Interim Report
Q3 2013

STOCKMANN

STOCKMANN plc, Interim Report 30.10.2013 at 8.00 EET

Decline in operating profit in weak market, tax refund improved earnings per share

July - September 2013:
Consolidated revenue was EUR 454.4 million (EUR 485.1 million), down 4.6 per cent excluding terminated franchising operations.
Operating profit was EUR 10.7 million (EUR 17.1 million).

January - September 2013:
Consolidated revenue was EUR 1 429.3 million (EUR 1 472.6 million), down 1.4 per cent excluding terminated franchising operations.
Operating profit was EUR 6.1 million (EUR 30.5 million).
Profit for the period was EUR 11.9 million (EUR 5.8 million).
Earnings per share came to EUR 0.16 (EUR 0.08).
Tax refund of EUR 25.1 million for Lindex increased earnings per share by EUR 0.35.

Full-year outlook revised: Stockmann Group's revenue in 2013 is expected to be slightly down on 2012, excluding the terminated franchising operations. Even though most of Stockmann's operating profit is generated during the fourth quarter of the year, operating profit for 2013 is not expected to reach the previous year's level.

Stockmann previously estimated that its revenue would increase in 2013, excluding the terminated franchising operations. Operating profit was not expected to exceed the figure for 2012.

CEO Hannu Penttilä:
"The retail market environment in the third quarter of the year was very weak, particularly in Finland. Consumer confidence remained low and the warm weather affected sales of autumn merchandise. The weakened Russian, Swedish and Norwegian currencies also had a negative effect on Stockmann's euro-denominated revenue. As a result, the revenue fell short of our target for the quarter.

Among the Stockmann Group's businesses, Lindex performed best in the difficult market conditions. It gained market share in all main markets and its operating profit was up for the quarter. The Department Store Division's operating profit was down on 2012. The weakened rouble, in particular, had a negative effect on the gross margin and operating profit. Seppälä, which is currently undergoing changes, also posted a lower operating profit than in 2012.

Our net profit was improved by the tax refund resulting from the Swedish and German tax authorities' decision to eliminate Lindex's double taxation in 1999-2005. Consequently, Stockmann's earnings per share were up significantly.

The department stores' Crazy Days campaign, which took place after the third quarter, reached a new sales record and revenue grew in all market areas. However, it is uncertain how consumers will behave during the rest of the final quarter, which is the most important for Stockmann's full-year operating profit. The cost savings measures that were decided on in the spring will continue. Also it is of utmost importance that we implement structural changes to adapt our cost structure to the lower sales volumes."

KEY FIGURES

	7-9/2013	7-9/2012	1-9/2013	1-9/2012	1-12/2012
Revenue, EUR mill.	**454.4**	485.1	1 429.3	1 472.6	2 116.4
Revenue growth, per cent	**-6.3**	5.2	-2.9	6.8	5.5
Relative gross margin, per cent	**49.5**	50.6	48.2	49.5	49.5
Operating profit, EUR mill.	**10.7**	17.1	6.1	30.5	87.3
Net financial costs, EUR mill.	**4.1**	7.5	18.6	23.8	32.4
Profit before tax, EUR mill.	**6.5**	9.6	-12.5	6.8	54.9
Profit for the period, EUR mill.	**28.9**	8.1	11.9	5.8	53.6
Earnings per share, undiluted, EUR	**0.40**	0.11	0.16	0.08	0.74
Equity per share, EUR			11.88	11.75	12.40
Cash flow from operating activities, EUR mill.	**-47.9**	-32.4	-57.8	-17.5	123.7
Capital expenditure, EUR mill.	**15.3**	17.6	43.7	40.9	60.3
Net gearing, per cent			111.5	111.0	90.9
Equity ratio, per cent			39.9	39.1	42.8
Number of shares, undiluted, weighted average, 1 000 pc			72 049	71 911	71 945
Return on capital employed, rolling 12 months, per cent			3.6	5.1	5.1
Personnel, average	**14 685**	15 505	14 830	15 437	15 603

REVENUE AND EARNINGS

The retail market remained very weak in the third quarter of 2013, in particular in Finland where consumer confidence continued to be low. The exceptionally warm weather affected sales of autumn merchandise in the main markets. The fashion market was down 5.2 per cent in Finland (TMA index) and down 0.8 per cent in Sweden (Stilindex) in January-September. The Russian rouble weakened against the euro, and as a result consumers' purchasing power was down in Russia.

The Stockmann Group's revenue in January-September was EUR 1 429.3 million (1-9/2012: EUR 1 472.6 million). If the terminated franchising operations are excluded, revenue was down by 1.4 per cent. If the terminated franchising operations are included, revenue was down by 2.9 per cent. Revenue was down in the Department Store Division and on a par with the previous year in the Fashion Chain Division.

Revenue in Finland was EUR 675.7 million (EUR 718.3 million). Excluding the terminated Zara franchising, revenue was down by 4.2 per cent. Revenue abroad amounted to EUR 753.6 million (EUR 754.3 million). Excluding the terminated Bestseller franchising, revenue was up by 1.2 per cent. If like-for-like exchange rates are used, the Group's revenue abroad, excluding franchising, was up by 2.5 per cent. Revenue abroad accounted for 52.7 per cent (51.2 per cent) of the total revenue.

The Group's gross profit in the reporting period was down by EUR 39.2 million, to a total of EUR 689.5 million (EUR 728.7 million). The gross margin was 48.2 per cent (49.5 per cent). The gross margin declined in the Department Store Division and was on a par with the previous year in the Fashion Chain Division. Operating costs were down by 2.3 per cent and amounted to EUR 628.1 million (EUR 642.6 million). Depreciation was EUR 55.2 million (EUR 55.5 million).

The consolidated operating profit for January-September was down by EUR 24.4 million, to EUR 6.1 million (EUR 30.5 million). The operating profit weakened in both divisions and in particular in Finland and Russia.

The Group's third quarter (July-September) revenue was EUR 454.4 million (7-9/2012: EUR 485.1 million). If the terminated franchising operations are excluded, revenue was down by 4.6 per cent. If the terminated franchising operations are included, revenue was down by 6.3 per cent.

Revenue in Finland in the quarter was EUR 206.0 million (EUR 228.2 million). Excluding the terminated Zara franchising, revenue was down by 7.5 per cent. Revenue abroad amounted to EUR 248.4 million (EUR 257.0 million). Excluding the terminated Bestseller franchising, revenue was down by 2.4 per cent. The Russian rouble, Swedish krona and Norwegian krone all weakened against the euro in the quarter. If like-for-like exchange rates are used, the Group's revenue abroad, excluding franchising, was on a par with the previous year.

The gross margin for the quarter was 49.5 per cent (50.6 per cent). Operating costs were down by 6.6 per cent, to EUR 195.7 million (EUR 209.5 million). Depreciation was EUR 18.4 million (EUR 19.0 million). The operating profit for the quarter was EUR 10.7 million (EUR 17.1 million). Operating profit declined in the Department Store Division and was on a par with the previous year in the Fashion Chain Division. Operating profit declined in particular in Russia and Finland whereas in Sweden and Norway operating profit was up.

Lindex has received a EUR 25.1 million refund, consisting of EUR 22 million in taxes and EUR 3.1 million in interests, from the Swedish tax authorities. The tax refund resulted from the Swedish and German tax authorities' earlier decision to eliminate the Lindex Group's double taxation in the tax years 1999 - 2005.

Net financial expenses during the reporting period were down by EUR 5.1 million, to EUR 18.6 million (EUR 23.8 million). The decline was mostly due to interest income resulting from the Lindex tax refund. Non-recurring foreign exchange losses amounted to EUR 0.8 million (2012: gains EUR 1.4 million).

The result before taxes for January-September was EUR -12.5 million (EUR 6.8 million). A tax credit of EUR 2.4 million was booked on the loss posted for the period when in 2012 taxes were EUR 1.0 million. In addition, a credit of EUR 22 million was booked on the Lindex tax refund. The result for the period was EUR 11.9 million (EUR 5.8 million).

Earnings per share for January-September amounted to EUR 0.16 (EUR 0.08) and, diluted for options, EUR 0.16 (EUR 0.08). Equity per share was EUR 11.88 (EUR 11.75).

REVENUE AND EARNINGS BY DIVISION

Department Store Division

The Department Store Division's revenue in January-September was EUR 840.5 million (EUR 879.2 million). If the terminated franchising operations are excluded, revenue was down by 1.9 per cent.

Revenue in Finland was EUR 565.7 million (EUR 594.4 million). Excluding the Zara franchising, revenue was down by 2.7 per cent. Revenue continued to decline in particular in the Tampere, Itäkeskus, and Tapiola department stores due to the construction and renovation work being carried out. Revenue from the Stockmann online store was significantly up.

Euro-denominated revenue from international operations was EUR 274.7 million (EUR 284.7 million) and accounted for 32.7 per cent (32.4 per cent) of the division's total revenue. Excluding the terminated Bestseller franchising, revenue was down by 0.2 per cent. The decline was due to the weakened Russian rouble. In local currency revenue was up in Russia and grew particularly well in St Petersburg and Ekaterinburg.

The gross margin during the period was 39.3 per cent (41.5 per cent). The decline was due to price-driven campaigns in all market areas and the weakened Russian rouble.

The Department Store Division's January-September operating result was down by EUR 14.4 million, to EUR -8.0 million (EUR 6.5 million), although operating costs decreased by EUR 20.9 million, due to the terminated franchising operations and the cost savings programme.

Revenue in July-September was EUR 245.2 million (EUR 272.7 million). If the terminated franchising operations are excluded, revenue was down by 7.0 per cent.

Revenue in Finland totalled EUR 166.6 million (EUR 185.1 million). Excluding the Zara franchising operations, revenue was down by 6.7 per cent. Euro-denominated revenue from international operations was EUR 78.6 million (EUR 87.7 million). Excluding the terminated Bestseller franchising, revenue was down by 7.8 per cent. In local currency revenue was slightly up in Russia.

The quarter's gross margin was 40.0 per cent (42.4 per cent) and it declined in Russia in particular due to the weakened rouble. The operating profit for the quarter was EUR -3.6 million, compared to EUR 2.8 million a year earlier. Operating costs were down by EUR 11.2 million, due to the terminated franchising operations and the cost savings programme.

The Crazy Days campaign, which took place in October, after the end of the quarter, achieved a revenue growth of 2 per cent in total. Revenue grew by 2 per cent in Finland and in the Baltic countries. The Stockmann online store contributed strongly to the growth in Finland. In Russia revenue was up by 3 per cent in euros and by 12 per cent in roubles.

Fashion Chain Division

The Fashion Chain Division's revenue in January-September was down by 0.6 per cent to EUR 589.4 million (EUR 593.0 million). Revenue was down by 10.4 per cent in Finland, to EUR 110.6 million (EUR 123.4 million), and up by 2.0 per cent in international operations, to EUR 478.8 million (EUR 469.6 million). Revenue outside Finland accounted for 81.2 per cent (79.2 per cent) of the division's total revenue.

Lindex's January-September revenue totalled EUR 501.0 million, which was 2.9 per cent more than a year earlier (EUR 486.8 million). In local currencies, revenue was up by 2.8 per cent. Seppälä's January-September revenue was down by 16.8 per cent, to EUR 88.4 million (EUR 106.1 million). The decline was partly due to closure of 15 unprofitable stores during the past 12 months. Revenue declined by 15.9 per cent in Finland and by 18.4 per cent abroad.

The Fashion Chain Division's gross margin for the period was 61.1 per cent (61.3 per cent). Lindex's gross margin was down slightly to 61.9 per cent (62.3 per cent) and Seppälä's gross margin was 56.7 per cent (56.6 per cent).

The division's operating profit in January-September was down by EUR 9.7 million, to EUR 21.0 million (EUR 30.7 million). Lindex's operating profit was EUR 30.8 million (EUR 33.5 million) and Seppälä's was EUR -9.7 million (EUR -2.8 million). Lindex's operating costs were up by EUR 9.3 million. Seppälä's operating costs declined by EUR 2.3 million.

Revenue in July-September was down by 1.3 per cent to EUR 209.4 million (EUR 212.3 million). Lindex's revenue grew by 1.2 per cent to EUR 178.0 million (EUR 175.8 million). The weakened Swedish and Norwegian currencies had a negative effect on the euro-denominated revenue in the quarter. In local currencies, revenue was up by 4.1 per cent. Revenue grew in all countries except Finland, despite the timing of the Pink Ribbon campaign which had a negative effect on revenue in September. Seppälä's revenue was down by 14.0 per cent to EUR 31.4 million (EUR 36.5 million). Revenue continued to decline in all countries of operation.

The division's gross margin in the quarter was 60.6 per cent (61.2 per cent). Lindex gross margin was 61.6 per cent (62.1 per cent) and Seppälä's gross margin was 54.8 per cent (56.6 per cent). Operating profit for the quarter was EUR 16.1 million (EUR 16.1 million). Lindex made an operating profit of EUR 18.2 million (EUR 15.6 million). Seppälä's operating result totalled EUR -2.2 million (EUR 0.5 million).

FINANCING AND CAPITAL EMPLOYED

Cash and cash equivalents totalled EUR 19.4 million at the end of September 2013, as against EUR 30.4 million a year earlier. Cash flow from operating activities came to EUR -57.8 million (EUR -17.5 million) in January-September and EUR -47.9 million (EUR -32.4 million) in July-September. The cash flow does not include Lindex's tax refund which was received only in October.

Net working capital excluding cash and cash equivalents amounted to EUR 253.8 million at the end of September, as against EUR 192.6 million a year earlier and EUR 119.5 million at the close of 2012.

Inventories amounted to EUR 349.2 million (EUR 336.1 million), and included the merchandise for the Crazy Days campaign which was held in October. Stock levels were somewhat higher than targeted.

Current receivables amounted to EUR 149.2 million (EUR 137.4 million). Non-interest-bearing liabilities amounted to EUR 244.8 million (EUR 280.9 million). The decline was partly due to slightly different timing of purchases from the previous year and partly due to the valuation of forward contracts.

Interest-bearing liabilities at the end of September were EUR 977.4 million (EUR 969.6 million) of which long-term debt amounted to EUR 495.7 million (EUR 477.4 million). In addition, the Group has EUR 370.3 million in undrawn, long-term committed credit facilities and EUR 178.0 million in uncommitted credit facilities. Most of the short-term debt has been acquired in the commercial paper market. At the close of 2012, interest-bearing liabilities amounted to EUR 848.5 million, of which EUR 502.9 million was long-term debt.

The equity ratio was 39.9 per cent (39.1 per cent) at the end of September. Net gearing at the end of September was 111.5 per cent (111.0 per cent). At the close of 2012, the equity ratio was 42.8 per cent and net gearing was 90.9 per cent.

COST SAVINGS PROGRAMME

In April, Stockmann launched a cost savings programme aimed at achieving savings from summer 2013 onwards and improving the cost structure in the long run. The Department Store Division and the Fashion Chain Division have embarked on measures which aim at reducing fixed operating costs by over EUR 10 million in 2013. Stockmann has also introduced lay-offs of 12 working days for most of its personnel in Finland, with the target of achieving additional savings of approximately EUR 7 million by summer 2014.

Planning for structural changes across the organisation has begun in the Department Store Division and in the Group Administration, with the aim of improving long-term efficiency in all support functions and in the sales organisations. The changes will take place in stages.

A plan to restructure the Department Store Division's marketing was announced in October. As a consequence, Stockmann launched co-determination negotiations covering about 150 employees in marketing operations in Finland. The negotiation proposal states that the restructuring could lead to a personnel reduction of up to 70 people. With the new organisational model being planned, Stockmann targets annual cost savings of approximately EUR 4 million, which would be implemented to start in 2014 and in full during 2015.

CAPITAL EXPENDITURE

Capital expenditure in the first nine months of the year totalled EUR 43.7 million (EUR 40.9 million) and EUR 15.3 million (EUR 17.6 million) in the third quarter. Depreciation was EUR 55.2 million (EUR 55.5 million) in the period and EUR 18.4 million (EUR 19.0 million) in the third quarter.

The Department Store Division's capital expenditure for the reporting period totalled EUR 18.1 million (EUR 19.1 million). The implementation of the new enterprise resource planning (ERP) system continues in stages until 2014. A total of EUR 8.1 million was spent on the project during January-September. The enlargement of the Tampere department store and construction of new premises for the Itäkeskus department store continued. The outlet stores in Vantaa, Finland and in Tallinn, Estonia were closed during the third quarter.

The Fashion Chain Division's capital expenditure for January-September was EUR 22.3 million (EUR 16.3 million). Lindex opened 6 stores during the third quarter: one in Sweden, one in Norway, one in Finland, one in Russia, one in the Czech Republic and one franchising store in Croatia. One store was closed in Sweden, one in the Czech Republic and one franchising store in Saudi Arabia. Seppälä opened one store in Russia and closed one store in Finland and three stores in Russia during the third quarter. Part of the capital expenditure was spent on the implementation of Seppälä's new ERP and financial systems which were taken into use on 1 October.

The Group's other capital expenditure came to a total of EUR 3.3 million (EUR 5.6 million). The Group's financial management systems are currently being replaced in phases. The project will continue until 2014.

STORE NETWORK

Stockmann Group	Total 31.12.2012	Total 30.6.2013	New stores in Q3 2013	Closed stores in Q3 2013	**Total 30.9.2013**
Department stores*	16	16			**16**
Stockmann Beauty stores	12	12			**12**
Hobby Hall and outlet stores in Department Store Division	9	4		2	**2**
Lindex stores	469	473	6	3	**476**
of which franchising	30	32	1	1	**32**
of which own stores	439	441	5	2	**444**
Seppälä stores	220	213	1	4	**210**

* Academic Bookstores are part of the department stores in Finland.

NEW PROJECTS

Total capital expenditure for 2013 is estimated to be approximately EUR 60 million, which is less than the estimated depreciation of approximately EUR 75 million. Most of the capital expenditure will be used for department store renovations, IT system renewals and expansion of the store network.

Lindex will expand its store network by approximately 15–20 new stores in 2013, excluding franchising stores. The number of Seppälä stores in 2013 will fall by approximately 10 on 2012, due to the closure of certain unprofitable stores.

Stockmann's department store in Itäkeskus, Helsinki will move to new premises at the Itis shopping centre in November 2013. The capital expenditure in this project is mainly being financed by the lessor. The Tampere and Tapiola department stores will gain more retail space in the construction projects for these stores, which are due for completion in 2014 and 2016, respectively.

Lindex has entered into a franchising partnership with Suning, a large retail and real estate company in China, in order to open a chain of Lindex fashion stores in China. The first Lindex store will be opened in Shanghai in September 2014. According to the franchising agreement, Suning targets to establish 100 Lindex stores in China between 2015 and 2018. Suning will also introduce Lindex products online in China.

SHARES AND SHARE CAPITAL

Stockmann has two series of shares. Series A shares each confer 10 votes, while Series B shares each confer one vote. The shares carry an equal right to dividends. The par value is EUR 2.00 per share.

As of the end of September 2013, Stockmann had 30 595 765 Series A shares and 41 452 918 Series B shares, or a total of 72 048 683 shares. The number of votes of the shares was 347 410 568.

The share capital totalled EUR 144.1 million at the end of the period (EUR 144.1 million). The market capitalization was EUR 912.8 million (EUR 1 070.6 million). At the end of 2012 the market capitalization stood at EUR 994.6 million.

At the end of September, the price of Stockmann's Series A shares was EUR 12.75, compared with EUR 14.08 at the end of 2012, and the Series B shares were selling at EUR 12.61, as against EUR 13.60 at the end of 2012. A total of 0.3 million (0.4 million) Series A shares and 12.0 million (9.2 million) Series B shares were traded on Nasdaq OMX Helsinki during the reporting period. This corresponds to 0.9 per cent of the average number of Series A shares and 29.0 per cent of the average number of Series B shares.

The company does not hold any of its own shares, and the Board of Directors has no valid authorisations to purchase shares of the company or to issue new shares.

At the end of September 2013, Stockmann had 59 667 shareholders, compared with 59 060 a year earlier. Stockmann did not receive any flagging announcements arising from changes in major shareholdings during January-September 2013.

PERSONNEL

The Group's average number of personnel in the reporting period was 14 830, which is 604 less than in the same period in 2012 (15 434). The average number of employees, in terms of full-time equivalents, decreased by 562 to a total of 11 101 (11 663). The decline was partly due to terminated franchising operations.

At the end of September, the Group had 14 698 employees (15 421). The number of personnel working outside of Finland was 8 503 (8 742) which was 57.9 per cent (56.7 per cent) of the total.

The Group's wages and salaries amounted to EUR 228.7 million in January-September, compared with EUR 230.9 million a year earlier. The employee benefits expenses totalled EUR 291.6 million (EUR 294.1 million) which is equivalent to 20.4 per cent (20.0 per cent) of revenue.

RISK FACTORS

The Stockmann Group has own business operations in the Nordic countries, Russia, the Baltic countries and eastern Central Europe as well as franchising operations in several other countries. The general economic situation is affecting consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Rapid and unexpected movements in markets may influence the behaviour of both the financial markets and consumers. Any increases in income tax and value added tax also affect consumers' behaviour. Uncertainties related to the general economic situation, and particularly those related to consumers' purchasing power, are considered to be the principal risks that may affect Stockmann during 2013.

Fashion accounts for over two thirds of the Group's revenue. An inherent feature of the fashion trade is the short life cycle of products and their dependence on trends, the seasonality of sales and the susceptibility to abnormal changes in weather conditions. Responsible management of the supply chain is important for the Group's brands in order to retain customer confidence in Stockmann. 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 significant effect on the Group's revenue or earnings.

Business risks related to the operating environment and operational risks concerning, for example, logistics and flows of goods and information are reviewed in the 2012 financial statements. There were no significant changes to these risks and uncertainties during the reporting period.

Financial risks, including risks arising from changes in exchange rates and interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors, and the risk factors have not been changed since the publishing of the 2012 financial statements.

OUTLOOK FOR 2013

The European economy is expected to perform poorly in the rest of 2013, and this will cause uncertainty in retail market performance. Declining purchasing power may further weaken consumer confidence and it seems probable that the market in Finland will experience a long period of low or no growth. The outlook for Sweden is expected to improve slightly towards the end of 2013.

The Russian rouble has weakened and GDP forecasts for the country have been lowered in recent months. As a consequence, the retail market outlook for Russia remains uncertain. The retail market in the Baltic countries has been relatively stable. Low consumer confidence may, however, affect consumers' willingness to make purchases in all market areas.

Stockmann discontinued the Bestseller franchising in Russia and Zara franchising in Finland, which will slow revenue growth somewhat. In Russia, however, the discontinuation will improve operating profit. Attention will be given to improving cost efficiency particularly in Finland, where a cost savings programme has been initiated. The Group's capital expenditure is estimated to be lower than depreciation in 2013 and to amount to approximately EUR 60 million for the year.

Stockmann has revised its full-year outlook. Stockmann Group's revenue in 2013 is expected to be slightly down on 2012, excluding the terminated franchising operations. Even though most of Stockmann's operating profit is generated during the fourth quarter of the year, operating profit for 2013 is not expected to reach the previous year's level.

Earlier outlook (published on 16 April 2013): Stockmann expects the Group's revenue to increase in 2013, excluding the terminated franchising operations. Operating profit is expected to not exceed the figure for 2012.

Helsinki, Finland, 29 October 2013

STOCKMANN plc
Board of Directors

CONDENSED FINANCIAL STATEMENTS AND NOTES

ACCOUNTING POLICIES

This Interim Report has been prepared in compliance with IAS 34. The amendment to IAS 19 Employee Benefits, which eliminates the application of a corridor method, has no material effect on the consolidated financial statement. The accounting policies and calculation methods applied are the same as those in the 2012 financial statements. The figures are unaudited. The Fashion Chain Division's figures include Lindex and Seppälä, and the previous year's figures used for comparison have been adjusted accordingly.

CONSOLIDATED INCOME STATEMENT

EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
REVENUE	**1 429.3**	1 472.6	2 116.4
Other operating income	**0.0**	0.0	0.6
Materials and consumables	**−739.8**	−743.9	−1 069.2
Wages, salaries and employee benefits expenses	**−291.6**	−294.1	−405.1
Deprecation, amortisation and impairment losses	**−55.2**	−55.5	−74.5
Other operating expenses	**−336.5**	−348.5	−480.9
Total expenses	**−1 423.2**	−1 442.1	−2 029.7
OPERATING PROFIT	**6.1**	30.5	87.3
Finance income	**4.2**	2.3	1.8
Finance expenses	**−22.8**	−26.0	−34.2
Total finance income and expenses	**−18.6**	−23.8	−32.4
PROFIT BEFORE TAX	**−12.5**	6.8	54.9
Income taxes	**24.4**	−1.0	−1.4
PROFIT FOR THE PERIOD	**11.9**	5.8	53.6
Profit for the period attributable to:			
Equity holders of the parent company	**11.9**	5.8	53.6
Non-controlling interest	**0.0**	0.0	0.0
EPS, undiluted, adjusted for share issue, EUR	**0.16**	0.08	0.74
EPS, diluted, adjusted for share issue, EUR	**0.16**	0.08	0.74

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
PROFIT FOR THE PERIOD	**11.9**	5.8	53.6
Net other comprehensive income which will be reclassified to profit or loss in subsequent periods			
Exchange differences on translating foreign operations	**−7.4**	6.2	4.4
Cash flow hedges	**0.3**	−3.1	−2.7
Other comprehensive income for the period, net of tax	**−7.2**	3.1	1.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4.7**	8.9	55.3
Total comprehensive income attributable to:			
Equity holders of the parent company	**4.7**	8.9	55.3
Non-controlling interest	**0.0**	0.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Trademark	**105.0**	107.8	106.2
Intangible rights	**32.2**	22.4	25.3
Other intangible assets	**2.4**	0.5	0.4
Advance payments and construction in progress	**28.8**	22.1	25.4
Goodwill	**811.7**	831.6	818.8
Intangible assets, total	**980.1**	984.5	976.1
Property, plant and equipment			
Land and water	**42.1**	42.2	42.2
Buildings and constructions	**443.3**	461.2	456.9
Machinery and equipment	**98.6**	111.3	112.1
Modification and renovation expenses for leased premises	**33.1**	40.2	37.8
Advance payments and construction in progress	**9.5**	8.3	6.2
Property, plant and equipment, total	**626.7**	663.1	655.1
Non-current receivables	**4.1**	0.5	1.1
Available-for-sale investments	**7.9**	5.0	5.0
Deferred tax asset	**10.3**	11.4	16.1
NON-CURRENT ASSETS, TOTAL	**1 629.0**	1 664.5	1 653.3
CURRENT ASSETS			
Inventories	**349.2**	336.1	281.4
Current receivables			
Interest-bearing receivables	**60.0**	43.3	43.8
Income tax receivables	**12.5**	18.9	0.6
Non-interest-bearing receivables	**76.7**	75.2	71.8
Current receivables, total	**149.2**	137.4	116.2
Cash and cash equivalents	**19.4**	30.4	36.1
CURRENT ASSETS, TOTAL	**517.8**	503.9	433.7
ASSETS, TOTAL	**2 146.8**	2 168.4	2 087.1

EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**144.1**	144.1	144.1
Share premium fund	**186.1**	186.1	186.1
Invested unrestricted equity fund	**250.5**	250.4	250.5
Other funds	**43.2**	42.6	42.9
Translation reserve	**2.5**	11.8	10.0
Retained earnings	**229.9**	211.3	259.8
Equity attributable to equity holders of the parent company	**856.3**	846.3	893.3
Non-controlling interest	**0.0**	0.0	0.0
EQUITY, TOTAL	**856.3**	846.3	893.3
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**67.7**	71.0	66.4
Non-current interest-bearing liabilities	**495.7**	477.4	502.9
Provisions for pensions	**0.2**	0.5	0.3
Non-current non-interest-bearing liabilities and provisions	**0.4**	0.2	0.4
NON-CURRENT LIABILITIES, TOTAL	**564.1**	549.0	570.0
CURRENT LIABILITIES			
Current interest-bearing liabilities	**481.6**	492.2	345.6
Current non-interest-bearing liabilities			
Trade payables and other current liabilities	**238.6**	267.8	275.7
Income tax liabilities	**5.8**	12.7	2.0
Current provisions	**0.4**	0.4	0.4
Current non-interest-bearing liabilities, total	**244.8**	280.9	278.1
CURRENT LIABILITIES, TOTAL	**726.4**	773.1	623.8
LIABILITIES, TOTAL	**1 290.5**	1 322.2	1 193.7
EQUITY AND LIABILITIES, TOTAL	**2 146.8**	2 168.4	2 087.1

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	**11.9**	5.8	53.6
Adjustments for:			
Depreciation, amortisation and impairment losses	**55.2**	55.5	74.5
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets	**0.3**	0.1	−0.4
Interest and other financial expenses	**22.8**	26.0	34.2
Interest income	**−4.2**	−2.3	−1.8
Income taxes	**−24.4**	1.0	1.4
Other adjustments	**0.5**	2.2	2.1
Working capital changes:			
Increase (-) /decrease (+) in inventories	**−56.1**	−65.1	−12.8
Increase (-) / decrease (+) in trade and other current receivables	**7.0**	−31.7	6.5
Increase (+) / decrease (-) in current liabilities	**−47.7**	8.1	−6.2
Interest expenses paid	**−20.2**	−24.8	−33.3
Interest received from operating activities	**0.9**	0.3	0.4
Other financing items from operating activities	**0.0**	0.0	−0.5
Income taxes paid from operating activities	**−3.8**	7.5	6.0
Net cash from operating activities	**−57.8**	−17.5	123.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intagible assets	**−46.5**	−36.2	−54.1
Proceeds from sale of tangible and intangible assets	**0.0**	0.4	1.5
Acquisition of subsidiaries, net of cash acquired	**0.0**	0.0	0.0
Proceeds from repayments of loans	**0.0**	0.0	0.0
Dividends received from investing activities	**0.1**	0.2	0.2
Net cash used in investing activities	**−46.4**	−35.6	−52.4
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	**0.0**	1.7	1.6
Proceeds from current liabilities	**433.2**	373.8	268.1
Repayment of current liabilities	**−268.1**	−263.8	−263.7
Proceeds from non-current liabilities	**84.2**	98.0	248.0
Repayment of non-current liabilities	**−120.6**	−126.0	−287.3
Payment of finance lease liabilities	**−3.5**	−1.8	−2.5
Dividends paid	**−43.2**	−35.9	−35.9
Net cash used in financing activities	**82.1**	46.0	−71.7
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**−22.1**	−7.0	−0.4
Cash and cash equivalents at the beginning of the period	**36.1**	33.2	33.2
Cheque account with overdraft facility	**−3.9**	−0.1	−0.1
Cash and cash equivalents at the beginning of the period	**32.2**	33.2	33.2
Net increase/decrease in cash and cash equivalents	**−22.1**	−7.0	−0.4
Effects of exchange rate fluctuations on cash held	**−0.1**	1.1	−0.6
Cash and cash equivalents at the end of the period	**19.4**	30.4	36.1
Cheque account with overdraft facility	**−9.4**	−3.1	−3.9
Cash and cash equivalents at the end of the period	**10.1**	27.2	32.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Translation differences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2012	143.7	186.1	1.7	249.2	43.9	5.6	239.7	**869.9**	0.0	**869.9**
Dividend distribution							–35.9	**–35.9**		**–35.9**
Share issue	0.4							**0.4**		**0.4**
Options exercised							1.7	**1.7**		**1.7**
Share premium				1.2				**1.2**		**1.2**
Other changes							–0.0	**–0.0**		**–0.0**
Comprehensive income for the period										
Profit for the period							5.8	**5.8**		**5.8**
Exchange differences on translating foreign operations						6.2		**6.2**		**6.2**
Cash flow hedges			–3.1					**–3.1**		**–3.1**
Total comprehensive income for the period*			–3.1			6.2	5.8	**8.9**		**8.9**
SHAREHOLDERS' EQUITY 30.9.2012	144.1	186.1	–1.4	250.4	43.9	11.8	211.3	**846.3**	0.0	**846.3**

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Translation differences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2012	143.7	186.1	1.7	249.2	43.9	5.6	239.7	**869.9**	0.0	**869.9**
Dividend distribution							–35.9	**–35.9**		**–35.9**
Share issue	0.4							**0.4**		**0.4**
Options exercised							2.4	**2.4**		**2.4**
Share premium				1.2				**1.2**		**1.2**
Other changes							–0.0	**–0.0**		**–0.0**
Comprehensive income for the period										
Profit for the period							53.6	**53.6**		**53.6**
Exchange differences on translating foreign operations						4.4		**4.4**		**4.4**
Cash flow hedges			–2.7					**–2.7**		**–2.7**
Total comprehensive income for the period*			–2.7			4.4	53.6	**55.3**		**55.3**
SHAREHOLDERS' EQUITY 31.12.2012	144.1	186.1	–1.0	250.5	43.9	10.0	259.8	**893.3**	0.0	**893.3**

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Translation differences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2013	144.1	186.1	–1.0	250.5	43.9	10.0	259.8	**893.3**	0.0	**893.3**
Dividend distribution							–43.2	**–43.2**		**–43.2**
Options exercised							1.4	**1.4**		**1.4**
Comprehensive income for the period										
Profit for the period							11.9	**11.9**		**11.9**
Exchange differences on translating foreign operations						–7.4		**–7.4**		**–7.4**
Cash flow hedges			0.3					**0.3**		**0.3**
Total comprehensive income for the period*			0.3			–7.4	11.9	**4.7**		**4.7**
SHAREHOLDERS' EQUITY 30.9.2013	144.1	186.1	–0.7	250.5	43.9	2.5	229.9	**856.3**	0.0	**856.3**

* Adjusted with deferred tax liability

GROUP'S OPERATING SEGMENTS

Revenue, EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
Department Store Division	**840.5**	879.2	1 302.7
Fashion Chain Division	**589.4**	593.0	814.0
Segments, total	**1 429.9**	1 472.2	2 116.7
Unallocated	**−0.6**	0.4	−0.3
Group total	**1 429.3**	1 472.6	2 116.4
Operating profit, EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
Department Store Division	**−8.0**	6.5	48.0
Fashion Chain Division	**21.0**	30.7	50.0
Segments, total	**13.1**	37.2	98.0
Unallocated	**−7.0**	−6.6	−10.6
Group total	**6.1**	30.5	87.3
Reconciliation to the item profit before tax:			
Financial income	**4.2**	2.3	1.8
Financial expenses	**−22.8**	−26.0	−34.2
Consolidated profit before taxes	**−12.5**	6.8	54.9
Depreciation, amortisation and impairment losses, EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
Department Store Division	**31.0**	31.2	42.0
Fashion Chain Division	**22.7**	23.4	31.2
Segments, total	**53.6**	54.6	73.2
Unallocated	**1.6**	0.9	1.4
Eliminations			
Group total	**55.2**	55.5	74.5
Capital expenditure, gross, EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
Department Store Division	**18.1**	19.1	30.4
Fashion Chain Division	**22.3**	16.3	22.0
Segments, total	**40.4**	35.3	52.3
Unallocated	**3.3**	5.6	7.9
Group total	**43.7**	40.9	60.3
Assets, EUR mill.	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
Department Store Division	**915.5**	936.6	898.8
Fashion Chain Division	**1 178.2**	1 180.6	1 149.2
Segments, total	**2 093.7**	2 117.2	2 048.0
Unallocated	**53.1**	51.3	39.1
Group total	**2 146.8**	2 168.4	2 087.1

INFORMATION ON MARKET AREAS

Revenue, EUR mill.	1.1.–30.9.2013	1.1.–30.9.2012	1.1.–31.12.2012
Finland 1)	**675.7**	718.3	1 048.2
Sweden and Norway 2)	**398.5**	389.0	537.9
Baltic countries and Central Europe 1) *	**111.9**	110.1	158.5
Russia and Ukraine 1)	**243.2**	255.2	371.8
Group total	**1 429.3**	1 472.6	2 116.4
Finland %	**47.3%**	48.8%	49.5%
International operations %	**52.7%**	51.2%	50.5%

Operating profit, EUR mill.	1.1.–30.9.2013	1.1.–30.9.2012	1.1.–31.12.2012
Finland 1)	**−18.2**	−0.1	22.7
Sweden and Norway 2)	**38.2**	38.6	58.4
Baltic countries and Central Europe 1) *	**−2.4**	1.2	5.8
Russia and Ukraine 1)	**−11.5**	−9.2	0.5
Group total	**6.1**	30.5	87.3
Finland %			25.9%
International operations %			74.1%

Non-current assets, EUR mill.	1.1.–30.9.2013	1.1.–30.9.2012	1.1.–31.12.2012
Finland 1)	**483.3**	469.0	475.9
Sweden and Norway 2)	**874.3**	898.3	883.3
Baltic countries and Central Europe 1) *	**41.1**	44.4	43.1
Russia and Ukraine 1)	**220.0**	241.6	235.1
Group total	**1 618.7**	1 653.2	1 637.3
Finland %	**29.9%**	28.4%	29.1%
International operations %	**70.1%**	71.6%	70.9%

1) Department Store Division, Fashion Chain Division 2) Fashion Chain Division * Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland

EXCHANGE RATES OF EURO

Closing rate for the period	30.9.2013	30.9.2012	31.12.2012
RUB	**43.8240**	40.1400	40.3295
LVL	**0.7027**	0.6962	0.6977
LTL	**3.4528**	3.4528	3.4528
NOK	**8.1140**	7.3695	7.3483
SEK	**8.6575**	8.4498	8.5820
Average rate for the period	**1.1.–30.9.2013**	1.1.–30.9.2012	1.1.–31.12.2012
RUB	**41.6650**	39.7955	39.9239
LVL	**0.7010**	0.6976	0.6973
LTL	**3.4528**	3.4528	3.4528
NOK	**7.6604**	7.5121	7.4752
SEK	**8.5803**	8.7334	8.7061

KEY FIGURES OF THE GROUP

	30.9.2013	30.9.2012	31.12.2012
Equity ratio, per cent	**39.9**	39.1	42.8
Net gearing, per cent	**111.5**	111.0	90.9
Cash flow from operating activities per share, EUR	**−0.80**	−0.24	1.72
Interest-bearing net debt, EUR mill.	**894.4**	895.9	768.6
Number of shares at the end of the period, thousands	**72 049**	72 049	72 049
Weighted average number of shares, thousands	**72 049**	71 911	71 945
Weighted average number of shares, diluted, thousands	**72 049**	71 911	71 945
Market capitalization, EUR mill.	**912.8**	1 070.6	994.6
Operating profit, per cent of turnover	**0.4**	2.1	4.1
Equity per share, EUR	**11.88**	11.75	12.40
Return on equity, rolling 12 months, per cent	**7.0**	6.1	6.1
Return on capital employed, rolling 12 months, per cent	**3.6**	5.1	5.1
Average number of employees, converted to full-time equivalents	**11 277**	11 775	11 898
Investments, EUR mill.	**43.7**	40.9	60.3

DEFINITIONS OF KEY FIGURES:

Equity ratio, per cent = 100 x $\dfrac{\text{Equity + minority interest}}{\text{Total assets – advance payments received}}$

Net gearing, per cent = 100 x $\dfrac{\text{Interest-bearing liabilities – cash and cash equivalents – non-current interenst-bearing receivables}}{\text{Equity total}}$

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

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

Earnings per share, adjusted for share issue = $\dfrac{\text{Profit before tax – minority interest – income taxes}}{\text{Average number of shares, adjusted for share issue}}$

Return on equity, per cent, rolling 12 months = 100 x $\dfrac{\text{Profit for the period (12 months)}}{\text{Equity + minority interest (average over 12 months)}}$

Return on capital employed, per cent, rolling 12 months = 100 x $\dfrac{\text{Profit before taxes + interest and other financial expenses (12 months)}}{\text{Capital employed (average over 12 months)}}$

INFORMATION PER QUARTER

Consolidated income statement per quarter

EUR mill.	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenue	**454.4**	543.6	431.3	643.8	485.1	537.2	450.3	626.1
Other operating income	**0.0**	0.0	0.0	0.6	0.0	0.0	0.0	0.1
Materials and consumables	**-229.6**	-276.5	-233.7	-325.3	-239.5	-270.2	-234.2	-321.9
Wages, salaries and employee benefits expenses	**-89.6**	-101.7	-100.3	-111.0	-94.5	-101.0	-98.6	-104.4
Depreciation, amortisation and impairment losses	**-18.4**	-18.3	-18.6	-19.0	-19.0	-18.1	-18.4	-20.8
Other operating expenses	**-106.2**	-117.0	-113.4	-132.4	-115.0	-118.3	-115.3	-119.7
Operating profit	**10.7**	30.1	-34.6	56.8	17.1	29.7	-16.2	59.3
Finance income	**3.8**	-1.0	1.4	-0.5	1.0	0.9	0.4	0.3
Finance expenses	**-7.9**	-7.5	-7.4	-8.2	-8.5	-8.4	-9.1	-8.5
Total financial income and expenses	**-4.1**	-8.5	-6.0	-8.7	-7.5	-7.5	-8.7	-8.1
Profit before tax	**6.5**	21.6	-40.7	48.2	9.6	22.2	-24.9	51.1
Income taxes	**22.4**	-2.1	4.1	-0.4	-1.4	-3.6	4.0	-5.9
Profit for the period	**28.9**	19.5	-36.5	47.7	8.1	18.6	-20.9	45.2

Earnings per share per quarter

EUR	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Undiluted	**0.40**	0.27	-0.51	0.66	0.11	0.26	-0.29	0.63
Diluted	**0.40**	0.27	-0.51	0.66	0.11	0.26	-0.29	0.63

Segment information per quarter

EUR mill.	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenue								
Department Store Division	**245.2**	325.1	270.2	423.5	272.7	326.0	280.5	408.5
Fashion Chain Division	**209.4**	218.7	161.3	221.0	212.3	211.1	169.6	217.4
Unallocated	**-0.2**	-0.2	-0.2	-0.7	0.1	0.2	0.1	0.3
Group total	**454.4**	543.6	431.3	643.8	485.1	537.2	450.3	626.1
Operating profit								
Department Store Division	**-3.6**	11.6	-15.9	41.6	2.8	10.2	-6.5	39.6
Fashion Chain Division	**16.1**	22.3	-17.4	19.2	16.1	21.8	-7.2	22.6
Unallocated	**-1.8**	-3.8	-1.3	-4.0	-1.8	-2.3	-2.5	-2.9
Group total	**10.7**	30.1	-34.6	56.8	17.1	29.7	-16.2	59.3

Information on market areas

EUR mill.	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011
Revenue								
Finland 1)	**206.0**	258.3	211.4	329.9	228.2	266.1	224.0	329.8
Sweden and Norway 2)	**140.1**	148.9	109.5	149.0	139.8	137.6	111.6	144.3
Baltic countries and Central Europe 1) *	**37.1**	42.5	32.3	48.4	37.5	39.6	33.0	44.4
Russia and Ukraine 1)	**71.3**	93.9	78.1	116.6	79.7	93.9	81.6	107.6
Group total	**454.4**	543.6	431.3	643.8	485.1	537.2	450.3	626.1
Finland %	**45.3%**	47.5%	49.0%	51.2%	47.0%	49.5%	49.8%	52.7%
International operations %	**54.7%**	52.5%	51.0%	48.8%	53.0%	50.5%	50.2%	47.3 %
Operating profit								
Finland 1)	**-1.4**	1.9	-18.8	22.8	2.1	6.5	-8.8	30.7
Sweden and Norway 2)	**17.9**	23.9	-3.5	19.7	16.4	20.3	1.9	19.9
Baltic countries and Central Europe 1) *	**0.5**	0.8	-3.7	4.6	1.8	1.4	-2.0	4.3
Russia and Ukraine 1)	**-6.3**	3.4	-8.6	9.7	-3.3	1.4	-7.3	4.3
Group total	**10.7**	30.1	-34.6	56.8	17.1	29.7	-16.2	59.3
Finland %		6.4%	54.3%	40.1%	12.5%	21.9%	54.0%	51.8%
International operations %		93.6%	45.7 %	59.9%	87.5%	78.1%	46.0%	48.2%

1) Department Store Division, Fashion Chain Division 2) Fashion Chain Division * Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS OFF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Contingent liabilities, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Mortages on land and buildings	**201.7**	201.7	201.7
Pledges and guarantees	**8.1**	0.5	7.8
Liabilities of adjustments of VAT deductions made on investments to immovable property	**23.1**	28.1	28.2
Total	**232.9**	230.3	237.7

Lease agreements on the Group´s business premises, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	**172.5**	178.9	186.3
After one year	**651.0**	624.7	716.2
Total	**823.5**	803.6	902.5

Group´s lease payments, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Within one year	**0.7**	6.2	1.2
After one year	**1.2**	2.7	1.1
Total	**1.9**	8.9	2.4

Group´s derivate contracts, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Nominal value			
Currency derivatives	**640.4**	501.2	608.5
Electricity derivates	**1.5**	2.0	2.6
Total	**641.9**	503.2	611.2

CONSOLIDATED ASSETS AND GOODWILL

Assets, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Acquisition cost at the beginning of the period	**2 054.7**	1 963.6	1 963.6
Translation difference +/-	**-14.3**	53.9	38.6
Increases during the period	**43.7**	40.9	60.3
Decreases during the period	**-7.4**	-3.1	-7.8
Transfers between items during the period	**-2.8**	0.0	0.0
Acquisition cost at the end of the period	**2 073.8**	2 055.4	2 054.7
Accumulated depreciation at the beginning of the period	**-423.5**	-350.9	-350.9
Translation difference +/-	**4.8**	-2.5	-2.1
Depreciation on reductions during the period	**6.8**	1.2	4.0
Depreciation ans amortisation during the period	**-55.2**	-55.5	-74.5
Accumulated depreciation at the end of the period	**-467.0**	-407.7	-423.5
Carrying amount at the beginning of the period	**1 631.2**	1 612.8	1 612.8
Carrying amount at the end of the period	**1 606.8**	1 647.7	1 631.2

The calculation of consolidated assets includes following changes in consolidated goodwill:

Goodwill, EUR mill.	**30.9.2013**	30.9.2012	31.12.2012
Acquisition cost at the beginning of the period	**818.8**	788.5	788.5
Translation difference +/-	**-7.1**	43.1	30.3
Acquisition cost at the end of the period	**811.7**	831.6	818.8
Carrying amount at the beginning of the period	**818.8**	788.5	788.5
Carrying amount at the end of the period	**811.7**	831.6	818.8

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES CLASSIFIED ACCORDING TO IAS 39

Financial assets, EUR mill.	Carrying amount 30.9.2013	Fair value 30.9.2013	Carrying amount 31.12.2012	Fair value 31.12.2012
Derivative contracts defined as cash flow hedges or hedges of a net investment in foreign subsidiary	**0.4**	**0.4**	0.0	0.0
Financial assets at fair value through profit or loss				
Derivative contracts	**3.9**	**3.9**	0.9	0.9
Financial assets at amortized cost				
Non-current receivables	**4.0**	**4.0**	1.1	1.1
Current receivables, interest-bearing	**60.0**	**60.0**	43.8	43.8
Current receivables, non-interest-bearing	**72.4**	**72.4**	70.9	70.9
Cash and cash equivalents	**19.4**	**19.4**	36.1	36.1
Available-for-sale financial assets	**7.9**	**7.9**	5.0	5.0
Financial assets, total	**168.0**	**168.0**	157.8	157.8

Financial liabilities, EUR mill.	Carrying amount 30.9.2013	Fair value 30.9.2013	Carrying amount 31.12.2012	Fair value 31.12.2012
Derivative contracts defined as cash flow hedges or hedges of a net investment in foreign subsidiary	**1.3**	**1.3**	1.3	1.3
Financial assets at fair value through profit or loss				
Derivative contracts	**2.5**	**2.5**	6.0	6.0
Financial liabilities at amortized cost				
Non-current interest-bearing liabilities	**495.7**	**494.7**	502.9	505.7
Current liabilities, interest-bearing	**481.6**	**482.5**	345.6	346.9
Current liabilities, non-interest-bearing	**235.3**	**235.3**	268.8	268.8
Financial liabilities, total	**1 216.5**	**1 216.2**	1 124.6	1 128.7

HIERARCHICAL CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:
Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which require most management's judgment.

Financial assets, EUR mill.	30.9.2013	31.12.2012
Level 1		
Derivative contracts, hedge accounting not applied		
Electricity forwards	**0.0**	0.0
Level 2		
Derivative contracts, hedge accounting not applied		
Currency forwards	**0.9**	0.0
Currency swaps	**3.0**	0.9
Derivative contracts, hedge accounting applied		
Currency forwards	**0.4**	0.0
Level 3		
Available-for-sale financial assets	**7.9**	5.0
Financial assets, total	**12.2**	5.9

Financial liabilities, EUR mill.	30.9.2013	31.12.2012
Level 1		
Derivative contracts, hedge accounting not applied		
Electricity forwards	**0.1**	0.2
Level 2		
Derivative contracts, hedge accounting not applied		
Currency forwards	**0.2**	0.0
Currency swaps	**2.2**	5.8
Derivative contracts, hedge accounting applied		
Currency forwards	**1.3**	1.3
Financial liabilities, total	**3.8**	7.3

Financial assets on level 3 are investments to shares of unlisted companies. The fair value of the shares is determined by techniques based on the managements' judgment. Profits or losses from the investments are recorded to other operating income or expenses in the income statement, because acquisition and divestment decisions on the investments are made for business reasons. The following calculation illustrates changes in financial assets valuated at fair value during the reporting period.

Chainge in fair value of available-for-sale financial assets, EUR mill.	30.9.2013	31.12.2012
Carrying amount Jan. 1	**5.0**	5.0
Translation difference +/-	**0.0**	0.0
Profits (+) / losses (-) through other comprehensive income	**0.0**	0.0
Increases	**0.0**	0.0
Sale of shares	**0.0**	0.0
Transfers between items	**2.8**	0.0
Total	**7.9**	5.0

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