

STOCKMANN plc QUARTERLY REPORT October 24, 2007, at 12.00

STOCKMANN plc INTERIM REPORT January 1 - September 30, 2007

THIRD-QUARTER EARNINGS IMPROVE MARKEDLY ON LAST YEAR

In January-September, the Stockmann Group's sales from continuing operations grew by 8 per cent to EUR 1 089.5 million. Third-quarter operating profit from continuing operations improved markedly on last year and was EUR 32.1 million (EUR 19.8 million). Profit before taxes from continuing operations for the entire report period was EUR 52.9 million (EUR 49.3 million). Stockmann is making a public tender offer for the shares in Lindex, one of Northern Europe's largest fashion chains. Earnings per share were EUR 0.72. The earnings estimate for 2007 is unchanged. The objective is to post higher operating profit from continuing operations in 2007 than in 2006.

Key figures

		1-9/2007	1-9/2006	2006
Continuing operations				
Sales	EUR mill.	1 089.5	1 013.3	1 477.8
Revenue	EUR mill.	914.3	850.0	1 239.6
Operating profit	EUR mill.	54.3	49.4	99.9
Profit before taxes	EUR mill.	52.9	49.3	99.4
Earnings per share	EUR	0.72	0.69	1.39
Group total				
Equity per share	EUR	9.77	9.54	10.34
Cash flow from operating activities	EUR mill.	21.8	32.8	117.4
Gearing	per cent	17.8	7.2	-6.3
Equity ratio	per cent	65.9	71.7	74.5
Weighted average number of shares	thousands	55 566	54 208	54 310
Return on capital employed, rolling 12 months	per cent	17.2	24.6	22.9

Financial reporting

Stockmann adopted International Financial Reporting Standards (IFRS) on January 1, 2005. The Interim Report has been prepared in accordance with IAS 34 and the accounting policies and calculation methods used are the same as those applied in the 2006 financial statements. In the financial reporting for 2006, Stockmann Auto and the Zara business in Russia are treated as discontinued operations in accordance with IFRS 5. The figures are unaudited.

Tender offer for Lindex shares

Stockmann and AB Lindex (publ), a Swedish company listed on OMX Nordic Exchange Stockholm AB, entered into an agreement on September 30, 2007, whereby Stockmann or a wholly-owned subsidiary of it will make a public tender offer, recommended by Lindex's Board of Directors, for all of Lindex's issued shares. Lindex is one of Northern Europe's largest fashion chains. It has good profitability and a strong market position, particularly in Sweden, Norway and Finland. Lindex is in a similar strategic position to Stockmann, because both companies are seeking to achieve a large part of their growth outside their domestic markets. Lindex has more than 350 stores in Sweden, Norway, Finland, Estonia, Latvia, Lithuania and the Czech Republic. Lindex's product areas are ladies' lingerie, ladies' wear, children's wear and cosmetics. Lindex had revenue for the financial year ended August 31, 2007 of EUR 572.5 million, and it posted operating profit of EUR 51.5 million.

Stockmann is offering Lindex shareholders SEK 116 in cash for each share in Lindex. The value of the tender offer is about EUR 866 million in total.

The offer period will commence on October 29, 2007 and end on November 30, 2007. The complete terms and conditions of the offer are set out in the offer document, which Stockmann will publish in connection with the tender offer on October 26, 2007.

Stockmann has secured financing for the acquisition through a loan agreement it has concluded with certain banks. In order to refinance part of the loan financing, Stockmann's Board of Directors is considering undertaking measures to increase the company's equity with the purpose of maintaining Stockmann's equity ratio at a level of at least 40-50 per cent.

Sales and result

Consolidated operating profit from continuing operations in the third quarter improved markedly on the previous year and was EUR 32.1 million (EUR 19.8 million). All the operating units improved their operating profit in the third quarter.

Operating profit from continuing operations for the report period grew by EUR 4.9 million to EUR 54.3 million (EUR 49.4 million). Non-recurring capital gains booked in the report period amounted to EUR 9.7 million, as against EUR 4.7 million in the same period a year earlier. Stripping out the non-recurring items, earnings improved in Finland and the Baltic countries. Consolidated earnings were burdened by the costs of starting up a new department store in Moscow as well as by the energetic establishment of new Bestseller stores and Seppälä stores in Russia. A major upgrade of Hobby Hall's information systems resulted in a change in the way sales are recorded, leading to a weakening in sales and earnings by deferring the recording of part of sales.

The Stockmann Group's sales from continuing operations grew to EUR 1 089.5 million, up 8 per cent. Not eliminating the sales by Stockmann Auto, which was divested in the comparative period, the Group's sales were at the previous year's level. The Group's sales abroad amounted to EUR 295.7 million, an increase of 22 per cent. Sales from continuing operations in

Finland grew by 3.0 per cent to EUR 793.8 million. International operations accounted for an increased share of consolidated sales, rising from 24 per cent to 27 per cent. Revenue was EUR 914.3 million, as against EUR 911.0 million in the comparative period. Other operating income amounted to EUR 9.7 million. In the comparative period, other operating income amounted to EUR 34.0 million, consisting mainly of capital gains on the transfer of operations.

The Group's gross operating margin grew by EUR 25.8 million to EUR 378.8 million. The relative gross margin was 41.4 per cent (38.7 per cent). The relative gross margin on operations of the Department Store Division and Seppälä improved, whereas Hobby Hall's relative gross margin was at the previous year's level. For the Group as a whole, the relative gross margin was improved by the discontinuance of low-margin vehicle sales as from the beginning of March 2006. Operating expenses increased by EUR 24.0 million and depreciation by EUR 2.2 million. Primarily owing to the impact of the EUR 34.0 million of other operating income during the comparative period, consolidated operating profit was down by EUR 24.7 million to EUR 54.3 million. Net financial expenses grew by EUR 1.4 million and were EUR 1.5 million (EUR 0.1 million).

Profit before taxes was EUR 52.9 million, down EUR 26.0 million on the figure a year earlier. Direct taxes were EUR 13.1 million, an increase of EUR 1.1 million on the previous year. In the comparative period, earnings included EUR 29.3 million of tax-free capital gains. Third-quarter net profit was EUR 23.5 million, compared with EUR 15.4 million a year earlier.

Earnings per share in the report period were EUR 0.72 (EUR 1.23) and diluted for options, earnings were EUR 0.71 (EUR 1.22). Equity per share was EUR 9.77 (EUR 9.54).

Sales and earnings trend by business segment

The Department Store Division's sales grew by 8 per cent to EUR 817.7 million. Sales in Finland were up 4 per cent. International Operations' sales were increased by the good like-for-like retail performance by the department stores in Russia and the Baltic countries, a fourth department store that was opened in Moscow in mid-February as well as the new Bestseller stores. In Russia, the problems encountered in imports in the early months of the year led to a temporary shortfall of merchandise, slowing sales growth. The department stores in Estonia and Latvia reported an excellent sales trend. Sales by International Operations grew by 19 per cent and its share of the division's sales rose to 28 per cent (26 per cent). The relative gross margin improved in the report period. The Department Store Division's operating profit was EUR 44.9 million (EUR 35.2 million). Non-recurring capital gains of EUR 9.7 million were included in the result for the period, as against EUR 4.7 million in the comparative period. Earnings generated by the businesses in Finland and the Baltic countries were on a positive trend in the report period. Earnings from International Operations were burdened by the department store that was opened in Moscow in February and the start-up costs of the new Bestseller and Nike stores and the larger-than-normal discounts in the second quarter due to delays in customs clearance at the start of the year. The division's operating profit improved substantially and was EUR

25.7 million in the third quarter (EUR 13.1 million). The Department Store Division's full-year operating profit is estimated to be better than it was a year ago.

Hobby Hall reported sales growth of 2 per cent to EUR 147.5 million (EUR 144.3 million). Sales increased in the Baltic countries, and in Finland they remained at the same level as in the previous year. Hobby Hall's relative gross margin was at the level of a year earlier. Online sales continued to grow strongly, accounting for 60 per cent of Hobby Hall's distance retailing in Finland (47 per cent). Online sales also grew in Estonia, accounting for 33 per cent of Hobby Hall's distance retailing in Estonia (32 per cent). Hobby Hall placed a new information system in operation in April. Earnings in the report period were burdened by the non-recurring costs of the commissioning and the resultant partial delay in recording sales. After the start-up phase, the new information system will enhance Hobby Hall's operations and reporting. Hobby Hall's operating profit in the report period was EUR 3.0 million (EUR 3.7 million). Third-quarter operating profit improved and was EUR 2.5 million (EUR 2.1 million). Full-year operating profit is estimated to be somewhat smaller than a year ago owing to the start-up costs for operations in Russia.

Seppälä's sales increased by 10 per cent on the same period of last year and were EUR 123.6 million. Sales grew strongly in Russia and the Baltic countries, where they were boosted by the new stores that were opened towards the end of 2006 and at the beginning of 2007 as well as by the good like-for-like sales trend. Sales abroad grew by 50 per cent and their share of Seppälä's total sales rose to 29 per cent (21 per cent). The relative gross margin improved, but fixed costs and depreciation also increased because of the heavy investments in opening new stores, especially in Russia. Seppälä's operating profit in the report period was EUR 12.1 million (EUR 13.8 million). Third-quarter operating profit amounted to EUR 5.5 million (EUR 5.4 million). Full-year operating profit is estimated to be at the previous year's level.

Financing and capital employed

Liquid assets totalled EUR 21.2 million at the end of September, as against EUR 17.0 million a year earlier and EUR 59.2 million at the end of 2006.

Interest-bearing liabilities at the end of September were EUR 118.3 million (EUR 54.1 million), of which EUR 30.2 million consisted of long-term borrowings (EUR 23.4 million). EUR 20.0 million of new long-term borrowings were drawn down during the report period. Capital expenditures amounted to EUR 89.1 million. Net working capital amounted to EUR 238.0 million at the end of September, as against EUR 239.5 million a year earlier and EUR 194.5 million at the end of 2006. Dividend payouts totalled EUR 72.1 million. Subscriptions made by exercising the share options for the year 2006 added EUR 3.1 million to shareholders' equity. The equity ratio was 65.9 per cent (71.7 per cent) at the end of September. The equity ratio at the end of 2006 was 74.5 per cent. Gearing was 17.8 per cent at the end of September (7.2 per cent). At the end of 2006, gearing was 6.3 per cent negative.

The return on capital employed over the past 12 months was 17.2 per cent (22.9 per cent at the end of 2006). The Group's capital employed increased by EUR 89.1 million from September of the previous year and stood at EUR 662.4 million towards the end of the report period (EUR 595.0 million at the end of 2006).

Capital expenditures and current projects

Capital expenditures during the report period totalled EUR 89.1 million (EUR 90.1 million).

The construction works for the major enlargement and transformation project for the department store in the centre of Helsinki are continuing. 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, completely new goods handling, servicing and customer parking areas will be built. After the enlargement the Helsinki department store will have a total of about 50 000 square metres of retail space. The cost estimate for the enlargement is about EUR 145 million. The works will be carried out stage by stage and are estimated to reach completion in 2010. The spaces that were temporarily not available for retail sales whilst the construction works were under way have again been placed in use, and the department store's retail space is now the same as it was before the project started. Henceforth, new retail space will be placed in use stage by stage. During the report period, the project required an investment of about EUR 35.5 million. Stockmann has succeeded in carrying out the extensive project without disrupting the department store's profitability. The department store's sales increased during the report period.

A new Stockmann Beauty store was opened in Joensuu in February. Towards the end of the year, stores will be opened in Rovaniemi and Lappeenranta. Thereafter, there will be sixteen stores in the Stockmann Beauty chain.

In February 2007, the Department Store Division opened a fourth department store in Moscow, in the Mega Shopping Centre on the south-east side of town. The department store has over 10 000 square metres of retail space. Stockmann's portion of the total costs of the department store, which was built in leased premises, was EUR 16.5 million, of which EUR 5.8 million was an outlay in the report period. Operations have started up according to plan.

Five new Bestseller stores were opened in Russia in the report period: two in St Petersburg and one store each in Moscow, Kazan and Samara. Stockmann now has a total of 16 Bestseller stores in Russia. Later this year, new stores will be opened in Rostov-on-Don and Novosibirsk.

The first two Stockmann Nike stores were opened in St Petersburg in February, and a store was opened in Nizhny Novgorod at the beginning of October. Stores will be opened in Novosibirsk and Rostov-on-Don towards the end of the year.

In 2006, Stockmann purchased a 10 000-odd square metre commercial plot on Nevsky Prospect, St Petersburg's high street. The plot is located next to the Vosstaniya Square underground station, in the immediate vicinity of

Moscow Station. On this plot, Stockmann will erect the Nevsky Centre shopping centre that will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be store and office space. A full-scale Stockmann department store with about 20 000 square metres of retail space has been planned for the shopping centre, along with other retail stores, office premises and an underground car park. The investment outlay for the department store and shopping centre has grown in step with a rise in construction costs, delay of the project and a change in the structure of the contract agreement. The total investment is estimated to be about EUR 170 million. The foundation works for the building are under way. Stockmann's objective is to open the department store and commercial centre by the end of 2009. During the report period, the project required an investment of about EUR 19.7 million.

Stockmann has signed a preliminary agreement on opening Moscow's fifth Stockmann department store in leased premises in the Metropolis Shopping Centre that is being built right near the city's centre. The department store will have a total of about 8 000 square metres of floor space, and Stockmann's investment in the project will be about EUR 12 million. The objective is to open the department store in autumn 2008.

Stockmann has also made an agreement on the opening of a full-scale department store in leased premises located in a shopping centre that is currently being built in Ekaterinburg, Russia. The department store will have a total of over 8 000 square metres of floor space, and Stockmann's investment in the project will be about EUR 12 million. Plans call for opening the department store by summer 2009.

The Department Store Division's capital expenditures totalled EUR 78.4 million.

Hobby Hall's capital expenditures amounted to EUR 2.0 million, which went mainly for the upgrade of the information system. Hobby Hall launched distance retailing in Lithuania in February and will carry out a similar launch in Russia towards the end of the year. Hobby Hall is also starting up online sales in Sweden during 2008.

Seppälä's capital expenditures came to EUR 7.6 million. In the report period, Seppälä opened a store in Tampere, Finland; Pärnu, Estonia, and Vilnius, Lithuania. By mid-October, Seppälä has opened nine stores in Russia: four in St Petersburg as well as one in Moscow, Samara, Nizhny Novgorod, Yaroslavl and Voronezh. Before the year ends, it is Seppälä's objective to open one more store in Finland, two in Lithuania and two in Russia, in Rostov-on-Don and in Novosibirsk. In Finland and Estonia, a total of 11 stores were refurbished, some of them having moved into new premises. During 2007, an upgrade of the cash register system was carried out at the stores in Finland and Estonia, and it was completed in October. Operations in Ukraine are scheduled to start up in 2008.

Other capital expenditures in the report period amounted to EUR 1.1 million.

On September 27, 2007, Stockmann made an agreement with Nordea on transferring its financing of Loyal Customer accounts to Nordea. The consideration paid for the transfer under the agreement contributed to

improving Stockmann's third-quarter earnings. This transfer of accounts will lighten Stockmann's balance sheet in 2008 by about EUR 65 million. Ten employees who handle Loyal Customer accounts will transfer to Nordea's employ under their current terms of employment. The credit facilities of Stockmann's credit line Loyal Customer Cards will converge with those of the international MasterCard during 2008 in Finland, Estonia and Latvia, where Stockmann has previously not offered Loyal Customer Card with a credit facility.

In respect of Russia, Stockmann, acting in co-operation with Citibank, has agreed on bringing to market a MasterCard Loyal Customer Card with a credit facility in spring 2008.

Shares and share capital

The company's market capitalization at the end of September was EUR 1 894.5 million (EUR 1 803.9 million). At the end of 2006 the market capitalization was EUR 2 028.6 million.

Stockmann's share prices underperformed both the OMX Helsinki index and the OMX Helsinki Cap index during the report period. At the end of September the stock exchange price of the Series A share was EUR 33.70, compared with EUR 36.40 at the end of 2006, and the Series B share was selling at EUR 33.83, as against EUR 36.48 at the end of 2006.

The 192 865 Stockmann shares subscribed for in December 2006 with the share options for the year 2000 were entered in the Trade Register on February 28, 2007, and they were admitted to public trading on the Helsinki Stock Exchange together with existing shares on March 1, 2007.

Share options for 2000 were exercised in March to subscribe for 238 709 shares. Of these, 18 000 shares were entered in the Trade Register on April 10, 2007, and 220 709 shares on May 14, 2007. They were accepted for public trading on the Helsinki Stock Exchange together with the old shares on April 11, 2007 and May 15, 2007. As a consequence of the subscriptions the share capital was increased by EUR 477 418. Following the increase, the share capital was EUR 112 187 224.

A total of 2 500 000 new Series B shares were eligible for subscription on the basis of the share options for 2000. During the subscription period, a total of 2 499 800 Stockmann Series B shares were subscribed for with the share options. The subscription period ended on April 1, 2007.

At September 30, 2007, Stockmann had 24 564 243 Series A shares and 31 529 369 Series B shares.

Stockmann held 369 560 of its own Series B shares (treasury shares) at the end of September 2007. They comprised 0.7 per cent of all the shares outstanding and 0.1 per cent of all the votes. The shares were bought back at a total price of EUR 5.6 million.

The Annual General Meeting in 2007 authorized the Board of Directors to decide on the transfer of the company's own Series B shares in one or more instalments. The authorization will be valid for five years. The company's Board of Directors does not have valid authorizations to increase the

share capital, to float issues of convertible bonds or bonds with warrants, or to buy back its own shares.

Personnel strength

During the report period the Stockmann Group had an average payroll of 10 525 employees, or 628 more than in the comparative period. The number of employees was raised by the department stores and other stores in Russia and the Baltic countries, but lowered by the disposal of Stockmann Auto at the beginning of March 2006. Stockmann's average number of employees, converted to full-time staff, increased by 564 and was 8 519.

At the end of September 2007 the number of staff working abroad was 4 004 employees. At the end of September of last year Stockmann had 3 155 people working abroad. Their proportion of the total personnel was 38 per cent (33 per cent).

Full-year outlook

Major changes have not occurred in the operating environment, nor have operational risks changed materially from what was stated in the Annual Report.

If the above-mentioned tender offer for Lindex leads to Stockmann's gaining of control of the company before the end of the financial year, this will result in a weakening of the Group's equity ratio at the balance sheet date. In this case, Lindex's earnings for the time of Stockmann's ownership will be consolidated in proportion to the Group's ownership stake.

Retail sales are estimated to increase by 3-4 per cent in Finland in 2007. The markets in Russia and the Baltic countries are set to continue growing faster than the Finnish market. Stockmann's sales are estimated to be just over EUR 1.6 billion.

The result from continuing operations for the last quarter of 2007 is estimated to improve on the figure a year earlier.

Earnings in 2006 included substantial non-recurring items as a consequence of the disposal of businesses. In 2007, these will be markedly smaller than in the previous year. The Group is carrying out a number of major investments. The result for 2007 is burdened by the start-up costs of the investments that will become operational during the year. Because of the decrease in non-recurring items, the Group's profit before taxes will come in lower than in 2006. Notwithstanding this, the objective is to post higher operating profit from continuing operations than in 2006.

Balance sheet, Group EUR millions	30.9.07	30.9.06	31.12.06
ASSETS			
Non-current assets			
Intangible assets	10.7	5.5	6.3
Property, plant and equipment	409.7	328.8	352.2
Available-for-sale investments	6.6	6.1	6.5
Deferred tax assets	2.5	3.4	2.5
Non-current assets, total	429.5	343.9	367.5
Current assets			
Inventories	202.7	182.9	155.0
Receivables, interest-bearing	97.2	104.8	98.9
Receivables, non interest-bearing	75.4	75.6	87.0
Cash and cash equivalents	21.2	17.0	59.2
Current assets, total	396.5	380.3	400.1
Assets, total	826.0	724.2	767.6
EQUITY AND LIABILITIES			
Equity			
Minority interest	0.0	0.0	0.0
Equity, total	544.2	519.2	571.6
Non-current liabilities, interest-bearing			
Deferred taxes liabilities	26.2	27.0	26.2
Current liabilities			
Current liabilities, interest-bearing	88.0	30.7	
Current liabilities, non interest-bearing	137.3	123.9	146.4
Current liabilities, total	225.4	154.6	146.4
Equity and liabilities, total	826.0	724.2	767.6
Equity ratio, per cent	65.9	71.7	74.5
Gearing, per cent	17.8	7.2	-6.3
Cash flow from operations per share, EUR	0.39	0.61	2.15
Interest-bearing net debt, EUR mill.	-0.1	-67.7	-134.7
Number of shares at September 30, thousands	56 094	54 804	55 662
Weighted average number of shares, thousands	55 566	54 208	54 310
Weighted average number of shares, diluted, thousands	55 790	55 053	55 178
Market capitalization, EUR mill.	1 894.5	1 803.9	2 028.6

Equity ratio, per cent = $100 \times (\text{Equity} + \text{minority interest}) / \text{Total assets less advance payments received}$

Gearing, per cent = $100 \times \text{Interest-bearing liabilities less cash and cash equivalents} / \text{Equity total}$

Interest-bearing net debt = Interest-bearing liabilities less cash and cash equivalents less interest-bearing liabilities

Market capitalization, EUR mill. = Number of shares multiplied by the quotation for the respective share series on the balance sheet date

Cash flow statement, Group EUR millions	1-9/2007	1-9/2006	1-12/2006
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Cash flows from operating activities			
Net profit for the financial year	39.8	66.9	104.7
Adjustments:			
Depreciation	26.4	24.2	32.1
Profit (-) and loss (+) from sales of non-current assets		-34.0	-34.4
Financial expenses	2.5	1.7	2.3
Financial income	-1.0	-1.6	-1.8
Taxes paid	13.1	12.0	24.3
Other adjustments	1.8		1.7
Changes in working capital:			
Change in trade and other receivables	17.5	-11.2	1.7
Change in inventories	-47.7	-0.1	5.2
Change in trade payables and other liabilities	-11.9	-4.3	11.2
Interest paid	-1.7	-1.7	-2.5
Interest received	0.8	1.8	1.1
Taxes paid	-17.8	-20.9	-28.2
Net cash from operating activities	21.8	32.8	117.4
Cash flows from investing activities			
Investments in tangible and intangible assets	-88.5	-90.7	-112.2
Acquisition of subsidiary net cash acquired			-12.7
Disposal of subsidiaries less cash at date of disposal		101.7	105.0
Capital expenditures on other investments		-0.1	-0.5
Cash from tangible assets			8.4
Cash from other investments		0.8	0.9
Dividends received	0.1	0.1	0.1
Net cash used in investing activities	-88.4	11.8	-11.0
Cash flows from financing activities			
Proceeds from issue of share capital	5.8	5.8	17.2
Change in short-term loans, increase (+), decrease (-)	74.9	-2.5	-33.3
Long-term loans, increase (+), decrease (-)	20.0	10.0	10.0
Dividends paid	-72.1	-59.3	-59.5
Net cash used in financing activities	28.6	-46.0	-65.6
Change in cash and cash equivalents	-37.9	-1.4	40.8
Cash and cash equivalents at start of the period	59.2	18.4	18.4
Cash and cash equivalents at end of the period	21.2	17.0	59.2

Income statement, Group, EUR millions	1-9/2007		Total
	Continuing operations	Discontinued operations	
Revenue	914.3		914.3
Other operating income	9.7		9.7
Materials and consumables	-535.4		-535.4
Wages, salaries and employee benefits expenses	-150.9		-150.9
Depreciation	-26.4		-26.4

Other operating expenses	-156.9	-156.9
Operating profit	54.3	54.3
Finance income and expenses	-1.5	-1.5
Profit before tax	52.9	52.9
Income taxes	-13.1	-13.1
Profit for the period	39.8	39.8

Earnings per share, EUR	0.72	0.72
Earnings per share, diluted, EUR	0.71	0.71
Operating profit, per cent	5.9	5.9
Equity per share, EUR		9.77
Return on equity, per cent, moving 12 months		14.6
Return on capital employed, per cent, moving 12 months		17.2
Average number of employees, converted to full-time staff	8 519	8 519
Investments	89.1	89.1

Income statement, Group, EUR millions	1-9/2006		Total
	Continuing operations	Discontinued operations	
Revenue	850.0	61.1	911.0
Other operating income	4.7	29.3	34.0
Materials and consumables	-505.5	-52.5	-558.0
Wages, salaries and employee benefits expenses	-141.4	-5.4	-146.8
Depreciation	-23.9	-0.3	-24.2
Other operating expenses	-134.4	-2.6	-137.0
Operating profit	49.4	29.6	79.0
Finance income and expenses	-0.1	0.0	-0.1
Profit before tax	49.3	29.6	78.9
Income taxes	-11.9	-0.1	-12.0
Profit for the period	37.4	29.5	66.9

Earnings per share, EUR	0.69	0.54	1.23
Earnings per share, diluted, EUR	0.68	0.54	1.22
Operating profit, per cent	5.8	48.4	8.7
Equity per share, EUR			9.54
Return on equity, per cent, moving 12 months			22.4
Return on capital employed, per cent, moving 12 months			24.6
Average number of employees, converted to full-time staff	7 803	152	7 955
Investments	90.1		90.1

Income statement, Group, EUR millions	1-12/2006		Total
	Continuing operations	Discontinued operations	
Revenue	1 239.6	61.1	1 300.7
Other operating income	5.1	29.3	34.4
Materials and consumables	-721.1	-52.5	-773.6

Wages, salaries and employee benefits expenses	-199.3	-5.4	-204.7
Depreciation	-31.8	-0.3	-32.1
Other operating expenses	-192.6	-2.6	-195.1
Operating profit	99.9	29.6	129.5
Finance income and expenses	-0.5	0.0	-0.6
Profit before tax	99.4	29.6	128.9
Income taxes	-24.2	-0.1	-24.3
Profit for the period	75.2	29.5	104.7
Earnings per share, EUR	1.39	0.54	1.93
Earnings per share, diluted, EUR	1.37	0.53	1.90
Operating profit, per cent	8.1	48.4	10.0
Equity per share, EUR			10.34
Return on equity, per cent, moving 12 months			19.4
Return on capital employed, per cent, moving 12 months			22.9
Average number of employees, converted to full-time staff	7 923	114	8 037
Investments	125.5		125.5

Earnings per share, EUR = (Profit before taxes - minority interest - income taxes) / Average number of shares, adjusted for share issues

Return on equity, per cent, moving 12 months = 100 x Profit for the period (12 months) / (Equity + minority interest) (average over 12 months)

Return on capital employed, per cent, moving 12 months = 100 x (Profit before taxes + interest and other financial expenses) (12 months) / Capital employed (average over 12 months)

SEGMENT INFORMATION

Segments

Sales, EUR millions	1-9/2007	1-9/2006	Change per cent	1-12/2006
Department Store Division	817.7	755.6	8	1 119.0
Hobby Hall	147.5	144.3	2	199.8
Seppälä	123.6	112.8	10	158.1
Shared	0.6	0.7	-8	0.9
Continuing operations, total	1 089.5	1 013.3	8	1 477.8
Discontinued operations		74.8		74.8
Group	1 089.5	1 088.2	0	1 552.6
Revenue, EUR millions	1-9/2007	1-9/2006	Change per cent	1-12/2006
Department Store Division	688.1	635.7	8	941.3
Hobby Hall	122.5	119.8	2	165.9
Seppälä	102.6	93.3	10	130.8
Shared	1.0	1.1	-10	1.7
Continuing operations, total	914.3	850.0	8	1 239.6
Discontinued operations		61.1		61.1
Group	914.3	911.0	0	1 300.7

Operating profit, EUR millions	1-9/2007	1-9/2006	Change per cent	1-12/2006
Department Store Division	44.9	35.2	28	79.5
Hobby Hall	3.0	3.7	-18	7.1
Seppälä	12.1	13.8	-12	21.1
Shared	-5.1	-4.2	22	-8.0
Eliminations	-0.6	0.9		0.2
Continuing operations, total	54.3	49.4	10	99.9
Discontinued operations		29.6		29.6
Group	54.3	78.9	-31	129.5
Investments, gross, EUR millions	30.9.07	30.9.06	Change per cent	31.12.06
Department Store Division	78.4	84.4	-7	115.3
Hobby Hall	2.0	2.3	-14	3.2
Seppälä	7.6	2.5	207	6.1
Shared	1.1	0.9	22	0.9
Continuing operations, total	89.1	90.1	-1	125.5
Discontinued operations				
Group	89.1	90.1	-1	125.5
Assets, EUR millions	30.9.07	30.9.06	Change per cent	31.12.06
Department Store Division	641.2	481.9	33	557.9
Hobby Hall	108.1	107.0	1	104.0
Seppälä	40.0	31.7	26	38.0
Shared	36.8	103.6	-64	67.7
Continuing operations, total	826.0	724.2	14	767.6
Discontinued operations				
Group	826.0	724.2	14	767.6
Non-interest-bearing liabilities, EUR millions	30.9.07	30.9.06	Change per cent	31.12.06
Department Store Division	105.2	97.9	7	122.0
Hobby Hall	21.8	17.8	22	13.9
Seppälä	7.3	7.6	-4	10.9
Shared	29.3	27.5	6	25.8
Continuing operations, total	163.6	150.9	8	172.6
Discontinued operations				
Group	163.6	150.9	8	172.6
Market areas		1-9/2007		
Sales, EUR millions		Continuing operations	Discontinued operations	Total
Finland 1)		793.8		793.8
Baltic states 2)		133.5		133.5
Russia 3)		162.2		162.2
Group		1 089.5		1 089.5
Finland, per cent		72.9		72.9
International operations, per cent		27.1		27.1

	Continuing operations	Discontinued operations	Total
Revenue, EUR millions			
Finland 1)	662.0		662.0
Baltic states 2)	113.5		113.5
Russia 3)	138.7		138.7
Group	914.3		914.3
Finland, per cent	72.4		72.4
International operations, per cent	27.6		27.6

	Continuing operations	Discontinued operations	Total
Operating profit, EUR millions			
Finland 1)	53.8		53.8
Baltic states 2)	11.8		11.8
Russia 3)	-11.3		-11.3
Group	54.3		54.3
Finland, per cent	99.0		99.0
International operations, per cent	1.0		1.0

		30.9.2007	Total
Investments, gross, EUR millions	Continuing operations	Discontinued operations	
Finland 1)	53.3		53.3
Baltic states 2)	1.5		1.5
Russia 3)	34.3		34.3
Group	89.1		89.1
Finland, per cent	59.8		59.8
International operations, per cent	40.2		40.2

	Continuing operations	Discontinued operations	Total
Assets, EUR millions			
Finland 1)	568.4		568.4
Baltic states 2)	74.3		74.3
Russia 3)	183.3		183.3
Group	826.0		826.0
Finland, per cent	68.8		68.8
International operations, per cent	31.2		31.2

1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
3) Department Store Divisions and Seppälä

		1-9/2006	Total
Market areas	Continuing operations	Discontinued operations	
Sales, EUR millions			
Finland 1)	770.7	74.8	845.5
Baltic states 2)	114.2		114.2
Russia 3)	128.5		128.5
Group	1 013.3	74.8	1 088.2
Finland, per cent	76.1		77.7
International operations, per cent	23.9		22.3

	Continuing operations	Discontinued operations	Total
Revenue, EUR millions			
Finland 1)	642.8	61.1	703.9
Baltic states 2)	97.1		97.1
Russia 3)	110.1		110.1
Group	850.0	61.1	911.0
Finland, per cent	75.6		77.3
International operations, per cent	24.4		22.7

	Continuing operations	Discontinued operations	Total
Operating profit, EUR millions			
Finland 1)	35.5	7.7	43.2
Baltic states 2)	13.4		13.4
Russia 3)	0.6	21.9	22.5
Group	49.4	29.6	79.0
Finland, per cent	71.8		54.7
International operations, per cent	28.2		45.3

	30.9.2006		Total
	Continuing operations	Discontinued operations	
Investments, gross, EUR millions			
Finland 1)	44.6		44.6
Baltic states 2)	0.8		0.8
Russia 3)	44.7		44.7
Group	90.1		90.1
Finland, per cent	49.5		49.5
International operations, per cent	50.5		50.5

	Continuing operations	Discontinued operations	Total
Assets, EUR millions			
Finland 1)	561.9		561.9
Baltic states 2)	71.6		71.6
Russia 3)	90.7		90.7
Group	724.2		724.2
Finland, per cent	77.6		77.6
International operations, per cent	22.4		22.4

1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
3) Department Store Divisions and Seppälä

	1-12/2006		Total
	Continuing operations	Discontinued operations	
Market areas			
Sales, EUR millions			
Finland 1)	1 123.7	74.8	1 198.6
Baltic states 2)	165.3		165.3
Russia 3)	188.8		188.8
Group	1 477.8	74.8	1 552.6
Finland, per cent	76.0		77.2
International operations, per cent	24.0		22.8

	Continuing operations	Discontinued operations	Total
Revenue, EUR millions			
Finland 1)	937.5	61.1	998.5
Baltic states 2)	140.6		140.6
Russia 3)	161.6		161.6
Group	1 239.6	61.1	1 300.7
Finland, per cent	75.6		76.8
International operations, per cent	24.4		23.2

	Continuing operations	Discontinued operations	Total
Operating profit, EUR millions			
Finland 1)	75.2	7.7	82.9
Baltic states 2)	21.0		21.0
Russia 3)	3.8	21.9	25.6
Group	99.9	29.6	129.5
Finland, per cent	75.2		64.0
International operations, per cent	24.8		36.0

	31.12.2006		Total
	Continuing operations	Discontinued operations	
Investments, gross, EUR millions			
Finland 1)	64.0		64.0
Baltic states 2)	1.8		1.8
Russia 3)	59.7		59.7
Group	125.5		125.5
Finland, per cent	51.0		51.0
International operations, per cent	49.0		49.0

	Continuing operations	Discontinued operations	Total
Assets, EUR millions			
Finland 1)	594.8		594.8
Baltic states 2)	69.7		69.7
Russia 3)	103.1		103.1
Group	767.6		767.6
Finland, per cent	77.5		77.5
International operations, per cent	22.5		22.5

1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä
3) Department Store Divisions and Seppälä

	Equity*	Share premium fund	Legal reserve
Statement of changes in equity			
Group, EUR millions			
Equity December 31, 2005	109.0	166.5	0.2
Options exercised	1.8	3.9	
Share bonus		0.2	
Transfer to other funds			
Dividends			
Translation differences			
Profit for the period			

Equity September 30, 2006	110.8	170.6	0.2
Equity December 31, 2006	111.7	183.4	0.2
Options exercised	0.5	2.6	
Share bonus		0.2	
Transfer to other funds			0.0
Cost of share issue			
Dividends			
Translation differences			
Profit for the period			
Equity September 30, 2007	112.2	186.2	0.2
* including share issue			

Statement of changes in equity		Trans-	Retained
Group, EUR millions	Other	lation	earnings
Equity December 31, 2005	funds**	reserve	
Options exercised	43.9	0.0	185.7
Share bonus			0.5
Transfer to other funds	0.0		
Dividends			-59.5
Translation differences		0.0	0.0
Profit for the period			66.9
Equity September 30, 2006	43.9	0.0	193.6
Equity December 31, 2006	43.9	0.0	232.3
Options exercised			
Share bonus			0.2
Transfer to other funds			
Cost of share issue			1.4
Dividends			-72.1
Translation differences		0.0	0.0
Profit for the period			39.8
Equity September 30, 2007	43.9	0.0	201.6
** excluding deferred tax liability			

Statement of changes in equity		Minority	
Group, EUR millions	Total	interest	Total
Equity December 31, 2005	505.3	0.0	505.3
Options exercised	5.8		5.8
Share bonus	0.7		0.7
Transfer to other funds	0.0		0.0
Dividends	-59.5		-59.5
Translation differences	0.0		0.0
Profit for the period	66.9	0.0	66.9
Equity September 30, 2006	519.2	0.0	519.2
Equity December 31, 2006	571.6	0.0	571.6
Options exercised	3.1		3.1
Share bonus	0.4		0.4
Transfer to other funds	0.0		0.0
Cost of share issue	1.4		1.4
Dividends	-72.1		-72.1
Translation differences	0.0		0.0
Profit for the period	39.8	0.0	39.8

Equity September 30, 2007		544.2	0.0	544.2
Contingent liabilities, Group EUR millions		30.9.07	30.9.06	31.12.06
Mortgages on land and buildings		1.7	1.7	1.7
Guarantees		0.1		1.5
Pledges			0.1	0.1
Total		1.8	1.7	3.2
Lease agreements on business premises, EUR millions				
Minimum rents payable on the basis of binding lease agreements on business premises				
Within one year		67.7	63.9	69.6
After one year		323.4	329.2	351.5
Total		391.1	393.0	421.1
Lease payments				
Within one year		1.0	1.1	1.1
After one year		1.0	0.9	0.9
Total		2.1	2.0	2.0
Derivative instruments				
Nominal value				
Interest rate derivatives			5.3	
Exchange rates				
Country	Currency	30.9.07	30.9.06	31.12.06
Russia	RUB	35.3490	33.9420	34.6800
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.7038	0.6960	0.6972
Lithuania	LTL	3.4528	3.4528	3.4528
Sweden	SEK	9.2147	9.2797	9.0404
Income statement				
quarterly,	Q3	Q2	Q1	Q4
Group, EUR millions	2007	2007	2007	2006
Continuing operations				
Revenue	308.6	294.2	311.4	389.6
Other operating income	9.7			0.4
Materials and consumables	-179.8	-164.0	-191.6	-215.6
Wages, salaries and employee benefits expenses	-47.6	-52.6	-50.8	-57.9
Depreciation	-8.9	-8.4	-9.1	-7.9
Other operating expenses	-50.0	-55.1	-51.7	-58.1
Operating profit	32.1	14.1	8.2	50.5

Finance income and expenses	-0.5	-0.8	-0.2	-0.5
Profit before tax	31.5	13.3	8.0	50.1
Income taxes	-8.1	-3.2	-1.9	-12.3
Profit for the period, continuing operations	23.5	10.2	6.1	37.8
Discontinued operations				
Profit for the period, discontinued operations				
Profit for the period	23.5	10.2	6.1	37.8
Earnings per share, continuing operations, EUR				
Basic	0.43	0.18	0.11	0.70
Diluted	0.42	0.18	0.11	0.69
Earnings per share, discontinued operations, EUR				
Basic				0.00
Diluted				-0.01
Earnings per share, total, EUR				
Basic	0.43	0.18	0.11	0.70
Diluted	0.42	0.18	0.11	0.68
	Q3	Q2	Q1	Q4
Sales, EUR millions	2007	2007	2007	2006
Department Store Division	275.5	261.0	281.2	363.4
Hobby Hall	45.9	46.0	55.6	55.5
Seppälä	45.4	43.5	34.6	45.3
Shared	0.2	0.2	0.2	0.2
Continuing operations, total	367.0	350.7	371.7	464.4
Discontinued operations Group	367.0	350.7	371.7	464.4
Revenue, EUR millions				
Department Store Division	232.2	219.6	236.3	305.5
Hobby Hall	38.2	38.1	46.2	46.1
Seppälä	37.8	36.1	28.7	37.5
Shared	0.5	0.4	0.1	0.5
Continuing operations, total	308.6	294.2	311.4	389.6
Discontinued operations Group	308.6	294.2	311.4	389.6
Operating profit, EUR millions				
Department Store Division	25.7	11.5	7.8	44.3
Hobby Hall	2.5	-0.9	1.5	3.4
Seppälä	5.5	5.8	0.8	7.3
Shared	-1.1	-2.1	-1.8	-3.8
Eliminations	-0.5	-0.1	0.0	-0.6
Continuing operations,	32.1	14.1	8.2	50.6

total				
Discontinued operations				
Group	32.1	14.1	8.2	50.6
Income statement				
quarterly,	Q3	Q2	Q1	Q4
Group, EUR millions	2006	2006	2006	2005
Continuing operations				
Revenue	281.1	299.5	269.4	379.3
Other operating income	0.0	4.7	0.0	7.0
Materials and consumables	-166.1	-170.8	-168.7	-214.3
Wages, salaries and	-44.2	-48.9	-48.3	-56.5
employee benefits expenses				
Depreciation	-7.9	-8.1	-8.0	-8.7
Other operating expenses	-43.0	-47.7	-43.7	-52.8
Operating profit	19.8	28.7	0.8	53.9
Finance income and expenses	0.5	-0.9	0.2	-2.0
Profit before tax	20.4	27.9	1.1	52.0
Income taxes	-5.0	-6.6	-0.3	-13.3
Profit for the period,	15.4	21.2	0.8	38.6
continuing operations				
Discontinued operations				
Profit for the period,		21.9	7.6	3.7
discontinued operations				
Profit for the period	15.4	43.1	8.4	42.4
Earnings per share,				
continuing operations, EUR				
Basic	0.29	0.39	0.01	0.72
Diluted	0.28	0.39	0.01	0.71
Earnings per share,				
discontinued operations,				
EUR				
Basic	-0.01	0.41	0.14	0.07
Diluted	0.00	0.40	0.14	0.07
Earnings per share, total,				
EUR				
Basic	0.28		0.15	0.79
Diluted	0.28	0.79	0.15	0.78
Sales, EUR millions	Q3	Q2	Q1	Q4
Department Store Division	2006	2006	2006	2005
Hobby Hall	249.0	270.8	235.8	344.3
Seppälä	45.5	46.2	52.6	63.4
Shared	40.2	40.2	32.4	45.1
Continuing operations,	0.2	0.3	0.2	0.2
total	334.9	357.6	320.9	453.1
Discontinued operations			74.8	117.4
Group	334.9	357.6	395.7	570.5
Revenue, EUR millions				

Department Store Division	209.8	227.4	198.5	289.0
Hobby Hall	37.8	38.4	43.6	52.6
Seppälä	33.2	33.3	26.8	37.3
Shared	0.2	0.4	0.5	0.5
Continuing operations, total	281.1	299.5	269.4	379.3
Discontinued operations Group	281.1	299.5	61.1 330.5	96.4 475.7
Operating profit, EUR millions				
Department Store Division	13.1	22.2	-0.1	37.8
Hobby Hall	2.1	0.6	1.0	4.3
Seppälä	5.4	7.6	0.8	14.5
Shared	-0.9	-1.9	-1.4	-3.3
Eliminations	0.1	0.2	0.6	0.6
Continuing operations, total	19.8	28.7	0.8	53.9
Discontinued operations Group	19.8	21.9 50.6	7.7 8.5	4.1 58.0

STOCKMANN plc

Hannu Penttilä
CEO

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A press and analyst conference will be held today, October 24, 2007, at 14.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.