STOCKMANN plc
Interim report
23.10.2009 at 8.00

STOCKMANN plc INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2009

PICK-UP IN STOCKMANN GROUP'S SALES NOT YET EVIDENT IN THIRD QUARTER, BUT BETTER RESULTS ANTICIPATED FOR FOURTH QUARTER

The Stockmann Group's third-quarter sales showed a year-on-year drop of 11.5 per cent, falling to EUR 470.5 million (EUR 531.5 million). Third-quarter operating profit was EUR 17.7 million (EUR 34.6 million) and profit before taxes was EUR 8.9 million (EUR 21.8 million). The third-quarter 2008 result was enhanced by the cancellation of a EUR 3.3 million provision for the closing of the Smolenskaya department store. January-September sales declined by 12.3 per cent to EUR 1 415.0 million (EUR 1 613.0 million). The drop in sales was a result of the general state of the economy, the considerable weakening of several currencies, the high figures for 2008 used for comparison, which also included sales from the Smolenskaya department store that ceased operating in May 2008, and the discontinuation of Hobby Hall's Baltic operations in stages up to the end of August. The Group's operating profit for January-September declined to EUR 24.3 million (EUR 63.5 million). The previous year's operating profit included non-recurring capital gains of EUR 4.0 million, expenses of EUR 5.8 million arising from the closure of the Smolenskaya department store and a EUR 4.9 million provision. Net financial expenses fell as expected, to a total of EUR 18.8 million (EUR 37.4 million). The decrease in deferred tax liability booked for the unrealized exchange rate loss on the currency loan improved the result for the review period. The Group's result for January-September was EUR 15.1 million (EUR 19.2 million). Earnings per share were EUR 0.24 (EUR 0.33). In the third quarter, Stockmann arranged a directed share issue and a rights offering, with which it raised a total of EUR 140.9 million in capital.

Key figures

		7-9/2009	7-9/2008	Index
Sales	EUR mill.	470.5	531.5	89
Revenue	EUR mill.	389.3	440.7	88
Operating profit	EUR mill.	17,7	34.6	51
Profit before taxes	EUR mill.	8.9	21.8	17
Profit	EUR mill.	16.9	15.6	108
Earnings per share	EUR	0.27	0.27	100

		1-9/2009	1-9/2008	Index	2008
Sales	EUR mill.	1 415.0	1 613.0	88	2 265.8
Revenue	EUR mill.	1 172.2	1 337.4	88	1 878.7
Operating profit	EUR mill.	24,3	63.5	38	121.9
Profit before taxes	EUR mill.	5.5	26.1	21	71.7
Profit	EUR mill.	15.1	19.2	79	39,1
Earnings per share	EUR	0.24	0.33	73	0.67
Equity per share	EUR	11.36	11.02	103	11.24
Cash flow from operating	EUR mill.	-8.1	38.1		170.1

activities

Key ratios

Net gearing	per cent	94.0	130.7	107.4
Equity ratio	per cent	43.4	36.2	39.0
Number of shares, weighted average, diluted	thousands	63 005	57 693	58 609
Return on capital employed, rolling 12 months	per cent	5.2	12.2	8.3

SALES AND RESULT

The Stockmann Group's January-September sales were down by 12.3 per cent, to EUR 1 415.0 million (EUR 1 613.0 million). The drop in sales was a result of the general state of the economy, the considerable weakening of the Swedish krona, the Norwegian krone and the Russian rouble, the high figures for 2008 used for comparison, which also included sales from the Smolenskaya department store that ceased operating in May 2008, and the discontinuation of Hobby Hall's Baltic operations in stages up to the end of August.

January-September sales in Finland were down by 9.6 per cent to EUR 770.7 million. The Group's sales abroad totalled EUR 644.3 million, a decline of 15.3 per cent. Without the changes in currency exchange rates the Group's sales abroad would have decreased by 5 per cent. Sales abroad accounted for 45.5 per cent (47.2 per cent) of the Group's sales.

Gains on the sale of shares generated EUR 0.3 million (EUR 4.0 million) in other operating income during January-September.

The Group's gross operating margin decreased by EUR 85.3 million, to EUR 553.9 million. The relative gross margin was 47.3 per cent (47.8 per cent). Lindex's relative gross margin improved, whereas that of the Department Store Division, Hobby Hall and Seppälä decreased. The stock level of all divisions was below that of a year earlier, and the Group's stock level fell by EUR 21.3 million, to EUR 260.2 million. Operating costs decreased by EUR 46.0 million and depreciation by EUR 3.9 million. The company has already succeeded in meeting its original cost-savings target of EUR 28 million for the whole year. Efficiency measures aimed at achieving cost-savings will be continued.

Consolidated operating profit for the first nine months of 2009 amounted to EUR 24.3 million, a year-on-year decline of EUR 39.2 million.

Net financial expenses decreased by EUR 18.6 million, to EUR 18.8 million (EUR 37.4 million). This figure includes the reversal of EUR 2.8 million in interest expenses capitalized during construction of the Mannerheimintie car park.

Profit before taxes for the period was EUR 5.5 million, or EUR 20.6 million less than a year earlier. Taxes for the period, a total of EUR 9.7 million, included a decrease in deferred tax liability of EUR 10.8 million booked for the unrealized exchange rate loss on the currency loan, and a tax accrual of EUR 1.1 million. Boosted by the decrease in deferred tax liability, the taxes figure improved the result for the period. The taxes burdening the result for the same period a year earlier totalled EUR 6.9 million.

Third-quarter profit was up, amounting to EUR 16.9 million (EUR 15.6 million).

In August and September, the company arranged share issues, as a consequence of which the number of shares increased by 9 390 617, or 15.2 per cent, and the equity by EUR 137 999 253.64, or 20.6 per cent. Earnings per share for January-September amounted to EUR 0.24 (EUR 0.33) and, diluted for options, EUR 0.24 (EUR 0.33). Equity per share was EUR 11.36 (EUR 11.02).

SALES AND EARNINGS TREND BY BUSINESS SEGMENT

Department Store Division

The Department Store Division's sales were down 15.3 per cent to EUR 717.2 million. Sales in Finland fell by 11.5 per cent. International sales decreased by 24.5 per cent and accounted for 26.4 per cent (29.6 per cent) of the division's sales. In addition to the general state of the economy, the decline in the Department Store Division's sales was a result of the considerable weakening of the Russian rouble, the very high figures for 2008 used for comparison, which included sales from the Smolenskaya department store that ceased operating in May 2008, and the strong sales growth in the Baltic department stores during 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-September 2009 declined as a result of price reduction campaigns. The stock level of the Department Store Division decreased as planned, and was lower than the previous year's level. The Department Store Division's operating result was down by EUR 26.2 million, to EUR -7.2 million (EUR 19.0 million).

Third-quarter sales were down by 14.8 per cent to EUR 225.7 million. The operating result was EUR -1.9 million, compared with EUR 13.5 million in the same period a year earlier. The third-quarter 2008 result was improved by the cancellation of a EUR 3.3 million provision for the closing of the Smolenskaya department store, part of which also improved the previous year's gross margin.

Lindex

Lindex's sales for January-September were up by 3 per cent in local currencies, but due to the weakening of the Swedish krona and Norwegian krone, the euro-denominated sales were down by 7.1 per cent to EUR 461.9 million (EUR 496.9 million). Sales in Finland grew by 2.6 per cent, but in other countries sales declined by 8.3 per cent. The relative gross margin improved. Lindex's stock level decreased as planned and was lower than in the previous year. Lindex's operating profit for January-September was EUR 38.0 million (EUR 38.4 million). The weakening of the Swedish krona against the euro reduced the January-September operating profit by an imputed EUR 5.6 million. Lindex has been able to increase its market share in all of its main markets.

Third-quarter sales were up by 5 per cent in local currencies, but due to the weakening of the Swedish krona and Norwegian krone, the euro-denominated sales were down by 2.9 per cent to EUR 169.7 million. Operating profit increased, amounting to EUR 18.1 million, compared with EUR 15.7 million in the same period a year earlier. The weakening of the Swedish krona against the euro reduced third-quarter operating profit by an imputed EUR 2.6 million. Lindex's operating profit in the third quarter, when calculated in local currencies, was the highest in its history.

Seppälä

Seppälä's sales in January-September were down by 7.2 per cent from the same period in the previous year, totalling EUR 121.7 million (EUR 131.1 million). Sales in Finland fell by 4.8 per cent. Sales abroad were down by 11.6 per cent and accounted for 32.5 per cent (34.2 per cent) of Seppälä's total sales. Rouble-denominated sales in Russia grew by 18 per cent. Sales in the Baltic countries declined considerably despite price reduction campaigns, and these campaigns weakened Seppälä's relative gross margin. Fixed costs and depreciation increased due to the company's expansion. Seppälä's stock level decreased as planned and was lower than in the previous year. Seppälä's operating profit decreased by EUR 7.3 million, to EUR 3.1 million (EUR 10.4 million).

In the third quarter, Seppälä's sales were down by 12.0 per cent to EUR 44.1 million. Operating profit amounted to EUR 2.9 million (EUR 5.9 million).

Hobby Hall

Hobby Hall's sales in January-September decreased by 16.9 per cent to EUR 114.1 million (EUR 137.3 million). Sales in Finland fell by 8.8 per cent, and sales abroad declined by 53.2 per cent during the review period. Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. Hobby Hall also saw its relative gross margin decline. Hobby Hall's stock level decreased as planned and was clearly lower than the previous year's level. Hobby Hall's operating result fell to EUR -3.5 million (EUR -0.8 million), mainly due to the discontinuation of operations in the Baltic countries. Full-year operating profit from operations in Finland are expected to be in the black.

In the third quarter, Hobby Hall's sales were down 25.6 per cent to EUR 30.9 million. The operating result amounted to EUR -0.9 million, compared with an operating profit of EUR 0.7 million in the same period a year earlier.

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 22.7 million at the end of September, as against EUR 23.0 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 has resulted in a decrease of EUR 84.4 million in non-current assets. This includes the sale in September of the shares of the newly opened Mannerheimintie car park in Helsinki, using a sale and leaseback arrangement.

In the third quarter, Stockmann arranged a directed share issue and a rights offering, with which it raised a total of EUR 140.9 million in capital. The arrangement and underwriting fees for the issues came to a total of EUR 4.0 million.

Funds raised through the issues were used for the advance repayment of long-term debt. Interest-bearing liabilities were down EUR 125.2 million on the figure at the end of September 2008 and, at the end of September 2009, stood at EUR 781.9 million (EUR 907.1 million), of which EUR 780.9 million (EUR 113.4 million) was long-term debt. Capital expenditure in January-September amounted to EUR 105.0 million. Dividend payouts totalled EUR 38.0 million. Net working capital amounted to EUR 200.3 million at the end of September, as against EUR 216.0 million a year earlier and EUR 150.9 million at the close of 2008. At the close of 2008, interest-bearing liabilities amounted to EUR 775.7 million, of which EUR 755.7 million was long-term debt.

The equity ratio increased due to the issues and, at the end of September, was 43.4 per cent (36.2 per cent). At the close of 2008, the equity ratio was 39.0 per cent. Net gearing at the end of September was 94.0 per cent (130.7 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 5.2 per cent (8.3 per cent at the close of 2008). Consolidated capital employed was up by EUR 124.7 million from September of the previous year, amounting to a total of EUR 1 591.3 million at the end of September 2009 (EUR 1 466.8 million at the close of 2008).

CAPITAL EXPENDITURE

Capital expenditure during January-September totalled EUR 105.0 million (EUR 126.0 million). Net capital expenditure after the ongoing implementation of the programme to release capital was EUR 20.6 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. The department store has a total area of about 8 000 square metres. Stockmann’s capital expenditure on the new location was approximately EUR 14.2 million, of which EUR 2.8 million was booked for 2009. 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 and servicing facilities and a car park. The new car park was opened in May and sold in September as a part of the programme to release capital by means of a sale and leaseback arrangement. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. With the sale of the car park, the capital expenditure for the enlargement of the department store is estimated to be 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 the course of the project. The new and the renovated premises are being opened in stages. The project is expected to be completed in phases up to the end of 2010. During the first nine months of 2009, the project required an investment of about EUR 32.4 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 will be housed in the shopping centre, along with other retail stores, office premises and an underground car park. The total investment is estimated at about EUR 185 million. The construction work for the project is under way and proceeding according to timetable. The building is expected to be completed during the summer of 2010 and commercial operations to start during the final quarter of 2010. The leasing of premises to external operators is proceeding as planned. During the first nine months of 2009, the project required an investment of about EUR 32.3 million.

One Stockmann Beauty store was opened, and one was closed, in Finland during January–September. In Russia, two Bestseller stores were closed.

An Outlet store was opened at the Rocca al Mare shopping centre in Tallinn, while the Outlet store in Riga was closed.

The Department Store Division's capital expenditure totalled EUR 82.8 million.

Lindex

Lindex opened 18 stores during January-September, five of them in Sweden, three each in Finland, Russia and Lithuania, and one each in Norway, Latvia, the Czech Republic and Slovakia, the latter being a new market for both Lindex and the entire Stockmann Group. One store was closed in Finland and one closed in Latvia during the same period. Two stores have been opened in Sweden since the end of September.

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

Lindex's capital expenditure totalled EUR 15.7 million.

Seppälä

Seppälä opened nine stores during January-September, two in each of Finland, Russia, Latvia and Lithuania, and one in Ukraine. Two stores in Finland and one in Russia were closed during the same period.

Seppälä's capital expenditure totalled EUR 3.3 million.

Hobby Hall

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

Hobby Hall's capital expenditure totalled EUR 3.0 million.

Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. The discontinuation of the Baltic operations is part of the ongoing measures to revitalize Hobby Hall's financial situation.

Other capital expenditure

The Group's other capital expenditure came to EUR 0.2 million.

NEW PROJECTS

Department Store Division

The fifth department store in Moscow will be opened in March 2010 in the Rostokino shopping centre being built in north Moscow. Stockmann's capital expenditure on the department store, which will have a total retail space of about 10 000 square metres, will amount to approximately EUR 16 million.

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 in 2011. The preliminary agreement for opening a department store in Vilnius, the Lithuanian capital, has been cancelled.

Lindex

Lindex is continuing its expansion, expecting to open five new stores towards the end of 2009. In addition, the number of franchising stores in the Middle East is expected to increase by three.

Modernization of the Finnish stores, started in 2009, will continue.

Seppälä

Seppälä plans to open four new stores towards the end of 2009.

Hobby Hall

Hobby Hall will close its Hämeentie store in Helsinki by the end of the year. Integration with the Department Store Division is proceeding according to plan, with Hobby Hall becoming an integral part of the Department Store Division as from the start of 2010.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of September was EUR 1 304.6 million (EUR 1 063.2 million). At the end of 2008 the corresponding figure was EUR 611.6 million.

During January-September, Stockmann shares outperformed both the OMX Helsinki index and the OMX Helsinki Cap index. At the end of September, the price of the Series A shares was EUR 18.80, compared with EUR 10.10 at the end of 2008, and the Series B shares were selling at EUR 18.01, 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 is 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.

The 2008 Annual General Meeting authorized the Board of Directors to decide on the issuance of shares and of special rights entitling holders to shares under chapter 10, section 1 of the Limited Liability Companies Act, in one or more lots. The Board of Directors was authorized to decide on the amount of Series A and Series B shares to be issued. However, the aggregate number of shares issued on the basis of the authorization may not exceed 15 000 000 shares. The issuance of shares and the special rights entitling holders to shares may be carried out in accordance with or deviating from the shareholders' pre-emptive rights (directed issue). Under the authorization, the Board of Directors is entitled to decide on all the terms and conditions regarding the issue of shares and concerning the special rights referred to in chapter 10, section 1 of the Limited Liability Companies Act. The authorization is valid for up to three years.

Based on the authorization granted by the Annual General Meeting in 2008, Stockmann's Board of Directors arranged, on 14 August 2009, a directed issue to HTT Holding Oy Ab, a company owned by the Hartwall family, whereby a total of 2 433 537 new Series A shares and 3 215 293 new Series B shares were issued. With this issue, the company raised EUR 96.0 million in new capital. The new shares were registered with the Finnish Trade Register on 18 August 2009, and became subject to public trading on NASDAQ OMX Helsinki Ltd as from 19 August 2009.

Based on the authorization granted by the Annual General Meeting in 2008, the company's Board of Directors also decided on 14 August 2009 to carry out a rights offering between 31 August and 18 September 2009, whereby 1 611 977 new Series A shares and 2 129 810 new Series B shares, or a total of 3 741 787 shares, were subscribed pursuant to the subscription rights. With this issue, the company raised EUR 42.0 million in new capital after deduction of expenses. The new shares were registered with the Finnish Trade Register on 28 September 2009 and became subject to public trading alongside the old shares on NASDAQ OMX Helsinki Ltd as from 29 September 2009.

Following the above-mentioned registrations, Stockmann's share capital increased to EUR 142 187 906. On 30 September 2009, the number of Stockmann Series A shares totalled 30 627 563 and Series B shares 40 466 390. After the completion of the above-mentioned share issues, the Board authorization to issue shares has been fully utilized.

PERSONNEL

The number of personnel employed by the Group's established operations has decreased throughout the year, compared with the same period a year earlier. The number of working hours has been adapted to demand and customer flows. The personnel strength has grown only in Lithuania, the

Czech Republic and Ukraine, thanks to the opening of new Lindex and Seppälä stores. The Group also gained new employees with the opening of Lindex's first store in Slovakia.

The average number of Stockmann Group personnel fell by 1 027 to a total of 14 586. Stockmann plc's average number of employees, calculated as full-time equivalents, decreased by 841, to 11 002.

The Group's personnel expenses amounted to EUR 236.6 million, compared with EUR 257.6 million a year earlier. Personnel expenses accounted for a higher proportion of revenue, at 20.2 per cent (19.3 per cent).

At the end of September 2009, Stockmann had 7 952 employees working abroad. The corresponding total for the end of September the previous year was 8 358 employees. The proportion of employees working abroad was 55 per cent (54 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.

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. The Administrative Court of Appeal in Gothenburg overturned the favourable decisions that AB Lindex had received in the County Administrative Court, and as a consequence Lindex was obliged to refund to the tax authorities approximately EUR 23.8 million in taxes and interest. The taxes that were refunded had no effect on the 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 the summer of 2009 decided not to review the case. The company's further measures 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 fiscal 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 may receive a partial or full refund of the approximately EUR 26 million in taxes paid on the aforementioned income. The tax effect of the claim has not been recorded in the income statement.

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 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 global economic downturn has continued strong. 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 positive signs in consumer confidence on the Nordic market. The sales trend at the start of the fourth quarter has been better than the declining trend of January-September 2009.

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. The immediate downward pressure on the value of the rouble has decreased. The value of the Swedish krona is not anticipated to weaken significantly during the last part of the year, either.

According to current estimates, it is possible that in the fourth quarter the Group will reach the previous year's sales figures and improve the operating profit. Sales and operating profit for the full year will be lower than in 2008.

Stockmann will continue the measures initiated earlier for improving the efficiency of operations and preparing for a lengthy period of slow growth. Financial expenses will be distinctly lower than in 2008. The objective is to achieve 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 standard and the IFRS 8 Operating Segments standard. 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 financial statements for 2008. The figures are unaudited.

Statement of financial position, EUR mill.	30.9.2009	30.9.2008	31.12.2008
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	109.7	121.0	112.1
Goodwill	686.8	717.4	646.5
Property, plant, equipment	577.8	550.4	587.5
Non-current revceivables	0.1	1.7	1.6
Available for sale investments	5.0	6.6	6.6
Deferred tax asset	5.2	6.0	4.5
NON-CURRENT ASSETS	1 384.7	1 403.1	1 358.8
CURRENT ASSETS			
Inventories	260.2	281.4	220.3
Interest bearing receivables	99.7	51.2	52.2
Non-interest bearing receivables	95.4	108.5	98.4
Cash and cash equivalents	22.7	23.0	35.2
CURRENT ASSETS	478.0	464.1	406.2
ASSETS	1 862.7	1 867.3	1 765.0
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	807.9	676.2	689.1
Minority interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	807.9	676.2	689.1
LONG-TERM LIABILITIES			
Deferred tax liability	65.3	56.5	78.1
Long-term liabilities, interest-bearing	780.9	113.4	755.7
Provisions	1.5	2.5	2.0
NON-CURRENT LIABILITIES	847.6	172.3	835.7
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	1.0	793.7	20.0
Short term interest-free liabilities	206.1	225.1	220.1
CURRENT LIABILITIES	207.2	1,018.8	240.1
TOTAL EQUITY AND LIABILITIES	1 862.7	1 867.3	1 765.0

Key figures	30.9.2009	30.9.2008	31.12.2008
Equity ratio, per cent	43.4	36.2	39.0
Net gearing, per cent	94.0	130.7	107.4
Cash flow from operations per share, EUR	-0.13	0.66	2.90
Interest-bearing net debt, EUR mill.	659.6	832.9	688.2
Number of shares in the end of the period, thousands	71 094	61 703	61 703

Weighted average number of shares, thousands	62 459	57 693	58 609
Weighted average number of shares, diluted, thousands	63 005	57 693	58 609
Market capitalization, EUR mill.	1 304.6	1 063.2	611.6

STATEMENT OF CASH FLOWS, IFRS EUR millions	09/2009	09/2008	12/2008
Cash flows from operating activities			
Profit/loss for the period	15.1	19.2	39.1
Adjustments for:			
Depreciation, amortisation & impairment loss	43.3	47.2	61.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	-0.3	-4.0	-3.5
Interest and other financial expenses	20.0	39.6	51.7
Interest income	-1.2	-2.2	-1.6
Tax on income from operations	-9.7	6.9	32.7
Other adjustments	-0.6	3.3	-1.4
Working capital changes:			
Increase (-) / decrease (+) in inventories	-35.6	-39.8	24.0
Increase (-) /decrease(+) in trade and other receivables	7.4	72.1	75.6
Increase (+) / decrease (-) in short-term interest-free liabilities	-28.0	-22.0	-12.7
Interest and other financial expenses paid	-23.5	-34.1	-47.7
Interest received	1.6	0.6	0.8
Income taxes paid	3.2	-48.6	-48.3
Net cash from operating activities	-8.1	38.1	170.1
Cash flows from investing activities			
Purchase of tangible and intagible assets	-110.1	-127.7	-181.1
Proceeds from sale of tangible and intangible assets	27.5	5.0	6.1
Acquisition of subsidiaries, net of cash acquired		-18.9	-18.9
Disposal of subsidiaries, net of cash disposed of	5.6	0.0	0.0
Purchase of investments		-0.1	
Proceeds from sale of investments	1.8	0.3	0.0
Dividends received	0.2	0.1	0.1
Net cash used in investing activities	-75.0	-141.3	-193.7
Cash flows from financing activities			
Proceeds from issue of share capital	138.0	135.4	135.2
Proceeds from sale of own shares	5.1		
Proceeds from short-term borrowings	0.0	161.2	20.0

Repayment of short-term borrowings	-19.3	-50.1	-33.3
Proceeds from long-term borrowings	200.0	49.5	152.2
Repayment of long-term borrowings	-216.2	-129.7	-157.3
Dividends paid	-38.0	-75.2	-75.2
Net cash used in financing activities	69.6	91.1	41.7
Net increase/decrease in cash and cash equivalents	-13.5	-12.1	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	-13.5	-12.1	18.1
Effects of exchange rate fluctuations on cash held	0.7	0.2	-2.2
Cash and cash equivalents at the end of the period	22.7	23.0	35.2
Cheque account with overdraft facility	-1.0	-16.2	-0.7
Cash and cash equivalents at the end of the period	21.7	6.8	34.5

Income statement, Group, EUR millions	1-9/2009	1-9/2008	Change %	1-12/2008
REVENUE	1 172.2	1 337.4	-12	1 878.7
Other operating income	0.3	4.0	-93	4.2
Materials and consumables	-618.3	-698.2	-11	-971.7
Wages, salaries and employee benefits expenses	-236.6	-257.6	-8	-350.5
Depreciation and amortisation	-43.3	-47.2	-8	-61.4
Other operating expenses	-250.0	-275.0	-9	-377.4
OPERATING PROFIT	24.3	63.5	-62	121.9
Finance income and expenses	-18.8	-37.4	50	-50.1
PROFIT/LOSS BEFORE TAX	5.5	26.1	-79	71.7
Tax on income from operations	9.7	-6.9		-32.7
PROFIT/LOSS FOR THE PERIOD	15.1	19.2	-21	39.1

note

Other comprehensive income, EUR mill.	1-09/2009	1-09/2008	Change %	1-12/2008
PROFIT/LOSS FOR THE PERIOD	15.1	19.2	-21	39.1
Other comprehensive income				
Exchange differences on translating foreign operations	0.6	0.1		-6.8
Cash flow hedges	-3.1	1.3		0.9

Other comprehensive income for the year net of tax	-2.5	1.5		-5.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	12.6	20.7		33.2
Total comprehensive income attributable to:				
Equity holders of the parent	12.6	20.7		33.2
Minority interest	0.0	-0.0		-0.0

Key figures	30.9.2009	30.9.2008	Change %	31.12.2008
EPS undiluted (EUR), adjusted for share issue	0.24	0.33	-27	0.67
EPS diluted (EUR), adjusted for share issue	0.24	0.33	-28	0.67
Operating profit, per cent of turnover	2.1	4.7	-56	6.5
Equity per share, EUR	11.36	11.02	3	11.24
Return on equity, per cent, moving 12 months	4.7	11.1	-58	6.1
Return on capital employed, per cent, moving 12 months	5.2	12.2	-57	8.3
Average number of employees, converted to full-time staff	11 002	11 843	-7	11 964
Investments, EUR millions	105.0	126.0	-17	182.3

Segment information, Group
EUR millions

Operating segments

Sales	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Department Store Division	717.2	847.1	-15	1 218.9
Lindex	461.9	496.9	-7	672.5
Hobby Hall	114.1	137.3	-17	191.0
Seppälä	121.7	131.1	-7	182.6
Unallocated	0.1	0.6	-87	0.8
Group	1 415.0	1 613.0	-12	2 265.8

Revenue	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Department Store Division	602.8	713.0	-15	1 025.9
Lindex	371.7	399.2	-7	540.2
Hobby Hall	95.2	114.7	-17	159.6
Seppälä	101.1	109.1	-7	151.9
Unallocated	1.5	1.4	2	1.1
Group	1 172.2	1 337.4	-12	1 878.7

Operating profit	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Department Store Division	-7.2	19.0		54.0
Lindex	38.0	38.4		58.7
Hobby Hall	-3.5	-0.8		0.8

Seppälä	3.1	10.4		14.6
Unallocated	-6.1	-2.8		-6.1
Eliminations	0.0	-0.8		0.0
Group	24.3	63.5	-62	121.9

Investments, gross	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Department Store Division	82.8	98.2	-16	146.0
Lindex	15.7	20.5	-24	25.2
Hobby Hall	3.0	1.9	59	3.1
Seppälä	3.3	4.8	-30	7.2
Unallocated	0.2	0.7	-71	0.8
Group	105.0	126.0	-17	182.3

Assets	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Department Store Division	713.5	682.1	5	704.0
Lindex	875.2	987.4	-11	806.0
Hobby Hall	67.9	96.5	-30	90.4
Seppälä	118.1	49.0	141	116.5
Unallocated	87.9	52.4	68	48.1
Group	1 862.6	1 867.3	0	1 765.0

Information from market areas

Sales	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Finland 1)	770.7	852.3	-10	1 224.8
Sweden and Norway 2)	385.1	426.1	-10	575.2
Baltic states and Czech Republic 1)	114.6	152.2	-25	211.7
Russia 1)	144.7	182.3	-21	254.1
Group	1 415.0	1 613.0	-12	2 265.8
Finland, %	54.5	52.8	0	54.1
International operations, %	45.5	47.2	0	45.9

Revenue	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Finland 1)	644.0	711.4	-9	1 021.8
Sweden and Norway 2)	308.5	340.9	-9	460.2
Baltic states and Czech Republic 1)	96.0	129.4	-26	179.8
Russia 1)	123.7	155.8	-21	217.0
Group	1 172.2	1 337.4	-12	1 878.7
Finland, %	54.9	53.2	0	54.4
International operations, %	45.1	46.8	0	45.6

Operating profit	1.1.-30.9.2009	1.1.-30.9.2008	Change %	1.1.-31.12.2008
Finland 1)	17.4	40.3	-57	71.1
Sweden and Norway 2)	37.6	37.4	0	57.3
Baltic states and Czech Republic 1)	-5.3	6.7	0	10.7
Russia 1)	-25.4	-21.0	0	-17.3
Group	24.3	63.5	-62	121.9
Finland, %	71.6	63.5	0	58.4
International operations, %	28.4	36.5	0	41.6

1) Department store division,
Lindex, Hobby Hall, Seppälä
2) Lindex

Statement of changes in equity, Group EUR millions 1 - 09 / 2008	Share capital*	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			
Transaction costs for equity			
Total comprehensive income for the year	0.0		1.3
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2008	123.4	186.0	1.8

Statement of changes in equity, Group EUR millions 1 - 09 / 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			
New share issue	18.8		
Options exercised			
Share premium			
Sale of own shares			
Transaction costs for equity			
Total comprehensive income for the year	0.0		-3.1
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2009	142.2	186.1	-1.7

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

Statement of changes in equity, Group EUR millions 1 - 09 / 2008	Reserve for invested unrestricted equity	Other reserves	Translation differences
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	126.2		

Transaction costs for equity	-2.0		
Total comprehensive income for the year	0.0		0.1
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2008	124.2	44.1	0.1

Statement of changes in equity, Group EUR millions 1 - 09 / 2009	Reserve for invested unrestricted equity	Other reserves	Translation differences
BALANCE AT BEGINNING OF THE PERIOD	124.1	44.1	-6.8
Changes in equity for			
Dividend distribution			
New share issue			
Options exercised			
Share premium	122.2		
Sale of own shares			
Transaction costs for equity	-2.9		
Total comprehensive income for the year	0.0		0.6
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2009	243.3	44.1	-6.2

Statement of changes in equity, Group EUR millions 1 - 09 / 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	1.5	1.5		1.5
Share premium		126.2		126.2
Transaction costs for equity		-2.0		-2.0
Total comprehensive income for the year	19.2	20.7		20.7
Other changes				
Deferred taxes' share of period movements				
Other changes	0.0	0.0		0.0
SHAREHOLDERS' EQUITY TOTAL 09 / 2008	196.5	676.2	0.0	676.2

Statement of changes in equity, Group EUR millions 1 - 09 / 2009	Retained earnings	Total	Minority interest	Total

BALANCE AT BEGINNING OF THE PERIOD	216.9	689.1	0.0	689.1
Changes in equity for				
Dividend distribution	-38.0	-38.0		-38.0
New share issue		18.8		18.8
Options exercised	1.0	1.0		1.0
Share premium		122.2		122.2
Sale of own shares	5.1	5.1		5.1
Transaction costs for equity		-2.9		-2.9
Total comprehensive income for the year	15.1	12.6	0.0	12.6
Other changes				
Deferred taxes' share of period movements				
Other changes	0.0	0.0		0.0
SHAREHOLDERS' EQUITY TOTAL 09 / 2009	200.2	807.9		807.9

Contingent liabilites, Group	30.9.2009	30.9.2008	31.12.2008
EUR millions			
Mortages on land and buildings	201.7	1.7	1.7
Pledges	1.0	0.2	1.0
Liabilities of adjustments of VAT deductions made on investments to immovable property	30.8		29.2
Total	233.5	1.9	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	145.7	85.5	143.2
After one year	581.4	455.7	478.9
Total	727.0	541.2	622.1

Lease payments, EUR millions			
Within one year	7.3	1.3	1.1
After one year	19.7	1.1	0.9
Total	27.0	2.4	2.0

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	315.6	224.4	204.4
Electricity derivates	3.5	3.0	2.5
Total	319.1	227.4	206.9

Exchange rates				
Country				
Russia	RUB	43.9800	36.4095	41.2830
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7079	0.7086	0.7083
Lithuania	LTL	3.4528	3.4528	3.4528
Norway	NOK	8.4600	8.3330	9.7500
Sweden	SEK	10.2320	9.7943	10.8700

Income statement, Group, EUR millions quarterly, EUR millions	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Revenue	389.3	429.7	353.2	541.3
Other operating income	0.0	0.3		0.1
Materials and consumables	-201.0	-220.1	-197.2	-273.5
Wages, salaries and employee benefits expenses	-74.3	-82.6	-79.7	-92.9
Depreciation and amortisation	-14.0	-14.7	-14.6	-14.2
Other operating expenses	-82.3	-84.0	-83.7	-102.4
Operating profit (loss)	17.7	28.6	-22.0	58.4
Finance income and expenses	-8.8	-5.1	-4.8	-12.7
Profit (loss) before tax	8.9	23.5	-26.9	45.7
Income taxes	8.0	-1.4	3.1	-25.8
Profit for the period	16.9	22.0	-23.8	19.9
Earnings per share, EUR				
Basic	0.27	0.36	-0.39	0.34
Diluted	0.27	0.36	-0.39	0.34

Sales, EUR millions	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Department Store Division	225.7	267.0	224.5	371.8
Lindex	169.7	169.6	122.6	175.6
Hobby Hall	30.9	40.2	43.1	53.7
Seppälä	44.1	42.9	34.7	51.5
Unallocated	0.0	0.0	0.0	0.2
Group	470.5	519.7	424.8	652.8
Revenue, EUR millions				
Department Store Division	189.8	224.0	189.0	312.9
Lindex	136.5	136.5	98.6	141.0
Hobby Hall	25.8	33.5	35.9	44.9
Seppälä	36.7	35.6	28.8	42.8
Unallocated	0.6	0.1	0.8	-0.3
Group	389.3	429.7	353.2	541.3
Operating profit (loss), EUR millions				
Department Store Division	-1.9	9.2	-14.5	34.9
Lindex	18.1	19.7	0.2	20.3
Hobby Hall	-0.9	-0.8	-1.7	1.6
Seppälä	2.9	3.0	-2.8	4.2
Unallocated	-1.2	-3.2	-1.8	-3.3
Eliminations	0.7	0.6	-1.4	0.8
Group	17.7	28.6	-22.0	58.4

This Interim Report is

unaudited.

Income statement, Group, EUR millions quarterly, EUR millions	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Revenue	440.8	483.3	413.4	483.9
Other operating income	0.3	-0.1	3.8	0.0
Materials and consumables	-224.7	-242.6	-231.0	-255.8
Wages, salaries and employee benefits expenses	-82.3	-90.2	-85.1	-73.2
Depreciation and amortisation	-13.2	-18.7	-15.2	-10.5
Other operating expenses	-86.2	-100.3	-88.5	-73.7
Operating profit (loss)	34.6	31.4	-2.5	70.8
Finance income and expenses	-12.8	-13.3	-11.3	-4.3
Profit (loss) before tax	21.8	18.1	-13.8	66.5
Income taxes	-6.2	-2.9	2.2	-17.9
Profit for the period	15.6	15.2	-11.6	48.6
Earnings per share, EUR				
Basic	0.27	0.27	-0.21	0.87
Diluted	0.27	0.27	-0.21	0.87

Sales, EUR millions	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Department Store Division	264.8	306.4	275.9	400.4
Lindex	174.9	183.8	138.3	68.1
Hobby Hall	41.6	48.3	47.4	58.9
Seppälä	50.1	45.2	35.7	51.2
Unallocated	0.2	0.2	0.2	0.2
Group	531.5	583.9	497.5	578.8
Revenue, EUR millions				
Department Store Division	223.1	257.3	232.7	336.9
Lindex	140.6	147.6	111.0	54.7
Hobby Hall	34.7	40.4	39.7	49.2
Seppälä	41.7	37.6	29.7	42.5
Unallocated	0.6	0.4	0.4	0.7
Group	440.7	483.3	413.4	483.9
Operating profit (loss), EUR millions				
Department Store Division	13.5	4.1	1.5	46.9
Lindex	15.7	23.8	-1.2	15.0
Hobby Hall	0.7	0.7	-2.1	2.7
Seppälä	5.9	5.1	-0.6	8.6
Unallocated	-0.7	-2.2	0.2	-2.4
Eliminations	-0.5	0.0	-0.3	0.0
Group	34.6	31.4	-2.5	70.8

This Interim Report is unaudited.

1. ASSETS

EUR mill.	30.09.2009	30.9.2008	31.12.2008
Acquisition cost Jan. 1	945.3	813.8	813.8

Translation difference +/-	11.7	-6.1	-21.0
Increases Jan. 1-Sep. 30	105.0	124.9	181.6
Decreases Jan. 1-Sep. 30	-115.9	-6.8	-29.0
Acquisition cost Sep. 30 / Dec. 31	946.1	925.7	945.4
Accumulated depreciation Jan. 1	-245.7	212.5	212.5
Translation difference +/-	-2.9	-0.8	-2.6
Depreciation on reductions	33.3	-4.5	-25.5
Depreciation for the financial year	-43.3	47.2	61.4
Accumulated depreciation Sep. 30 / Dec. 31	-258.7	254.3	245.7
Book value Jan. 1	699.6	601.3	601.3
Book value Sep. 30 / Dec. 31	687.5	671.4	699.6

Goodwill

EUR mill.	30.09.2009	30.9.2008	31.12.2008
Acquisition cost Jan. 1	646.5	720.0	720.0
Translation difference +/-	40.3	-25.9	-94.6
Increases Jan. 1-Sep. 30		23.3	23.8
Translation difference +/-			-2.8
Acquisition cost Sep. 30 / Dec. 31	686.8	717.4	646.5
Book value Jan. 1	646.5	720.0	720.0
Book value Sep. 30 / Dec. 31	686.8	717.4	646.5
Total	1,374.3	1,388.8	1,346.1

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)

STOCKMANN plc

Hannu Penttilä
CEO

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A press and analyst conference will be held today, 23 October 2009, at 9.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.