Annual Report 2009

STOCKMANN

Stockmann Group's core values

Profit orientation

We are in business to make money; all our operations should support this goal. Healthy earnings mean a good return for investors and latitude of movement and risk-taking ability for the company. For good people who are committed to our common goals, it means a highly respected job and an opportunity for self-development.

Customer orientation

We earn money only by offering benefits which the customer perceives as real and better than those of our competitors. The sum total of these benefits is high customer satisfaction and loyalty. Competitive pricing, reliable quality and good customer service are vital elements in achieving these goals.

Efficiency

By performing better than our competitors, we boost sales, secure high cost-effectiveness and use capital efficiently.

Commitment

In all our activities, success calls for an understanding of the importance of Stockmann's company-wide success factors and the role of our own unit in achieving them as well as a commitment to the goals we all share together.

Respect for our people

We respect and value people's capacity for commitment, taking calculated risks and producing result. We reward success.

Social responsibility

Our way of operating is ethical, just and shows respect for environmental values.

Stockmann in brief

Stockmann, established in 1862, is a Finnish listed company engaged in the retail trade. It has approximately 44 000 shareholders. Stockmann's three divisions are the Department Store Division and the Lindex and Seppälä fashion chains. The Stockmann Group's store chains operate in Finland, Sweden, Norway, Russia, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, Ukraine and Saudi Arabia. Stockmann's distance retailing business in Finland operates under the Hobby Hall brand and, as from autumn 2010, also under the Stockmann brand. Lindex runs a distance retailing business in Sweden and Denmark.

The Nevsky Centre shopping centre and department store under construction in St Petersburg is impressively large. The site covers one hectare and, upon completion, the retail space will equal that of the enlarged Stockmann department store in the centre of Helsinki.

Contents

The Stockmann Group's Corporate Social Responsibility Report for 2009 will be published in spring 2010 on Stockmann's website, www.stockmann.com. It will also contain the Group's personnel report. Stockmann's website also gives further information about the company's corporate governance and risk management.

Information for shareholders

Annual General Meeting

The 2010 Annual General Meeting of the shareholders of Stockmann plc will be held on Tuesday 16 March 2010 at 4.00 p.m. in the Concert Hall of Finlandia Hall at the address Karamzininkatu 4, Helsinki.

Registrations for the meeting must be received no later than on 8 March 2010 at 4.00 p.m., telephone +358 9 121 3260 or the company's website www.stockmann.com.

Those shareholders are entitled to participate in the Annual General Meeting, who have been entered on 4 March 2010 as shareholders in the Shareholder Register kept by Euroclear Finland Ltd.

A shareholder shall have the right to have a matter which falls under the jurisdiction of the Annual General Meeting handled at a General Meeting of the Shareholders if he presents a written request therefore to the Board of Directors early enough for the matter to be included in the notice to convene the meeting.

Payment of dividend

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.72 per share be paid for the 2009 financial year. The dividend decided by the Annual General Meeting will be paid to a shareholder who on the record date for dividend payment, 19 March 2010, has been entered in the Shareholder Register kept by Euroclear Finland Ltd. The Board on proposes to the Annual General Meeting that the dividend be paid on 7 April 2010.

Changes in name and address

We kindly request shareholders to report changes of address to the bank or to Euroclear Finland Ltd in accordance with the place where the shareholder's book-entry account is kept.

Financial information on Stockmann

Stockmann will publish the following financial reports in 2010:

- January–March Interim Report 28 April 2010
- January–June Interim Report 12 August 2010
- January–September Interim Report 27 October 2010

In addition to these reports, a monthly report on the units' revenue will be released.

Financial reports and releases are published in Finnish, Swedish and English.

All of Stockmann's stock exchange releases will be available on the internet on their date of publication. Address: www.stockmann.com.

Investor Relations:

e-mail investor.relations@stockmann.com

Report and release requests:

STOCKMANN, Corporate Communications,
P.O. Box 70, FI-00621 Helsinki, Finland
Telephone +358 9 121 3089
Fax +358 9 121 3153
e-mail info@stockmann.com

Dividend policy

Stockmann's Board of Directors has set the dividend payout target at more than half of the earnings derived from the company's ordinary operations. The financing required to grow operations is nevertheless taken into account in determining the dividend.

Information on Stockmann for investors

According to information we have received, the analysts mentioned below follow Stockmann on their own initiative.
The list may be incomplete. Stockmann does not assume responsibility for analysts' assessments.

ABG Sundal Collier Equity
Research
Anna-Karin Envall
Regeringsgatan 65, 5tr
10389 Stockholm
Tel. +46 (0)8 5662 8627

Carnegie Investment Bank
Tia Lehto
Eteläesplanadi 12
00130 Helsinki
Tel. +358 (0)9 6187 1236

Danske Markets Equities
Kalle Karppinen
Hiililaiturinkuja 2
00180 Helsinki
Tel. +358 (0)10 236 4794

Deutsche Bank
Stefan Lycke
Stureplan 4 A
11487 Stockholm
Tel. +46 (0)8 463 5500

Evli Bank
Mika Karppinen
Aleksanterinkatu 19 A
00100 Helsinki
Tel. +358 (0)9 476 690

FIM
Jonas Spohr
Pohjoisesplanadi 33 A
00100 Helsinki
Tel. +358 (0)9 6134 6508

Goldman Sachs
Franklin Walding
Peterborough Court
133 Fleet Street
London EC4A 2BB
Tel. +44 (0)20 7552 9446

Handelsbanken Capital Markets
Maria Wikström
Aleksanterinkatu 11 A
00100 Helsinki
Tel. +358 (0)10 444 2425

Icecapital Securities
Robin Santavirta
Kluuvikatu 3
00100 Helsinki
Tel. +358 (0)9 6220 5092

Nordea Bank Finland
Hanna-Maria Heikkinen
Aleksis Kiven katu 9, Helsinki
00020 Nordea
Tel. +358 (0)9 1655 9926

Pohjola Bank
Jari Räisänen
Teollisuuskatu 1 B
00510 Helsinki
Tel. +358 (0)10 252 4504

SEB Enskilda
Jutta Rahikainen
Unioninkatu 30
00100 Helsinki
Tel. +358 (0)9 6162 8713

Sofia Bank
Paavo Ahonen
Pohjoisesplanadi 37 A
00100 Helsinki
Tel. +358 (0)10 241 5192

Standard & Poor's
James Monro
20 Canada Square
Canary Wharf
London E14 5LH
Tel. +44 (0)20 7176 7798

Swedbank
Sergej Kazatchenko
Regeringsgatan 13
10534 Stockholm
Tel. +46 (0)8 5859 2526

Ålandsbanken
Martin Sundman
Bulevardi 3
00120 Helsinki
Tel. +358 (0)204 293 777

E. Öhman J:or Securities Finland
Elina Pennala
Aleksanterinkatu 44
00100 Helsinki
Tel. +358 (0)9 8866 6043

Stockmann in 2009

Key figures

		2005	2006	2007	2008	2009
Sales	EUR mill.	1 851.3	1 552.6	1 668.3	2 265.8	**2 048.2**
Change in sales	%	6.7	-16.1	7.4	35.8	**-9.6**
Revenue	EUR mill.	1 542.6	1 300.7	1 398.2	1 878.7	**1 698.5**
Staff expenses	EUR mill.	218.0	204.7	224.1	350.5	**327.4**
Share of revenue	%	14.1	15.7	16.0	18.7	**19.3**
Operating profit	EUR mill.	103.7	129.5	125.2	121.9	**85.3**
Share of revenue	%	6.7	10.0	9.0	6.5	**5.0**
Profit before taxes	EUR mill.	102.8	128.9	119.4	71.7	**61.3**
Investment in fixed assets	EUR mill.	57.0	125.5	977.4	182.3	**152.8**
Total assets	EUR mill.	761.5	767.6	1 823.7	1 765.0	**1 927.4**
Share capital	EUR mill.	109.0	111.7	112.2	123.4	**142.2**
Market capitalization at 31 December	EUR mill.	1 761.3	2 028.6	1 659.8	611.6	**1 396.7**
Dividend paid*	EUR mill.	59.5	72.1	75.2	38.0	**51.2**
Dividend per share *	EUR	1.10	1.30	1.35	0.62	**0.72**
Earnings per share 1)**	EUR	1.44	1.93	1.56	0.65	**0.82**
Earnings per share, diluted 1)**	EUR	1.42	1.90	1.55	0.65	**0.82**
Equity ratio	%	66.4	74.5	32.6	39.0	**44.1**
Return on equity	%	15.8	19.4	15.2	6.1	**7.0**
Return on capital employed	%	19.6	22.9	12.1	8.3	**5.8**

1) Adjusted for share issues.

** Board proposal to the AGM. According to the proposal, a dividend of EUR 0.72 per share will be paid.*

*** 2007 and 2008 restated due to rights issue in 2009.*

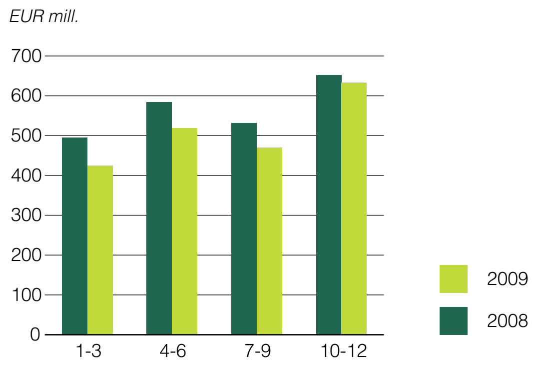
Sales by quarter 2008-2009, EUR mill.

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Department Store Division	275.9	306.4	264.8	371.8	224.5	267.0	225.7	351.7
Lindex	138.3	183.8	174.9	175.6	122.6	169.6	169.7	193.3
Hobby Hall	47.4	48.3	41.6	53.7	43.1	40.2	30.9	41.8
Seppälä	35.7	45.2	50.1	51.5	34.7	42.9	44.1	46.5
Unallocated	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Group	497.5	583.9	531.5	652.8	424.8	519.7	470.5	633.2

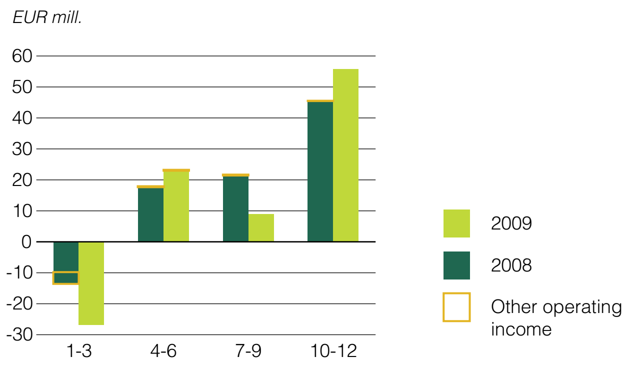
Operating profit by quarter 2008-2009, EUR mill.

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
Department Store Division	1.5	4.1	13.5	34.9	-14.5	9.2	-1.9	31,7
Lindex	-1.2	23.8	15.7	20.3	0.2	19.7	18.1	24,4
Hobby Hall	-2.1	0.7	0.7	1.6	-1.7	-0.8	-0.9	1,8
Seppälä	-0.6	5.1	5.9	4.2	-2.8	3.0	2.9	4,9
Unallocated	0.2	-2.2	-0.7	-3.3	-1.8	-3.2	-1.2	-1.7
Eliminations	-0.3	0.0	-0.5	0.8	-1.4	0.6	0.7	
Group	-2.5	31.4	34.6	58.4	-22.0	28.6	17.7	61.0

Sales by quarter 2008-2009



Profit before taxes by quarter 2008-2009



Long-term financial targets

	Return on capital employed	EBIT on revenue	Sales growth	Equity ratio
Target set in 2001	Minimum 15%	Minimum 5%	Above industry average	
Actual 2001	9.8%	3.6%	Achieved	
Actual 2002	12.6%	4.7%	Achieved	
Actual 2003	13.2%	4.7%	Achieved	
Actual 2004	14.3%	4.9%	Achieved	
Target set in 2005, up to 2010	Minimum 20%	Minimum 8%	Above industry average	Minimum 50%
Actual 2005	19.6%	6.7%	Achieved	66.4%
Target set in 2006, up to 2011	22.0%	10.0%	Above industry average	Minimum 50%
Actual 2006	22.9%	10.0%	In line with industry average	74.5%
Actual 2007	12.1%	9.0%	In line with industry average	32.6%
Target set in 2008, up to 2013	Minimum 20%	Minimum 12%	Above industry average	Minimum 40%
Actual 2008	8.3%	6.5%	In line with industry average	39.0%
Actual 2009	5.8%	5.0%	In line with industry average	44.1%

Divisions in short

Department Store Division

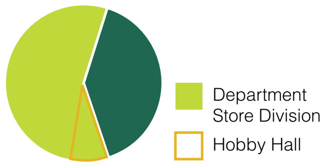
Maisa Romanainen

Offers a remarkably broad and high-quality product range and excellent customer service and expertise in a high-grade and international shopping ambience. Hobby Hall's mail order sales and online store, which were integrated into the Department Store Division from the start of 2010, offer an easy, reliable and pleasant alternative for buying quality products at affordable prices.

- **Finland:** 7 department stores, 7 Academic Bookstores and an online store, 4 Zara stores, 16 Stockmann Beauty stores, 1 Outlet store. Hobby Hall mail order sales and an online store, 1 Hobby Hall store.
- **Russia:** 4 department stores, 1 Outlet store, 1 speciality store, 20 Bestseller stores
- **Estonia:** 1 department store, 1 Outlet store
- **Latvia:** 1 department store

Share of Stockmann's sales

EUR 1 224.8 million, 60%



Share of Stockmann's operating profit

EUR 22.8 million, 24%

Lindex

Göran Bille

Offers affordable inspiring fashion. There are several concepts for ladies' wear, lingerie, children's wear and cosmetics. Lindex's collections are characterized by well considered details, trendiness and a fast turnover of novelties.

- **Sweden:** 203 stores and an online store
- **Norway:** 93 stores
- **Finland:** 56 stores
- **Denmark:** an online store
- **Latvia:** 7 stores
- **Lithuania:** 7 stores
- **Russia:** 6 stores
- **Estonia:** 6 stores
- **Czech Republic:** 5 stores
- **Slovakia:** 2 stores
- **Saudi Arabia:** 10 franchising stores

Share of Stockmann's sales

EUR 655.1 million, 32%

Share of Stockmann's operating profit

EUR 62.4 million, 67%

Seppälä

Terhi Okkonen

Seppälä is a fashion store chain selling clothing for women, men and children, footwear, accessories and cosmetics. All collections are under the Seppälä brand and are the work of the company's own designers. Seppälä's appeal lies in its fast-changing collections and ability to offer fashion at reasonable prices.

- **Finland:** 134 stores
- **Russia:** 37 stores
- **Estonia:** 19 stores
- **Latvia:** 11 stores
- **Lithuania:** 10 stores
- **Ukraine:** 2 stores

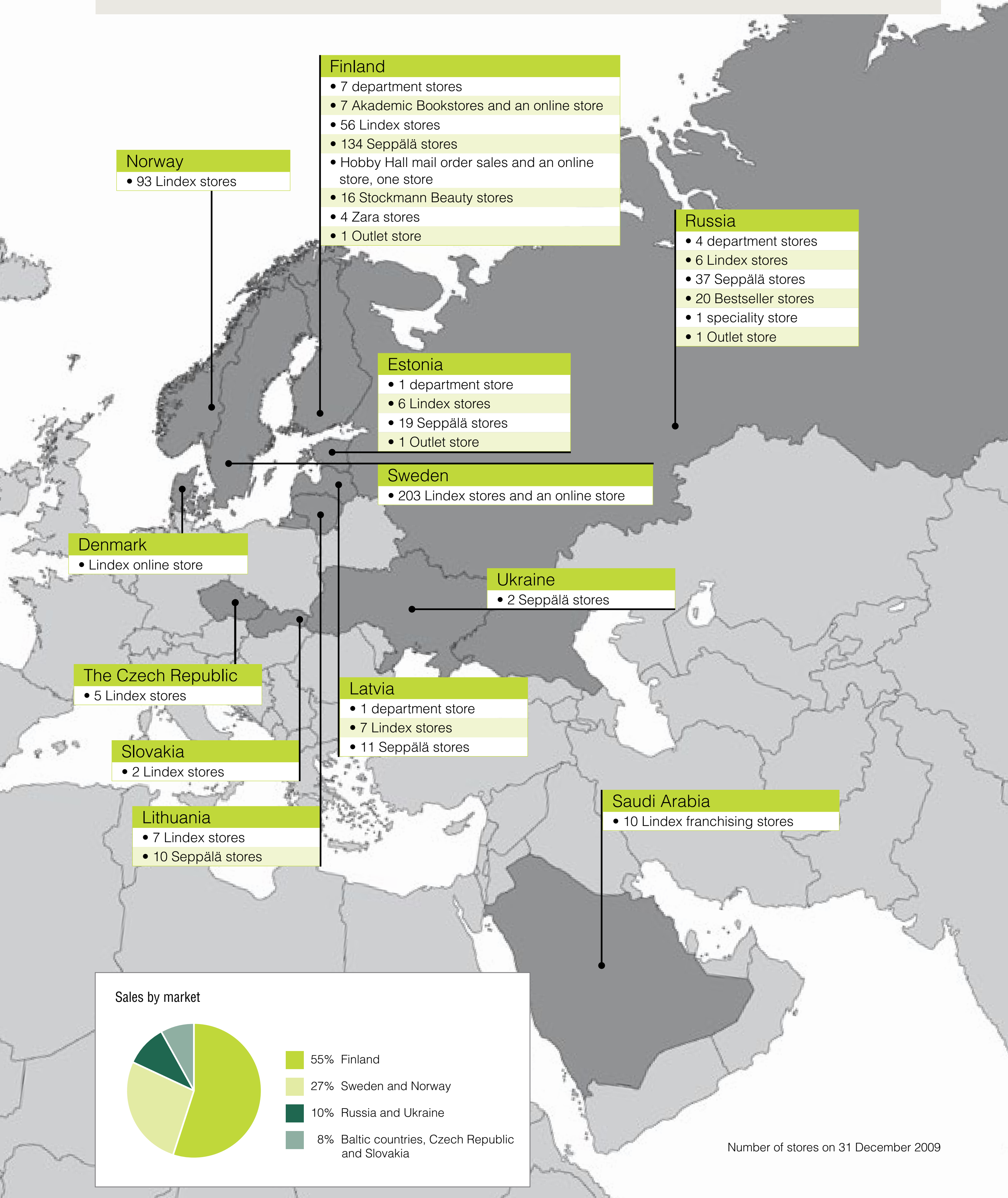
Share of Stockmann's sales

EUR 168.1 million, 8%

Share of Stockmann's operating profit

EUR 8.0 million, 9%

Stockmann's commercial operations



Sales by market

55% Finland
27% Sweden and Norway
10% Russia and Ukraine
8% Baltic countries, Czech Republic and Slovakia

Number of stores on 31 December 2009

Major events in 2009

January

Stockmann announced that Hobby Hall will be integrated into Stockmann's Department Store Division as from the beginning of 2010. As part of the measures aimed at boosting Hobby Hall's profitability, its distance retailing in Russia was discontinued as from the start of 2009. Raija-Leena Söderholm, who has been appointed as the Department Store Division's director of distance retailing as from 1 January 2010, took up the post of Managing Director at Hobby Hall on 1 February 2009, and began preparations for the integration process. She participated in the work of the Stockmann Group's Management Committee until the end of 2009.

February

On 13 February 2009, Stockmann opened a new department store in leased premises in the Metropolis shopping centre near Moscow city centre. The department store has a total area of about 8 000 square metres. Its operations have been successful.

Stockmann announced that Lindex's 2008 operating result in local currencies was its best ever. In the second half of 2009, Lindex achieved another record when its third-quarter operating profit in local currencies was the highest in its history.

The new Stockmann MasterCard was introduced in Estonia. The switch to the Stockmann MasterCard had already been made in Finland, Russia and Latvia during 2008.

Stockmann's new department store in the Metropolis shopping centre in Moscow has proved a success.

Seppälä's TV film Seppälä By Hanna Sarén received an honourable mention in the Grafia Association's Best of the Year competition in advertising and graphic design. In March the series of Seppälä By Hanna Sarén films received the Grand Prix in the Voitto advertising film competition.

March

The Helsinki department store saw the opening of new restaurant areas on the 8th floor, Beauty World on the 7th floor and underground goods handling areas.

April

Stockmann announced that it had cancelled its preliminary agreement for opening a department store in Vilnius, the Lithuanian capital.

May

The new 600-vehicle car park built under Mannerheimintie for the Helsinki department store was opened. The car park was sold in September through a sale and leaseback arrangement as a part of the programme to release capital.

Stockmann announced that Hobby Hall will discontinue its operations in the Baltic countries by the autumn and focus on developing its operations in Finland. The discontinuation of the unprofitable Baltic operations came as a part of the measures to revitalize Hobby Hall's financial situation. At the same time, Stockmann announced that the Department Store Division will later launch its own distance retailing alongside Hobby Hall as a part of the multichannel strategy for department stores.

Two awards were received for the fresh and original 'Seppälä By Hanna Sarén' TV advertisements.

July

Hobby Hall's redesigned online store was opened.

August

Based on the authorization granted by the 2008 Annual General Meeting, Stockmann's Board of Directors offered a directed issue to HTT Holding Oy Ab, a company owned by the Hartwall family, whereby a total of 2 433 537 new Series A shares and 3 215 293 new Series B shares were issued. The new shares comprised about 8.4 per cent of all Stockmann shares and of the votes conferred by them after the directed issue. The company raised about EUR 96 million in equity with this directed issue.

At the same time, the Board of Directors of Stockmann decided, based on the authorization granted by the 2008 Annual General Meeting, to organize a rights offering of about EUR 45 million, held between 31 August and 18 September 2009. All shares in the rights offering, a total of 1 592 786 new Series A shares and 2 085 477 new Series B shares, were subscribed.

Thanks to the 600-space car park built under Mannerheimintie, entry by car to the Helsinki department store is now easy and convenient.

All funds raised from the issues were used for repaying part of the loans which were taken out for the acquisition of Lindex.

September

Lindex opened its first store in Slovakia, which became the newest market area for Lindex and the entire Stockmann Group. A second Lindex store in Slovakia was opened in October.

Some of Lindex's delighted, prize-winning staff: (L-R) Sofia Brax, Kicki Olivensjö, Ylva Alkman, Göran Bille, Johan Hallin and Emma Wiklund. In Sweden, Lindex was named 'Fashion Chain of the Year' and was also awarded the title 'Interior Concept of the Year'.

October

Stockmann announced that it will open a fifth department store in Moscow in March 2010, in the Golden Babylon shopping centre located in the north of the city. The department store will have retail space of about 10 000 square metres.

Lindex opened its 200th store in Sweden.

Lindex celebrated the 40th anniversary of operations in Norway.

In Helsinki, the Kirjatalo building, which was designed by academician Alvar Aalto and houses the Academic Bookstore, celebrated its 40th anniversary.

November

Lindex received an award from the Bangladesh Garment Manufacturers and Exporters Association for its work towards improvements in the country's economic development, environment and social responsibility.

Lindex was chosen as the Fashion Chain of the Year at the prestigious Habit Fashion Awards gala in Sweden. The distinction was awarded for Lindex's good profitability, international expansion and successful fashion concept. Lindex also won the Interior Concept of the Year award.

Lindex opened an online store for Danish customers.

A tough year in the grip of the economic crisis

The crisis that hit the world economy in autumn 2008 deepened during the early months of 2009. Late in 2008 the currencies of some of the main countries in which the Stockmann Group has operations fell in value, which had an effect on consumer demand, notably in Russia, Sweden and Norway. The Russian economy was also hampered by a rapid drop in the price of oil, in particular. The Baltic countries' economies experienced an outright collapse as they had to face hard economic realities after a period of rapid growth. As a result, demand in many sectors came to a complete standstill, unemployment rose and a crisis in public finances swiftly emerged. In Finland, exports fell sharply as a consequence of the weakening global demand. The repercussions of this were quickly felt throughout the Finnish economy. During the final quarter of the year, there were signs that the slide was coming to a halt, particularly in the Finnish, Swedish, Norwegian and Russian markets. In the Baltic countries the situation remained difficult, with no quick economic recovery in sight.

Crisis prevention started in time

With the crisis showing signs of worsening, we initiated a number of measures as early as autumn 2008, with which we were able to mitigate the effects of the crisis. Crisis prevention was made harder by the fact that the Stockmann Group was in the midst of the most extensive investment phase in its history. The two most important projects of this investment programme, namely the enlargement and renovation of the Helsinki department store and the Nevsky Centre shopping centre and department store being constructed in the centre of St Petersburg, could not be held up at this stage without materially jeopardizing the expected future commercial benefits of these two investments.

It was decided that the crucial action required for crisis prevention would be to secure the gross margin level, reduce the Group's expenses to a level significantly below that of the previous year, achieve a positive cash flow after net capital expenditure, and strengthen equity in accordance with the authorizations granted by the Annual General Meeting. We were able to put these measures into effect during the year with considerable success. A reduction in procurements to meet the declining demand was started at an early stage, which meant that we maintained our good gross margin, as lower stock levels did not require major realizations. Our cost-savings programme also exceeded the target set for it, partly due to the drop in the value of the currencies of our neighbouring countries. Consolidated expenses in 2009 were no less than EUR 53.7 million below the corresponding figure for the year before. A substantial, positive level of cash flow was achieved, as many investments were either postponed or completely cancelled, while at the same time a programme to release capital was initiated. The company's equity was bolstered with a combination of a directed share issue and a rights offering arranged in the autumn. The approximately EUR 140 million in capital raised in the issues was used to repay part of the krona-denominated loan taken out in conjunction with the acquisition of Lindex.

Lindex became the star of the Group

The economic crisis had a significant impact on the Group's earnings trend in the first nine months of the year. During the final quarter, the drop in sales levelled off and consolidated operating profit began to rise. Among the Group's divisions, Lindex enjoyed great success despite the economic crisis: it increased its sales, posted the best result in its history and continued its expansion in both familiar and new market areas. Thanks to its new strategy and concept, Lindex has genuine potential to develop into a globally recognized brand. The full-year earnings of the Department Store Division, Seppälä and Hobby Hall declined significantly, although their earnings trend did improve towards the end of the year. Hobby Hall was integrated into the Department Store Division at the start of 2010, where it will have a significant role in distance retailing as a part of the Department Store Division's multichannel strategy.

Reasonable result

Thanks to the crisis prevention measures, the Group's earnings as a whole were reasonable given the circumstances, although they were clearly below the previous year's figure. As a result of a decrease in the deferred tax liability, earnings per share actually increased.

In December the Board of Directors decided not to exercise the authorization granted to it by the Annual General Meeting for paying an additional dividend for 2008. The Board will propose that EUR 0.72 per share be paid as dividend for 2009, representing 87.8 per cent of the earnings per share. Owing to the two ongoing major investments, the Group's capital expenditure will remain at a high level in 2010. As of 2011, the level of capital expenditure will, according to present plans, decrease significantly, since there are no major projects of the same scale on the horizon.

After the collapse at the end of the previous year, Stockmann's market capitalization showed a very positive trend that was clearly better than the general trend in the equity markets. The market capitalization more than doubled during 2009, reaching EUR 1 396.7 million at the close of the year.

> We survived a difficult year with fairly minor setbacks.

Among the long-term targets for financial indicators, we achieved the equity ratio target, which was set at a minimum of 40 per cent by 2013. The equity ratio was 44.1 per cent. On the other hand, the return on capital employed (5.8 per cent) and the operating profit margin (5.0 per cent) weakened as consolidated earnings declined.

Rule of law in Russia took a step back

Stockmann was forced to close its department store in the Smolensky Passage shopping centre in Moscow in 2008 because its lessor acted illegally and in breach of contract. The International Commercial Arbitration Court of Moscow (ICAC) ruled in favour of Stockmann in the dispute and ordered the lessor to pay the company significant damages. In Russia, however, rulings by the International Commercial Arbitration Court have to be affirmed by a court belonging to the Russian judicial system. Contrary to earlier practice, the Russian courts, including the Highest Arbitration Court, have overturned rulings of the International Commercial Arbitration Court. The proceedings to affirm the damages awarded are still pending at the Highest Arbitration Court. From the perspective of the rule of law and international investment in Russia, I consider it very unfortunate that Russia's judicial system, against international conventions, refuses to ratify the rulings of the international arbitration court that has legal jurisdiction.

Outlook for 2010

Trends in the world economy indicate that slight growth can be expected in 2010. There are many uncertainties at play, however, and equity markets, in particular, are reacting nervously to even the slightest piece of bad news. It seems that, even in the best case, we have to prepare ourselves for a long period of slow economic growth.

Among Stockmann's market areas, the Baltic countries are in the most difficult situation, even though their economies are no longer plunging sharply downwards. The Russian economy is expected to start growing again, but this trend is largely dependent on developments in energy prices.

At the end of 2010, Stockmann will bring into commercial operation two major investments that are important for the future: the Helsinki department store extension and the Nevsky Centre shopping centre in St Petersburg. A new department store will be opened in Moscow as early as March, in addition to which Lindex and Seppälä will continue to expand their chains. In the autumn, distance retailing will also be expanded, as the Department Store Division opens its new distance retailing business operating under the Stockmann brand.

With these investments, the company is aiming for a moderate growth in sales in 2010. Our objective is to also achieve a better operating profit than last year, despite the high investments.

May I take this opportunity to thank all our customers for the trust they showed in us during 2009. I would also like to express my particular thanks to the entire Group's personnel who, in tough circumstances and while embracing our common goals, have enabled us to survive a difficult year with fairly minor setbacks.

Helsinki, 11 February 2010

Hannu Penttilä

Board of Directors and auditors

Chairman

*Christoffer Taxell**
(b. 1948), LL.M. Member of the Board since 1985, Chairman of the Board since 2007. Chairman of the Board's Appointments and Compensation Committee. Shares: A 2 375, B 10 171

Vice chairman

*Erkki Etola***
(b. 1945), M.Sc.(Eng.), managing director, Oy Etola Ab. Member of the Board since 1981, Vice Chairman of the Board since 1992. Member of the Board's Appointments and Compensation Committee. Shares: A 1 996 767, B 1 053 399

*Kaj-Gustaf Bergh**
(b. 1955), LL.M., B.Sc.(Econ.), managing director, Föreningen Konstsamfundet r.f. Member of the Board since 2007. Shares: A 1 077, B 4 911

*Eva Liljeblom***
(b. 1958), D.Sc.(Econ.), professor, Hanken School of Economics. Member of the Board since 2000. Member of the Board's Appointments and Compensation Committee. Shares: A 257, B 5 802

*Kari Niemistö**
(b. 1962), M.Sc.(Econ.), managing director, Selective Investor Oy Ab. Member of the Board since 1998. Shares: A 3 168 650, B 1 024 927

*Carola Teir-Lehtinen***
(b. 1952), M.Sc., Vice President, Sustainability, Fortum Corporation. Member of the Board since 2004. Shares: B 5 980

*Henry Wiklund**
(b. 1948), M.Sc.(Econ.), Member of the Board since 1993. Member of the Board's Appointments and Compensation Committee. Shares: A 760, B 6 610

Personnel representatives on the Board 1 April 2009 – 31 March 2010

At meetings of the Board of Directors, personnel representatives have the right to attend and to speak. They are not members of the Board of Directors.

Robin Sandelin
(b. 1956), buyer, Department Store Division. Personnel representative on the Board, elected by Stockmann's senior salaried employees.

Rita Löwenhild
(b. 1952), chief shop steward, Department Store Division. Personnel representative on the Board, elected by the Group Council.

Auditors

Jari Härmälä
(b. 1961), M.Sc.(Econ.), Authorized Public Accountant. Stockmann's regular auditor since 2007.

Henrik Holmbom
(b. 1970), M.Sc.(Econ.), Authorized Public Accountant. Stockmann's regular auditor since 2003.

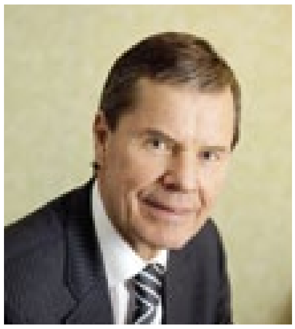
Deputy auditor

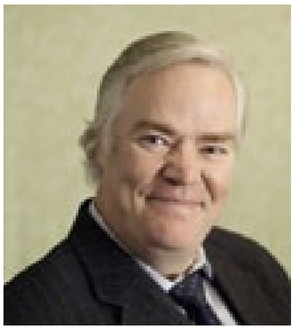
KPMG Oy Ab

Information on the main job experience of the Board of Directors and their principal positions of trust is available on Stockmann's website at the address www.stockmann.com.

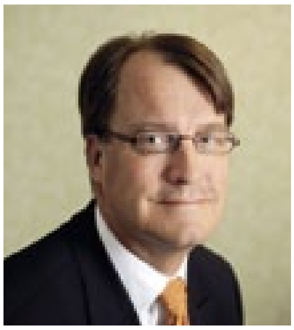
* Independent of the company
** Independent of the company and major shareholders


Christoffer Taxell


Erkki Etola

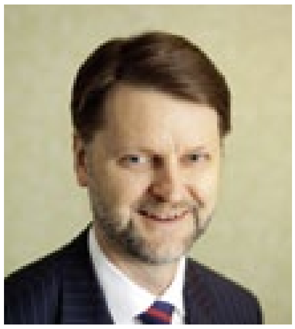

Kaj-Gustaf Bergh

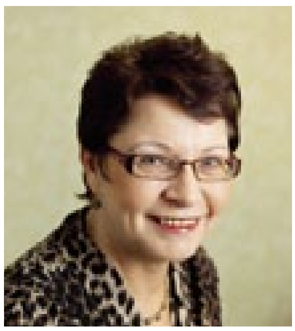

Eva Liljeblom


Kari Niemistö

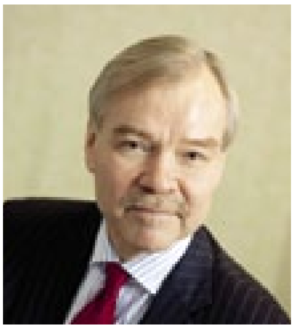

Carola Teir-Lehtinen


Henry Wiklund


Robin Sandelin


Rita Löwenhild

Management Committee


Hannu Penttilä


Pekka Vähähyyppä


Maisa Romanainen


Göran Bille


Terhi Okkonen


Jussi Kuutsa


Jukka Naulapää

Hannu Penttilä
(b. 1953), LL.M., CEO. Joined Stockmann's 1978, at the present position since 2001.
Shares: A 111, B 13 550
Options: 2006A 16 000, 2006B 8 000, 2006C 13 600, 2006D 13 600

Pekka Vähähyyppä
(b. 1960), M.Sc.(Econ.), executive vice president, CFO. Joined Stockmann's 2000, at the present position since 2008.
Shares: B 5 557
Options: 2006A 8 000, 2006B 4 000, 2006C 6 800, 2006D 6 800

Maisa Romanainen
(b. 1967), M.Sc.(Econ.), executive vice president with responsibility for the Department Store Division. Joined Stockmann's 1996, at the present position since 2008.
Shares: –
Options: 2006A 5 000, 2006B 2 500, 2006C 4 250, 2006D 4 250

Göran Bille
(b. 1955), B.Sc.(Econ.), CEO, Lindex. Joined Stockmann's 2007, at the present position since 2004.
Shares: B 15 877
Options: 2006A 4 000, 2006B 2 000, 2006C 6 800, 2006D 6 800

Terhi Okkonen
(b. 1961), eMBA, managing director, Seppälä. Joined Stockmann's 1991, at the present position since 2005.
Shares: B 1 401
Options: 2006A 8 000, 2006B 4 000, 2006C 6 800, 2006D 6 800

Jussi Kuutsa
(b. 1964), B.Sc.(Econ.), Development Director for the Group's international operations. Joined Stockmann's 1996, at the present position since 2006.
Shares: B 4 523
Options: 2006A 8 000, 2006B 4 000, 2006C 6 800, 2006D 6 800

Jukka Naulapää
(b. 1966), LL.M., Director, legal affairs. Joined Stockmann's 1998, at the present position since 2006.
Shares: B 1 650
Options: 2006A 8 000, 2006B 4 000, 2006C 6 800, 2006D 6 800

Stockmann plc shares and options in the personal ownership of the members of the Board of Directors and Management Committee as well as in the ownership of their related persons reported at 31 December 2009, exclusive of the 2006 Loyal Customer options, a total number of 454 of which were in the ownership of the members of the Board and a total number of 992 in the ownership of the members of the Management Committee.

Updated information on shares and share options in the ownership of the members of the Board of Directors and the Management Committee is available on the company's website www.stockmann.com. Information on Stockmann plc shares and options on pages 41–45 and 47 of the Annual Report.

Department Store Division

Towards multichannel retailing

Stockmann's Department Store Division operates seven department stores in Finland, four in Russia and two in the Baltic countries. Stockmann's department stores offer customers a uniquely extensive and high-quality product range, a competitive price-quality ratio and excellent and professional customer service in an inspiring shopping environment with an international ambience.

In Finland, the Department Store Division also includes the Academic Bookstores, Stockmann Beauty cosmetics stores and Zara fashion stores that are operated on a franchising basis, and in Russia the division includes the Bestseller franchising stores.

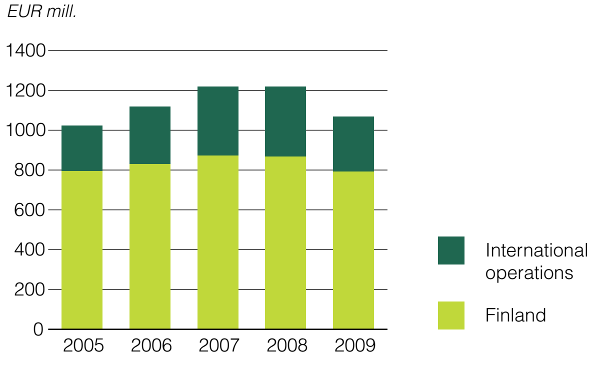
Hobby Hall, which was integrated into the Department Store Division as from the start of 2010, focuses on distance retailing in the Finnish market.

The Stockmann department stores' distance retailing website, www.stockmann.com, will be launched in Finland in autumn 2010.

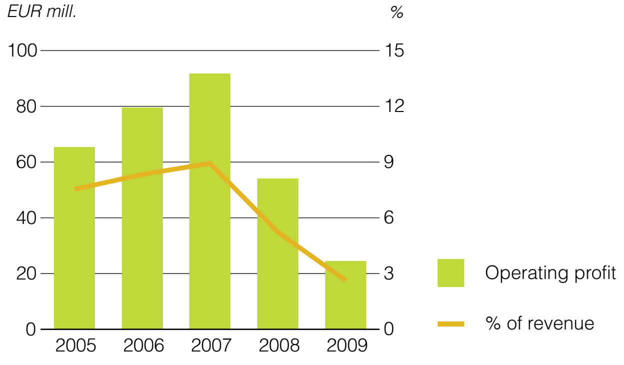
Sales by the Department Store Division in 2009 amounted to EUR 1 068.9 million, a decrease of 12.3 per cent from the previous year. Operating profit declined from the previous year, amounting to EUR 24.5 million.

The economic downturn that began late in 2008 had a clear impact on sales in all countries of operation. The Department Store Division's sales in Finland were EUR 792.8 million, or 8.7 per cent less than a year earlier. Sales were boosted throughout the year with intensive marketing targeted at Loyal Customers in Finland, the Baltic countries and Russia. The sales of the Riga and Tallinn department stores totalled EUR 99.0 million, or 24.3 per cent less than the previous year. The Baltic countries were particularly severely hit by the economic downturn, with the volume of retail sales dropping considerably in Latvia and Estonia throughout the year. Sales by the Department Store Division in Russia amounted to EUR 177.1 million, a decrease of 19.4 per cent from the previous year. The drop in the value of the rouble in late 2008 and into early 2009 had a clear effect on consumer demand. Measured in roubles, the Department Store

Development of the Department Store Division's sales 2005-2009



Development of the Department Store Division's operating profit 2005-2009



Stockmann's latest women's wear brand, Cristelle & Co., was launched at the beginning of 2009.

Key figures

Department Store Division, EUR mill.	2009	2008	change %
Sales	**1 068.9**	1 218.9	-12
Proportion of Group Sales, %	**52.2**	53.8	
Operating profit*	**24.5**	54.0	-55
Return on capital employed, %*	**3.8**	9.6	
Capital employed	**644.8**	563.8	14
Investments	**123.2**	146.0	
Staff, 31 December	**8 339**	8 945	-7
Sales area, square metres	**194 030**	185 798	4

** including other operating income*

Division's sales were RUB 7 800.3 million, or 2.4 per cent less than the previous year.

The Department Store Division's key objectives include a good trend in sales and in the gross margin in relation to prevailing market conditions, careful management of costs and stock, and efficient use of capital. Major cost-saving targets were set for 2009, and the actual savings achieved were even greater than the targets set. Purchasing operations were adapted to the market situation, and significantly less capital was tied up in stock than the previous year.

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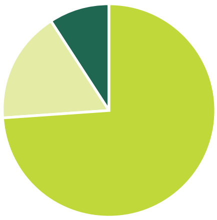
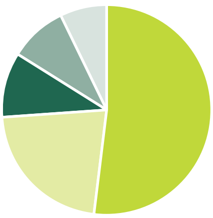
Distribution of the Department Store Division's sales by market 2009



Distribution of the Department Store Division's sales by merchandise sector 2009



The value of stock at the close of 2009 was 16.5 per cent less than a year earlier. Stock turnover remained at its 2008 level. These successful measures helped secure the relative gross margin level, which was 40.2 per cent, compared with 41.0 per cent a year earlier.

The Department Store Division's return on capital employed fell to 3.8 per cent. This was due to the decline in operating profit and the large-scale investment programme, most of which will be completed during 2010.

Major investment programme

In February 2009, a new Stockmann department store was opened at Moscow's Metropolis shopping centre, right in the heart of the city. Sales at the department store, which has about 8 000 square metres of retail space, have been better than expected, and the new store has established its position in Moscow's highly competitive environment within its first year.

Stockmann reacted to the economic downturn by postponing the opening of the Rostokino department store in Moscow until spring 2010 and the opening of the Ekaterinburg department store until spring 2011. The project to open a department store in Lithuania was abandoned. Similarly, several smaller investment projects were either postponed or cancelled. The major projects in Helsinki and St Petersburg, however, proceeded according to plan.

The 'All-time Stockmann' enlargement and transformation project started in 2006 at the Helsinki department store has progressed as planned, and will be completed for the 2010 Christmas season. The project will increase the Helsinki department store's retail space to a total of 50 000 square metres. Stockmann's net capital expenditure on the project is about EUR 200 million, in addition to which a significant amount of renovation and repair work has been carried out in the property during the course of the project. The completion of this major project can be expected to boost the Helsinki department store's sales substantially. In spring 2009, a new 600-space car park was opened for customers, and its operation has begun briskly. The car park was sold to Varma Mutual Pension Insurance Company as a part of Stockmann's programme to release capital. The operation of the car park will continue under a long-term lease arrangement in cooperation with its operator, Q-Park. Also opened in 2009 were the restaurant world on the eighth floor of the department store, beauty

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1. The soft and feminine Decor Stockmann brand is the latest addition to Stockmann's household product family.

2. Cap Horn, Stockmann's own brand, has been representing stylish men's fashion since 1986.

3. The Villa Stockmann and Casa Stockmann brands are reliable choices for all your table-setting needs.

4. Stockmann's own coffees are already a concept.

services on the seventh floor and a Deli-Meals area on the first floor. Several fashion and household departments were also remodelled. In addition to the remodelling of customer areas, a new logistics yard in connection with the service tunnel in Helsinki city centre and new dining and social areas for staff were opened in 2009. A completely redesigned and considerably enlarged Stockmann Delicatessen will be opened during 2010 – the first part will be completed in March and the new premises in their entirety will become available in the autumn. In addition to the Delicatessen, several other departments will be given a new look during 2010.

The Department Store Division's other major project, the Nevsky Centre shopping centre and department store being constructed in the very heart of St Petersburg, will also be completed towards the end of 2010. The shopping centre is being built on a 10 000 square metre plot at the edge of Vosstaniya Square on Nevsky Prospect, St Petersburg's high street, and it will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be for commercial use. A Stockmann department store with almost 20 000 square metres of retail space will operate inside the shopping centre. More than 24 000 square metres of space will be leased to retailers and service companies. The property will also include about 6 000 square metres of leasable office space and a modern underground car park for over 500 vehicles. The total capital expenditure on the project will amount to about EUR 185 million, and the objective is to open the shopping centre in November 2010. Construction work has proceeded as planned; the topping out ceremony will be held in early spring. The leasing of the premises has also proceeded well despite the difficult market conditions, with the majority of commercial space already leased out. The new shopping centre will already have a positive effect on the Department Store Division's earnings during its first full year of operation.

Loyal Customers are the most important

Loyal Customers are the cornerstone of Stockmann's success, and this valuable customer relationship is being actively developed. The total number of Loyal Customers exceeded two million at the end of 2009. This number is continuously growing in all markets, particularly Russia. Loyal Customers can choose either a cash card or a Stockmann MasterCard credit card, which is in use in all markets – in cooperation with Nordea in Finland and the Baltic countries, and with Citibank in Russia. Active Loyal Customers in Finland are upgraded to the Exclusive level, which entitles members to various additional benefits.

> Loyal Customers are the cornerstone of Stockmann's success.

During 2009, Stockmann devoted a considerable amount of resources to its marketing to Loyal Customers, offering them a considerably greater number of different benefits than before. In addition to monthly-changing discounts on products, a number of benefit campaigns and also special discount days for particular customer groups were arranged for Loyal Customers. Loyal Customers account for a significant share of overall sales and their satisfaction is closely monitored in all units. The Loyal Customer programme will remain an important focus area during 2010. Communications to Loyal Customers will be further increased in the form of a new magazine, Premiere, launched in February 2010, and a redesigned Loyal Customer benefits booklet.

Excellent and professional customer service is one of Stockmann's most important competitive advantages. The 'mystery shopping' market research tool has been used for many years at Stockmann, and in 2009 it indicated an improvement in the level of customer service. Efforts are being made to serve customers even more actively than before. A particular focus is on the Helsinki department store where Stockmann aims to significantly improve the level of service in connection with the enlargement of the store.

Crazy Days hold their own

The most important sales campaign of the year, Crazy Days, was arranged at all Stockmann department stores in the spring and the autumn. Although the tougher market conditions were evident in all countries of operation in the form of vigorous price campaigning, the

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unique Crazy Days concept held its own. The autumn Crazy Days achieved the same level reached the previous year. It was particularly pleasing that the new Metropolis department store rose to the level of the other stores in Russia in its first Crazy Days.

Extensive and high-quality product range

In line with their brand promise, Stockmann's department stores offer customers an extensive and high-quality selection of products in a range of different categories at competitive prices. The objective is to showcase leading and new international brands at the Helsinki flagship department store and within the entire store chain. The Department Store Division is also investing heavily in developing its own fashion, household and Delicatessen brands. The division's own brands have accounted for a significant proportion of sales in many product groups. Stockmann department stores have 18 own brands, including Global Essentials, Global Sport, Cristelle & Co., Cap Horn, Bodyguard, Bogi, Villa Stockmann and Casa Stockmann.

During 2009, the new, romantically oriented Decor Stockmann household product brand was introduced to the market, and zoey m., a fashion brand for young women, was launched in early 2010. Growth and development have been supported by the excellent start to operations with the Asian and Turkish purchasing offices set up by Lindex. The majority of products sold under the division's own brands in 2010 will be procured through Stockmann's purchasing office network, which means the company can efficiently control the entire delivery chain and the quality of products and make sure that corporate social responsibility is adhered to.

> Stockmann department stores have 18 own brands.

The high quality and competitive pricing of food products formed an important focus area in 2009, and the price levels of convenience goods were monitored closely. In October, Finland cut the value added tax levied on food products, as a result of which their prices fell by an average of 4.3 per cent. Quality control measures initiated in 2008 were continued in all countries of operation. The efficiency of operations in Finland will be boosted by the new catering premises that will be opened in late 2010.

Zoey m. is a new collection designed for young, fashion-conscious women. It is available at the department stores' One Way department for young people. In addition to the essential outfits of the season, it also includes timeless fashion basics such as jeans, tunics and tops.

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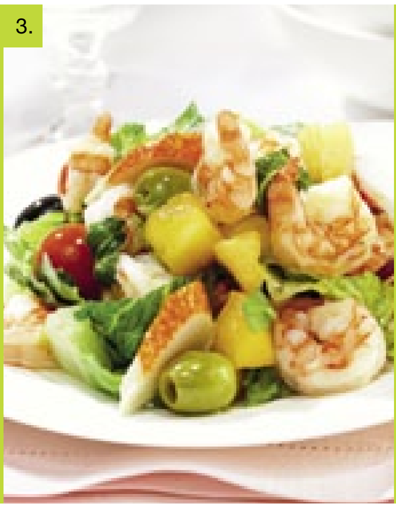

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ACADEMIC BOOKSTORE

1-2. Fans of Roger Moore, famous for his roles as the Saint and James Bond, filled the Academic Bookstore in May. He was interviewed by Baba Lybeck at the store's Meeting Point.

3. Stockmann Meals products are prepared in Stockmann Delicatessen's kitchens to its own recipes.

4. In October 2009, for the first time in ages, outdoor advertising was used to advertise Stockmann's Crazy Days in Finland.

Aiming for efficient processes

Efficient and smoothly functioning processes and IT support form the foundations for profitable business operations. During 2009, the Department Store Division improved the efficiency and consistency of its reporting models. A new procurement planning system will be introduced in 2010 to support purchasing operations. A project has also been started for the development of enterprise resource planning systems, with the objective of creating, within the next few years, a uniform IT application that will serve all market areas.

The information management units of the Stockmann Group, the Department Store Division and Hobby Hall were merged in 2009. The new 'Stockmann IT' now provides a more efficient service for all of Stockmann's markets and product areas.

Franchising operations

The Department Store Division's franchising operations consist of 20 Bestseller fashion stores operating in Russia and four Zara stores operating in Finland.

During 2009, three stores in the Bestseller chain were opened in two cities in Russia, and two Bestseller stores in Russia were closed. The target for 2010 is to open three new stores. The focus of operations, however, is to improve profitability in cooperation with the franchisor.

Franchising operations with Nike started in Russia in 2007 but did not reach their sales and profitability targets. The Department Store Division abandoned its Nike franchising stores, of which there were seven in Russia, towards the end of 2009.

> A new distance retailing store will be created under the Stockmann brand.

New distance retailing brand to be launched

Early in 2009, Stockmann took the decision to integrate Hobby Hall into the Department Store Division as from the start of 2010. Hobby Hall will now continue its operations as a separate brand under the Department Store Division. At the same time, it was decided that Hobby Hall's unique expertise in distance retailing and the invest-

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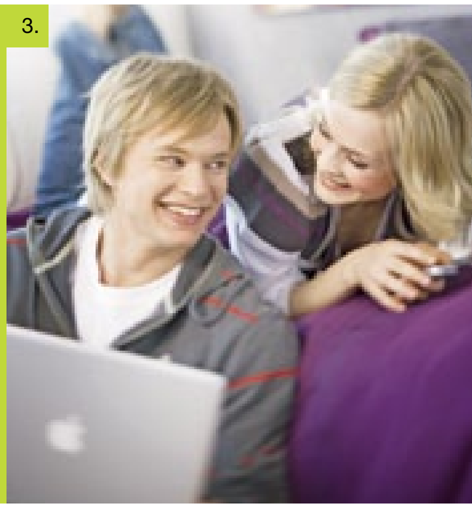


ments made in it would be utilized effectively by creating a new distance retailing store under the Stockmann brand. In practice, most areas of Hobby Hall's operations were already integrated into the Department Store Division during 2009, when preparation work for the launch of the new online store was also started. The online store, www.stockmann.com, will be opened in autumn 2010 and will provide customers with a flexible and high-quality service, offering a wide selection of products at competitive prices and covering the whole of Finland. The Department Store Division's organization will therefore include three distance retailing brands: Hobby Hall (www.hobbyhall.fi), Stockmann (www.stockmann.com) and the Academic Bookstore (www.akateeminen.com), which has been a pioneer of online trade in the Stockmann Group.

Hobby Hall focuses on Finnish market

The steep decline in consumer demand that began late in 2008 continued in 2009, affecting Hobby Hall's sales, too, particularly in the Baltic countries. Early in 2009, strategic decisions were made to secure Hobby Hall's future and the profitability of its operations. The decision to discontinue Hobby Hall's unprofitable operations in the Baltic countries by the end of August 2009 has given it the chance to focus on the profitable Finnish market. Hobby Hall's store on Hämeentie in Helsinki was also closed in December 2009. With the completion of these measures, the Hobby Hall

> The online store's importance in Hobby Hall's business operations has increased each year.

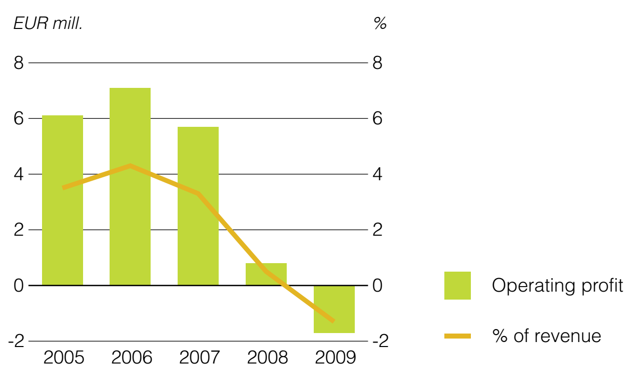
brand now sells products to customers in the Finnish market only, through the online store, mail order catalogues and the Tammisto store in Vantaa.

Hobby Hall's sales amounted to EUR 155.9 million in 2009, down 18.4 per cent from 2008. Its sales in Finland totalled EUR 144.3 million in 2009, or 8.4 per cent less than in 2008. Hobby Hall's operating result declined, amounting to EUR -1.7 million. Operating profit from its Finnish operations was EUR 1.5 million in 2009. Due to extremely stiff price competition, the relative gross margin did not reach the previous year's level.

The online store's importance in Hobby Hall's business operations has increased each year. In 2009, it accounted for as much as 52 per cent of sales in Finland. In July 2009, Hobby Hall opened a new online store, more advanced in terms of its operation and visual look and with better search functions, a separate customer section, and clearer product pages that are easier to navigate. 77 per cent of Hobby Hall's

Development of Hobby Hall's sales 2005-2009

Development of Hobby Hall's operating profit 2005-2009



1. *Distance retailing customers will always get personal service when they need it.*

2. *Hobby Hall is known especially for its household textiles.*

3. *Shopping in the Finnish online store is easy and safe.*

4. *The champagne bar on the eighth floor is a fresh new attraction in the Helsinki department store.*

new customers came through the online store, and younger customers in particular saw the new website as a welcome development.

The vigorous programme to achieve cost savings and boost the efficiency of Hobby Hall's operations, started in early 2009, yielded good results. In addition, Hobby Hall's stock was reduced substantially. The full effects of cost cuts on earnings were not felt until the final months of 2009, but fixed costs at the close of 2009 were substantially lower than a year earlier. Objectives for the future include further expansion of sales, improving the gross margin and stock turnover, and continuing with strict cost discipline.

2010 – A challenging year ahead

The ongoing difficult economic situation will continue to affect retailing in 2010, although developments in different markets are still difficult to forecast. Strict cost discipline and careful purchasing management are always key factors when trying to increase earnings. An unprecedented number of opening ceremonies will be held in 2010, as several projects that have been planned and in progress for a long time are due for completion. In March, Stockmann will open a fifth department store in Moscow and will also open the first stage of the remodelled Delicatessen in Helsinki. The entire enlargement project at the Helsinki department store and the shopping centre project in St Petersburg will be completed in November, in time for the Christmas season. The launch of the new www.stockmann.com distance retailing site will also take place in the autumn, marking a significant step towards truly multichannel retailing. The opening of these new facilities will build a bridge towards the year 2011 and ensure a positive earnings trend long into the future.

An unprecedented number of opening ceremonies will be held in 2010.

Key figures

Hobby Hall, EUR mill.	2009	2008	change %
Sales	**155.9**	191.0	-18
Proportion of Group Sales, %	**7.6**	8.4	
Operating profit*	**-1.7**	0.8	-313
Return on capital employed, %*	**-2.7**	1.0	
Capital employed	**62.1**	81.8	-24
Investments	**2.5**	3.1	
Staff, 31 December	**406**	668	-39

** including other operating income*

Lindex

Lindex grows and focuses on expansion

Lindex's business concept is to offer affordable inspiring fashion to style-conscious women. Lindex is one of the leading fashion chains in northern Europe. It has about 400 stores in ten countries.

The year 2009 was a difficult one for the fashion industry. The industry's strong sales growth of recent years slowed significantly in autumn 2008, and the demand for clothes continued to decline in the first half of 2009. It was only in the latter half of the year that the market began to recover a little.

The main reasons for the declining demand were the global financial crisis and the weak state of the global economy. The economic downturn affected all the markets in which Lindex has operations, but the slowdown in sales was strongest in the Baltic countries and Russia. In the Baltic countries, sales in the clothing sector fell by up to 20–30 per cent compared with the previous year.

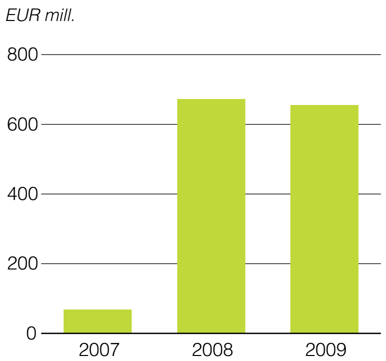
Growth in sales

Despite the uncertain market conditions, 2009 was a strong year for Lindex. The company's concept has proven internationally successful. Lindex's sales grew by 5.1 per cent in local currencies. Euro-denominated sales, however, were down 2.6 per cent to EUR 655.1 million. The decrease in euro-denominated sales was due to the weak exchange rate of the Swedish krona. Taking into account the global economic downturn, sales can be considered satisfactory.

Lindex's sales grew in all areas of its business and in almost all of its markets. Latvia was the only market where sales declined. In its largest market, Sweden, Lindex continued to increase its market share. The weakened economic conditions have not appreciably affected Lindex in Central Europe or Russia, because these are new markets for Lindex in which the company has only a few stores. Lindex has been well received in these markets, and the sales figures for the stores that have been open for over a year have shown strong growth.

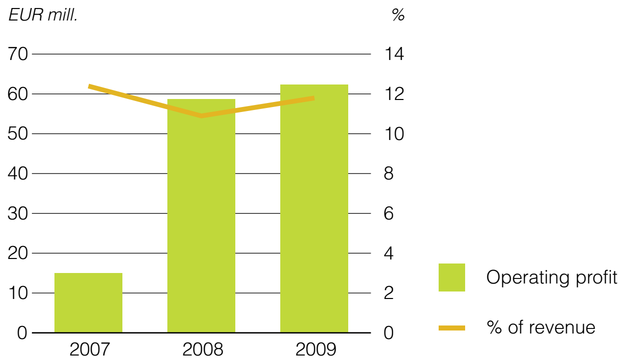
Operating profit in 2009 amounted to EUR 62.4 million, a growth of 6.3 per cent over the previous year. Calculated in Swedish krona, Lindex's operating profit reached an all-time high. The increase in

Development of Lindex's sales 2007-2009*



*Sales recorded for the Stockmann Group since 6 December 2007

Development of Lindex's operating profit 2007-2009*



*Operating profit recorded for the Stockmann Group since 6 December 2007

Lindex had a fantastic year in 2009 and the future looks promising.

Key figures

Lindex, EUR mill.	2009	2008	change %
Sales	**655.1**	672.5	-3
Proportion of Group Sales, %	**32.0**	29.7	
Operating profit*	**62.4**	58.7	6
Return on capital employed, %*	**8.1**	6.6	
Capital employed	**773.5**	896.0	-14
Investments	**22.2**	25.2	
Staff, 31 December	**4 464**	4 365	2
Number of stores**	**395**	366	8

** including other operating income*

*** 10 of them are Lindex's franchising stores*

operating profit is due to the strong sales trend. Despite the negative effect of the dollar exchange rate, Lindex managed to maintain its gross margin at a good level. Lower shipping expenses and the smaller price reductions made on fashion products had a positive effect on the gross margin.

The focus in 2009 was on costs. With this in mind, the efficiency of store operations was improved.

Early in 2009, the company also prepared for the weakening market conditions by reducing the volume of fashion wear purchases.

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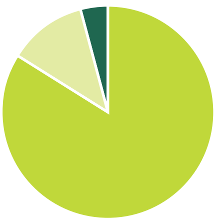
The objective was to prepare for lower demand and to be able to place orders more flexibly than before. This allowed Lindex to adopt a more fashion-conscious profile and react to changes in fashion more swiftly.

All in all, Lindex performed well in 2009 and managed to benefit from the economic downturn. The availability of good commercial sites improved during the year. The prospects for Lindex to continue its international expansion in 2010 are good.

Lindex in ten countries

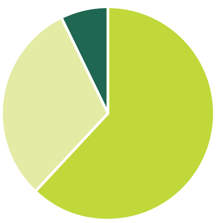
Lindex's success is based on its business concept – affordable inspiring fashion to style-conscious women – and on its vision of a world-class fashion experience. The task of putting the concept and vision into effect rests with all of Lindex's personnel. It is essential that, in the course of expanding, attention be paid to the company's vision and values, as it is these that make it possible to grow internationally. Lindex's values have been defined in consultation with the entire personnel, and employees make their decisions within the framework of these values and in accordance with the company's goals and strategies. The values are followed throughout the company's operations, regardless of country or culture. During the year, a great deal of responsibility was given to local markets, stores and individual employees. In fact, Lindex's structure and organization are one of the company's key strengths, ensuring that it is well prepared for the vigorous expansion planned for the coming years.

Distribution of Lindex's sales by market 2009



84% Sweden and Norway
12% Finland
4% Baltic countries, Czech republic, Slovakia and Russia

Distribution of Lindex's sales by merchandise sector 2009



62% Ladies' fashion
31% Children's fashion
7% Cosmetics

> Lindex performed well in 2009 and managed to benefit from the economic downturn.

Lindex continued its expansion during 2009, opening a total of 34 new stores. Nine stores were opened in Sweden, one in Norway, three in Finland, two in the Czech Republic, six in Russia, five in the Baltic countries and two in Lindex's newest market, Slovakia. Six franchising stores were opened in Saudi Arabia. At the end of the year, Lindex had a total of 395 stores, including the franchising stores in Saudi Arabia.

At the close of 2009, Lindex had operations in ten countries. The investment in Central Europe is strategically important for Lindex, and the objective is to open around ten more stores in the Czech Republic and Slovakia by the end of 2010, including stores in the capitals of the two countries, Prague and Bratislava. The operations of the Central European stores have started successfully, indicating that Lindex's concept works well in these markets.

In autumn 2009, Lindex opened its first store in Moscow. Russia is a large market, offering vast opportunities. Lindex plans to open around 50 stores in Russia during the next five years.

Cooperation with Delta International Establishment was started in autumn 2008, and now there are ten Lindex stores in Saudi Arabia. In addition to Saudi Arabia, Lindex intends to expand its chain of stores in the Middle East to the nearby states of Egypt and Dubai in 2010. Franchising cooperation with Delta International is running extremely well, and the intention is to open about 30 franchising stores within five years.

Investments made in 2009 also included the opening of a Lindex online store in Denmark. The Lindex Shop Online store has been highly successful in Sweden, and now fashion-conscious customers in Denmark too can buy Lindex's fashion items through the internet. The international expansion of Lindex Shop Online will continue in 2010.

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1. Lindex's strong product offering is based on inspiring and affordable fashion.

2. Lindex continued its expansion during 2009. A total of 34 new Lindex stores were opened, including the company's first store in Moscow and its 200th store in Sweden. Operations were also launched in Slovakia. At the end of the year, Lindex had a total of 395 stores..

3–4. Lindex was named 'Fashion Chain of the Year' in Sweden in 2009. Operations were successful in all product areas – women's wear, lingerie, children's wear and cosmetics.

Lindex opened its 200th store in its home market, Sweden, in 2009. The store was opened in the new Liljeholmen shopping centre, located on the outskirts of Stockholm.

Lindex's opportunities for expansion look good. According to plans, around 40 new stores will be opened in 2010, mainly in Central Europe and Russia.

Inspiring fashion in stylish stores

Lindex has a concept that works well and has proved extremely successful in new and familiar markets alike during 2009. All of Lindex's business areas – ladies' wear, lingerie, children's wear and cosmetics – performed well. Lindex's product selection was strong, especially in ladies' wear, sales of which showed a very positive trend. One of the challenges of the year was striking the right balance between basic clothing and the latest fashion.

Stores also have an important role in attracting customers. Customers are met face-to-face in the store, making it Lindex's most important communications channel.

Late in 2009, Lindex's success with its fashion collections and the interior design of its stores was given the most prestigious recognition by the Swedish fashion industry. Lindex received the 'Fashion Chain of the Year' and the 'Interior Concept of the Year' awards at the Habit Fashion Awards, a Swedish fashion gala.

Valuable work for sustainable development

In 2009, Lindex worked steadfastly for the promotion of sustainable development. These efforts were noted in Bangladesh, for example, where the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) gave an award to the company towards the end of the year: a prize for its outstanding achievements in Bangladesh in 2009, particularly in the areas of environmental and corporate social responsibility.

In 2009, Lindex combined all of its energy efficiency measures into an energy saving campaign. The goal was to reduce Lindex's overall energy consumption by ten per cent in the company's offices and its stores. This target was achieved, and the campaign will continue in 2010.

Exciting design cooperation

Lindex engaged in some exciting design collaboration in autumn 2009. In October, the company launched a unique design collection with Swedish designer Emma Wiklund, with 10 per cent of sales prices being donated to the Pink Ribbon campaign of the Cancer Foundation. The collection was extremely successful particularly in the Nordic countries, and thanks to this, the 2009 Pink Ribbon campaign was the most successful so far. Lindex and its customers donated a total of SEK 6.3 million to the Cancer Foundation.

In November, Lindex launched an exclusive evening wear collection, Affordable Luxury, designed by Ewa Larsson. The collection exuded an air of international design, with a focus on quality, form and carefully considered details.

Lindex intends to invest in visiting-designer collections and cooperation projects in 2010 as well. This will reinforce Lindex's profile as an international fashion brand.

Future outlook

Lindex develops its collections on a continuous basis. The display of products in stores still needs to be improved and the service-minded approach to customers must be further enhanced.

There are good prospects for continuing expansion in 2010. Lindex expects to open about 40 new stores during the year, primarily in its new market areas of Slovakia, the Czech Republic and Russia.

> There are good prospects for continuing expansion in 2010.

The company's new franchising markets will be Dubai, Egypt and Bosnia and Herzegovina. There are also opportunities for expansion in familiar markets.

Thanks to its affordable and successful collections, Lindex's product offering remained strong throughout the year. The future looks promising. Lindex's goal for 2010 is to achieve a like-for-like growth that will outperform the general market growth.

Seppälä

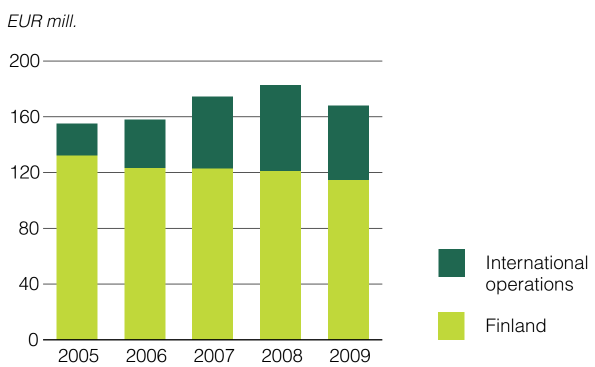
Seppälä's international expansion was profitable

Relying on the power of Finnish design, Seppälä's product range includes women's, men's and children's wear, accessories, shoes, bags and cosmetics. Seppälä sells international fashion through its 213 stores in six countries. With 134 stores in Finland, Seppälä is the country's biggest fashion chain. The chain also includes 37 stores in Russia, 40 in the Baltic countries and two in Ukraine. Seppälä's mission is to encourage and inspire people to enjoy fashion in a way that fits their own style. Fashionable products and a positive price image guarantee a large target group for Seppälä.

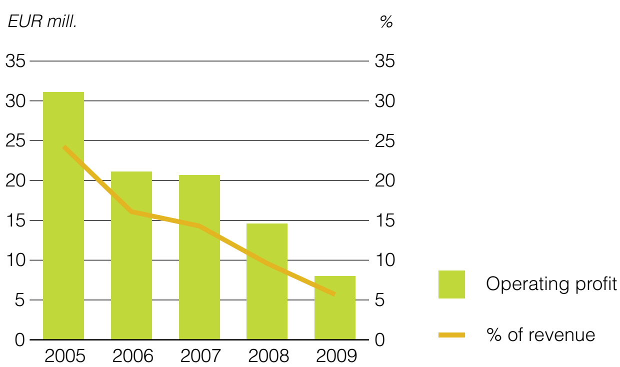
Seppälä's objective in 2009 was to maintain profitable growth. Profitability remained good despite the decline in demand. Operating profit declined, amounting to EUR 8.0 million, which was 5.7 per cent of revenue. The relative gross margin improved on the previous year to 58.2 per cent. The company's earnings in Finland remained at an excellent level but, in particular, the collapse of consumer demand in the Baltic countries, coupled with economic difficulties in Russia and the decline in the value of the Russian rouble, weakened earnings significantly.

All of Seppälä's market areas experienced a strong economic downturn that began in autumn 2008. In order to secure its profitability in the altered market situation, Seppälä improved the efficiency of its operations in a number of ways during 2009. The company responded to the swift change in consumer behaviour by increasing the proportion of appealing, fashionable volume products in its selection. Lower demand was taken into account by reducing advance purchases and with more careful planning of capital tied up in stock. Profitability was secured with cost-saving measures in all areas of the company's operations. Fixed costs decreased on the previous year. Capital expenditure that had been planned in advance was postponed and new stores were not opened at the same rate as in previous years. Seppälä's vigorous expansion and capital expenditure in opening new stores during the last five years have significantly increased the level of depreciation, which weakened profitability in 2009.

Development of Seppälä's sales 2005-2009



Development of Seppälä's operating profit 2005-2009



Designer and 'anti-trousers campaigner' Katja Tuhkasaari of Seppälä's design team was the face of the spring campaign. The campaign featured Seppälä's attractive dress collection.

Key figures

Seppälä, EUR mill.	2009	2008	change %
Sales	**168.1**	182.6	-8
Proportion of Group Sales, %	**8.2**	8.1	
Operating profit*	**8.0**	14.6	-45
Return on capital employed, %*	**7.4**	33.7	
Capital employed	**107.8**	43.3	149
Investments	**4.5**	7.2	
Staff, 31 December	**1 506**	1 636	-8
Number of stores	**213**	203	5

** including other operating income*

Market position in women's wear strengthened

Seppälä's sales in 2009 were down by 7.9 per cent to EUR 168.1 million. Sales fell by 5.1 per cent in Finland and 13.4 per cent abroad. Sales in Finland accounted for 68.3 per cent, and in other countries of operation 31.7 per cent, of the total.

More than 60 per cent of Seppälä's sales came from women's fashion. Seppälä increased its market share in Finland in its most important product area, women's wear. The market share in men's wear remained almost unchanged, whereas in children's wear it declined.

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Strength through in-house designers

Seppälä's mission is to encourage and inspire people to enjoy fashion in a way that fits their own style. Seppälä keeps the design and procurement of products firmly in its own hands. Bold collections created by the company's own designers represent a crucial element of this. Seppälä's 15 Finnish in-house designers follow international trends, creating fashionable clothes and outfits that complement each other.

According to a customer survey conducted in 2007, almost 95 per cent of 15-45 years old Finnish women have shopped at Seppälä. The most challenging target group has been adult women who are interested in fashion and appreciate quality and style but have not identified with Seppälä. Based on the survey results, the collections and their presentation at stores were improved to better cater to the tastes of more mature women. In autumn 2008, new collections were unveiled under the name By Seppälä, with an emphasis on the role of design. In 2009, the By Seppälä collections were complemented with a footwear and bag range designed by Teija Laaksamo. Other Seppälä designers showcased were Katja Tuhkasaari in the spring dress campaign and Anne Lindberg in the autumn coat campaign.

Seppälä's 15 Finnish in-house designers follow international trends, creating fashionable clothes and outfits that complement each other.

The growth in Seppälä's market share in women's wear in 2009 attested to the competitiveness of Finnish clothes design and the success of the strategy offering fashionable clothes for adult women.

A change in strategy was made regarding cosmetics, which account for about five per cent of Seppälä's sales. In the spring, the By Seppälä collections were partnered by the high-quality MSCHIC By Seppälä cosmetics range tailored by Seppälä to match the colours and trends of each fashion season. MSCHIC By Seppälä is being sold at 35 stores in Finland.

In the autumn, the company held an on-line Seppälä Design competition intended for young people, attracting great interest and producing over 50 000 ideas for a T-shirt design. The competition was won by Sini Henttonen with her Awake T-shirt. Seppälä designers Mira Mallius and Antti Sihvonen and their youth collections received particular attention in this connection.

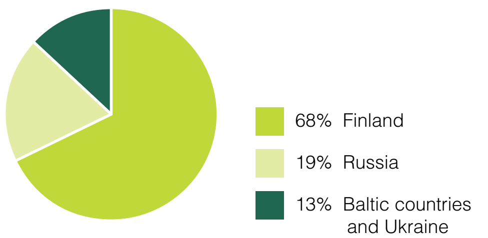
Store network sees expansion and remodelling

Seppälä operates 213 stores in six countries: 134 in Finland, 37 in Russia, 19 in Estonia, 11 in Latvia, 10 in Lithuania and two in Ukraine.

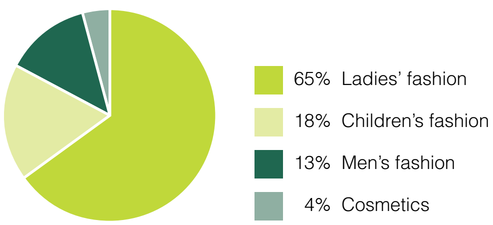
A total of 14 new stores were opened in 2009: four in Finland, four in Russia, two in Latvia, two in Lithuania, one in Estonia and one in Ukraine, on the high street in Kiev. Two stores in Finland and one each in Russia and Lithuania were closed during the same period.

Five stores in Finland moved to new premises located in busier areas, within reach of more customers. In addition, more than ten stores operating at shopping centres were remodelled and renovated. Special attention was paid to the store concept, namely interior design and a visual appearance that supports the Seppälä brand. The objective was to create attractive stores that provide good service to customers.

Distribution of Seppälä's sales by market 2009



Distribution of Seppälä's sales by merchandise sector 2009



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1. In the September fashion campaign, Seppälä designer Anne Lindberg was determined to slice through convention to find something new. The autumn collection offered new forms and lines – truly unconventional fashion.

2. August saw the on-line Seppälä Design competition to design a new T-shirt. The winning design, by Sini Henttonen, went on sale in Seppälä stores. Profits from the shirt were donated to youth work. In all, about 56 000 designs were received! Pictured are the competition hosts, Seppälä designers Antti Sihvonen and Mira Mallius.

3. In October, Seppälä launched its own footwear and bag collection entitled 'Teija Laaksamo By Seppälä'.

4. Seppälä's party wear was presented to Seppälä Club members at a club evening in Helsinki's Keskuskatu store in October.

The extensive Seppälä Super Leader Academy management training programme, which was started in Russia in 2008, was expanded to other Seppälä countries. The programme's goal is to provide introductory training for new Seppälä key sales personnel and to improve the sales management skills of existing personnel.

Seppälä cooperates closely with the other divisions of the Stockmann Group by jointly negotiating new retail sites and using the services of the Far Eastern and Turkish purchasing offices, which were transformed from Lindex purchasing offices to Stockmann purchasing offices after Lindex was acquired by Stockmann in December 2007. These purchasing offices serve all of the Stockmann Group's divisions, attending to local contacts, ensuring the quality of production and monitoring the timeliness of deliveries. There is also active cooperation in the area of environmental and corporate social responsibility – by sharing information and setting joint targets.

Seppälä Club goes from strength to strength

Launched in 2006, the 'Supermodel of My Own Life' concept has been extremely popular. The idea that anyone can apply on-line to Seppälä to become a model was well received. It still remains very popular, being an effective form of advertising that is recognized and valued by almost everybody in Seppälä's target groups. The 'Supermodel of My Own Life' concept received the 'Finnish Fashion Act of the Year' award in January 2008.

The 'Supermodel of My Own Life' concept was used to open the www.seppala.fi website, which has weekly hits amounting to tens of thousands, indicating its great appeal. Buoyed by this popularity, Seppälä started its own loyal customer programme in Finland, the Seppälä Club, which already has more than 330 000 members who are interested in fashion and their own style.

The club's membership will be expanded and member loyalty enhanced with the help of improved services, such as newsletters and VIP benefits. Most importantly, the club's aim is to offer members appealing products, present special offers and boost fashion awareness, and to encourage members to shop at Seppälä's stores.

Growth and good profitability to continue in 2010

Among consumers, Seppälä is seen as an easily accessible, fashionable brand. People want to look good and dress fashionably regardless of their financial situation. In an economic downturn, price becomes an even more important factor.

Key among Seppälä's corporate values is its customer-focused approach. The strategy based on this is to offer fashionable clothes at affordable prices to a large target group. This strategy has proven successful, during the economic downturn as well. A large target group – composed not only of women of all ages interested in fashion, but also of men and children – enables Seppälä to have profitable operations in the fashion centres of big cities as well as in the shopping areas of smaller towns.

Identifying volume products is crucial to Seppälä's success. Seppälä aims to further improve its strong market position in women's wear, while also looking for growth in its market share in men's and children's wear during 2010.

Key among Seppälä's corporate values is its customer-focused approach.

Seppälä's stores will continue to serve as its main marketing channel. Their displays are renewed frequently and customers can find new products to buy every day. Quick turnover in the collections maintains consumer interest. Seppälä manages the life cycle of its products all the way from design to sales. Thanks to this, its business can be flexibly adjusted to the market situation.

The company will continue to strengthen its international market position in 2010, as planned. The strategy remains to expand the store network. A total of 5–8 new stores will be opened mainly in Finland and Russia during 2010. In Russia, the company will now focus especially on the Moscow and St Petersburg areas, where demand has remained stronger than in the rest of the country, despite the economic downturn.

The economic situation will remain tight in 2010, with no significant growth expected in any of Seppälä's market areas. The changes made to the collections and procedures during 2009 and the cost-cutting measures undertaken allow Seppälä the opportunity to keep sales and profitability at a good level in 2010. As Seppälä approaches its 80th anniversary, the objective is to further enhance its reputation as a fashionable brand with a positive price image.

Corporate Governance Statement of the Stockmann Group

The Finnish Corporate Governance Code was approved by the Board of the Securities Market Association in October 2008. The Code has been approved by the Board of NASDAQ OMX Helsinki Ltd as part of the Rules of the Stock Exchange. The Finnish Corporate Governance Code can be freely accessed on the website of the Securities Market Association, at www.cgfinland.fi. The Code was issued on 20 October 2008 and came into force on 1 January 2009. Stockmann adheres to the Code in full.

Main features of the internal control and risk management systems pertaining to the financial reporting process

Stockmann's risk management principles are approved by Stockmann's Board of Directors. Assessment of the risks pertaining to financial reporting and the related management measures are determined as a part of the risk management process. Stockmann's internal control is linked to the risk management process in that some of the aspects which are subject to control are selected on the basis of risk assessments.

The Group's chief financial officer and the Finance and Control Department are responsible for ensuring that the Group's financial reporting is undertaken. Group-level directions are complied with in Stockmann's financial reporting. The reporting is based on information from commercial and administrative processes and data produced by the financial management systems. The Group's Finance and Control Department determines the control measures applied to the financial reporting process. These control measures include various process descriptions, reconciliations and analyses used for ensuring the validity of the information used in the reporting and of the reporting itself.

The financial reporting results are monitored and any anomalies in relation to forecasts or in comparison with the previous year's figures are analysed on a regular basis. Such analyses are used to detect any reporting errors and to produce materially accurate information on the company's finances.

All of the divisions and the Group's Finance and Control Department are responsible for the effectiveness of control within their own sphere of responsibility. The Group's Finance and Control Department is responsible for assessments of the reporting processes. In addition, Internal Audit conducts audits of the business and financial reporting processes. The company's Board of Directors is responsible for the implementation of internal control in regard to financial reporting.

Composition and operations of the Board of Directors and the Appointments and Compensation Committee

Under Stockmann's Articles of Association, the company's Board must have at least five and no more than nine members. The term of Board members begins from the Annual General Meeting in which they are elected and ends at the conclusion of the subsequent Annual General Meeting.

To be elected as a member of the Board, a person must have the qualifications required for the duties and sufficient time to carry them out. The majority of Board members must also be independent of the company, and at least two of these members must also be independent of major shareholders of the company.

At present, the Board of Directors has seven members, none of whom are full-time members.

The members of the Board of Directors are:

Chairman

- **Christoffer Taxell** (b. 1948). LL.M. Member of the Board since 1985, Chairman of the Board since 2007. Chairman of the Board's Appointments and Compensation Committee. Independent of the company.

Vice Chairman

- **Erkki Etola** (b. 1945). M.Sc.(Eng), managing director, Oy Etola Ab. Member of the Board since 1981, Vice Chairman of the Board since 1992. Member of the Board's Appointments and Compensation Committee. Independent of the company and major shareholders.
- **Kaj-Gustaf Bergh** (b. 1955). LL.M., B.Sc. (Econ), managing director, Föreningen Konstsamfundet r.f. Member of the Board since 2007. Independent of the company.
- **Eva Liljeblom** (b. 1958). D.Sc. (Econ.), professor, Hanken School of Economics. Member of the Board since 2000. Member of the Board's Appointments and Compensation Committee. Independent of the company and major shareholders.
- **Kari Niemistö** (b. 1962). M.Sc. (Econ.), managing director, Selective Investor Oy Ab. Member of the Board since 1998. Independent of the company.
- **Carola Teir-Lehtinen** (b. 1952). M.Sc., Vice President, Sustainability, Fortum Corporation. Member of the Board since 2004. Independent of the company and major shareholders.
- **Henry Wiklund** (b. 1948). M.Sc. (Econ.). Member of the Board since 1993. Member of the Board's Appointments and Compensation Committee. Independent of the company.

More information on the members of the Board of Directors is provided on the Group's website, www.stockmann.com.

Representatives of the company's management participating regularly in meetings of the Board of Directors are the chief executive officer, the executive vice presidents and the director of legal affairs, none of whom is a member of the Board of Directors. The director of legal affairs acts as secretary to the Board of Directors. Two employee representatives who are not members of the Board of Directors also participate in meetings of the Board of Directors. One of these representatives is elected by the employee representatives of Stockmann's Group Council and the other by the association representing Stockmann's senior salaried employees.

Under the Limited Liability Companies Act, the Board of Directors of a company attends to the company's administration and ensures the appropriate organisation of its operations. The Board must also ensure that supervision of the company's accounting and financial management is appropriately arranged.

It is the Board's duty to promote the interests of the company and all of its shareholders. In order to carry out its duties, the Board:

- convenes general meetings of shareholders
- directs and oversees the company's management
- appoints and discharges the company's chief executive officer
- approves the chief executive officer's service agreement and other benefits
- approves the salaries and other benefits of the executives in the Group Management Committee
- approves the company's risk management principles
- approves the company's long-term strategic and financial objectives
- approves the budget, and
- decides on significant individual investments and corporate and property acquisitions.

The Board conducts an annual internal self-evaluation of its working practices under recommendation 7 of the Finnish Corporate Governance Code.

The Board of Directors has adopted rules of procedure defining the principles governing the Board's composition and method of election, its tasks, decision-making procedure and meeting practice as well as the principles of the Board's self-assessment. The Board of Directors' rules of procedure are available on the company's website, www.stockmann.com.

The Board of Directors convened 14 times in 2009. The average rate of attendance was 97 per cent.

The Appointments and Compensation Committee comprises four members of the Board of Directors, who are independent of the company. The Committee attends to the duties defined in recommendations 28-30 of the Finnish Corporate Governance Code as being the responsibility of the Appointments Committee, and in recommendations 31-33 as being the responsibility of the Compensation Committee. The duties of the Appointments and Compensation Committee are the preparation of appointment and compensation matters concerning the chief executive officer, the executive vice presidents and the other members of the Management Committee, preparations concerning the election of members of the Board of Directors for proposal to the general meeting of shareholders, and the preparation of compensation matters concerning the Board of Directors. The Committee meets as necessary, but at least once a year. At its meeting held on 17 March 2009, the Board of Directors re-elected Christoffer Taxell as the Committee's Chairman, and Erkki Etola, Eva Liljeblom and Henry Wiklund as its other members. The chief executive officer has the right to attend meetings of the Committee. The Committee met once during the financial year 2009. The rate of attendance was 100 per cent.

The Board also attends to the duties of the Audit Committee referred to in recommendations 24-27.

Chief executive officer

The Board of Directors appoints the company's chief executive officer (CEO) and decides on the terms and conditions of the post. These terms and conditions are set forth in writing in a CEO agreement. The CEO is in charge of the company's line operations in accordance with the instructions and regulations issued by the Board of Directors. Hannu Penttilä, born 1953, has been the company's CEO since 1 March 2001. He has been in Stockmann's service since 1978.

For more information about the CEO, visit the Group's website, www.stockmann.com.

Approved by the Board of Directors of Stockmann plc
on 11 February 2010.

Summary. The Board report on operations and the complete financial statements (including the notes to the statements) are available on Stockmann's website, at www.stockmann.com.

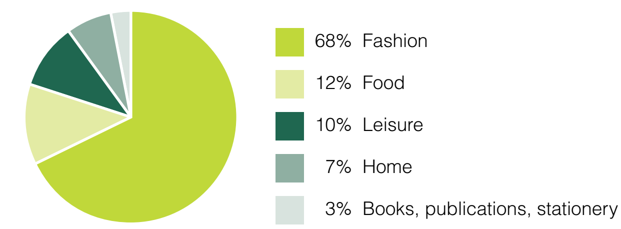
Board report on operations

Sales decreased by 9.6 per cent, totalling EUR 2 048.2 million (EUR 2 265.8 million). The drop in sales was a result of the general state of the economy and the considerable weakening of several currencies. The 2008 sales also included sales from the Smolenskaya department store until it ceased operating in May, and Hobby Hall's operations in the Baltic countries up to the end of August, when the last stage of the discontinuation was completed. Consolidated operating profit declined during the financial year to EUR 85.3 million (EUR 121.9 million). The previous year's result included non-recurring capital gains of EUR 4.2 million and expenses of EUR 6.0 million arising from the closure of the Smolenskaya department store. Net financial expenses fell as expected, to a total of EUR 24.0 million (EUR 50.1 million). The deduction in the deferred tax liability booked for the unrealized exchange rate loss on the currency loan improved the result for the financial year. Net profit for the financial year totalled EUR 54.0 million (EUR 39.1 million). Stockmann's earnings per share were EUR 0.82 (EUR 0.65). The Board of Directors will propose the payment of a dividend of EUR 0.72 per share.

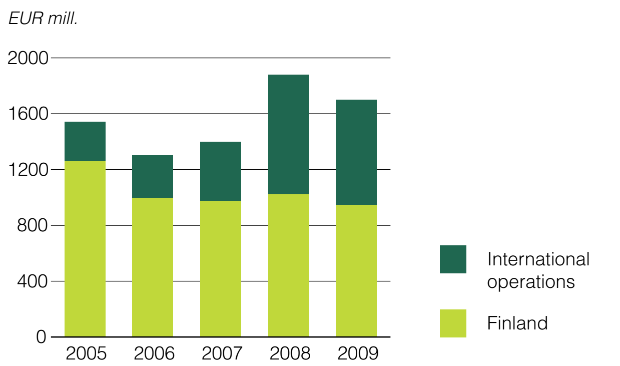
Revenue

	2009 EUR mill.	2008 EUR mill.	change EUR mill.	change %
Department Store Division, Finland	**666.0**	727.1	-61.1	-8.4
Department Store Division, international operations	**234.2**	298.8	-64.6	-21.6
Department Store Division, total	**900.1**	1 025.9	-125.7	-12.3
Lindex, Finland	**65.8**	63.2	2.6	4.1
Lindex, international operations	**461.3**	477.1	-15.8	-3.3
Lindex, total	**527.0**	540.2	-13.2	-2.4
Hobby Hall, Finland	**120.0**	130.8	-10.8	-8.3
Hobby Hall, total	**120.0**	130.8	-10.8	-8.3
Seppälä, Finland	**94.3**	99.5	-5.1	-5.2
Seppälä, international operations	**45.2**	52.4	-7.3	-13.8
Seppälä, total	**139.5**	151.9	-12.4	-8.2
Unallocated	**1.9**	1.1	0.8	
Operations in Finland, total	**948.0**	1 021.8	-73.8	-7.2
International operations, total	**740.5**	828.1	-87.5	-10.6
Continuing operations, total	**1 688.6**	1 849.8	-161.2	-8.7
Hobby Hall, international operations	**9.9**	28.8	-18.9	-65.6
Discontinued operations	**9.9**	28.8	-18.9	-65.6
Operations in Finland, total	**948.0**	1 021.8	-73.8	-7.2
International operations, total	**750.5**	856.9	-106.4	-12.4
Total	**1 698.5**	1 878.7	-180.2	-9.6

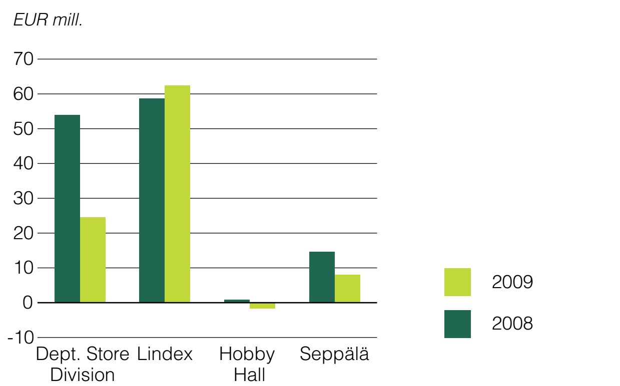
Sales by merchandise sector



Revenue 2005-2009



Operating profit 2008-2009



Sales and earnings

The Stockmann Group's sales in the financial year were down by 9.6 per cent, to EUR 2 048.2 million (EUR 2 265.8 million). The drop in sales was a result of the general state of the economy and the considerable weakening of several currencies. The 2008 sales also included sales from the Smolenskaya department store until it ceased operating in May, and Hobby Hall's operations in the Baltic countries up to the end of August, when the last stage of the discontinuation was completed.

Full-year sales in Finland were down by 7.6 per cent, to EUR 1 132.2 million. The Group's sales abroad totalled EUR 916.0 million, a decline of 12.0 per cent. Without the changes in currency exchange rates the Group's sales abroad would have decreased by 7 per cent. Sales abroad accounted for 45 per cent (46 per cent) of the Group's sales.

Gains on the sale of shares generated EUR 0.3 million (EUR 4.2 million) in other operating income during the financial year.

With the onset of the economic downturn in autumn 2008, one of the key objectives set for the Group was maintaining the level of the relative gross margin by adapting procurements to the expected lower level of demand, which was successfully achieved. The Group's operating gross margin decreased by EUR 89.3 million, to EUR 817.7 million. The relative gross margin was 48.1 per cent (48.3 per cent). Seppälä's relative gross margin improved slightly and Lindex's relative gross margin remained at the previous year's level, whereas the relative gross margin of the Department Store Division and Hobby Hall decreased. The Group's stock level decreased by EUR 24.2 million, to EUR 196.1 million. Operating costs decreased by EUR 53.7 million and depreciation by EUR 3.0 million. The company exceeded the initial cost-savings target of EUR 28 million set for 2009, partly due to changes in foreign exchange rates. Efficiency measures aimed at achieving costsavings will be continued.

Consolidated operating profit for the financial year was down by EUR 36.6 million, to EUR 85.3 million.

Net financial expenses decreased by EUR 26.1 million, to EUR 24.0 million (EUR 50.1 million). Net financial expenses were increased by the reversal of EUR 2.8 million in interest expenses capitalised during the construction of the Mannerheimintie car park, which was sold in September. Profit before taxes was EUR 61.3 million for the financial year, down EUR 10.4 million on the previous year's figure. Taxes for the period, a total of EUR 7.3 million, included a decrease in deferred tax liability of EUR 10.9 million booked for the unrealized exchange rate loss on the currency loan and a tax accrual of EUR 18.2 million. The taxes burdening the result for the previous year earlier totalled EUR 32.7 million. Net profit for the financial year totalled EUR 54.0 million (EUR 39.1 million).

Operating profit and return on capital employed

	2009 EUR mill.	2008 EUR mill.	change EUR mill.	**2009 ROCE %**	2008 ROCE %
Department Store Division	**24.5**	54.0	-29.4	**3.8**	9.6
Lindex	**62.4**	58.7	3.7	**8.1**	6.6
Hobby Hall	**-1.7**	0.8	-2.5	**-2.7**	1.0
Seppälä	**8.0**	14.6	-6.6	**7.4**	33.7
Eliminations		0.0	0.0		
Unallocated	**-7.9**	-6.1	-1.7		
Total	**85.3**	121.9	-36.6	**5.8**	8.3

In August and September, the company arranged share issues, as a consequence of which the number of shares increased by 9 390 617, or 15.2 per cent, and the equity by EUR 137 999 253.64, or 20.6 per cent. Earnings per share for the financial year were EUR 0.82 (EUR 0.65), and, diluted for options, EUR 0.82 (EUR 0.65). Equity per share was EUR 11.96 (EUR 11.24).

Sales and earnings trend by business segment

Department Store Division

The Department Store Division's sales in the financial year were down by 12.3 per cent to EUR 1 068.9 million. Sales in Finland fell by 8.7 per cent. International sales decreased by 21.2 per cent, and they accounted for 26 per cent (29 per cent) of the division's sales. In addition to the general state of the economy, the decline in the Department Store Division's sales was a result of the considerable weakening of the Russian rouble and the comparison figures for 2008, which included sales from the Smolenskaya department store that ceased operating in May 2008, and the vigorous sales growth in the department stores in the Baltic countries during 2008. The rouble-denominated same-store sales by the department stores in Russia were on a par with the previous year's figures. In February, a new department store was opened in Moscow; its operations have started well. Its earnings were better than expected, but were still negative. The relative gross margin for the financial year declined slightly. The stock level of the Department Store Division decreased as planned, and was significantly lower than the previous year's level. The Department Store Division's operating profit was down by EUR 29.5 million, to EUR 24.5 million (EUR 54.0 million).

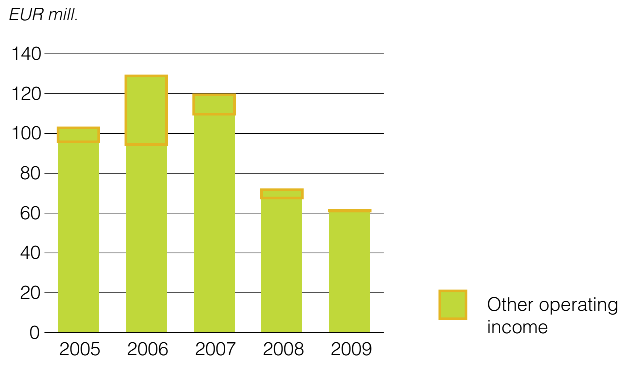
Lindex

Lindex posted its all-time best result, despite the very difficult market environment. Sales in local currencies grew by 5 per cent during the financial year but, due to the weakening of the Swedish krona and the Norwegian krone, the euro-denominated sales declined by 2.6 per cent to EUR 655.1 million (EUR 672.5 million). Sales in Finland grew by 4.1 per cent, but in other countries sales declined by 3.4 per cent. The relative gross margin remained at the previous year's level. Lindex's operating profit for the financial year amounted to EUR 62.4 million (EUR 58.7 million). The weakening of the Swedish krona against the euro reduced operating profit for the financial year by an imputed EUR 6.8 million. Lindex has been able to increase its market share in most of its main markets.

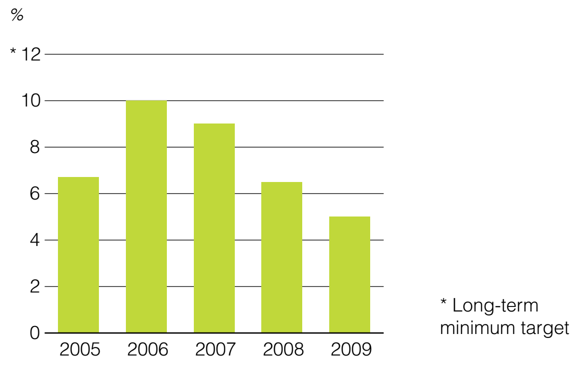
Seppälä

Seppälä's sales in the financial year decreased by 7.9 per cent from the previous year, totalling EUR 168.1 million. Sales in Finland fell by 5.1 per cent. Sales abroad were down by 13.4 per cent and accounted for 32 per cent (34 per cent) of Seppälä's total sales. Rouble-denominated sales in Russia grew by 15 per cent. Despite price reduction campaigns, Seppälä's sales in the Baltic countries decreased considerably. Seppälä's relative gross margin increased, fixed costs decreased, and depreciation increased due to the company's expansion. Seppälä's stock level decreased as planned and was lower than the previous year. Seppälä's operating profit decreased by EUR 6.6 million, to EUR 8.0 million (EUR 14.6 million).

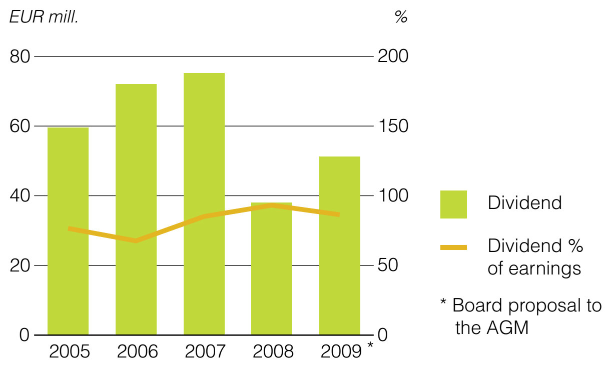
Profit before taxes 2005-2009



Operating profit % of revenue 2005-2009

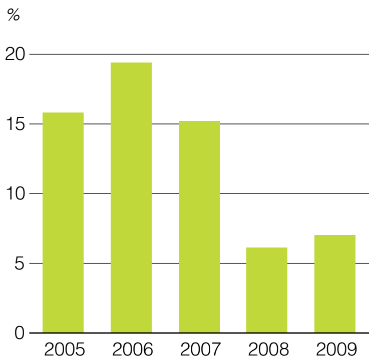


Dividend for the financial years 2005-2009

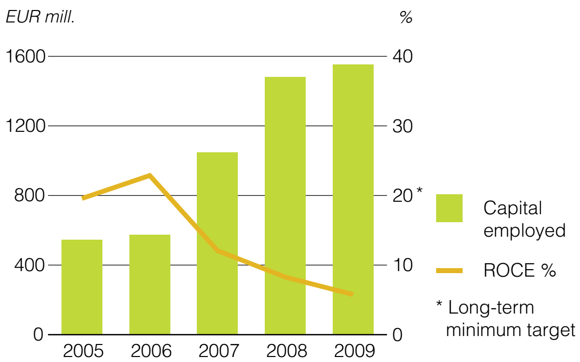


Investments, depreciation and divestments 2005-2009*

Return on equity 2005-2009



Capital employed and ROCE % 2005-2009



Hobby Hall

Hobby Hall's sales in the financial year decreased by 18.4 per cent to EUR 155.9 million (EUR 191.0 million). Sales in Finland fell by 8.4 per cent, and sales abroad declined by 65.3 per cent. Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. Hobby Hall likewise saw its relative gross margin decline. Hobby Hall's stock level decreased as planned and was significantly lower than the previous year's level. Hobby Hall's operating result fell by EUR 2.5 million, amounting to EUR -1.7 (EUR 0.8 million), which was mainly due to the discontinued operations in the Baltic countries. Hobby Hall's discontinued operations in the Baltic countries were substantially loss-making.

Financing and capital employed

Liquid assets totalled EUR 176.4 million at the close of the year, as against EUR 35.2 million a year earlier.

The programme to release capital announced earlier has been implemented by means of sale and leaseback arrangements and divestment of non-strategic assets, which has altogether released EUR 84.4 million in capital from non-current assets. This includes the sale of the shares of the Mannerheimintie car park, which was opened during the financial year, in September using a sale and leaseback arrangement.

During the financial year, Stockmann arranged a directed share issue and a rights offering, with which it raised a total of EUR 140.9 million in capital. A total of EUR 4.0 million was paid in arrangement and underwriting fees for the issues.

Funds raised through the issues were used for the advance repayment of long-term debt. Interest-bearing liabilities at the end of the year were EUR 789.2 million (EUR 775.7 million), of which EUR 786.9 million consisted of long-term debt (EUR 755.7 million). Capital expenditure in the financial year amounted to EUR 152.8 million. Net working capital amounted to EUR 110.6 million at the close of the year, as against EUR 150.9 million a year earlier.

The equity ratio increased due to the issues and, at the end of the year, was 44.1 per cent (39.0 per cent). Net gearing was 72.1 per cent (107.4 per cent) at the end of the year.

The return on capital employed was 5.8 per cent (8.3 per cent). The Group's capital employed increased by EUR 174.0 million and stood at EUR 1 640.9 million (EUR 1 466.8 million) at the end of the financial year.

Dividends

In accordance with the resolution of the Annual General Meeting, a dividend of EUR 0.62 per share was paid on the 2008 financial year, or a total of EUR 38.0 million. Stockmann's Annual General Meeting on 17 March 2009 authorized the company's Board of Directors to decide, by 31 December 2009, on payment of a dividend of a maximum of EUR 0.38 per share in addition to the dividend decided at the Annual General Meeting. On 14 December 2009, the Board of Directors of Stockmann decided against exercising this authorization.

The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.72 per share be paid on the 2009 financial year. The proposed dividend is 87.8 per cent of the earnings per share.

Changes in the group's structure

Hobby Hall's business was integrated into the Department Store Division as from the start of 2010. Hobby Hall remained an independent division until the end of 2009, and its objective was to improve its profitability and prepare for the integration process during the year. As part of the measures aimed at improving profitability, Hobby Hall discontinued its operations in Russia as from the start of 2009 and in the Baltic countries in stages during the year. Stockmann plc's subsidiary Oy Hobby Hall Ab is planned to be merged with the parent company on 30 June 2010. Following the integration, there will be three reporting segments in 2010.

In September, Stockmann sold all the shares of its subsidiary Kiinteistö Oy Mannerheimintien Pysäköintilaitos, which oversaw the Mannerheimintie car park. Stockmann will continue the operation of the car park, which serves the Helsinki department store, in cooperation with an outside operator under a leaseback arrangement.

The corporate structure of the operations in Russia has been streamlined by merging the St Petersburg-based ZAO Kalinka-Stockmann STP with its parent company, ZAO Kalinka-Stockmann, which is based in Moscow, in October 2009. In 2010, Stockmann will initiate the process for the merger of ZAO Kalinka-Stockmann with its sister company ZAO Stockmann.

Capital expenditure

Capital expenditure during the financial year under review totalled EUR 152.8 million (EUR 182.3 million). Following the programme to release capital, which is currently under way, net capital expenditure totalled EUR 68.4 million.

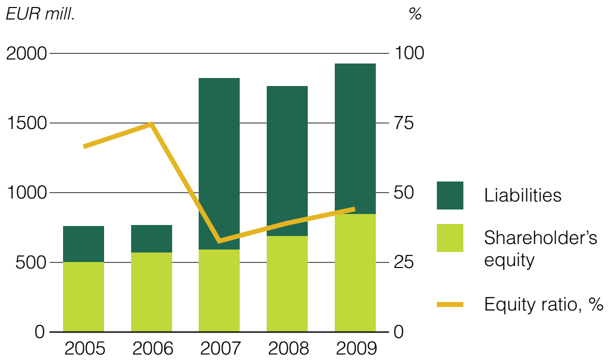
Department Store Division

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

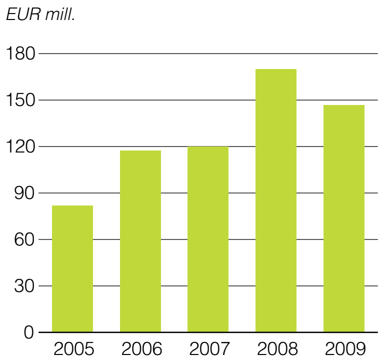
A major enlargement and transformation project is under way at the department store in the centre of Helsinki. The project involves expanding the department store's commercial premises by about 10 000 square metres by converting existing premises to commercial use and by building new retail space. In addition to this, the project has involved construction of new goods handling and servicing facilities and a car park. The new car park was opened in May and was then sold in September by means of a sale and leaseback arrangement as part of the programme to release capital. After the enlargement, the Helsinki department store will have a total of about 50 000 square metres of retail space. With the sale of the car park, the estimated cost of the enlargement of the department store is about EUR 200 million, in addition to which significant repair and renovation work has been and will be carried out in the old property during the course of the project. The new and remodelled premises are being opened in stages. The project is expected to be completed in phases up to the end of 2010. During the financial year, the project required an investment of EUR 42.2 million.

In 2006, Stockmann purchased a commercial plot of approximately 10 000 square metres on Nevsky Prospect, St Petersburg's

Equity ratio 2005-2009



Cash flows from operating activities 2005-2009



high street. The plot is located next to the Vosstaniya Square metro station and in the immediate vicinity of the Moscow railway station. Stockmann's Nevsky Centre shopping centre is being built on this plot and will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be for stores and offices. A Stockmann department store of about 20 000 square metres will be housed in the shopping centre, along with other retail stores, office premises and an underground car park. The total investment is estimated at about EUR 185 million. The construction work for the project is under way and proceeding according to timetable. The building is expected to be completed during summer 2010, with commercial operations set to start in November 2010. The leasing of premises to external operators is proceeding as planned. During the financial year, the project required an investment of EUR 35.3 million.

Stockmann's fifth department store in Moscow will be opened in March 2010 in the Golden Babylon shopping centre in the Rostokino district, north Moscow. Stockmann's capital expenditure on the department store, which will have a total retail space of about 10 000 square metres, will amount to approximately EUR 16 million. During the financial year, the project required an investment of EUR 7.7 million.

One new Stockmann Beauty store was opened in Finland during the financial year, and one was closed. In Russia, three Bestseller stores were opened and two were closed.

The Nike franchising business, which was started in 2007, did not meet the sales and profit targets set for it, and in late 2009 Stockmann closed its seven Nike stores in Russia.

One Outlet store was opened in Tallinn in September, and the Outlet store in Riga was closed.

The Department Store Division's capital expenditure totalled EUR 123.2 million.

Lindex

Lindex opened 27 stores during the financial year: nine in Sweden, five in Russia, three each in Finland and Lithuania, two in the Czech Republic, one each in Norway, Estonia and Latvia and two in Slovakia, which is the newest market area for Lindex and the entire Stockmann Group. One store in Norway and one in Latvia were closed during the same period.

The company's franchising partner opened six new Lindex stores in Saudi Arabia, and closed one.

Following the success of the Lindex Shop Online store in Sweden, Lindex opened an online shop for customers in Denmark in late 2009.

Lindex's capital expenditure totalled EUR 22.2 million.

Seppälä

Seppälä opened 14 stores during the financial year: four each in Finland and Russia, two each in Latvia and Lithuania and one each in Estonia and Ukraine. Two stores in Finland, one in Russia and one in Lithuania were closed during the same period.

Seppälä's capital expenditure totalled EUR 4.5 million.

Hobby Hall

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

Hobby Hall's capital expenditure totalled EUR 2.5 million.

As a part of its efforts to revitalize its financial situation, Hobby Hall discontinued its unprofitable operations in the Baltic countries in stages up to the end of August. Hobby Hall's store on Hämeentie in Helsinki was also closed in December.

Other capital expenditure

The Group's other capital expenditure came to EUR 0.4 million.

New projects

Department Store Division

The preliminary agreement concerning the Ekaterinburg department store was modified. At the initial stage chain stores of the Stockmann Group were opened in the leased premises. The objective is to open a department store there in 2011. The preliminary agreement for opening a department store in Vilnius, the Lithuanian capital, was cancelled.

After being integrated into the Department Store Division at the start of 2010, Hobby Hall will continue its operations as a separate brand under the Department Store Division. Hobby Hall's expertise in distance retailing and the investments made in it will be utilized by creating a new distance retailing store under the Stockmann brand. The www.stockmann.com online store will be opened in autumn 2010, and it will have a distinctly different profile from that of Hobby Hall. The Department Store Division's organization will therefore include three distance retailing brands: Hobby Hall, Stockmann and the Academic Bookstore.

Lindex

Lindex will continue its expansion, expecting to open about 40 new stores, including franchising stores, in 2010 mainly in Central Europe and Russia. Lindex's franchising partner intends to expand its successful chain of franchising stores to Egypt and Dubai in 2010. Lindex has also signed a new franchising agreement with a partner

Average number of employees converted to full-time staff

	2005	2006	2007	2008	**2009**
Department Store Division	6 057	6 418	6 943	7 075	**6 374**
Lindex*			282	2 983	**2 981**
Hobby Hall	537	515	550	583	**476**
Seppälä	809	890	1 100	1 207	**1 179**
Management and administration	100	100	105	116	**123**
Continuing operations, total	**7 503**	**7 923**	**8 980**	**11 964**	**11 133**
Discontinued operations	1 034	114			
Total	8 537	8 037	8 980	11 964	**11 133**

**Lindex from 6 December 2007*

who will expand the Lindex chain into Bosnia and Herzegovina and the neighbouring countries.

Seppälä

Seppälä is continuing to expand its store network. In 2010, a total of 5–8 new stores will be opened, mainly in Finland and Russia.

Shares and share capital

The company's market capitalization at the end of 2009 was EUR 1 396.7 million. At the end of 2008 the corresponding figure was EUR 611.6 million.

Stockmann's shares prices during 2009 outperformed both the OMX Helsinki Cap index and the OMX Helsinki index. At the close of 2009, the price of the Series A shares was EUR 20.50, compared with EUR 10.10 at the end of 2008, and the Series B shares were selling at EUR 19.00, as against EUR 9.77 at the end of 2008.

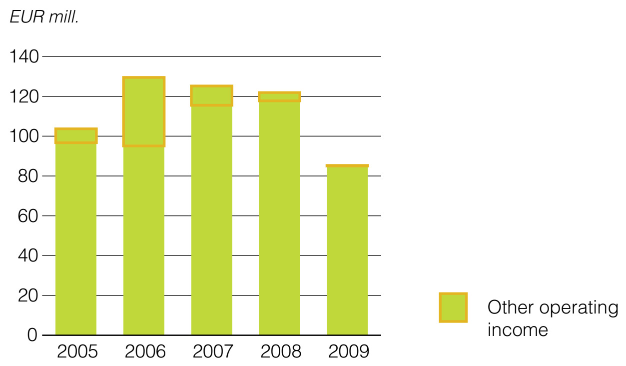
In 2007, the Annual General Meeting authorized the Board of Directors to decide on the transfer, in one or more lots, of the Series B shares held by the company; the authorization was valid for a period of five years. On 3 June 2009, Stockmann sold the 336 528 Series B shares in its possession in public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

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

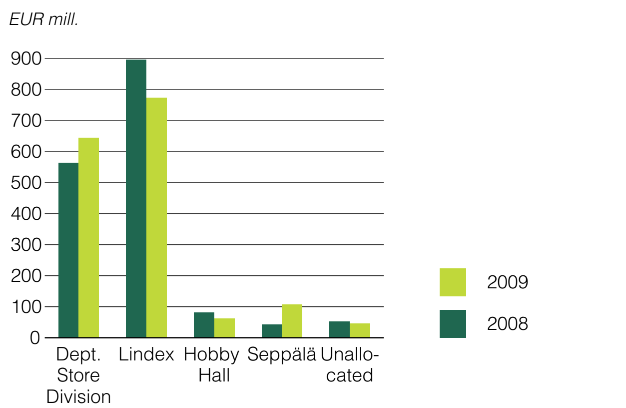
Based on the authorization granted by the 2008 Annual General Meeting, Stockmann's Board of Directors, on 14 August 2009, offered a directed issue to HTT Holding, a company owned by the Hartwall family, whereby a total of 2 433 537 new Series A shares and a total of 3 215 293 new Series B shares were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

Based on the authorization granted by the 2008 Annual General Meeting, the company's Board of Directors also decided on 14 August 2009 to carry out a rights offering between 31 August and 18 September 2009, in which 1 611 977 new Series A shares and 2 129 810 new Series B shares, or a total of 3 741 787 shares, were subscribed using the subscription rights. With this issue, the company raised EUR 42.0 million in new capital after deduction of

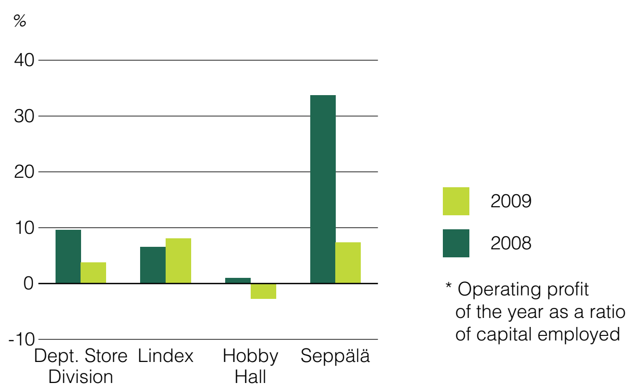
Operating profit 2005-2009



Capital employed 2008-2009



ROCE %* 2008-2009



expenses. The new shares were registered in the Trade Register on 28 September 2009 and became subject to public trading alongside the old shares on NASDAQ OMX Helsinki Ltd as from 29 September 2009.

Following the aforementioned registrations, Stockmann's share capital increased to EUR 142 187 906. On 31 December 2009, the number of Stockmann Series A shares totalled 30 627 563 and Series B shares 40 466 390. With the aforementioned share issues, all of the Board of Directors' authorizations for the issuance of shares have been exercised.

Board of Directors' proposal to the Annual General Meeting

The Board of Directors proposes to the Annual General Meeting that a total of 1 500 000 share options be issued without payment, in deviation from the shareholders' pre-emptive rights, to the key personnel of Stockmann plc and its subsidiaries. It is proposed to deviate from the shareholders' pre-emptive rights because the share options are a part of the incentive and commitment scheme for the Group's key personnel and constitute an important element in preserving the company's competitive advantage on the international recruitment market. Of the share options 500 000 shall be marked with the identifier 2010A, 500 000 with the identifier 2010B, and 500 000 with the identifier 2010C. The share subscription period for the share options 2010A shall be 1 March 2013 – 31 March 2015, for share options 2010B 1 March 2014 – 31 March 2016 and for share options 2010C 1 March 2015 – 31 March 2017. Each share option entitles its owner to subscribe for one Stockmann plc Series B share so that the share options in total entitle to subscribe for a maximum of 1 500 000 shares. The share subscription price relating to the share options 2010A shall be the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2010 increased by a minimum of 10 per cent, the share options 2010B the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2011 increased by a minimum of 10 per cent, and the share options 2010C the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 29 February 2012 increased by a minimum of 10 per cent. The subscription price of each share subscribed for based on the share options shall be decreased on the record date for each dividend payout by the amount of dividends decided after the commencement of the determination period for the subscription price and prior to the share subscription. As a result of the subscriptions, the share capital of the company may increase by a maximum of EUR 3 000 000.

Number of employees

The Group's personnel totalled an average of 14 656 in 2009, which was 1 013 less than the previous year (15 669 employees in 2008 and 11 161 in 2007). The number of personnel employed in the company's established operations decreased throughout the year in comparison with the corresponding figures for the previous year. The number of working hours was adjusted in line with demand and customer flows. The personnel strength has grown only in Lithuania, the Czech Republic and Ukraine, thanks to the opening of new Lindex and Seppälä stores. The Group also gained new employees with the opening of Lindex's first stores in Slovakia.

Converted to full-time equivalents, Stockmann's average number of employees decreased by 831, to 11 133 employees (11 964 in 2008 and 8 979 in 2007). The Group's total payroll amounted to EUR 261.2 million, down by EUR 18.6 million on the corresponding figure for 2008 (EUR 279.8 million; EUR 181.9 million in 2007).

At the end of 2009, Stockmann had 7 683 employees working abroad. The corresponding total for the end of the previous year was 8 072 employees. The proportion of employees working abroad was 52 per cent (51 per cent) of the total personnel.

Risk factors

The Group has business operations in Finland, Sweden, Norway, Russia and the Baltic countries, as well as in the Czech Republic, Slovakia and Ukraine, where operations are in their start-up phase. The risk level in the business environment varies among the countries in which the Stockmann Group operates. The level of business risk in the Baltic countries has diminished significantly since these countries became members of the European Union and, apart from uncertainty in currency exchange rates and the risk of a continuing downturn in the economy, the risks do not differ in any material respect from business risks in Finland. A prolonged and difficult economic situation could also have an impact on the operating conditions for retailing in the Baltic countries.

Business risks in Russia are higher than in the Nordic countries or the Baltic countries, and the operating environment is less stable owing to the undeveloped state of business culture and the country's infrastructure. The role of the grey economy is still considerable, particularly in the import of consumer goods, and it plays a part in distorting competition. Following a sustained period of growth, Russia's economy began to slow in the second half of 2008 before experiencing a downturn in 2009, as income from energy sector exports dwindled and the value of the Russian rouble fell. The trend in energy prices will have a material impact on the development of the Russian economy in the next few years.

The economic situation remains difficult and this affects consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Stockmann is addressing the situation by launching campaigns, striving to optimize its procurements to meet demand and boosting the efficiency of operations. The investment programme based on Stockmann's long-term strategy was re-evaluated as a result of the global financial crisis. Some of the investments included in the programme have been postponed and some have been cancelled completely, as growth prospects have weakened considerably compared with earlier estimates. The opening of new stores will continue, but at a slower rate than originally planned. The ongoing enlargement and renovation project at the Helsinki department store and the Nevsky Centre department store and shopping centre project in St Petersburg will be completed according to plan.

Fashion accounts for about half of the Group's sales. An inherent aspect of the fashion trade is the short life cycle of products and their dependence on trends, the seasonality of sales and their susceptibility to abnormal weather conditions. The Group addresses these factors as part of its day-to-day management of operations. With the exclusion of major exceptional situations, these factors are not expected to have a material effect on the Group's sales or earnings.

The Group's operations are based on flexible logistics and efficient flows of goods. Delays and disturbances in the flow of goods and information can have a temporary adverse effect on operations. Every effort is made to control these operational risks by developing appropriate back-up systems and alternative ways of operating, and by making every effort to minimize disturbances to information systems. Operational risks are also met by taking out insurance cover. Operational risks are not considered to have any significant effect on Stockmann's business activities.

The Group's revenue and earnings are affected by changes in exchange rates between the Group's reporting currency, the euro, and the Swedish krona, the Norwegian krone, the Russian rouble, the US dollar and certain other currencies. Financial risks, including risks arising from interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors, and these risks are not considered to have a significant effect on the Group's business operations.

AB Lindex (publ) has claimed through legal proceedings to be eligible to deduct in Swedish taxation the losses of approximately EUR 70 million incurred by Lindex Group's German subsidiary. The Administrative Court of Appeal in Gothenburg overturned the favourable decisions that AB Lindex had received in the County Administrative Court, and as a consequence Lindex was obliged to refund to the tax authorities approximately EUR 23.8 million in taxes and interest. The taxes that were refunded had no effect on the Stockmann Group's earnings, because Stockmann recorded the refunded amount of tax and interest as a reduction in Lindex's equity in the acquisition cost calculation. AB Lindex appealed against the decision of the Administrative Court of Appeal to the Supreme Administrative Court of Sweden, which in the summer of 2009 decided not to review the case. 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 fiscal years 1997–2004 on the basis of the Tax Treaty between Germany and Sweden and the EC Arbitration Convention. 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 recorded in the income statement.

The International Commercial Arbitration Court of Moscow (ICAC) ruled in favour of Stockmann in the dispute over the lease of Stockmann's Smolenskaya department store in the centre of Moscow. The court case concerned the exercising of a 10-year extension on the lease in accordance with the lease agreement. Despite the ruling, the lessors cut off the supply of electricity to the Stockmann department store, forcing its closure. Due to the costs arising from the closure and the undepreciated net expenditure, Stockmann recorded a provision of EUR 14 million in the earnings for the second quarter of 2008. In 2008, Stockmann initiated legal proceedings against the lessors of the Smolenskaya department store in the International Commercial Arbitration Court (ICAC) in Moscow, claiming damages of about USD 75 million due to the closure of the department store, which the management of Stockmann considers to be in breach of the lease agreement. In its decision on 14 April 2009, the court of arbitration ruled in favour of Stockmann, though reducing the amount of damages awarded to about USD 7 million, and ordered the lessors to reimburse Stockmann for the legal expenses incurred. The Stockmann Group has not recorded this damages sum in the income statement. In order for the ruling to be enforced, it has to be confirmed by a Russian court of general jurisdiction. In July 2009, the lessors filed a claim with the court of first instance in Moscow, demanding that the court overturn the decision of the International Commercial Arbitration Court. The Arbitration Court of the City of Moscow and the Cassation Court, which serves as the court of first appeal, have overturned the rulings of the International Commercial Arbitration Court. Stockmann has appealed against this decision to the Highest Arbitration Court of Russia, where the case is still pending.

The Stockmann Group has no other major legal proceedings pending.

Outlook for 2010

The challenging economic environment is expected to continue during 2010. Predicting consumer demand remains difficult, but there are signs that demand is slowly recovering in the Nordic countries and Russia. In Russia, the trend in the economy is to a large extent dependent on the price of crude oil. In the Baltic countries, consumer demand is not expected to grow in the near future.

Sales are expected to start growinggradually and opening new stores to boost sales towards the end of the year. Adaptation measures started during the economic downturn will be continued in 2010. The objective is to achieve a better operating profit than in 2009.

Financial reporting

The accounting policies and calculation methods applied are the same as those in the 2008 financial statements.

Corporate governance

Stockmann plc's Corporate Governance Statement is on the company's website at www.stockmann.com and on pages 30-31 of the Annual Report.

Shares and share capital

The share capital of Stockmann plc is divided into Series A and Series B shares. Series A shares carry ten votes and Series B shares one vote. The par value of both series of shares is EUR 2.00 and the shares of both series entitle their holders to an equal dividend. The trading code for the Series A share is STCAS and for the Series B share STCBV.

The company's shares are in the book-entry system and they are listed on the Helsinki exchange. The number of registered shareholders at 31 December 2009 was 43 929 (42 888 shareholders at 31 December 2008) representing 99.9 per cent of the company's shares outstanding.

Shares

General price trend

Share prices rose on the Helsinki exchange during the financial year by 19.5 per cent as measured by the OMX Helsinki Index and by 36.2 per cent as measured by the OMX Helsinki Cap Index.

Price trend of Stockmann's shares

	Closing prices 31 Dec. 2009 EUR	Closing prices 31 Dec. 2008 EUR	change %
Series A	20.50	10.10	103.0
Series B	19.00	9.77	94.5

Turnover of Stockmann's shares 2009

	Number of sharess	% of total shares outstanding	EUR	Average price EUR
Series A	511 689	1.7	8 563 472	16.11
Series B	17 290 436	42.7	262 573 589	14.80
Total	17 802 125		271 137 061	

The Stockmann shares that were traded accounted for 0.2 per cent of the share turnover on the Helsinki exchange. The company's market capitalization at 31 December 2009 was EUR 1 396.7 million. The market capitalization at 31 December 2008 was EUR 611.6 million.

Share capital of Stockmann plc, 31 December 2009

Series A	30 627 563	shares at EUR 2 each	61 255 126	EUR
Series B	40 466 390	shares at EUR 2 each	80 932 780	EUR
Total	71 093 953		142 187 906	EUR

Loyal Customer share options 2006

The Annual General Meeting held on 21 March 2006 approved the Board of Directors' proposal on granting share options to Stockmann's Loyal Customers. In accordance with the resolution of the Annual General Meeting, a total maximum of 2 500 000 share options will be granted to Stockmann's Loyal Customers without consideration. The share options will be granted to Loyal Customers whose purchases during 1 January 2006 – 31 December 2007, together with purchases made on parallel cards for the same account are at least EUR 6 000 in total amount. For purchases of at least EUR 6 000, a Loyal Customer will receive 20 share options without consideration. In addition, for each full 500 euros by which the purchases exceed EUR 6 000, the Loyal Customer will receive an additional two share options. The Loyal Customer purchases made by 31 December 2007, entitle to subscribe for a total of 1 998 840 options. Each share option entitles its holder to subscribe for one of the company's Series B shares. The subscription price is the volume-weighted average price of the Series B share on the Helsinki exchange during the period 1 February – 28 February 2006, or EUR 33.35. The subscription price of a share to be subscribed for with the share options will be lowered by the amount of Stockmann plc dividends paid after the end of the determination period for the share price, counting from the record date up to the date of the share subscription. The remaining subscription period for the shares is 2 May 2010 – 31 May 2010. The subscription price after the rights issue of 2009 and the dividend payout proposed by the Board of Directors for the 2009 financial year is EUR 27.93. In the spring 2008, a total of 1 373 846 Stockmann plc's Loyal Customer share options were subscribed. During the share subscription period in 2008, a total of 364 Stockmann plc Series B shares with a par value of EUR 2.00 were subscribed. During the share subscription period in 2009 no shares were subscribed.

Key employee share options 2006

The Annual General Meeting held on 21 March 2006 approved the Board of Directors' proposal on granting share options to key employees of the Stockmann Group. A total of 1 500 000 share options will be granted to key employees belonging to the senior and middle management of Stockmann and its wholly-owned subsidiary. Of the share options, 375 000 will bear the marking 2006A, 375 000 the marking 2006B, 375 000 the marking 2006C, and 375 000 the marking 2006D. The subscription period for shares with share option 2006A is 1 March 2008 – 31 March 2010; with share option 2006B, 1 March 2009 – 31 March 2011; with share option 2006C, 1 March 2010 – 31 March 2012; and with share option 2006D, 1 March 2011 – 31 March 2013. The subscription period for shares will not, however, commence with the 2006B and 2006D share options unless the criteria linked to the Group's financial targets as determined by the Board of Directors prior to the distribution of these share options have been met. Those share options 2006B and 2006D in respect of which the criteria determined by the Board of Directors have not been met shall lapse in the manner decided by the Board of Directors. Of 2006B share options, 187 500 have lapsed. One share option will entitle its holder to subscribe for one Stockmann plc Series B share. The subscription price of the share with share options 2006A and 2006B will be the volume-weighted average price of the company's Series B share on the Helsinki exchange during 1 February – 28 February 2006, plus 10 per cent or EUR 36.69, and with share option 2006C and 2006D, the volume-weighted average price of the company's Series B share on the Helsinki exchange during 1 February – 29 February 2008, plus 10 per cent or EUR 31.02. On the record date for each dividend payout, the subscription price of the shares to be subscribed for with share options will be lowered by the amount of dividends declared after the commencement of the period for determining the subscription price and prior to the share subscription. The subscription price after the rights issue of 2009 and the dividend payout proposed by the Board of Directors for the 2009 financial year on the basis of option A and option B is EUR 31.27 per share and of option C and option D EUR 28.00 per share.

Loyal Customer share options 2008

The Annual General Meeting held on 18 March 2008 approved the Board of Directors' proposal on granting share options to Stockmann's Loyal Customers. In accordance with the resolution of the Annual General Meeting, a total maximum of 2 500 000 share options will be granted to Stockmann's Loyal Customers without consideration. The share options will be granted to Loyal Customers whose purchases during 1 January 2008 – 31 December 2009, together with purchases made on parallel cards for the same account are at least EUR 6 000 in total amount. For purchases of at least EUR 6 000, a Loyal Customer will receive 20 share options without consideration. In addition, for each full 500 euros by which the purchases exceed EUR 6 000, the Loyal Customer will receive an additional two share options. Each share option entitles its holder to subscribe for one of the company's Series B shares. In accordance with the resolution of the Annual General Meeting on 17 March 2009, the subscription price is the volume-weighted average price of the Series B share on the Helsinki exchange during the period 1 February – 28 February 2009, or EUR 11.28. The subscription price of a share to be subscribed for with the share options will be lowered by the amount of Stockmann plc dividends paid after the end of the determination period for the share price, counting from the record date up to the date of the share subscription. The subscription periods for the shares are in May in the years 2011 and 2012. The subscription price after the rights issue of 2009 and the dividend payout proposed by the Board of Directors for the 2009 financial year is EUR 9.61.

Board of Directors' proposal to the Annual General Meeting 2010

The Board of Directors proposes to the Annual General Meeting that a total of 1 500 000 share options be issued without payment, in deviation from the shareholders' pre-emptive rights, to the key personnel of Stockmann plc and its subsidiaries. It is proposed to deviate from the shareholders' pre-emptive rights because the share options are a part of the incentive and commitment scheme for the Group's key personnel and constitute an important element in preserving the company's competitive advantage on the international recruitment market. Of the share options 500 000 shall be marked with the identifier 2010A, 500 000 with the identifier 2010B, and 500 000 with the identifier 2010C. The share subscription period for the share options 2010A shall be 1 March 2013 – 31 March 2015, for share options 2010B 1 March 2014 – 31 March 2016 and for share options 2010C 1 March 2015 – 31 March 2017. Each share option entitles its owner to subscribe for one Stockmann plc Series B share so that the share options in total entitle to subscribe for a maximum of 1 500 000 shares. The share subscription price relating to the share options 2010A shall be the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2010 increased by a minimum of 10 per cent, the share options 2010B the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 28 February 2011 increased by a minimum of 10 per cent, and the share options 2010C the trade volume weighted average price of the company's Series B shares on the Helsinki stock exchange during the period 1 February – 29 February 2012 increased by a minimum of 10 per cent. The subscription price of each share subscribed for based on the share options shall be decreased on the record date for each dividend payout by the amount of dividends decided after the commencement of the determination period for the subscription price and prior to the share subscription. As a result of the subscriptions, the share capital of the company may increase by a maximum of EUR 3 000 000.

Own shares

At 31 December 2009, the company held no own shares.

Dividend policy

Stockmann's Board of Directors has set the dividend payout target at more than half of the earnings derived from the company's ordinary operations. The financing required to grow operations is nevertheless taken into account in determining the dividend.

Changes in the share capital as from 1 January 2005

Subscribed		Entered in the Trade-Register	Subscription price EUR	Number of new shares	Additional share capital EUR million	New total share capital EUR million
2005	With the Loyal Customer options	2005	8.81	343 902 B	0.7	107.5
2005	With the 2000 key employee options A	2005	13.95	199 300 B	0.4	107.9
2005	With the 2000 key employee options B	2005	14.95	145 880 B	0.3	108.2
2005	With the 2000 key employee options C	2005	15.95	345 650 B	0.7	108.9
2005	With the 2000 key employee options A	2006	13.95	5 200 B	0.0	108.9
2005	With the 2000 key employee options B	2006	14.95	10 050 B	0.0	108.9
2005	With the 2000 key employee options C	2006	15.95	8 100 B	0.0	109.0
2006	With the 2000 key employee options A	2006	12.85	216 593 B	0.4	109.4
2006	With the 2000 key employee options B	2006	13.85	265 688 B	0.5	109.9
2006	With the 2000 key employee options C	2006	14.85	696 715 B	1.4	111.3
2006	With the 2000 key employee options A	2007	12.85	63 385 B	0.1	111.5
2006	With the 2000 key employee options B	2007	13.85	62 645 B	0.1	111.6
2006	With the 2000 key employee options C	2007	14.85	66 835 B	0.1	111.7
2007	With the 2000 key employee options C	2007	14.85	18 000 B	0.0	111.7
2007	With the 2000 key employee options A	2007	11.55	43 572 B	0.1	111.8
2007	With the 2000 key employee options B	2007	12.55	62 537 B	0.1	112.0
2007	With the 2000 key employee options C	2007	13.55	114 600 B	0.2	112.2
2008	Directed Issue	2008	24.50	2 017 806 A	4.0	116.2
2008	Directed Issue	2008	24.50	3 591 554 B	7.2	123.4
2008	With the 2006 Loyal Customer options	2009	29.60	364 B	0.0	123.4
2009	Directed Issue	2009	17.00	2 433 537 A	4.9	128.3
2009	Directed Issue	2009	17.00	3 215 293 B	6.4	134.7
2009	Rights Issue	2009	12.00	1 611 977 A	3.2	137.9
2009	Rights Issue	2009	12.00	2 129 810 B	4.3	142.2

Coming subscriptions with share options*

		Subscription period	Subscription price EUR	Number of new shares thousands	Additional share capital EUR million	New total share capital EUR million	Holding %	Proportion of votes %
2010	With the 2006 Loyal Customer options	2 May 10-31 May 10	33.35 /1	2 500 B	5.0	147.2	3.2	0.7
			less dividends after 21 March 2006					
2011-	With the 2008 Loyal Customer options	2 May 11-31 May 11	11.28 /2					
2012		2 May 12-31 May 12	11.28 /2	2 500 B	5.0	152.2	3.2	0.7
			less dividends after 18 March 2008					
2010-	With the 2006A key employee options	1 January 10-31 March 10	36.69 A/3	375 B				
2011	With the 2006B key employee options	1 January 10-31 March 11	36.69 B/4	187 B				
2010-	With the 2006C key employee options	1 March 10-31 March 12	31.02 B/5	375 B				
2013	With the 2006D key employee options	1 March 11-31 March 13	31.02 B/6	375 B	2.6	154.8	1.7	0.4
			less dividends after 21 March 2006					

Board proposal to AGM

*If all options are exercised

1 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 27.93

2 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 9.61

3 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 31.27

4 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 31.27

5 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 28.00

6 Subscription price after 2009 dividend payout proposed by the Board of Directors: EUR 28.00

Ownership structure

	no.	Shareholders %	Percentage of shares %	Percentage of votes %
Households	42 222	96.1	20.1	16.7
Private and public corporations	949	2.2	23.0	23.4
Financial and insurance companies	54	0.1	3.7	1.3
Foundations and others	523	1.2	45.8	56.7
Nominee registrations (incl. foreign shareholders)	181	0.4	7.3	2.0
Unregistered shares			0.1	0.0
Shares owned by the company				
Total	43 929	100.0	100.0	100.0

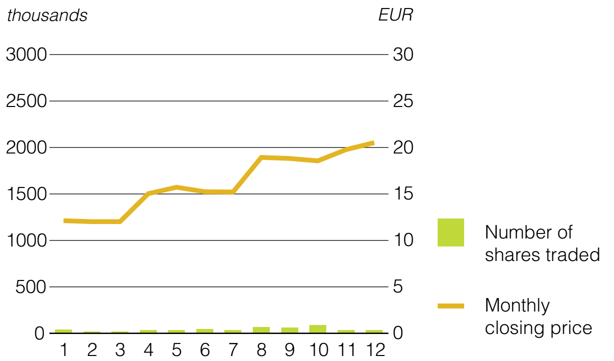
Number of shares

	no.	Shareholders %	Percentage of shares %	Percentage of votes %
1-100	26 274	59.8	1.2	0.5
101-1 000	14 256	32.5	6.7	4.9
1 001-10 000	3 107	7.1	10.5	6.6
10 001-100 000	241	0.5	8.4	4.6
100 001-1 000 000	37	0.1	17.4	19.2
1 000 001-	14	0.0	55.8	64.2
Total	43 929	100.0	100.0	100.0

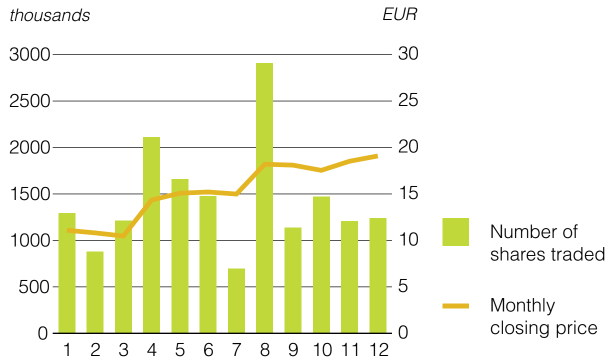
Major shareholders at December 31, 2009

		Percentage of shares %	Percentage of votes %
1	HTT Holding Oy Ab	11.2	9.3
2	Föreningen Konstsamfundet grouping	9.5	14.2
3	Svenska litteratursällskapet i Finland r.f.	7.7	15.7
4	Niemistö grouping	5.9	9.4
5	Etola Group	4.3	6,1
6	Stiftelsen för Åbo Akademi	4.1	6.3
7	Varma Mutual Pension Insurance Company	3.5	1.8
8	Samfundet Folkhälsan i svenska Finland	2.2	2.7
9	Jenny ja Antti Wihurin rahasto	1.9	2.1
10	Ilmarinen Mutual Pension Insurance Company	1.8	0.9
11	Inez och Julius Polins fond	1.5	0.8
12	Tapiola Mutual Pension Insurance Company	1.5	0.3
13	Sigrid Jusélius Stiftelse	1.4	2.7
14	Wilhelm och Else Stockmanns Stiftelse	1.1	2.2
15	The State Pension Fund	0.9	0.2
16	Helene och Walter Grönqvists Stiftelse	0.8	1.4
17	Stiftelsen Bensows Barnhem Granhyddan	0.8	1.0
18	Stiftelsen Brita Maria Renlunds minne	0.6	0.8
19	William Thuring's Foundation	0.5	0.7
20	Tapiola Mutual Insurance Company	0.5	0.1
Total		61.6	78.6

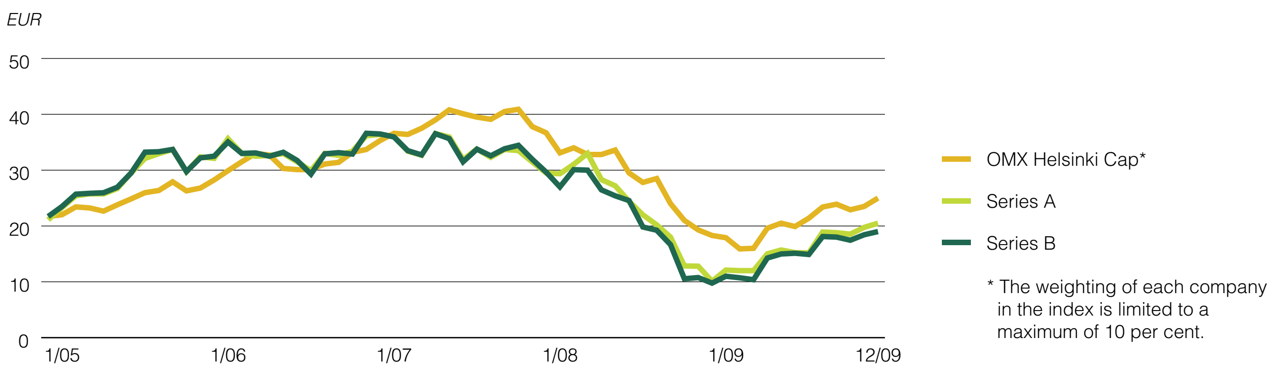
Turnover and price trend of Series A shares 2009



Turnover and price trend of Series B shares 2009

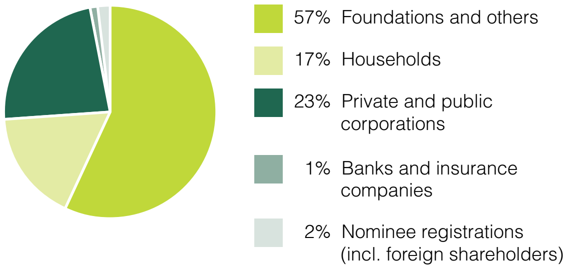


Price trend of Series A and Series B shares compared with OMX Helsinki Cap Index 2005-2009

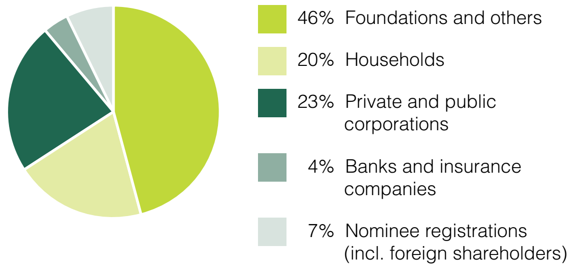


* The weighting of each company in the index is limited to a maximum of 10 per cent.

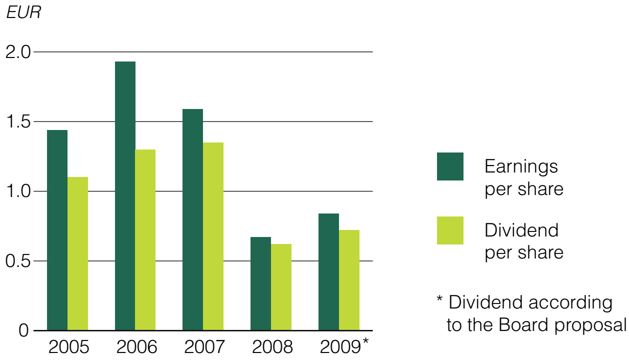
Distribution of votes



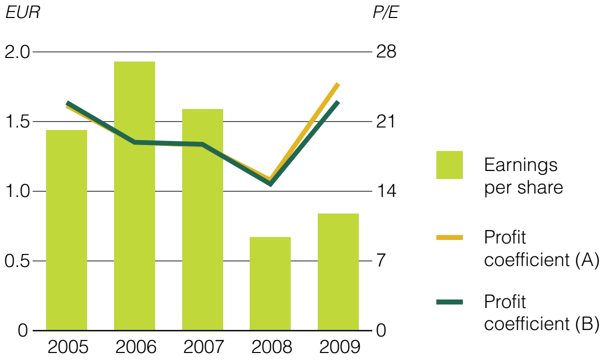
Distribution of shares



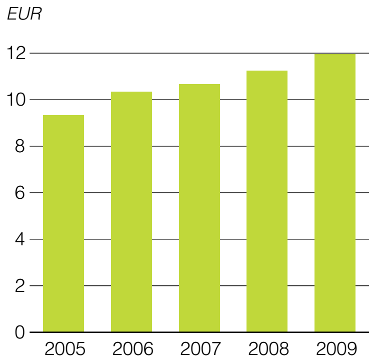
Earnings per share and dividend per share 2005-2009



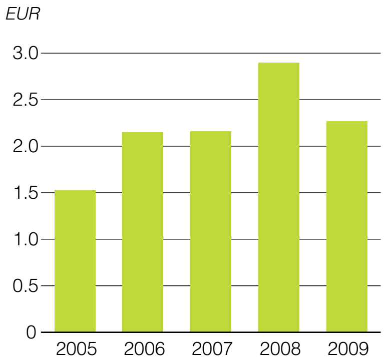
Earnings per share and P/E ratio (share-issue-adjusted)



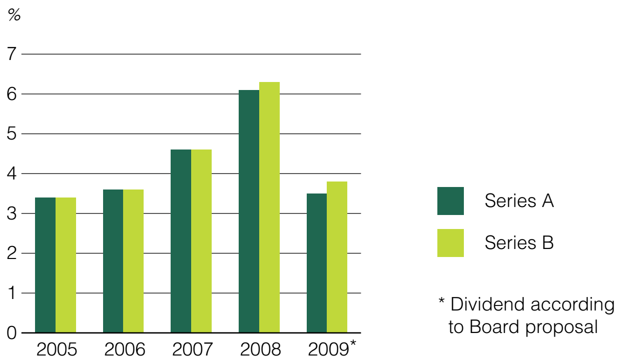
Equity per share 2005-2009



Cash flows per share 2005-2009



Effective yield of shares 2005-2009



Key figures

		2005	2006	2007	2008	**2009**
Sales	EUR mill.	1 851.3	1 552.6	1 668.3	2 265.8	**2 048.2**
Change on the previous year	%	6.7	-16.1	7.4	35.8	**-9.6**
Net turnover	EUR mill.	1 542.6	1 300.7	1 398.2	1 878.7	**1 698.5**
Change on the previous year	%	6.7	-15.7	7.5	34.4	**-9.6**
Operating profit	EUR mill.	103.7	129.5	125.2	121.9	**85.3**
Change on the previous year	%	29.9	24.9	-3.4	-2.6	**-30.0**
Share of net turnover	%	6.7	10.0	9.0	6.5	**5.0**
Profit before taxes	EUR mill.	102.8	128.9	119.4	71.7	**61.3**
Change on the previous year	%	30.2	25.4	-7.4	-39.9	**-14.6**
Share of net turnover	%	6.7	9.9	8.5	3.8	**3.6**
Share capital	EUR mill.	109.0	111.7	112.2	123.4	**142.2**
Series A	EUR mill.	49.1	49.1	49.1	53.2	**61.3**
Series B	EUR mill.	59.8	62.6	63.1	70.2	**80.9**
Dividends *	EUR mill.	59.5	72.1	75.2	38.0	**51.2**
Return on equity	%	15.8	19.4	15.2	6.1	**7.0**
Return on capital employed	%	19.6	22.9	12.1	8.3	**5.8**
Capital employed	EUR mill.	544.2	573.8	1 047.2	1 482.1	**1 552.1**
Capital turnover rate		2.8	2.3	1.3	1.3	**1.1**
Inventories rate		4.7	5.0	4.3	4.4	**4.9**
Equity ratio	%	66.4	74.5	32.6	39.0	**44.1**
Net gearing	%	5.7	-6.3	146.9	107.4	**72.1**
Investment in fixed assets	EUR mill.	57.0	125.5	977.4	182.3	**152.8**
Share of net turnover	%	3.7	9.6	69.9	9.7	**9.0**
Interest-bearing debtors	EUR mill.	111.8	98.9	98.8	52.2	**44.5**
Interest-bearing liabilities	EUR mill.	47.2	23.4	905.6	775.7	**789.2**
Interest-bearing net debt	EUR mill.	-83.3	-134.7	773.6	688.2	**568.3**
Total assets	EUR mill.	761.5	767.6	1 823.7	1 765.0	**1 927.4**
Staff expenses	EUR mill.	218.0	204.7	224.1	350.5	**327.4**
Share of net turnover	%	14.1	15.7	16.0	18.7	**19.3**
Personnel, average	persons	10 558	10 069	11 161	15 669	**14 656**
Net turnover per person	EUR thousands	146.1	129.2	125.3	119.9	**115.9**
Operating profit per person	EUR thousands	9.8	12.9	11.2	7.8	**5.8**
Staff expenses per person	EUR thousands	20.6	20.3	20.1	22.4	**22.3**

**) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.72 per share will be paid.*

Per-share data

		2005	2006	2007	2008	**2009**
Earnings per share***	EUR	1.44	1.93	1.56	0.65	**0.82**
Earnings per share, diluted***	EUR	1.42	1.90	1.55	0.65	**0.82**
Equity per share	EUR	9.34	10.34	10.66	11.24	**11.96**
Dividend per share *	EUR	1.10	1.30	1.35	0.62	**0.72**
Dividend per earnings */***	%	76.4	67.4	86.5	94.7	**87.6**
Cash flow per share***	EUR	1.53	2.16	2.12	2.85	**2.23**
Effective dividend yield *	%					
Series A		3.4	3.6	4.6	6.1	**3.5**
Series B		3.4	3.6	4.6	6.3	**3.8**
P/E ratio of shares***						
Series A		22.3	18.9	18.9	15.4	**25.1** **
Series B		22.6	18.9	19.0	14.9	**23.2** **
Share quotation at December 31	EUR					
Series A		32.11	36.40	29.50	10.10	**20.50**
Series B		32.53	36.48	29.66	9.77	**19.00**
Highest price during the period	EUR					
Series A		37.00	38.10	37.49	34.75	**22.00**
Series B		35.82	38.44	37.84	32.00	**20.00**
Lowest price during the period	EUR					
Series A		20.65	28.70	29.05	10.10	**10.68**
Series B		21.51	28.11	29.47	9.33	**9.63**
Average price during the period	EUR					
Series A		29.13	33.85	33.90	20.35	**16.11**
Series B		28.67	33.15	33.77	20.90	**14.80**
Share turnover	thousands					
Series A		825	819	695	859	**512**
Series B		14 665	19 440	20 682	29 327	**17 290**
Share turnover	%					
Series A		3.4	3.3	2.8	3.2	**1.7**
Series B		49.1	62.5	65.6	83.5	**42.7**
Market capitalization at December 31	EUR mill.	1 761.3	2 028.6	1 659.8	611.6	**1 396.7**
Number of shares at December 31	thousands	54 460	55 662	56 094	61 703	**71 094**
Series A		24 564	24 564	24 564	26 582	**30 628**
Series B		29 895	31 098	31 529	35 121	**40 466**
Weighted average number of shares***	thousands	53 350	54 310	56 649	59 710	**65 676**
Series A		24 564	24 564	25 046	27 103	**28 373**
Series B		28 786	29 746	31 603	32 606	**37 303**
Weighted average number of shares, diluted***	thousands	54 129	55 178	56 861	59 710	**65 995**
The own shares owned by the company	thousands	397	383	370	364	
Series A						
Series B		397	383	370	364	
Total number of shareholders at December 31		42 169	40 198	39 137	42 888	**43 929**

**) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.72 per share will be paid.*

***) The dilution effect of options has been taken into account in the 2009 figures.*

****)2007 and 2008 restated due to rights issue in 2009.*

Definition of key indicators

Profit before taxes	=	Operating profit + financial income - financial expenses	
Return on equity, %	=	Profit for the period / Equity + minority interest (average over the year)	x 100
Return on capital employed, %	=	Profit before taxes + interest and other financial expenses / Capital employed	x 100
Capital employed	=	Total assets less deferred tax liability and other non-interest-bearing liabilities (average over the year)	
Capital turnover rate	=	Revenue / Total assets less deferred tax liability and other non-interest-bearing liabilities (average over the year)	
Inventories rate	=	365 / Inventories turnover time	
Equity ratio, %	=	Equity + minority interest / Total assets less advance payments received	x 100
Net gearing, %	=	Interest-bearing liabilities less cash and cash equivalents / Equity total	x 100
Interest-bearing net debt	=	Interest-bearing liabilities less cash and cash equivalents less interest-bearing liabilities	
Earnings per share	=	Profit before taxes - minority interest - income taxes / Average number of shares, adjusted for share issues 1)	
Equity per share	=	Equity - fund for own shares / Number of shares on the balance sheet date 1)	
Dividend per share	=	Dividend per shares	
Dividend per earnings, %	=	Dividend per share / Earnings per share, adjusted for share issues	x 100
Cash flow per share	=	Cash flow from operating activities / Average number of shares, adjusted for share issues 1)	
Effective dividend yield, %	=	Dividend per share / Share quotation at 31 December,	x 100
P/E ratio of shares	=	Share quotation at 31December / Earnings per share, adjusted for share issues	
Share quotation at 31 December.	=	Share quotation on the balance sheet date	
Highest share price during the period	=	Highest price of the company’s shares during the period	
Lowest share price during the period	=	Lowest price of the company’s shares during the periods	
Average share price over the period	=	Share turnover in euro terms divided by the number of shares traded during the period, adjusted for share issues	
Share turnover	=	Quantitative share turnover, adjusted for share issues	
Market capitalization at 31 December	=	Number of shares multiplied by the quotation for the respective share series on the balance sheet date	

1) Without the own shares owned by the company

Consolidated income statement

EUR millions	1–12/2009	Percentage of revenue	1–12/2008	Percentage of revenue
REVENUE	**1 698.5**	**100.0**	**1 878.7**	**100.0**
Other operating income	**0.3**	**0.0**	4.2	0.2
Raw material and consumables used	**-852.8**		-969.6	
Change in inventories, increase (+), decrease (-)	**-27.9**		-2.1	
Raw materials and consumables used, total	**-880.8**	**51.9**	**-971.7**	**51.7**
Wages, salaries and employee benefits expenses	**-327.4**	**19.3**	-350.5	18.7
Depreciation, amortisation and impairment losses	**-58.4**	**3.4**	-61.4	3.3
Other operating expenses	**-346.8**	**20.4**	-377.4	20.1
Expenses, total	**-1 613.4**	**95.0**	-1 761.0	93.7
OPERATING PROFIT	**85.3**	**5.0**	**121.9**	**6.5**
Financing income	**4.4**	**0.3**	1.6	0.1
Financing expenses	**-28.4**	**1.7**	-51.7	2.8
PROFIT BEFORE TAX	**61.3**	**3.6**	**71.7**	**3.8**
Income taxes	**-7.3**	**0.4**	-32.7	1.7
PROFIT FOR THE PERIOD	**54.0**	**3.2**	**39.1**	**2.1**
Profit for the period attributable to:				
Equity holders of the parent company	**54.0**		39.1	
Non-controlling interest	**-0.0**		0.0	
EPS undiluted (EUR), adjusted for share issue	**0.82**		0.65 *	
EPS diluted (EUR), adjusted for share issue	**0.82**		0.65 *	

Consolidated statement of comprehensive income	1–12/2009	1–12/2008
PROFIT FOR THE PERIOD	**54.0**	**39.1**
Other comprehensive income		
Exchange differences on translating foreign operations	**1.9**	-6.8
Cash flow hedges	**-1.4**	0.9
Other comprehensive income for the year net of tax	**0.5**	**-5.9**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**54.5**	**33.2**
Total comprehensive income attributable to:		
Equity holders of the parent company	**54.5**	33.2
Non-controlling interest	**0.0**	-0.0

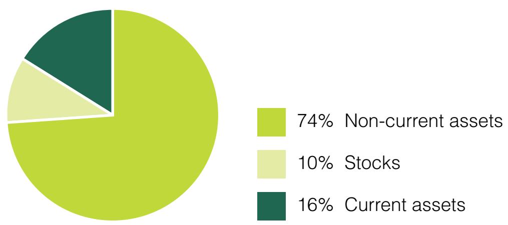
**) Restated due to right issue in year 2009.*

Consolidated statement of financial position

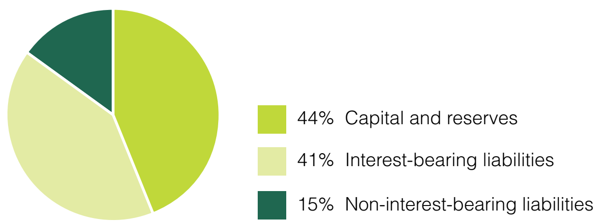
EUR mill.	31.12.2009	31.12.2008
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Trademark	**89.2**	84.4
Intangible rights	**17.8**	24.5
Other intangible assets	**1.3**	3.2
Goodwill	**685.4**	646.5
Intangible assets total	**793.7**	**758.5**
Property, plant, equipment		
Land and water	**40.1**	37.0
Buildings and constructions	**273.9**	158.2
Machinery and equipment	**92.0**	96.2
Modification and renovation expenses for leased premises	**50.0**	49.4
Advance payments and construction in progress	**163.6**	246.9
Property, plant, equipment, total	**619.5**	**587.5**
Non-current receivables	**0.6**	**1.6**
Available for sale investments	**5.0**	**6.6**
Deferred tax assets	**5.1**	**4.5**
NON-CURRENT ASSETS, TOTAL	**1 423.9**	**1 358.8**
CURRENT ASSETS		
Inventories	**196.1**	**220.3**
Short-term receivables		
Receivables, interest-bearing	**44.5**	52.2
Income tax receivable	**0.5**	15.2
Receivables, non-interest-bearing	**86.0**	83.2
Current receivables, total	**131.0**	**150.6**
Cash and cash equivalents	**176.4**	**35.2**
CURRENT ASSETS, TOTAL	**503.4**	**406.2**
ASSETS, TOTAL	**1 927.4**	**1 765.0**

EUR mill.	**31.12.2009**	31.12.2008
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**142.2**	123.4
Share premium fund	**186.1**	186.1
Other funds	**287.4**	169.6
Translation reserve	**-4.9**	-6.8
Retained earnings	**239.4**	216.9
Equity attributable to equity holders of the parent	**850.2**	**689.1**
Non-controlling interest	**-0.0**	**0.0**
EQUITY, TOTAL	**850.2**	**689.1**
NON-CURRENT LIABILITIES		
Deferred tax liability	**70.1**	78.1
Non-current liabilities, interest-bearing	**786.9**	755.7
Provisions for pensions	**1.1**	1.4
Non-current provisions	**0.3**	0.6
NON-CURRENT LIABILITIES, TOTAL	**858.5**	**835.7**
CURRENT LIABILITIES		
Current liabilities, interest-bearing	**2.3**	**20.0**
Current liabilities, non-interest-bearing		
Trade payables and other current liabilities	**213.3**	219.0
Income tax liability	**3.1**	1.1
Current liabilities, non-interest-bearing, total	**216.4**	**220.1**
CURRENT LIABILITIES, TOTAL	**218.7**	**240.1**
LIABILITIES, TOTAL	**1 077.2**	**1 075.8**
EQUITY AND LIABILITIES, TOTAL	**1 927.4**	**1 765.0**

Assets 2009



Equity and liabilities 2009



Consolidated statement of change in equity

EUR millions 1–12 / 2008	Share capital*	Share premium fund	Hedging reserve**	Reserve for invested unrestricted equity	Other reserves	Translation reserve **	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	**112.2**	**186.0**	**0.5**	**0.0**	**44.1**	**0.0**	**250.9**	**593.7**	**0.0**	**593.8**
Changes in equity for										
Dividend distribution							-75.2	-75.2	0.0	-75.2
New share issue	11.2							11.2	0.0	11.2
Options exercised	0.0	0.0		0.0			2.0	2.0	0.0	2.0
Share premium		0.0		126.2				126.2	0.0	126.2
Transaction costs for equity**		0.0		-2.1				-2.1	0.0	-2.1
Total comprehensive income for the year	**0.0**	**0.0**	**0.9**	**0.0**	**0.0**	**-6.8**	**39.1**	**33.2**	**0.0**	**33.2**
SHAREHOLDERS' EQUITY TOTAL 12 / 2008	**123.4**	**186.1**	**1.4**	**124.1**	**44.1**	**-6.7**	**216.8**	**689.1**	**0.0**	**689.1**

EUR millions 1–12 / 2009	Share capital*	Share premium fund	Hedging reserve**	Reserve for invested unrestricted equity	Other reserves	Translation reserve **	Retained earnings	Total	Minority interest	Total
BALANCE AT BEGINNING OF THE PERIOD	**123.4**	**186.1**	**1.4**	**124.1**	**44.1**	**-6.7**	**216.8**	**689.1**	**0.0**	**689.1**
Changes in equity for										
Dividend distribution							-38.0	-38.0	0.0	-38.0
New share issue	18.8							18.8	0.0	18.8
Options exercised	0.0	0.0		0.0			1.4	1.4	0.0	1.4
Share premium		0.0		122.2				122.2	0.0	122.2
Sale of own shares		0.0					5.1	5.1	0.0	5.1
Transaction costs for equity		0.0		-2.9				-2.9	0.0	-2.9
Total comprehensive income for the year	**0.0**	**0.0**	**-1.4**	**0.0**	**0.0**	**1.9**	**54.0**	**54.5**	**0.0**	**54.5**
SHAREHOLDERS' EQUITY TOTAL 12 / 2009	**142.2**	**186.1**	**0.0**	**243.3**	**44.1**	**-4.9**	**239.4**	**850.2**	**0.0**	**850.2**

**Including share issue.*

*** Adjusted with deferred tax liability.*

Consolidated cash flow statement

EUR millions	12/2009	12/2008
Cash flows from operating activities		
Profit/loss for the period	**54.0**	39.1
Adjustments for:		
Depreciation, amortisation & impairment loss	**58.4**	61.4
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	**-0.3**	-3.5
Interest and other financial expenses	**28.4**	51.7
Interest income	**-4.4**	-1.6
Tax on income from operations	**7.3**	32.7
Other adjustments	**-0.4**	-1.4
Working capital changes:		
Increase (-) / decrease (+) in inventories	**27.7**	24.0
Increase (-) /decrease(+) in trade and other receivables	**-1.8**	75.6
Increase (+) / decrease (-) in short-term interest-free liabilities	**7.2**	-12.7
Interest and other financial expenses paid	**-32.9**	-47.7
Interest received	**2.1**	0.8
Income taxes paid	**1.4**	-48.3
Net cash from operating activities	**146.8**	**170.1**
Cash flows from investing activities		
Purchase of tangible and intagible assets	**-152.9**	-181.1
Proceeds from sale of tangible and intangible assets	**71.1**	6.1
Acquisition of subsidiaries, net of cash acquired	**0.0**	-18.9
Disposal of subsidiaries, net of cash disposed of	**5.6**	0.0
Proceeds from sale of investments	**1.8**	0.0
Dividends received	**0.2**	0.1
Net cash used in investing activities	**-74.3**	**-193.7**
Cash flows from financing activities		
Proceeds from issue of share capital	**137.0**	135.2
Proceeds from sale of own shares	**5.1**	
Proceeds from short-term borrowings	**0.0**	20.0
Repayment of short-term borrowings	**-19.3**	-33.3
Proceeds from long-term borrowings	**200.0**	152.2
Repayment of long-term borrowings	**-216.2**	-157.3
Payment of finance lease liabilities	**-0.7**	0.0
Dividends paid	**-38.0**	-75.2
Net cash used in financing activities	**67.9**	**41.7**
Net increase/decrease in cash and cash equivalents	**140.4**	**18.1**
Cash and cash equivalents at beginning of the period	**35.2**	33.2
Cheque account with overdraft facility	**-0.7**	-14.6
Cash and cash equivalents at beginning of the period	**34.5**	**18.6**
Net increase/decrease in cash and cash equivalents	**140.4**	18.1
Effects of exchange rate fluctuations on cash held	**1.0**	-2.2
Cash and cash equivalents at the end of the period	**176.4**	35.2
Cheque account with overdraft facility	**-0.5**	-0.7
Cash and cash equivalents at the end of the period	**175.9**	**34.5**

Parent company income statement, FAS

	1-12/2009 EUR mill.	% of Rev.	1-12/2008 EUR mill.	% of Rev.
REVENUE	**651.8**	100.0	711.3	100.0
Other operating income	**20.7**	3.2	35.9	5.0
Materials and services				
Materials and consumables:				
Purchases during the financial year	**376.8**		411.3	
Variation in stocks, increase (-), decrease (+)	**6.7**		2.5	
Raw materials and services, total	**383.5**	58.8	413.9	58.2
Staff expenses	**135.6**	20.8	143.1	20.1
Depreciation and reduction in value	**11.6**	1.8	11.6	1.6
Other operating expenses	**100.0**	15.3	107.2	15.1
	630.7	96.8	675.8	95.0
OPERATING PROFIT	**41.8**	6.4	71.4	10.0
Financial income and expenses	**50.3**	7.7	20.9	2.9
PROFIT BEFORE EXTRAORDINARY ITEMS	**92.1**	14.1	92.3	13.0
Extraordinary items				
Extraordinary income	**21.2**		14.9	
Extraordinary expenses	**-36.3**		-36.8	
Extraordinary items, total	**-15.1**	-2.3	-21.9	-3.1
PROFIT BEFORE APPROPRIATIONS AND TAXES	**77.0**	11.8	70.3	9.9
Appropriations	**-10.4**	-1.6	0.4	0.1
Income taxes				
For the financial year	**8.3**		5.1	
For previous financial years	**0.0**		0.3	
Income taxes, total	**8.3**	1.3	5.4	0.8
PROFIT FOR THE FINANCIAL YEAR	**58.3**	8.9	65.3	9.2

Parent company balance sheet, FAS

ASSETS	31.12.2009 EUR mill.	31.12.2008 EUR mill.
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	**4.6**	4.8
Advance payments and projects in progress	**0.6**	0.5
Intangible assets, total	**5.3**	5.3
Tangible assets		
Land and water	**10.9**	10.9
Buildings and constructions	**262.1**	148.4
Machinery and equipment	**4.3**	4.0
Modification and renovation expenses for leased premises	**7.5**	8.8
Other tangible assets	**0.1**	0.1
Advance payments and construction in progress	**47.2**	118.0
Tangible assets, total	**332.1**	290.1
Investments		
Holdings in Group undertakings	**132.1**	90.5
Other shares and participations	**16.0**	17.5
Investments, total	**148.1**	108.1
NON-CURRENT ASSETS, TOTAL	**485.5**	403.5
CURRENT ASSETS		
Stocks		
Materials and comsumables	**66.2**	72.8
Stocks, total	**66.2**	72.8
Non-current receivables		
Loans owed by Group undertakings	**971.7**	932.1
Non-current receivables, total	**971.7**	932.1
Current receivables		
Trade receivables	**18.5**	16.0
Amounts owed by Group undertakings	**94.3**	145.8
Other receivables	**4.6**	6.4
Prepayments and accrued income	**3.8**	20.7
Current receivables, total	**121.1**	189.0
Receivables, total	**1 092.8**	1 121.1
Cash and cash equivalents	**153.6**	8.3
CURRENT ASSETS, TOTAL	**1 312.6**	1 202.2
ASSETS TOTAL	**1 798.1**	1 605.6
EQUITY AND LIABILITIES		
EQUITY		
Share capital	**142.2**	123.4
Premium fund	**186.3**	186.3
Reserve for invested unrestricted equity	**248.4**	126.2
Other funds	**43.7**	43.7
Retained earnings	**124.6**	91.8
Net profit for the financial year	**58.3**	65.3
EQUITY, TOTAL	**803.5**	636.8
ACCUMULATED APPROPRIATIONS	**78.0**	67.5
LIABILITIES		
Non-current liablities		
Loans from credit institutions	**608.5**	745.1
Pension loans	**133.0**	
Amounts owed to Group undertakings	**64.1**	
Non-current liabilities, total	**805.6**	745.1
Current liabilities		
Loans from credit institutions	**2.5**	20.4
Trade payables	**51.0**	49.7
Amounts owed to Group undertakings	**4.9**	30.8
Other current liabilities	**25.0**	26.0
Accrued liabilities and prepaid income	**27.6**	29.3
Current liabilities, total	**110.9**	156.2
LIABILITIES, TOTAL	**916.5**	901.3
EQUITY AND LIABILITIES, TOTAL	**1 798.1**	1 605.6

Parent company cash flow statement

	2009 EUR mill.	2008 EUR mill.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial year	**58.3**	65.3
Adjustments:		
Depreciation	**11.6**	11.6
Other operating income	**-0.3**	-18.6
Other adjustments	**17.0**	22.2
Financial income and expenses	**-50.3**	-20.9
Appropriations	**10.4**	-0.4
Income taxes	**8.3**	5.4
Changes in working capital:		
Change in trade and other receivables	**6.3**	109.7
Change in inventories	**6.7**	2.5
Change in trade payables and other liabilities	**-0.4**	-3.3
Interest and other financial expenses paid	**-25.5**	-46.1
Interest received	**52.6**	56.3
Income taxes paid	**5.3**	-20.1
NET CASH FROM OPERATING ACTIVITIES	**100.0**	163.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on tangible and intangible assets	**-55.0**	-69.9
Additions to holdings in Group undertakings	**-44.6**	
Proceeds from disposal of subsidiary shares	**5.6**	
Proceeds from disposal of tangible assets	**0.0**	5.3
Capital expenditures on other investments		0.0
Proceeds from disposal of other investments	**1.8**	15.0
Loans granted	**-51.3**	-16.8
Proceeds from repayments of loans	**48.2**	
Dividends received	**36.5**	0.1
NET CASH USED IN INVESTING ACTIVITIES	**-58.9**	-66.2
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (+)/repayment of (-) loan receivables	**45.0**	-106.3
Proceeds from issue of share capital	**137.0**	134.6
Procees from sale of own shares	**5.1**	
Proceeds from (+)/repayment of (-) short-term borrowings	**-17.9**	-9.3
Repayments of long-term borrowings	**-216.2**	-135.1
Proceeds from long-term borrowings	**209.3**	117.6
Dividends paid	**-38.0**	-75.2
Proceeds from (+)/ payment of (-) extraordinary items	**-20.0**	-20.2
NET CASH USED IN FINANCING ACTIVITIES	**104.3**	-93.8
Change in cash and cash equivalents	**145.4**	3.6
Cash and cash equivalents at start of the financial year	**8.3**	4.7
Cash and cash equivalents at end of the financial year	**153.6**	8.3

Proposal for the distribution of parent company profit

The parent company's distributable funds according to the balance sheet at 31 December 2009 were EUR 475.0 million.

According to the Parent Company Balance Sheet at 31 December 2009, the following amounts are at disposal of the Annual General Meeting:

• Retained earnings, including the Contingency fund and the Reserve for invested unrestricted equity	416 699 663.13
• Net profit for the financial year	58 264 170.55
	474 963 833.68

The Board of Directors proposes that this amount be distributed as follows:

• on the 71 093 953 shares owned by external parties be paid a dividend of EUR 0.72 per share for the financial year 2009	51 187 646.16
• to be carried forward to the Contingency fund, Reserve for invested unrestricted equity and Retained earnings	423 776 187.52
	474 963 833.68

No material changes have taken place in the company's financial position after the close of the financial year. The company's liquidity is good, and in the view of the Board of Directors, the proposed dividend payout will not jeopardize the company's ability to meet its payment obligations.

Helsinki, 11 February 2010

Signatures of the Board of Directors and the CEO to the Board report on operations and the financial statements.

BOARD OF DIRECTORS

Christoffer Taxell

Kaj-Gustaf Bergh   Erkki Etola   Eva Liljeblom

Kari Niemistö   Carola Teir-Lehtinen   Henry Wiklund

CEO

Hannu Penttilä

Auditors' report

To the Annual General Meeting of Stockmann plc

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Stockmann plc for the year ended on 31 December 2009. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

The Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the parent company's financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements or the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 15 February 2010

Jari Härmälä	Henrik Holmbom
Authorized Public Accountant	Authorized Public Accountant

Contact information

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Mega South Department Store
Mega Teplyj Stan Shopping Centre
Leninsky District, Kaluzhskoe main road, 21
142704 MOSCOW REGION, Russia
Tel. + 7 495 980 8282
Fax + 7 495 980 8283

Mega North Department Store
Mega Khimki Shopping Centre
Microdistrict No 8, Khimki
141400 MOSCOW REGION, Russia
Tel. +7 495 739 8636
Fax +7 495 739 8640

Mega East Department Store
Mega Belaya Dacha Shopping Centre
Ljuberetsky district, Kotelniki
1-st Pokrovsky proezd, 5
140053 MOSCOW REGION, Russia
Tel. +7 495 660 8844
Fax +7 495 660 8845

Metropolis Department Store
Metropolis Shopping Centre
Leningradskoe Shosse 16
125171 MOSCOW, Russia
Tel. +7 495 663 8823
Fax +7 495 663 8824

Golden Babylon Department Store
Golden Babylon Shopping Centre
Prospect Mira 211
129226 MOSCOW, Russia
Tel. +7 495 988 1884
Fax +7 495 988 1886

Nevsky Centre Department Store and Shopping Centre (opens in November 2010)
Project office:
Nevsky Prospect 112
191025 ST PETERSBURG, Russia
Tel. +7 812 676 794
Fax +7 812 579 3391

Estonia

Tallinn Department Store
Liivalaia 53
10145 TALLINN, Estonia
Tel. +372 6 339 500
Fax +372 6 339 556

Latvia
Riga Department Store
13. Janvāra ielā 8
RIGA LV-1050, Latvia
Tel. +371 707 1200
Fax +371 707 3227

Distance Retail

Stockmann
Online store: www.stockmann.com
(opens in autumn 2010)
Customer service:
Läkkisepäntie 23
P.O. BOX 70, FI-00621 HELSINKI
Tel. +358 10 192 022

Hobby Hall
Online store: www.hobbyhall.fi
Customer service:
Läkkisepäntie 23
P.O. BOX 70, FI-00621 HELSINKI
Tel. +358 10 192 022

Academic Bookstore
Online store: www.akateeminen.com
Orders and inquiries:
tilaukset@akateeminen.com
Tel. +358 9 121 4322
Sales to corporate customers:
akatilaus@akateeminen.com
Tel. +358 9 121 4430

Lindex

Nils Ericsonsplatsen 3, P.O. BOX 233
401 23 GOTHENBURG, Sweden
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Fax +46 31 151 495
www.lindex.com
firstname.surname@lindex.com

Sales Offices

Finland, Estonia, Latvia and Lithuania
Lindex Oy
Itäkatu 1 B
FI-00930 HELSINKI
Tel. +358 201 422 400
Fax +358 201 422 500

Sweden
Lindex Sverige AB
Östra Larmgatan 16
411 07 GOTHENBURG, Sweden
Tel. +46 31 739 5000
Fax +46 31 701 4306

Norway
Lindex AS
Jernbanetorget 2
P.O. BOX 348, Sentrum
0101 OSLO, Norway
Tel. +47 22 478 400
Fax +47 22 478 401

Czech Republic
Lindex s.r.o.
Truhlářská 1121/24
110 00 PRAGUE 1, Czech Republic
Tel. +46 31 739 5010
Fax +46 31 151 495

Russia
ZAO Stockmann / Lindex
Nevsky Prospect 112
191025 ST PETERSBURG, Russia
Tel. +7 812 676 0798
Fax +7 812 676 0796

Seppälä

Tikkurilantie 146
P.O. BOX 234, FI-01531 VANTAA
Tel. +358 9 121 7200
Fax +358 9 825 1100
www.seppala.fi
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Nevsky Prospect 112
191025 ST PETERSBURG, Russia
Tel. +7 812 676 0796

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