Interim Report
Q1 2017

STOCKMANN

STOCKMANN plc, Interim Report 28.4.2017 at 8:00 EET

Operating result continued to improve

JANUARY-MARCH 2017:

- Consolidated revenue was EUR 242.7 million (273.1).
- Revenue in comparable businesses was down by 2.9%.
- Gross margin was 51.1% (50.2%).
- Operating result was EUR -27.8 million (-30.3).
- Earnings per share were EUR -0.43 (-0.46).

- Due to normal seasonal variation, the first-quarter operating result is typically negative.
- Guidance for 2017 remains unchanged: Stockmann expects the Group's revenue for 2017 to decline due to changes in the store network and product mix. Adjusted operating profit is expected to improve, compared with 2016.

KEY FIGURES

	1-3/2017	1-3/2016	1-12/2016
Revenue, EUR mill.	**242.7**	273.1	1 303.2
Gross margin, %	**51.1**	50.2	53.4
EBITDA, EUR mill.	**-12.5**	-16.2	76.8
Adjusted EBITDA*, EUR mill.	**-12.5**	-16.2	79.4
Operating result (EBIT), EUR mill.	**-27.8**	-30.3	17.6
Adjusted operating result (EBIT)*, EUR mill.	**-27.8**	-30.3	20.2
Net financial items, EUR mill.	**-4.6**	-4.3	-23.1
Result before tax, EUR mill.	**-32.4**	-34.6	-5.5
Result for the period, EUR mill.	**-29.6**	-31.6	-18.2
Earnings per share, undiluted and diluted, EUR	**-0.43**	-0.46	-0.33
Personnel, average	**7 929**	9 299	9 006

	1-3/2017	1-3/2016**	1-12/2016**
Net earnings per share, undiluted and diluted, EUR	**-0.43**	-0.31	-0.12
Cash flow from operating activities, EUR mill.	**-78.1**	-75.3	41.5
Capital expenditure, EUR mill.	**7.8**	5.9	44.2
Equity per share, EUR	**14.46**	14.20	14.99
Net gearing, %	**79.9**	81.6	68.3
Equity ratio, %	**46.1**	44.8	48.3
Number of shares, undiluted and diluted, weighted average, 1 000 pc	**72 049**	72 049	72 049
Return on capital employed, rolling 12 months, %	**1.3**	-5.3	1.8

* There were no adjustments made in the first quarter in 2017 or 2016. For full-year 2016, adjustments affecting operating result were EUR 2.6 million and they were mostly related to ICT outsourcing.
** Includes department store operations in Russia which were discontinued in the first quarter of 2016.

Stockmann uses Alternative Performance Measures according to the guidelines of the European Securities and Market Authority (ESMA) to better reflect the operational business performance and to facilitate comparisons between financial periods. Gross profit is calculated by deducting the costs of goods sold from the revenue, and gross margin is calculated by dividing gross profit by the revenue as a percentage. EBITDA is calculated from operating result excluding depreciation. Adjusted EBITDA and adjusted operating result (EBIT) are measures, which exclude non-recurring items affecting comparability from the reported EBITDA and reported operating result (EBIT). Stockmann also uses the term "revenue in comparable businesses" which refers to revenue excluding Hobby Hall, which was divested on 31 December 2016, the Oulu department store, which was closed on 31 January 2017, and the Lindex stores in Russia, which were closed in 2016.

CEO LAURI VEIJALAINEN:

Our turnaround journey continued in the first quarter with improved performance in both Stockmann Retail and Real Estate. In Sweden, the fashion market declined during the first quarter, which affected the Lindex result negatively. As a whole, the Group's operating result improved slightly.

In Stockmann Retail, improvements in the selection, customer service and shopping environment are starting to be visible for our customers. In the first quarter, non-food sales in our department stores were already on the previous year's level. The good progress in efficiency measures continued, and the cost savings are clearly visible in Retail's comparable operating result, which is up by over EUR 6 million.

Real Estate continued to perform well during the quarter thanks to increased rental income particularly in the Nevsky Centre shopping centre. The centre also acquired several new tenants during the quarter. An investigation into the possible sale of the property is progressing, and we have reclassified the property as an asset held for sale.

Lindex's revenue increased in all other markets except Sweden and Norway. The result in these main markets was lower than expected, and actions are already being taken to improve the performance going forward.

In the Crazy Days campaign, which took place in Stockmann stores after the first quarter, sales were close to the previous year's level. The campaign got off to a strong start on Wednesday and the online store was very successful during the entire campaign. Now we will put our efforts into achieving strong performance during the rest of the second quarter. Further measures to stabilise and boost sales will be carried out in all the divisions.

MARKET ENVIRONMENT

The general economic situation has slowly begun to recover in Finland, which is the Stockmann Group's largest market area. Consumer confidence improved during the first quarter. However, in Stockmann's largest product area, fashion, the market in Finland was continuously down, by 1.5%, in January-March (source: Textile and Fashion Suppliers and Retailers in Finland, TMA).

In Sweden, although the general economic situation has developed strongly, the fashion market was down by 2.8% in January-March, compared with an increase of 1.2% in the previous year. (source: Swedish Trade Federation, Stilindex). The retail market in the Baltic countries continued its good performance.

REVENUE AND EARNINGS

The Stockmann Group's first-quarter revenue was EUR 242.7 million (1-3/2016: 273.1). The comparison figure for 2016 includes the revenue of Hobby Hall, which was divested on 31 December 2016, the revenue of the Oulu department store, which was closed at the end of January 2017, and the revenue of the Lindex stores in Russia, which were closed during spring 2016. Revenue in comparable businesses was down by 2.9%.

The revenue in Finland was EUR 107.1 million (132.9). Revenue in comparable businesses was down by 3.0%. Revenue in other countries was EUR 135.6 million (140.3), down by 2.8% in comparable businesses. Revenue from international operations accounted for 55.9% (51.4%) of the total consolidated revenue.

The gross profit amounted to EUR 123.9 million (137.1) and the gross margin was 51.1% (50.2%). The increase was due to the divestment of Hobby Hall, which had a lower gross margin than the other businesses.

Operating costs were down by EUR 16.8 million and amounted to EUR 136.5 million (153.2). Particularly personnel costs declined, due to the efficiency measures initiated in 2016.

The Group's EBITDA was EUR -12.5 million (-16.2). Depreciation was EUR 15.3 million (14.2). Operating result for the quarter was up, to EUR -27.8 million (-30.3), with improvements in the Stockmann Retail and Real Estate divisions.

Net financial expenses were EUR 4.6 million (4.3). Foreign exchange gains amounted to EUR 0.2 million (losses 0.3). The result before taxes was EUR -32.4 million (-34.6). An income tax credit of EUR 2.8 million (3.0) was booked on the loss for the period.

The result for the quarter was EUR -29.6 million (-31.6, or -21.2 including discontinued operations in Russia). Earnings per share for the quarter were EUR -0.43 (-0.46, or -0.31 including discontinued operations in Russia). Equity per share was EUR 14.46 (14.20).

FINANCING

Cash flow from operating activities came to EUR -78.1 million (-75.3) in the first quarter. Cash and cash equivalents totalled EUR 10.4 million at the end of March, compared with EUR 13.7 million a year earlier.

Inventories were close to the level in the previous year, at EUR 205.6 million (203.4).

Interest-bearing liabilities at the end of March were EUR 846.5 million (857.5), of which long-term debt amounted to EUR 426.1 million (533.2). Stockmann has a EUR 150 million bond due in March 2018 which was reported as part of the long-term debt until the end of 2016. Most of the other short-term debt has been acquired in the commercial paper market. In addition, the Group has undrawn, long-term committed credit facilities of EUR 245.3 million and uncommitted, short-term credit facilities of EUR 350.4 million. Stockmann also has a EUR 84.3 million hybrid bond which is treated as equity. The hybrid bond's accrued interest of EUR 7.4 million was paid out in the quarter and recorded in the Group's balance sheet, decreasing equity.

The equity ratio at the end of March was 46.1% (44.8%), and net gearing was 79.9% (81.6%).

The Group's capital employed at the end of March was EUR 1 888.1 million (1 880.5). The return on capital employed over the past 12 months was 1.3% (-5.3%).

CAPITAL EXPENDITURE

Capital expenditure totalled EUR 7.8 million (EUR 5.9) in January-March. Most of the capital expenditure was used for the new Tapiola department store which opened in March, for Lindex's store refurbishments and digitalisation.

Depreciation was EUR 15.3 million (EUR 14.2).

Capital expenditure for 2017 is estimated to be approximately EUR 45-50 million, which is less than the estimated depreciation for the year.

REVENUE AND EARNINGS BY DIVISION

Stockmann's divisions and reportable segments are Lindex (earlier Fashion Chains), Stockmann Retail and Real Estate. Due to seasonal variations in the Lindex and Stockmann Retail businesses, the first quarter is typically the weakest of the quarters and has a negative operating result.

LINDEX

Lindex	**1–3/2017**	1–3/2016
Revenue, EUR mill.	**123.2**	130.2
Gross margin, %	**57.2**	59.4
Operating result, EUR mill.	**–14.7**	–8.5
Capital expenditure, EUR mill.	**4.4**	3.5

Lindex's revenue for the quarter was down by 5.4%, to EUR 123.2 million (EUR 130.2), or excluding Russian stores down by 4.8%. In comparable own stores, revenue at comparable exchange rates was down by 1.5%. Comparable sales increased in all markets except Sweden and Norway, which resulted in decreased total revenue.

The gross margin for the quarter was 57.2% (59.4%). The gross margin was down mostly due to higher markdowns than in the previous year. The redefined treatment of inventory obsolescence had a positive effect of around 0.6 percentage points on the gross margin in the first quarter of 2016.

Operating costs were down by EUR 0.8 million due to slightly lower store costs.

Operating profit for the quarter was EUR -14.7 million (-8.5), as a result of lower gross profit compared with the previous year.

Lindex opened four and closed three stores during the quarter. Investments in digitalisation were increased. Lindex will continue its store expansion with over 15 new stores in 2017. However, the net increase of stores is expected to be lower, as Lindex is planning to close certain loss-making stores. Lindex will also enter two new franchising markets, Qatar and Tunisia, in 2017.

Lindex store network	Total 31.12.2016	Closed stores 1–3/2017	New stores 1–3/2017	**Total 31.3.2017**
Finland	58	0	1	**59**
Sweden	209	1	2	**210**
Norway	102	2	0	**100**
Estonia	10	0	0	**10**
Latvia	9	0	0	**9**
Lithuania	8	0	0	**8**
Czech Republic	25	0	1	**26**
Slovakia	9	0	0	**9**
Poland	4	0	0	**4**
UK	2	0	0	**2**
Iceland*	4	0	0	**4**
Bosnia and Herzegovina*	7	0	0	**7**
Serbia*	3	0	0	**3**
Kosovo*	2	0	0	**2**
Albania*	1	0	0	**1**
Saudi Arabia*	22	0	0	**22**
Total	**475**	**3**	**4**	**476**
Own stores	436	3	4	**437**
Franchising stores (*)	39	0	0	**39**

STOCKMANN RETAIL

Stockmann Retail	1–3/2017	1–3/2016
Revenue, EUR mill.	**109.5**	135.2
Gross margin, %	**39.7**	38.4
Operating result, EUR mill.	**−17.4**	−25.3
Operating result, excluding Hobby Hall, EUR mill.	**−17.4**	−23.8
Capital expenditure, EUR mill.	**2.4**	2.0

Stockmann Retail's revenue for the quarter was EUR 109.5 million (135.2). The comparison figure also includes the revenue of Hobby Hall, which was divested on 31 December 2016 and the department store in Oulu, which was closed on 31 January 2017. Revenue in comparable businesses was down by 2.9%.

Revenue in Finland was EUR 89.9 million (116.0). Revenue in comparable businesses was down by 3.9%. The timing of Easter (in March in 2016 and in April in 2017) had a negative effect on sales in the Delicatessen. Non-food sales were on the previous year's level. Revenue from international operations was up 1.8%, to EUR 19.5 million (19.2). Revenue grew in both the Tallinn and Riga department stores.

The gross margin for the quarter was 39.7% (38.4%). The increase was due to the divestment of Hobby Hall which had a lower gross margin than the other businesses. In department store operations, the gross margin was close to the level in the previous year.

Operating costs were down by EUR 9.4 million excluding Hobby Hall. Operating costs amounted to EUR 57.0 million (66.4, or 73.4 including Hobby Hall). The decline was due to the efficiency programme which decreased personnel costs in particular.

EBITDA was EUR -13.6 million (-20.1, or -21.6 including Hobby Hall). The operating result for the quarter was EUR -17.4 million (-23.8, or -25.3 including Hobby Hall).

Stockmann Retail will continue focusing on the six department stores in Finland, two in the Baltic countries and the online store currently operating in Finland. The department store in Tapiola was relocated in completely new leased premises on 16 March. Most of the capital expenditure in the quarter was used for the store fixtures and furniture in the new store. Investments into digital and ICT solutions also continued.

Sales in the Crazy Days campaign, which took place after the first quarter, were down by 1% in total, with a growth of 2% in the Baltic countries and a decline of 1% in Finland. The most successful sales areas were cosmetics and home products, whereas sales in fashion declined. Food sales were on the previous year's level. Sales in the online store continued to grow strongly.

REAL ESTATE

Real Estate	1–3/2017	1–3/2016
Revenue, EUR mill.	**17.0**	14.8
Net operating income, Stockmann-owned properties, EUR mill.	**12.9**	12.1
Operating result, EUR mill.	**6.4**	6.0
Capital expenditure, EUR mill.	**0.7**	0.4

Real Estate's revenue for the quarter was EUR 17.0 million (14.8). The main reason for the increase was higher rent levels, particularly in the Nevsky Centre, where temporary rent adjustments decreased due to e.g. the strengthened exchange rate for the Russian rouble.

The five properties owned by Stockmann have a gross leasable area (GLA) of 142 000 m2 in total. At the end of March, Stockmann Retail was using 52% (53%) of the total GLA, which is the same as at year-end 2016. Excluding the Nevsky Centre, 76% (77%) was being used by Stockmann Retail. The occupancy rate of the properties remained on a high level, at 99.1%. Net operating income of the Stockmann-owned properties was EUR 12.9 million (EUR 12.1). Net rental yield was 5.5% (5.3%). The average monthly rent from Stockmann's properties was EUR 37.76 per square metre (32.62).

Operating costs were higher than in the previous year mostly in Russia. Operating profit for the quarter was EUR 6.4 million (EUR 6.0), resulting from the increased revenue.

During the first quarter of 2017, several new partners started operations in Stockmann's department stores. The Solaris sunglasses shop and Mumin Kaffe were opened in the Helsinki flagship store. Instrumentarium and Solaris opened an optician and sunglasses store in Itis. Robert's Coffee, Kukkakaari flower shop and Shortcut hair salon opened in the new Tapiola department store. Westerback opened jewellery and watch shops in Tapiola and Turku. Yliopiston Apteekki opened an express pharmacy store on the street level in Tallinn. Several new brands started as tenants in Nevsky Centre in St. Petersburg. The Book House building is now fully occupied, as Cushman & Wakefield started as an office tenant on 1 April 2017 and Technopolis will expand its UMA Esplanadi workspace as of May 2017. New summer restaurant terraces will be opened on the department store roofs in Helsinki and Tallinn in May. The capital expenditure for the quarter was used for property improvements.

On 1 January 2017 the fair value of Stockmann's properties amounted to EUR 950.1 million. The value of department store properties was EUR 763.7 million and Nevsky Centre's value was EUR 181.0 million. The weighted average market yield requirement used in the fair value calculation was 5.7% (6.0%).

During the year, the depreciation of department store properties is deducted from the fair value. Nevsky Centre, which is being treated as an asset held for sale as of 31 March 2017, is not depreciated. At the end of the first quarter, the revalued amount of all own properties was EUR 944.7 million, which is the fair value less the subsequent accumulated depreciation of the department store buildings.

Property	Gross leasable area, m2 31.3.2017	Occupancy rate, % 31.3.2017	Usage by Stockmann Retail, % 31.3.2017
Helsinki flagship building	51 000	99.8	77
Book House, Helsinki	9 000	100.0	30
Tallinn department store building	22 000	99.8	84
Riga department store building	15 000	100.0	86
Nevsky Centre, St. Petersburg	46 000	97.4	0
Total, all Stockmann-owned properties	**142 000**	**99.1**	**52**

PERSONNEL

The Group's average number of personnel was 7 929 (9 299) in the quarter. The decline was due to personnel reductions mostly in Stockmann Retail, and the divestment of Hobby Hall. In terms of full-time equivalents, the average number of employees was 5 820 (6 746).

At the end of the quarter, the Group had 7 874 employees (9 425), of whom 2 868 (4 249) were working in Finland. The number of employees working outside Finland was 5 006 (5 176), which represented 64% (55%) of the total.

The Group's wages and salaries amounted to EUR 48.7 million, compared with EUR 58.0 million in 2016. The total employee benefits expenses were EUR 62.9 million (75.7), which is equivalent to 25.9% (27.7%) of revenue.

CHANGES IN MANAGEMENT

M.Sc. (Econ.) Kai Laitinen, born 1970, was appointed Stockmann's Chief Financial Officer and as a member of the Management Team. Kai Laitinen will join Stockmann at the latest in August 2017 and he will report to CEO Lauri Veijalainen. (Stock exchange announcement 15 February 2017.)

The Annual General Meeting of Lindex decided in April to elect Jukka Ruuska as a new member of the Lindex Board of Directors. The Board now consists of eight members, two of them representing Stockmann (Per Sjödell and Susanne Najafi), four independent Board members (Eva Hamilton, Rossana Mariano, Tracy Stone and Jukka Ruuska) and two personnel representatives (Caroline Kull Magnusson and Ann-Britt Neckvall).

SHARES AND SHARE CAPITAL

Stockmann has two series of shares. Series A shares each confer 10 votes, while Series B shares each confer one vote. The shares carry an equal right to dividends. The par value is EUR 2.00 per share.

Stockmann had 30 530 868 Series A shares and 41 517 815 Series B shares, or a total of 72 048 683 shares at the end of the review period. The number of votes conferred by the shares was 346 826 495.

The share capital remained at EUR 144.1 million during the period. The market capitalisation was EUR 519.5 million (488.9) at the end of the period.

The price of a Series A share was EUR 7.17 at the end of March, compared with 7.09 EUR at the end of 2016, while the price of a Series B share was EUR 7.24, compared with EUR 7.06 at the end of 2016.

A total of 0.2 million (0.4) Series A shares and 2.8 million (3.2) Series B shares were traded during the quarter on Nasdaq Helsinki. This corresponds to 0.6% (1.5%) of the average number of Series A shares and 6.9% (7.6%) of the average number of Series B shares.

Stockmann has no on-going share option programmes, as the subscription period of the 2010 Key Employee share options programme ended on 31 March 2017. No share subscriptions were made with the options.

The company does not hold any of its own shares, and the Board of Directors has no valid authorisations to purchase company shares or to issue new shares.

At the end of the review period, Stockmann had 48 807 shareholders, compared with 51 805 a year earlier.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Stockmann plc, held in Helsinki on 23 March 2017, adopted the financial statements for the financial year 1 January - 31 December 2016, granted discharge from liability to the responsible officers and, in accordance with the proposal of the Board of Directors, resolved not to pay a dividend for the financial year 2016.

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting resolved that eight members be elected to the Board of Directors. In accordance with the Nomination Board's proposal, Kaj-Gustaf Bergh, Jukka Hienonen, Susanne Najafi, Leena Niemistö, Michael Rosenlew, Per Sjödell and Dag Wallgren were re-elected as members of the Board of Directors. Following the announcement by Torborg Chetkovich that she will no longer be available as member, Esa Lager was elected as a new Board member. The Board members' term of office will continue until the end of the next Annual General Meeting.

Henrik Holmbom, Authorized Public Accountant, and Marcus Tötterman, Authorized Public Accountant, were re-elected as regular auditors. KPMG Oy Ab, a firm of authorised public accountants, will continue as the deputy auditor.

The Board of Directors, which convened after the Annual General Meeting, elected Jukka Hienonen as its Chairman, and Leena Niemistö as its Vice Chairman.

The Board of Directors decided to establish an Audit Committee and a Compensation Committee among its members. Dag Wallgren was elected as Chairman of the Audit Committee, and Esa Lager and Michael Rosenlew were elected as the other members of the committee. Jukka Hienonen was elected as Chairman of the Compensation Committee and Kaj-Gustaf Bergh and Leena Niemistö as the other members of the committee. (Stock exchange announcement 23 March 2017.)

CORPORATE SOCIAL RESPONSIBILITY

Commitment to responsible operations forms a core part of Stockmann's values and daily operations. The Corporate Social Responsibility strategy defines Stockmann's priorities and goals of the responsibility work. These goals have been set to support the Group strategy and business operations by enhancing customer focus and improving efficiency. Information about CSR targets and results for 2016 were published in the CSR Review which was made available on 2 March 2017 on the Group's website.

RISK FACTORS

Stockmann is exposed to risks that arise from the operating environment, risks related to the company's own operations and financial risks.

The general economic situation is affecting consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Consumers' purchasing behaviour is also influenced by digitalisation, increasing competition and changing purchasing trends. Rapid and unexpected movements in markets may influence the behaviour of both the financial markets and consumers. Uncertainties related to purchasing power and behaviour are considered to be the principal risks that could affect Stockmann during 2017.

The operating environment may also affect the operations of Stockmann's tenants and consequently may have a negative impact on rental income and the occupancy rate of Stockmann's properties. These, particularly if related to the biggest tenants of the properties, may have an effect on the fair value of the real estate.

Financial risks, mainly risks arising from interest rate fluctuations due to the Group's high level of debt, may have an effect on the financial costs and the financial position. Interest rate fluctuations may also impact the market yield related to the properties owned by the Group, and thus to the fair value of these assets. Financial risks are managed in accordance with the financial risk policy confirmed by the Board of Directors.

Other risk factors affecting the Stockmann Group's operations are presented in the Report by the Board of Directors for 2016.

OUTLOOK FOR 2017

In the Stockmann Group's largest operating country, Finland, the economy has slowly begun to recover. GDP and the retail market are expected to grow slightly in 2017. Consumers' purchasing power is, however, not expected to increase and purchasing behaviour is changing due to digitalisation and increasing competition.

The Swedish economy remained stable in 2016 and the GDP growth estimate for 2017 remains on a higher level than in Finland. The steady growth in the fashion market stagnated in 2016, and the market is expected to decline in 2017.

In the Baltic countries, GDP growth is estimated to continue. The outlook for these countries is expected to be better than that for the Stockmann Group's other market areas.

The Russian economy is expected to recover gradually, but the purchasing power of Russian consumers remains low.

Stockmann will continue improving the Group's long-term competitiveness and profitability. The efficiency measures launched in summer 2016 will be fully visible in the 2017 operating costs. Improvements in the operating result in 2017 are estimated to come mainly from the Stockmann Retail division, which is still loss-making, while Lindex and Real Estate are expected to continue their profitable performance.

GUIDANCE FOR 2017

Stockmann expects the Group's revenue for 2017 to decline due to changes in the store network and product mix. Adjusted operating profit is expected to improve, compared with 2016.

Helsinki, Finland, 27 April 2017

STOCKMANN plc
Board of Directors

CONDENSED FINANCIAL STATEMENTS AND NOTES

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 2016 financial statements. The figures are unaudited.

CONSOLIDATED INCOME STATEMENT

EUR mill.	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
Continuing operations			
REVENUE	**242.7**	273.1	1 303.2
Other operating income	**0.0**	0.0	1.3
Materials and consumables	**−118.8**	−136.1	−608.8
Wages, salaries and employee benefit expenses	**−62.9**	−75.7	−290.5
Depreciation, amortisation and impairment losses	**−15.3**	−14.2	−59.2
Other operating expenses	**−73.5**	−77.5	−328.4
Total expenses	**−270.5**	−303.5	−1 286.9
OPERATING PROFIT/LOSS	**−27.8**	−30.3	17.6
Financial income	**0.6**	0.4	0.8
Financial expenses	**−5.2**	−4.7	−23.9
Total financial income and expenses	**−4.6**	−4.3	−23.1
PROFIT/LOSS BEFORE TAX	**−32.4**	−34.6	−5.5
Income taxes	**2.8**	3.0	−12.7
PROFIT/LOSS FROM CONTINUING OPERATIONS	**−29.6**	−31.6	−18.2
Profit/loss from discontinued operations		10.4	15.0
NET PROFIT/LOSS FOR THE PERIOD	**−29.6**	−21.2	−3.2
Profit/loss for the period attributable to:			
Equity holders of the parent company	**−29.6**	−21.2	−3.2
Earnings per share, EUR:			
From continuing operations (undiluted and diluted)	**−0.43**	−0.46	−0.33
From discontinued operations (undiluted and diluted)		0.14	0.21
From the period result (undiluted and diluted)	**−0.43**	−0.31	−0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
PROFIT/LOSS FOR THE PERIOD	**−29.6**	−21.2	−3.2
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Changes in revaluation surplus (IAS 16), before tax			48.3
Changes in revaluation surplus (IAS 16), tax			−9.7
Changes in revaluation surplus (IAS 16), net of tax			38.6
Items that may be subsequently reclassified to profit and loss			
Exchange differences on translating foreign operations, before tax	**−0.4**	0.2	−2.9
Exchange differences on translating foreign operations, tax		−0.5	
Exchange differences on translating foreign operations, net of tax	**−0.4**	−0.2	−2.9
Cash flow hedges, before tax	**−1.6**	−3.3	1.1
Cash flow hedges, tax	**0.3**	0.7	−0.2
Cash flow hedges, net of tax	**−1.2**	−2.6	0.8
Other comprehensive income for the period, net of tax	**−1.6**	−2.8	36.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**−31.2**	−24.0	33.4
Total comprehensive income attributable to:			
Equity holders of the parent company, continuing operations	**−31.2**	−34.4	18.3
Equity holders of the parent company, discontinued operations		10.4	15.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	**31.3.2017**	31.3.2016	31.12.2016
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	**737.2**	761.7	735.6
Trademark	**95.4**	98.6	95.2
Intangible rights	**47.3**	46.8	45.3
Other intangible assets	**3.1**	3.6	3.2
Advance payments and construction in progress	**1.4**	3.0	3.7
Intangible assets, total	**884.3**	913.6	883.1
Property, plant and equipment			
Land and water	**114.3**	110.4	114.3
Buildings and constructions	**649.4**	622.6	654.8
Machinery and equipment	**79.6**	59.8	81.0
Modification and renovation expenses for leased premises	**6.0**	4.4	6.1
Advance payments and construction in progress	**8.1**	29.1	8.7
Property, plant and equipment, total	**857.4**	826.3	864.9
Investment properties		181.0	181.0
Non-current receivables	**7.0**	10.4	7.2
Available-for-sale investments	**4.0**	5.5	5.5
Deferred tax assets	**37.8**	45.4	38.3
NON-CURRENT ASSETS, TOTAL	**1 790.6**	1 982.1	1 980.0
CURRENT ASSETS			
Inventories	**205.6**	203.4	180.7
Current receivables			
Interest-bearing receivables	**1.2**	1.0	1.6
Income tax receivables	**5.3**	3.9	0.0
Non-interest-bearing receivables	**60.7**	62.8	58.7
Current receivables, total	**67.1**	67.7	60.3
Cash and cash equivalents	**10.4**	13.7	20.2
CURRENT ASSETS, TOTAL	**283.1**	284.8	261.2
ASSETS CLASSIFIED AS HELD FOR SALE	**185.3**	20.0	
ASSETS, TOTAL	**2 259.1**	2 286.9	2 241.2

EUR mill.	**31.3.2017**	31.3.2016	31.12.2016
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**144.1**	144.1	144.1
Share premium fund	**186.1**	186.1	186.1
Revaluation surplus	**398.3**	368.9	398.3
Invested unrestricted equity fund	**250.4**	250.4	250.4
Other funds	**44.2**	42.0	45.4
Translation reserve	**-7.6**	-4.6	-7.2
Retained earnings	**-58.1**	-48.3	-21.1
Hybrid bond	**84.3**	84.3	84.3
Equity attributable to equity holders of the parent company	**1 041.6**	1 022.9	1 080.3
EQUITY, TOTAL	**1 041.6**	1 022.9	1 080.3
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**163.9**	162.8	163.6
Non-current interest-bearing financing liabilities	**426.1**	533.2	525.3
Non-current non-interest-bearing liabilities and provisions	**4.4**	4.5	3.1
NON-CURRENT LIABILITIES, TOTAL	**594.5**	700.5	691.9
CURRENT LIABILITIES			
Current interest-bearing financing liabilities	**420.4**	324.3	236.5
Current non-interest-bearing liabilities			
Trade payables and other current liabilities	**170.7**	193.3	203.3
Income tax liabilities	**23.7**	20.2	24.9
Current provisions	**1.2**	2.3	4.4
Current non-interest-bearing liabilities, total	**195.7**	215.8	232.6
CURRENT LIABILITIES, TOTAL	**616.1**	540.1	469.0
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**6.9**	23.3	
LIABILITIES, TOTAL	**1 217.5**	1 264.0	1 161.0
EQUITY AND LIABILITIES, TOTAL	**2 259.1**	2 286.9	2 241.2

Includes continuing and discontinued operations

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period	**−29.6**	−21.2	−3.2
Adjustments for:			
Depreciation, amortisation and impairment losses	**15.3**	14.2	59.2
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets	**0.0**	0.0	−1.1
Interest and other financial expenses	**5.2**	4.7	23.9
Interest income	**−0.6**	−0.4	−0.8
Income taxes	**−2.8**	−3.0	12.7
Other adjustments	**−1.8**	−0.6	0.7
Working capital changes:			
Increase (-) /decrease (+) in inventories	**−24.7**	−36.8	−2.8
Increase (-) / decrease (+) in trade and other current receivables	**0.5**	−6.4	−4.1
Increase (+) / decrease (-) in current liabilities	**−31.0**	−16.5	−15.5
Interest expenses paid	**−6.0**	−6.3	−16.6
Interest received from operating activities	**0.2**	0.3	0.8
Other financing items from operating activities		−1.4	−1.4
Income taxes paid from operating activities	**−2.8**	−1.9	−10.3
Net cash from operating activities	**−78.1**	−75.3	41.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intagible assets	**−8.1**	−5.0	−40.2
Proceeds from sale of tangible and intangible assets	**0.0**	1.3	7.0
Dividends received from investing activities	**0.0**	0.1	0.1
Net cash used in investing activities	**−8.0**	−3.7	−33.2
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from current liabilities	**262.2**	292.0	230.5
Repayment of current liabilities	**−230.5**	−217.9	−217.9
Proceeds from non-current liabilities	**54.7**		105.7
Repayment of non-current liabilities	**−5.2**	−1.7	−127.1
Payment of finance lease liabilities		−0.2	−0.2
Interest on hybrid bond	**−7.4**		
Net cash used in financing activities	**73.7**	72.2	−8.9
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**−12.4**	−6.8	−0.5
Cash and cash equivalents at the beginning of the period	**20.2**	19.1	19.1
Cheque account with overdraft facility	**−5.7**	−4.1	−4.1
Cash and cash equivalents at the beginning of the period	**14.5**	15.0	15.0
Net increase/decrease in cash and cash equivalents	**−12.4**	−6.8	−0.5
Effects of exchange rate fluctuations on cash held	**0.1**	0.0	0.0
Cash and cash equivalents at the end of the period	**10.4**	13.7	20.2
Cheque account with overdraft facility	**−8.2**	−5.4	−5.7
Cash and cash equivalents at the end of the period	**2.1**	8.2	14.5

Includes continuing and discontinued operations

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR mill.	Share capital	Share premum fund	Revaluation surplus	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Hybrid bond	**Total**
EQUITY 1.1.2016	144.1	186.1	368.9	0.6	250.4	43.9	−4.3	−27.1	84.3	**1 046.9**
Profit/loss for the period								−21.2		**−21.2**
Exchange differences on translating foreign operations							−0.2			**−0.2**
Cash flow hedges				−2.6						**−2.6**
Total comprehensive income for the period, net of tax				−2.6			−0.2	−21.2		**−24.0**
EQUITY 31.3.2016	144.1	186.1	368.9	−1.9	250.4	43.9	−4.6	−48.3	84.3	**1 022.9**

EUR mill.	Share capital	Share premum fund	Revaluation surplus	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Hybrid bond	**Total**
EQUITY 1.1.2016	144.1	186.1	368.9	0.6	250.4	43.9	−4.3	−27.1	84.3	**1 046.9**
Profit/loss for the period								−3.2		**−3.2**
Changes in revaluation surplus (IAS 16)			38.6							**38.6**
Exchange differences on translating foreign operations							−2.9			**−2.9**
Cash flow hedges				0.8						**0.8**
Total comprehensive income for the period, net of tax			38.6	0.8			−2.9	−3.2		**33.4**
Other changes			−9.2					9.2		**0.0**
Total transactions with the equity owners			−9.2					9.2		**0.0**
EQUITY 31.12.2016	144.1	186.1	398.3	1.5	250.4	43.9	−7.2	−21.1	84.3	**1 080.3**

EUR mill.	Share capital	Share premum fund	Revaluation surplus	Hedging reserve	Reserve for un-restricted equity	Other reserves	Translation differences	Retained earnings	Hybrid bond	**Total**
EQUITY 1.1.2017	144.1	186.1	398.3	1.5	250.4	43.9	−7.2	−21.1	84.3	**1 080.3**
Profit/loss for the period								−29.6		**−29.6**
Exchange differences on translating foreign operations							−0.4			**−0.4**
Cash flow hedges				−1.2						**−1.2**
Total comprehensive income for the period, net of tax				−1.2			−0.4	−29.6		**−31.2**
Interest paid on hybrid bond								−7.4		**−7.4**
Total transactions with the equity owners								−7.4		**−7.4**
EQUITY 31.3.2017	144.1	186.1	398.3	0.2	250.4	43.9	−7.6	−58.1	84.3	**1 041.6**

Includes continuing and discontinued operations

GROUP'S OPERATING SEGMENTS

Revenue, EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
Lindex	**123.2**	130.2	633.2
Stockmann Retail	**109.5**	135.2	635.7
Real Estate	**17.0**	14.8	60.1
Segments, total	**249.7**	280.2	1 329.0
Unallocated	**0.0**	0.0	0.0
Eliminations	**−7.0**	−7.1	−25.8
Group total	**242.7**	273.1	1 303.2

Operating profit/loss, EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
Lindex	**−14.7**	−8.5	54.9
Stockmann Retail	**−17.4**	−25.3	−49.8
Real Estate	**6.4**	6.0	21.1
Segments, total	**−25.7**	−27.7	26.2
Unallocated	**−2.1**	−2.6	−8.6
Group total	**−27.8**	−30.3	17.6
Financial income	**0.6**	0.4	0.8
Financial expenses	**−5.2**	−4.7	−23.9
Consolidated profit/loss before taxes	**−32.4**	−34.6	−5.5

Depreciation, amortisation and impairment losses, EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
Lindex	**5.0**	5.0	19.9
Stockmann Retail	**3.8**	3.7	14.7
Real Estate	**5.8**	4.9	21.6
Segments, total	**14.7**	13.6	56.2
Unallocated	**0.6**	0.6	3.0
Group total	**15.3**	14.2	59.2

Capital expenditure, EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
Lindex	**4.4**	3.5	17.7
Stockmann Retail	**2.4**	2.0	21.2
Real Estate	**0.7**	0.4	5.3
Segments, total	**7.6**	5.8	44.1
Unallocated	**0.2**	0.1	0.1
Group total	**7.8**	5.9	44.2

Assets, EUR mill.	1.1.–31.3.2017	1.1.–31.3.2016	1.1.–31.12.2016
Lindex	**1 016.0**	1 044.5	1 008.9
Stockmann Retail	**234.2**	231.6	217.2
Real Estate	**757.6**	909.5	947.9
Segments, total	**2 007.8**	2 185.6	2 174.0
Unallocated	**66.0**	81.3	67.2
Assets classified as held for sale	**185.3**	20.0	
Group total	**2 259.1**	2 286.9	2 241.2

INFORMATION ON MARKET AREAS

Revenue, EUR mill.	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
Finland	**107.1**	132.9	631.9
Sweden*) and Norway	**97.4**	103.9	503.4
Baltic countries, Russia and other countries	**38.2**	36.4	167.9
Group total	**242.7**	273.1	1 303.2
Finland %	**44.1%**	48.6%	48.5%
International operations %	**55.9%**	51.4%	51.5%

Operating profit/loss, EUR mill.	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
Finland	**-18.7**	-25.5	-49.9
Sweden*) and Norway	**-9.5**	-2.6	59.5
Baltic countries, Russia and other countries	**0.5**	-2.2	7.9
Group total	**-27.8**	-30.3	17.6

Non-current assets, EUR mill.	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
Finland	**788.5**	742.0	801.0
Sweden and Norway	**845.3**	875.0	843.6
Baltic countries, Russia and other countries	**302.2**	320.1	297.2
Group total	**1 936.0**	1 937.1	1 941.7
Finland %	**40.7%**	38.3%	41.3%
International operations %	**59.3%**	61.7%	58.7%

*) Includes franchising income

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

EUR mill.	**31.3.2017**	31.3.2016	31.12.2016
Discontinued operations			
Profit/loss for the financial period from discontinued operations			
Income		13.2	13.2
Expenses		12.8	12.8
Profit/loss before and after taxes		0.4	0.4
Intra-group charges and rent income are eliminated and therefore not included in income nor expenses.			
Profit/loss relating to the sales of Retail Russia after income tax		10.0	14.6
Result from discontinued operation		10.4	15.0
Cash flows from discontinued operations			
Cash flow from operations		0.0	0.0
Cash flow from investments		0.1	6.0
Cash flow total		0.1	6.0
Discontinued operations, assets classified as held for sale and relating liabilities			
Current liabilities		4.0	
Net assets		-4.0	
Other assets classified as held for sale and the relating liabilities			
Intangible assets and property, plant and equipment	**183.2**	0.4	
Inventories		14.8	
Other receivables	**0.6**	4.4	
Cash and cash equivalents	**1.6**	0.4	
Other liabilities	**6.9**	19.3	
Net assets	**178.4**	0.7	

KEY FIGURES OF THE GROUP

	31.3.2017	31.3.2016	31.12.2016
Equity ratio, %	**46.1**	44.8	48.3
Net gearing, %	**79.9**	81.6	68.3
Cash flow from operating activities per share, year-to-date, EUR	**−1.08**	−1.05	0.58
Interest-bearing net debt, EUR mill.	**831.5**	833.8	736.4
Number of shares at the end of the period, thousands	**72 049**	72 049	72 049
Weighted average number of shares, undiluted and diluted, thousands	**72 049**	72 049	72 049
Market capitalisation, EUR mill.	**519.5**	488.9	509.6
Operating profit/loss, % of turnover	**−11.4**	−11.1	1.3
Equity per share, EUR	**14.46**	14.20	14.99
Return on equity, rolling 12 months, %	**−1.1**	−13.5	−0.3
Return on capital employed, rolling 12 months, %	**1.3**	−5.3	1.8
Average number of employees, converted to full-time equivalents	**6 027**	6 680	6 562
Capital expenditure, year-to-date, EUR mill.	**7.8**	5.9	44.2

DEFINITIONS OF KEY FIGURES:

Equity ratio, % = 100 x $\frac{\text{Equity total}}{\text{Total assets – advance payments received}}$

Net gearing, % = 100 x $\frac{\text{Interest-bearing liabilities – cash and cash equivalents – interest-bearing receivables}}{\text{Equity total}}$

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

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

Earnings per share = $\frac{\text{Result for the period attributable to the parent company's shareholders – tax-adjusted interest on hybrid bond}}{\text{Average number of shares}}$

Return on equity, % = 100 x $\frac{\text{Result for the period (12 months)}}{\text{Equity total (average over 12 months)}}$

Return on capital employed, % = 100 x $\frac{\text{Result before taxes + interest and other financial expenses}}{\text{Capital employed (average over 12 months)}}$

Capital employed = Total assets – deferred tax liabilities and other non-interest-bearing liabilities (average over 12 months)

Equity per share = $\frac{\text{Equity attributable to the parent company's shareholders}}{\text{Number of shares at blance sheet date}}$

Cash flow from operating activities per share = $\frac{\text{Cash flow from operating activities}}{\text{Average number of shares}}$

EXCHANGE RATES OF EURO

Closing rate for the period	**31.3.2017**	31.3.2016	31.12.2016
RUB	**60.3130**	76.3051	64.3000
NOK	**9.1683**	9.4145	9.0863
SEK	**9.5322**	9.2253	9.5525
Average rate for the period	**1.1.–31.3.2017**	1.1.–31.3.2016	1.1.–31.12.2016
RUB	**62.5279**	82.4039	74.1780
NOK	**8.9864**	9.5268	9.2919
SEK	**9.5053**	9.3241	9.4674

INFORMATION PER QUARTER

Consolidated income statement per quarter

EUR mill.	**Q1 2017**	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Continuing operations								
Revenue	**242.7**	388.4	288.9	352.7	273.1	420.0	317.9	351.0
Other operating income	**0.0**	0.0	0.6	0.6	0.0	0.0	0.0	0.2
Materials and consumables	**−118.8**	−180.7	−131.1	−160.9	−136.1	−205.9	−153.1	−166.1
Wages, salaries and employee benefit expenses	**−62.9**	−73.9	−64.7	−76.1	−75.7	−81.9	−71.7	−81.0
Depreciation, amortisation and impairment losses	**−15.3**	−15.4	−14.7	−15.0	−14.2	−19.4	−17.5	−17.4
Other operating expenses	**−73.5**	−84.6	−76.1	−90.2	−77.5	−108.5	−86.2	−90.7
Operating profit/loss	**−27.8**	33.8	2.9	11.1	−30.3	4.3	−10.6	−4.1
Financial income	**0.6**	−0.1	0.2	0.3	0.4	0.6	−0.2	−0.4
Financial expenses	**−5.2**	−9.0	−5.3	−5.0	−4.7	−7.7	−4.7	−4.6
Total financial income and expenses	**−4.6**	−9.1	−5.0	−4.7	−4.3	−7.2	−4.9	−5.0
Profit/loss before tax	**−32.4**	24.7	−2.1	6.5	−34.6	−2.9	−15.5	−9.1
Income taxes	**2.8**	−2.3	−5.2	−8.2	3.0	−16.3	5.1	−3.0
Profit/loss from continuing operations	**−29.6**	22.4	−7.3	−1.7	−31.6	−19.1	−10.4	−12.1
Profit/loss from discontinued operations		4.5	0.1	0.0	10.4	−71.3	−6.1	0.2
Net profit/loss for the period	**−29.6**	26.9	−7.2	−1.7	−21.2	−90.4	−16.5	−11.9

Earnings per share per quarter

EUR	**Q1 2017**	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
From continuing operations (undiluted and diluted)	**−0.43**	0.29	−0.12	−0.04	−0.46	−0.27	−0.14	−0.17
From the period result (undiluted and diluted)	**−0.43**	0.36	−0.12	−0.04	−0.31	−1.26	−0.23	−0.16

Segment information per quarter

EUR mill.	**Q1 2017**	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Revenue								
Lindex	**123.2**	171.3	156.1	175.6	130.2	184.6	166.4	175.2
Stockmann Retail	**109.5**	207.6	124.2	168.7	135.2	228.5	145.1	169.2
Real Estate	**17.0**	15.7	14.9	14.7	14.8	14.4	15.0	15.2
Unallocated	**0.0**	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Eliminations	**−7.0**	−6.1	−6.3	−6.4	−7.1	−7.5	−8.7	−8.8
Group total	**242.7**	388.4	288.9	352.7	273.1	420.0	317.9	351.0
Operating profit/loss								
Lindex	**−14.7**	19.6	15.7	28.1	−8.5	20.5	15.3	17.7
Stockmann Retail	**−17.4**	14.0	−18.0	−20.5	−25.3	0.4	−28.9	−21.8
Real Estate	**6.4**	4.6	5.1	5.4	6.0	1.7	4.5	5.5
Unallocated	**−2.1**	−4.4	0.2	−1.8	−2.6	−18.2	−1.6	−5.5
Group total	**−27.8**	33.8	2.9	11.1	−30.3	4.3	−10.6	−4.1

Information on market areas

EUR mill.	**Q1 2017**	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Revenue								
Finland	**107.1**	201.6	128.3	169.1	132.9	223.8	148.1	166.2
Sweden*) and Norway	**97.4**	136.2	122.8	140.6	103.9	145.8	129.8	137.4
Baltic countries, Russia and other countries	**38.2**	50.7	37.8	43.0	36.4	50.4	40.0	47.4
Group total	**242.7**	388.4	288.9	352.7	273.1	420.0	317.9	351.0
Finland %	**44.1%**	51.9%	44.4%	47.9%	48.6%	53.3%	46.6%	47.4%
International operations %	**55.9%**	48.1%	55.6%	52.1%	51.4%	46.7%	53.4%	52.6%
Operating profit/loss								
Finland	**−18.7**	8.2	−14.3	−18.3	−25.5	−19.2	−27.3	−24.1
Sweden*) and Norway	**−9.5**	18.7	16.0	27.4	−2.6	22.6	18.6	18.7
Baltic countries, Russia and other countries	**0.5**	7.0	1.2	2.0	−2.2	1.0	−1.9	1.3
Group total	**−27.8**	33.8	2.9	11.1	−30.3	4.3	−10.6	−4.1

*) Includes franchising income

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS

Contingent liabilities of the Group, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Mortgages on land and buildings	**1.7**	1.7	1.7
Pledges and guarantees	**5.6**	13.7	11.4
Liabilities of adjustments of VAT deductions made on investments to immovable property	**12.0**	14.5	15.4
Total	**19.4**	29.9	28.5
Hybrid bond			
On 17 December 2015 Stockmann issued a hybrid bond of EUR 85 mill. The accrued interest on the bond at the end of period was:	**1.1**	1.9	6.8

Lease agreements on the Group's business premises, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	**125.9**	131.4	127.8
After one year	**576.7**	645.8	581.2
Total	**702.6**	777.3	708.9

Group's lease payments, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Within one year	**0.7**	0.6	0.7
After one year	**0.9**	1.1	0.9
Total	**1.6**	1.7	1.6

Group's derivative contracts, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Nominal value			
Currency derivatives	**508.2**	543.0	469.3
Electricity derivatives	**1.8**	1.6	1.8
Total	**510.0**	544.5	471.1

CONSOLIDATED ASSETS AND GOODWILL

Assets, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Acquisition cost at the beginning of the period	**2 361.7**	2 331.8	2 331.8
Fair value change from revaluation of the real estates			47.9
Translation difference +/-	**2.0**	-3.0	-34.3
Increases during the period	**7.8**	5.9	44.2
Decreases during the period	**-0.0**	-10.2	-27.9
Transfers to non-current assets classified as held for sale	**-209.8**	1.0	
Acquisition cost at the end of the period	**2 161.8**	2 325.4	2 361.7
Accumulated depreciation and impairment losses at the beginning of the period	**-432.7**	-397.6	-397.6
Translation difference +/-	**-0.2**	-0.7	-0.3
Depreciation on reductions during the period	**0.0**	8.6	24.4
Accumulated depreciation on transfers to non-current assets classified as held for sale	**28.2**	-0.7	
Depreciation, amortisation and impairment losses during the period	**-15.3**	-14.2	-59.2
Accumulated depreciation and impairment losses at the end of the period	**-420.0**	-404.6	-432.7
Carrying amount at the beginning of the period	**1 748.0**	1 934.1	1 934.1
Carrying amount at the end of the period	**1 741.8**	1 920.9	1 929.0

The calculation of consolidated assets includes following changes in consolidated goodwill:

Goodwill, EUR mill.	31.3.2017	31.3.2016	31.12.2016
Acquisition cost at the beginning of the period	**735.6**	764.7	764.7
Translation difference +/-	**1.6**	-3.0	-29.1
Acquisition cost at the end of the period	**737.2**	761.7	735.6
Carrying amount at the beginning of the period	**735.6**	764.7	764.7
Carrying amount at the end of the period	**737.2**	761.7	735.6

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES CLASSIFIED ACCORDING TO IAS 39, AND HIERARCHICAL CLASSIFICATION OF FAIR VALUES

Financial assets, EUR mill.	Level	**Carrying amount 31.3.2017**	**Fair value 31.3.2017**	Carrying amount 31.3.2016	Fair value 31.3.2016	Carrying amount 31.12.2016	Fair value 31.12.2016
Derivative contracts, hedge accounting applied	2	**0.6**	**0.6**	0.0	0.0	2.0	2.0
Financial assets at fair value through profit or loss							
Derivative contracts, hedge accounting not applied							
Currency derivatives	2	**3.0**	**3.0**	0.6	0.6	5.5	5.5
Financial assets at amortised cost							
Non-current receivables		**7.0**	**7.0**	10.4	10.4	7.2	7.2
Current receivables, interest-bearing		**1.2**	**1.2**	1.0	1.0	1.6	1.6
Current receivables, non-interest-bearing		**57.1**	**57.1**	62.2	62.2	51.1	51.1
Cash and cash equivalents		**10.4**	**10.4**	13.7	13.7	20.2	20.2
Available-for-sale financial assets	3	**4.0**	**4.0**	5.5	5.5	5.5	5.5
Financial assets, total		**83.3**	**83.3**	93.4	93.4	93.2	93.2

Financial liabilities, EUR mill.	Level	**Carrying amount 31.3.2017**	**Fair value 31.3.2017**	Carrying amount 31.3.2016	Fair value 31.3.2016	Carrying amount 31.12.2016	Fair value 31.12.2016
Derivative contracts, hedge accounting applied	2	**0.2**	**0.2**	2.4	2.4	0.1	0.1
Financial liabilities at fair value through profit or loss							
Derivative contracts, hedge accounting not applied							
Currency derivatives	2	**2.3**	**2.3**	4.2	4.2	2.7	2.7
Electricity derivatives	1	**0.2**	**0.2**	0.6	0.6	0.2	0.2
Financial liabilities at amortised cost							
Non-current interest-bearing liabilities	2	**426.1**	**426.3**	533.2	533.5	525.3	529.7
Current liabilities, interest-bearing	2	**420.4**	**424.0**	324.3	325.1	236.5	237.0
Current liabilities, non-interest-bearing		**168.1**	**168.1**	186.5	186.5	200.4	200.4
Financial liabilities, total		**1 017.3**	**1 021.1**	1 051.3	1 052.3	965.1	970.1

The Group uses the following hierarchy of valuation techniques to determine and disclose the fair value of financial instruments:
Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets.
Level 2: The valuation techniques use as input data quoted market prices which are regularly available from stock exchanges, brokers or pricing services. Level 2 financial instruments are over-the-counter (OTC) derivative contracts which are classified either for recognition at fair value on the income statement or as hedging instruments.
Level 3: Techniques, which require most management's judgment.

There were no transfers between levels during the financial year.

Financial assets on level 3 are investments in shares of unlisted companies. The fair value of the shares is determined by techniques based on the management's judgment. Profits or losses from the investments are recorded to other operating income or expenses in the income statement, because acquisition and divestment decisions on the investments are made for business reasons. The following calculation illustrates changes in financial assets valuated at fair value during the reporting period.

Change in fair value of available-for-sale financial assets, EUR mill.	**31.3.2017**	31.3.2016	31.12.2016
Carrying amount Jan. 1	**5.5**	5.4	5.4
Translation difference +/-	**0.1**	0.1	0.3
Sale of shares	**0.0**		−0.2
Transfers to non-current assets held for sale	**−1.6**	0.0	
Total	**4.0**	5.5	5.5

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