STOCKMANN plc
Interim report
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STOCKMANN'S OPERATING PROFIT GREW SOMEWHAT

The Stockmann Group's third-quarter revenue was up by 8.1 per cent to EUR 420.7 million (EUR 389.3 million). Third-quarter operating profit was also up, amounting to EUR 18.4 million (EUR 17.7 million). Consolidated revenue for the report period January-September was up by 6.2 per cent to EUR 1 245.0 million (EUR 1 172.2 million). Consolidated operating profit for January-September was up by EUR 16.0 million, to a total of EUR 40.2 million (EUR 24.3 million). The profit for the period was EUR 41.2 million (EUR 15.1 million). Stockmann's earnings per share were EUR 0.58 (EUR 0.24).

Key figures		7-9/2010	7-9/2009	Index	
Revenue	EUR mill.	420.7	389.3	108	
Operating profit	EUR mill.	18.4	17.7	104	
Profit before taxes	EUR mill.	11.9	8.9	134	
Earnings per share	EUR	0.19	0.27*	70	
		1-9/2010	1-9/2009	Index	2009
Revenue	EUR mill.	1 245.0	1 172.2	106	1 698.5
Operating profit	EUR mill.	40.2	24.3	166	85.3
Profit before taxes	EUR mill.	29.8	5.5	545	61.3
Earnings per share	EUR	0.58	0.24*	145	0.82
Equity per share	EUR	11.90	11.36	105	11.96
Cash flow from operating activities	EUR mill.	-16.4	-8.1		146.8
Key ratios					
Net gearing	per cent	97.8	94.0		72.1
Equity ratio	per cent	41.7	43.4		44.1
Number of shares, wighted average, diluted	thousands	71 802	64 295*		65 995
Return on capital employed, rolling 12 months	per cent	6.7	5.2		5.8

*Adjusted for 2009 share issues

REVENUE AND EARNINGS

Since the start of 2010 Stockmann has been reporting its revenue exclusive of value added tax (VAT), instead of including VAT in the sales figures, in order that its reported figures are like-for-like and indicate the actual trend regardless of changes in VAT. The figures for 2009 are also 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 6.2 per cent to EUR 1 245.0 million (EUR 1 172.2 million). January-September revenue in Finland was up by 3.9 per cent to EUR 669.4 million. The Group's revenue abroad amounted to EUR 575.6 million, an increase of 9.0 per cent. The Swedish krona, the Norwegian krone and the Russian rouble all strengthened against the euro during the first nine months of the year. If like-for-like exchange rates are used, the Group's revenue abroad is on a par with the previous year. Revenue abroad accounted for 46.2 per cent (45.1 per cent) of the Group's total revenue.

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

The Group's January-September operating gross margin grew by EUR 69.8 million, to a total of EUR 623.7 million. The relative gross margin was 50.1 per cent (47.3 per cent). In all divisions the relative gross margin was up year on year. Operating costs increased by EUR 52.2 million and depreciation by EUR 1.4 million.

The Group's January-September operating profit grew by EUR 16.0 million, to a total of EUR 40.2 million.

Net financial expenses fell by EUR 8.4 million, to EUR 10.4 million (EUR 18.8 million). The decrease was attributable to the low level of interest rates, the non-recurring foreign exchange gains and a decrease in average debt capital. The arrangement fees for the refinanced loans added to the net financial expenses during the report period.

Profit before taxes for the period amounted to EUR 29.8 million, which was EUR 24.4 million more than a year earlier. Taxes for the period, a total of EUR 11.4 million, included a decrease in deferred tax liability of EUR 16.3 million booked for the unrealized exchange rate loss on the currency loan, and a tax accrual of EUR 4.9 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 1.8 million greater than a year earlier.

The Stockmann Group's third-quarter revenue was up by 8.1 per cent to EUR 420.7 million (EUR 389.3 million). Third-quarter operating profit was also up, amounting to EUR 18.4 million (EUR 17.7 million).

Earnings per share for the first nine months of the year amounted to EUR 0.58 (EUR 0.24) and, diluted for options, EUR 0.57 (EUR 0.24). Equity per share was EUR 11.90 (EUR 11.36).

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-September figures include Hobby Hall, and so the previous year's figures used for comparison have been adjusted accordingly. The Department Store Division's revenue was up by 4.1 per cent to EUR 726.6 million (EUR 698.0 million).

Revenue in Finland was up by 4.4 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 opening 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 5.4 per cent and the euro-denominated revenue of international operations an increase of 8.9 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 the good stock situation, there was a clear increase in the relative gross margin in the first nine months of the year. The Department Store Division's operating profit was up by EUR 12.6 million, to EUR 1.9 million (EUR -10.7 million).

Third-quarter revenue was up by 9.0 per cent to EUR 235.0 million. The operating profit was EUR 1.4 million, compared with an operating result of EUR -2.8 million in the same period a year earlier. The expenses associated with the opening of the enlargement of the Helsinki department store as well as the launch of the Nevsky Centre in St Petersburg and the Stockmann web store are burdening also the third-quarter result.

Lindex

Lindex's January-September revenue totalled EUR 413.1 million, which was 11.1 per cent more than a year earlier (EUR 371.7 million). Revenue in Finland was up by 2.7 per cent and in other countries by 12.4 per cent. The relative gross margin increased in January-September. Lindex's operating profit was at the level of a year earlier.

Third-quarter revenue was up by 9.5 per cent to EUR 149.4 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 to EUR 16.2 million, compared with EUR 18.1 million in the same period a year earlier.

Seppälä

Seppälä's revenue increased by 4.2 per cent year on year, to a total of EUR 105.3 million (EUR 101.1 million). Revenue was up by 2.0 per cent in Finland and 8.5 per cent abroad. Revenue abroad accounted for 35 per cent (33 per cent) of Seppälä's total revenue. Revenue in Russia was up by 15 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 in the first nine months of the year. Seppälä's operating profit grew by EUR 3.1 million, to EUR 6.2 million (EUR 3.1 million).

Seppälä's third-quarter revenue remained at the previous year's level and was EUR 36.8 million. The relative gross margin improved. Due to the increase in fixed costs, operating profit was down by EUR 0.6 million to a total of EUR 2.2 million.

FINANCING AND CAPITAL EMPLOYED

Liquid assets totalled EUR 22.9 million at the end of September, as against EUR 22.7 million a year earlier and EUR 176.4 million at the close of 2009.

At the end of September, interest-bearing liabilities stood at EUR 850.7 million (EUR 781.9 million), of which EUR 544.1 million (EUR 780.9 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 will mature in 2015, and EUR 50 million in 2013.

January-September capital expenditure amounted to EUR 107.1 million.

Net working capital amounted to EUR 149.3 million at the end of September, as against EUR 200.3 million a year earlier and EUR 110.6 million at the close of 2009. Dividend payouts totalled EUR 51.2 million. Stock level was higher than in the previous year, mainly due to the expansion of store network as well as stronger Swedish krona and Russian rouble.

At the end of September, the equity ratio was 41.7 per cent (43.4 per cent). At the close of 2009 the equity ratio was 44.1 per cent. Net gearing at the end of September was 97.8 per cent (94.0 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 (5.2 per cent in 2009). The Group’s capital employed grew by EUR 107.2 million in the year since September 2009, amounting to a total of EUR 1 698.5 million at the end of September 2010 (EUR 1 640.9 million at the close of 2009).

CAPITAL EXPENDITURE

Capital expenditure during the first nine months of the year totalled EUR 107.1 million (EUR 105.0 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-September, 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 approaching completion, as planned. The project has involved 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 carried out in the old property in connection with the project. The new and remodelled premises have been opened in stages. The entire project will be finished in November 2010. During the first nine months of the year, the project required an investment of EUR 16.6 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, comprising about 100 000 square metres of gross floor space, is being built for Stockmann on this plot and will be inaugurated on 11 November 2010. The Nevsky Centre will contain a total of about 50 000 square metres of stores and offices. This will include a Stockmann department store of about 20 000 square metres, along with other retail stores and office premises. There will also be an underground car park. The total capital expenditure is estimated to be about EUR 185 million. The leasing of premises to outside parties has proceeded as planned, and all the retail premises have been leased. During the first nine months of the year, the project required an investment of EUR 35.7 million.

Stockmann department stores in Finland made the transfer to multichannel trading with the launch of the Stockmann web store at the address stockmann.com. In its early stages, the new online store’s selection will include the following department store product categories: women’s, men’s and children’s fashion, sport, home furnishing and electronics. The product and service selection will be expanded during the autumn and winter. The online store delivers products to addresses in Finland. When creating the new online store, good use was made of the distance retailing expertise of Hobby Hall, now part of the Department Store Division, and of the investments made in this operation. The Stockmann web store has a significantly different profile from that of Hobby Hall, which will continue its operations as a separate brand. The Department Store Division’s organisation therefore includes three distinct distance retailing brands: Hobby Hall, Stockmann and the Academic Bookstore.

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

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 84.8 million.

Lindex

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

The company’s franchising partner opened three new Lindex stores in Saudi Arabia and one in Dubai. A new franchising partner opened its first store in Bosnia and Herzegovina.

Lindex opened its lindex.com online store in Finland in May.

Since the end of September, Lindex has opened two stores in Norway and one in each of Sweden, the Czech Republic and Slovakia. Lindex has closed one store in Finland and one in Sweden since the end of September.

Lindex's capital expenditure totalled EUR 17.9 million.

Seppälä

In the first nine months of the year, Seppälä opened three stores in both Finland and Russia, and two in Estonia.

Seppälä's capital expenditure totalled EUR 3.1 million.

Other capital expenditure

The Group's other capital expenditure came to a total of EUR 1.3 million.

NEW PROJECTS

Department Store Division

The opening of a new Stockmann department store in Ekaterinburg is planned for March 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 1-2 new Bestseller stores in Russia in the latter part of the year.

When the lease for Stockmann's central warehouse in Russia, located in Moscow, expires, the warehouse will be transferred to new leased premises in the Moscow region at the turn of the year.

Lindex

In early December, the lindex.com online store, Lindex Shop Online, will be opened throughout the EU. After this, it will be possible to purchase Lindex fashion items via the internet in 27 European countries.

Lindex will continue to expand its store network and anticipates that it will open a total of nearly 10 new stores in the Czech Republic, Slovakia, Russia and the Nordic countries in the latter part of the year. In addition, one franchising store is planned to be opened in Saudi Arabia and two in Bosnia and Herzegovina.

The expansion will continue next year. A number of stores will be opened in various countries in early 2011. In March, Lindex will open its first store in Poland in the city of Walbrzych. Lindex currently has 15 stores in Central Europe, and the objective is to open a total of 100 stores within five years in Poland, the Czech Republic and Slovakia.

Seppälä

Seppälä is also continuing to expand its store network, and will open 4-6 stores in Russia in the latter part of the year.

SHARES AND SHARE CAPITAL

The company's market capitalization at the end of September was EUR 2 091.4 million (EUR 1 304.6 million). At the end of 2009 the market capitalization stood at EUR 1 396.7 million.

During the first nine months of the year, 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 30.49, compared with EUR 20.50 at the end of 2009, and the Series B shares were selling at EUR 28.57, 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 September 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 personnel exceeded the figure for the same period a year earlier. There was an increase in personnel especially in Russia, with the opening of a new department store there and the preparations for the opening of Stockmann's Nevsky Centre. The Group's personnel total was also boosted by the expansion of Lindex's store network. The additional retail space in the Helsinki department store has boosted the department store's average number of personnel in Finland.

The Group's average number of personnel in the first nine months of the year was 14 825, which was 239 more than for the same period in 2009. Converted to full-time equivalents, Stockmann's average number of employees increased by 194, to a total of 11 196.

The Group's personnel expenses amounted to EUR 259.0 million, compared with EUR 236.6 million a year earlier. Personnel expenses accounted for 20.8 per cent (20.2 per cent) of revenue.

At the end of September 2010, Stockmann had 8 419 employees working abroad. The corresponding figure a year earlier was 7 952 employees. The proportion of employees working abroad was 54 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.

OUTLOOK FOR THE REMAINDER OF 2010

The economic environment has improved somewhat during 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. Currency exchange rate fluctuations are fairly strong, which reflects uncertainty about the longer term direction of economic performance. Nevertheless, in the Nordic countries and in Russia there are signs that consumer confidence is strengthening and that consumer demand has started to grow. In the Baltic countries, too, the market has begun to show moderate growth after a big fall.

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, the revenue of all divisions has increased and the relative gross margin has improved during the first nine months of the year. The pre-opening costs related to bringing the new investment projects into use and the expansion of operations have burdened the result especially in the second and third quarters of the year. Revenue 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 part of the year. The global growth in demand has led to shortages of production capacity and raw materials (i.e. cotton and polyester) and delays in autumn deliveries. This has had a negative impact on sales during recent months. The company has now specified its assessment of operating profit for the full year, the specified assessment indicating that operating profit will be about 15-30 per cent better than in 2009.

ACCOUNTING POLICIES

This Interim Report has been prepared in compliance with IAS 34. The accounting policies and calculation methods applied are the same as those in the 2009 financial statements. Since the start of 2010, Stockmann has been reporting its revenue exclusive of value added tax (VAT), instead of including VAT in the sales figures. The figures for 2009 are also presented exclusive of VAT. The Department Store Division’s January-September 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.	30.9.2010	30.9.2009	31.12.2009
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	116.5	109.7	108.3
Goodwill	768.6	686.8	685.4
Property, plant, equipment	688.5	577.8	619.5
Non-current receivables	0.5	0.1	0.6
Available for sale investments	5.0	5.0	5.0
Deferred tax asset	5.7	5.2	5.1
NON-CURRENT ASSETS	1 585.0	1 384.7	1 423.9
CURRENT ASSETS			
Inventories	282.2	260.2	196.1
Interest bearing receivables	48.5	99.7	44.5
Non-interest bearing receivables	93.8	95.4	86.5
Cash and cash equivalents	22.9	22.7	176.4
CURRENT ASSETS	447.3	478.0	503.4
ASSETS	2 032.4	1 862.7	1 927.4
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	846.3	807.9	850.2
Minority interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	846.3	807.9	850.2
LONG-TERM LIABILITIES			
Deferred tax liability	58.7	65.3	70.1
Long-term liabilities, interest-bearing	544.1	780.9	786.9
Provisions	1.4	1.5	1.5
NON-CURRENT LIABILITIES	604.2	847.6	858.5
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	306.7	1.0	2.3
Short term interest-free liabilities	275.2	206.1	216.4
CURRENT LIABILITIES	581.8	207.2	218.7
TOTAL EQUITY AND LIABILITIES	2 032.4	1 862.7	1 927.4

Key figures	30.9.2010	30.9.2009	31.12.2009
Equity ratio, per cent	41.7	43.4	44.1
Net gearing, per cent	97.8	94.0	72.1
Cash flow from operations per share, EUR	-0.23	-0.13	2.23
Interest-bearing net debt, EUR mill.	779.4	659.6	568.3
Number of shares in the end of the period, thousands	71 146	71 094	71 094

Weighted average number of shares, thousands *	71 115	63 870	65 676
Weighted average number of shares, diluted, thousands *	71 802	64 295	65 995
Market capitalization, EUR mill.	2 091.4	1 304.6	1 396.7

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

STATEMENT OF CASH FLOWS, IFRS EUR millions	09/2010	09/2009	12/2009
Cash flows from operating activities			
Profit/loss for the period	41.2	15.1	54.0
Adjustments for:			
Depreciation, amortisation & impairment loss	44.7	43.3	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	15.7	20.0	28.4
Interest income	-5.3	-1.2	-4.4
Tax on income from operations	-11.4	-9.7	7.3
Transactions without cash flow			
Other adjustments	0.5	-0.6	-0.4
Working capital changes:			
Increase (-) / decrease (+) in inventories	-78.0	-35.6	27.7
Increase (-) /decrease(+) in trade and other receivables	-14.2	7.4	-1.8
Increase (+) / decrease (-) in short-term interest-free liabilities	17.0	-28.0	7.2
Interest and other financial expenses paid	-15.4	-23.5	-32.9
Interest received	0.6	1.6	2.1
Other financing items	0.0	0.0	0.0
Income taxes paid	-11.7	3.2	1.4
Net cash from operating activities	-16.4	-8.1	146.8
Cash flows from investing activities			
Purchase of tangible and intagible assets	-110.2	-110.1	-152.9
Proceeds from sale of tangible and intangible assets	0.3	27.5	71.1
Disposal of subsidiaries, net of cash disposed of	0.0	5.6	5.6
Proceeds from sale of investments	0.0	1.8	1.8
Dividends received	0.2	0.2	0.2
Net cash used in investing activities	-109.7	-75.0	-74.3
Cash flows from financing activities			
Proceeds from issue of share capital	1.5	138.0	137.0

Proceeds from sale of own shares		5.1	5.1
Proceeds from short-term borrowings	277.1	0.0	0.0
Repayment of short-term borrowings	-50.0	-19.3	-19.3
Increase(+)/ decrease(-) in short-term borrowings		0.0	0.0
Proceeds from long-term borrowings	396.0	200.0	200.0
Repayment of long-term borrowings	-601.7	-216.2	-216.2
Payment of finance lease liabilities	-1.1		-0.7
Dividends paid	-51.2	-38.0	-38.0
Net cash used in financing activities	-29.4	69.6	67.9
Net increase/decrease in cash and cash equivalents	-155.5	-13.5	140.4
Cash and cash equivalents at beginning of the period	176.4	35.2	35.2
Cheque account with overdraft facility	-0.5	-0.7	-0.7
Cash and cash equivalents at beginning of the period	175.9	34.5	34.5
Net increase/decrease in cash and cash equivalents	-155.5	-13.5	140.4
Effects of exchange rate fluctuations on cash held	1.5	0.7	1.0
Changes in fair value (cash and cash equivalents)			
Cash and cash equivalents at the end of the period	22.9	22.7	176.4
Cheque account with overdraft facility	-1.1	-1.0	-0.5
Cash and cash equivalents at the end of the period	21.8	21.7	175.9

Income statement, Group, EUR millions	1-9/2010	1-9/2009	Change %	1-12/2009
REVENUE	1 245.0	1 172.2	6	1 698.5
Other operating income	0.0	0.3		0.3
Materials and consumables	-621.3	-618.3	0	-880.8
Wages, salaries and employee benefits expenses	-259.0	-236.6	9	-327.4
Depreciation and amortisation	-44.7	-43.3	3	-58.4
Other operating expenses	-279.9	-250.0	12	-346.8
OPERATING PROFIT	40.2	24.3	66	85.3
Finance income and expenses	-10.4	-18.8	45	-24.0
PROFIT/LOSS BEFORE TAX	29.8	5.5		61.3
Tax on income from operations	11.4	9.7	-18	-7.3
PROFIT/LOSS FOR THE PERIOD	41.2	15.1		54.0

note

Other comprehensive income, EUR mill.	1-09/2010	1-09/2009	Change %	1-12/2009

PROFIT/LOSS FOR THE PERIOD	41.2	15.1		54.0
Other comprehensive income				
Exchange differences on translating foreign operations	6.6	0.6		1.9
Cash flow hedges	-2.8	-3.1	-10	-1.4
Other comprehensive income for the year net of tax	3.8	-2.5		0.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	45.0	12.6		54.5
Total comprehensive income attributable to:				
Equity holders of the parent	45.0	12.6		54.5
Minority interest	0.0	0.0		0.0

Key figures	30.9.2010	30.9.2009	Change %	31.12.2009
EPS undiluted (EUR), adjusted for share issue *	0.58	0.24	145	0.82
EPS diluted (EUR), adjusted for share issue *	0.57	0.24	144	0.82
Operating profit, per cent of turnover	3.2	2.1		5.0
Equity per share, EUR	11.90	11.36	5	11.96
Return on equity, per cent, moving 12 months	9.7	4.7		7.0
Return on capital employed, per cent, moving 12 months	6.7	5.2		5.8
Average number of employees, converted to full-time staff	11 196	11 002	2	11 133
Investments, EUR millions	107.1	105.0	2	152.8

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

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			
Net gain/loss 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

Statement of changes in equity, Group EUR millions 1 - 09 / 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			
Sale of own shares			
Transaction costs for equity			
Total comprehensive income for the year	0.0		-2.8
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2010	142.3	186.1	-2.7

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

Statement of changes in equity, Group EUR millions 1 - 09 / 2009	Reserve for invested unrestric-ted equity	Other reserves	Trans lationdiffe rences
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		
Net gain/loss 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 / 2010	Reserve for invested unrestric-ted equity	Other reserves	Trans lationdiffe 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		
Sale of own shares			
Transaction costs for equity			
Total comprehensive income for the year			6.6
Other changes			
Deferred taxes' share of period movements			
Other changes			
SHAREHOLDERS' EQUITY TOTAL 09 / 2010	244.6	44.1	1.6

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
Net gain/loss of own shares	5.1	5.1		5.1
Transaction costs for equity		-2.9		-2.9
Total comprehensive income for the year	15.2	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

Statement of changes in equity, Group EUR millions 1 - 09 / 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	0.7	0.7		0.7
Share premium		1.3		1.3
Sale of own shares				
Transaction costs for equity				
Total comprehensive income for the year	41.2	45.0	0.0	45.0
Other changes				
Deferred taxes' share of period movements				
Other changes				

SHAREHOLDERS' EQUITY TOTAL 09 / 2010	230.3	846.3		846.3

Contingent liabilites, Group EUR millions	30.9.2010	30.9.2009	31.12.2009
Mortages on land and buildings	201.7	201.7	201.7
Pledges	0.3	1.0	0.9
Liabilities of adjustments of VAT deductions made on investments to immovable property	38.8	30.8	33.8
Total	240.8	233.5	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	164.7	145.7	155.6
After one year	613.0	581.4	625.8
Total	777.7	727.0	781.4

Lease payments, EUR millions			
Within one year	6.6	7.3	7.5
After one year	14.3	19.7	19.1
Total	20.9	27.0	26.6

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	519.8	315.6	296.4
Electricity derivates	2.5	3.5	3.2
Total	522.2	319.1	299.6

Exchange rates				
Country				
Russia	RUB	41.6923	43.9800	43.1540
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7094	0.7079	0.7093
Lithuania	LTL	3.4528	3.4528	3.4528
Norway	NOK	7.9680	8.4600	8.3000
Sweden	SEK	9.1421	10.2320	10.2520

Segment information, Group
EUR millions

Operating segments

Revenue	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009

Department Store Division 1)	726.6	698.0	4	1,030.0
Lindex	413.1	371.7	11	527.0
Seppälä	105.3	101.1	4	139.5
Unallocated		1.5		1.9
Group	1 245.0	1 172.2	6	1 698.5

Operating profit	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	1.9	-10.7		22.8
Lindex	37.8	38.0	-1	62.4
Seppälä	6.2	3.1	99	8.0
Unallocated	-5.7	-6.1	-7	-7.9
Eliminations				
Group	40.2	24.3	66	85.3

Investments, gross	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	84.8	85.8	-1	125.7
Lindex	17.9	15.7	15	22.2
Seppälä	3.1	3.3	-8	4.5
Unallocated	1.3	0.2		0.4
Group	107.1	105.0	2	152.8

Assets	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009
Department Store Division 1)	892.6	781.3	14	764.8
Lindex	998.1	875.2	14	870.4
Seppälä	104.8	118.1	-11	119.8
Unallocated	36.8	87.9	-58	172.3
Group	2 032.4	1 862.6	9	1 927.4

Information from market areas

Revenue	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009
Finland 2)	669.4	644.0	4	948.0
Sweden and Norway 3)	341.8	308.5	11	439.2
Baltic states, Czech Republic and Slovakia 2)	85.8	96.0	-11	129.6
Russia and Ukraine 2)	148.1	123.7	20	181.8
Group	1 245.0	1 172.2	6	1 698.5
Finland, %	53.8	54.9		55.8
International operations, %	46.2	45.1		44.2

Operating profit	1.1.-30.9.2010	1.1.-30.9.2009	Change %	1.1.-31.12.2009
Finland 2)	17.4	17.4	0	54.3
Sweden and Norway 3)	38.5	37.6	2	61.5
Baltic states, Czech Republic and Slovakia 2)	-1.3	-5.3	-75	-4.4
Russia and Ukraine 2)	-14.3	-25.4	-44	-26.0
Group	40.2	24.3	66	85.3
Finland, %	43.2	71.6		63.6
International operations, %	56.8	28.4		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	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Revenue	420.7	451.7	372.6	526.3
Other operating income	0.0	0.0	0.0	0.0
Materials and consumables	-210.2	-220.2	-190.9	-262.5
Wages, salaries and employee benefits expenses	-82.7	-90.4	-85.8	-90.8
Depreciation and amortisation	-15.3	-15.2	-14.2	-15.1
Other operating expenses	-94.0	-95.0	-90.8	-96.8
Operating profit (loss)	18.4	30.9	-9.2	61.0
Finance income and expenses	-6.6	-3.2	-0.6	-5.2
Profit (loss) before tax	11.9	27.8	-9.8	55.8
Income taxes	1.5	-2.1	12.0	-17.0
Profit for the period	13.4	25.7	2.2	38.9
Earnings per share, EUR				
Basic **	0.19	0.36	0.03	0.58
Diluted **	0.18	0.36	0.03	0.58

Revenue, EUR millions				
Department Store Division *	235.0	265.5	226.0	332.0
Lindex	149.4	148.1	115.7	155.3
Seppälä	36.8	37.7	30.8	38.4
Unallocated	-0.5	0.5	0.1	0.5
Group	420.7	451.7	372.6	526.3
Operating profit (loss), EUR millions				
Department Store Division *	1.4	8.8	-8.2	33.5
Lindex	16.2	19.5	2.1	24.4
Seppälä	2.2	4.8	-0.9	4.9
Unallocated	-1.4	-2.2	-2.1	-1.7
Group	18.4	30.9	-9.2	61.0

*) 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.

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	0.35	-0.38	0.32
Diluted **	0.27	0.35	-0.38	0.32
Revenue, EUR millions				
Department Store Division *	215.6	257.5	224.9	357.8
Lindex	136.5	136.5	98.6	141.0
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 *	-2.8	8.4	-16.2	36.5
Lindex	18.1	19.7	0.2	20.3
Seppälä	2.9	3.0	-2.8	4.2
Unallocated	-0.5	-2.5	-3.1	-2.6
Group	17.7	28.6	-22.0	58.4

*) 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.

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Assets

EUR mill.	30/09/2010	30.9.2009	31/12/2009
Acquisition cost at the beginning of the period	964.8	945.3	945.3
Translation difference +/-	16.1	11.7	12.2
Increases during the period	107.1	105.0	160.9
Decreases during the period	-18.3	-115.9	-153.5
Transfers between items		0.0	0.0
Acquisition cost at the end of the period	1 069.7	946.1	964.8
Accumulated depreciation at the beginning of the period	-237.0	-245.7	-245.7
Translation difference +/-	-0.9	-2.9	-3.5
Depreciation on reductions	18.0	33.3	70.6
Depreciation during the period	-44.7	-43.3	-58.4
Accumulated depreciation at the end of the period	-264.6	-258.7	-237.0
Carrying amount at the beginning of the period	727.8	699.6	699.6
Carrying amount at the end of the period	805.1	687.5	727.8

Goodwill

EUR mill.	30/09/2010	30/09/2009	31/12/2009
Acquisition cost at the beginning of the period	685.4	646.5	646.5
Translation difference +/-	83.2	40.3	39.0
Acquisition cost at the end of the period	768.6	686.8	685.4
Carrying amount at the beginning of the period	685.4	646.5	685.4
Carrying amount at the end of the period	768.6	686.8	685.4
Total	1 573.7	1 374.3	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 27 October 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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