The Stockmann Group's Strategy

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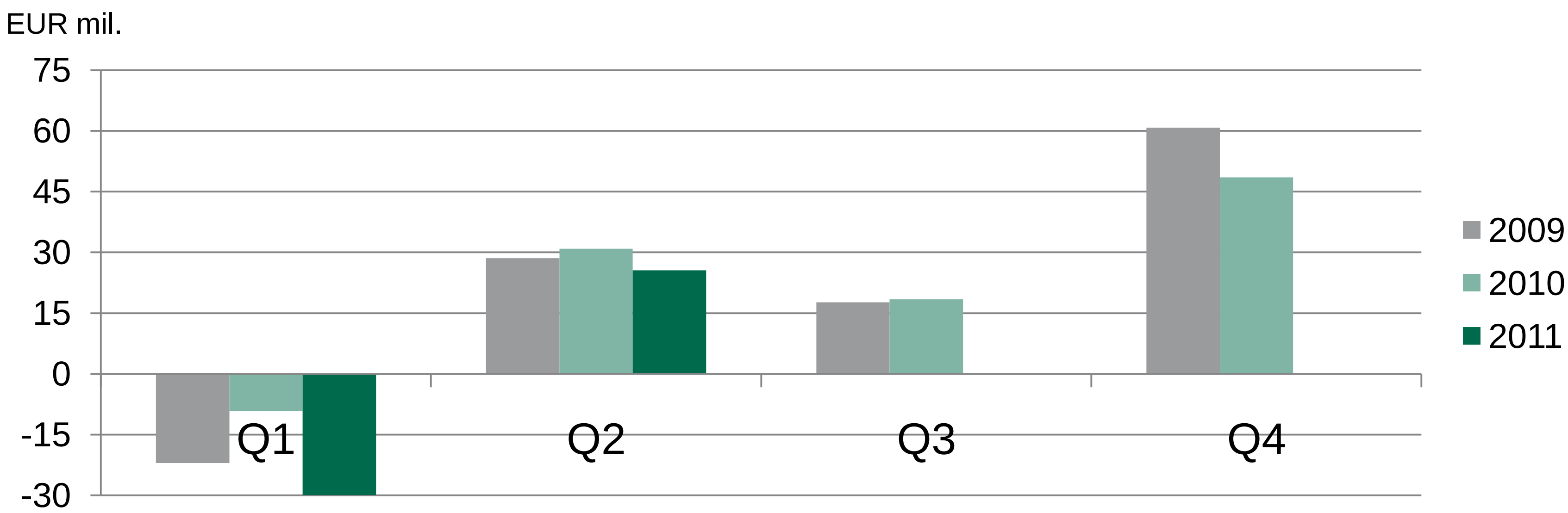
Background for the strategy 2012–2016: Earnings development weaker than expected after H1 2010

- First half of 2010 was a success for the Stockmann Group
  - All divisions improved their relative gross margin and earnings. Positive development in the Department Store Division, all markets improved. A record-high relative gross margin for Seppälä in Q2.
  - Costs on the rise due to expansion (new openings in all divisions).
- Second half of 2010 was lower than expected
  - Department stores: Pre-opening costs of nearly EUR 10 million (mostly recorded in H2 2010) due to Nevsky Centre, Stockmann web store and Helsinki enlargement.
  - Fashion chains: Delays in distribution due to shortage of production capacity. Rising raw material prices weakened the relative gross margin. Weak Q4 performance in Sweden and Norway for Lindex.
- First half of 2011 continued weak
  - Department Store Division: Revenue growth not sufficient to cover increased costs due to expansion. Additional costs due to the move of the logistics centre in Russia.
  - Fashion chains: Market for affordable fashion weak and sales volumes lower than expected. Actions to boost sales decreased the relative gross margin. Sourcing prices remained high. Weak performance in Finland for Seppälä.

Stockmann Group's operating profit 2010–2011

- First half of 2010: Operating profit up EUR 15.2 million
- Second half of 2010: Operating profit down EUR 11.6 million
- First half of 2011: Operating profit down EUR 26.0 million
- Outlook: Operating profit for the second half of 2011, and especially its final quarter, will outperform the previous year



Strategy 2012–2016: Heading for Profit

- The slow market development affects the strategy, but the core remains the same: profitable growth in present and new markets
- Substantial investment program successfully completed
- Utilizing the full potential of existing assets after the historical investment program
- Increased focus on capital, inventories, and costs

Historical investment program succesfully completed

- Lindex acquisition in 2007
  - Public tender offer in October 2007 for AB Lindex (publ) shareholders
  - Lindex consolidated to the financial statements of the Stockmann Group as of 5 December 2007
  - Operates as an own division in the Stockmann Group
  - Capital expenditure EUR 850 million

- Enlargement of the Helsinki city centre department store 2006–2010
- Nevsky Centre 2006–2010

Enlargement and renovation of the Helsinki flagship department store in 2006–2010

- 10,000 sqm new commercial premises
  - Stockmann Delicatessen 4,500 sqm on one level
  - New restaurant area on the 8th floor
  - Commercial area now 50,000 sqm in total
- New underground customer car park and goods handling facilities
- Renovation and repair work in the whole building

- Capital expenditure EUR 200 million

  + Sale and lease-back of the underground parking

Building Nevsky Centre and the St Petersburg department store in 2006–2010

- 50,000 sqm store and office space
- Property fully owned by Stockmann
  - Commercial plot acquired in 2006
- Largest Stockmann department store in Russia
- Lindex, Seppälä, and Bestseller (Vero Moda, Jack & Jones) stores
- Over 70 other companies as tenants

- Capital expenditure EUR 185 million

Financing the capital expenditure

2006 2007 2008 2009 2010 2011

Helsinki department store enlargement, capex EUR 200 million

Nevsky Centre in St Petersburg, capex EUR 185 million

Lindex acquisition
EUR 850 million

Acquisition debt
EUR 850 million
Dec 2007

Directed equity issue
EUR 137.4 million
June 2008

Debt refinancing
EUR 1 000 million,
maturities 3–7 years
Dec 2008

Capital releasing program
EUR 84 million
During 2009

Directed equity issue
to Hartwall
EUR 96 million
Aug 2009

Rights issue to all
shareholders
EUR 44.9 million
Sep 2009

Debt
refinancing
EUR 700
million
Jul 2010

Loyal
Customer
share sub-
scriptions
EUR 6
million
Jun 2011

Debt
refinancing
EUR 50
million
Jun 2011

Key elements of financing today

- Bilateral long-term bank loans and committed overdrafts EUR 800 million
  - No collateral
  - One covenant related to the Group's equity ratio
  - EUR 50 million until 2013
  - EUR 700 million until 2015
  - EUR 50 million until 2016
- Pension loan with a fixed interest rate EUR 133 million
- Commercial paper program EUR 600 million+

- Loyal Customer 2008 share option programme
  - Up to approx. 550 000 new B shares can be subscribed in May 2012

Future investments

- After a major investment program the Stockmann Group's capital expenditure will decrease in the coming years
- Capital expenditure will be clearly below depreciation
  - Taking place already in 2011: estimated capital expenditure approx. EUR 70 million
  - In 2012–2014 capital expenditure will be less than in 2011, at approx. EUR 50–60 million annually
  - Depreciation approx. EUR 70–75 million annually

- Currently no plans for new department stores
- Enlargements and renovations of current department stores
  - Tampere 2013, Tapiola 2016
  - Opportunities for enlargements in other department stores
- Expansion of the fashion chains (Lindex, Seppälä) to continue
  - Approx. 15–20 new stores annually in 2012 and 2013

Long-term financial targets remain unchanged

- Targets were set in 2008
- Timetable for achieving the targets was shifted in 2010 by two years to 2015
- No changes during the 2011 strategy process but understanding the big challenges, if the present market development continues

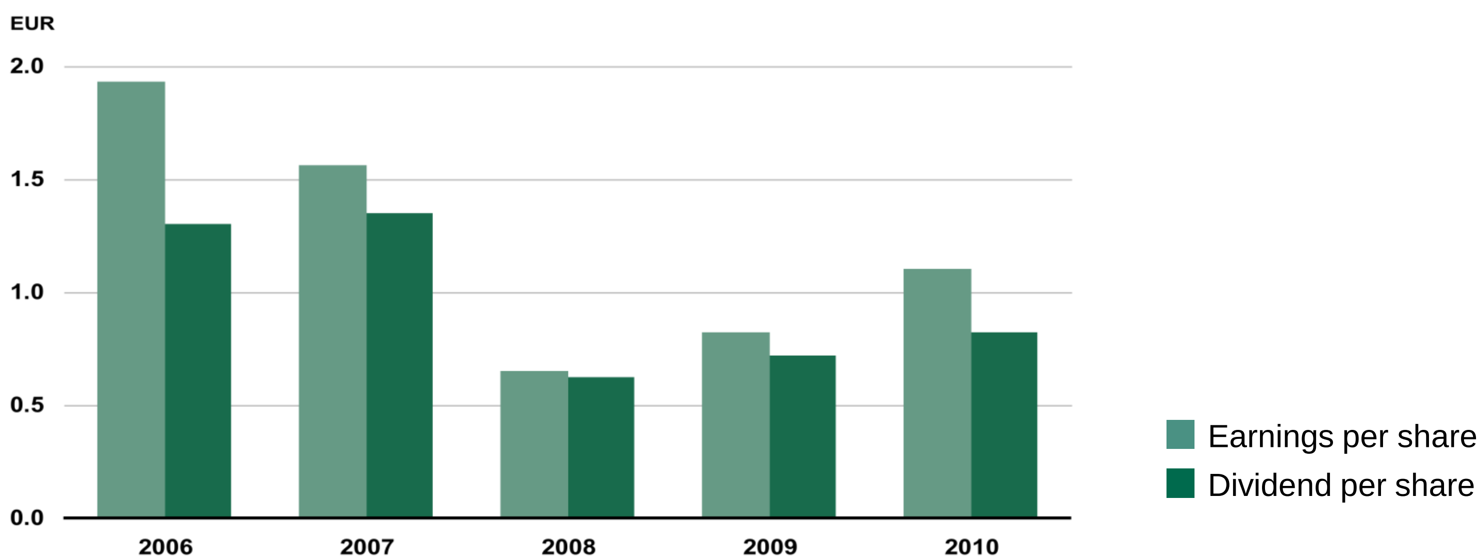
- Targets to be achieved by 2015:
  - 20% ROCE
  - 12% EBIT
  - 40% equity ratio
  - Sales growth above industry average

Dividend distribution

Dividend policy

Minimum half of the earnings from the company's ordinary operations; financing required to grow operations taken into account

Earnings per share and dividend per share 2006–2010



Dividend per earnings	67.4%	86.5%	94.7%	88.0%	74.5%

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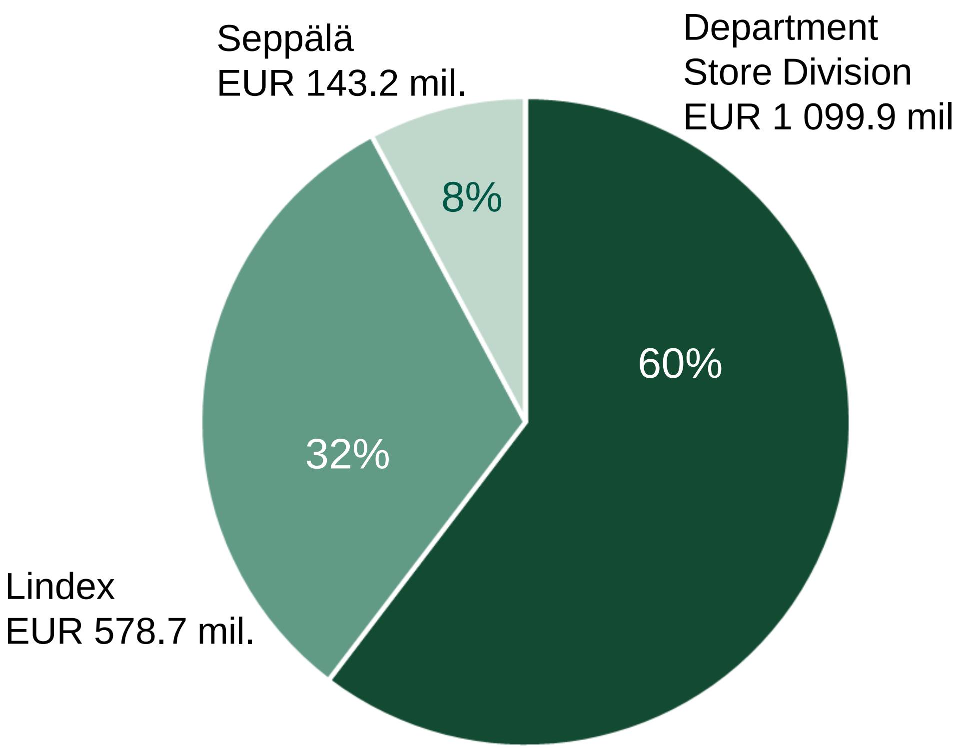
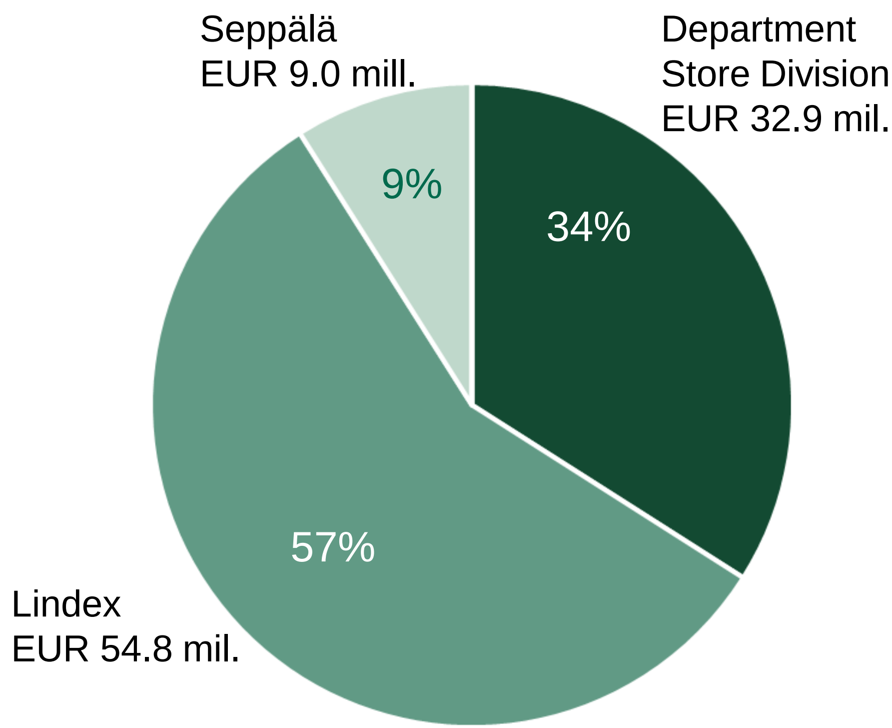
Stockmann today

Revenue and operating profit in 2010

Revenue EUR 1 821.9 mil.
(EUR 1 698.5 mil.), +7.3%



Operating profit EUR 88.8 mil.
(EUR 85.1 mil.), +4.4%



Over 700 stores in 14 countries

FINLAND
- 7 department stores
- 7 Academic Bookstores
- Hobby Hall mail order sales, online store and 1 store
- 14 Stockmann Beauty stores
- 56 Lindex stores
- 138 Seppälä stores
- 4 Zara stores
- 1 Outlet store

SWEDEN
- 206 Lindex stores

NORWAY
- 96 Lindex stores

ESTONIA
- 1 department store
- 7 Lindex stores
- 21 Seppälä stores
- 1 Outlet store

LATVIA
- 1 department store
- 7 Lindex stores
- 11 Seppälä stores

LITHUANIA
- 10 Lindex stores
- 10 Seppälä stores

RUSSIA
- 7 department stores
- 1 shopping centre
- 15 Lindex stores
- 46 Seppälä stores
- 20 Bestseller stores
- 2 other stores

UKRAINE
- 2 Seppälä stores

CZECH REPUBLIC
- 13 Lindex stores

SLOVAKIA
- 4 Lindex stores

POLAND
- 3 Lindex stores

BOSNIA AND HERZEGOVINA
- 2 Lindex franchising stores

SAUDI ARABIA
- 16 Lindex franchising stores

UNITED ARAB EMIRATES
- 2 Lindex franchising store

ONLINE STORES
- stockmann.com in Finland
- akateeminen.com in Finland
- hobbyhall.fi in Finland
- lindex.com in the EU area and Norway

Status as of 6 September 2011

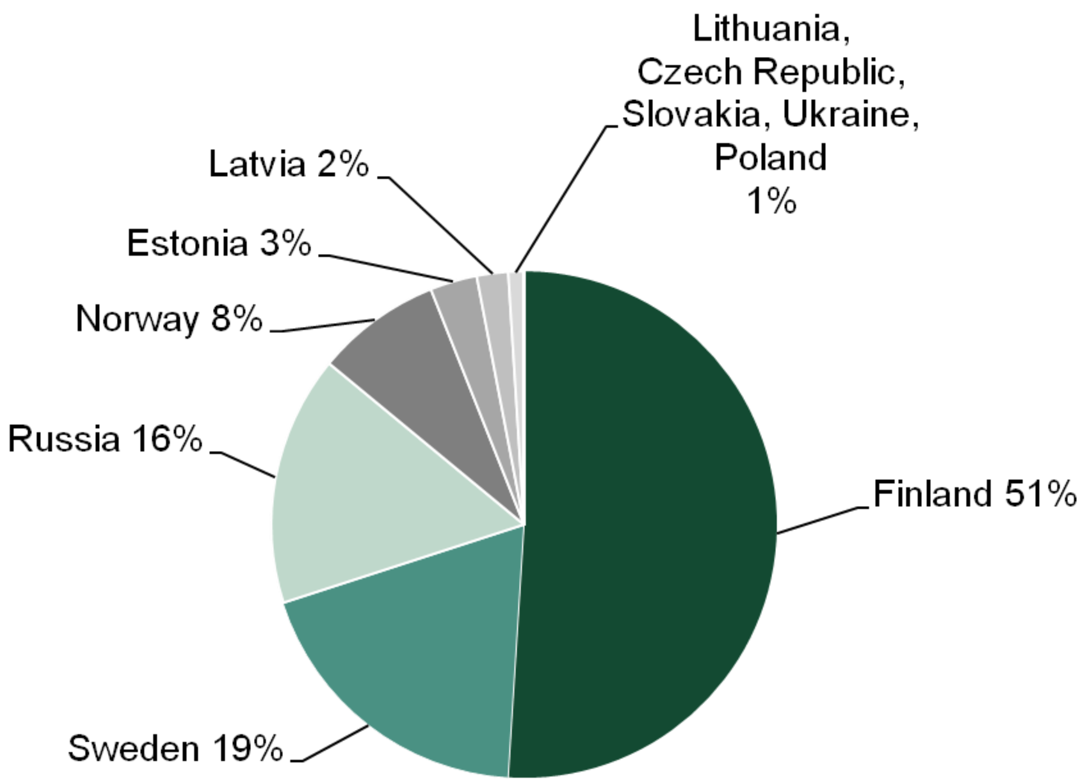
First stores in Russia were opened in 1989

Stockmann opened two stores in Moscow in 1989, GUM and Zazepsky Val (picture).

Opening of Stockmann grocery store in St Petersburg in 1993.

Today 7 department stores and 83 stores in Russia – 16% of the total revenue

Revenue by market in Q2 2011



Development of the operating profit in Russia

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Outlook for operations in Russia

- Full-year 2011 will continue to be loss-making in Russia due to the weak first quarter of 2011
- The last quarter of 2011 will be clearly positive
  - Positive development expected in all Russian department stores
  - Nevsky Centre rental income
- In 2012 the full-year operating profit for Russia is targeted to be positive

Preliminary revenue in August 2011

(Exclusive of VAT)	Change 8/2011, %	Change 1–8/2011, %
Department Store Division, Finland	4.4	5.3
Department Store Division, international operations	33.5	42.1
Department Store Division, total	**11.4**	**14.2**
Lindex, Finland	7.5	2.9
Lindex, international operations	11.4	9.3
Lindex, total	**10.9**	**8.6**
Seppälä, Finland	4.2	-4.1
Seppälä, international operations	1.8	1.8
Seppälä, total	3.2	**-2.0**
Operations in Finland, total	**5.1**	**4.1**
International operations, total	**17.0**	**18.9**
Stockmann, total	**10.8**	**10.9**

Key short term objectives

- Focus on Q4/2011, which will be decisive for the full year operating profit
- Good commercial campaigns and competitive collections in all divisions
- No more capacity issues, autumn deliveries have arrived in time
- Big investments (Helsinki, St Petersburg etc.) are ready for the season
- Starting point is clearly better than in 2010, but we are not immune if the general economic environment weakens further from the present level

Outlook for the rest of 2011

The Stockmann Group targets the full-year operating profit in 2011 to be up on the previous year.

- Achieving the target requires that there will be no significant slowdown in the economic growth