STOCKMANN plc
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STOCKMANN'S OPERATING PROFIT FOR FIRST SIX MONTHS UP SUBSTANTIALLY; EARNINGS IMPROVED IN ALL DIVISIONS

The Stockmann Group's second-quarter revenue was up by 5.1 per cent to EUR 451.7 million (EUR 429.7 million). Second-quarter operating profit was also up, amounting to EUR 30.9 million (EUR 28.6 million). Consolidated revenue (excl. VAT) for January-June was up by 5.3 per cent to EUR 824.3 million (EUR 782.9 million). All divisions improved their earnings. Consolidated operating profit for January-June was up by EUR 15.2 million, to a total of EUR 21.8 million (EUR 6.6 million). The profit for the period was EUR 27.9 million (EUR -1.8 million). Stockmann's earnings per share were EUR 0.39 (EUR -0.03).

Key figures		4-6/2010	4-6/2009	Index	
Revenue	EUR mill.	451.7	429.7	105	
Operating profit	EUR mill.	30.9	28.6	108	
Profit before taxes	EUR mill.	27.8	23.5	118	
Earnings per share	EUR	0.36	0.35*	103	
		1-6/2010	1-6/2009	Index	2009
Revenue	EUR mill.	824.3	782.9	105	1 698.5
Operating profit	EUR mill.	21.8	6.6	330	85.3
Profit before taxes	EUR mill.	18.0	-3.4		61.3
Earnings per share	EUR	0.39	-0.03		0.82
Equity per share	EUR	11.73	10.54	111	11.96
Cash flow from operating activities	EUR mill.	-16.1	22.7		146.8
Key ratios					
Net gearing	per cent	92.9	124.2		72.1
Equity ratio	per cent	43.3	35.3		44.1
Number of shares, wighted average, diluted	thousands	71 780	62 894*		65 995
Return on capital employed, rolling 12 months	per cent	6.7	6.7		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. Also the figures for 2009 are presented exclusive of 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 revenue (excl. VAT), which was up by 5.3 per cent to EUR 824.3 million (EUR 782.9 million). January-June revenue in Finland was up by 3.3 per cent to EUR 451.6 million. The Group's revenue abroad amounted to EUR 372.7 million, an increase of 7.8 per cent. The Swedish krona, the Norwegian krone and the Russian rouble all strengthened against the euro during the first six months of the year. If like-for-like exchange rates are used, the Group's revenue abroad shows a decrease of 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 six months of the year.

The Group's January-June operating gross margin grew by EUR 47.6 million, to a total of EUR 413.2 million. The relative gross margin was 50.1 per cent (46.7 per cent). In all divisions the relative gross margin was up year on year. Operating costs increased by EUR 32.1 million and depreciation by EUR 0.1 million.

The Group's January-June operating profit grew by EUR 15.2 million, to a total of EUR 21.8 million.

Net financial expenses decreased by EUR 6.2 million, to EUR 3.8 million (EUR 10.0 million). The decrease was attributable to the low level of interest rates, the non-recurring foreign exchange gains and a decrease in debt capital.

Profit before taxes for the period amounted to EUR 18.0 million, which was EUR 21.4 million more than a year earlier. Taxes for the period, a total of EUR 9.9 million, included a decrease in deferred tax liability of EUR 14.6 million booked for the unrealized exchange rate loss on the currency loan, and a tax accrual of EUR 4.7 million. Due to the decrease in deferred tax liability, the total taxes for the period resulted in an improved earnings figure. The positive tax effect on earnings was EUR 8.3 million greater than a year earlier.

The Stockmann Group's second-quarter revenue was up by 5.1 per cent, to a total of EUR 451.7 million (EUR 429.7 million). Second-quarter operating profit was also up, amounting to EUR 30.9 million (EUR 28.6 million).

Earnings per share for the first six months of the year amounted to EUR 0.39 (EUR -0.03) and, diluted for options, EUR 0.39 (EUR -0.03). Equity per share was EUR 11.73 (EUR 10.54).

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 Oy Hobby Hall Ab was merged with the parent company on 30 June 2010. The Department Store Division's January-June figures include Hobby Hall, and so the like-for-like figures for the previous year have been adjusted accordingly. The Department Store

Division's revenue was up by 1.9 per cent to EUR 491.5 million (EUR 482.4 million). Revenue in Finland was up by 3.4 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 the international operations of Hobby Hall, which were discontinued in 2009, are excluded from the Department Store Division's like-for-like figures for 2009, the Division's revenue shows an increase of 3.8 per cent and the euro-denominated revenue of international operations an increase of 4.9 per cent. Revenue abroad accounted for 24 per cent (23 per cent) of the Division's total revenue. The growth in international operations' revenue was attributable to the opening of the new Stockmann department store in Moscow's Golden Babylon shopping centre on 4 March 2010 and the strengthening of the rouble against the euro. As a result of the good level of sales and good stock situation, there was a clear increase in the relative gross margin, to 41.6 per cent (38.0 per cent), in the first six months of the year. The Department Store Division's operating profit was up by EUR 8.4 million, to EUR 0.6 million (EUR -7.9 million).

Second-quarter revenue was up by 3.1 per cent to EUR 265.5 million. Operating profit amounted to EUR 8.8 million, compared with EUR 8.4 million in the same period a year earlier. The pre-opening costs of the Helsinki department store enlargement, the Nevsky Centre in St Petersburg and the stockmann.com webstore are burdening the result in the second quarter already.

Lindex

Lindex's January-June revenue totalled EUR 263.7 million, which was 12.1 per cent more than a year earlier (EUR 235.2 million). Revenue in Finland was up by 3.1 per cent and in other countries by 13.5 per cent. The relative gross margin increased to 64.3 per cent (63.5 per cent) in January-June. Lindex's operating profit improved to EUR 21.6 million (EUR 19.9 million).

Second-quarter revenue was up by 8.4 per cent to EUR 148.1 million. The relative gross margin showed a year-on-year improvement. Due to the accelerated expansion, the fixed costs grew faster than the gross margin. Operating profit decreased a little, to EUR 19.5 million, compared with EUR 19.7 million in the same period a year earlier.

Seppälä

Seppälä's revenue increased by 6.4 per cent year on year, to a total of EUR 68.5 million (EUR 64.4 million). Revenue was up by 3.5 per cent in Finland and 12.4 per cent abroad. Revenue abroad accounted for 34 per cent (32 per cent) of Seppälä's total revenue. Revenue in Russia was up by 23 per cent. As a result of the good level of sales and the good stock situation, there was a clear increase in the relative gross margin, to 59.9 per cent (57.0 per cent), in the first six months of the year. The relative gross margin for the first six months was the best ever at Seppälä. Seppälä's operating profit grew by EUR 3.7 million, to EUR 3.9 million (EUR 0.2 million).

Seppälä's second-quarter revenue grew by 5.9 per cent to EUR 37.7 million. Operating profit was up by 60 per cent to a total of EUR 4.8 million, as against EUR 3.0 million in the same period the previous year.

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 31.9 million at the end of June, as against EUR 88.3 million a year earlier and EUR 176.4 million at the close of 2009.

At the end of June, interest-bearing liabilities stood at EUR 807.4 million (EUR 895.5 million), of which EUR 541.2 million (EUR 882.3 million) was long-term debt. At the close of 2009, interest-bearing liabilities amounted to EUR 789.2 million, of which EUR 786.9 million was long-term debt. The portion of the long-term debt that falls due in December 2011 was refinanced early, in July. EUR 650 million of the new loan has five years' maturity, and EUR 50 million three years' maturity.

Capital expenditure in the first six months of the year amounted to EUR 72.7 million.

Net working capital amounted to EUR 141.8 million at the end of June, as against EUR 149.4 million a year earlier and EUR 110.6 million at the close of 2009. Dividend payouts totalled EUR 51.2 million.

The equity ratio at the end of June was 43.3 per cent (35.3 per cent). At the close of 2009 the equity ratio was 44.1 per cent. Net gearing at the end of June was 92.9 per cent (124.2 per cent). At the end of 2009 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 grew by EUR 96.3 million in the year since June 2009, amounting to EUR 1 643.5 million at the end of June 2010 (EUR 1 640.9 million at the close of 2009).

CAPITAL EXPENDITURE

Capital expenditure during the first six months of the year totalled EUR 72.7 million (EUR 74.4 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 January-June, the project required an investment of EUR 8.0 million. The start of the department store's operation has met expectations.

The major enlargement and transformation project at the Helsinki city centre department store is proceeding as planned. 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 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 retail space of about 50 000 square metres. 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 in connection with the project. The new and remodelled premises are being opened in stages. The work will be completed in phases and the entire project will be finished in November 2010. During the first six months of the year, the project required an investment of EUR 12.8 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 capital expenditure is estimated to be 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. Commercial operations are expected to start in November 2010. The leasing of premises to outside parties is proceeding as planned, and all the retail premises have been leased. During the first six months of 2010 the project required an investment of EUR 25.2 million.

In Russia, two Bestseller stores were opened and one was closed during January-June.

One Stockmann Beauty store in Finland was closed.

In July, Stockmann purchased a property next to its Tallinn department store for EUR 1.6 million, which will enable the department store to expand in the future.

The Department Store Division's capital expenditure totalled EUR 59.1 million.

Lindex

In the first six months of the year, Lindex opened five stores in the Czech Republic, two in Russia and one in each of Finland, Norway, Estonia, Lithuania and Slovakia.

The company's franchising partner opened three new Lindex stores in Saudi Arabia and one in Dubai, a new market for Lindex. A new franchising partner opened its first store in Bosnia and Herzegovina in May.

Lindex opened its lindex.com webstore in Finland in May.

Lindex's capital expenditure totalled EUR 11.6 million.

Since the end of June, one store has been opened in Saudi Arabia by the franchising partner.

Seppälä

In the first six months of the year, Seppälä opened two stores in each of Finland, Estonia and Russia.

Seppälä's capital expenditure totalled EUR 1.7 million.

Other capital expenditure

The Group’s other capital expenditure came to a total of EUR 0.4 million.

NEW PROJECTS

Department Store Division

The distance retailing expertise of Hobby Hall, now part of the Department Store Division, and the investment made in this will be put to good use in the creation of a new distance retailing store under the Stockmann brand. The stockmann.com online store will be opened in autumn 2010. It will have a significantly different profile from that of Hobby Hall, which will continue its operations as a separate brand. 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 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 a car park 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.

The Department Store Division is to open one new Bestseller store in Russia in the latter part of the year.

Lindex

Lindex is continuing with its expansion and expects to open about 20 new stores during the latter part of 2010. The new franchising partner will open a second Lindex store in Bosnia and Herzegovina later in the year.

Seppälä

Seppälä is also further expanding its store network. It will open 4-6 stores in Finland and Russia in the latter part of 2010.

SHARES AND SHARE CAPITAL

The company’s market capitalization at the end of June was EUR 1 852.1 million (EUR 935.6 million). At the end of 2009 the market capitalization stood at EUR 1 396.7 million.

During the first six months of the year, Stockmann shares outperformed both the OMX Helsinki index and the OMX Helsinki Cap index. At the end of June, the price of the Series A shares was EUR 27.00, compared with EUR 20.50 at the end of 2009, and the Series B shares were selling at EUR 25.30, as against EUR 19.00 at the end of 2009.

A total of 52 047 Stockmann plc Series B shares with a nominal value of EUR 2 were subscribed with Stockmann Loyal Customer share options in May. The new shares were registered in the Trade Register and became subject to public trading alongside the old shares on NASDAQ OMX Helsinki Ltd on 30 June 2010. As a consequence of the subscriptions the share capital was increased by EUR 104 094.

On 30 June 2010, the number of Stockmann Series A shares totalled 30 627 563 and Series B shares 40 518 437.

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 half of 2010 was still slightly below the figure for the same period a year earlier but is nevertheless catching up with it. There was an increase in personnel especially in Russia, with the opening of a new department store there and the expansion of the store network. The additional retail space in the Helsinki department store has also begun to boost the department store’s average number of personnel.

The Group’s average number of personnel in the first six months of the year was 14 607, which was 63 fewer than for the same period in 2009. Converted to full-time equivalents, Stockmann’s average number of employees increased by 24, to a total of 11 080.

The Group’s personnel expenses amounted to EUR 176.2 million, compared with EUR 162.2 million a year earlier. Personnel expenses accounted for 21.4 per cent (20.7 per cent) of revenue.

At the end of June 2010, Stockmann had 8 120 employees working abroad. The corresponding figure a year earlier was 7 899 employees. The proportion of employees working abroad was 55 per cent (55 per cent).

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. In 2008 the Gothenburg Administrative Court of Appeal 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 recognised 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 EC Arbitration Convention and the tax treaty between Germany and Sweden. 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 recognised in the income statement.

LONG-TERM FINANCIAL TARGETS

The Stockmann Group last confirmed its long-term financial targets in summer 2008, just before the start of the global financial crisis. These targets are as follows: at least a 20 per cent return on capital employed, a 12 per cent operating profit margin, an equity ratio of at least 40 per cent and a growth in sales that is faster than the general growth in the market. The effects of the global financial crisis have in part delayed the realistic timetable for achieving the targets. For this reason the company's Board of Directors has decided to announce that the targets will remain in force, but the target timetable for achieving them in full is now set two years ahead at 2015.

OUTLOOK FOR THE REMAINDER OF 2010

The economic environment has improved somewhat during the first six months of the year. Despite problems in a number of the national economies in southern Europe, there has been a decrease in uncertainty on the global financial markets and the availability of longer term financing has improved. In the Nordic countries and in Russia there are signs that consumer confidence is strengthening and that consumer demand is starting to grow.

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 has already been happening during the first half of 2010. Sales growth is expected to continue, and it is anticipated that completion of the major investment projects and new store openings will boost sales in the latter half of the year. The pre-opening costs involved in the Helsinki department store enlargement, in the Nevsky Centre in St Petersburg and in the stockmann.com webstore will burden the Group's third-quarter operating profit as planned. However, the operating profit in the third quarter is expected to be somewhat better than a year earlier. All the divisions are expected to show an improved operating profit for the full year. The aim is to achieve a significantly higher 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. Also the figures for 2009 are presented exclusive of VAT. The Department Store Division's January-June 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.	30.6.2010	30.6.2009	31.12.2009
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	112.5	105.4	108.3
Goodwill	737.7	649.9	685.4
Property, plant, equipment	668.2	618.2	619.5
Non-current receivables	0.6	1.7	0.6
Available for sale investments	5.0	5.0	5.0
Deferred tax asset	5.6	4.8	5.1
NON-CURRENT ASSETS	1 529.6	1 385.1	1 423.9
CURRENT ASSETS			
Inventories	209.5	216.6	196.1
Interest bearing receivables	64.1	72.7	44.5
Non-interest bearing receivables	91.3	80.6	86.5
Cash and cash equivalents	31.9	88.3	176.4
CURRENT ASSETS	396.8	458.1	503.4
ASSETS	1 926.4	1 843.2	1 927.4
EQUITY AND LIABILITIES			
SHAREHOLDERS’ EQUITY			
Equity attributable to equity holders of the parent	834.7	650.1	850.2
Minority interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	834.7	650.1	850.2
LONG-TERM LIABILITIES			
Deferred tax liability	59.9	75.6	70.1
Long-term liabilities, interest-bearing	541.2	882.3	786.9
Provisions	1.4	1.5	1.5
NON-CURRENT LIABILITIES	602.5	959.4	858.5
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	266.2	13.3	2.3
Short term interest-free liabilities	223.1	220.4	216.4
CURRENT LIABILITIES	489.2	233.7	218.7
TOTAL EQUITY AND LIABILITIES	1 926.4	1 843.2	1 927.4

Key figures	30.6.2010	30.6.2009	31.12.2009
Equity ratio, per cent	43.3	35.3	44.1
Net gearing, per cent	92.9	124.2	72.1
Cash flow from operations per share, EUR	-0.23	0.36	2.23
Interest-bearing net debt, EUR mill.	711.4	734.6	568.3
Number of shares in the end of the period, thousands	71 146	61 703	71 094

Weighted average number of shares, thousands *	71 094	62 559	65 676
Weighted average number of shares, diluted, thousands *	71 780	62 894	65 995
Market capitalization, EUR mill.	1 852.1	935.6	1 396.7

*) Figures 2009 have been adjusted for 2009 share issue.

STATEMENT OF CASH FLOWS, IFRS EUR millions	06/2010	06/2009	12/2009
Cash flows from operating activities			
Profit/loss for the period	27.9	-1.8	54.0
Adjustments for:			
Depreciation, amortisation & impairment loss	29.4	29.3	58.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	0.0	-0.3	-0.3
Interest and other financial expenses	8.8	13.2	28.4
Interest income	-5.0	-3.2	-4.4
Tax on income from operations	-9.9	-1.6	7.3
Other adjustments	0.4	-0.7	-0.4
Working capital changes:			
Increase (-) / decrease (+) in inventories	-8.6	4.2	27.7
Increase (-) /decrease(+) in trade and other receivables	-9.4	-4.3	-1.8
Increase (+) / decrease (-) in short-term interest-free liabilities	-30.8	0.4	7.2
Interest and other financial expenses paid	-8.9	-18.4	-32.9
Interest received	0.5	1.5	2.1
Other financing items	0.3	0.0	0.0
Income taxes paid	-10.6	4.6	1.4
Net cash from operating activities	-16.1	22.7	146.8
Cash flows from investing activities			
Purchase of tangible and intagible assets	-71.6	-77.9	-152.9
Proceeds from sale of tangible and intangible assets	0.2	23.0	71.1
Disposal of subsidiaries, net of cash disposed of			5.6
Proceeds from sale of investments		1.8	1.8
Loans granted	0.0		
Dividends received	0.2	0.2	0.2
Net cash used in investing activities	-71.3	-53.0	-74.3
Cash flows from financing activities			
Proceeds from issue of share capital	1.5		137.0

Proceeds from sale of own shares		5.1	5.1
Proceeds from short-term borrowings	186.8	11.9	0.0
Repayment of short-term borrowings	0.0	-19.3	-19.3
Increase(+)/ decrease(-) in short-term borrowings		0.0	0.0
Proceeds from long-term borrowings	9.4	200.3	200.0
Repayment of long-term borrowings	-204.6	-77.5	-216.2
Payment of finance lease liabilities	-0.7		-0.7
Dividends paid	-51.2	-38.0	-38.0
Net cash used in financing activities	-58.8	82.6	67.9
Net increase/decrease in cash and cash equivalents	-146.1	52.4	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	-146.1	52.4	140.4
Effects of exchange rate fluctuations on cash held	1.2	0.1	1.0
Changes in fair value (cash and cash equivalents)			
Cash and cash equivalents at the end of the period	31.9	88.3	176.4
Cheque account with overdraft facility	-0.9	-1.3	-0.5
Cash and cash equivalents at the end of the period	31.0	87.0	175.9

Income statement, Group, EUR millions	1-6/2010	1-6/2009	Change %	1-12/2009
REVENUE	824.3	782.9	5	1,698.5
Other operating income	0.0	0.3		0.3
Materials and consumables	-411.1	-417.3	-1	-880.8
Wages, salaries and employee benefits expenses	-176.2	-162.2	9	-327.4
Depreciation and amortisation	-29.4	-29.3	0	-58.4
Other operating expenses	-185.8	-167.7	11	-346.8
OPERATING PROFIT	21.8	6.6	230	85.3
Finance income and expenses	-3.8	-10.0	62	-24.0
PROFIT/LOSS BEFORE TAX	18.0	-3.4	628	61.3
Tax on income from operations	9.9	1.6		-7.3
PROFIT/LOSS FOR THE PERIOD	27.9	-1.8		54.0

note

Other comprehensive income, EUR mill.	1-06/2010	1-06/2009	Change %	1-12/2009

PROFIT/LOSS FOR THE PERIOD	27.9	-1.8		54.0
Other comprehensive income				
Exchange differences on translating foreign operations	4.2	-1.5		1.9
Cash flow hedges	1.6	-3.5		-1.4
Other comprehensive income for the year net of tax	5.9	-5.1		0.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	33.7	-6.8		54.5
Total comprehensive income attributable to:				
Equity holders of the parent	33.7	-6.8		54.5
Minority interest	0.0	0.0		0.0

Key figures	30.6.2010	30.6.2009	Change %	31.12.2009
EPS undiluted (EUR), adjusted for share issue *	0.39	-0.03		0.82
EPS diluted (EUR), adjusted for share issue *	0.39	-0.03		0.82
Operating profit, per cent of turnover	2.6	0.8		5.0
Equity per share, EUR	11.73	10.54	11	11.96
Return on equity, per cent, moving 12 months	11.3	5.2		7.0
Return on capital employed, per cent, moving 12 months	6.7	6.7		5.8
Average number of employees, converted to full-time staff	11 080	11,056	0	11 133
Investments, EUR millions	72.7	74.4	-2	152.8

*) Figures 2009 have been adjusted for 2009 share issue.

Statement of changes in equity, Group EUR millions 1 - 06 / 2009	Share capital*	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			
Net gain/loss of own shares			
Total comprehensive income for the year			-3.5
Other changes			
Other changes			
SHAREHOLDERS’ EQUITY TOTAL 06 / 2009	123.4	186.1	-2.1

Statement of changes in equity, Group EUR millions 1 - 06 / 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			
New share issue	0.1		
Options exercised			
Share premium			
Total comprehensive income for the year	0.0		1.6
Other changes			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2010	142.3	186.1	1.7

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

Statement of changes in equity, Group EUR millions 1 - 06 / 2009	Reserve for invested un-restricted equity	Other reserves	Trans-lation-diffe-rences
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			-1.5
Other changes			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2009	124.1	44.1	-8.2

Statement of changes in equity, Group EUR millions 1 - 06 / 2010	Reserve for invested un-restricted equity	Other reserves	Trans-lation-diffe-rences
BALANCE AT BEGINNING OF THE PERIOD	243.3	44.1	-4.9
Changes in equity for			
Dividend distribution			
New share issue			
Options exercised			
Share premium	1.3		
Total comprehensive income for the year			4.2
Other changes			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 06 / 2010	244.6	44.1	-0.7

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
Net gain/loss 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				
Other changes	0.1	0.1		0.1
SHAREHOLDERS' EQUITY TOTAL 06 / 2009	182.8	650.1		650.1

Statement of changes in equity, Group EUR millions 1 - 06 / 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
New share issue		0.1		0.1
Options exercised	0.4	0.4		0.4
Share premium		1.3		1.3
Total comprehensive income for the year	27.9	33.7	0.0	33.7
Other changes				
Other changes	0.0	0.0		0.0
SHAREHOLDERS' EQUITY TOTAL 06 / 2010	216.7	834.7		834.7

Contingent liabilites, Group EUR millions	30.6.2010	30.6.2009	31.12.2009
Mortages on land and buildings	201.7	201.7	201.7
Pledges	0.3	0.9	0.9
Liabilities of adjustments of VAT deductions made on investments to immovable property	37.6	28.6	33.8
Total	239.6	231.2	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	165.0	139.4	155.6
After one year	621.7	509.0	625.8
Total	786.7	648.4	781.4

Lease payments, EUR millions			
Within one year	5.8	7.0	7.5

After one year	15.8	20.8	19.1
Total	21.6	27.8	26.6

Derivate contracts, EUR millions

Nominal value			
Currency derivatives	533.1	201.1	296.4
Electricity derivates	2.8	3.5	3.2
Total	535.9	204.6	299.6

Exchange rates

Country				
Russia	RUB	38.0282	43.8810	43.1540
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7093	0.7036	0.7093
Lithuania	LTL	3.4528	3.4528	3.4528
Norway	NOK	7.9725	9.0180	8.3000
Sweden	SEK	9.5259	10.8125	10.2520

Segment information, Group
EUR millions

Operating segments

Revenue	1.1.-30.6.2010	1.1.-30.6.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	491.5	482.4	2	1,030.0
Lindex	263.7	235.2	12	527.0
Seppälä	68.5	64.4	6	139.5
Unallocated	0.5	0.9		1.9
Group	824.3	782.9	5	1,698.5

Operating profit	1.1.-30.6.2010	1.1.-30.6.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	0.6	-7.9	107	22.8
Lindex	21.6	19.9	8	62.4
Seppälä	3.9	0.2		8.0
Unallocated	-4.3	-5.7	25	-7.9
Group	21.8	6.6	230	85.3

Investments, gross	1.1.-30.6.2010	1.1.-30.6.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	59.1	61.1	-3	125.7
Lindex	11.6	10.4	11	22.2
Seppälä	1.7	2.7	-37	4.5
Unallocated	0.4	0.1		0.4
Group	72.7	74.4	-2	152.8

Assets	1.1.-30.6.2010	1.1.-30.6.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	826.6	817.2	1	764.8
Lindex	952.2	831.8	14	870.4
Seppälä	107.5	115.1	-7	119.8
Unallocated	40.1	79.1		172.3
Group	1,926.4	1,843.2	5	1,927.4

Information from market areas

Revenue	1.1.- 30.6.2010	1.1.- 30.6.2009	Change %	1.1.- 31.12.2009
Finland 2)	451.6	437.2	3	948.0
Sweden and Norway 3)	219.1	195.6	12	439.2
Baltic states, Czech Republic and Slovakia 2)	56.1	68.0	-17	129.6
Russia and Ukraine 2)	97.5	82.1	19	181.8
Group	824.3	782.9	5	1,698.5
Finland, %	54.8	55.8		55.8
International operations, %	45.2	44.2		44.2

Operating profit	1.1.- 30.6.2010	1.1.- 30.6.2009	Change %	1.1.- 31.12.2009
Finland 2)	10.7	7.8	38	54.3
Sweden and Norway 3)	23.2	20.3	14	61.5
Baltic states, Czech Republic and Slovakia 2)	-2.0	-4.1	-52	-4.4
Russia and Ukraine 2)	-10.2	-17.5	-42	-26.0
Group	21.8	6.6	230	85.3
Finland, %	49.2			63.6
International operations, %	50.8			36.4

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

Income statement, Group, EUR millions quarterly, EUR millions	Q2 2010	Q1 2010	Q4 2009	Q3 2009
Revenue	451.7	372.6	526.3	389.3
Other operating income	0.0	0.0	0.0	0.0
Materials and consumables	-220.2	-190.9	-262.5	-201.0
Wages, salaries and employee benefits expenses	-90.4	-85.8	-90.8	-74.3
Depreciation and amortisation	-15.2	-14.2	-15.1	-14.0
Other operating expenses	-95.0	-90.8	-96.8	-82.3
Operating profit (loss)	30.9	-9.2	61.0	17.7
Finance income and expenses	-3.2	-0.6	-5.2	-8.8
Profit (loss) before tax	27.8	-9.8	55.8	8.9
Income taxes	-2.1	12.0	-17.0	8.0
Profit for the period	25.7	2.2	38.9	16.9
Earnings per share, EUR				
Basic **	0.36	0.03	0.58	0.27
Diluted **	0.36	0.03	0.58	0.27

Revenue, EUR millions				
Department Store Division *	265.5	226.0	332.0	215.6
Lindex	148.1	115.7	155.3	136.5
Seppälä	37.7	30.8	38.4	36.7
Unallocated	0.5	0.1	0.5	0.6
Group	451.7	372.6	526.3	389.3
Operating profit (loss), EUR millions				
Department Store Division *	8.8	-8.2	33.5	-2.8
Lindex	19.5	2.1	24.4	18.1
Seppälä	4.8	-0.9	4.9	2.9
Unallocated	-2.2	-2.1	-1.7	-0.5
Group	30.9	-9.2	61.0	17.7

*) Hobby Hall has been integrated to Department store division
Reference data for year 2009 is adjusted according to changes in segments structure.
**) Figures 2009 have been adjusted for 2009 share issue.
This Interim Report is unaudited.

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		0.1	0.3
Materials and consumables	-220.1	-197.2	-273.5	-224.7
Wages, salaries and employee benefits expenses	-82.6	-79.7	-92.9	-82.3
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 **	0.35	-0.38	0.32	0.27
Diluted **	0.35	-0.38	0.32	0.27

Revenue, EUR millions				
Department Store Division *	257.5	224.9	357.8	257.8
Lindex	136.5	98.6	141.0	140.6
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 *	8.4	-16.2	36.5	14.1

Lindex	19.7	0.2	20.3	15.7
Seppälä	3.0	-2.8	4.2	5.9
Unallocated	-2.5	-3.1	-2.6	-1.2
Group	28.6	-22.0	58.4	34.6

*) Hobby Hall has been integrated to Department store division
Reference data for year 2009 is adjusted according to changes in segments structure.
**) Figures 2009 have been adjusted for 2009 share issue.
This Interim Report is unaudited.

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Assets

EUR mill.	30/06/2010	30.6.2009	31/12/2009
Acquisition cost at the beginning of the period	964.8	945.3	945.3
Translation difference +/-	11.0	3.8	12.2
Increases during the period	72.7	74.4	160.9
Decreases during the period	-18.0	-55.6	-153.5
Transfers between items	-0.2		0.0
Acquisition cost at the end of the period	1 030.3	968.0	964.8
Accumulated depreciation at the beginning of the period	-237.0	-245.7	-245.7
Translation difference +/-	-1.1	-2.0	-3.5
Depreciation on reductions	18.0	32.6	70.6
Depreciation during the period	-29.4	-29.3	-58.4
Accumulated depreciation at the end of the period	-249.6	-244.4	-237.0
Carrying amount at the beginning of the period	727.8	699.6	699.6
Carrying amount at the end of the period	780.7	723.6	727.8

Goodwill

EUR mill.	30/06/2010	30/06/2009	31/12/2009
Acquisition cost at the beginning of the period	685.4	646.5	646.5
Translation difference +/-	52.2	3.4	39.0
Acquisition cost at the end of the period	737.7	649.9	685.4
Carrying amount at the beginning of the period	685.4	646.5	685.4
Carrying amount at the end of the period	737.7	649.9	685.4
Total	1 518.4	1 373.5	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

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A press and analyst conference in Finnish will be held today 12 August 2010 at 9.00 a.m. at the Fazer restaurant F8 Easy on the 8th floor of Stockmann's Helsinki city centre department store. Entrance Aleksanterinkatu 52 B (on the right side of the department store's main entrance).

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