STOCKMANN plc
Annual Financial Statement
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STOCKMANN'S FINANCIAL STATEMENT BULLETIN 2009

EARNINGS IMPROVED IN THE FOURTH QUARTER

Stockmann's fourth-quarter sales showed a year-on-year drop of 3.0 per cent, reaching a total of EUR 633.2 million (EUR 652.8 million in 2008). Fourth-quarter operating profit improved, amounting to EUR 61.0 million (EUR 58.4 million), and profit before taxes was EUR 55.8 million (EUR 45.7 million). The fourth-quarter 2008 profit was improved by the cancellation of a EUR 4.7 million provision for the closing of the Smolenskaya department store. Full-year sales decreased by 9.6 per cent, totalling EUR 2 048.2 million (EUR 2 265.8 million). The drop in sales was a result of the general state of the economy and the considerable weakening of several currencies. The 2008 sales also included sales from the Smolenskaya department store until it ceased operating in May, and Hobby Hall's operations in the Baltic countries up to the end of August, when the last stage of the discontinuation was completed. Consolidated operating profit declined during the financial year to EUR 85.3 million (EUR 121.9 million). The previous year's result included non-recurring capital gains of EUR 4.2 million and expenses of EUR 6.0 million arising from the closure of the Smolenskaya department store. Net financial expenses fell as expected, to a total of EUR 24.0 million (EUR 50.1 million). The deduction in the deferred tax liability booked for the unrealized exchange rate loss on the currency loan improved the result for the financial year. Net profit for the financial year totalled EUR 54.0 million (EUR 39.1 million). Stockmann's earnings per share were EUR 0.82 (EUR 0.65). The Board of Directors will propose the payment of a dividend of EUR 0.72 per share.

Key figures		Oct-Dec 2009	Oct–Dec 2008	Index
Sales	EUR mill.	633.2	652.8	97
Revenue	EUR mill.	526.3	541.3	97
Operating profit	EUR mill.	61.0	58.4	104
Profit before taxes	EUR mill.	55.8	45.7	122
Net profit	EUR mill.	38.9	19.9	195
Earnings per share	EUR	0.58	0.34	175

		2009	2008	Index
Sales	EUR mill.	2 048.2	2 265.8	90
Revenue	EUR mill.	1 698.5	1 878.7	90
Operating profit	EUR mill.	85.3	121.9	70
Profit before taxes	EUR mill.	61.3	71.7	85
Net profit	EUR mill.	54.0	39.1	138
Earnings per share	EUR	0.82	0.65*	125
Equity per share	EUR	11.96	11.24	106
Cash flow from operating activities	EUR mill.	146.8	170.1	86

Key ratios

Net gearing	per cent	72.1	107.4
Equity ratio	per cent	44.1	39.0
Number of shares, weighted average, diluted	thousands	65 995	59 710*
Return on capital employed, rolling 12 months	per cent	5.8	8.3

*Restated due to right issue in year 2009

SALES AND EARNINGS

The Stockmann Group's sales in the financial year were down by 9.6 per cent, to EUR 2 048.2 million (EUR 2 265.8 million). The drop in sales was a result of the general state of the economy and the considerable weakening of several currencies. The 2008 sales also included sales from the Smolenskaya department store until it ceased operating in May, and Hobby Hall's operations in the Baltic countries up to the end of August, when the last stage of the discontinuation was completed.

Full-year sales in Finland were down by 7.6 per cent, to EUR 1 132.2 million. The Group's sales abroad totalled EUR 916.0 million, a decline of 12.0 per cent. Without the changes in currency exchange rates the Group's sales abroad would have decreased by 7 per cent. Sales abroad accounted for 45 per cent (46 per cent) of the Group's sales.

Gains on the sale of shares generated EUR 0.3 million (EUR 4.2 million) in other operating income during the financial year.

With the onset of the economic downturn in autumn 2008, one of the key objectives set for the Group was maintaining the level of the relative gross margin by adapting procurements to the expected lower level of demand, which was successfully achieved. The Group's operating gross margin decreased by EUR 89.3 million, to EUR 817.7 million. The relative gross margin was 48.1 per cent (48.3 per cent). Seppälä's relative gross margin improved slightly and Lindex's relative gross margin remained at the previous year's level, whereas the relative gross margin of the Department Store Division and Hobby Hall decreased. The Group's stock level decreased by EUR 24.2 million, to EUR 196.1 million. Operating costs decreased by EUR 53.7 million and depreciation by EUR 3.0 million. The company exceeded the initial cost-savings target of EUR 28 million set for 2009, partly due to changes in foreign exchange rates. Efficiency measures aimed at achieving cost-savings will be continued.

Consolidated operating profit for the financial year was down by EUR 36.6 million, to EUR 85.3 million.

Net financial expenses decreased by EUR 26.1 million, to EUR 24.0 million (EUR 50.1 million). Net financial expenses were increased by the reversal of EUR 2.8 million in interest expenses capitalised during the construction of the Mannerheimintie car park, which was sold in September. Profit before taxes was EUR 61.3 million for the financial year, down EUR 10.4 million on the previous year's figure. Taxes for the period, a total of EUR 7.3 million, included a decrease in deferred tax liability of EUR 10.9 million booked for the unrealized exchange rate loss on the currency loan and a tax accrual of EUR 18.2 million. The taxes burdening the result for the previous year earlier totalled EUR 32.7 million. Net profit for the financial year totalled EUR 54.0 million (EUR 39.1 million).

Fourth-quarter net profit increased, amounting to EUR 38.9 million (EUR 19.1 million).

In August and September, the company arranged share issues, as a consequence of which the number of shares increased by 9 390 617, or 15.2 per cent, and the equity by EUR 137 999 253.64, or 20.6 per cent. Earnings per share for the financial year were EUR 0.82 (EUR 0.65), and, diluted for options, EUR 0.82 (EUR 0.65). Equity per share was EUR 11.96 (EUR 11.24).

SALES AND EARNINGS TREND BY BUSINESS SEGMENT

Department Store Division

The Department Store Division’s sales in the financial year were down by 12.3 per cent to EUR 1 068.9 million. Sales in Finland fell by 8.7 per cent. International sales decreased by 21.2 per cent, and they accounted for 26 per cent (29 per cent) of the division’s sales. In addition to the general state of the economy, the decline in the Department Store Division’s sales was a result of the considerable weakening of the Russian rouble and the comparison figures for 2008, which included sales from the Smolenskaya department store that ceased operating in May 2008, and the vigorous sales growth in the department stores in the Baltic countries during 2008. The rouble-denominated same-store sales by the department stores in Russia were on a par with the previous year’s figures. In February, a new department store was opened in Moscow; its operations have started well. Its earnings were better than expected, but were still negative. The relative gross margin for the financial year declined slightly. The stock level of the Department Store Division decreased as planned, and was significantly lower than the previous year’s level. The Department Store Division’s operating profit was down by EUR 29.5 million, to EUR 24.5 million (EUR 54.0 million).

Fourth-quarter sales were down by 5.4 per cent to EUR 351.7 million. Operating profit amounted to EUR 31.7 million (EUR 34.9 million). Non-recurring expenses of EUR 1.5 million were booked for the closure of the Nike franchising stores. The fourth-quarter 2008 result was improved by the cancellation of a EUR 4.7 million provision for the closing of the Smolenskaya department store.

Lindex

Lindex posted its all-time best result, despite the very difficult market environment. Sales in local currencies grew by 5 per cent during the financial year but, due to the weakening of the Swedish krona and the Norwegian krone, the euro-denominated sales declined by 2.6 per cent to EUR 655.1 million (EUR 672.5 million). Sales in Finland grew by 4.1 per cent, but in other countries sales declined by 3.4 per cent. The relative gross margin remained at the previous year’s level. Lindex’s operating profit for the financial year amounted to EUR 62.4 million (EUR 58.7 million). The weakening of the Swedish krona against the euro reduced operating profit for the financial year by an imputed EUR 6.8 million.

Lindex has been able to increase its market share in most of its main markets.

Fourth-quarter sales in local currencies grew by 10 per cent and euro-denominated sales grew by 10.1 per cent to EUR 193.3 million. Operating profit increased, amounting to EUR 24.4 million, compared with EUR 20.3 million in the same period a year earlier. The weakening of the Swedish krona against the euro reduced operating profit in the fourth quarter by an imputed EUR 2.6 million.

Seppälä

Seppälä’s sales in the financial year decreased by 7.9 per cent from the previous year, totalling EUR 168.1 million. Sales in Finland fell by 5.1 per cent. Sales abroad were down by 13.4 per cent and accounted for 32 per cent (34 per cent) of Seppälä’s total sales. Rouble-denominated sales in Russia grew by 15 per cent. Despite price reduction campaigns, Seppälä’s sales in the Baltic countries decreased considerably. Seppälä’s relative gross margin increased, fixed costs decreased, and depreciation increased due to the company’s expansion. Seppälä’s stock level decreased as planned and was lower than the previous year. Seppälä’s operating profit decreased by EUR 6.6 million, to EUR 8.0 million (EUR 14.6 million).

In the fourth quarter, Seppälä’s sales decreased to EUR 46.5 million (EUR 51.5 million). Operating profit improved and amounted to EUR 4.9 million. Operating profit in the same period a year earlier was EUR 4.2 million.

Hobby Hall

Hobby Hall’s sales in the financial year decreased by 18.4 per cent to EUR 155.9 million (EUR 191.0 million). Sales in Finland fell by 8.4 per cent, and sales abroad declined by 65.3 per cent. Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. Hobby Hall likewise saw its relative gross margin decline. Hobby Hall’s stock level decreased as planned and was significantly lower than the previous year’s level. Hobby Hall’s operating result fell by EUR 2.5 million, amounting to EUR -1.7 (EUR 0.8 million), which was mainly due to the discontinued operations in the Baltic countries. Hobby Hall’s discontinued operations in the Baltic countries were substantially loss-making.

In the fourth quarter, Hobby Hall’s sales in Finland were down by 7.1 per cent to EUR 41.8 million. Operating profit amounted to EUR 1.8 million. During the same period a year earlier, operating profit was EUR 1.6 million. Both figures included losses from the discontinued operations in the Baltic countries.

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 176.4 million at the close of the year, as against EUR 35.2 million a year earlier.

The programme to release capital announced earlier has been implemented by means of sale and leaseback arrangements and divestment of non-strategic assets, which has altogether released EUR 84.4 million in capital from non-current assets. This includes the sale of the shares of the

Mannerheimintie car park, which was opened during the financial year, in September using a sale and leaseback arrangement.

During the financial year, Stockmann arranged a directed share issue and a rights offering, with which it raised a total of EUR 140.9 million in capital. A total of EUR 4.0 million was paid in arrangement and underwriting fees for the issues.

Funds raised through the issues were used for the advance repayment of long-term debt. Interest-bearing liabilities at the end of the year were EUR 789.2 million (EUR 775.7 million), of which EUR 786.9 million consisted of long-term debt (EUR 755.7 million). Capital expenditure in the financial year amounted to EUR 154.3 million. Net working capital amounted to EUR 110.6 million at the close of the year, as against EUR 150.9 million a year earlier.

The equity ratio increased due to the issues and, at the end of the year, was 44.1 per cent (39.0 per cent). Net gearing was 72.1 per cent (107.4 per cent) at the end of the year.

The return on capital employed was 5.8 per cent (8.3 per cent). The Group's capital employed increased by EUR 174.0 million and stood at EUR 1 640.9 million (EUR 1 466.8 million) at the end of the financial year.

DIVIDENDS

In accordance with the resolution of the Annual General Meeting, a dividend of EUR 0.62 per share was paid on the 2008 financial year, or a total of EUR 38.0 million. Stockmann's Annual General Meeting on 17 March 2009 authorized the company's Board of Directors to decide, by 31 December 2009, on payment of a dividend of a maximum of EUR 0.38 per share in addition to the dividend decided at the Annual General Meeting. On 14 December 2009, the Board of Directors of Stockmann decided against exercising this authorization.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.72 per share be paid on the 2009 financial year. The proposed dividend is 87.8 per cent of the earnings per share.

CHANGES IN THE GROUP'S STRUCTURE

Hobby Hall's business was integrated into the Department Store Division as from the start of 2010. Hobby Hall remained an independent division until the end of 2009, and its objective was to improve its profitability and prepare for the integration process during the year. As part of the measures aimed at improving profitability, Hobby Hall discontinued its operations in Russia as from the start of 2009 and in the Baltic countries in stages during the year. Stockmann plc's subsidiary Oy Hobby Hall Ab is planned to be merged with the parent company on 30 June 2010. Following the integration, there will be three reporting segments in 2010.

In September, Stockmann sold all the shares of its subsidiary Kiinteistö Oy Mannerheimintien Pysäköintilaitos, which oversaw the Mannerheimintie car park. Stockmann will continue the operation of the car park, which serves the Helsinki department store, in cooperation with an outside operator under a leaseback arrangement.

The corporate structure of the operations in Russia has been streamlined by merging the St Petersburg-based ZAO Kalinka-Stockmann STP with its parent company, ZAO Kalinka-Stockmann, which is based in Moscow, in October 2009. In 2010, Stockmann will initiate the process for the merger of ZAO Kalinka-Stockmann with its sister company ZAO Stockmann.

CAPITAL EXPENDITURE

Capital expenditure during the financial year under review totalled EUR 152.8 million (EUR 182.3 million). Following the programme to release capital, which is currently under way, net capital expenditure totalled EUR 68.4 million.

Department Store Division

On 13 February 2009, Stockmann opened a new department store in leased premises in the Metropolis shopping centre near Moscow city centre. The department store has a total area of about 8 000 square metres. Stockmann's capital expenditure on the new location is EUR 14.2 million, of which EUR 2.8 million was employed during 2009. The department store's operations have started well.

A major enlargement and transformation project is under way at the department store in the centre of Helsinki. The project involves expanding the department store's commercial premises by about 10 000 square metres by converting existing premises to commercial use and by building new retail space. In addition to this, the project has involved construction of new goods handling and servicing facilities and a car park. The new car park was opened in May and was then sold in September by means of a sale and leaseback arrangement as part of the programme to release capital. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. With the sale of the car park, the estimated cost of the enlargement of the department store is about EUR 200 million, in addition to which significant repair and renovation work has been and will be carried out in the old property during the course of the project. The new and remodelled premises are being opened in stages. The project is expected to be completed in phases up to the end of 2010. During the financial year, the project required an investment of EUR 42.2 million.

In 2006, Stockmann purchased a commercial plot of approximately 10 000 square metres on Nevsky Prospect, St Petersburg's high street. The plot is located next to the Vosstaniya Square metro station and in the immediate vicinity of the Moscow railway station. Stockmann's Nevsky Centre shopping centre is being built on this plot and will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be for stores and offices. A Stockmann department store of about 20 000 square metres will be housed in the shopping centre, along with other retail stores, office premises and an underground car park. The total investment is estimated at about EUR 185 million. The construction work for the project is under way and proceeding according to timetable. The building is expected to be completed during summer 2010, with commercial operations set to start in November 2010. The leasing of premises to external operators is proceeding as planned. During the financial year, the project required an investment of EUR 35.3 million.

Stockmann’s fifth department store in Moscow will be opened in March 2010 in the Golden Babylon shopping centre in the Rostokino district, north Moscow. Stockmann’s capital expenditure on the department store, which will have a total retail space of about 10 000 square metres, will amount to approximately EUR 16 million. During the financial year, the project required an investment of EUR 7.7 million.

One new Stockmann Beauty store was opened in Finland during the financial year, and one was closed. In Russia, three Bestseller stores were opened and two were closed.

The Nike franchising business, which was started in 2007, did not meet the sales and profit targets set for it, and in late 2009 Stockmann closed its seven Nike stores in Russia.

One Outlet store was opened in Tallinn in September, and the Outlet store in Riga was closed.

The Department Store Division’s capital expenditure totalled EUR 123.2 million.

Lindex

Lindex opened 27 stores during the financial year: nine in Sweden, five in Russia, three each in Finland and Lithuania, two in the Czech Republic, one each in Norway, Estonia and Latvia and two in Slovakia, which is the newest market area for Lindex and the entire Stockmann Group. One store in Norway and one in Latvia were closed during the same period.

The company’s franchising partner opened six new Lindex stores in Saudi Arabia, and closed one.

Following the success of the Lindex Shop Online store in Sweden, Lindex opened an online shop for customers in Denmark in late 2009.

Lindex’s capital expenditure totalled EUR 22.2 million.

Seppälä

Seppälä opened 14 stores during the financial year: four each in Finland and Russia, two each in Latvia and Lithuania and one each in Estonia and Ukraine. Two stores in Finland, one in Russia and one in Lithuania were closed during the same period.

Seppälä’s capital expenditure totalled EUR 4.5 million.

Hobby Hall

Hobby Hall’s redesigned online store was opened in July.

Hobby Hall’s capital expenditure totalled EUR 2.5 million.

As a part of its efforts to revitalize its financial situation, Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. Hobby Hall’s store on Hämeentie in Helsinki was also closed in December.

Other capital expenditure

The Group’s other capital expenditure came to EUR 0.4 million.

NEW PROJECTS

Department Store Division

The preliminary agreement concerning the Ekaterinburg department store was modified. At the initial stage chain stores of the Stockmann Group were opened in the leased premises. The objective is to open a department store there in 2011. The preliminary agreement for opening a department store in Vilnius, the Lithuanian capital, was cancelled.

After being integrated into the Department Store Division at the start of 2010, Hobby Hall will continue its operations as a separate brand under the Department Store Division. Hobby Hall’s expertise in distance retailing and the investments made in it will be utilized by creating a new distance retailing store under the Stockmann brand. The www.stockmann.com online store will be opened in autumn 2010, and it will have a distinctly different profile from that of Hobby Hall. The Department Store Division’s organization will therefore include three distance retailing brands: Hobby Hall, Stockmann and the Academic Bookstore.

Lindex

Lindex will continue its expansion, expecting to open about 40 new stores, including franchising stores, in 2010 mainly in Central Europe and Russia. Lindex’s franchising partner intends to expand its successful chain of franchising stores to Egypt and Dubai in 2010. Lindex has also signed a new franchising agreement with a partner who will expand the Lindex chain into Bosnia and Herzegovina and the neighbouring countries.

Seppälä

Seppälä is continuing to expand its store network. In 2010, a total of 5–8 new stores will be opened, mainly in Finland and Russia.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of 2009 was EUR 1 396.7 million. At the end of 2008 the corresponding figure was EUR 611.6 million.

Stockmann’s shares prices during 2009 outperformed both the OMX Helsinki Cap index and the OMX Helsinki index. At the close of 2009, the price of the Series A shares was EUR 20.50, compared with EUR 10.10 at the end of 2008, and the Series B shares were selling at EUR 19.00, as against EUR 9.77 at the end of 2008.

In 2007, the Annual General Meeting authorized the Board of Directors to decide on the transfer, in one or more lots, of the Series B shares held by the company; the authorization was valid for a period of five years. On 3 June 2009, Stockmann sold the 336 528 Series B shares in its possession in public trading arranged by NASDAQ OMX Helsinki Ltd to investors procured by a securities broker as part of the aforementioned programme to release capital. Following this transaction, the company no longer holds any Stockmann shares. Stockmann's Board of Directors has no valid authorization to purchase Stockmann shares.

The 2008 Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and on granting special rights giving entitlement to shares under chapter 10, section 1 of the Limited Liability Companies Act, in one or more lots. The Board of Directors was authorized to decide on the amount of Series A and Series B shares to be issued. However, the total number issued on the basis of the authorization may not exceed 15 000 000 shares. The issuance of shares and granting of special rights giving entitlement to shares may be carried out in accordance with or deviating from shareholders' pre-emptive rights (directed issue). The Board of Directors is authorized to decide on all the terms and conditions regarding the issuance of shares and concerning the granting of special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorization is valid for up to three years.

Based on the authorization granted by the 2008 Annual General Meeting, Stockmann's Board of Directors, on 14 August 2009, offered a directed issue to HTT Holding, a company owned by the Hartwall family, whereby a total of 2 433 537 new Series A shares and a total of 3 215 293 new Series B shares were issued. With this issue, the company raised EUR 96.0 million in new capital. The new shares were registered in the Trade Register on 18 August 2009 and became subject to public trading on NASDAQ OMX Helsinki Ltd as from 19 August 2009.

Based on the authorization granted by the 2008 Annual General Meeting, the company's Board of Directors also decided on 14 August 2009 to carry out a rights offering between 31 August and 18 September 2009, in which 1 611 977 new Series A shares and 2 129 810 new Series B shares, or a total of 3 741 787 shares, were subscribed using the subscription rights. With this issue, the company raised EUR 42.0 million in new capital after deduction of expenses. The new shares were registered in the Trade Register on 28 September 2009 and became subject to public trading alongside the old shares on NASDAQ OMX Helsinki Ltd as from 29 September 2009.

Following the aforementioned registrations, Stockmann's share capital increased to EUR 142 187 906. On 31 December 2009, the number of Stockmann Series A shares totalled 30 627 563 and Series B shares 40 466 390. With the aforementioned share issues, all of the Board of Directors' authorizations for the issuance of shares have been exercised.

BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING

The Board of Directors proposes to the Annual General Meeting that a total of 1 500 000 share options be issued without payment, in deviation from the shareholders' pre-emptive rights, to the key personnel of Stockmann plc and its subsidiaries. It is proposed to deviate from the shareholders' pre-emptive rights because the share options are a part of the incentive and commitment scheme for the Group's key personnel and constitute an important element in preserving the company's competitive advantage on the international recruitment market. Of the share options 500 000 shall be marked with the identifier 2010A, 500 000 with the identifier 2010B, and 500 000 with the identifier 2010C. The share subscription period for the share options 2010A shall be 1 March 2013 – 31 March 2015, for share options 2010B 1 March 2014 – 31 March 2016 and for share options 2010C 1

March 2015 – 31 March 2017. Each share option entitles its owner to subscribe for one Stockmann plc Series B share so that the share options in total entitle to subscribe for a maximum of 1 500 000 shares. The share subscription price relating to the share options 2010A shall be the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2010 increased by a minimum of 10 per cent, the share options 2010B the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2011 increased by a minimum of 10 per cent, and the share options 2010C the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 29 February 2012 increased by a minimum of 10 per cent. The subscription price of each share subscribed for based on the share options shall be decreased on the record date for each dividend payout by the amount of dividends decided after the commencement of the determination period for the subscription price and prior to the share subscription. As a result of the subscriptions, the share capital of the company may increase by a maximum of EUR 3 000 000.

NUMBER OF EMPLOYEES

The Group's personnel totalled an average of 14 656 in 2009, which was 1 013 less than the previous year (15 669 employees in 2008 and 11 161 in 2007). The number of personnel employed in the company's established operations decreased throughout the year in comparison with the corresponding figures for the previous year. The number of working hours was adjusted in line with demand and customer flows. The personnel strength has grown only in Lithuania, the Czech Republic and Ukraine, thanks to the opening of new Lindex and Seppälä stores. The Group also gained new employees with the opening of Lindex's first stores in Slovakia.

Converted to full-time equivalents, Stockmann's average number of employees decreased by 831, to 11 133 employees (11 964 in 2008 and 8 979 in 2007). The Group's total payroll amounted to EUR 261.2 million, down by EUR 18.6 million on the corresponding figure for 2008 (EUR 279.8 million; EUR 181.9 million in 2007).

At the end of 2009, Stockmann had 7 683 employees working abroad. The corresponding total for the end of the previous year was 8 072 employees. The proportion of employees working abroad was 52 per cent (51 per cent) of the total personnel.

RISK FACTORS

The Group has business operations in Finland, Sweden, Norway, Russia and the Baltic countries, as well as in the Czech Republic, Slovakia and Ukraine, where operations are in their start-up phase. The risk level in the business environment varies among the countries in which the Stockmann Group operates. The level of business risk in the Baltic countries has diminished significantly since these countries became members of the European Union and, apart from uncertainty in currency exchange rates and the risk of a continuing downturn in the economy, the risks do not differ in any material respect from business risks in Finland. A prolonged and difficult economic situation could also have an impact on the operating conditions for retailing in the Baltic countries.

Business risks in Russia are higher than in the Nordic countries or the Baltic countries, and the operating environment is less stable owing to the undeveloped state of business culture and the country’s infrastructure. The role of the grey economy is still considerable, particularly in the import of consumer goods, and it plays a part in distorting competition. Following a sustained period of growth, Russia’s economy began to slow in the second half of 2008 before experiencing a downturn in 2009, as income from energy sector exports dwindled and the value of the Russian rouble fell. The trend in energy prices will have a material impact on the development of the Russian economy in the next few years.

The economic situation remains difficult and this affects consumers’ purchasing behaviour and purchasing power in all of the Group’s market areas. Stockmann is addressing the situation by launching campaigns, striving to optimize its procurements to meet demand and boosting the efficiency of operations. The investment programme based on Stockmann’s long-term strategy was re-evaluated as a result of the global financial crisis. Some of the investments included in the programme have been postponed and some have been cancelled completely, as growth prospects have weakened considerably compared with earlier estimates. The opening of new stores will continue, but at a slower rate than originally planned. The ongoing enlargement and renovation project at the Helsinki department store and the Nevsky Centre department store and shopping centre project in St Petersburg will be completed according to plan.

Fashion accounts for about half of the Group’s sales. An inherent aspect of the fashion trade is the short life cycle of products and their dependence on trends, the seasonality of sales and their susceptibility to abnormal weather conditions. The Group addresses these factors as part of its day-to-day management of operations. With the exclusion of major exceptional situations, these factors are not expected to have a material effect on the Group’s sales or earnings.

The Group’s operations are based on flexible logistics and efficient flows of goods. Delays and disturbances in the flow of goods and information can have a temporary adverse effect on operations. Every effort is made to control these operational risks by developing appropriate back-up systems and alternative ways of operating, and by making every effort to minimize disturbances to information systems. Operational risks are also met by taking out insurance cover. Operational risks are not considered to have any significant effect on Stockmann’s business activities.

The Group’s revenue and earnings are affected by changes in exchange rates between the Group’s reporting currency, the euro, and the Swedish krona, the Norwegian krone, the Russian rouble, the US dollar and certain other currencies. Financial risks, including risks arising from interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors, and these risks are not considered to have a significant effect on the Group’s business operations.

AB Lindex (publ) has claimed through legal proceedings to be eligible to deduct in Swedish taxation the losses of approximately EUR 70 million incurred by Lindex Group’s German subsidiary. The Administrative Court of Appeal in Gothenburg overturned the favourable decisions that AB Lindex had received in the County Administrative Court, and as a consequence

Lindex was obliged to refund to the tax authorities approximately EUR 23.8 million in taxes and interest. The taxes that were refunded had no effect on the Stockmann Group's earnings, because Stockmann recorded the refunded amount of tax and interest as a reduction in Lindex's equity in the acquisition cost calculation. AB Lindex appealed against the decision of the Administrative Court of Appeal to the Supreme Administrative Court of Sweden, which in the summer of 2009 decided not to review the case. Further action by the company in this case will depend on the result of the legal process described below concerning the elimination of double taxation between AB Lindex and Lindex GmbH.
AB Lindex (publ) and its German subsidiary, Lindex GmbH, have requested the German and Swedish competent authorities to eliminate the double taxation arising from intra-Group transactions in the fiscal years 1997–2004 on the basis of the Tax Treaty between Germany and Sweden and the EC Arbitration Convention. The double taxation resulted from the presumptive income tax payable by Lindex GmbH, which meant that a total of EUR 94 million was added to the taxable income of Lindex GmbH. Depending on the decision of the authorities, AB Lindex could receive a partial or full refund of the approximately EUR 26 million in taxes paid on the aforementioned income. The tax effect of the claim has not been recorded in the income statement.

The International Commercial Arbitration Court of Moscow (ICAC) ruled in favour of Stockmann in the dispute over the lease of Stockmann's Smolenskaya department store in the centre of Moscow. The court case concerned the exercising of a 10-year extension on the lease in accordance with the lease agreement. Despite the ruling, the lessors cut off the supply of electricity to the Stockmann department store, forcing its closure. Due to the costs arising from the closure and the undepreciated net expenditure, Stockmann recorded a provision of EUR 14 million in the earnings for the second quarter of 2008. In 2008, Stockmann initiated legal proceedings against the lessors of the Smolenskaya department store in the International Commercial Arbitration Court (ICAC) in Moscow, claiming damages of about USD 75 million due to the closure of the department store, which the management of Stockmann considers to be in breach of the lease agreement. In its decision on 14 April 2009, the court of arbitration ruled in favour of Stockmann, though reducing the amount of damages awarded to about USD 7 million, and ordered the lessors to reimburse Stockmann for the legal expenses incurred. The Stockmann Group has not recorded this damages sum in the income statement. In order for the ruling to be enforced, it has to be confirmed by a Russian court of general jurisdiction. In July 2009, the lessors filed a claim with the court of first instance in Moscow, demanding that the court overturn the decision of the International Commercial Arbitration Court. The Arbitration Court of the City of Moscow and the Cassation Court, which serves as the court of first appeal, have overturned the rulings of the International Commercial Arbitration Court. Stockmann has appealed against this decision to the Highest Arbitration Court of Russia, where the case is still pending.

The Stockmann Group has no other major legal proceedings pending.

OUTLOOK FOR 2010

The challenging economic environment is expected to continue during 2010. Predicting consumer demand remains difficult, but there are signs that demand is slowly recovering in the Nordic countries and Russia. In Russia, the trend in the economy is to a large extent dependent on the price of crude oil. In the Baltic countries, consumer demand is not expected to grow in the near future.

Sales are expected to start growinggradually and opening new stores to boost sales towards the end of the year. Adaptation measures started during the economic downturn will be continued in 2010. The objective is to achieve a better operating profit than in 2009.

The operating result in the first quarter of 2010 will be negative due to normal seasonal variation, but will be up on the same quarter a year earlier.

ACCOUNTING POLICIES

This financial statements bulletin has been prepared in compliance with IAS 34. The accounting policies and calculation methods applied are the same as those in the 2008 financial statements. As from 1 January 2009, the Stockmann Group has applied the amended IAS 1 Presentation of Financial Statements standard and the IFRS 8 Operating Segments standard. This financial statements bulletin presents a Statement of Comprehensive Income according to IAS 1. The operating segments presented in this financial statements bulletin accord with IFRS 8 and are the same as the business segments presented earlier and described in the Group’s Annual Report for 2008. The figures are unaudited.

Statement of financial position, EUR mill.	31.12.2009	31.12.2008
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	108.3	112.1
Goodwill	685.4	646.5
Property, plant, equipment	619.5	587.5
Non-current receivables	0.6	1.6
Available for sale investments	5.0	6.6
Deferred tax asset	5.1	4.5
NON-CURRENT ASSETS	1 423.9	1 358.8
CURRENT ASSETS		
Inventories	196.1	220.3
Interest bearing receivables	44.5	52.2
Non-interest bearing receivables	86.5	98.4
Cash and cash equivalents	176.4	35.2
CURRENT ASSETS	503.4	406.2
ASSETS	1 927.4	1 765.0
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Equity attributable to equity holders of the parent	850.2	689.1
Non-controlling interest	-0.0	-0.0
SHAREHOLDERS' EQUITY	850.2	689.1
LONG-TERM LIABILITIES		
Deferred tax liability	70.1	78.1
Long-term liabilities, interest-bearing	786.9	755.7
Provisions	1.5	2.0
NON-CURRENT LIABILITIES	858.5	835.7
CURRENT LIABILITIES		
Short-term interest-bearing liabilities	2.3	20.0
Short term interest-free liabilities	216.4	220.1
CURRENT LIABILITIES	218.7	240.1
TOTAL EQUITY AND LIABILITIES	1 927.4	1 765.0

Key figures	31.12.2009	31.12.2008
Equity ratio, per cent	44.1	39.0
Net gearing, per cent	72.1	107.4
Cash flow from operations per share, EUR	2.23	2.85*
Interest-bearing net debt, EUR mill.	568.3	688.2
Number of shares in the end of the period, thousands	71 094	61 703
Weighted average number of shares, thousands	65 676	59 710*
Weighted average number of shares, diluted,	65 995	59 710*

thousands		
Market capitalization, EUR mill.	1 396.7	611.6

*) Restated due to righ issue in year 2009.

STATEMENT OF CASH FLOWS, EUR millions	12/2009	12/2008
Cash flows from operating activities		
Profit/loss for the period	54.0	39.1
Adjustments for:		
Depreciation, amortisation & impairment loss	58.4	61.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	-0.3	-3.5
Interest and other financial expenses	28.4	51.7
Interest income	-4.4	-1.6
Tax on income from operations	7.3	32.7
Other adjustments	-0.4	-1.4
Working capital changes:		
Increase (-) / decrease (+) in inventories	27.7	24.0
Increase (-) /decrease(+) in trade and other receivables	-1.8	75.6
Increase (+) / decrease (-) in short-term interest-free liabilities	7.2	-12.7
Interest and other financial expenses paid	-32.9	-47.7
Interest received	2.1	0.8
Income taxes paid	1.4	-48.3
Net cash from operating activities	146.8	170.1
Cash flows from investing activities		
Purchase of tangible and intagible assets	-152.9	-181.1
Proceeds from sale of tangible and intangible assets	71.1	6.1
Acquisition of subsidiaries, net of cash acquired	0.0	-18.9
Disposal of subsidiaries, net of cash disposed of	5.6	0.0
Purchase of investments		
Proceeds from sale of investments	1.8	0.0
Dividends received	0.2	0.1
Net cash used in investing activities	-74.3	-193.7
Cash flows from financing activities		
Proceeds from issue of share capital	137.0	135.2
Proceeds from sale of own shares	5.1	
Proceeds from short-term borrowings	0.0	20.0
Repayment of short-term borrowings	-19.3	-33.3
Proceeds from long-term borrowings	200.0	152.2
Repayment of long-term borrowings	-216.2	-157.3
Payment of finance lease liabilities	-0.7	
Dividends paid	-38.0	-75.2
Net cash used in financing activities	67.9	41.7

Net increase/decrease in cash and cash equivalents	140.4	18.1
Cash and cash equivalents at beginning of the period	35.2	33.2
Cheque account with overdraft facility	-0.7	-14.6
Cash and cash equivalents at beginning of the period	34.5	18.6
Net increase/decrease in cash and cash equivalents	140.4	18.1
Effects of exchange rate fluctuations on cash held	1.0	-2.2
Cash and cash equivalents at the end of the period	176.4	35.2
Cheque account with overdraft facility	-0.5	-0.7
Cash and cash equivalents at the end of the period	175.9	34.5

Income statement, Group, EUR millions	1-12/2009	1-12/2008	Change %
REVENUE	1 698.5	1 878.7	-10
Other operating income	0.3	4.2	-94
Materials and consumables	-880.8	-971.7	-9
Wages, salaries and employee benefits expenses	-327.4	-350.5	-7
Depreciation and amortisation	-58.4	-61.4	-5
Other operating expenses	-346.8	-377.4	-8
OPERATING PROFIT	85.3	121.9	-30
Finance income and expenses	-24.0	-50.1	52
PROFIT/LOSS BEFORE TAX	61.3	71.7	-15
Tax on income from operations	-7.3	-32.7	-78
PROFIT/LOSS FOR THE PERIOD	54.0	39.1	38

note

Consolidated statement of comprehensive income, EUR mill.	1-12/2009	1-12/2008	Change %
PROFIT/LOSS FOR THE PERIOD	54.0	39.1	
Other comprehensive income			
Exchange differences on translating foreign operations	1.9	-6.8	
Cash flow hedges	-1.4	0.9	
Other comprehensive income for the year net of tax	0.5	-5.9	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	54.5	33.2	
Total comprehensive income attributable to:			
Equity holders of the parent	54.5	33.2	
Non-controlling interest	0.0	-0.0	

Key figures	31.12.2009	31.12.2008	Change %
EPS undiluted (EUR), adjusted for share issue	0.82	0.65*	26

EPS diluted (EUR), adjusted for share issue	0.82	0.65*	25
Operating profit, per cent of turnover	5.0	6.5	-23
Equity per share, EUR	11.96	11.24	6
Return on equity, per cent, moving 12 months	7.0	6.1	15
Return on capital employed, per cent, moving 12 months	5.8	8.3	-31
Average number of employees, converted to full-time staff	11 133	11 964	-7
Investments, EUR millions	152.8	182.3	-16

*) Restated due to righ issue in year 2009.

Segment information, Group EUR millions

Operating segments

Sales	1.1.-31.12.2009	1.1.-31.12.2008
Department Store Division	1 068.9	1 218.9
Lindex	655.1	672.5
Hobby Hall	155.9	191.0
Seppälä	168.1	182.6
Segments, total	2 048.1	2 265.0
Unallocated	0.1	0.8
Group, total	2 048.2	2 265.8

Revenue	1.1.-31.12.2009	1.1.-31.12.2008
Department Store Division	900.1	1 025.9
Lindex	527.0	540.2
Hobby Hall	129.9	159.6
Seppälä	139.5	151.9
Segments, total	1 696.5	1 877.6
Unallocated	1.9	1.1
Group, total	1 698.5	1 878.7

Operating profit	1.1.-31.12.2009	1.1.-31.12.2008
Department Store Division	24.5	54.0
Lindex	62.4	58.7
Hobby Hall	-1.7	0.8
Seppälä	8.0	14.6
Segments, total	93.2	128.0
Unallocated	-7.9	-6.1
Eliminations	0.0	0.0
Operating profit, Group, total	85.3	121.9
Financial income	4.4	1.6
Financial expenses	-28.4	-51.7
Profit before taxes, Group, total	61.3	71.7

Depreciation	1.1.-31.12.2009	1.1.-31.12.2008
Department Store Division	29.5	32.7

Lindex	20.3	20.2
Seppälä	5.5	4.7
Hobby Hall	1.8	2.4
Segments, total	57.2	60.1
Unallocated	1.2	1.3
Eliminations	0.0	0.0
Group, total	58.4	61.4

Investments, gross	1.1.- 31.12.2009	1.1.- 31.12.2008
Department Store Division	123.2	146.0
Lindex	22.2	25.2
Hobby Hall	2.5	3.1
Seppälä	4.5	7.2
Segments, total	152.4	181.5
Unallocated	0.4	0.8
Group, total	152.8	182.3

Assets	1.1.- 31.12.2009	1.1.- 31.12.2008
Department Store Division	702.0	704.0
Lindex	870.4	806.0
Hobby Hall	62.9	90.4
Seppälä	119.8	116.5
Segments, total	1 755.0	1 716.8
Unallocated	172.3	48.1
Group, total	1 927.4	1 765.0

Information from market areas

Sales	1.1.- 31.12.2009	1.1.- 31.12.2008
Finland 1)	1 132.2	1 224.8
Sweden and Norway 2)	548.3	575.2
Baltic states, Czech Republic and Slovakia 1)	154.9	211.7
Russia and Ukraine 1)	212.7	254.1
Group, total	2 048.2	2 265.8
Finland, %	55.28	54.06
International operations, %	44.72	45.94

Revenue	1.1.- 31.12.2009	1.1.- 31.12.2008
Finland 1)	948.0	1 021.8
Sweden and Norway 2)	439.2	460.2
Baltic states, Czech Republic and Slovakia 1)	129.6	179.8
Russia and Ukraine 1)	181.8	217.0
Group, total	1 698.5	1 878.7
Finland, %	55.81	54.39
International operations, %	44.19	45.61

Operating profit	1.1.- 31.12.2009	1.1.- 31.12.2008
Finland 1)	54.3	71.1
Sweden and Norway 2)	61.5	57.3
Baltic states, Czech Republic and Slovakia 1)	-4.4	10.7
Russia and Ukraine 1)	-26.0	-17.3
Group, total	85.3	121.9

Finland, %	63.65	58.38
International operations, %	36.35	41.62

Non-current assets	1.1.-31.12.2009	1.1.-31.12.2008
Finland 1)	452.6	460.9
Sweden and Norway 2)	734.0	683.6
Baltic states, Czech Republic and Slovakia 1)	31.8	55.4
Russia and Ukraine 1)	200.4	158.9
Group, total	1 418.8	1 358.8
Finland, %	31.90	33.92
International operations, %	68.10	66.08

1) Department Store Division, Lindex, Hobby Hall, Seppälä
2) Lindex

Statement of changes in equity, Group EUR millions 1 - 12 / 2008	Share capital*	Share premium fund	Hedging reserve**
BALANCE AT BEGINNING OF THE PERIOD	112.2	186.0	0.5
Changes in equity for			
Dividend distribution			
New share issue	11.2		
Options exercised			
Share premium		0.0	
Transaction costs for equity **			
Total comprehensive income for the year			0.9
SHAREHOLDERS' EQUITY TOTAL 12 / 2008	123.4	186.1	1.4

Statement of changes in equity, Group EUR millions 1 - 12 / 2009	Share capital*	Share premium fund	Hedging reserve**
BALANCE AT BEGINNING OF THE PERIOD	123.4	186.1	1.4
Changes in equity for			
Dividend distribution			
New share issue	18.8		
Options exercised			
Share premium			
Sale of own shares			
Transaction costs for equity **			
Total comprehensive income for the year			-1.4
SHAREHOLDERS' EQUITY TOTAL 12 / 2009	142.2	186.1	0.0

*Including share issue.
** Adjusted with deferred tax liability.

Statement of changes in equity, Group EUR millions 1 - 12 / 2008	Reserve for invested unrestricted equity	Other reserves	Translation reserve **
BALANCE AT BEGINNING OF THE PERIOD	0.0	44.1	0.0
Changes in equity for			
Dividend distribution			

New share issue			
Options exercised			
Share premium	126.2		
Transaction costs for equity **	-2.1		
Total comprehensive income for the year	0.0	0.0	-6.8
SHAREHOLDERS’ EQUITY TOTAL 12 / 2008	124.1	44.1	-6.7

Statement of changes in equity, Group EUR millions 1 - 12 / 2009	Reserve for invested unrestric ted equity	Other reserves	Trans lation reserve **
BALANCE AT BEGINNING OF THE PERIOD	124.1	44.1	-6.7
Changes in equity for			
Dividend distribution			
New share issue			
Options exercised			
Share premium	122.2		
Sale of own shares			
Transaction costs for equity **	-2.9		
Total comprehensive income for the year			1.9
SHAREHOLDERS’ EQUITY TOTAL 12 / 2009	243.3	44.1	-4.9

*Including share issue.
** Adjusted with deferred tax liability.

Statement of changes in equity, Group EUR millions 1 - 12 / 2008	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	250.9	593.7	0.0	593.7
Changes in equity for				
Dividend distribution	-75.2	-75.2		-75.2
New share issue		11.2		11.2
Options exercised	2.0	2.0		2.0
Share premium		126.2		126.2
Transaction costs for equity **		-2.1		-2.1
Total comprehensive income for the year	39.1	33.2	0.0	33.2
SHAREHOLDERS’ EQUITY TOTAL 12 / 2008	216.8	689.1	0.0	689.1

Statement of changes in equity, Group EUR millions 1 - 12 / 2009	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	216.8	689.1	0.0	689.1
Changes in equity for				
Dividend distribution	-38.0	-38.0		-38.0
New share issue		18.8		18.8
Options exercised	1.4	1.4		1.4
Share premium		122.2		122.2
Sale of own shares	5.1	5.1		5.1
Transaction costs for equity **		-2.9		-2.9
Total comprehensive income for the year	54.0	54.5	0.0	54.5
SHAREHOLDERS’ EQUITY TOTAL 12 / 2009	239.4	850.2		850.2

*Including share issue.
** Adjusted with deferred tax liability.

Contingent liabilites, Group EUR millions	31.12.2009	31.12.2008
Mortages on land and buildings	201.7	1.7
Pledges	0.9	1.4
Liabilities of adjustments of VAT deductions made on investments to immovable property	33.8	29.2
Total	236.4	32.2

Lease agreements on business premises, EUR millions		
Minimum rents payable on the basis of binding lease agreements on business premises		
Within one year	155.6	143.2
After one year	625.8	478.9
Total	781.4	622.1

Lease payments, EUR millions		
Within one year	7.5	1.1
After one year	19.1	0.9
Total	26.6	2.0

Derivate contracts, EUR millions		
Nominal value		
Currency derivatives	296.4	204.4
Electricity derivates	3.2	2.5
Total	299.6	206.9

Exchange rates			
Country			
Russia	RUB	43.1540	41.2830
Estonia	EEK	15.6466	15.6466
Latvia	LVL	0.7093	0.7083
Lithuania	LTL	3.4528	3.4528
Norway	NOK	8.3000	9.7500
Sweden	SEK	10.2520	10.8700

Income statement, Group, EUR millions quarterly, EUR millions	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Revenue	526.3	389.3	429.7	353.2
Other operating income	0.0	0.0	0.3	
Materials and consumables	-262.5	-201.0	-220.1	-197.2
Wages, salaries and employee benefits expenses	-90.8	-74.3	-82.6	-79.7
Depreciation and amortisation	-15.1	-14.0	-14.7	-14.6
Other operating expenses	-96.8	-82.3	-84.0	-83.7
Operating profit (loss)	61.0	17.7	28.6	-22.0

Finance income and expenses	-5.2	-8.8	-5.1	-4.8
Profit (loss) before tax	55.8	8.9	23.5	-26.9
Income taxes	-17.0	8.0	-1.4	3.1
Profit for the period	38.9	16.9	22.0	-23.8
Earnings per share, EUR				
Basic	0.58	0.27	0.36	-0.39
Diluted	0.58	0.27	0.36	-0.39

	Q4	Q3	Q2	Q1
Sales, EUR millions	2009	2009	2009	2009
Department Store Division	351.7	225.7	267.0	224.5
Lindex	193.3	169.7	169.6	122.6
Hobby Hall	41.8	30.9	40.2	43.1
Seppälä	46.5	44.1	42.9	34.7
Unallocated	0.0	0.0	0.0	0.0
Group	633.2	470.5	519.7	424.8
Revenue, EUR millions				
Department Store Division	297.3	189.8	224.0	189.0
Lindex	155.3	136.5	136.5	98.6
Hobby Hall	34.7	25.8	33.5	35.9
Seppälä	38.4	36.7	35.6	28.8
Unallocated	0.5	0.6	0.1	0.8
Group	526.3	389.3	429.7	353.2
Operating profit (loss), EUR millions				
Department Store Division	31.7	-1.9	9.2	-14.5
Lindex	24.4	18.1	19.7	0.2
Hobby Hall	1.8	-0.9	-0.8	-1.7
Seppälä	4.9	2.9	3.0	-2.8
Unallocated	-1.7	-1.2	-3.2	-1.8
Eliminations		0.7	0.6	-1.4
Group	61.0	17.7	28.6	-22.0

This Interim Report is unaudited.

Income statement, Group, EUR millions	Q4	Q3	Q2	Q1
quarterly, EUR millions	2008	2008	2008	2008
Revenue	541.3	440.8	483.3	413.4
Other operating income	0.1	0.3	-0.1	3.8
Materials and consumables	-273.5	-224.7	-242.6	-231.0
Wages, salaries and employee benefits expenses	-92.9	-82.3	-90.2	-85.1
Depreciation and amortisation	-14.2	-13.2	-18.7	-15.2
Other operating expenses	-102.4	-86.2	-100.3	-88.5
Operating profit (loss)	58.4	34.6	31.4	-2.5
Finance income and expenses	-12.7	-12.8	-13.3	-11.3
Profit (loss) before tax	45.7	21.8	18.1	-13.8
Income taxes	-25.8	-6.2	-2.9	2.2
Profit for the period	19.9	15.6	15.2	-11.6
Earnings per share, EUR				
Basic	0.34	0.27	0.27	-0.21

Diluted	0.34	0.27	0.27	-0.21

Sales, EUR millions	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Department Store Division	371.8	264.8	306.4	275.9
Lindex	175.6	174.9	183.8	138.3
Hobby Hall	53.7	41.6	48.3	47.4
Seppälä	51.5	50.1	45.2	35.7
Unallocated	0.2	0.2	0.2	0.2
Group	652.8	531.5	583.9	497.5
Revenue, EUR millions				
Department Store Division	312.9	223.1	257.3	232.7
Lindex	141.0	140.6	147.6	111.0
Hobby Hall	44.9	34.7	40.4	39.7
Seppälä	42.8	41.7	37.6	29.7
Unallocated	-0.3	0.6	0.4	0.4
Group	541.3	440.7	483.3	413.4
Operating profit (loss), EUR millions				
Department Store Division	34.9	13.5	4.1	1.5
Lindex	20.3	15.7	23.8	-1.2
Hobby Hall	1.6	0.7	0.7	-2.1
Seppälä	4.2	5.9	5.1	-0.6
Unallocated	-3.3	-0.7	-2.2	0.2
Eliminations	0.8	-0.5	0.0	-0.3
Group	58.4	34.6	31.4	-2.5

This Interim Report is unaudited.

1. ASSETS

EUR mill.	31/12/2009	31/12/2008
Acquisition cost Jan. 1	945.3	813.8
Translation difference +/-	12.2	-21.0
Increases Jan. 1-Sep. 30	160.9	181.6
Decreases Jan. 1-Sep. 30	-153.5	-29.0
Transfers between items	0.0	0.0
Acquisition cost Sep. 30 / Dec. 31	964.8	945.4
Accumulated depreciation Jan. 1	-245.7	212.5
Translation difference +/-	-3.5	-2.6
Depreciation on reductions	70.6	-25.5
Depreciation for the financial year	-58.4	61.4
Accumulated depreciation Sep. 30 / Dec. 31	-237.0	245.7
Book value Jan. 1	699.6	601.3
Book value Sep. 30 / Dec. 31	727.8	699.6

Goodwill

EUR mill.	31/12/2009	31/12/2008
Acquisition cost Jan. 1	646.5	720.0
Translation difference +/-	39.0	-94.6
Increases Jan. 1-Sep. 30		23.8
Translation difference +/-		-2.8
Decreases Jan. 1-Sep. 30		
Acquisition cost Sep. 30 / Dec. 31	685.4	646.5

Accumulated depreciation Jan. 1		
Book value Jan. 1	646.5	720.0
Book value Sep. 30 / Dec. 31	685.4	646.5
Total	1 413.2	1 346.1

Definitions to key figures:

Equity ratio, per cent = 100 x Equity + minority interest / Total assets less advance payments received

Net gearing, per cent = 100 x Interest-bearing net financial liabilities / Equity total

Interest-bearing net debt = Interest-bearing liabilities less cash and cash equivalents less interest-bearing receivables

Market capitalization = Number of shares multiplied by the quotation for the respective share series on the balance sheet date

Earnings per share, adjusted for share issues = Profit before taxes - minority interest - income taxes / Average number of shares, adjusted for share issues

Return on equity, per cent, moving 12 months = 100 x Profit for the period (12 months) / Equity + minority interest (average over 12 months)

Return on capital employed, per cent, moving 12 months = 100 x Profit before taxes + interest and other financial expenses (12 months) / Capital employed (average over 12 months)

STOCKMANN plc

Hannu Penttilä
CEO

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A press and analyst conference will be held today, 12 February 2010, at 9.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.