MARTELA CORPORATION FINANCIAL STATEMENTS RELEASE 4 February 2016 at 8.30 a.m.

MARTELA CORPORATION'S FINANCIAL STATEMENTS RELEASE, 1 JANUARY - 31 DECEMBER 2015

Consolidated revenue was down slightly, the operating result improved and was clearly positive.

Key figures:

	10-12	10-12	1-12	1-12
EUR million	2015	2014	2015	2014
- Revenue	37.5	31.2	132.8	135.9
- Change in revenue, %	20.0	-15.2	-2.3	2.7
- Operating result	2.1	-1.1	4.1	0.2
- Operating result, %	5.6	-3.4	3.1	0.1
- Earnings/share, EUR	0.37	-0.27	0.61	-0.18
- Return on investment, %	24.8	-11.6	12.1	0.5
- Return on equity, %	27.6	-21.2	11.6	-3.4
- Equity ratio, %			40.9	38.1
- Gearing ratio, %			16.6	33.4

The Martela Group anticipates that its revenue and operating result in 2016 will remain at the previous year's level. Due to normal seasonal variation, the Group's operating result is weighted towards the second half of the year.

Market

Economic conditions continued to be challenging in Finland and Russia during the final months of 2015. By contrast, in Sweden and Poland the general trend in the economy improved towards the end of the year, as did confidence that the economy would pick up in the short term. Although the general trend in the Finnish economy was weak during 2015, a significant number of companies nevertheless implemented office alteration projects. With the aid of the Martela Lifecycle model for these alteration projects and for life-cycle management of corporate working environments, Martela has been able to operate successfully even in the challenging Finnish market.

The improving situation in the Swedish and Polish economies has not yet been evident to any great extent in the demand for office furniture. The most significant projects in these markets are still alteration and enhancement projects. The market in Russia continued to be challenging and no improvement is anticipated in the short term.

In addition to office construction, the demand for Martela's products and services is significantly affected by the general economic situation and by the extent to which companies need to use their office space more efficiently. The need to boost efficiency often leads to office alteration projects, which in turn generate demand for Martela's products and services. The annual change in gross domestic product (GDP) can be regarded as a good indicator of the general trend in the economy. In Finland, the change in GDP was estimated to be about zero per cent in 2015. Most forecasts for the change in GDP in 2016 indicate a slight increase, which would mean that the Finnish economy will see a gradual, slow recovery. There is still no sign of a stronger recovery in the near future.

Consolidated revenue and result

The Group's fourth-quarter 2015 revenue was up, which was attributable particularly to the good performance of the company's business operations in Finland. Consolidated revenue for the fourth quarter was EUR 37.5 million (31.2), an increase of 20.0 per cent on a year-on-year basis. Consolidated revenue for the full year 2015 was EUR 132.8 million (135.9), a decrease of 2.3 per cent on the previous year. Revenue in Finland increased significantly, both in the fourth quarter and for the full financial year. The favourable performance in Finland was due in part to the success of Martela's Lifecycle model among customer companies. Business Unit Sweden and Norway achieved revenue growth in the final quarter of 2015, although revenue for the full twelve months was significantly down on the previous year's figure. For Business Unit International the fourth quarter showed a slight decrease year-on-year. The business unit's full-year revenue was down significantly, with much of this decrease being from the Russian market. Polish revenue also fell slightly. Due to the difficult situation in the market, no major improvement in demand in Russia is anticipated during 2016.

Business Unit Finland's revenue was up by 10.6 per cent. Business Unit Sweden and Norway's revenue was down by 19.5 per cent, and Business Unit International's was down by 33.3 per cent. Movements in exchange rates did not have a significant impact on the Group's revenue.

The Group's fourth-quarter operating profit improved to EUR 2.1 million (-1.1). The cumulative full-year operating result increased considerably and was EUR 4.1 million (0.2), which was 3.1 per cent (0.1) of revenue.

The clear improvement in the Group's January-December operating result was mainly due to the savings made in the cost structure as a result of the adjustment measures taken. The Group's fixed costs were reduced during the year, as planned, in comparison with the previous year's figures, and it was also evident that the EUR 6 million savings programme launched in autumn 2013 had been a success.

Business Unit Finland improved its operating result for the period as a consequence of improved revenue and the efficiency measures taken. In both Business Unit Sweden and Norway and Business Unit International, the operating result for the final quarter and for the full year was negative. The negative result was mainly due to the weak trend in revenue. Efficiency improvement measures were initiated in Poland (part of Business Unit International) in October, and the aim of these was to reorganise the sales structure, speed up the process of implementing Martela's Lifecycle strategy and reduce the unit's costs.

In April 2015, Martela began a new savings programme, the goal being to reduce costs by EUR 4 million at the annual level by the end of 2016, with the cost savings taking full effect in 2017. The measures taken by the end of 2015 were as follows: Martela Corporation's statutory employee negotiations concerning office staff were held in April 2015 (annual savings of EUR 1.2 million); efficiency measures launched in Poland in October (EUR 0.5 million); reorganisation of Martela's office space (EUR 0.9 million); and efficiency measures at Kitee (EUR 0.9 million). The measures already introduced will allow the Group to achieve a total of EUR 3.5 million of the targeted savings of EUR 4 million. About one third of the savings that can be achieved with the measures taken so far was realised in the 2015 result, and about half will be achieved in 2016, with the remainder being realised during 2017. At the same time, however, the Group will continue in 2016 to invest in implementing and further developing its Martela Lifecycle model, which will increase fixed costs a little, preventing the Group's cost level from falling by the full amount of the savings referred to above. Plans to bring about the final part of the savings programme are continuing.

Over the past year or more, interest in activity-based office solutions has continued to increase in Martela's main market areas. The Group has introduced novel solutions suitable for activity-based offices and continues to invest in its ability to provide even more high-quality comprehensive solutions and services in the field of activity-based working. The Group has strengthened 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 3.4 million (-0.6), and the result after taxes was EUR 2.5 million (-0.7).

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, as 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 and Norway’s sales are handled through dealers. The unit also has its own sales and showroom facilities in three locations: Stockholm and Bodafors in Sweden and Oslo in Norway. Its 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 International is responsible for the sales of Martela products in Poland and Russia and in countries where Martela does not have a subsidiary. The most important export countries are Denmark, Estonia, the Netherlands, Germany and Japan. The unit has its own sales network in Poland and Russia, while in other countries it relies on authorised importers. The unit is also responsible for managing the Group’s key international accounts. There are seven sales centres in Poland and two in Russia.

‘Other segments’ includes the business activities of Kidex Oy. Non-allocated Group functions, production units and non-recurring sales gains and losses are also reported in the operating result of other segments.

Production and sourcing for the Business Units are the responsibility of the Group’s Customer Supply Management unit (formerly Supply Chain Management), which has logistics centres in Finland, Sweden and Poland.

Revenue by segment

EUR million	Finland	Sweden and Norway	International	Other segments	Total
1.1.2015-31.12.2015					
External revenue	96.7	20.0	14.9	1.2	132.8
Internal revenue	8.2	0.0	0.4	17.7	26.3
Total 2015	104.9	20.0	15.3	18.8	
1.1.2014-31.12.2014					
External revenue	87.5	24.9	22.4	1.2	135.9
Internal revenue	6.6	1.4	2.7	18.3	29.0
Total 2014	94.1	26.3	25.1	19.5	
External revenue change, %	10.6%	-19.5%	-33.3%	-1.6%	-2.3%

Change in external revenue and the share of consolidated revenue by segment

EUR million	10-12 2015	10-12 2014	Change, %	1-12 2015	1-12 2014	Change, %	Share, %	1-12 2014	Share, %
Finland	29.0	23.1	25.3%	96.7	87.5	10.6%	72.8%	87.5	64.4%
Sweden and Norway	4.5	3.8	16.8%	20.0	24.9	-19.5%	15.1%	24.9	18.3%
International	3.9	4.1	-5.2%	14.9	22.4	-33.3%	11.2%	22.4	16.4%
Other segments	0.2	0.2	-15.6%	1.2	1.2	-1.6%	0.9%	1.2	0.9%
Total	37.5	31.2	20.0%	132.8	135.9	-2.3%	100.0%	135.9	100.0%

Operating result by segment

EUR million	10-12 2015	10-12 2014	1-12 2015	1-12 2014
Finland	2.8	1.0	8.2	2.8
Sweden and Norway	-0.4	-0.5	-1.5	-0.4
International	-0.5	-1.1	-1.7	-0.6
Other segments	0.2	-0.4	-1.0	-1.7
Total	2.1	-1.0	4.1	0.2

'Other segments' includes the business activities of Kidex Oy. Non-allocated Group functions, production units and non-recurring sales gains and losses are also presented under other segments.

* The operating result generated by internal invoicing in the production unit (under 'Other') has been adjusted for last year so as to be comparable to this year. For this reason, the operating results of the various units for 2014 have changed slightly.

Changes in segment reporting from 1 January 2016

As of the start of 2016, the Group's operating structure and internal financial reporting have been modified in such a way that the Group now has two business units. Sweden joins the Finland business unit, which will now be reported as Business Unit Finland & Sweden. Norway also becomes part of Business Unit International and will be reported under that unit. Business Unit International therefore now comprises Norway, Poland, Russia and exports to countries other than those in which Martela has a subsidiary.

Financial position

The Group's financial position is still stable. Cash flow from operating activities was good in January-December 2015, and came to EUR 3.9 million (6.2).

Interest-bearing liabilities at the end of the year were EUR 11.5 million (13.2) and net interest-bearing liabilities were EUR 3.8 million (6.8). The gearing ratio at the end of the period was 16.6 per cent (33.4), and the equity ratio was 40.9 per cent (38.1). Net financial expenses were EUR -0.7 million (-0.8). Financing arrangements include a covenant clause which examines the ratio between the Group's net liabilities and EBITDA and the Group's equity ratio. The figures calculated at the time the financial statements are prepared comply with the covenant clause. On 31 December 2015 a total of EUR 7.8 million of the Group's loans were subject to the covenant clause.

The balance sheet total stood at EUR 56.0 million (54.2) at the end of the period.

Capital expenditure

The Group's gross capital expenditure for January-December came to EUR 0.7 million (1.7). This consisted of expenditure on production replacements.

The Group's capital expenditure in the last two years has been relatively low compared with depreciation. In 2016 the Group's capital expenditure will be in the region of EUR 2.5 million, with the main emphasis on the development of IT systems. The Group's depreciation in 2015 came to EUR 3.4 million.

Personnel

The Group employed an average of 622 people (742), which represents a decrease of 16.2 per cent. The number of employees in the Group was 575 (670) at the end of the period.

Mr. Matti Rantaniemi begun as a new CEO on 1 October 2015. At the same time previous CEO Heikki Martela was nominated as a Chairman of the Board.

Average personnel by region

	1-12 2015	1-12 2014
Finland	469	559
Scandinavia	49	62
Poland	93	110
Russia	11	11
Group total	622	742

Product development and services

Martela Lifecycle® model

The Martela Lifecycle® model has been well received in all the home markets and it formed the focus of sales and marketing measures during 2015. With the Lifecycle model, Martela can specify the customer's workplace requirements, and design, implement and maintain the workplace in accordance with these requirements. In Finland, Martela already has comprehensive services available for each stage of the life cycle. Now Martela is also able to provide its customers in Poland, Russia, Sweden and Norway with almost full life-cycle services. Martela's product development has focused intensively on the development of life-cycle services.

Great interest in productive environments

Martela's broad range of solutions for offices and learning environments has attracted wide interest. Both the media and our customers are interested in new ways of working. This has generated greater debate in the media on activity-based offices and the way in which they can improve productivity and wellbeing at work. A number of seminars on the topic were held during the year and these were also attended by representatives from Martela. Groups of customers who want to take a closer look at more efficient and pleasant working environments are also a frequent sight at Martela's own office premises.

User-oriented furniture solutions in activity-based offices

The benefits of activity-based offices are based on increased interaction and the associated enhancement of positive experiences of the workplace. The furniture and design of the spaces must support the meetings that take place in activity-based offices. There are many kinds of meetings: accidental, casual, official, those that require intense concentration, and those that draw from the surrounding hustle and bustle. In 2015, in response to these needs, Martela launched the Nooa sofa range, designed by Antti Kotilainen, and the height-adjustable Frankie conference table designed by Iiro Viljanen. The Sola product range was also expanded with the addition of the keenly anticipated conference and lobby chairs.

Martela also launched the novel PodWork workstation during the year. All Pod products are perfect for activity-based offices. Pod furniture supports different ways of working and feels personal even when used by several people. An important factor is the design, which is both open and suitably intimate. The Pod product family includes workstations that are open and with different levels of intimacy, a meeting space, and sofas and chairs, which can all be combined to create spaces for various needs.

Better user experiences through Martela Dynamic solutions

User-oriented activity-based offices significantly reduce companies' needs for space while also improving operational efficiency. When offices are divided into zones based on their purpose of use, employees are able to make more effective use of their resources and potential. Activity-based offices can be enhanced considerably with Martela's new, intelligent Dynamic solutions. Dynamic Desk Booking is a new workstation reservation system, Dynamic Storage is a solution for temporary storage needs, and Dynamic Meeting Booking is an easy-to-use solution for reserving meeting rooms and locating other available spaces. These solutions make working in an office easier and more convenient, and enable employees to effortlessly locate free workstations, meeting rooms and storage space and to find their colleagues. Reserving desks and spaces is also uncomplicated.

Corporate responsibility and quality

Responsibility forms an integral part of Martela’s strategy and daily operations. We support the responsibility of our customer companies by offering durable solutions for the working environment throughout its entire life cycle 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 working environment. Martela creates responsible working environments by taking into account user needs and by supporting user wellbeing.

With responsibly planned spaces it is 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. Martela also offers recycled furniture as part of its new interior solutions.

Furniture that is in good condition but unwanted after an office alteration project is supplied to the Martela Outlet central warehouse in Finland, where the items are then available through the online store that was opened in December as the first such store focusing on the sale of recycled products. The Martela Outlet stores order furniture from the central warehouse according to their local needs.

Furniture that needs repairing is taken to Martela’s logistics centre where it is re-upholstered and then taken to the Outlet central warehouse. Furniture that is unfit for reuse 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.

Local production and employment are important factors for Martela, and we aim to create jobs primarily in our market areas. In connection with the reorganisation of the logistics structure, we introduced the Group’s common quality and environmental systems in all of Martela’s 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 standardised systems create a more continuous, consistent and close way of working at Martela, and this enables the units to be compared using our key quality indicators. The quality indicators include delivery reliability, customer satisfaction and management of complaints.

Group structure

There were no changes in Group structure during the review period.

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 January-December 2015, 765,413 (745,536) of the company's A shares were traded on NASDAQ Helsinki, corresponding to 21.6 per cent (21.0) of all A shares.

The value of trading turnover was EUR 2.4 million (2.4), and the share price was EUR 2.91 at the end of 2014 and EUR 3.53 at the end of 2015. During January-December the share price was EUR 3.58 at its highest and EUR 2.75 at its lowest. At the end of December 2015, equity per share was EUR 5.54 (5.02).

Treasury shares

Martela did not purchase any of its own shares in January-December. On 31 December 2015, Martela owned a total of 63,147 Martela A shares, purchased at an average price of EUR 10.65. Martela’s holding of treasury shares amounts to 1.5 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. The external service provider was not in possession of any undistributed shares at the end of the review period on 31 December 2015.

2015 Annual General Meeting

Martela Corporation’s Annual General Meeting was held on 10 March 2015. The AGM approved the financial statements for 2014 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM decided, in accordance with the Board of Directors’ proposal, to distribute a dividend of EUR 0.10 per share. The dividend was paid on 19 March 2015.

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

The AGM 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 Eero Leskinen as Vice Chairman.

Governance

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

The company complies with the NASDAQ OMX Guidelines for Insiders and the Corporate Governance Code 2015 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 on Martela’s governance: http://www.martela.com/corporate-governance

Events after the end of the financial year

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 2016

The Martela Group anticipates that its revenue and operating result in 2016 will remain at the previous year’s level. Due to normal seasonal variation, the Group’s operating result is weighted towards the second half of the year.

Board of Directors’ proposal for distribution of profit

The Board of Directors will propose to the AGM that a dividend of EUR 0.25 per share be distributed for 2015.

Annual General Meeting

Martela Corporation’s AGM will be held on 8 March 2016 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's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as on December 31. 2015.
Martela Group has applied as from 1 January 2015 the following new and amended standards that have come into effect.

- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions: The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments had no significant impact on Martela's consolidated financial statements.
- Annual Improvements to IFRSs (2011-2013 cycle and 2010-2012 cycle): The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven (2010-2012 cycle) standards. Their impacts vary standard by standard but are not significant.

Other amended standards did not have an effect on Martela's financial reporting. Otherwise it has been followed the same accounting principles as on closing 2014.

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)

	2015 1-12	2014 1-12	2015 10-12	2014 10-12
Revenue	**132 820**	**135 918**	**37 502**	**31 243**
Other operating income	395	1 049	-10	309
Employee benefits expenses	-32 277	-36 258	-8 715	-8 783
Operating expenses	-93 446	-96 789	-25 849	-22 814
Depreciation and impairment	-3 417	-3 764	-831	-1 004
Operating profit/loss	**4 075**	**156**	**2 097**	**-1 049**
Financial income and expenses	-689	-753	-168	-245
Profit/loss before taxes	**3 386**	**-597**	**1 929**	**-1 294**
Income tax	-903	-112	-444	182
Profit/loss for the period	**2 483**	**-709**	**1 485**	**-1 112**
Other comprehensive income:				
Translation differences	-41	-613	-26	-446
Actuarial gains and losses	253	-72	253	-72
Actuarial gains and losses, deferred taxes	-32	14	-32	32
Total comprehensive income	**2 663**	**-1 380**	**1 680**	**-1 598**
Basic earnings per share, eur	0,61	-0,18	0,37	-0,27
Diluted earnings per share, eur	0,61	-0,18	0,37	-0,27
Allocation of net profit for the period:				
To equity holders of the parent	2 483	-709	1 485	-1 112
Allocation of total comprehensive income:				
To equity holders of the parent	2 663	-1 380	1 680	-1 598

GROUP BALANCE SHEET (EUR 1000)	31.12.2015	31.12.2014
ASSETS		
Non-current assets		
Intangible assets	4 733	5 481
Tangible assets	8 524	10 499
Investments	55	55
Deferred tax assets	381	496
Investment properties	600	600
Total	**14 293**	**17 131**
Current assets		
Inventories	10 655	10 161
Receivables	23 314	20 538
Cash and cash equivalents	7 724	6 407
Total	**41 693**	**37 106**
Total assets	**55 986**	**54 237**
EQUITY AND LIABILITIES		
Equity		
Share capital	7 000	7 000
Share premium account	1 116	1 116
Other reserves	-9	-9
Translation differences	-740	-699
Retained earnings	15 047	13 125
Treasury shares	-673	-1 050
Share-based incentives	921	837
Total	**22 662**	**20 320**
Non-current liabilities		
Interest-bearing liabilities	8 388	6 794
Deferred tax liability	758	813
Pension obligations	574	737
Total	**9 720**	**8 344**
Current liabilities		
Interest-bearing	2 517	5 671
Non-interest bearing	21 087	19 902
Total	**23 604**	**25 573**
Total liabilities	**33 324**	**33 917**
Equity and liabilities, total	**55 986**	**54 237**

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
1.1.2014	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
1.1.2015	7 000	1 116	-9	-699	13 962	-1 050	20 320
Profit/loss for the financial year					2 483		2 483
Translation differences				-41			-41
Items resulting from remeasurement of the net debt related to defined benefit plans					221		221
Dividends					-354		-354
Withholding tax on dividends					-51		-51
Share-based incentives					-293	377	84
31.12.2015	7 000	1 116	-9	-740	15 968	-673	22 662

CONSOLIDATED CASH FLOW STATEMENT (EUR 1000)

	2015	2014
Cash flows from operating activities	1-12	1-12
Cash flow from sales	129 489	139 896
Cash flow from other operating income	354	764
Payments on operating costs	-125 229	-133 266
Net cash from operating activities before financial items and taxes	**4 614**	**7 394**
Interest paid	-422	-425
Interest received	10	15
Other financial items	-273	-355
Dividends received	0	7
Taxes paid	-55	-471
Net cash from operating activities (A)	**3 874**	**6 165**
Cash flows from investing activities		
Capital expenditure on tangible and intangible assets	-626	-1 484
Proceeds from sale of tangible and intangible assets	41	21
Net cash used in investing activities (B)	**-585**	**-1 463**
Cash flows from financing activities		
Proceeds from short-term loans	11 932	33 500
Repayments of short-term loans	-15 262	-34 292
Proceeds from long-term loans	4 000	0
Repayments of long-term loans	-2 231	-2 119
Dividends paid and other profit distribution	-405	0
Net cash used in financing activities (C)	**-1 966**	**-2 911**
Change in cash and cash equivalents (A+B+C) (+ increase, - decrease)	**1 323**	**1 791**
Cash and cash equivalents in the beginning of the period	6 407	4 857
Translation differences	-6	-241
Cash and cash equivalents at the end of period	**7 724**	**6 407**

SEGMENT REPORTING (EUR 1 000)

Segment revenue	2015 1-12	2014 1-12	2015 10-12	2014 10-12
Business Unit Finland				
external	96 702	87 469	28 982	23 122
internal	8 214	6 613	2 532	2 006
Business Unit Sweden and Norway				
external	20 026	24 886	4 480	3 836
internal	3	1 425	0	175
Business Unit International				
external	14 905	22 357	3 875	4 089
internal	398	2 709	59	210
Other segments				
external	1 186	1 206	165	196
internal	17 663	18 275	4 595	5 266
Total external revenue	**132 820**	**135 918**	**37 502**	**31 243**

Segment operating profit/loss	2015 1-12	2014 1-12	2015 10-12	2014 10-12
Business Unit Finland	8 234	2 840	2 758	954
Business Unit Sweden and Norway	-1 457	-398	-355	-490
Business Unit International	-1 667	-564	-507	-1 078
Other segments	-1 035	-1 722	201	-435
Total operating profit/loss	**4 075**	**156**	**2 097**	**-1 049**

Business Unit International consists of Martela's sales operations in Poland and Russia as well as exports. The item "Other segments" includes operating activities of Kidex Oy, 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	2015 1-12	2014 1-12
Revenue, EUR million	132,8	135,9
Change in revenue, %	-2,3	2,7
Exports and international operations, EUR million	35,9	47,8
In relation to revenue, %	27,0	35,1
Operating profit/loss, EUR million	4,1	0,2
In relation to revenue, %	3,1	0,1
Profit/loss before taxes, EUR million	3,4	-0,6
In relation to revenue, %	2,5	-0,4
Profit/loss for the period, EUR million	2,5	-0,7
In relation to revenue, %	1,9	-0,5
Gross capital expenditure on fixed assets, EUR million	0,7	1,7
In relation to revenue, %	0,5	1,3
Research and development expenses, EUR mill	2,1	2,8
In relation to revenue, %	1,6	2,1
Average personnel	622	742
Change in personnel, %	-16,2	-3,6
Personnel at year end	575	670
Turnover/employee, EUR thousand	213,5	183,2
Return on equity, %	11,6	-3,4
Return on investment, %	12,1	0,5
Equity ratio, %	40,9	38,1
Interest-bearing net-debt, EUR million	3,8	6,8
Gearing ratio, %	16,6	33,4

Key share-related figures

Number of shares, at the end of period (1000)	4 155,6	4 155,6
Basic earnings per share, EUR	0,61	-0,18
Diluted earnings per share, EUR	0,61	-0,18
Price/earnings ratio (PE)	5,8	-16,2
Equity per share, EUR	5,54	5,02
Dividend/share, EUR	0,25 *	0,10
Dividend/earnings, %	41,0	-55,6
Effective dividend yield, %	7,1	3,4
Price of A-share 31.12, EUR	3,53	2,91

* Proposal of the Board of Directors

The largest shareholders, 31.12.2015	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	183 064	7,5
Palsanen Leena	155 634	4,0
Palsanen Jaakko	133 740	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	74 963	5,7
Meissa-Capital Oy	74 750	0,5
Martela Pekka	69 282	8,9
Nordea Pankki Suomi Oyj, hallintarek.	65 186	0,4
Martela Oyj	63 147	0,4
Oy Joeston Ltd	43 425	0,3
Other shareholders	1 678 215	18,5
Total	4 155 600	100,0

The number of registrated Martela Oyj shares on 31.12.2015 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 5,5% of the shares and 7,9 % of the votes.

CONTINGENT LIABILITIES	31.12.2015	31.12.2014
Morgages and shares pledged	26 905	22 002
Other commitments	597	287
Rental commitments	8 376	10 526

DEVELOPMENT OF SHARE PRICE	2015	2014
	1-12	1-12
Share price at the end of period, EUR	3,53	2,91
Highest price, EUR	3,58	3,65
Lowest price, EUR	2,75	2,84
Average price, EUR	3,17	3,20

Annual Report 2015 will be published on Martela's homepages during the week 8.

Martela Oyj
Board of Directors
Matti Rantaniemi
CEO

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