STOCKMANN plc
Interim report
28.4.2010 at 8.00

STOCKMANN plc INTERIM REPORT 1 JANUARY – 31 MARCH 2010

IMPROVEMENT IN STOCKMANN'S REVENUE AND EARNINGS

The Stockmann Group's revenue began to grow again in the first quarter, and all divisions improved their earnings. Consolidated revenue (excl. VAT) was up by 5.5 per cent to EUR 372.6 million (EUR 353.2 million). The Group's operating result increased by EUR 12.9 million, to EUR -9.2 million (EUR -22.0 million). The profit for the period amounted to EUR 2.2 million (EUR -23.8 million). Earnings per share were EUR 0.03 (EUR -0.38).

Key figures		1-3/2010	1-3/2009	2009
Revenue	EUR mill.	372.6	353.2	1 698.5
Operating profit	EUR mill.	-9.2	-22.0	85.3
Profit before taxes	EUR mill.	-9.8	-26.9	61.3
Profit for the period	EUR mill.	2.2	-23.8	54.0
Earnings per share	EUR	0.03	-0.38*	0.82
Equity per share	EUR	11.32	10.20	11.96
Cash flow from operating activities	EUR mill.	-73.8	-94.6	146.8

Key ratios				
Net gearing	per cent	92.9	140.1	72.1
Equity ratio	per cent	41.9	34.0	44.1
Number of shares, weighted average, diluted	thousands	72 555	62 496*	65 995
Return on capital employed, rolling 12 months	per cent	6.7	6.9	5.8

*Adjusted for 2009 share issue

REVENUE AND EARNINGS

Since the start of 2010, Stockmann has been reporting its revenue exclusive of value added tax (VAT), instead of including VAT in the sales figures, in order that its reported figures are like-for-like and indicate the actual trend regardless of changes in VAT. The recovery in consumer demand, the strengthening of consumer confidence and the measures taken by all divisions to strengthen their competitive position were evident in the Stockmann Group's first-quarter revenue (excl. VAT), which was up by 5.5 per cent to EUR 372.6 million (EUR 353.2 million). First-quarter revenue in Finland was up by 2.1 per cent to EUR 204.4 million. The Group's revenue abroad amounted to EUR 168.2 million, an increase of 9.9 per cent. The Swedish krona, the Norwegian krone and the Russian rouble all strengthened against the euro during the first quarter. If like-for-like exchange rates are used, the Group's revenue abroad shows an increase of 2.1 per cent. Revenue abroad accounted for 45 per cent (44 per cent) of the Group's total revenue.

There was no other operating income in the first quarter.

The consolidated operating gross margin increased by EUR 25.7 million, to EUR 181.6 million. The relative gross margin was 48.8 per cent (44.2 per cent). The relative gross margin for the Department Store Division and Seppälä increased significantly, while Lindex's relative gross margin was at the previous year's level. Operating costs increased by EUR 13.2 million and depreciation fell by EUR 0.4 million.

The consolidated operating result was up by EUR 12.9 million, to EUR -9.2 million.

Net financial expenses fell by EUR 4.2 million, to EUR 0.6 million (EUR 4.8 million). This was due to low interest rates and non-recurring foreign exchange gains.

Profit before taxes was EUR -9.8 million, up by EUR 17.1 million on the first quarter 2009 figure. Taxes for the first quarter, amounting to EUR 12.0 million, included a decrease in deferred tax liability of EUR 10.6 million booked for the unrealized exchange rate loss on the currency loan, and a tax accrual of EUR 2.4 million booked for the first-quarter loss. The positive tax impact on earnings was EUR 8.9 million greater than a year earlier. Earnings per share were EUR 0.03 (EUR -0.38), and, diluted for options, EUR 0.03 (EUR -0.38). Equity per share was EUR 11.32 (EUR 10.20).

REVENUE AND EARNINGS PERFORMANCE BY OPERATING SEGMENT

Department Store Division

Hobby Hall's business was transferred to the Department Store Division as of the start of 2010, and the plan is to merge Oy Hobby Hall Ab with the parent company on 30 June 2010. The Department Store Division's first-quarter figures include Hobby Hall, and so the previous year's figures used for comparison have been adjusted accordingly. The Department Store Division's revenue was up by 0.5 per cent to EUR 226.0 million (EUR 224.9 million). Revenue in Finland was up by 2.3 per cent. One of the factors accelerating the revenue growth has been the progress made in the enlargement and transformation project at the Helsinki department store, especially the March opening of part of the new Delicatessen premises. If Hobby Hall's international operations, which were discontinued in 2009, are excluded from the Department Store Division's comparison figures, the Division's revenue growth is 2.6 per cent and the euro-denominated revenue growth of international operations is 3.5 per cent. Revenue from international operations accounted for 24 per cent (26 per cent) of the Division's revenue. The growth in international operations' revenue was in part attributable to the opening of the new Stockmann department store in Moscow's Golden Babylon shopping centre on 4 March 2010. As a result of the good level of sales and the stock situation there was a clear increase in the relative gross margin in the first quarter. The Department Store Division's operating result was up by EUR 8.0 million, to EUR -8.2 million (EUR -16.2 million).

Lindex

Lindex's first-quarter revenue totalled EUR 115.7 million, which was 17.3 per cent more than a year earlier (EUR 98.6 million). Revenue in Finland was up by 8.6 per cent and in other countries by 18.5 per cent. Lindex further increased its market share in Sweden, its main market. The relative gross margin for the first quarter remained at the previous year's high level. Lindex's operating profit improved to EUR 2.1 million (EUR 0.2 million).

Seppälä

Seppälä's first-quarter revenue increased by 7.0 per cent year on year, to EUR 30.8 million (EUR 28.8 million). Revenue in Finland was up by 4.2 per cent and revenue abroad by 12.2 per cent. Revenue abroad accounted for 36 per cent (34 per cent) of Seppälä's total revenue. Revenue in Russia was up by 26 per cent, but in the Baltic countries revenue decreased. As a result of the good level of sales and the stock situation, there was a clear increase in the relative gross margin in the first quarter. Seppälä's operating result increased by EUR 1.9 million, to EUR -0.9 million (EUR -2.8 million).

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 22.2 million at the end of March, as against EUR 23.3 million a year earlier and EUR 176.4 million at the end of 2009.

Interest-bearing liabilities at the end of March were EUR 769.3 million (EUR 900.2 million), of which EUR 616.7 million (EUR 834.6 million) was long term. At the close of 2009, interest-bearing liabilities amounted to EUR 789.2 million, of which EUR 786.9 million was long-term debt. First-quarter capital expenditure amounted to EUR 38.5 million.

Net working capital amounted to EUR 121.1 million at the end of March, as against EUR 201.8 million a year earlier and EUR 110.6 million at the end of 2009. The 2009 dividend of EUR 51.2 million, decided by the Annual General Meeting on 16 March 2010, was paid on 7 April.

In this interim report, the dividend has been treated as profit distribution and as a liability to shareholders. At the end of March, the equity ratio was 41.9 per cent (34.0 per cent). At the close of 2009, the equity ratio was 44.1 per cent. The net gearing at the end of March was 92.9 per cent (140.1 per cent). At the end of 2009, the net gearing was 72.1 per cent.

The return on capital employed over the past 12 months was 6.7 per cent (5.8 per cent in 2009). The Group's capital employed increased by EUR 47.1 million from March 2009, standing at EUR 1 575.2 million on 31 March 2010 (EUR 1 640.9 million at the end of 2009).

CAPITAL EXPENDITURE

Capital expenditure during the first quarter totalled EUR 38.5 million (EUR 39.6 million).

Department Store Division

Moscow's fifth and the Group's fourteenth Stockmann department store was opened on 4 March 2010 in the Golden Babylon shopping centre in the Rostokino district in north Moscow. Stockmann's capital expenditure on the department store, which has a total retail space of about 10 000 square metres, amounts to EUR 16.0 million. During the first quarter, the project required an investment of EUR 8.4 million.

A major enlargement and transformation project is under way at the Stockmann department store in the centre of Helsinki. The project involves expanding the department store's commercial premises by about 10 000 square metres by converting existing premises to commercial use and by building new retail space. Other elements of the project include construction of new goods handling and servicing facilities and a car park. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. The estimated cost of the enlargement part of the project is about EUR 200 million, in addition to which significant repair and renovation work has been and will be carried out in the old property during the course of the project. The new and remodelled premises are being opened in stages. The project is expected to be completed in phases up to the end of 2010. During the first quarter, the project required an investment of EUR 6.8 million.

In 2006, Stockmann purchased a commercial plot of approximately 10 000 square metres on Nevsky Prospect, St Petersburg's high street. The plot is located next to the Vosstaniya Square metro station and in the immediate vicinity of the Moscow railway station. The Nevsky Centre shopping centre is being built for Stockmann on this plot and will comprise about 100 000 square metres of gross floor space, of which about 50 000 square metres will be for stores and offices. A Stockmann department store of about 20 000 square metres will be housed in the shopping centre, along with other retail stores, office premises and an underground car park. The total investment is estimated at about EUR 185 million. The construction work for the project is under way and proceeding according to timetable. The topping out ceremony for the building was held on 19 March 2010. Construction is expected to be completed during summer 2010, with commercial operations set to start in November 2010. The leasing of premises to external operators is proceeding as planned, and the company believes that all the premises will be leased by the time the shopping centre is opened. During the first quarter, the project required an investment of EUR 12.7 million.

In Russia, one Bestseller store was opened and one closed during the first quarter.

The Department Store Division's capital expenditure totalled EUR 33.0 million.

Lindex

In the first quarter of the year, Lindex opened one store in each of the following countries: Finland, Norway, Estonia, Lithuania, Slovakia and Russia.

The company's franchising partner opened two new Lindex stores in Saudi Arabia.

Lindex's capital expenditure totalled EUR 5.0 million.

In April, after the close of the first quarter, Lindex opened three stores in the Czech Republic and one in Russia, and the company's franchising partner opened a store in Dubai, a new market for Lindex.

Seppälä

In the first quarter, Seppälä opened one store in Finland, one in Estonia and one in Russia.

Seppälä's capital expenditure totalled EUR 0.5 million.

In April, after the close of the first quarter, Seppälä opened one store in Finland and one in Estonia.

Other capital expenditure

The Group's other capital expenditure came to a total of EUR 0.1 million.

NEW PROJECTS

Department Store Division

Hobby Hall was integrated into the Department Store Division at the start of 2010 and its operations now constitute a separate brand under the Department Store Division. Hobby Hall's expertise in distance retailing and the investment made in this will be utilized in the creation of a new distance retailing store under the Stockmann brand. The online store, at stockmann.com, will be opened in autumn 2010, and it will have a distinctly different profile from that of Hobby Hall. The Department Store Division's organisation will therefore include three distance retailing brands: Hobby Hall, Stockmann and the Academic Bookstore.

The opening of a new Stockmann department store in Ekaterinburg, Russia is planned for May 2011. Prior to this, part of the premises reserved for the department store is being used by chain stores of the Stockmann Group.

Stockmann has signed a contract for the enlargement of its Tampere department store, which operates in leased premises. The enlargement will increase the department store's retail space to 15 000 square metres, up by about 4 000 square metres from the present 11 000 square metres. Access will also be constructed from the department store to an underground parking facility to be built under Hämeenkatu street. Stockmann's share of the total investment is approximately EUR 6 million. The aim is to open the new premises by the end of 2012.

Lindex

Lindex is continuing its expansion, expecting to open about 40 new stores, including franchising stores, in 2010 mainly in Central Europe and Russia. The expansion of the online store is also continuing, with the opening of an online store in Finland in May. Lindex's franchising partner plans to expand its successful franchising store chain into Egypt during 2010. Lindex has also signed another franchising agreement, under which the franchising partner will expand the Lindex chain into Bosnia and Herzegovina and the neighbouring countries. The first store in Bosnia and Herzegovina will be opened in May, in Sarajevo.

Seppälä

Seppälä is also further expanding its store network. In 2010, a total of 5-8 new stores will be opened, most of them in Finland and Russia.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING

Stockmann's Annual General Meeting was held in Helsinki on 16 March 2010.

Dividends

The Annual General Meeting resolved that a dividend of EUR 0.72 per share be paid for the 2009 financial year, amounting to a total of EUR 51.2 million. The dividend is 87.8 per cent of the earnings per share.

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 eight members be elected to the Board. In accordance with the Committee's proposal, the Annual General Meeting re-elected Christoffer Taxell, LL.M., Managing Director Erkki Etola, Managing Director Kaj-Gustaf Bergh, Professor Eva Liljeblom, Managing Director Kari Niemistö, Vice President, Sustainability Carola Teir-Lehtinen and Henry Wiklund, M.Sc. (Econ.) for a term of office valid until the end of the next Annual General Meeting. In addition, Managing Director Charlotta Tallqvist-Cederberg was elected as a new Board member for the same term.

At its organisational meeting on 16 March 2010, the Board of Directors re-elected Christoffer Taxell as its Chairman and Erkki Etola as its Vice Chairman. The Board of Directors elected Christoffer Taxell as Chairman of the Appointments and Compensation Committee and elected Erkki Etola, Charlotta Tallqvist-Cederberg and Henry Wiklund as the other members of the committee.

Auditors

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

Share option scheme for key personnel

In accordance with the proposal of the Board, the Annual General Meeting resolved that, in deviation from shareholders' pre-emptive subscription rights, a total of 1 500 000 share options be granted to the key personnel of Stockmann and its subsidiaries. The deviation from the shareholders' pre-emptive subscription rights was proposed because the share options are part of the incentive and commitment scheme for the Group's key personnel and constitute an important element in maintaining the company's competitive advantage in the international recruitment market. Of these share options, 500 000 will be classified as 2010A share options, 500 000 as 2010B share options and 500 000 as 2010C share options. The subscription period for the 2010A share options will be 1 March 2013 - 31 March 2015, for the 2010B share options 1 March 2014 - 31 March 2016 and for the 2010C share options 1 March 2015 - 31 March 2017. Each share option entitles its owner to subscribe one Stockmann plc Series B share, which means the share options entitle their owners to subscribe a maximum total of 1 500 000 shares. The subscription price for the 2010A share options will be the trade volume weighted average price of the company’s Series B shares on the Helsinki stock exchange during the period 1 February - 28 February 2010 increased by a minimum of 10 per cent, for the 2010B share options the trade volume weighted average price of the company’s Series B shares on the Helsinki stock exchange during the period 1 February - 28 February 2011 increased by a minimum of 10 per cent, and for the 2010C share options the trade volume weighted average price of the company’s Series B shares on the Helsinki stock exchange during the period 1 February - 29 February 2012 increased by a minimum of 10 per cent. The prices of shares subscribed with the options will be decreased on each record date for dividend distribution by the amount of dividends decided after the beginning of the subscription price determination period and before the share subscription. As a result of the share subscriptions, the company’s share capital may increase by a maximum of EUR 3 000 000.

At its meeting of 27 April 2010, the company’s Board of Directors decided to distribute a total of 484 000 2010A share options at a subscription price equal to the aforementioned weighted average price for February 2010 increased by 20 per cent, or EUR 26,41 per share. After deduction of the dividends paid in April, the subscription price is EUR 25,69 per share. The undistributed 2010A share options will remain in the possession of the company. Some of the 2010A share options distributed carry an obligation concerning ownership of shares in the company. As a result of the subscriptions made using the 2010A share options, the company’s share capital may rise by up to EUR 1 000 000.

SHARES AND SHARE CAPITAL

The company’s market capitalization at the end of March was EUR 1 971.6 million (EUR 683.5 million). The total number of shareholders exceeded 43 000. At the end of 2009 the market capitalization stood at EUR 1 396.7 million.

During the first quarter, Stockmann shares outperformed both the OMX Helsinki index and the OMX Helsinki Cap index. At the end of March, the price of Series A shares was EUR 28.78, compared with EUR 20.50 at the end of 2009, and the price of Series B shares was EUR 26.94, as against EUR 19.00 at the end of 2009.

On 31 March 2010, Stockmann had a total of 30 627 563 Series A shares and 40 466 390 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.

PERSONNEL

The Group’s average number of personnel in the first quarter of 2010 was less than a year earlier, because of the adjustments made in personnel numbers and hours of work throughout 2009 to bring them into line with demand and customer flows. Only in Russia did the number of personnel increase, as a result of the opening of a new department store and the growth in Lindex’s store network.

The Group’s average number of personnel in the first quarter was 14 110, which was 625 fewer than for the same quarter in 2009. Stockmann’s average number of employees, in terms of full-time equivalents, decreased by 214, to 10 894.

The Group's personnel expenses amounted to EUR 85.8 million, compared with EUR 79.7 million a year earlier. Personnel expenses accounted for 23 per cent (23 per cent) of revenue.

At the end of March 2010, Stockmann had 8 077 employees working abroad. The corresponding total for the end of March 2009 was 7 893 employees. The proportion of employees working abroad was 56 per cent (52 per cent) of the total personnel.

RISK FACTORS

No change has occurred in the general risk factors since the publication on 11 February 2010 of the review presented in the Board Report on Operations. Particular risks in the short term concern changes in the shopping behaviour of consumers in Stockmann's market areas.

AB Lindex (publ) has through legal proceedings requested to be eligible to deduct in Swedish taxation the losses of approximately EUR 70 million incurred by the Lindex Group's German subsidiary. The Administrative Court of Appeal in Gothenburg overturned the favourable decisions that AB Lindex had received in the County Administrative Court, and as a consequence Lindex was obliged to refund to the tax authorities approximately EUR 23.8 million in taxes and interest. The taxes that were refunded had no effect on the Stockmann Group's earnings, because Stockmann recorded the refunded amount of tax and interest as a reduction in Lindex's equity in the acquisition cost calculation. AB Lindex appealed against the decision of the Administrative Court of Appeal to the Supreme Administrative Court of Sweden, which in the summer of 2009 decided not to review the case. Further action by the company in this case will depend on the result of the legal process described below concerning the elimination of double taxation between AB Lindex and Lindex GmbH.

AB Lindex (publ) and its German subsidiary, Lindex GmbH, have requested the German and Swedish competent authorities to eliminate the double taxation arising from intra-Group transactions in the tax years 1997-2004 on the basis of the tax treaty between Germany and Sweden and the EC Arbitration Convention. The double taxation resulted from the presumptive income tax payable by Lindex GmbH, which meant that a total of EUR 94 million was added to the taxable income of Lindex GmbH. Depending on the decision of the authorities, AB Lindex could receive a partial or full refund of the approximately EUR 26 million in taxes paid on the aforementioned income. The tax effect of the claim has not been recorded in the income statement.

The International Commercial Arbitration Court of Moscow (ICAC) ruled in favour of Stockmann in the dispute over the lease of Stockmann's Smolenskaya department store in the centre of Moscow. The court case concerned the exercising of a 10-year extension on the lease in accordance with the lease agreement. Despite the ruling, the lessors cut off the supply of electricity to the Stockmann department store, forcing its closure. In 2008, Stockmann initiated legal proceedings against the lessors of the Smolenskaya department store in the International Commercial Arbitration Court (ICAC) in Moscow, claiming damages of about USD 75 million due to the closure of the department store, which was in breach of the lease agreement. In its decision on 14 April 2009, the court of arbitration ruled in favour of Stockmann, and ordered the adverse parties to compensate Stockmann for damages of about USD 7 million and to reimburse Stockmann for the legal expenses incurred. In order for the rulings to be enforced, they have to be confirmed by a Russian court of general jurisdiction. The Arbitration Court of the City of Moscow and the Cassation Court, which serves as the court of first appeal, have overturned the rulings of the International Commercial Arbitration Court. Stockmann appealed against the last-mentioned ruling to the Highest Arbitration Court of Russia, which on 7 April 2010 decided not to consider Stockmann's appeal. Thus the rulings of the arbitration court in favour of Stockmann cannot be executed in Russia. The decisions have no earnings or balance sheet implications for Stockmann.

OUTLOOK FOR THE REMAINDER OF 2010

The economic environment has improved somewhat during the first quarter. Uncertainty has decreased on the global financial markets and the availability of longer term financing has improved. There are signs that consumer demand is starting to grow in the Nordic countries and in Russia. Although no growth is expected in consumer demand in the Baltic countries in the near future, the downward slide in the economies of these countries, too, has come to a halt.

During 2009, which was a challenging year, a number of measures aimed at improving the profitability of the business were undertaken in each division of the Stockmann Group. As a consequence, all the divisions are well placed to improve their earnings as sales begin to rise. This was already evident in the first quarter of the year. Sales growth is expected to continue, and it is anticipated that the completion of the major investment projects and new store openings will boost sales in the latter half of the year. The Department Store Division's key sales campaign in April, Crazy Days, was very successful, with sales up on the previous year's figures in all market areas. The second-quarter operating profit will be higher than the previous year's figure. The full-year operating profit of all divisions is expected to improve. The aim is to achieve a significantly higher consolidated operating profit for the full year than in 2009.

ACCOUNTING POLICIES

This Interim Report has been prepared in compliance with IAS 34. The accounting policies and calculation methods applied are the same as those in the 2009 financial statements. Since the start of 2010, Stockmann has been reporting its revenue exclusive of value added tax (VAT), instead of including VAT in the sales figures. The Department Store Division's first-quarter figures include Hobby Hall, and so the previous year's figures used for comparison have been adjusted accordingly. The figures are unaudited.

Statement of financial position, EUR mill.	31.3.2010	31.3.2009	31.12.2009
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	110.7	110.1	108.3
Goodwill	723.4	642.3	685.4
Property, plant, equipment	648.7	614.7	619.5
Non-current receivables	0.4	1.7	0.6
Available for sale investments	5.0	6.6	5.0
Deferred tax asset	5.4	4.7	5.1
NON-CURRENT ASSETS	1 493.7	1 380.0	1 423.9
CURRENT ASSETS			
Inventories	244.0	271.8	196.1
Interest bearing receivables	64.9	74.0	44.5
Non-interest bearing receivables	95.2	89.3	86.5
Cash and cash equivalents	22.2	23.3	176.4
CURRENT ASSETS	426.3	458.4	503.4
ASSETS	1 919.9	1 838.4	1 927.4
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	804.4	625.7	850.2
Minority interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	804.4	625.7	850.2
LONG-TERM LIABILITIES			
Deferred tax liability	61.7	77.1	70.1
Long-term liabilities, interest-bearing	616.7	834.6	786.9
Provisions	1.4	2.2	1.5
NON-CURRENT LIABILITIES	679.8	913.8	858.5
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	152.6	65.6	2.3
Short term interest-free liabilities	283.0	233.3	216.4
CURRENT LIABILITIES	435.6	298.9	218.7
TOTAL EQUITY AND LIABILITIES	1 919.9	1 838.4	1 927.4

Key figures	31.3.2010	31.3.2009	31.12.2009
Equity ratio, per cent	41.9	34.0	44.1
Net gearing, per cent	92.9	140.1	72.1
Cash flow from operations per share, EUR	-1.04	-1.51	2.23
Interest-bearing net debt, EUR mill.	682.2	802.9	568.3
Number of shares in the end of the period, thousands	71 094	61 703	71 094

Weighted average number of shares, thousands *	71 094	62 496	65 676
Weighted average number of shares, diluted, thousands *	72 555	62 496	65 995
Market capitalization, EUR mill.	1 971.6	683.5	1 396.7

*) The dilution effect of options has been taken into account in the 2009 figures.

STATEMENT OF CASH FLOWS, IFRS EUR millions	03/2010	03/2009	12/2009
Cash flows from operating activities			
Profit/loss for the period	2.2	-23.8	54.0
Adjustments for:			
Depreciation, amortisation & impairment loss	14.2	14.6	58.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	0.0	0.0	-0.3
Interest and other financial expenses	4.3	6.6	28.4
Interest income	-3.7	-1.7	-4.4
Tax on income from operations	-12.0	-3.1	7.3
Other adjustments	0.1	-0.2	-0.4
Working capital changes:			
Increase (-) / decrease (+) in inventories	-44.3	-51.9	27.7
Increase (-) /decrease(+) in trade and other receivables	-27.7	-22.3	-1.8
Increase (+) / decrease (-) in short-term interest-free liabilities	-0.4	-9.8	7.2
Interest and other financial expenses paid	-4.3	-10.9	-32.9
Interest received	0.2	0.8	2.1
Other financing items	1.1	0.0	0.0
Income taxes paid	-3.5	7.1	1.4
Net cash from operating activities	-73.8	-94.6	146.8
Cash flows from investing activities			
Purchase of tangible and intagible assets	-41.9	-45.6	-152.9
Proceeds from sale of tangible and intangible assets	0.1	0.2	71.1
Disposal of subsidiaries, net of cash disposed of	0.0	0.0	5.6
Purchase of investments		0.0	0.0
Proceeds from sale of investments	0.0	0.0	1.8
Dividends received	0.1	0.1	0.2
Net cash used in investing activities	-41.7	-45.3	-74.3
Cash flows from financing activities			

Proceeds from issue of share capital	0.0	0.0	137.0
Proceeds from sale of own shares		0.0	5.1
Proceeds from short-term borrowings	150.0	38.5	0.0
Repayment of short-term borrowings	0.0	-20.4	-19.3
Proceeds from long-term borrowings	0.0	179.3	200.0
Repayment of long-term borrowings	-189.4	-96.8	-216.2
Payment of finance lease liabilities	-0.4	0.0	-0.7
Dividends paid	0.0	0.0	-38.0
Net cash used in financing activities	-39.7	100.7	67.9
Net increase/decrease in cash and cash equivalents	-155.3	-39.2	140.4
Cash and cash equivalents at beginning of the period	176.4	35.2	35.2
Cheque account with overdraft facility	-0.5	-0.7	-0.7
Cash and cash equivalents at beginning of the period	175.9	34.5	34.5
Net increase/decrease in cash and cash equivalents	-155.3	-39.2	140.4
Effects of exchange rate fluctuations on cash held	0.8	-0.1	1.0
Cash and cash equivalents at the end of the period	22.2	23.3	176.4
Cheque account with overdraft facility	-0.9	-28.1	-0.5
Cash and cash equivalents at the end of the period	21.3	-4.9	175.9

Income statement, Group, EUR millions	1-3/2010	1-3/2009	Change %	1-12/2009
REVENUE	372.6	353.2	6	1 698.5
Other operating income	0.0	-0.0		0.3
Materials and consumables	-190.9	-197.2	-3	-880.8
Wages, salaries and employee benefits expenses	-85.8	-79.7	8	-327.4
Depreciation and amortisation	-14.2	-14.6	-3	-58.4
Other operating expenses	-90.8	-83.7	8	-346.8
OPERATING PROFIT	-9.2	-22.0	58	85.3
Finance income and expenses	-0.6	-4.8	87	-24.0
PROFIT/LOSS BEFORE TAX	-9.8	-26.9	64	61.3
Tax on income from operations	12.0	3.1	290	-7.3
PROFIT/LOSS FOR THE PERIOD	2.2	-23.8	109	54.0

note

Other comprehensive income, EUR mill.	1-03/2010	1-03/2009	Change %	1-12/2009
PROFIT/LOSS FOR THE PERIOD	2.2	-23.8		54.0
Other comprehensive income				

Exchange differences on translating foreign operations	2.7	0.7		1.9
Cash flow hedges	0.3	-2.4		-1.4
Other comprehensive income for the year net of tax	3.0	-1.6		0.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5.2	-25.4		54.5
Total comprehensive income attributable to:				
Equity holders of the parent	5.2	-25.4		54.5
Minority interest	0.0	0.0		0.0

Key figures	31.3.2010	31.3.2009	Change %	31.12.2009
EPS undiluted (EUR), adjusted for share issue *	0.03	-0.38	108	0.82
EPS diluted (EUR), adjusted for share issue *	0.03	-0.38	108	0.82
Operating profit, per cent of revenue	-2.5	-6.2	61	5.0
Equity per share, EUR	11.32	10.20	11	11.96
Return on equity, per cent, moving 12 months	11.2	4.8	135	7.0
Return on capital employed, per cent, moving 12 months	6.7	6.9	-3	5.8
Average number of employees, converted to full-time staff	10 894	11 108	-2	11 133
Investments, EUR millions	38.5	39.6	-3	152.8

*) The dilution effect of options has been taken into account in the 2009 figures.

Segment information, Group EUR millions

Operating segments

Revenue	1.1.-31.3.2010	1.1.-31.3.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	226.0	224.9	0	1 030.0
Lindex	115.7	98.6	17	527.0
Seppälä	30.8	28.8	7	139.5
Unallocated	0.1	0.8	-92	1.9
Group	372.6	353.2	6	1 698.5

Operating profit	1.1.-31.3.2010	1.1.-31.3.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	-8.2	-16.2	49	22.8
Lindex	2.1	0.2	1142	62.4
Seppälä	-0.9	-2.8	69	8.0
Unallocated	-2.1	-1.8	-19	-7.9
Eliminations	0.0	-1.4	100	0.0
Group	-9.2	-22.0	58	85.3

Investments, gross	1.1.- 31.3.2010	1.1.- 31.3.2009	Change %	1.1.- 31.12.2009
Department Store Division 1)	33.0	31.7	4	125.7
Lindex	5.0	5.9	-15	22.2
Seppälä	0.5	1.9	-74	4.5
Unallocated	0.1	0.1	-36	0.4
Group	38.5	39.6	-3	152.8

Assets	1.1.- 31.3.2010	1.1.- 31.3.2009	Change %	1.1.- 31.12.2009
Department Store Division 1)	856.5	856.6	0	764.8
Lindex	928.2	820.7	13	870.4
Seppälä	109.1	116.0	-6	119.8
Unallocated	26.1	45.1	-42	172.3
Group	1 919.9	1 838.4	4	1 927.4

Information from market areas

Revenue	1.1.- 31.3.2010	1.1.- 31.3.2009	Change %	1.1.- 31.12.2009
Finland 2)	204.4	200.1	2	948.0
Sweden and Norway 3)	96.9	81.9	18	439.2
Baltic states, Czech Republic and Slovakia 2)	25.8	33.2	-22	129.6
Russia and Ukraine 2)	45.5	38.0	20	181.8
Group	372.6	353.2	6	1 698.5
Finland, %	54.9	56.7	-3	55.8
International operations, %	45.1	43.3	4	44.2

Operating profit	1.1.- 31.3.2010	1.1.- 31.3.2009	Change %	1.1.- 31.12.2009
Finland 2)	-3.3	-6.8	51	54.3
Sweden and Norway 3)	5.1	0.5	924	61.5
Baltic states, Czech Republic and Slovakia 2)	-2.4	-4.0	40	-4.4
Russia and Ukraine 2)	-8.5	-11.7	27	-26.0
Group	-9.2	-22.0	58	85.3
Finland, %	36.0	30.9	17	63.6
International operations, %	64.0	69.1	7	36.4

1) Hobby Hall has been integrated to Department store division in the beginning of year 2010. Reference data for year 2009 is adjusted according to changes in segments structure.
Reference data for year 2010 is adjusted according to changes in segments structure.
2) Department store division, Lindex, Seppälä
3) Lindex

Statement of changes in equity, Group EUR	Share	Share	Hedging

millions 1 - 03 / 2009	capital*	premium fund	reserve**
BALANCE AT BEGINNING OF THE PERIOD	123.4	186.1	1.4
Changes in equity for			
Dividend distribution			
Options exercised			
Net gain/loss of own shares			
Total comprehensive income for the year	0.0	0.0	-2.4
Other changes			
Deferred taxes' share of period movements		0.0	
SHAREHOLDERS' EQUITY TOTAL 03 / 2009	123.4	186.1	-1.0

Statement of changes in equity, Group EUR millions 1 - 03 / 2010	Share capital*	Share premium fund	Hedging reserve**
BALANCE AT BEGINNING OF THE PERIOD	142.2	186.1	0.0
Changes in equity for			
Dividend distribution			
Options exercised			
Total comprehensive income for the year	0.0	0.0	0.3
Other changes			
Deferred taxes' share of period movements		0.0	
SHAREHOLDERS' EQUITY TOTAL 03 / 2010	142.2	186.1	0.3

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

Statement of changes in equity, Group EUR millions 1 - 03 / 2009	Reserve for invested un-restricted equity	Other reserves	Trans-lation-differences
BALANCE AT BEGINNING OF THE PERIOD	124.1	44.1	-6.7
Changes in equity for			
Dividend distribution			
Options exercised			
Net gain/loss of own shares			
Total comprehensive income for the year	0.0	0.0	0.7
Other changes			
Deferred taxes' share of period movements	0.0	0.0	
SHAREHOLDERS' EQUITY TOTAL 03 / 2009	124.1	44.1	-6.0

Statement of changes in equity, Group EUR millions 1 - 03 / 2010	Reserve for invested un-restricted equity	Other reserves	Trans lation-differences

BALANCE AT BEGINNING OF THE PERIOD	243.3	44.1	-4.9
Changes in equity for			
Dividend distribution			
Options exercised			
Total comprehensive income for the year	0.0	0.0	2.7
Other changes			
Deferred taxes' share of period movements	0.0	0.0	
SHAREHOLDERS' EQUITY TOTAL 03 / 2010	243.3	44.1	-2.2

Statement of changes in equity, Group EUR millions 1 - 03 / 2009	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	216.8	689.1	0.0	689.1
Changes in equity for				
Dividend distribution	-38.0	-38.0		-38.0
Options exercised	-0.2	-0.2		-0.2
Net gain/loss of own shares	0.2	0.2		0.2
Total comprehensive income for the year	-23.8	-25.4	0.0	-25.4
Other changes				
Deferred taxes' share of period movements	0.0	0.0	0.0	0.0
SHAREHOLDERS' EQUITY TOTAL 03 / 2009	155.1	625.7	0.0	625.7

Statement of changes in equity, Group EUR millions 1 - 03 / 2010	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	239.4	850.2	0.0	850.2
Changes in equity for				
Dividend distribution	-51.1	-51.1		-51.1
Options exercised	0.2	0.2		0.2
Total comprehensive income for the year	2.1	5.1	0.0	5.1
Other changes				
Deferred taxes' share of period movements	0.0	0.0	0.0	0.0
SHAREHOLDERS' EQUITY TOTAL 03 / 2010	190.7	804.4	0.0	804.4

Contingent liabilites, Group EUR millions	31.3.2010	31.3.2009	31.12.2009
Mortages on land and buildings	201.7	201.7	201.7
Pledges	1.1	1.4	0.9
Liabilities of adjustments of VAT deductions made on	35.8	32.5	33.8

investments to immovable property				
Total		238.5	235.6	236.4

Lease agreements on business premises, EUR millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	146.7	144.0	155.6
After one year	641.9	490.0	625.8
Total	788.6	634.0	781.4

Lease payments, EUR millions			
Within one year	7.2	1.1	7.5
After one year	17.4	1.1	19.1
Total	24.6	2.2	26.6

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	509.8	189.7	296.4
Electricity derivates	3.2	3.5	3.2
Total	513.0	193.2	299.6

Exchange rates				
Country				
Russia	RUB	39.6950	45.0320	43.1540
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7085	0.7096	0.7093
Lithuania	LTL	3.4528	3.4528	3.4528
Norway	NOK	8.0135	8.8900	8.3000
Sweden	SEK	9.7135	10.9400	10.2520

Income statement, Group, EUR millions quarterly, EUR millions	Q1 2010	Q4 2009	Q3 2009	Q2 2009
Revenue	372.6	526.3	389.3	429.7
Other operating income	0.0	0.0	0.0	0.3
Materials and consumables	-190.9	-262.5	-201.0	-220.1
Wages, salaries and employee benefits expenses	-85.8	-90.8	-74.3	-82.6
Depreciation and amortisation	-14.2	-15.1	-14.0	-14.7
Other operating expenses	-90.8	-96.8	-82.3	-84.0
Operating profit (loss)	-9.2	61.0	17.7	28.6
Finance income and expenses	-0.6	-5.2	-8.8	-5.1
Profit (loss) before tax	-9.8	55.8	8.9	23.5
Income taxes	12.0	-17.0	8.0	-1.4
Profit for the period	2.2	38.9	16.9	22.0
Earnings per share, EUR				
Basic **	0.03	0.58	0.27	0.35

Diluted **	0.03	0.58	0.27	0.35

Revenue, EUR millions				
Department Store Division *	226.0	332.0	215.6	257.5
Lindex	115.7	155.3	136.5	136.5
Seppälä	30.8	38.4	36.7	35.6
Unallocated	0.1	0.5	0.6	0.1
Group	372.6	526.3	389.3	429.7
Operating profit (loss), EUR millions				
Department Store Division *	-8.2	33.5	-2.8	8.4
Lindex	2.1	24.4	18.1	19.7
Seppälä	-0.9	4.9	2.9	3.0
Unallocated	-2.1	-1.7	-1.2	-3.2
Eliminations	0.0	0.0	0.7	0.6
Group	-9.2	61.0	17.7	28.6

*) Hobby Hall has been integrated to Department store division in the beginning of year 2010. Reference data for year 2009 is adjusted according to changes in segments structure.
**) The dilution effect of options has been taken into account in the 2009 figures.

Income statement, Group, EUR millions	Q1	Q4	Q3	Q2
quarterly, EUR millions	2009	2008	2008	2008
Revenue	353.2	541.3	440.8	483.3
Other operating income	0.0	0.1	0.3	-0.1
Materials and consumables	-197.2	-273.5	-224.7	-242.6
Wages, salaries and employee benefits expenses	-79.7	-92.9	-82.3	-90.2
Depreciation and amortisation	-14.6	-14.2	-13.2	-18.7
Other operating expenses	-83.7	-102.4	-86.2	-100.3
Operating profit (loss)	-22.0	58.4	34.6	31.4
Finance income and expenses	-4.8	-12.7	-12.8	-13.3
Profit (loss) before tax	-26.9	45.7	21.8	18.1
Income taxes	3.1	-25.8	-6.2	-2.9
Profit for the period	-23.8	19.9	15.6	15.2
Earnings per share, EUR				
Basic **	-0.38	0.32	0.27	0.27
Diluted **	-0.38	0.32	0.27	0.27

Revenue, EUR millions				
Department Store Division *	224.9	357.8	257.8	297.6
Lindex	98.6	141.0	140.6	147.6
Seppälä	28.8	42.8	41.7	37.6
Unallocated	0.8	-0.3	0.6	0.4
Group	353.2	541.3	440.7	483.3

Operating profit (loss), EUR millions				
Department Store Division *	-16.2	36.5	14.1	4.7
Lindex	0.2	20.3	15.7	23.8
Seppälä	-2.8	4.2	5.9	5.1
Unallocated	-1.8	-3.3	-0.7	-2.2
Eliminations	-1.4	0.8	-0.5	0.0
Group	-22.0	58.4	34.6	31.4

*) Hobby Hall has been integrated to Department store division in the beginning of year 2010. Reference data for year 2009 is adjusted according to changes in segments structure.
**) The dilution effect of options has been taken into account in the 2009 figures.

STOCKMANN

Assets

EUR mill.	31/03/2010	31.3.2009	31/12/2009
Acquisition cost 1.1.	964.8	945.3	945.3
Translation difference +/-	8.5	3.0	12.2
Increases 1.1. -31.3.	38.5	39.6	160.9
Decreases 1.1.-31.3.	-0.2	-0.5	-153.5
Transfers between items	-0.2	0.0	0.0
Acquisition cost 31.3.	1 011.4	987.5	964.8
Accumulated depreciation 1.1.	-237.0	-245.7	-245.7
Translation difference +/-	-1.2	-2.6	-3.5
Depreciation on reductions	0.3	0.2	70.6
Depreciation for the financial year	-14.2	-14.6	-58.4
Accumulated depreciation 31.3.	-252.0	-262.7	-237.0
Book value 1.1.	727.8	699.6	699.6
Book value 31.3.	759.4	724.8	727.8

Goodwill

EUR mill.	31/03/2010	31/03/2009	31/12/2009
Acquisition cost 1.1.	685.4	646.5	685.4
Translation difference +/-	38.0	-4.1	0.0
Acquisition cost 31.3.	723.4	642.3	685.4
Book value 1.1.	685.4	646.5	685.4
Book value 31.3.	723.4	642.3	685.4
Total	1 482.8	1 367.1	1 413.2

Definitions to key figures:

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

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

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

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

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

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

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

STOCKMANN plc

Hannu Penttilä
CEO

DISTRIBUTION
NASDAQ OMX
Principal media

A press and analyst conference will be held today, 28 April 2010, at 9.00 at Rake-Sali, Erottajankatu 4C, Helsinki.