
Current assets		
Inventories	10 161	10 913
Receivables	20 538	23 646
Cash and cash equivalents	6 407	4 857
Total	**37 106**	**39 416**
Total assets	**54 237**	**58 614**
EQUITY AND LIABILITIES		
Equity		
Share capital	7 000	7 000
Share premium account	1 116	1 116
Other reserves	-9	-9
Translation differences	-699	-86
Retained earnings	13 125	13 892
Treasury shares	-1 050	-1 050
Share-based incentives	837	710
Total	**20 320**	**21 573**
Non-current liabilities		
Interest-bearing liabilities	6 794	8 645
Deferred tax liability	813	846
Pension obligations	737	637
Total	**8 344**	**10 128**
Current liabilities		
Interest-bearing	5 671	6 731
Non-interest bearing	19 902	19 615
Reservation	0	566
Total	**25 573**	**26 912**
Total liabilities	**33 917**	**37 040**
Equity and liabilities, total	**54 237**	**58 614**

STATEMENT OF CHANGES IN EQUITY (EUR 1000)

Equity attributable to equity holders of the parent

	Share capital	Share premium account	Other reserves	Transl. diff.	Retained earnings	Treasury shares	Total
1.1.2013	7 000	1 116	-9	-6	19 319	-1 050	26 370
Profit/loss for the financial year					-4 163		-4 163
Translation differences				-80			-80
Items resulting from remeasurement of the net debt related to defined benefit plans					256		256
Dividends					-810		-810
31.12.2013	7 000	1 116	-9	-86	14 602	-1 050	21 573
1.1.2014	7 000	1 116	-9	-86	14 602	-1 050	21 573
Profit/loss for the financial year					-709		-709
Translation differences				-613			-613
Items resulting from remeasurement of the net debt related to defined benefit plans					-58		-58
Dividends					0		0
Share-based incentives					127		127
31.12.2014	7 000	1 116	-9	-699	13 962	-1 050	20 320

CONSOLIDATED CASH FLOW STATEMENT (EUR 1000)

	2014	2013
Cash flows from operating activities	1-12	1-12
Cash flow from sales	139 896	132 033
Cash flow from other operating income	764	353
Payments on operating costs	-133 266	-131 746
Net cash from operating activities before financial items and taxes	**7 394**	**640**
Interest paid	-425	-475
Interest received	15	24
Other financial items	-355	-196
Dividends received	7	1
Taxes paid	-471	-130
Net cash from operating activities (A)	**6 165**	**-136**
Cash flows from investing activities		
Capital expenditure on tangible and intangible assets	-1 484	-2 711
Proceeds from sale of tangible and intangible assets	21	38
Proceeds of sale of other investments	0	960
Net cash used in investing activities (B)	**-1 463**	**-1 713**
Cash flows from financing activities		
Proceeds from short-term loans	33 500	18 500
Repayments of short-term loans	-34 292	-18 246
Proceeds from long-term loans	0	1 283
Repayments of long-term loans	-2 119	-1 503
Dividends paid and other profit distribution	0	-810
Net cash used in financing activities (C)	**-2 911**	**-776**
Change in cash and cash equivalents (A+B+C) (+ increase, - decrease)	**1 791**	**-2 625**
Cash and cash equivalents in the beginning of the period	4 857	7 589
Translation differences	-241	-107
Cash and cash equivalents at the end of period	**6 407**	**4 857**

SEGMENT REPORTING (EUR 1 000)

Segment revenue	2014 1-12	2013 1-12	2014 10-12	2013 10-12
Business Unit Finland				
external	87 465	92 272	23 122	25 740
internal	11	0	7	0
Business Unit Sweden and Norway				
external	24 805	20 524	3 839	5 554
internal	1 628	1 658	284	364
Business Unit Poland				
external	11 131	11 710	3 012	3 623
internal	1 187	61	797	21
Other segments				
external	12 517	7 787	1 270	1 933
internal	12 746	10 107	3 030	2 571
Total external revenue	**135 918**	**132 293**	**31 243**	**36 850**

Segment operating profit/loss	2014 1-12	2013 1-12	2014 10-12	2013 10-12
Business Unit Finland	2 840	1 436	954	1 396
Business Unit Sweden and Norway	-90	-1 363	-463	-265
Business Unit Poland	-1 366	-676	-396	-28
Other segments	444	-1 636	-642	-344
Other	-1 672	-879	-502	-1 360
Total operating profit/loss	**156**	**-3 118**	**-1 049**	**-601**

Other segments include Kidex Oy and Business Unit International, which is responsible for export markets. The item "Other" includes non-allocated Group functions, production units and non-recurring sales gains and losses.

RELATED PARTY AND SHARE-BASED INCENTIVE PROGRAMME

The CEO and the group's management are included in a long-term share-based incentive scheme, extending to the end of 2016.

KEY FIGURES/RATIOS	2014 1-12	2013 1-12
Revenue, EUR million	135,9	132,3
Change in revenue, %	2,7	-7,3
Exports and international operations, EUR million	47,8	39,9
In relation to revenue, %	35,1	30,1
Operating profit/loss, EUR million	0,2	-3,1
In relation to revenue, %	0,1	-2,4
Profit/loss before taxes, EUR million	-0,6	-4,6
In relation to revenue, %	-0,4	-3,5
Profit/loss for the period, EUR million	-0,7	-4,2
In relation to revenue, %	-0,5	-3,2
Gross capital expenditure on fixed assets, EUR million	1,7	3,0
In relation to revenue, %	1,3	2,3
Research and development expenses, EUR million	2,8	2,4
In relation to revenue, %	2,1	1,8
Average personnel	742	770
Change in personnel, %	-3,6	-4,5
Personnel at year end	670	767
Turnover/employee, EUR thousand	183,2	171,8
Return on equity, %	-3,4	-17,4
Return on investment, %	0,5	-8,4
Equity ratio, %	38,1	37,2
Interest-bearing net-debt, EUR million	6,8	11,2
Gearing ratio, %	33,4	51,7

Key share-related figures

Number of shares, at the end of period (1000)	4 155,6	4 155,6
Basic earnings per share, EUR	-0,18	-1,03
Diluted earnings per share, EUR	-0,18	-1,03
Price/earnings ratio (PE)	-16,2	-3,3
Equity per share, EUR	5,02	5,33
Dividend/share, EUR	0,10 *	0,00
Dividend/earnings, %	-55,6	-
Effective dividend yield, %	3,4	-
Price of A-share 31.12, EUR	2,91	3,35

* Proposal of the Board of Directors

The largest shareholders, 31.12.2014	No.of shares A+K-series	% of total votes
Marfort Oy	524 574	38,8
Keskinäinen Eläkevakuutusyhtiö Ilmarinen	335 400	2,1
OP-Suomi Arvo	285 000	1,8
Martela Heikki	173 464	7,4
Palsanen Leena	155 634	4,0
Palsanen Jaakko	127 886	1,0
Sijoitusrahasto Nordea Suomi Small Cap	120 000	0,8
Pohjola Vakuutus Oy	117 982	0,8
AC Invest Oy	116 000	0,7
Martela Matti	115 238	7,8
Lindholm Tuija	75 963	5,7
Meissa-Capital Oy	74 750	0,5
Martela Pekka	69 282	8,9
Martela Oyj	67 700	0,4
Nordea Pankki Suomi Oyj, hallintarek.	64 229	0,4
Oy Joeston Ltd	43 425	0,3
Other shareholders	1 689 073	18,6
Total	4 155 600	100,0

The number of registrated Martela Oyj shares on 31.12.2014 was 4.155,600.
The shares are divided into A and K shares. Each A share carries one vote and each K share 20 votes in a general shareholders' meeting.
The company's Board of Directors and CEO together hold 6,8% of the shares and 16.5% of the votes.

CONTINGENT LIABILITIES	31.12.2014	31.12.2013
Morgages and shares pledged	22 002	23 218
Other commitments	287	902
Rental commitments	10 526	14 120

DEVELOPMENT OF SHARE PRICE	2014 1-12	2013 1-12
Share price at the end of period, EUR	2,91	3,35
Highest price, EUR	3,65	5,50
Lowest price, EUR	2,84	3,30
Average price, EUR	3,20	4,11

Annual Report 2014 will be published on Martela's homepages during the week 9.

Martela Oyj
Board of Directors
Heikki Martela
CEO

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