STOCKMANN plc
Interim report
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STOCKMANN'S SALES AND EARNINGS IN THE FIRST SIX MONTHS MEET EXPECTATIONS

The Stockmann Group's second-quarter sales were down by 11 per cent, falling to EUR 519.7 million (EUR 583.9 million). Second-quarter operating profit was EUR 28.6 million (EUR 31.4 million). Sales for January–June declined by 12.7 per cent to EUR 944.5 million (EUR 1 081.5 million). The drop in sales was a result of the general state of the economy, the considerable weakening of certain currencies and the high figures for the first half of 2008 used for comparison, which also included sales from the Smolenskaya department store that ceased operating in May 2008. The Group's operating profit for January-June declined to EUR 6.6 million (EUR 28.8 million). The previous year's operating profit included a non-recurring capital gain of EUR 3.7 million and a provision of EUR 14 million for the closure of the Smolenskaya department store. Net financial expenses fell as expected, to a total of EUR 10.0 million (EUR 24.6 million). The Group's result for the period January-June was EUR -1.8 million (EUR 3.6 million). Earnings per share were EUR -0.03 (EUR 0.06).

Key figures

		4-6/2009	4-6/2008	Index
Sales	EUR mill.	519.7	583.9	89
Revenue	EUR mill.	429.7	483.3	89
Operating profit	EUR mill.	28.6	31.4	91
Profit before taxes	EUR mill.	23.5	18.1	130
Earnings per share	EUR	0.36	0.27	133

		1-6/2009	1-6/2008	Index	2008
Sales	EUR mill.	944.5	1 081.5	87	2 265.8
Revenue	EUR mill.	782.9	896.7	87	1 878.7
Operating profit	EUR mill.	6.6	28.8	23	121.9
Profit before taxes	EUR mill.	-3.4	4.3		71.7
Earnings per share	EUR	-0.03	0.06		0.67
Equity per share	EUR	10.54	10.73		11.24
Cash flow from operating activities	EUR mill.	22.7	26.9		170.1
Key ratios					
Net gearing	per cent	124.2	131.1		107.4
Equity ratio	per cent	35.3	36.3		39.0
Number of shares, weighted average, diluted	thousands	61 408	55 850		58 609
Return on capital employed, rolling 12 months	per cent	6.7	12.2		8.3

SALES AND RESULT

The Stockmann Group's January-June sales were down by 12.7 per cent, to EUR 944.5 million (EUR 1 081.5 million). The significant drop in sales was a result of the transformed state of the economy, the considerable weakening of the Swedish krona, the Norwegian krone and the Russian rouble, and the high figures for the first half of 2008 used for comparison, which also included sales from the Smolenskaya department store that ceased operating in May 2008.

January-June sales in Finland were down by 9.5 per cent to EUR 523.4 million. The Group's sales abroad totalled EUR 421.1 million, a decline of 16.3 per cent. Without the change in currency exchange rates the Group's sales abroad would have decreased by 5 per cent. Sales abroad accounted for 44.6 per cent (46.5 per cent) of the Group's sales.

Gains on the sale of shares generated EUR 0.3 million in other operating income during January-June(EUR 3.7 million). The second-quarter result for 2008 was burdened by a provision of EUR 14 million due to the closure of the Smolenskaya department store.

The Group's gross operating margin decreased by EUR 57.6 million, to EUR 365.6 million. The relative gross margin was 46.7 per cent (47.2 per cent). Lindex's relative gross margin improved, whereas that of the Department Store Division, Hobby Hall and Seppälä decreased. The Group's stock level fell by EUR 15 million to EUR 216.6 million. Operating costs decreased by EUR 34.1 million and depreciation by EUR 4.7 million. The company succeeded in meeting its original cost-savings target for the whole year, amounting to EUR 28 million, during the first six months. Efficiency measures aimed at achieving cost-savings will be continued.

Consolidated operating profit for the report period amounted to EUR 6.6 million, a year-on-year decline of EUR 22.3 million.

Net financial expenses decreased by EUR 14.6 million, to EUR 10.0 million (EUR 24.6 million).

Profit before taxes for the period was EUR -3.4 million, or EUR 7.7 million less than a year earlier. Taxes for January-June totalled EUR 1.6 million, which includes an estimated tax accrual ofEUR 0.7 million recorded in the period. The tax effect on earnings was EUR 2.3 million less than a year earlier.

Second-quarter profit was up, amounting to EUR 22.0 million (EUR 15.2 million).

Earnings per share for January-June were EUR -0.03 (EUR 0.06) and, diluted for options, EUR -0.03 (EUR 0.06). Equity per share was EUR 10.54 (EUR 10.73).

SALES AND EARNINGS TREND BY BUSINESS SEGMENT

Department Store Division

The Department Store Division's sales were down by 15.6 per cent to EUR 491.5 million. Sales in Finland fell by 11.7 per cent. International sales decreased by 24.8 per cent, and their share of the division's sales was 26.4 per cent (29.6 per cent). In addition to the transformed state of the economy, the decline in the Department Store Division's sales was a result of the considerable weakening of the Russian rouble and the very high figures for the first half of 2008 used for comparison, which included sales from the Smolenskaya department store that ceased operating in May 2008 and the vigorous sales growth in the Baltic department stores during the first half of 2008. The rouble-denominated same-store sales by the department stores in Russia were on a par with the previous year's figures. The relative gross margin for January-June 2009 declined. The Department Store Division's operating profit was down by EUR 10.9 million, to EUR -5.3 million (EUR 5.6 million).

Second-quarter sales were down by 12.9 per cent to EUR 267.0 million. Operating profit amounted to EUR 9.2 million, compared with EUR 4.1 million in the same period a year earlier. The figure for 2008 included EUR 14 million in expenses for the closure of the Smolenskaya department store.

Lindex

Lindex's sales in January-June were EUR 292.2 million, down by 9.3 per cent on the same period the previous year (EUR 322.1 million). Sales in Finland grew by 0.9 per cent, but in other countries sales declined by 10.6 per cent. The decrease in sales can be attributed to the considerable weakening of the Swedish krona and the Norwegian krone. Calculated in local currencies, Lindex's sales grew by 2 per cent. The relative gross margin improved. Lindex's operating profit for January-June was EUR 19.9 million (EUR 22.6 million). Lindex was able to increase its market share in all the main markets.

Second-quarter sales were down by 7.7 per cent to EUR 169.6 million. Calculated in local currencies, Lindex's sales grew by 3 per cent. Operating profit decreased, amounting to EUR 19.7 million, compared with EUR 23.8 million in the same period a year earlier. The weakening of the Swedish krona against the euro reduced second-quarter operating profit by an estimated EUR 3.3 million.

Hobby Hall

Hobby Hall's sales in January-June decreased by 13.1 per cent to EUR 83.2 million (EUR 95.8 million). Sales declined by 7.5 per cent in Finland and 37.6 per cent abroad, and Hobby Hall's relative gross margin also fell. Sales decreased significantly especially in Estonia and Latvia. Hobby Hall's operating result decreased to EUR -2.6 (EUR -1.4 million). Hobby Hall has decided to withdraw from the unprofitable Baltic market by the end of August.

In the second quarter, Hobby Hall's sales were down by 16.9 per cent to EUR 40.2 million. The operating result amounted to EUR -0.8 million, compared with EUR 0.7 million in the same period a year earlier.

Seppälä

Seppälä's sales in January-June were down by 4.2 per cent on the same period the previous year, totalling EUR 77.5 million (EUR 80.9 million). Sales in Finland fell by 2.1 per cent. Sales abroad were down by 8.4 per cent and accounted for 31.8 per cent (33.3 per cent) of Seppälä’s total sales. Measured in roubles, sales in Russia grew by 20 per cent, while sales in the Baltic countries decreased substantially due to the economic downturn. The large discounts given on products in the Baltic countries decreased Seppälä’s relative gross margin. Fixed costs and depreciation increased due to the company’s rapid expansion. Seppälä’s operating profit decreased by EUR 4.2 million, to EUR 0.2 million (EUR 4.5 million).

In the second quarter, Seppälä’s sales were down by 5.2 per cent to EUR 42.9 million. Operating profit amounted to EUR 3.0 million, compared with EUR 5.1 million in the same period a year earlier.

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 88.3 million at the end of June, as against EUR 23.8 million a year earlier and EUR 35.2 million at the close of 2008. The programme to release capital announced earlier has been implemented by means of sale and leaseback arrangements and divestment of non-strategic assets, which have altogether released EUR 29.9 million in capital.

At the end of June, interest-bearing liabilities stood at EUR 895.5 million (EUR 886.7 million), of which EUR 882.3 million (EUR 759.8 million) was long-term debt. At the close of 2008, interest-bearing liabilities amounted to EUR 775.7 million, of which EUR 755.7 million was long-term debt. Capital expenditure in January-June amounted to EUR 74.4 million. Net working capital amounted to EUR 149.4 million at the end of June, as against EUR 184.8 million a year earlier and EUR 150.9 million at the close of 2008. Dividend payouts totalled EUR 38.0 million.

The equity ratio at the end of June was 35.3 per cent (36.3 per cent). At the close of 2008, the equity ratio was 39.0 per cent. Net gearing at the end of June was 124.2 per cent (131.1 per cent). At the end of 2008, net gearing was 107.4 per cent.

The return on capital employed over the past 12 months was 6.7 per cent (8.3 per cent at the close of 2008). Consolidated capital employed decreased by EUR 0.1 million since June of the previous year, amounting to EUR 1 547.2 million at the end of June 2009 (EUR 1 466.8 million at the close of 2008).

CAPITAL EXPENDITURE

Capital expenditure during January-June totalled EUR 74.4 million (EUR 76.5 million).

Department Store Division

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

A major enlargement and transformation project is under way at the department store in the centre of Helsinki. The project involves expanding the department store’s commercial premises by about 10 000 square metres by converting existing premises to commercial use and by building new retail space. In addition to this, the project has involved construction of new goods handling, servicing and customer parking areas. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. The estimated costs of the enlargement part of the project are about EUR 250 million, in addition to which significant repair and renovation work has been and will be carried out in the old property in the course of the project. The new premises are being opened in stages. In March 2009, new restaurant areas were opened on the 8th floor of the department store, as well as the Beauty World on the 7th floor and new underground goods handling areas. The new car park was opened in May and additional retail space will be opened later in 2009. The project is expected to be completed in phases up to the end of 2010. During the first six months of 2009, the project required an investment of about EUR 26.2 million.

In 2006, Stockmann purchased a commercial plot of approximately 10 000 square metres on Nevsky Prospect, St Petersburg’s high street. The plot is located next to the Vosstaniya Square metro station and in the immediate vicinity of the Moscow railway station. Stockmann’s Nevsky Centre shopping centre is being built on this plot and will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be for stores and offices. A Stockmann department store 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 car park. The total investment is estimated at about EUR 185 million. The construction work for the project is under way, with the building expected to be completed during the summer of 2010 and commercial operations to start by the end of 2010. The leasing of premises to external operators is proceeding as planned. During the first six months of 2009, the project required an investment of about EUR 23.4 million.

A new Stockmann Beauty store was opened in Finland during January-June. In Russia, two Bestseller stores were closed.

The Department Store Division’s capital expenditure totalled EUR 60.2 million.

Lindex

During January-June, Lindex opened three stores each in Finland, Sweden and Russia, two stores in Lithuania and one each in Latvia and the Czech Republic. One store in Finland was closed.

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

Lindex’s capital expenditure totalled EUR 10.4 million.

Hobby Hall

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

Hobby Hall’s capital expenditure totalled EUR 1.0 million.

Seppälä

During January-June, Seppälä opened two stores each in Finland, Russia and Latvia and one each in Lithuania and Ukraine. Two stores in Finland and one in Russia were closed. Three stores in Finland were moved to new premises.

Seppälä's capital expenditure totalled EUR 2.7 million.

Other capital expenditure

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

NEW PROJECTS

Department Store Division

The Department Store Division has preliminary agreements for the opening of department stores in leased premises that are being or will be built in the Russian city of Ekaterinburg and in north Moscow. The preliminary agreement concerning the Ekaterinburg department store has been modified so that, initially, chain stores of the Stockmann Group will be opened in the leased premises, with the objective of opening a full-scale department store there, as stated in the original plans, in 2011. Owing to the economic downturn, the implementation and timetable of the project for a department store in north Moscow are being reassessed. The preliminary agreement for opening a department store in Vilnius, the Lithuanian capital, has been cancelled.

Lindex

Lindex is pressing on with its expansion, expecting to open about 15 new stores during the latter part of the year. Slovakia will become the newest market area for Lindex and the entire Stockmann Group, with Lindex launching two stores there in the autumn. The number of franchising stores in the Middle East is set to increase by around six.

Modernization of the Finnish stores was started in 2009.

Hobby Hall

Hobby Hall will cease its operations in the Baltic countries in stages by the end of August. The discontinuation of the unprofitable Baltic operations comes as a part of the ongoing measures to revitalise Hobby Hall's financial situation. Hobby Hall has decided to close its Hämeentie store in Helsinki by the end of the year. Integration with the Department Store Division is proceeding according to plan, the objective being that Hobby Hall will be an integral part of the Department Store Division as from the start of 2010.

Seppälä

Seppälä plans to open around 5 new stores by the end of 2009.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of June was EUR 935.6 million (EUR 1 511.4 million). At the end of 2008 the corresponding figure was EUR 611.6 million.

During January-June, the Stockmann shares outperformed both the OMX Helsinki index and the OMX Helsinki Cap index. At the end of June, the stock exchange price of the Series A shares was EUR 15.22, compared with EUR 10.10 at the end of 2008, and the Series B shares were selling at EUR 15.12, as against EUR 9.77 at the end of 2008.

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

On 30 June 2009, the number of Stockmann Series A shares totalled 26 582 049 and Series B shares 35 121 287.

PERSONNEL

The personnel planning carried out at the start of the year was continued throughout the period January-June, with the available working hours being optimized to correspond to customer flows. The Group's average number of personnel fell by 967, to a total of 14 670. Stockmann's average number of employees, calculated as full-time equivalents, decreased by 755, to 11 056.

The Group's personnel expenses amounted to EUR 162.2 million, compared with EUR 175.3 million a year earlier. Personnel expenses accounted for higher proportion of revenue, at 20.7 per cent (19.5 per cent).

At the end of June 2009, Stockmann had 7 899 employees working abroad. The corresponding figure a year earlier was 8 313 employees. The proportion of employees working abroad was 55 per cent (53 per cent) of the total personnel.

RISK FACTORS

No change has occurred in the risk factors since the publication on 13 February 2009 of the review presented in the Board Report on Operations. Particular risks in the short term concern the impact of the economic downturn on consumer shopping habits in Stockmann's market areas, and the legal proceedings that are still in progress.

AB Lindex (publ) has claimed through legal proceedings to be eligible to deduct in Swedish taxation the losses of approximately EUR 70 million incurred by Lindex Group's German subsidiary. Gothenburg's Administrative Court of Appeal overturned the favourable decisions that AB Lindex had received in the County Administrative Court, and as a consequence AB 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 profit of the Stockmann Group, 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 summer 2009, decided not to review the case. Further measures of the company in this case depend on the result of the legal process described below concerning the elimination of double taxation between AB Lindex and Lindex GmbH.

AB Lindex (publ) and its German subsidiary, Lindex GmbH, have requested the German and Swedish competent authorities to eliminate the double taxation arising from intra-Group transactions in the fiscal years 1997-2004 on the basis of the Tax Treaty between Germany and Sweden and the EC Arbitration Convention. The double taxation results 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 may receive a partial or full refund of the taxes paid on the said amount of income, i.e. approximately EUR 26 million. The tax effect of the claim has not been recorded in the income statement.

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 unlawful closure of the department store. In its decision on 14 April 2009, the court of arbitration ruled in favour of Stockmann, though reducing the amount of damages awarded to about USD 7 million, and ordered the lessors to reimburse Stockmann for the legal expenses incurred. The Stockmann Group has not recorded this damages compensation sum in the income statement. In order for the ruling to be enforced, it has to be confirmed by a Russian court of general jurisdiction. In July 2009, the lessors filed a claim with the court of first instance in Moscow, demanding that the court overturn the decision of the International Commercial Arbitration Court.

OUTLOOK FOR THE REMAINDER OF 2009

The economic downturn has swept rapidly and powerfully through the global economy. Consumer demand has weakened in all of Stockmann's market areas, and it remains difficult to forecast the future trend in consumer demand. However, there have been some positive signs in consumer confidence in the Nordic market.

It is clear that the economies in all of Stockmann's market areas will post negative growth in 2009, especially those of the Baltic countries. In Russia, the trend in the economy is to a large extent dependent on the price of energy.

In the third quarter of 2009, sales figures will be below those of a year earlier, because of the continuing weak economy and consumer uncertainty. The decline in sales is expected to slow down in year-on-year terms, because of the already weakened comparison figures for the last six months of 2008. Third-quarter operating profit is expected to be lower than a year earlier. According to current estimates it is possible that in the fourth quarter the Group will come close to reaching the previous year's sales figures and operating profit. Sales and operating profit for the whole year will be lower than in 2008.

Stockmann will continue the measures initiated earlier for adapting to the lower level of demand. Financial expenses will be distinctly lower than in 2008. The objective is a positive cash flow after net capital expenditure.

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 2008 financial statements. As from 1 January 2009, the Stockmann Group has applied the amended IAS 1 Presentation of Financial Statements and the IFRS 8 Operating Segments. In this Interim Report, a Statement of Comprehensive Income according to IAS 1 is presented. The operating segments presented in the Interim Report, which accord with IFRS 8, are the same as the business segments presented earlier and described in the Group’s Annual Report for 2008. The figures are unaudited.

Statement of financial position, EUR mill.	30.6.2009	30.6.2008	31.12.2008
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	105.4	125.2	112.1
Goodwill	649.9	740.3	646.5
Property, plant, equipment	618.2	516.1	587.5
Non-current revceivables	1.7	1.7	1.6
Available for sale investments	5.0	6.6	6.6
Deferred tax asset	4.8	5.3	4.5
NON-CURRENT ASSETS	1 385.1	1 395.3	1 358.8
CURRENT ASSETS			
Inventories	216.6	231.6	220.3
Interest bearing receivables	72.7	63.4	52.2
Non-interest bearing receivables	80.6	100.6	98.4
Cash and cash equivalents	88.3	23.8	35.2
CURRENT ASSETS	458.1	419.4	406.2
ASSETS	1 843.2	1 814.6	1 765.0
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	650.1	658.1	689.1
Minority interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	650.1	658.1	689.1
LONG-TERM LIABILITIES			
Deferred tax liability	75.6	56.6	78.1
Long-term liabilities, interest-bearing	882.3	759.8	755.7
Provisions	1.5	2.5	2.0
NON-CURRENT LIABILITIES	959.4	818.9	835.7
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	13.3	126.9	20.0
Short term interest-free liabilities	220.4	210.8	220.1
CURRENT LIABILITIES	233.7	337.7	240.1
TOTAL EQUITY AND LIABILITIES	1 843.2	1 814.6	1 765.0

Key figures	30.6.2009	30.6.2008	31.12.2008
Equity ratio, per cent	35.3	36.3	39.0
Net gearing, per cent	124.2	131.1	107.4
Cash flow from operations per share, EUR	0.37	0.48	2.90
Interest-bearing net debt, EUR mill.	734.6	799.5	688.2
Number of shares at the end of the period, thousands	61 703	61 703	61 703

Weighted average number of shares, thousands	61 408	55 850	58 609
Weighted average number of shares, diluted, thousands	61 738	55 850	58 609
Market capitalization, EUR mill.	935.6	1 511.4	611.6

CASHFLOW, IFRS EUR millions	06/2009	06/2008	12/2008
Cash flows from operating activities			
Profit/loss for the period	-1.8	3.6	39.1
Adjustments for:			
Depreciation and amortisation	29.3	34.0	61.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	-0.3	-3.7	-3.5
Interest and other financial expenses	13.2	25.1	51.7
Interest income	-3.2	-0.5	-1.6
Tax on income from operations	-1.6	0.7	32.7
Transactions without cash flow			
Other adjustments	-0.7	3.6	-1.4
Working capital changes:			
Increase (-) / decrease (+) in inventories	4.2	6.1	24.0
Increase (-) /decrease(+) in trade and other receivables	-4.3	64.2	75.6
Increase (+) / decrease (-) in trade payables	0.4	-46.2	-12.7
Interest and other financial expenses paid	-18.4	-27.3	-47.7
Interest received	1.5	0.2	0.8
Income taxes paid	4.6	-32.9	-48.3
Net cash from operating activities	22.7	26.9	170.1
Cash flows from investing activities			
Purchase of tangible and intagible assets	-77.9	-80.7	-181.1
Proceeds from sale of tangible and intangible assets	23.0	5.5	6.1
Acquisition of subsidiaries, net of cash acquired		-8.3	-18.9
Purchase of investments		-0.2	
Proceeds from sale of investments	1.8	0.0	0.0
Dividends received	0.2	0.1	0.1
Net cash used in investing activities	-53.0	-83.6	-193.7
Cash flows from financing activities			
Proceeds from issue of share capital		135.5	135.2
Proceeds from sale of own shares	5.1		
Proceeds from short-term borrowings	11.9	107.7	20.0
Repayment of short-term borrowings	-19.3	-37.1	-33.3

Proceeds from long-term borrowings	200.3	41.1	152.2
Repayment of long-term borrowings	-77.5	-134.1	-157.3
Dividends paid	-38.0	-75.2	-75.2
Net cash used in financing activities	82.6	37.8	41.7
Net increase/decrease in cash and cash equivalents	52.4	-18.8	18.1
Cash and cash equivalents at beginning of the period	35.2	33.2	33.2
Cheque account with overdraft facility	-0.7	-14.6	-14.6
Cash and cash equivalents at beginning of the period	34.5	18.6	18.6
Net increase/decrease in cash and cash equivalents	52.4	-18.8	18.1
Effects of exchange rate fluctuations on cash held	0.1	0.1	-2.2
Cash and cash equivalents at the end of the period	88.3	23.8	35.2
Cheque account with overdraft facility	-1.3	-23.7	-0.7
Cash and cash equivalents at the end of the period	87.0	0.1	34.5

Income statement, Group, EUR millions	1-6/2009	1-6/2008	Change %	1-12/2008
REVENUE	782.9	896.7	-13	1,878.7
Other operating income	0.3	3.7	-93	4.2
Material consumables used	-417.3	-473.6	-12	-971.7
Wages, salaries and employee benefits expense	-162.2	-175.3	-7	-350.5
Depreciation and amortisation	-29.3	-34.0	-14	-61.4
Other operating expenses	-167.7	-188.8	-11	-377.4
OPERATING PROFIT	6.6	28.8	-77	121.9
Finance income and expenses	-10.0	-24.6	59	-50.1
PROFIT/LOSS BEFORE TAX AND MINORITY INTEREST	-3.4	4.3		71.7
Tax on income from operations	1.6	-0.7		-32.7
PROFIT/LOSS FOR THE PERIOD	-1.8	3.6		39.1

note

Other comprehensive income, EUR mill.	1-06/2009	1-06/2008	Change %	1-12/2008
PROFIT/LOSS FOR THE PERIOD	-1.8	3.6		39.1
Other comprehensive income				
Exchange differences on translating foreign	-1.5	-0.1		-4.2

operations				
Cash flow hedges	-3.5	-0.3		1.1
Other comprehensive income for the year net of tax	-5.1	-0.5		-3.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-6.8	3.1		36.0
Total comprehensive income attributable to:				
Equity holders of the parent	-6.8	3.1		36.0
Minority interest	0.0	-0.0		-0.0

Key figures	30.6.2009	30.6.2008	Change %	31.12.2008
EPS, adjusted for share issues, undiluted (EUR)	-0.03	0.06		0.67
EPS, adjusted for share issues, diluted (EUR)	-0.03	0.06		0.67
Operating profit, per cent of turnover	0.8	3.2		6.5
Equity per share, EUR	10.54	10.73	-2	11.24
Return on equity, per cent, moving 12 months	5.2	12.9		6.1
Return on capital employed, per cent, moving 12 months	6.7	12.2		8.3
Average number of employees, converted to full-time staff	11,056	11,811	-6	11,964
Investments, EUR millions	74.4	76.5	-3	182.3

Segment information, Group
EUR millions

Operating segments

Sales	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Department Store Division	491.5	582.3	-16	1 218.9
Lindex	292.2	322.1	-9	672.5
Hobby Hall	83.2	95.8	-13	191.0
Seppälä	77.5	80.9	-4	182.6
Unallocated	0.1	0.4	-82	0.8
Group	944.5	1 081.5	-13	2 265.8

Revenue	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Department Store Division	413.0	490.0	-16	1 025.9
Lindex	235.2	258.6	-9	540.2
Hobby Hall	69.4	80.0	-13	159.6
Seppälä	64.4	67.3	-4	151.9
Unallocated	0.9	0.8	16	1.1
Group	782.9	896.7	-13	1 878.7

Operating profit	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008

Department Store Division	-5.3	5.6		54.0
Lindex	19.9	22.6	-12	58.7
Hobby Hall	-2.6	-1.4	-86	0.8
Seppälä	0.2	4.5	-95	14.6
Unallocated	-5.0	-2.0		-6.1
Eliminations	-0.7	-0.4		0.0
Group	6.6	28.8	-77	121.9

Investments, gross	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Department Store Division	60.2	57.2	5	146.0
Lindex	10.4	14.9	-30	25.2
Hobby Hall	1.0	1.0	-6	3.1
Seppälä	2.7	2.8	-5	7.2
Unallocated	0.1	0.5	-73	0.8
Group	74.4	76.5	-3	182.3

Assets	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1.-31.12.2008
Department Store Division	743.0	623.9	19	704.0
Lindex	831.8	1 012.6	-18	806.0
Hobby Hall	74.2	94.3	-21	90.4
Seppälä	115.1	44.0		116.5
Unallocated	79.1	39.8	99	48.1
Group	1,843.2	1,814.6	2	1,765.0

Information from market areas

Sales	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Finland 1)	523.4	578.5	-10	1 224.8
Sweden and Norway 2)	244.1	277.3	-12	575.2
Baltic states and Czech Republic 1)	80.9	102.1	-21	211.7
Russia 1)	96.1	123.6	-22	254.1
Group	944.5	1,081.5	-13	2 265.8
Finland, %	55.4	53.5	4	54.1
International operations, %	44.6	46.5	-4	45.9

Revenue	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Finland 1)	437.2	482.6	-9	1 021.8
Sweden and Norway 2)	195.6	221.8	-12	460.2
Baltic states and Czech Republic 1)	68.0	86.8	-22	179.8
Russia 1)	82.1	105.6	-22	217.0
Group	782.9	896.7	-13	1 878.7
Finland, %	55.8	53.8	4	54.4
International operations, %	44.2	46.2	-4	45.6

Operating profit	1.1-30.6.2009	1.1-30.6.2008	Change %	1.1-31.12.2008
Finland 1)	7.8	24.6	-68	71.1
Sweden and Norway 2)	20.3	22.9	-11	57.3
Baltic states and Czech Republic 1)	-4.1	3.9		10.7

Russia 1)	-17.5	-22.6	23	-17.3
Group	6.6	28.8	-77	121.9
Finland, %		85.3		58.4
International operations, %		14.7		41.6

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

Statement of changes in equity, Group EUR millions 1 - 06 / 2008	Equity*	Share premium fund	Hedging reserve**
BALANCE AT BEGINNING OF THE PERIOD	112.2	186.0	0.5
Changes in equity for			
Dividend distribution			
New share issue	11.2		
Options exercised			
Share premium			
Total comprehensive income for the year	0.0	0.0	-0.3
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2008	123.4	186.0	0.2

Statement of changes in equity, Group EUR millions 1 - 06 / 2009	Equity*	Share premium fund	Hedging reserve**
BALANCE AT BEGINNING OF THE PERIOD	123.4	186.1	1.4
Changes in equity for			
Dividend distribution			
Options exercised			
Sale of own shares			
Total comprehensive income for the year	0.0	0.0	-3.6
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2009	123.4	186.1	-2.1

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

Statement of changes in equity, Group EUR millions 1 - 06 / 2008	Reserve for invested un-restricted equity	Other reserves	Trans lationdiffe rences
BALANCE AT BEGINNING OF THE PERIOD	0.0	44.1	0.0
Changes in equity for			
Dividend distribution			
New share issue			
Options exercised			
Share premium	124.3		
Total comprehensive income for the year	0.0	0.0	-0.1

Other changes		-0.2	
SHAREHOLDERS' EQUITY TOTAL 06 / 2008	124.3	43.9	-0.1

Statement of changes in equity, Group EUR millions 1 - 06 / 2009	Reserve for invested un-restricted equity	Other reserves	Trans lationdiffe rences
BALANCE AT BEGINNING OF THE PERIOD	124.1	44.1	-6.7
Changes in equity for			
Dividend distribution			
Options exercised			
Sale of own shares			
Total comprehensive income for the year	0.0	0.0	-1.5
Other changes			
Deferred taxes' share of period movements	0.0	0.0	
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2009	124.1	44.1	-8.2

Statement of changes in equity, Group EUR millions 1 - 06 / 2008	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	250.9	593.8	0.0	593.8
Changes in equity for				
Dividend distribution	-75.2	-75.2		-75.2
New share issue		11.2		11.2
Options exercised	0.9	0.9		0.9
Share premium		124.3		124.3
Total comprehensive income for the year	3.6	3.1	0.0	3.1
Other changes	0.2	0.0	0.0	0.0
SHAREHOLDERS' EQUITY TOTAL 06 / 2008	180.3	658.1	0.0	658.1

Statement of changes in equity, Group EUR millions 1 - 06 / 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	0.5	0.5		0.5
Sales of own shares	5.1	5.1		5.1
Total comprehensive income for the year	-1.8	-6.8	0.0	-6.8

Other changes	0.1	0.1	0.0	0.1
SHAREHOLDERS' EQUITY TOTAL 06 / 2009	182.8	650.1	0.0	650.1

Contingent liabilites, Group EUR millions	30.6.2009	30.6.2008	31.12.2008
Mortages on land and buildings	201.7	1.7	1.7
Pledges	0.9		1.0
Liabilities of adjustments of VAT deductions made on investments to immovable property	28.6		29.2
Total	231.2	1.7	31.9

Lease agreements on business premises, EUR millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	139.4	96.7	143.2
After one year	509.0	466.8	478.9
Total	648.4	563.5	622.1

Lease payments, EUR millions			
Within one year	7.0	1.3	1.1
After one year	20.8	1.1	0.9
Total	27.8	2.4	2.0

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	201.1	325.5	204.4
Electricity derivates	3.5	3.2	2.5
Total	204.6	328.7	206.9

Exchange rates				
Country				
Russia	RUB	43.8810	36.9477	41.2830
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7036	0.7047	0.7083
Lithuania	LTL	3.4528	3.4528	3.4528
Sweden	SEK	10.8125	9.4703	10.8700

Income statement, Group, EUR millions quarterly, EUR millions	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Revenue	429.7	353.2	541.3	440.8
Other operating income	0.3	0.0	0.1	0.3
Materials and consumables used	-220.1	-197.2	-273.5	-224.7
Wages, salaries and employee benefits	-82.6	-79.7	-92.9	-82.3

expenses				
Depreciation and amortisation	-14.7	-14.6	-14.2	-13.2
Other operating expenses	-84.0	-83.7	-102.4	-86.2
Operating profit (loss)	28.6	-22.0	58.4	34.6
Finance income and expenses	-5.1	-4.8	-12.7	-12.8
Profit (loss) before tax	23.5	-26.9	45.7	21.8
Income taxes	-1.4	3.1	-25.8	-6.2
Profit for the period	22.0	-23.8	19.9	15.6
Earnings per share, EUR				
Basic	0.36	-0.39	0.34	0.27
Diluted	0.36	-0.39	0.34	0.27

Sales, EUR millions	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Department Store Division	267.0	224.5	371.8	264.8
Lindex	169.6	122.6	175.6	174.9
Hobby Hall	40.2	43.1	53.7	41.6
Seppälä	42.9	34.7	51.5	50.1
Unallocated	0.0	0.0	0.2	0.2
Group	519.7	424.8	652.8	531.5
Revenue, EUR millions				
Department Store Division	224.0	189.0	312.9	223.1
Lindex	136.5	98.6	141.0	140.6
Hobby Hall	33.5	35.9	44.9	34.7
Seppälä	35.6	28.8	42.8	41.7
Unallocated	0.1	0.8	-0.3	0.6
Group	429.7	353.2	541.3	440.7
Operating profit (loss), EUR millions				
Department Store Division	9.2	-14.5	34.9	13.5
Lindex	19.7	0.2	20.3	15.7
Hobby Hall	-0.8	-1.7	1.6	0.7
Seppälä	3.0	-2.8	4.2	5.9
Unallocated	-3.2	-1.8	-3.3	-0.7
Eliminations	0.6	-1.4	0.8	-0.5
Group	28.6	-22.0	58.4	34.6

The Interim Report is unadited.

Income statement, Group, EUR millions quarterly, EUR millions	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Continuing operations				
Revenue	483.3	413.4	483.9	308.6
Other operating income	-0.1	3.8	0.0	9.7
Materials and consumables	-242.6	-231.0	-255.8	-179.8
Wages, salaries and employee benefits expenses	-90.2	-85.1	-73.2	-47.6
Depreciation and amortisation	-18.7	-15.2	-10.5	-8.9

Other operating expenses	-100.3	-88.5	-73.7	-50.0
Operating profit (loss)	31.4	-2.5	70.8	32.1
Finance income and expenses	-13.3	-11.3	-4.3	-0.5
Profit (loss) before tax	18.1	-13.8	66.5	31.6
Income taxes	-2.9	2.2	-17.9	-8.1
Profit for the period	15.2	-11.6	48.6	23.5
Earnings per share, EUR				
Basic	0.27	-0.21	0.87	0.43
Diluted	0.27	-0.21	0.87	0.42

	Q2	Q1	Q4	Q3
Sales, EUR millions	2008	2008	2007	2007
Department Store Division	306.4	275.9	400.4	275.5
Lindex	183.8	138.3	68.1	0.0
Hobby Hall	48.3	47.4	58.9	45.9
Seppälä	45.2	35.7	51.2	45.4
Shared	0.2	0.2	0.2	0.2
Group	583.9	497.5	578.8	367.0
Revenue, EUR millions				
Department Store Division	257.3	232.7	336.9	232.2
Lindex	147.6	111.0	54.7	0.0
Hobby Hall	40.4	39.7	49.2	38.2
Seppälä	37.6	29.7	42.5	37.8
Shared	0.4	0.4	0.7	0.5
Group	483.3	413.4	483.9	308.6
Operating profit (loss), EUR millions				
Department Store Division	4.1	1.5	46.9	25.7
Lindex	23.8	-1.2	15.0	0.0
Hobby Hall	0.7	-2.1	2.7	2.5
Seppälä	5.1	-0.6	8.6	5.5
Shared	-2.2	0.2	-2.4	-1.1
Eliminations	0.0	-0.3	0.0	-0.5
Group	31.4	-2.5	70.8	32.1

The Interim Report is unadited.

1. ASSETS

EUR mill.	30.6.2009	30.6.2008	31.12.2008
Acquisition cost at the beginning of the period	945.3	813.8	813.8
Translation difference +/-	3.8	-0.8	-21.0
Increases during the period	74.4	76.2	181.6
Decreases during the period	-55.6	-2.3	-29.0
Transfers between items			0.0
Acquisition cost at the end of the period	968.0	886.9	945.4
Accumulated depreciation at the beginning of the period	-245.7	-212.5	-212.5
Translation difference +/-	-2.0	0.2	2.6
Depreciation on reductions	32.6	0.6	25.5

Depreciation during the period	-29.3	-34.0	-61.4
Accumulated depreciation at the end of the period	-244.4	-245.6	-245.7
Carrying amount at the beginning of the period	699.6	601.3	601.3
Carrying amount at the end of the period	723.6	641.3	699.6

Goodwill

EUR mill.	30.6.2009	30.6.2008	31.12.2008
Acquisition cost at the beginning of the period	646.5	720.0	720.0
Translation difference +/-	3.4	-2.2	-94.6
Increases during the period		22.5	23.8
Translation difference +/-			-2.8
Acquisition cost at the end of the period	649.9	740.3	646.5
Carrying amount at the beginning of the period	646.5	720.0	720.0
Carrying amount at the end of the period	649.9	740.3	646.5
Total	1 373.5	1 381.6	1 346.1

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

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

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

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

Earnings per share, adjusted for share issues = (Profit before taxes - minority interest - income taxes) / Average number of shares, adjusted for share issues
Return on equity, per cent, moving 12 months = 100 x Profit for the period (12 months) / (Equity + minority interest) (average over 12 months)

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

STOCKMANN plc

Hannu Penttilä
CEO

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A press and analyst conference will be held today, 5 August 2009, at 9.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.