STOCKMANN plc
Quarterly report
24.4.2008 at 12.45

STOCKMANN plc INTERIM REPORT January 1 – March 31, 2008

FIRST-QUARTER EARNINGS DECREASE AS FORECAST

The Stockmann Group's sales grew by 34 per cent to EUR 497.5 million (EUR 371.7 million in 2007). Owing to the running of the Crazy Days campaign entirely in April, the fewer days of sales than a year ago and to a non-recurring imputed IFRS expense charge in connection with the Lindex transaction, the operating result decreased as forecast and was a loss of EUR 2.5 million (profit of EUR 8.2 million). Net financial expenses grew clearly as a consequence of the Lindex transaction, pushing the result for the period into a loss of EUR 11.6 million. Earnings per share were EUR 0.21 negative. The earnings estimate for 2008 is unchanged.

Key figures

Continuing operations		1-3/2008	1-3/2007	2007
Sales	EUR mill.	497.5	371.7	1 668.3
Revenue	EUR mill.	413.4	311.4	1 398.2
Operating profit	EUR mill.	-2.5	8.2	125.2
Profit (loss) before taxes	EUR mill.	-13.8	8.0	119.4
Earnings per share	EUR	-0.21	0.11	1.59
Group total				
Equity per share	EUR	9.07	9.14	10.66
Cash flow from operating activities	EUR mill.	-76.4	-38.6	119.9
Gearing	per cent	197.4	19.7	146.9
Equity ratio	per cent	26.9	63.0	32.6
Weighted average number of shares	thousands	55 724	55 353	55 606
Return on capital employed, rolling 12 months	per cent	10.7	22.0	12.1

FINANCIAL REPORTING

Stockmann adopted International Financial Reporting Standards (IFRS) on January 1, 2005. The quarterly report has been prepared in compliance with IAS 34. The accounting policies and calculation methods applied are the same as those in the 2007 financial statements. The figures are unaudited.

SALES AND RESULT

Stockmann's consolidated sales grew by 34 per cent to EUR 497.5 million (EUR 371.7 million). The growth was attributable nearly entirely to including Lindex's sales figures in the Stockmann Group's sales. The Department Store Division's Crazy Days campaign was run in April in Finland this year, whereas last year it was in March. This had a negative effect on the sales trend in Finland during the report period. Easter fell in March this year and in April last year. In Finland, there were three fewer days of sales in March than last year, and this also had a considerable impact on sales figures during the period. Because the above-mentioned factors had a considerable impact on first-quarter sales and earnings, Stockmann has decided to publish the preliminary sales growth at the Group level during January 1 – April 23, 2008. The Group's sales increased by 48 per cent compared with the same period of 2007 owing to the acquisition of Lindex, a successful Crazy Days campaign in all markets, and good sales development in April in all business divisions. The Stockmann Group will approximately double its sales in April, compared with the previous year.

January-March sales in Finland were down 6.4 per cent to EUR 263.5 million. The Group's sales abroad amounted to EUR 234.0 million, an increase of 159 per cent. Excluding Lindex, sales abroad grew by 23 per cent. International operations accounted for an increased share of consolidated sales, rising from 24 per cent to 47 per cent.

The sale of an unbuilt plot generated EUR 3.8 million of other operating income.

The Group's operating gross margin increased by EUR 62.6 million to EUR 182.4 million. The relative gross margin was 44.1 per cent (38.5 per cent). The relative gross margin of the Department Store Division and Seppälä improved, and the gross margin was also boosted by the inclusion of Lindex's figures within the Group's consolidated accounts. Operating expenses increased by EUR 71.1 million and depreciation by EUR 6.1 million. The Group's operating profit fell by EUR 10.7 million to a loss of EUR 2.5 million. The decrease in operating profit was attributable to a large extent to the fact that the Crazy Days campaign was run in Finland in April, which is a divergence from the comparative period.

Net financial expenses grew by EUR 11.1 million and were EUR 11.3 million (EUR 0.2 million). Net financial expenses were increased substantially by the borrowed capital costs for the Lindex acquisition.

Profit before taxes was EUR 13.8 million negative, down EUR 21.8 million on the figure a year earlier. On the basis of the loss-making result in the report period, a tax asset of EUR 2.2 million was recorded. The effect of taxes on the result was EUR 4.1 million smaller than it was a year earlier. Earnings per share were EUR 0.21 negative (EUR 0.11) negative and diluted for options they were EUR 0.21 negative (EUR 0.11). Equity per share was EUR 9.07 (EUR 9.14).

SALES AND EARNINGS TREND BY BUSINESS SEGMENT

Department Store Division

The Department Store Division's sales were down 2 per cent to EUR 275.9 million. Sales in Finland were down 12 per cent. Running the Crazy Days campaign in April caused a substantial drop in sales in Finland. International Operations' sales were increased by the good like-for-like retail performance by the department stores in Russia and the Baltic countries as well as by the new Bestseller stores. Sales by International Operations grew by 29 per cent and its share of the Group's sales was 33 per cent (25 per cent). The relative gross margin of the report period was on the same level as in the previous year. The Department Store Division's operating profit decreased by EUR 6.3 million to EUR 1.5 million (7.8 million).

Lindex

Lindex’s sales in the report period amounted to EUR 138.3 million. Compared with the pro forma statement for the corresponding period in 2007, sales were down 2 per cent. Calculated in local currencies, the decline in sales was one per cent. Because Easter fell in March, the sales trend in the main market areas declined, but sales growth in the Baltic countries was strong. Lindex’s operating result was a loss of EUR 1.2 million. The operating result was burdened by depreciation and amortization connected with the Lindex acquisition and by a non-recurring imputed IFRS expense charge for inventories, to a total amount of EUR 4.5 million. The pro forma operating profit was EUR 2.2 million in the previous year.

Hobby Hall

Hobby Hall’s sales decreased by 15 per cent to EUR 47.4 million (EUR 55.6 million). Sales diminished both in Finland and abroad, and Hobby Hall’s relative gross margin also fell. The new enterprise resource planning (ERP) system that went into use in April 2007 continued to affect sales figures during the report period. This meant that sales will be recorded later than they were last year. The growth in telesales and in-store sales was weakened above all by an early Easter that came in March. Hobby Hall’s operating result fell by EUR 3.6 million and was EUR a loss of 2.1 million (profit of 1.5 million in Q1/07). The weakening in the operating result was due to lower sales and to start-up costs for operations in Russia.

Seppälä

Seppälä’s sales increased by 3 per cent on the same period of last year and were EUR 35.7 million. Sales in Finland were down 8 per cent in the wake of a poor sales trend in a year when Easter fell in March. By contrast, sales grew strongly in Russia where they were lifted by the new stores that were opened and the good trend in like-for-like sales. Sales abroad were up 32 per cent, and their share of Seppälä’s total sales rose to 35 per cent (27 per cent). The relative gross margin improved, but fixed costs and depreciation also increased because of the heavy investments in opening new stores. Seppälä’s operating result decreased by EUR 1.4 million and was a loss of EUR 0.6 million (profit of EUR 0.8 million).

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 17.1 million at the end of March, as against EUR 23.8 million a year earlier and EUR 33.2 million at the end of 2007.

Interest-bearing liabilities at the end of March were EUR 1 014.6 million (124.1 million), of which EUR 865.6 million consisted of long-term debt (43.4 million). At the end of 2007, interest-bearing liabilities totalled EUR 905.6 million, of which EUR 855.4 million was long-term debt. Capital expenditures during the report period amounted to EUR 35.7 million. Net working capital stood at EUR 203.8 million at the end of March, as against EUR 244.6 million a year earlier and EUR 193.9 million at the end of 2007. The dividend for 2007 according to the resolution of the Annual General Meeting on March 18, 2008, totalling EUR 75.2 million, was paid out on April 2. In the Quarterly Report, the dividend is treated as a distribution of profits and a liability to the company’s shareholders. Owing to the acquisition of Lindex, the equity ratio weakened against the comparative period and was 26.9 per cent at the end of March (63.0 per cent). The equity ratio at the end of 2007 was 32.6 per cent. Gearing was

197.4 per cent at the end of March (19.7 per cent). At the end of 2007, gearing was 146.9 per cent.

The return on capital employed over the past 12 months was 10.7 per cent (12.1 per cent at the end of 2007). The Group’s capital employed increased by EUR 886.4 million from March of the previous year and stood at EUR 1 520.0 million towards the end of the report period (EUR 1 499.4 million at the end of 2007).

CHANGES IN THE ORGANIZATION

Following the resignation of Ms Raija Saari, Hobby Hall’s managing director and a member of the Stockmann Group’s Management Committee, Ms Tuija Pesonen, administrative director, was appointed Hobby Hall’s acting managing director as from March 26, 2008. Stockmann has started the search for a new managing director for Hobby Hall.

CAPITAL EXPENDITURES

Capital expenditures during the report period totalled EUR 35.7 million (EUR 33.2 million).

Department Store Division

The construction works for the major enlargement and transformation project for the department store in the centre of Helsinki are continuing. 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, completely new goods handling, servicing and customer carpark will be built. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. The cost estimate for the enlargement is about EUR 190 million. The works are estimated to be completed phase by phase by autumn 2010. During the report period, the project required an investment of about EUR 13.6 million. As the works have progressed, the department store’s retail space has already returned to the level preceding the enlargement project, and in the months ahead, new space will be made available stage by stage. Stockmann has succeeded in carrying out the extensive project without disrupting the department store’s profitability.

In 2006, Stockmann purchased a 10 000-odd square metre commercial plot on Nevsky Prospect, St Petersburg’s high street. The plot is located next to the Vosstaniya Square metro station, in the immediate vicinity of the Moscow railway station. On this plot, Stockmann will erect Nevsky Centre, a shopping centre with about 100 000 square metres of gross floor space, of which about 50 000 square metres will be store and office space. A full-scale Stockmann department store with about 20 000 square metres of retail space has been planned for the shopping centre, along with other retail stores, office premises and an underground carpark. The total investment is estimated at about EUR 170 million. The final construction permit was obtained at the beginning of March. According to the target schedule, the building will be completed by the end of 2009. During the report period, the project required an investment of about EUR 4.6 million.

Stockmann opened a new Nike store in Russia in March. Stockmann now has a total of six Nike stores in Russia.

The Department Store Division’s capital expenditures came to EUR 26.1 million.

Lindex

Lindex’s capital expenditures were for store openings and modernizations as well as for the new distribution centre in Gothenburg, which became operational at the turn of the year. They amounted to EUR 7.4 million. The distribution centre’s operations have started up according to plan.

In March, Lindex opened its second store in the Czech Republic. It opened one store in Norway as well.

After the report period, Lindex has opened a store in Lithuania.

Hobby Hall

Hobby Hall’s capital expenditures totalled EUR 0.5 million.

Seppälä

In the report period, Seppälä opened a store in Russia and Lithuania in February. In addition, three stores in Finland moved to better commercial locations.

Seppälä’s capital expenditures came to EUR 1.5 million.

In April, after the close of the report period, Seppälä has opened a store in Estonia and refurbished its flagship store in Helsinki’s Forum shopping centre.

Other capital expenditures

The Group’s other capital expenditures came to EUR 0.2 million.

NEW PROJECTS

Department Store Division

Stockmann has signed a preliminary agreement on opening Moscow’s fifth Stockmann department store in leased premises in the Metropolis shopping centre that is being built near the city’s centre. The department store will have a total of about 8 000 square metres of retail space, and Stockmann’s investment in the project will be about EUR 12 million. Stockmann’s objective is to open the department store by the end of 2008.

Stockmann has also made an agreement on opening a full-scale department store in leased premises located in a shopping centre that is currently being built in Ekaterinburg, Russia. The department store will have a total of more than 8 000 square metres of retail space, and Stockmann’s investment in the project will be about EUR 12 million. According to plans, the department store will be opened in 2009.

At the beginning of 2008, Stockmann signed a preliminary agreement on opening a sixth Stockmann department store in Moscow in leased premises. The department store, which will be located in the Rostokino shopping centre that is under construction on the north side of Moscow, will have about 10 000 square metres of retail space, and Stockmann’s investment in it will be about EUR 16 million. According to preliminary plans, the shopping centre will be completed at the end of 2009.

In March, Stockmann signed a preliminary agreement on leasing business premises for a department store in a shopping centre that will be located in a new multifunctional centre near the centre of Vilnius, Lithuania's capital city. The shopping centre will be completed towards the end of 2010. The Stockmann department store, with a total floor area of about 13 000 square metres, will be one of the shopping centre's anchor tenants.

The Department Store Division is continuing to establish new Stockmann Beauty stores in Finland and to build out the chain of Nike and Bestseller stores in Russia.

Lindex

Lindex has entered into an agreement on opening a store in St Petersburg - its first in Russia - in August 2008. The objective is to open more stores in Russia in the latter part of the year. In addition, agreements have been made on opening three stores in Norway towards the end of the year as well as two stores in Finland and one store in Sweden. The aim is also to open more stores in the Baltic countries this year.

Lindex plans to open 20-25 new stores a year during the next two years, half of which are in the Nordic countries and half in the new market areas in Russia, the Baltic countries and Central Europe.

Lindex has signed a preliminary agreement with Delta International Establishment on expanding its chain of stores to the Middle East under a franchising arrangement. The franchising partner will carry out the store investments, hire the staff and be responsible for the entire retail sales operations. The first store is to be opened in Saudi Arabia in September 2008, and by the end of the year, six more stores will be opened there. Over a five-year period, Lindex plans to open a total of 50 stores in Saudi Arabia, Kuwait, the United Arab Emirates and Egypt.

Hobby Hall

Hobby Hall's revamped online store will be tested during the summer, and it will be up and running after the tests have been completed. In order to improve service, the cash register systems and telephone system will be upgraded during the summer.

In the early autumn, Hobby Hall's head office will move into leased premises in a new office building in Helsinki's Käpylä district.

Hobby Hall has decided to defer the opening of an online store in Sweden and to concentrate in 2008 on seeking growth and profitability in its present market areas - with a special emphasis on the newest market areas of Lithuania and Russia.

Seppälä

This year Seppälä is aiming to open 10-15 new stores in the countries where it presently operates, and also to open its first store in Ukraine.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

Stockmann's Annual General Meeting was held in Helsinki on March 18, 2008.

Dividend

The Annual General Meeting resolved that the dividend to be paid for the 2007 financial year is EUR 1.35 per share, or a total of EUR 75.2 million.

Election of the members of the Board of Directors

The Annual General Meeting resolved, in accordance with the proposal of the Board’s Appointments and Compensation Committee, that seven members be elected to seats on the Board and re-elected LL.M. Christoffer Taxell, Managing Director Erkki Etola, Managing Director Kaj-Gustaf Bergh, Professor Eva Liljeblom, Managing Director Kari Niemistö, Corporate Vice President of Sustainable Development Carola Teir-Lehtinen, and Managing Director Henry Wiklund, for a term of office up to the end of the next Annual General Meeting.

At its organisation meeting on March 18, 2008, the Board of Directors re-elected LL.M. Christoffer Taxell as its chairman and Managing Director Erkki Etola as its vice chairman. The Board of Directors re-elected LL.M. Christoffer Taxell chairman of the Appointments and Compensation Committee and re-elected as the other members of the committee Managing Director Erkki Etola, Professor Eva Liljeblom and Managing Director Henry Wiklund.

Election of the auditors

Re-elected as regular auditors were Jari Härmälä, Authorized Public Accountant, and Henrik Holmbom, Authorized Public Accountant. KPMG Oy Ab, a firm of independent public accountants, will continue as the deputy auditor.

Authorization of the Board of Directors to pass a resolution on the issuance of shares and special rights entitling holders to shares

The Annual General Meeting authorized the Board of Directors of the company to decide on the issuance of shares and special rights entitling holders to shares, as referred to in Chapter 10, Section 1, of the Limited Liability Companies Act in one or more instalments as follows.

The Board of Directors was authorized to decide on the amount of A Series and B Series shares to be issued. However, the aggregate number of shares issued on the basis of the authorization may not exceed 15 000 000 shares. Issuance of shares and special rights entitling holders to shares can be carried out in accordance with or in disapplication of the shareholders' pre-emptive rights (directed issue). The Board of Directors is authorized to decide on all the terms and conditions concerning the issue of shares and special rights referred to in Chapter 10, Section 1, of the Limited Liability Companies Act.

The authorization is effective for a maximum of three years from the date of the Annual General Meeting. The authorization does not cancel the authorization given by the General Meeting on March 20, 2007, and entered in the Trade Register on May 14, 2007 regarding the right to pass a resolution on the transfer of own shares (treasury shares).

The purpose of the issuance of shares and/or the issuance of special rights entitling holders to shares is to reinforce the company's capital structure by amortizing the debt obtained for the acquisition of AB Lindex (publ).

Issuing share options to the Loyal Customers of Stockmann

The Annual General Meeting decided that, in disapplication of the shareholders' pre-emptive rights, a total maximum of 2 500 000 share options be granted to Stockmann's Loyal Customers without consideration. The purpose of granting the share options is to offer Loyal Customers a benefit that rewards them for patronage and at the same time improves Stockmann's competitive position. Share options will be issued to loyal customers, whose purchases in companies belonging to the Stockmann Group together with purchases originating from parallel cards directed to the same account during the time period January 1, 2008 - December 31, 2009 amount to a total of at least EUR 6 000. For purchases of at least EUR 6 000, a Loyal Customer will receive 20 share options without consideration. In addition, for each full 500 euros by which the purchases exceed EUR 6 000, the Loyal Customer will receive an additional two share options. Each share option entitles its holder to subscribe for one of the company's Series B shares. The subscription price is the volume-weighted average price of the Series B share on the Helsinki Stock Exchange during the period February 1 - February 29, 2008. The subscription price of a share subscribed for with the share options will be lowered, by the amount of the dividends that may be declared prior to the share subscription, on the record date for each dividend payout. The subscription period for the shares is in May in the years 2011 and 2012.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of March was EUR 1 756.5 million (1 826.7 million). At the end of 2007 the market capitalization was EUR 1 659.8 million.

Stockmann's share prices outperformed both the OMX Helsinki index and the OMX Helsinki CAP index during the report period. At the end of March the stock exchange price of the Series A share was EUR 33.00, compared with EUR 29.50 at the end of 2007, and the Series B share was selling at EUR 30.00, as against EUR 29.66 at the end of 2007.

At March 31, 2008, Stockmann had 24 564 243 Series A shares and 31 529 369 Series B shares.

Stockmann held 369 560 of its own Series B shares (treasury shares) at the end of March 2008. They comprised 0.7 per cent of all the shares outstanding and 0.1 per cent of all the votes. The shares were bought back at a total price of EUR 5.6 million.

The Annual General Meeting in 2007 authorized the Board of Directors to decide on the transfer of the company's own Series B shares in one or more instalments. The authorization will be in force for five years. The company's Board of Directors does not have valid authorizations to buy back treasury shares.

NUMBER OF EMPLOYEES

During the report period, the Stockmann Group had an average payroll of 15 479 employees, or 5 171 more than in the comparison period. The number of employees was increased by the acquisition of Lindex in December as well as by the new Bestseller, Nike and Seppälä stores abroad. Stockmann's average number of employees, converted to full-time staff, increased by 3 387 and was 11 646.

At the end of March 2008 the number of staff working outside Finland was 8 247 people. At the end of March 2007, Stockmann had 3 790 people working outside Finland. The proportion of the total personnel who were working abroad was 51 per cent (34 per cent).

RISK FACTORS

There has been no change in risk factors after the publication on February 7, 2008, of the discussion presented in the Board Report on Operations. Notable near-term risks relate to pending legal proceedings.

AB Lindex (publ) is involved in ongoing legal proceedings concerning the eligibility for deduction in Swedish taxation of losses of about EUR 70 million made by the Lindex Group's company in Germany. Lindex has won the previous legal proceedings in the matter in 2004/2005 and 2005/2006, but the Swedish tax authorities have appealed the decisions, and hearing of the case is continuing. Lindex has recorded against the losses a tax deduction of about EUR 21 million, including interest, which is recorded in earnings.

Lindex has also demanded a rectification of an assessment on the basis of the estimated earnings from operations in Germany during 2004–2006. This rectification claim will come to about EUR 32 million. The tax effect of this claim has not been recorded in earnings.

The Group is engaged in arbitration concerning the validity of the leasehold on the Smolenskaya department store, which is located in the centre of Moscow, after April 30, 2008. The litigation concerns exercise of a 10-year continuation lease period under the lease agreement.

FULL-YEAR OUTLOOK

Of late, uncertainty has increased greatly in the world economy as well as in the financial and equity markets. In the Stockmann Group's market areas in the Nordic countries, the Baltic area and Russia, this has nevertheless not been reflected in consumer demand. According to estimates, there will be further growth in consumption demand. The growth will be stronger in the Baltic countries and Russia than in the Nordic countries.

Lindex will be part of the Stockmann Group for all of 2008. Because sales by all the divisions are expected to be on a favourable trend, this means a strong increase in the Group's sales. Consolidated sales are estimated to be about EUR 2.4–2.5 billion in 2008.

The decrease in sales in the first quarter owing to the deferral of the Crazy Days campaign and to Easter falling in March will be offset by strong sales growth in the second quarter, especially in April. Second-quarter operating profit will improve markedly on the figure a year earlier.

Full-year operating profit from continuing operations is expected to improve and all the divisions are set to generate higher operating profit. Although the Group's financial expenses following the Lindex acquisition will increase markedly, the objective is to post higher profit in 2008 than in the previous year.

Balance sheet, Group EUR millions	31.3.08	31.3.07	31.12.07
ASSETS			
Non-current assets			
Intangible assets (Ref. 1)	849.9	5.9	844.5
Property, plant and equipment (Ref.1)	494.2	376.4	476.8
Available-for-sale investments	6.6	6.5	6.5
Non-current receivables	1.7		1.7
Deferred tax assets	5.3	2.5	5.3
Non-current assets, total	1 357.8	391.4	1 334.8
Current assets			
Inventories	286.2	181.3	244.4
Receivables, interest-bearing	95.5	100.8	98.8
Receivables, non interest-bearing	121.8	111.3	112.5
Cash and cash equivalents	17.1	23.8	33.2
Current assets, total	520.7	417.2	488.9
Assets, total	1 878.5	808.6	1 823.7
EQUITY AND LIABILITIES			
Equity	505.4	509.5	593.8
Minority interest	0.0	0.0	0.0
Equity, total	505.4	509.5	593.8
Non-current liabilities, interest-bearing	865.6	43.4	855.4
Reserves	2.6		5.3
Non-current liabilities, total	868.2	43.4	860.7
Deferred taxes liabilities	56.2	26.2	57.3
Current liabilities			
Current liabilities, interest-bearing	149.0	80.7	50.1
Current liabilities, non interest-bearing	299.7	148.8	261.7
Current liabilities, total	448.7	229.5	311.8
Equity and liabilities, total	1 878.5	808.6	1 823.7

Equity ratio, per cent	26.9	63.0	32.6
Gearing, per cent	197.4	19.7	146.9
Cash flow from operations per share, EUR	-1.36	-0.69	2.16
Interest-bearing net debt, EUR mill.	901.9	-0.5	773.6
Number of shares at March 31, thousands	56 094	55 855	56 094
Weighted average number of shares, thousands	55 724	55 353	55 606
Weighted average number of shares, diluted, thousands	55 798	55 879	55 815
Market capitalization, EUR mill.	1 756.5	1 826.7	1 659.8

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

Gearing, per cent = 100 x Interest-bearing liabilities less cash and cash equivalents / Equity total

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

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

Cash flow statement, Group EUR millions	1-3/2008	1-3/2007	1-12/2007
Cash flows from operating activities			

Net profit for the financial year	-11.6	6.1	88.4
Adjustments:			
Deprecation	15.2	9.1	36.9
Profit (-) and loss (+) from sales of non-current assets	-3.8		
Financial expenses	11.6	0.6	7.0
Financial income	-0.3	-0.4	-1.3
Taxes paid	-2.2	1.9	31.1
Other adjustments	-2.4	0.8	1.2
Changes in working capital:			
Change in trade and other receivables	7.9	-22.3	-11.0
Change in inventories	-41.6	-26.3	-12.5
Change in trade payables and other liabilities	-29.3	-2.0	8.8
Interest paid	-10.6	-0.2	-6.5
Interest received	0.2	0.4	1.3
Income taxes paid	-9.6	-6.5	-23.5
Net cash from operating activities	-76.4	-38.6	119.9
Cash flows from investing activities			
Investments in tangible and intangible assets	-38.9	-33.1	-113.2
Acquisition of subsidiary net cash acquired	-5.9		-852.5
Capital expenditures on other investments	-0.1		
Dividends received	0.0	0.0	0.1
Net cash used in investing activities	-44.8	-33.1	-965.6
Cash flows from financing activities			
Proceeds from issue of share capital		3.8	5.8
Change in short-term loans, increase (+), decrease (-)	81.4	80.7	35.5
Long-term loans, increase (+), decrease (-)	6.1	20.0	835.6
Dividends paid	0.0	-68.2	-72.1
Net cash used in financing activities	87.5	36.3	804.8
Change in cash and cash equivalents	-33.7	-35.3	-40.9
Cash and cash equivalents at start of the period	33.2	59.2	59.2
Translation differences in cash and cash equivalents	0.1		0.4
Cheque account on credit	-14.6		
Cash and cash equivalents	17.1	59.2	33.2
Cheque account on credit	-32.1		-14.6
Cash and cash equivalents at end of the period	-15.0	23.8	18.6

Income statement, Group, EUR millions	1-3/2008	1-3/2007	Change per cent	1-12/2007
Revenue	413.4	311.4	33	1 398.2
Other operating income	3.8			9.7
Materials and consumables	-231.0	-191.6	21	-791.2
Wages, salaries and employee benefits expenses	-85.1	-50.8	68	-224.1
Depreciation	-15.2	-9.1	67	-36.9
Other operating expenses	-88.5	-51.7	71	-230.6

Operating profit (loss)	-2.5	8.2	-131	125.2
Finance income and expenses	-11.3	-0.2		-5.7
Profit (loss) before tax	-13.8	8.0	-272	119.4
Income taxes	2.2	-1.9		-31.1
Profit (loss) for the period	-11.6	6.1	-289	88.4
Earnings per share, EUR	-0.21	0.11		1.59
Earnings per share, diluted, EUR	-0.21	0.11		1.58
Operating profit, per cent	-0.6	2.6		9.0
Equity per share, EUR	9.07	9.14	-1	10.66
Return on equity, per cent, moving 12 months	13.9	21.2	-34	15.2
Return on capital employed, per cent, moving 12 months	10.7	22.0	-51	12.1
Average number of employees, converted to full-time staff	11 646	8 259	41	8 979
Investments	35.7	33.2	8	977.4

Earnings per share, EUR = (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)

SEGMENT INFORMATION

Segments

Sales, EUR millions	1-3/2008	1-3/2007	Change per cent	1-12/2007
Department Store Division	275.9	281.2	-2	1 218.1
Lindex	138.3			68.1
Hobby Hall	47.4	55.6	-15	206.5
Seppälä	35.7	34.6	3	174.7
Shared	0.2	0.2	-7	0.8
Group	497.5	371.7	34	1 668.3

Revenue, EUR millions	1-3/2008	1-3/2007	Change per cent	1-12/2007
Department Store Division	232.7	236.3	-2	1 025.0
Lindex	111.0			54.7
Hobby Hall	39.7	46.2	-14	171.7
Seppälä	29.7	28.7	3	145.1
Shared	0.4	0.1		1.7
Group	413.4	311.4	33	1 398.2

Operating profit, EUR millions	1-3/2008	1-3/2007	Change per cent	1-12/2007
Department Store Division	1.5	7.8	-81	91.8
Lindex	-1.2			15.0
Hobby Hall	-2.1	1.5	-244	5.7
Seppälä	-0.6	0.8	-180	20.7
Shared	0.2	-1.8	-111	-7.5

Eliminations	-0.3	0.0		-0.7
Group	-2.5	8.2	-130	125.2

Investments, gross, EUR millions	31.3.2008	31.3.2007	Change per cent	31.12.2007
Department Store Division	26.1	30.4	-14	111.5
Lindex	7.4			853.1
Hobby Hall	0.5	0.6	-5	3.5
Seppälä	1.5	2.0	-23	9.3
Shared	0.2	0.2	-2	
Group	35.7	33.2	8	977.4

Assets, EUR millions	31.3.2008	31.3.2007	Change per cent	31.12.2007
Department Store Division	693.0	633.2	9	652.4
Lindex	1 000.2			992.9
Hobby Hall	106.1	111.6	-5	102.7
Seppälä	42.0	36.3	16	44.7
Shared	37.1	27.5	35	30.9
Group	1 878.5	808.6	132	1 823.7

Non-interest-bearing liabilities, EUR millions	31.3.2008	31.3.2007	Change per cent	31.12.2007
Department Store Division	116.8	116.3	0	125.9
Lindex	85.9			100.8
Hobby Hall	16.8	20.0	-16	14.5
Seppälä	5.1	5.3	-5	11.5
Shared	134.0	33.4		71.7
Group	358.5	175.0	105	324.3

Market areas

Sales, EUR millions	1-3/2008	1-3/2007	Change per cent	1-12/2007
Finland 1)	263.5	281.4	-6	1 171.5
Sweden and Norway 2)	119.4			59.5
Baltic states and Czech Republic 1)	49.7	43.0	16	194.1
Russia 3)	64.9	47.3	37	243.2
Group	497.5	371.7	34	1 668.3
Finland, per cent	53.0	75.7		70.2
International operations, per cent	47.0	24.3		29.8

Revenue, EUR millions	1-3/2008	1-3/2007	Muutos prosenttia	1-12/2007
Finland 1)	220.3	234.3	-6	977.6
Sweden and Norway 2)	95.5			47.5
Baltic states and Czech Republic 1)	42.3	36.6	16	165.0
Russia 3)	55.4	40.5	37	208.0
Group	413.4	311.4	33	1 398.2
Finland, per cent	53.3	75.2		69.9
International operations, per cent	46.7	24.8		30.1

Change

Operating profit (loss), EUR millions	1-3/2008	1-3/2007	per cent	1-12/2007
Finland 1)	2.9	10.8	-73	96.3
Sweden and Norway 2)	0.6			14.4
Baltic states and Czech Republic 1)	0.2	2.5	-90	21.1
Russia 3)	-6.3	-5.2	21	-6.6
Group	-2.5	8.2	-130	125.2

Investments, gross, EUR millions	31.3.2008	31.3.2007	Change per cent	31.12.2007
Finland 1)	21.6	14.3	51	80.2
Sweden and Norway 2)	5.9			847.0
Baltic states and Czech Republic 1)	1.4	0.6	144	5.1
Russia 3)	6.8	18.3	-63	45.0
Group	35.7	33.2	8	977.4
Finland, per cent	60.5	43.1		8.2
International operations, per cent	39.5	56.9		91.8

Assets, EUR millions	31.3.2008	31.3.2007	Change per cent	31.12.2007
Finland 1)	630.5	567.3	11	585.2
Sweden and Norway 2)	981.3			975.7
Baltic states and Czech Republic 1)	76.7	74.1	4	75.8
Russia 3)	190.0	167.3	14	187.0
Group	1 878.5	808.6	132	1 823.7
Finland, per cent	33.6	70.2		32.1
International operations, per cent	66.4	29.8		67.9

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

Statement of changes in equity Group, EUR millions	Equity*	Share premium fund	Other funds
Equity December 31, 2006	111.7	183.4	44.1
Options exercised	0.5	2.6	
Share bonus		0.2	
Transfer to other funds			0.0
Cost of share issue			
Dividends			
Profit for the period			
Equity March 31, 2007			
Equity December 31, 2007	112.2	186.2	44.1
Cash flow hedges	112.2	186.0	44.1
Cost of share issue			
Dividends			
Financial instruments			

Translation differences			
Profit for the period			
Equity March 31, 2008	112.2	186.0	44.1

* including share issue

Statement of changes in equity Group, EUR millions	Fair value reserve**	Trans-lation reserve	Retained earnings
Equity December 31, 2006		0.0	232.3
Options exercised			
Share bonus			0.1
Transfer to other funds			
Cost of share issue			0.5
Dividends			-72.1
Profit for the period		0.0	0.0
Equity March 31, 2007			6.1
Equity December 31, 2007		0.0	166.9
Cash flow hedges	0.5	0.0	250.9
Cost of share issue	-2.0		
Dividends			0.3
Financial instruments			-75.2
Translation differences	0.0	0.1	0.0
Profit for the period			-11.6
Equity March 31, 2008	-1.5	0.1	164.4

** excluding deferred tax liability

Statement of changes in equity Group, EUR millions	Total	Minority interest	Total
Equity December 31, 2006	571.6	0.0	571.6
Options exercised	3.1		3.1
Share bonus	0.3		0.3
Transfer to other funds	0.0		0.0
Cost of share issue	0.5		0.5
Dividends	-72.1		-72.1
Profit for the period	0.0		0.0
Equity March 31, 2007	6.1	0.0	6.1
Equity December 31, 2007	509.5	0.0	509.5
Cash flow hedges	593.8	0.0	593.8
Cost of share issue	-2.0		-2.0
Dividends	0.3		0.3
Financial instruments	-75.2		-75.2
Translation differences	0.1		0.1
Profit for the period	-11.6	0.0	-11.6
Equity March 31, 2008	505.4	0.0	505.4

Contingent liabilities, Group EUR millions	31.3.2008	31.3.2007	31.12.2007
Mortgages on land and buildings	1.7	1.7	1.7
Guarantees		1.5	
Pledges		0.1	0.1
Total	1.7	3.3	1.8

Lease agreements on business premises, EUR	31.3.2008	31.3.2007	31.12.2007

millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	124.0	69.9	124.6
After one year	469.5	342.9	449.3
Total	593.4	412.8	573.8

Lease payments	31.3.2008	31.3.2007	31.12.2007
Within one year	1.1	1.0	1.4
After one year	0.8	0.9	1.3
Total	1.9	1.9	2.8

Derivative instruments	31.3.2008	31.3.2007	31.12.2007
Nominal value			
Interest rate derivatives	53.3		69.3

Exchange rates

Country	Currency	31.3.2008	31.3.2007	31.12.2007
Russia	RUB	37.1130	34.6580	35.9860
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.6982	0.7097	0.6964
Lithuania	LTL	3.4528	3.4528	3.4528
Sweden	SEK	9.3970	9.0404	9.4415

Income statement quarterly, Group, EUR millions	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Continuing operations				
Revenue	413.4	483.9	308.6	294.2
Other operating income	3.8	0.0	9.7	
Materials and consumables	-231.0	-255.8	-179.8	-164.0
Wages, salaries and employee benefits expenses	-85.1	-73.2	-47.6	-52.6
Depreciation	-15.2	-10.5	-8.9	-8.4
Other operating expenses	-88.5	-73.7	-50.0	-55.1
Operating profit (loss)	-2.5	70.8	32.1	14.1
Finance income and expenses	-11.3	-4.3	-0.5	-0.8
Profit (loss) before tax	-13.8	66.5	31.6	13.3
Income taxes	2.2	-17.9	-8.1	-3.2
Profit (loss) for the period, continuing operations	-11.6	48.6	23.5	10.2
Discontinued operations				
Profit (loss) for the period, discontinued operations				
Profit (loss) for the period	-11.6	48.6	23.5	10.2

Earnings per share, continuing operations, EUR

Basic	-0.21	0.87	0.43	0.18
Diluted	-0.21	0.87	0.42	0.18
Earnings per share, discontinued operations, EUR				
Basic				
Diluted				
Earnings per share, total, EUR				
Basic	-0.21	0.87	0.43	0.18
Diluted	-0.21	0.87	0.42	0.18

Sales, EUR millions	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Department Store Division	275.9	400.4	275.5	261.0
Lindex	138.3	68.1		
Hobby Hall	47.4	58.9	45.9	46.0
Seppälä	35.7	51.2	45.4	43.5
Shared	0.2	0.2	0.2	0.2
Group	497.5	578.8	367.0	350.7
Revenue, EUR millions				
Department Store Division	232.7	336.9	232.2	219.6
Lindex	111.0	54.7		
Hobby Hall	39.7	49.2	38.2	38.1
Seppälä	29.7	42.5	37.8	36.1
Shared	0.4	0.7	0.5	0.4
Group	413.4	483.9	308.6	294.2
Operating profit, EUR millions				
Department Store Division	1.5	46.9	25.7	11.5
Lindex	-1.2	15.0		
Hobby Hall	-2.1	2.7	2.5	-0.9
Seppälä	-0.6	8.6	5.5	5.8
Shared	0.2	-2.4	-1.1	-2.1
Eliminations	-0.3	0.0	-0.5	-0.1
Group	-2.5	70.8	32.1	14.1

Income statement quarterly, Group, EUR millions	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Continuing operations				
Revenue	311.4	389.6	281.1	299.5
Other operating income		0.4	0.0	4.7
Materials and consumables	-191.6	-215.6	-166.1	-170.8
Wages, salaries and employee benefits expenses	-50.8	-57.9	-44.2	-48.9
Depreciation	-9.1	-7.9	-7.9	-8.1
Other operating expenses	-51.7	-58.1	-43.0	-47.7
Operating profit (loss)	8.2	50.5	19.8	28.7
Finance income and expenses	-0.2	-0.5	0.5	-0.9
Profit (loss) before tax	8.0	50.1	20.4	27.9
Income taxes	-1.9	-12.3	-5.0	-6.6
Profit (loss) for the	6.1	37.8	15.4	21.2

period, continuing operations				
Discontinued operations				
Profit (loss) for the period, discontinued operations				21.9
Profit (loss) for the period	6.1	37.8	15.4	43.1
Earnings per share, continuing operations, EUR				
Basic	0.11	0.70	0.29	0.39
Diluted	0.11	0.69	0.28	0.39
Earnings per share, discontinued operations, EUR				
Basic			-0.01	0.41
Diluted		-0.01		0.40
Earnings per share, total, EUR				
Basic	0.11	0.70	0.28	0.80
Diluted	0.11	0.68	0.28	0.79

Sales, EUR millions	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Department Store Division	281.2	363.4	249.0	270.8
Lindex				
Hobby Hall	55.6	55.5	45.5	46.2
Seppälä	34.6	45.3	40.2	40.2
Shared	0.2	0.2	0.2	0.3
Group	371.7	464.4	334.9	357.6
Revenue, EUR millions				
Lindex	236.3	305.5	209.8	227.4
Department Store Division				
Hobby Hall	46.2	46.1	37.8	38.4
Seppälä	28.7	37.5	33.2	33.3
Shared	0.1	0.5	0.2	0.4
Group	311.4	389.6	281.1	299.5
Operating profit, EUR millions				
Department Store Division	7.8	44.3	13.1	22.2
Lindex				
Hobby Hall	1.5	3.4	2.1	0.6
Seppälä	0.8	7.3	5.4	7.6
Shared	-1.8	-3.8	-0.9	-1.9
Eliminations	0.0	-0.6	0.1	0.2
Group	8.2	50.6	19.8	50.6

ASSETS

EUR mill.	31.3.2008	31.3.2007	31.12.2007
Acquisition cost Jan. 1	813.8	551.7	551.7
Translation difference +/-	0.7	0.0	0.0
Aquisitions through business combinations (investment) (+)			154.7

Translation difference +/-			-0.2
Increases Jan. 1-March. 31	35.4	33.5	125.9
Decreases Jan. 1-March. 31	-1.8	-0.4	-18.4
Acquisition cost March 31/Dec. 31	848.1	584.8	813.8
Accumulated depreciation Jan. 1	212.5	193.2	193.2
Depreciation on reductions	-0.1		-17.6
Depreciation for the financial year	15.2	9.1	36.9
Accumulated depreciation March 31/Dec. 31	227.6	202.4	212.5
Book value Jan. 1	601.3	358.5	358.5
Book value March 31/Dec. 31	620.5	382.4	601.3

Goodwill

EUR mill.	31.3.2008	31.3.2007	31.12.2007
Acquisition cost Jan. 1	720.0		
Aquisitions through business combinations (investment) (+)			721.7
Translation difference +/-	3.6		-1.7
Increases Jan.1-March 31	0.2		
Acquisition cost March 31/Dec. 31	723.6		720.0
Book value Jan 1.	720.0		
Book value March 31/Dec. 31	723.6		720.0
Total	1 344.1	382.4	1 321.3

STOCKMANN plc

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A press and analyst conference will be held today, April 24, 2008, at 14.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.