STOCKMANN

STOCKMANN GROUP'S
INTERIM REPORT Q1/2011

STOCKMANN GROUP'S INTERIM REPORT, 1 January - 31 March 2011

Revenue up but operating result lower than last year

First quarter 2011:
Consolidated revenue grew by 9.4 per cent to EUR 407.7 million (EUR 372.6 million).
Operating result was EUR -29.9 million (EUR -9.2 million).
Result for the period was EUR -34.8 million (EUR 2.2 million).
Earnings per share came to EUR -0.49 (EUR 0.03).

CEO Hannu Penttilä:
"The Stockmann Group's revenue increased early in the year thanks to, in particular, capital expenditure projects completed in 2010. Especially the new department store in St Petersburg, the enlarged Helsinki city centre department store, and the fashion chains' expansion increased our revenue. The situation in the Baltic markets is improving after the economic downturn, with increased sales in the department stores.

On the other hand, the market for affordable fashion was weaker than expected and competition has become tougher. This shows in the number of visitors and the sales of our fashion chains, Seppälä and Lindex.

Stockmann's first quarter operating result is typically negative due to seasonal variation. However, we are not satisfied with the earnings performance seen in this quarter.

The Crazy Days campaign in April, after the close of the reporting period, was successful in all markets and gave a good start for the second quarter. Stockmann sees opportunities for profit growth particularly in the two last quarters of the year. We are keeping our full-year earnings estimate unchanged."

Key figures		**1-3/2011**	**1-3/2010**	**Index**
Revenue	EUR mill.	407.7	372.6	109
Operating result	EUR mill.	-29.9	-9.2	
Result before taxes	EUR mill.	-38.3	-9.8	
Earnings per share, undiluted	EUR	-0.49	0.03	
Equity per share	EUR	11.13	11.29	98
Cash flow from operating activities	EUR mill.	-145.4	-73.8	

Key ratios		**3/2011**	**3/2010**
Net gearing	per cent	119.7	93.0
Equity ratio	per cent	36.8	41.9
Number of shares, weighted average, diluted	thousands	71 936	71 750
Return on capital employed, rolling 12 months	per cent	4.3	6.7

REVENUE AND EARNINGS

The global economy as a whole developed favourably in the quarter and in retail business sales grew in certain product categories. The demand for affordable fashion was not as expected which has had an effect on the total market, including Lindex and Seppälä who have seen the number of visitors decline. This resulted in significantly lower sales volumes than expected in the first quarter.

Despite the general market development, revenue of the Department Store Division continued to grow.

The Stockmann Group's first-quarter revenue grew by 9.4 per cent to EUR 407.7 million (EUR 372.6 million). Revenue in Finland was up by 3.8 per cent to EUR 212.2 million. Revenue abroad amounted to EUR 195.5 million, an increase of 16.2 per cent. Growth was strong in Russia in particular, thanks to the recently opened Nevsky Centre shopping centre and the St Petersburg department store. Revenue abroad accounted for 48.0 per cent (45.1 per cent) of the Group's total revenue.

There was no other operating income in the first three months of the year.

The Group's January-March operating gross margin grew by EUR 11.7 million, to a total of EUR 193.4 million. The relative gross margin was 47.4 per cent (48.8 per cent). Operating costs increased by EUR 27.6 million and depreciation by EUR 4.9 million.

The consolidated operating result for January-March was down by EUR 20.8 million, to EUR -29.9 million (EUR -9.2 million).

Net financial expenses during the first three months grew by EUR 7.7 million, reaching EUR 8.3 million (EUR 0.6 million). The increased interest bearing liabilities and the rise in the market interest rates increased the interest expenses. In addition, net financial expenses for the period were burdened by a non-recurring foreign exchange loss of EUR 0.7 million. A year earlier, net financial expenses were reduced by non-recurring foreign exchange gains of EUR 3.7 million.

The result before taxes for the period was EUR -38.3 million, or EUR 28.5 million less than a year earlier. A tax credit of EUR 3.5 million was booked on the loss posted for the period. In the previous year, the positive effect of taxes on earnings was EUR 12.0 million. The result for the period was EUR -34.8 million (EUR 2.2 million).

Earnings per share for January-March amounted to EUR -0.49 (EUR 0.03) and, diluted for options, EUR -0.48 (EUR 0.03). Equity per share was EUR 11.13 (EUR 11.29).

REVENUE AND EARNINGS PERFORMANCE BY OPERATING SEGMENT

Department Store Division

The Department Store Division's revenue was up by 13.4 per cent to EUR 256.4 million (EUR 226.0 million). Revenue in Finland was up by 5.6 per cent to EUR 180.8 million (EUR 171.1 million). Revenue grew particularly at the enlarged department store in Helsinki city centre. Also the leading distance retailer Hobby Hall increased its revenue.

Euro-denominated revenue from international operations grew by 37.7 per cent. Revenue abroad accounted for 29.4 per cent (24.3 per cent) of the Division's total revenue. Revenue in Russia was up significantly due to the new department store in St Petersburg and the strong development of the newest department stores in Moscow. In the Baltic countries, the revenue of department stores developed also favourably.

The relative gross margin during the period was at the previous year's level, at 39.7 per cent (39.6 per cent). The Department Store Division's operating result amounted to EUR -14.8 million (EUR -8.2 million). Costs and depreciation were clearly higher than the same period a year earlier due to the expansion and the relocation of the logistics centre in Moscow.

Lindex

Lindex's January-March revenue totalled EUR 123.3 million, which was 6.6 per cent more than a year earlier (EUR 115.7 million). Revenue in Finland was on par with the previous year and in other countries up by 7.5 per cent. Revenue growth remained strong in the new markets in Central Europe and Russia. The strengthening of the Swedish krona against the euro increased revenue. Measured in like-for-like local currencies, revenue was almost at the level of the previous year.

The relative gross margin for the review period decreased but remained high, at 62.1 per cent (64.3 per cent). Due to the expansion of the store network, fixed costs and depreciation grew faster than the increase in the gross margin. Lindex's first-quarter operating result was EUR -7.9 million (EUR 2.1 million).

Seppälä

Seppälä's revenue decreased by 9.5 per cent compared with the first quarter of 2010, to EUR 27.9 million (EUR 30.8 million). Revenue was down by 9.9 per cent in Finland and 8.8 per cent abroad. The number of visitors in the stores decreased in all market areas. Furthermore, deliveries to the Russian market were delayed in the start of the season due to capacity issues in the Far East procurement market. Revenue abroad accounted for 36.2 per cent (35.9 per cent) of Seppälä's total revenue.

Increased sourcing prices and actions to boost sales decreased the relative gross margin which was 53.8 per cent (56.7 per cent). Seppälä's operating result was EUR -4.9 million (EUR -0.9 million).

FINANCING AND CAPITAL EMPLOYED

Cash and cash equivalents totalled EUR 31.6 million at the end of March 2011, as against EUR 22.2 million a year earlier and EUR 36.7 million at the close of 2010. Cash flow from operating activities came to EUR -145.4 million (EUR -73.8 million).

Interest-bearing liabilities at the end of March were EUR 979.5 million (EUR 769.3 million), of which EUR 520.1 million (EUR 616.7 million) was long-term debt. In addition, the Group has EUR 341.8 million in undrawn, long-term committed credit facilities. At the close of 2010, interest-bearing liabilities amounted to EUR 813.3 million, of which EUR 521.3 million was long-term debt.

Net working capital amounted to EUR 151.6 million at the end of March, as against EUR 119.6 million a year earlier and EUR 79.5 million at the end of 2010. The 2010 dividend of EUR 58.3 million, decided by the Annual General Meeting on 22 March 2011, was paid in April. At the end of March, the equity ratio was 36.8 per cent (41.9 per cent). At the close of 2010 the equity ratio was 43.1 per cent. Net gearing at the end of March was 119.7 per cent (93.0 per cent). At the end of 2010, net gearing was 87.7 per cent.

The return on capital employed over the past 12 months was 4.3 per cent (5.8 per cent in 2010). The Group's capital employed increased by EUR 199.3 million from March 2010, standing at EUR 1 771.6 million on 31 March 2011 (EUR 1 572.3million).

CAPITAL EXPENDITURE

Capital expenditure during the first three months of the year totalled EUR 23.8 million (EUR 38.5 million). Depreciation was EUR 19.1 million (EUR 14.2 million).

Stockmann opened a new department store in Ekaterinburg in Russia on 30 March 2011. The department store operates in leased premises in the Greenwich shopping centre and its retail space amounts to approximately 7 800 square metres. Stockmann has invested about EUR 14 million in the project, of which EUR 7.8 million was recognised in the first quarter.

At the end of 2010, the Department Store Division's Russian logistics centre moved to new, modern leased premises in the north-west part of Moscow. The capital expenditure on the new warehouse totalled EUR 3.1 million of which EUR 2.7 million was recognised in this quarter.

In December 2010, a decision was taken by the Department Store Division to acquire a new enterprise resource planning (ERP) system. This extensive project was launched in March 2011 and will last several years. A total of EUR 2.8 million was spent on the project during the first quarter.

The Department Store Division's capital expenditure during the first three months totalled EUR 15.5 million (EUR 33.0 million).

Lindex opened six stores during the first quarter: three in Russia, one in Lithuania, one franchising store in Saudi Arabia and one store in its new market area, Poland. In January, Lindex opened its online store in the entire area of the EU. Lindex's fashion can now be purchased over the Internet in 27 European countries. Two stores were closed in the quarter; one in Sweden and one in Norway. Lindex's capital expenditure totalled EUR 6.6 million (EUR 5.0 million).

Seppälä did not open any new stores during the period under review. One store in Finland was closed. Seppälä's capital expenditure totalled EUR 1.1 million (EUR 0.5 million).

The Group's other capital expenditure came to a total of EUR 0.5 million (EUR 0.1 million). The Group's financial management systems will be replaced gradually in connection with the renewal of the Department Store Division's ERP system.

NEW PROJECTS

The capital expenditure plan for the 2011 financial year has been adjusted to match the uncertainty in the market. The capital expenditure is estimated to amount to about EUR 70 million in 2011 which is EUR 15 million less than in the earlier plan.

Stockmann signed in 2010 a contract for the enlargement of its Tampere department store, which operates in leased premises. The enlargement of 4 000 square metres will increase the department store's retail space to 15 000 square metres. Stockmann's investment will be approximately EUR 6 million. The target for completing the enlargement is year 2013.

Lindex will continue with its expansion, but the number of new stores in 2011 is adjusted to about 30 stores, including franchising stores. Most of the new stores will be opened in Central Europe and in Russia. After the reporting period two stores have been opened; one in Finland and one franchising store in Saudi Arabia.

Seppälä is expanding its store network slightly slower than planned earlier. After the reporting period three new stores have been opened and four stores are still to be opened in 2011 in Russia and Finland.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Stockmann plc, held in Helsinki on 22 March 2011, adopted the financial statements for the financial year 1 January - 31 December 2010, granted release from liability to the responsible officers and resolved to pay a dividend of EUR 0.82 per share for 2010, in total EUR 58.3 million. The dividend is 74.5 per cent of the earnings per share.

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 of Directors. In accordance with the Committee's proposal, Managing Director Kaj-Gustaf Bergh, Managing Director Erkki Etola, Rector Eva Liljeblom, Managing Director Kari Niemistö, Managing Director Charlotta Tallqvist-Cederberg, Christoffer Taxell, LL.M., and Carola Teir-Lehtinen, M.Sc., were re-elected and Managing Director Dag Wallgren was elected as a new member of the Board of Directors. The Board members' term of office will continue until the end of the next Annual General Meeting. It was resolved to keep the Board members' remuneration unchanged, and the remuneration will continue to be paid mainly in shares.

In its organisational meeting, which convened after the Annual General Meeting on 22 March 2011, 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 Erkki Etola, Charlotta Tallqvist-Cederberg and Dag Wallgren as the other members of the Committee.

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.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of March 2011 was EUR 1 636.6 million. At the end of 2010 the market capitalization stood at EUR 2 047.1 million.

At the end of March 2011, the price of Stockmann's Series A shares was EUR 25.39, compared with EUR 29.40 at the end of 2010, and the Series B shares were selling at EUR 21.20, as against EUR 28.30 at the end of 2010. A total of 0.1 million (0.6 million) Series A shares and 4.9 million (5.9 million) Series B shares were traded during the quarter. This corresponds to 0.3 per cent of the average number of Series A shares and 12.0 per cent of the average number of Series B shares.

On 31 March 2011, Stockmann had 30 627 563 Series A shares and 40 518 437 Series B shares, or a total of 71 146 000 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 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 March 2011, Stockmann had 45 760 shareholders, compared with 43 734 a year earlier.

PERSONNEL

The Stockmann Group's average number of personnel in the first quarter was higher than in the same period a year earlier. The growth was mainly due to the opening of new department stores in Russia, the enlargement of the Helsinki department store and the expansion of the Lindex store chain.

The Group's average number of personnel in the first quarter was 15 552, an increase of 1 442 employees on the same period in 2010. The average number of employees, in terms of full-time equivalents, increased by 949, to 11 843.

The Group's wages and salaries amounted to EUR 76.8 million, compared with EUR 67.9 million a year earlier. The employee benefits expenses totalled EUR 98.0 million (EUR 85.8 million) which accounted for 24 per cent (23 per cent) of revenue.

At the end of March 2011, the Group had 16 224 employees (14 447). The figure includes approximately 600 fixed term season employees in Finland due to the timing of the Crazy Days sales campaign. The number of personnel working abroad was 9 039. A year earlier the number of employees working abroad was 8 077. The proportion of employees working abroad was 56 per cent (56 per cent) of the total.

EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

On 26 April 2011, Stockmann filed an application to the International Court of Arbitration in Stockholm to initiate arbitration between Stockmann and the construction company OOO CSCEC ("Kitai Stroi"). The purpose of the arbitration is to settle a disagreement concerning the final value of the construction contract for the Nevsky Centre shopping centre in St Petersburg.

The arbitration procedure is expected to begin in 2011 and to last an estimated two years. The final claims of both parties will be further clarified during the arbitration. Stockmann estimates that the outcome of the arbitration process will not have a significant relevance to the financial position of the company.

RISK FACTORS

Besides Finland, Sweden, Norway, Russia and the Baltic countries, the Stockmann Group also has business operations in the Czech Republic, Slovakia, Poland and Ukraine, in each of which operations are at their start-up phase. The recovering economy is influencing consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Rapid and unexpected movements in markets and the recent world events may influence the behaviour of both financial markets and consumers. In addition, increasing prices of necessity goods such as food and energy will increase inflation and can decrease the consumers' purchasing power. Consumer demand has still not recovered to its pre-downturn level.

Business risks in Russia are greater than in the Nordic countries or the Baltic countries, and the operating environment is less stable owing to factors such as the undeveloped state of business culture and the country's infrastructure. The role of the grey economy, particularly in the importation of consumer goods, is still considerable and plays a part in distorting competition. Russia's possible membership in the World Trade Organisation (WTO) would probably bring greater clarity to the competition environment, for instance via reductions in excise duties. The Russian economy began to grow strongly in the early part of 2010 as energy prices rose and, as a result, the country's currency strengthened. The trend in energy prices will have a significant impact on the development of the Russian economy in the next few years as well.

China's growing role in the global economy and its rapidly developing domestic market have heated up the Far East procurement markets. For retailing, a key challenge is the shortage of production capacity and the rising raw material prices, which are leading to upward pressure on prices.

Fashion accounts for over half of the Group's revenue. An inherent aspect 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. 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.

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

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

OUTLOOK FOR THE REST OF 2011

The recovery of the world economy has continued, and consumer confidence is expected to remain at a good level in Stockmann’s main market areas. Growth in the Russian market is expected to be higher than in the Nordic countries. In the Baltic countries, the positive upswing is strengthening the consumer market. The increasing inflation has an impact on the consumers’ purchasing power in all markets.

Stockmann’s Department Store Division’s investments completed in autumn 2010 will have a positive impact on the revenue over the entire year in 2011. A new department store was opened in Ekaterinburg, Russia, at the end of March 2011. Several of the department stores in Russia, however, are still in their start-up phase.

The market for affordable fashion started slowly compared to the very strong first quarter in 2010. The development is expected to improve towards the end of the year compared to last year. Increased sourcing prices are still putting upward pressure on consumer prices.

In 2010, Stockmann reached a significant profit increase during the first quarter. In 2011, Stockmann sees, as a whole, opportunities for profit growth particularly in the two last quarters of the year.

The Stockmann Group estimates to achieve continued revenue growth in 2011. The operating profit for the financial year is expected to be above the previous year's figure.

The Group’s total capital expenditure in 2011 has been adjusted from an estimated EUR 85 million to an estimated EUR 70 million.

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 2010 financial statements. The figures are unaudited.

Consolidated income statement EUR millions	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.12.2010
REVENUE	**407.7**	**372.6**	**1 821.9**
Other operating income	0.0	0.0	0.0
Materials and consumables	-214.3	-190.9	-913.0
Wages, salaries and employee benefits expenses	-98.0	-85.8	-361.9
Depreciation and amortisation	-19.1	-14.2	-61.8
Other operating expenses	-106.2	-90.8	-396.4
OPERATING PROFIT	**-29.9**	**-9.2**	**88.8**
Finance income and expenses	-8.3	-0.6	-14.6
PROFIT/LOSS BEFORE TAX	**-38.3**	**-9.8**	**74.2**
Tax on income from operations	3.5	12.0	4.2
PROFIT/LOSS FOR THE PERIOD	**-34.8**	**2.2**	**78.3**

Other comprehensive income, EUR mill.	1.1.-31.3.2011	1.1.-31.3.2010 *	1.1.-31.12.2010
PROFIT/LOSS FOR THE PERIOD	**-34.8**	**2.2**	**78.3**
Other comprehensive income			
Exchange differences on translating foreign operations	0.2	2.8	8.5
Cash flow hedges	-1.1	0.3	-0.9
Other comprehensive income for the year net of tax	**-0.9**	**3.1**	**7.6**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-35.7**	**5.2**	**85.9**
Total comprehensive income attributable to:			
Equity holders of the parent	-35.7	5.2	85.9
Non-controlling interest	0.0	0.0	0.0

Key figures	31.3.2011	31.3.2010 *	31.12.2010
EPS undiluted (EUR), adjusted for share issue	-0.49	0.03	1.10
EPS diluted (EUR), adjusted for share issue	-0.48	0.03	1.09
Operating profit, per cent of turnover	-7.3	-2.5	4.9
Equity per share, EUR	11.13	11.29	12.45
Return on equity, per cent, moving 12 months	5.2	11.2	9.0
Return on capital employed, per cent, moving 12 months	4.3	6.7	5.8
Average number of employees, converted to full-time staff	11 843	10 894	11 503
Investments, EUR millions	23.8	38.5	165.4

**Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Consolidated statement of financial position

EUR millions	31.3.2011	31.3.2010 *	31.12.2010
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	122.1	110.7	122.3
Goodwill	786.6	723.4	783.8
Property, plant, equipment	731.4	648.7	726.0
Non-current receivables	0.7	0.4	0.8
Available for sale investments	5.0	5.0	5.0
Deferred tax asset	9.0	5.4	8.7
NON-CURRENT ASSETS	**1 654.9**	**1 493.7**	**1 646.7**
CURRENT ASSETS			
Inventories	305.4	244.6	240.3
Interest bearing receivables	70.8	64.9	41.4
Non-interest bearing receivables	91.5	92.8	88.7
Cash and cash equivalents	31.6	22.2	36.7
CURRENT ASSETS	**499.3**	**424.5**	**407.1**
ASSETS	**2 154.2**	**1 918.1**	**2 053.8**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	792.0	803.0	885.7
Non-controlling interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	**792.0**	**803.0**	**885.7**
LONG-TERM LIABILITIES			
Deferred tax liability	66.2	61.7	63.8
Long-term liabilities, interest-bearing	520.1	616.7	521.3
Provisions	0.4	1.4	0.2
NON-CURRENT LIABILITIES	**586.6**	**679.8**	**585.2**
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	459.5	152.6	292.0
Short term interest-free liabilities	316.1	282.7	290.9
CURRENT LIABILITIES	**775.6**	**435.3**	**582.9**
TOTAL EQUITY AND LIABILITIES	**2 154.2**	**1 918.1**	**2 053.8**

Key figures	**31.3.2011**	**31.3.2010 ***	**31.12.2010**
Equity ratio, per cent	36.8	41.9	43.1
Net gearing, per cent	119.7	93.0	87.7
Cash flow from operations per share, EUR	-2.02	-1.04	1.29
Interest-bearing net debt, EUR mill.	877.2	682.2	735.1
Number of shares in the end of the period, thousands	71 146	71 094	71 146
Weighted average number of shares, thousands	71 146	71 094	71 120
Weighted average number of shares, diluted, thousands	71 936	71 750	71 897
Market capitalization, EUR mill.	1 636.6	1 971.6	2 047.1

**Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Consolidated cash flow statement

EUR millions	1.1.-31.3.2011	1.1.-31.3.2010	1.1.-31.12.2010
Cash flows from operating activities			
Profit/loss for the period	**-34.8**	2.2	78.3
Adjustments for:			
Depreciation, amortisation & impairment loss	**19.1**	14.2	61.8
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	**0.0**	0.0	0.1
Interest and other financial expenses	**7.7**	4.3	22.8
Interest income	**0.7**	-3.7	-8.2
Tax on income from operations	**-3.5**	-12.0	-4.2
Other adjustments	**0.4**	0.1	-1.1
Working capital changes:			
Increase (-) / decrease (+) in inventories	**-64.8**	-44.3	-34.3
Increase (-) /decrease(+) in trade and other receivables	**-28.5**	-27.7	-1.1
Increase (+) / decrease (-) in short-term interest-free liabilities	**-38.9**	-0.4	15.7
Interest and other financial expenses paid	**-5.3**	-4.3	-22.5
Interest received	**0.1**	0.2	0.8
Other financing items	**-0.1**	1.1	0.0
Income taxes paid	**2.5**	-3.5	-16.4
Net cash from operating activities	**-145.4**	**-73.8**	**91.8**
Cash flows from investing activities			
Purchase of tangible and intagible assets	**-21.3**	-41.9	-166.7
Proceeds from sale of tangible and intangible assets	**0.1**	0.1	0.7
Purchase of investments	**0.0**	0.0	0.1
Proceeds from sale of investments	**-0.1**	0.0	0.0
Dividends received	**0.0**	0.1	0.3
Net cash used in investing activities	**-21.3**	**-41.7**	**-165.7**
Cash flows from financing activities			
Proceeds from issue of share capital	**0.0**	0.0	1.5
Proceeds from short-term borrowings	**160.5**	150.0	236.8
Repayment of short-term borrowings	**0.0**	0.0	-50.3
Proceeds from long-term borrowings	**0.0**	0.0	518.8
Repayment of long-term borrowings	**-0.1**	-189.4	-721.8
Payment of finance lease liabilities	**-0.5**	-0.4	-1.5
Dividends paid	**0.0**	0.0	-51.2
Net cash used in financing activities	**160.0**	**-39.7**	**-67.7**
Net increase/decrease in cash and cash equivalents	**-6.8**	**-155.3**	**-141.6**
Cash and cash equivalents at beginning of the period	**36.7**	176.3	176.3
Cheque account with overdraft facility	**-0.3**	-0.5	-0.5
Cash and cash equivalents at beginning of the period	**36.4**	**175.8**	**175.8**
Net increase/decrease in cash and cash equivalents	**-6.8**	-155.3	-141.6
Effects of exchange rate fluctuations on cash held	**0.1**	0.9	2.2
Cash and cash equivalents at the end of the period	**31.6**	22.2	36.7
Cheque account with overdraft facility	**-1.9**	-0.9	-0.3
Cash and cash equivalents at the end of the period	**29.7**	**21.3**	**36.4**

Statement of changes in equity, Group EUR millions

	Share capital	Share premium fund	Hedging reserve*	Reserve for invested un restricted equity	Other reserves	Trans lation diffe rences **	Retained earnings **	Total	Non-controlling interest	Total
EQUITY 1.1.2010	142.2	186.1	0.0	243.3	44.1	-5.0	238.1	848.8	0.0	848.8
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	**0.0**		**0.3**	**0.0**		**2.8**	**2.0**	**5.1**	**0.0**	**5.1**
Other changes										
Deferred taxes' share of period movements										
Other changes							0.0	0.0		0.0
SHAREHOLDERS' EQUITY TOTAL 31.3.2010	**142.2**	**186.1**	**0.3**	**243.3**	**44.1**	**-2.2**	**189.2**	**803.0**		**803.0**

Statement of changes in equity, Group EUR millions

	Share capital	Share premium fund	Hedging reserve*	Reserve for invested un restricted equity	Other reserves	Trans lation diffe rences	Retained earnings	Total	Non-controlling interest	Total
EQUITY 1.1.2011	142.3	186.1	-0.6	244.6	43.8	3.5	266.0	885.7	0.0	885.7
Changes in equity for										
Dividend distribution							-58.3	-58.3		-58.3
Options exercised							0.3	0.3		0.3
Total comprehensive income for the year	**0.0**		**-1.1**			**0.2**	**-34.8**	**-35.7**	**0.0**	**-35.7**
Other changes										
Deferred taxes' share of period movements										
Other changes					0.1		0.0	0.1		0.1
SHAREHOLDERS' EQUITY TOTAL 31.3.2011	**142.3**	**186.1**	**-1.7**	**244.6**	**43.9**	**3.7**	**173.1**	**792.0**		**792.0**

**) Adjusted with deferred tax liability.*
***) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Contingent liabilites, Group EUR millions	**31.3.2011**	31.3.2010	31.12.2010
Mortages on land and buildings	**201.7**	201.7	201.7
Pledges	**0.5**	1.1	0.5
Liabilities of adjustments of VAT deductions made on investments to immovable property	**34.5**	35.8	41.4
Total	**236.6**	**238.5**	**243.5**

Lease agreements on business premises, EUR millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	**156.0**	146.7	174.2
After one year	**670.0**	641.9	651.9
Total	**826.1**	788.6	826.0

Lease payments, EUR millions			
Within one year		7.2	7.3
After one year	**11.2**	17.4	12.8
Total	**11.2**	24.6	20.2

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	**625.3**	509.8	517.8
Electricity derivates	**3.0**	3.2	3.2
Total	**628.3**	513.0	521.0

Exchange rates				
Country				
Russia	RUB	**40.2850**	39.6950	40.8200
Latvia	LVL	**0.7095**	0.7085	0.7094
Lithuania	LTL	**3.4528**	3.4528	3.4528
Norway	NOK	**7.8330**	8.0135	7.8000
Sweden	SEK	**8.9329**	9.7135	8.9655

Segment information, Group EUR millions

Operating segments

Revenue	**1.1.-31.3.2011**	1.1.-31.3.2010	Change %	1.1.-31.12.2010
Department Store Division	256.4	226.0	13	1 099.9
Lindex	123.3	115.7	7	578.7
Seppälä	27.9	30.8	-9	143.2
Unallocated	0.1	0.1		0.0
Group	**407.7**	**372.6**	**9**	**1 821.9**

Operating profit	**1.1.-31.3.2011**	1.1.-31.3.2010	Change %	1.1.-31.12.2010
Department Store Division	-14.8	-8.2		32.9
Lindex	-7.9	2.1		54.8
Seppälä	-4.9	-0.9		9.0
Unallocated	-2.3	-2.1		-7.9
Group	**-29.9**	**-9.2**		**88.8**

Investments, gross	**1.1.-31.3.2011**	1.1.-31.3.2010	Change %	1.1.-31.12.2010
Department Store Division	15.5	33.0	-53	131.1
Lindex	6.6	5.0	32	28.2
Seppälä	1.1	0.5	130	4.7
Unallocated	0.5	0.1	686	1.4
Group	**23.8**	**38.5**	**-38**	**165.4**

Assets	**1.1.-31.3.2011**	1.1.-31.3.2010 *	Change %	1.1.-31.12.2010
Department Store Division	979.6	856.5	14	904.4
Lindex	1 035.9	928.2	12	1 005.9
Seppälä	107.7	109.1	-1	108.3
Unallocated	31.0	26.1	19	35.2
Group	**2 154.2**	**1 919.9**	**12**	**2 053.8**

Information from market areas

Revenue	**1.1.-31.3.2011**	1.1.-31.3.2010	Change %	1.1.-31.12.2010
Finland	212.2	204.4	4	987.8
Sweden and Norway **	102.5	96.9	6	480.6
Baltic states and Central Europe ***	28.5	25.8	10	123.7
Russia and Ukraine	64.5	45.5	42	229.8
Group	**407.7**	**372.6**	**9**	**1 821.9**
Finland, %	*52.0*	*54.9*		*54.2*
International operations, %	*48.0*	*45.1*		*45.8*

Operating profit	**1.1.-31.3.2011**	1.1.-31.3.2010	Change %	1.1.-31.12.2010
Finland	-10.7	-3.3		44.9
Sweden and Norway **	-3.1	5.1		57.1
Baltic states and Central Europe ***	-2.5	-2.4		1.0
Russia and Ukraine	-13.6	-8.5		-14.2
Group	**-29.9**	**-9.2**		**88.8**
Finland, %	*35.7*	*36.0*		*50.6*
International operations, %	*64.3*	*64.0*		*49.4*

**) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

***) Only Lindex*

****) Estonia, Latvia, Lithuania, Czech Republic. Slovakia, Poland*

Income statement, Group, quarterly, EUR millions	**Q1 2011**	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009 *	Q3 2009	Q2 2009
Revenue	**407.7**	576.9	420.7	451.7	372.6	526.3	389.3	429.7
Other operating income	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Materials and consumables	**-214.3**	-291.7	-210.2	-220.2	-190.9	-262.7	-201.0	-220.1
Wages, salaries and employee benefits expenses	**-98.0**	-102.9	-82.7	-90.4	-85.8	-90.8	-74.3	-82.6
Depreciation and amortisation	**-19.1**	-17.1	-15.3	-15.2	-14.2	-15.1	-14.0	-14.7
Other operating expenses	**-106.2**	-116.6	-94.0	-95.0	-90.8	-96.8	-82.3	-84.0
Operating profit (loss)	**-29.9**	48.5	18.4	30.9	-9.2	60.8	17.7	28.6
Finance income and expenses	**-8.3**	-4.2	-6.6	-3.2	-0.6	-5.2	-8.8	-5.1
Profit (loss) before tax	**-38.3**	44.3	11.9	27.8	-9.8	55.6	8.9	23.5
Income taxes	**3.5**	-7.3	1.5	-2.1	12.0	-17.0	8.0	-1.4
Profit for the period	**-34.8**	37.1	13.4	25.7	2.2	38.6	16.9	22.0

Earnings per share, EUR								
Basic	**-0.49**	0.52	0.19	0.36	0.03	0.58	0.27	0.36
Diluted	**-0.48**	0.52	0.18	0.36	0.03	0.58	0.27	0.36

Revenue, EUR millions								
Department Store Division	**256.4**	373.4	235.0	265.5	226.0	332.0	215.6	257.5
Lindex	**123.3**	165.6	149.4	148.1	115.7	155.3	136.5	136.5
Seppälä	**27.9**	37.9	36.8	37.7	30.8	38.4	36.7	35.6
Unallocated	**0.1**	0.0	-0.5	0.5	0.1	0.5	0.6	0.1
Group	**407.7**	576.9	420.7	451.7	372.6	526.3	389.3	429.7

Operating profit (loss), EUR millions								
Department Store Division	**-14.8**	30.9	1.4	8.8	-8.2	33.5	-2.8	8.4
Lindex	**-7.9**	17.1	16.2	19.5	2.1	24.2	18.1	19.7
Seppälä	**-4.9**	2.8	2.2	4.8	-0.9	4.9	2.9	3.0
Unallocated	**-2.3**	-2.3	-1.4	-2.2	-2.1	-1.7	-0.5	-2.5
Group	**-29.9**	48.5	18.4	30.9	-9.2	60.8	17.7	28.6

**) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

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Assets

EUR mill.	**31.3.2011**	**31.3.2010**	**31.12.2010**
Acquisition cost at the beginning of the period	**1 125.5**	964.8	964.8
Translation difference +/-	**0.3**	8.5	19.3
Increases during the period	**23.8**	38.5	165.4
Decreases during the period	**-0.5**	-0.2	-23.9
Transfers between items	**0.0**	-0.2	0.0
Acquisition cost at the end of the period	**1 149.1**	1 011.4	1 125.5
Accumulated depreciation at the beginning of the period	**-277.2**	-237.0	-237.0
Translation difference +/-	**0.2**	-1.2	-1.5
Depreciation on reductions	**0.4**	0.3	23.1
Depreciation during the period	**-19.1**	-14.2	-61.8
Accumulated depreciation at the end of the period	**-295.6**	-252.0	-277.2
Carrying amount at the beginning of the period	**848.3**	727.8	727.8
Carrying amount at the end of the period	**853.5**	759.4	848.3

Goodwill

EUR mill.	**31.3.2011**	**31.3.2010**	**31.12.2010**
Acquisition cost at the beginning of the period	**783.8**	685.4	685.4
Translation difference +/-	**2.9**	38.0	98.4
Acquisition cost at the end of the period	**786.6**	723.4	783.8
Carrying amount at the beginning of the period	**783.8**	685.4	685.4
Carrying amount at the end of the period	**786.6**	723.4	783.8
Total	**1 640.1**	1 482.8	1 632.1

Definitions to key figures:

Equity ratio, per cent	=	100 x Equity + minority interest / Total assets less advance payments received
Net gearing, per cent	=	100 x Interest-bearing net financial liabilities / Equity total
Interest-bearing net debt	=	Interest-bearing liabilities less cash and cash equivalents less interest-bearing receivables
Market capitalization	=	Number of shares multiplied by the quotation for the respective share series on the balance sheet date
Earnings per share, adjusted for share issues	=	= Profit before taxes - minority interest - income taxes / Average number of shares, adjusted for share issues
Return on equity, per cent, moving 12 months	=	100 x Profit for the period (12 months) / Equity + minority interest (average over 12 months)
Return on capital employed, per cent, moving 12 months	=	100 x Profit before taxes + interest and other financial expenses (12 months) / Capital employed (average over 12 months)

The interim report is unaudited.