Interim Report
Q1 2015

STOCKMANN

STOCKMANN plc, Interim Report 29.4.2015 at 8.00 EET

Many strategic steps taken – comparable revenue up, earnings still down on 2014

January-March 2015:
Consolidated revenue was EUR 380.4 million (EUR 395.6 million), down 3.8 per cent, or up 3.6 per cent at comparable exchange rates.
Operating result before depreciation (EBITDA) was EUR -29.5 million (EUR -25.7 million).
Operating result was EUR -49.9 million (EUR -43.9 million).
Result for the period was EUR -56.2 million (EUR -40.1 million).
Earnings per share came to EUR -0.78 (EUR -0.56).

As of 1 January 2015, Stockmann's real estate properties have been measured at their fair values, which increases e.g. the Group's non-current assets and equity in the balance sheet, depreciation and equity ratio. The revaluation is not applied retrospectively for 2014.

The outlook for 2015 remains unchanged: Due to planned structural changes, Stockmann expects the Group's revenue in 2015 to be down on 2014. The operating result excluding non-recurring items is expected to improve, but to remain negative in 2015 due to the performance of the Stockmann Retail division. Operating results for the Real Estate and Fashion Chains divisions are expected to be positive.

CEO Per Thelin:
Stockmann's turnaround back to profit has begun and several strategic steps have already been taken. Achieving our targets will take time, but there are signs that we are moving in the right direction. Stockmann's revenue at comparable exchange rates was up in the first quarter, and our department stores gained market share in our biggest product area, fashion. In Finland we achieved a good result in the Crazy Days campaign with sales growth in all of our focus areas; fashion, cosmetics, food and home. We have also received positive customer feedback on the improved service and new activities in the department stores.

Stockmann's new Real Estate division quickly got down to work. The first electronics store run by a tenant, Expert, will open in less than a month in the Helsinki flagship department store. We are working on introducing other new tenants to our store premises, in order to bring added value to the customer. Real Estate's first-quarter operating result was positive and up on 2014.

Seppälä's divestment took place on 1 April, and we are now focusing on our other fashion chain, Lindex. An important milestone for Lindex to be a truly international fashion brand was achieved in March when the first Lindex store opened in London, UK. Overall, Lindex continued its stable performance during the first quarter.

Many structural measures and cost savings are being planned and taken. Four department stores, one in Oulu and three in Moscow, will be closed down. We have launched an efficiency programme which targets annual cost savings of EUR 50 million. All these measures are needed, as the Group's first-quarter operating result was still down on the previous year. The decline was partly due to increased depreciation. The very weak Russian rouble also continued to negatively affect our operations. Despite this, I am confident that we are on the right track and that the effects of the new strategy will gradually start to show in our performance.

KEY FIGURES

	1-3/2015	1-3/2014	**1-12/2014**
Revenue, EUR mill.	**380.4**	395.6	1 844.5
Revenue growth, per cent	**-3.8**	-8.3	-9.5
Relative gross margin, per cent	**45.1**	45.5	46.6
Operating result, EUR mill.	**-49.9**	-43.9	-82.2
Net financial costs, EUR mill.	**5.3**	5.5	21.4
Result before tax, EUR mill.	**-55.1**	-49.3	-103.6
Result for the period, EUR mill.	**-56.2**	-40.1	-99.8
Earnings per share, undiluted, EUR	**-0.78**	-0.56	-1.39
Equity per share, EUR	**14.65**	11.44	10.55
Cash flow from operating activities, EUR mill.	**-65.2**	-112.9	29.6
Capital expenditure, EUR mill.	**16.5**	9.4	53.8
Net gearing, per cent	**84.3**	107.8	105.4
Equity ratio, per cent	**43.9**	39.9	39.3
Number of shares, undiluted, weighted average, 1 000 pc	**72 049**	72 049	72 049
Return on capital employed, rolling 12 months, per cent	**-4.7**	2.8	-4.9
Personnel, average	**14 026**	14 302	14 533

STRATEGY PROCESS

Stockmann continues the comprehensive turnaround of its business according to the strategic direction set in late 2014. As of 1 January 2015, Stockmann has been using a new reporting structure in order to better reflect the different business logics in the retail and real estate businesses. The new reporting segments are Stockmann Retail, Real Estate and Fashion Chains. Stockmann's goal is to change the company's legal structure in line with the new operating structure, and therefore the possibility of incorporating real estate and retail operations into separate subsidiaries is being investigated.

Stockmann Retail consists of the Stockmann department stores, the Academic Bookstore, Hobby Hall and their online stores. The division has an omnichannel focus on the Stockmann department stores and the stockmann.com online store, while a new owner is being sought for the Hobby Hall distance retail business. The future selection of the Stockmann department stores and the online store will have a stronger focus on fashion, cosmetics, home products and food in Stockmann Delicatessen. To enhance the customer experience, the offering will be complemented with attractive goods and services from tenants.

As an important part of the turnaround, Stockmann launched an efficiency programme in February 2015 with an annual cost savings target of EUR 50 million. The programme includes various measures to improve the profitability and competitiveness of Stockmann's core businesses. A significant share of the cost savings is expected to be achieved through personnel reductions which may affect up to 420 people in support functions in 2015 and 2016. In Finland, codetermination negotiations have been started on the potential reduction of at most 260 people in 2015. In Russia, 70 positions will be reduced during 2015. As a part of the programme, Stockmann decided in April to close down its department store in Oulu, Finland, at the latest in early 2017 and three department stores in the Mega shopping centres in Moscow by the end of 2016.

The Real Estate division comprises the Group's real estate holdings in Helsinki, St Petersburg, Tallinn and Riga which are used by the Stockmann department stores and external tenants. Stockmann has decided to withdraw from its own electronics offering and to lease retail space in its department stores to Expert ASA Oy. Expert will open its store in the Helsinki city centre department store in May, in Turku in June and in Tampere in September 2015.

The Fashion Chains division comprises Lindex and until 1 April 2015 also Seppälä, which was sold to Seppälä's CEO and her husband. The transaction was completed on 1 April 2015 according to the memorandum of understanding signed on 2 February 2015. Lindex's operations will be developed independently of the rest of the Stockmann Group, under its own Board of Directors.

REVENUE AND EARNINGS

The retail market in Stockmann's main markets, in particular in Finland, remained weak in the first quarter of 2015. The fashion market during the quarter was down 3.7 per cent from the previous year in Finland (TMA index) and up 1.2 per cent in Sweden (Stilindex). The market environment in Russia continued to be insecure, and the rouble remained almost 50 per cent weaker than it was in the first quarter of 2014. The retail market in the Baltic countries, on the other hand, continued to be relatively stable during the quarter.

The Stockmann Group's first-quarter revenue was down 3.8 per cent, to EUR 380.4 million (EUR 395.6 million), since the Russian rouble, the Swedish krona and the Norwegian krone were all weaker than in 2014. Revenue at comparable exchange rates was up 3.6 per cent.

Revenue in Finland was up 7.6 per cent, to EUR 205.1 million (EUR 190.6 million). The increase was due to the Crazy Days campaign which this year took place earlier, in March.

In international operations, revenue was down 14.5 per cent and amounted to EUR 175.3 million (EUR 205.0 million). At comparable exchange rates the Group's revenue was down 0.2 per cent. International operations accounted for 46.1 per cent (51.8 per cent) of the total revenue.

The Group's gross profit in the quarter amounted to a total of EUR 171.7 million (EUR 180.1 million). The gross margin was 45.1 per cent (45.5 per cent). The gross margin was up in the Fashion Chains, but down in Stockmann Retail.

Operating costs were down EUR 4.6 million due to decreased personnel costs, and amounted to EUR 201.2 million (EUR 205.7 million). Operating costs were 52.9 per cent of revenue (52.0 per cent). Depreciation was EUR 20.4 million (EUR 18.2 million). The increase was due to a change in the valuation of the real estate properties and an accelerated depreciation schedule of the Mega department stores in Russia.

The consolidated operating result for January–March was EUR -49.9 million (EUR -43.9 million). The operating result was up in the Real Estate division, but down in Stockmann Retail and the Fashion Chains. Most of the decline took place in the Baltic countries, while the result was slightly up in Russia.

Net financial expenses during the quarter were down EUR 0.2 million, to EUR 5.3 million (EUR 5.5 million). Non-recurring foreign exchange gains amounted to EUR 0.3 million (EUR 0.1 million).

The result before taxes for the quarter was EUR -55.1 million (EUR -49.3 million). The result for the quarter was EUR -56.2 million (EUR -40.1 million).

Earnings per share for January-March amounted to EUR -0.78 (EUR -0.56) and, diluted for options, EUR -0.78 (EUR -0.56). Equity per share was EUR 14.65 (EUR 11.44).

REVENUE AND EARNINGS BY DIVISION

Since 1 January 2015, Stockmann's new divisions and reportable segments have been Stockmann Retail, Real Estate and Fashion Chains. Previously, Stockmann Retail and Real Estate were reported together as the Department Store Division. Also Stockmann's real estate properties have been reported according to their fair market value since 1 January 2015. The revaluation of properties is shown for illustrative purposes in the segments' comparison data for 2014, although revaluation is not applied retrospectively for 2014. The comparison also illustrates the key figures if Stockmann Retail had paid rent to the Real Estate division on the facilities in its use in the properties in the centre of Helsinki. The figures include the actual rent paid on properties in St Petersburg, Tallinn and Riga.

Stockmann Retail

Stockmann Retail's revenue in the first quarter was EUR 232.6 million (EUR 235.2 million). Revenue at comparable exchange rates was up 6.9 per cent. The euro-denominated revenue was down 1.1 per cent due to the weak Russian rouble.

Revenue in Finland was up 10.5 per cent, to EUR 177.6 million (EUR 160.7 million). The growth was due to the timing of the Crazy Days sales campaign, which this year was arranged in March, instead of April as in the previous year. Campaign sales in all of Stockmann's key product areas (fashion, cosmetics, food and home) were up on the previous year. As a consequence of a smaller selection of electronics, the total campaign sales in Finland were down by 5.5 per cent.

Euro-denominated revenue from international operations was down 25.8 per cent, to EUR 55.3 million (EUR 74.6 million) and accounted for 23.8 per cent (31.7 per cent) of the division's total revenue. The decline was mainly due to the weak Russian rouble. Revenue at comparable exchange rates was down 3.5 per cent. In the Baltic countries, revenue was somewhat lower. In the first quarter of 2014, trade was boosted in Latvia when the country joined the euro. In Russia and in the Baltic countries the Crazy Days campaign took place after the first quarter, in April, as in 2014.

The gross margin during the quarter was 34.9 per cent (35.6 per cent). The gross margin was up in Russia due to currency adjustments to pricing, but down in Finland due to sales campaigns.

Operating costs were down EUR 1.6 million, and amounted to EUR 104.7 million (EUR 106.2 million). Stockmann Retail's operating result in January-March was EUR -30.5 million (EUR -28.9 million).

Real Estate

Real Estate's revenue in the first quarter was EUR 14.6 million (EUR 14.9 million). The decline took place in Nevsky Centre as a consequence of the weaker Russian rouble. Net operating income from Stockmann's own properties, which is operating income less maintenance expenses, was EUR 11.8 million (EUR 11.1 million) in the quarter. Net rental yield was 5.2 per cent (4.8 per cent).

Stockmann owns five properties with a gross leasable area (GLA) of approximately 144 000 square metres in total, of which 42 per cent is in Finland. Around 75 per cent of the GLA is used by Stockmann Retail, and the rest is used by external tenants. The occupancy rate for the properties totalled 99.0 per cent at the end of quarter. The average rent was EUR 32.95 per square metre.

On 1 January 2015 the fair value of Stockmann's properties amounted to EUR 908.3 million. At the end of the quarter, the revalued amount was EUR 901.6 million, which is the fair value less the subsequent accumulated depreciation. The weighted average market yield requirement used in the fair value calculation was 6.0 per cent.

Operating costs were down and as a consequence, Real Estate's operating profit in January-March was EUR 4.6 million (EUR 3.9 million).

Fashion Chains

Lindex's revenue in the first quarter was EUR 127.0 million (EUR 132.7 million), down 4.3 per cent due to the weakened Swedish krona. Revenue at comparable exchange rates was up 2.4 per cent. Revenue grew in all countries apart from the Baltic countries.

Lindex's gross margin was 61.7 per cent (60.8 per cent). The increase was due to lower markdowns than in the previous year.

Operating costs were slightly down due to currency effects. Lindex's operating result in January-March was EUR -10.8 million (EUR -10.2 million). The decline was due to the lower sales volume.

Seppälä's first-quarter revenue was EUR 15.3 million (EUR 21.1 million), down 27.7 per cent mainly due to the closed stores. At the end of the quarter Seppälä had 47 fewer stores than it did in the previous year, which is 24 per cent of the total store network. Seppälä's gross margin was 45.7 per cent (43.5 per cent) and operating result was EUR -12.1 million (EUR -10.1 million). Seppälä was divested on 1 April 2015.

Fashion Chains' total revenue in the quarter was EUR 142.3 million (EUR 153.8 million). The gross margin for the quarter was 60.0 per cent (58.4 per cent) and the division's operating result in January-March was -23.0 million (EUR -20.3 million).

FINANCING AND CAPITAL EMPLOYED

Cash and cash equivalents totalled EUR 15.4 million at the end of the first quarter, compared with EUR 17.9 million a year earlier. Cash flow from operating activities came to EUR -65.2 million (EUR -112.9 million).

In the consolidated balance sheet at 31 March 2015, Hobby Hall's and Seppälä's assets and liabilities are classified as assets held for sale. Net working capital excluding cash and cash equivalents as well as assets held for sale amounted to EUR 69.1 million at the end of March, compared with EUR 190.6 million a year earlier. Inventories were EUR 257.1 million (EUR 336.8 million). Stock levels were lower than in the previous year both in Stockmann Retail and Fashion Chains. In Stockmann Retail, the timing of the Crazy Days campaign in Finland had a significant impact on the quarter-end stock level.

Current receivables were EUR 86.4 million (EUR 131.9 million). The decline was due to classifying Hobby Hall's and Seppälä's current receivables as assets held for sale. Non-interest-bearing liabilities amounted to EUR 274.4 million (EUR 278.2 million).

Interest-bearing liabilities at the end of the quarter were EUR 908.0 million (EUR 907.1 million). Long-term debt amounted to EUR 650.2 million (EUR 600.4 million). In addition, the Group has EUR 261.7 million in undrawn, long-term committed credit facilities and EUR 372.0 million in uncommitted, short-term credit facilities.

The equity ratio was 43.9 per cent (39.9 per cent) at the end of the first quarter. The increase was due to a change in the valuation of the real estate properties. Net gearing at the end of March was 84.3 per cent (107.8 per cent). At the end of 2014, the equity ratio was 39.3 per cent and net gearing was 105.4 per cent.

The return on capital employed over the past 12 months was -4.7 per cent (-4.9 per cent in 2014). The Group's capital employed was EUR 1 963.6 million at the end of the quarter compared with EUR 1 731.6 million a year earlier.

CAPITAL EXPENDITURE

Capital expenditure during the first quarter of the year totalled EUR 16.5 million (EUR 9.4 million). Depreciation was EUR 20.4 million (EUR 18.2 million). The increase was due to a change in the valuation of the real estate properties and an accelerated depreciation schedule of the Mega department stores in Russia.

Stockmann Retail's capital expenditure for the quarter was EUR 10.4 million (EUR 3.8 million). A major part of this capital expenditure was used for the automation technology in the new distribution centre. Two Stockmann Beauty cosmetic stores were closed during the quarter. The rest of the Beauty stores will be closed down by the end of May 2015.

Real Estate's capital expenditure totalled EUR 0.1 million (EUR 0.4 million) and was due to property maintenance.

Lindex's capital expenditure was EUR 5.7 million (EUR 4.5 million). Six new stores were opened during the first quarter. Lindex opened its first store in the UK, in the Westfield Stratford City shopping centre in London, and entered a new market in Kosovo with a new franchising partner. It also opened one store in Sweden, one in Lithuania, one in the Czech Republic and one franchising store in the United Arab Emirates. Three stores were closed during the quarter: one in Sweden, one in Russia and one in Poland.

Seppälä's capital expenditure was EUR 0.1 million (EUR 0.3 million). Seppälä closed 22 stores during the quarter: 12 in Finland, 2 in Latvia, 4 in Lithuania and 4 in Russia.

The Group's other capital expenditure came to a total of EUR 0.2 million (EUR 0.4 million), and a major part of this capital expenditure was used for the new financial management systems.

STORE NETWORK

Stockmann Group	Total 31.12.2014	New stores in Q1 2015	Closed stores in Q1 2015	**Total 31.3.2015**
Department stores*	16			**16**
Stockmann Beauty stores	11		2	**9**
Hobby Hall and outlet stores in the Department Store Division	2			**2**
Lindex stores	491	6	3	**494**
of which franchising	36	2	0	**38**
of which own stores	455	4	3	**456**
Seppälä stores	175	0	22	**153**

* Academic Bookstores are included in the department stores in Finland.

NEW PROJECTS

Capital expenditure for 2015 is estimated to be approximately EUR 70 million, mostly for the expansion and refurbishment of Lindex's stores, automation technology in Stockmann's new distribution centre, IT system renewals as well as property and store concept renewals. Depreciation for 2015 is estimated to total over EUR 80 million (EUR 71 million). The increase will be due to the fair market valuation of the real estate.

Lindex will continue to expand, with a net addition of 10-15 (net) stores in 2015, including franchising stores. Lindex will close down all its stores in Russia by the end of 2016.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Stockmann plc, held in Helsinki on 19 March 2015, adopted the financial statements for the financial year 1 January - 31 December 2014, granted discharge from liability to the responsible officers and, in accordance with the proposal of the Board of Directors, resolved not to pay a dividend for the financial year 2014.

The Annual General Meeting resolved that eight members be elected to the Board of Directors. In accordance with the Board's Appointments and Compensation Committee's proposal, CEO Kaj-Gustaf Bergh, Managing Director Kari Niemistö, Charlotta Tallqvist-Cederberg, M.Sc. (Econ.), Per Sjödell, M.Sc. (Econ.), Carola Teir-Lehtinen, M.Sc., and Managing Director Dag Wallgren were re-elected as members of the Board of Directors. Following the announcement by Chief Strategy Officer Kjell Sundström and Professor Eva Liljeblom that they will no longer be available as members, Torborg Chetkovich, Managing Director of Swedavia AB, and Jukka Hienonen, M.Sc. (Econ.), were elected as new members. The Board members' term of office will continue until the end of the next Annual General Meeting. It was resolved to keep the Board members' fixed annual remuneration unchanged, and the remuneration will continue to be paid mainly in shares.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to appoint a Shareholders' Nomination Board to prepare proposals for the next Annual General Meeting on the composition and remuneration of the Board of Directors. The Shareholders' Nomination Board will consist of representatives appointed by each of the four largest shareholders. In addition, the Chairman of the Board of Directors will serve as an expert member. Once the members of the Shareholders' Nomination Board have been appointed, the company will announce its composition by means of a stock exchange release.

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

The Annual General Meeting also resolved to amend Article 2 of the Articles of Association.

The Board of Directors, which convened after the Annual General Meeting, re-elected CEO Kaj-Gustaf Bergh as its Chairman, and Managing Director Kari Niemistö as its Vice Chairman. The Board has assessed the independence of its members in accordance with Recommendation 15 in the Finnish Corporate Governance Code. According to the assessment all eight members of the Board elected at the Annual General Meeting are independent of the company. Five of the company's board members are independent of major shareholders (Jukka Hienonen, Torborg Chetkovich, Kari Niemistö, Per Sjödell and Carola Teir-Lehtinen).

The Board of Directors decided to establish an Audit Committee and a Compensation Committee among its members. Dag Wallgren was elected as Chairman of the Audit Committee, and Carola Teir-Lehtinen and Jukka Hienonen were elected as the other members of the committee. Kaj-Gustaf Bergh was elected as Chairman of the Compensation Committee and Kari Niemistö, Charlotta Tallqvist-Cederberg and Dag Wallgren as the other members of the committee.

SHARES AND SHARE CAPITAL

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

The share capital of Stockmann plc totalled EUR 144.1 million at the end of the first quarter (EUR 144.1 million). The market capitalization was EUR 526.2 million (EUR 768.3 million). At the end of 2014 the market capitalization stood at EUR 460.1 million.

At the end of March, the price of a Stockmann's Series A share was EUR 7.24, compared with EUR 6.42 at the end of 2014, and the price of a Series B share was EUR 7.35, compared with EUR 6.36 at the end of 2014. A total of 0.2 million (0.2 million) Series A shares and 5.9 million (5.5 million) Series B shares were traded on Nasdaq OMX Helsinki during the quarter. This corresponds to 0.6 per cent of the average number of Series A shares and 14.2 per cent of the average number of Series B shares.

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

At the end of March 2015, Stockmann had 54 811 shareholders, compared with 58 033 a year earlier. Stockmann did not receive any flagging announcements arising from changes in major shareholdings during the quarter.

PERSONNEL

The Group's average number of personnel in the first quarter was 14 026 (14 302), which is 276 less than in the same period in 2014. The number of personnel was down in Russia. The average number of employees, in terms of full-time equivalents, decreased by 610 to a total of 10 446 (11 056). The decline took place both in Finland and Russia.

At the end of March, the Group had 14 925 employees (14 307). The increase was due to seasonal employees in Stockmann Retail due to the timing of the Crazy Days campaign. The number of personnel working abroad was 8 081 (8 331) which was 54 per cent (58 per cent) of the total.

The Group's wages and salaries amounted to EUR 71.6 million, compared with EUR 76.3 million a year earlier. The total employee benefits expenses were EUR 92.2 million (EUR 97.5 million) which is equivalent to 24.2 per cent (24.6 per cent) of revenue.

CHANGES IN MANAGEMENT

Petteri Naulapää, M.Sc. (Tech) (born 1968) was appointed Chief Information Officer and a member of Stockmann's Management Team as of 1 May 2015. He is currently Chief Information Officer at Vaisala.

Nora Malin, M.Pol.Sc. (born 1975) was appointed a member of the Stockmann's Management Team as of 2 April 2015. She has been the Group's Corporate Communications Director since 2013 and has been employed by the company since 2010.

Heini Pirttijärvi, Director of Human Resources, and Kjell Sundström, Chief Strategy Officer, who were both members of the Management Team, left Stockmann at the beginning of April. Katri Koro will act as temporary Director of Human Resources.

Executive Vice President and CFO Pekka Vähähyyppä resigned from his post in April. He will leave Stockmann at the latest on 14 August.

RISK FACTORS

Stockmann is exposed to risks that arise from the operating environment, risks related to the company's own operations and financial risks. The general economic situation is affecting consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Rapid and unexpected movements in the markets may influence the behaviour of both the financial actors and consumers. Uncertainties related to the general economic situation, particularly those related to consumers' purchasing power, and currency fluctuations are considered to be the principal risks that will continue to affect Stockmann during 2015.

Business risks in Russia are greater than in the Nordic countries or the Baltic countries. The operating environment is unstable and the crisis in Ukraine has considerably increased geopolitical tensions. Trade sanctions against Russia by the EU and the USA and counter-measures by Russia may further affect Stockmann's operations. A significant share of the products sold by Stockmann in Russia are imported, so trade sanctions would weaken Stockmann's business in the country. The weakened Russian rouble will continue to have a negative impact on consumers' purchasing power.

A weak operating environment may also cause a decline in rental income from tenants and in the occupancy rate of properties. These may have an effect on the fair value of the real estate.

Fashion accounts for over two thirds of the Group's revenue. An inherent feature of the fashion trade is the short life cycle of products and their dependence on trends, the seasonality of sales and the susceptibility to abnormal changes in weather conditions. Responsible management of the supply chain is important for the Group's brands in order to retain customer confidence in Stockmann. The Group addresses these factors as part of its day-to-day management of operations.

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 manage these operational risks by developing appropriate back-up systems and alternative ways of operating, and by seeking to minimize disturbances to information systems. Operational risks are also met by taking out insurance cover.

The Group's revenue, earnings and balance sheet are affected by changes in exchange rates between the Group's reporting currency, which is the euro, and the Swedish krona, the Norwegian krone, the Russian rouble, the US dollar and certain other currencies. Currency fluctuations may have a significant effect on the Group's business operations. Financial risks, including risks arising from interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors.

OUTLOOK FOR 2015

The Russian rouble has weakened considerably and economic growth in Russia is expected to remain at a low level in 2015, having a continuously negative impact on consumers' purchasing power. The weak purchasing power is also expected to decrease the number of Russian shoppers in Finland and in the Baltic countries. The crisis in Ukraine, sanctions against Russia and their counter-measures may further affect the Russian economy during the year. As a consequence, the outlook for the Russian retail market remains very uncertain.

In Finland, no growth is expected in the retail market in 2015. The demand for non-food products, in particular, remains uncertain. Purchasing power is estimated to remain low, which will have a negative effect on consumer purchasing behaviour.

The affordable fashion market in Sweden and the retail market in the Baltic countries are expected to remain relatively stable. Low consumer confidence may, however, affect consumers' willingness to make purchases in all market areas.

Stockmann's new strategy aims at improving the Group's long-term competitiveness and profitability. An efficiency programme has been launched with an annual cost savings target of EUR 50 million. The effects will start to be reflected in Stockmann's performance mostly beginning in 2016.

Capital expenditure for 2015 is estimated to be approximately EUR 70 million. The operating result will be adversely affected by the increase in depreciation, due to the fair market valuation of the real estate. Depreciation for 2015 is estimated to total over EUR 80 million.

Due to planned structural changes, Stockmann expects the Group's revenue in 2015 to be down on 2014. The operating result excluding non-recurring items is expected to improve, but to remain negative in 2015 due to the performance of the Stockmann Retail division. Operating results for the Real Estate and Fashion Chains divisions are expected to be positive.

Helsinki, Finland, 29 April 2015

STOCKMANN plc
Board of Directors

CONDENSED FINANCIAL STATEMENTS AND NOTES

ACCOUNTING POLICIES

This Interim Report has been prepared in compliance with IAS 34. Since 1 January 2015, Stockmann's new divisions and reportable segments have been Stockmann Retail, Real Estate and Fashion Chains. Previously, Stockmann Retail and Real Estate were reported together as the Department Store Division. The previous year's segment reporting figures used for comparison have been adjusted accordingly.

As of 1 January 2015, Stockmann has applied the revaluation model as prescribed by the IAS 16 standard to its properties, replacing the previously applied cost model. The properties are carried at their revalued amount, which is the fair value at the date of revaluation less accumulated depreciation. The increase in the carrying amount as a result of revaluation, net of tax liability, is recognised in the revaluation reserve in equity. Revaluation is not applied retrospectively but the figures used for comparison in the segment reporting have been adjusted accordingly for illustrative purposes.

For the other parts, accounting policies and calculation methods applied are the same as those in the 2014 financial statements. The figures are unaudited.

CONSOLIDATED INCOME STATEMENT

EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
REVENUE	**380.4**	395.6	1 844.5
Other operating income	**0.0**	−0.0	−0.0
Materials and consumables	**−208.7**	−215.5	−984.6
Wages, salaries and employee benefits expenses	**−92.2**	−97.5	−383.3
Deprecation, amortisation and impairment losses	**−20.4**	−18.2	−71.0
Other operating expenses	**−109.0**	−108.3	−487.8
Total expenses	**−430.3**	−439.5	−1 926.7
OPERATING PROFIT/LOSS	**−49.9**	−43.9	−82.2
Finance income	**0.1**	0.1	1.3
Finance expenses	**−5.4**	−5.6	−22.7
Total finance income and expenses	**−5.3**	−5.5	−21.4
PROFIT/LOSS BEFORE TAX	**−55.1**	−49.3	−103.6
Income taxes	**−1.0**	9.2	3.8
PROFIT/LOSS FOR THE PERIOD	**−56.2**	−40.1	−99.8
Profit/loss for the period attributable to:			
Equity holders of the parent company	**−56.2**	−40.1	−99.8
Non-controlling interest	**0.0**	0.0	0.0
EPS, undiluted, adjusted for share issue, EUR	**−0.78**	−0.56	−1.39
EPS, diluted, adjusted for share issue, EUR	**−0.78**	−0.56	−1.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
PROFIT/LOSS FOR THE PERIOD	**−56.2**	−40.1	−99.8
Net other comprehensive income which will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/losses on defined benefit pension liability, before-tax			−0.0
Remeasurement gains/losses on defined benefit pension liability, tax	**0.0**	0.0	0.0
Remeasurement gains/losses on defined benefit pension liability, net-of-tax			−0.0
Changes in revaluation surplus (IAS 16), before-tax	**438.3**		
Changes in revaluation surplus (IAS 16), tax	**−88.3**		
Changes in revaluation surplus (IAS 16), net-of-tax	**350.0**		
Net other comprehensive income which will be reclassified to profit or loss in subsequent periods			
Exchange differences on translating foreign operations, before-tax	**1.2**	−1.9	−9.3
Exchange differences on translating foreign operations, tax	**0.1**	−0.1	−0.8
Exchange differences on translating foreign operations, net-of-tax	**1.3**	−2.0	−10.1
Cash flow hedges, before-tax	**0.1**	0.7	5.1
Cash flow hedges, tax	**−0.0**	−0.1	−1.1
Cash flow hedges, net-of-tax	**0.1**	0.5	4.0
Other comprehensive income for the period, net of tax	**351.4**	−1.5	−6.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**295.2**	−41.6	−105.9
Total comprehensive income attributable to:			
Equity holders of the parent company	**295.2**	−41.6	−105.9
Non-controlling interest	**0.0**	0.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR mill.	**31.3.2015**	31.3.2014	31.12.2014
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Trademark	**97.9**	101.6	96.8
Intangible rights	**56.2**	37.0	60.0
Other intangible assets	**3.8**	3.0	3.9
Advance payments and construction in progress	**3.0**	26.1	3.3
Goodwill	**756.4**	785.3	748.1
Intangible assets, total	**917.3**	953.1	912.2
Property, plant and equipment			
Land and water	**139.1**	42.1	43.1
Buildings and constructions	**762.6**	436.6	426.9
Machinery and equipment	**81.1**	90.1	80.9
Modification and renovation expenses for leased premises	**24.9**	31.2	26.5
Advance payments and construction in progress	**15.0**	6.8	13.2
Property, plant and equipment, total	**1 022.7**	606.7	590.5
Non-current receivables	**3.3**	0.5	3.4
Available-for-sale investments	**8.0**	7.9	7.8
Deferred tax asset	**25.5**	16.8	25.9
NON-CURRENT ASSETS, TOTAL	**1 976.7**	1 585.0	1 539.7
CURRENT ASSETS			
Inventories	**257.1**	336.8	239.3
Current receivables			
Interest-bearing receivables	**2.8**	39.9	2.4
Income tax receivables	**5.1**	11.3	2.0
Non-interest-bearing receivables	**78.5**	80.7	75.7
Current receivables, total	**86.4**	131.9	80.1
Cash and cash equivalents	**15.4**	17.9	29.3
CURRENT ASSETS, TOTAL	**358.9**	486.6	348.8
ASSETS CLASSIFIED AS HELD FOR SALE	**71.4**	0.0	48.0
ASSETS, TOTAL	**2 406.9**	2 071.7	1 936.5

EUR mill.	**31.3.2015**	31.3.2014	31.12.2014
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**144.1**	144.1	144.1
Share premium fund	**186.1**	186.1	186.1
Revaluation surplus	**350.0**	0.0	0.0
Invested unrestricted equity fund	**250.4**	250.5	250.4
Other funds	**47.4**	43.9	47.4
Translation reserve	**−4.6**	2.1	−5.9
Retained earnings	**82.2**	197.9	138.3
Equity attributable to equity holders of the parent company	**1 055.6**	824.5	760.4
Non-controlling interest	**0.0**	0.0	0.0
EQUITY, TOTAL	**1 055.6**	824.5	760.4
NON-CURRENT LIABILITIES			
Deferred tax liabilities	**150.0**	61.4	62.0
Non-current interest-bearing financing liabilities	**650.2**	600.4	613.2
Provisions for pensions	**0.0**	0.1	0.0
Non-current non-interest-bearing liabilities and provisions	**0.4**	0.4	0.3
NON-CURRENT LIABILITIES, TOTAL	**800.6**	662.3	675.5
CURRENT LIABILITIES			
Current interest-bearing financing liabilities	**257.8**	306.7	220.7
Current non-interest-bearing liabilities			
Trade payables and other current liabilities	**242.6**	274.9	237.2
Income tax liabilities	**1.7**	3.1	0.0
Current provisions	**19.6**	0.2	30.8
Current non-interest-bearing liabilities, total	**263.9**	278.2	268.1
CURRENT LIABILITIES, TOTAL	**521.7**	584.9	488.8
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**29.0**	0.0	11.8
LIABILITIES, TOTAL	**1 351.2**	1 247.2	1 176.1
EQUITY AND LIABILITIES, TOTAL	**2 406.9**	2 071.7	1 936.5

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/loss for the period	**−56.2**	−40.1	−99.8
Adjustments for:			
Depreciation, amortisation and impairment losses	**20.4**	18.2	71.0
Gains (-) and losses (+) of disposals of fixed assets and other non-current assets	**0.2**	0.5	4.8
Interest and other financial expenses	**5.3**	5.6	22.7
Interest income	**−0.1**	−0.1	−1.3
Income taxes	**1.0**	−9.2	−3.8
Other adjustments	**−0.7**	0.0	30.8
Working capital changes:			
Increase (-) /decrease (+) in inventories	**−16.7**	−50.0	13.7
Increase (-) / decrease (+) in trade and other current receivables	**−92.2**	−2.6	42.5
Increase (+) / decrease (-) in current liabilities	**89.7**	−24.2	−19.7
Interest expenses paid	**−6.7**	−8.1	−20.9
Interest received from operating activities	**0.1**	0.1	0.2
Other financing items from operating activities	**−6.9**	−1.6	−1.6
Income taxes paid from operating activities	**−2.5**	−1.5	−9.0
Net cash from operating activities	**−65.2**	−112.9	29.6
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible and intagible assets	**−16.9**	−9.5	−55.1
Proceeds from sale of tangible and intangible assets	**0.1**	0.0	0.0
Dividends received from investing activities	**0.0**	0.0	0.1
Net cash used in investing activities	**−16.8**	−9.5	−55.0
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from current liabilities	**239.5**	280.6	207.4
Repayment of current liabilities	**−211.8**	−328.5	−332.9
Proceeds from non-current liabilities	**36.3**	405.2	478.2
Repayment of non-current liabilities	**−0.1**	−256.1	−298.9
Payment of finance lease liabilities	**−0.7**	−0.8	−0.5
Dividends paid	**0.0**	0.0	−28.8
Net cash used in financing activities	**63.2**	100.5	24.5
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**−18.9**	−22.0	−0.9
Cash and cash equivalents at the beginning of the period	**29.3**	33.9	33.9
Cheque account with overdraft facility	**−4.1**	−6.1	−6.1
Cash and cash equivalents at the beginning of the period	**25.3**	27.8	27.8
Net increase/decrease in cash and cash equivalents	**−18.9**	−22.0	−0.9
Effects of exchange rate fluctuations on cash held	**0.0**	−0.1	−1.7
Cash and cash equivalents at the end of the period	**15.4**	17.9	29.3
Cheque account with overdraft facility	**−9.0**	−12.1	−4.1
Cash and cash equivalents at the end of the period	**6.4**	5.8	25.3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Revaluation surplus	Translation diffe-rences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2014	144.1	186.1	−0.5	250.5	43.9		4.1	266.8	**894.9**	0.0	**894.9**
Dividend distribution								−28.8	**−28.8**		**−28.8**
Options exercised								0.0	**0.0**		**0.0**
Other changes								0.0	**0.0**		**0.0**
Comprehensive income for the period											
Profit/loss for the period								−40.1	**−40.1**		**−40.1**
Changes in revaluation surplus (IAS 16)											
Exchange differences on translating foreign operations							−2.0		**−2.0**		**−2.0**
Cash flow hedges			0.5						**0.5**		**0.5**
Total comprehensive income for the period*			0.5				−2.0	−40.1	**−41.6**		**−41.6**
SHAREHOLDERS' EQUITY 31.3.2014	144.1	186.1	−0.0	250.5	43.9		2.1	197.9	**824.5**	0.0	**824.5**

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Revaluation surplus	Translation diffe-rences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2014	144.1	186.1	−0.5	250.5	43.9		4.1	266.8	**894.9**	0.0	**894.9**
Dividend distribution								−28.8	**−28.8**		**−28.8**
Options exercised								0.2	**0.2**		**0.2**
Share premium				−0.0					**−0.0**		**−0.0**
Other changes								0.0	**0.0**		**0.0**
Comprehensive income for the period											
Profit/loss for the period								−99.8	**−99.8**		**−99.8**
Changes in revaluation surplus (IAS 16)											
Remeasurement gains/losses on defined benefit pension liability								−0.0	**−0.0**		**−0.0**
Exchange differences on translating foreign operations							−10.1		**−10.1**		**−10.1**
Cash flow hedges			4.0						**4.0**		**4.0**
Total comprehensive income for the period*			4.0				−10.1	−99.8	**−105.9**		**−105.9**
SHAREHOLDERS' EQUITY 31.12.2014	144.1	186.1	3.4	250.4	43.9		−5.9	138.3	**760.4**	0.0	**760.4**

EUR mill.	Share capital	Share premum fund	Hedging reserve*	Reserve for unrestricted equity	Other reserves	Revaluation surplus	Translation diffe-rences	Retained earnings	**Total**	Non-controlling interest	**Total**
SHAREHOLDERS' EQUITY 1.1.2015	144.1	186.1	3.4	250.4	43.9		−5.9	138.3	**760.4**	−0.0	**760.4**
Comprehensive income for the period											
Profit/loss for the period								−56.2	**−56.2**		**−56.2**
Changes in revaluation surplus (IAS 16)						350.0			**350.0**		**350.0**
Exchange differences on translating foreign operations							1.3		**1.3**		**1.3**
Cash flow hedges			0.1						**0.1**		**0.1**
Total comprehensive income for the period*			0.1			350.0	1.3	−56.2	**295.2**		**295.2**
SHAREHOLDERS' EQUITY 31.3.2015	144.1	186.1	3.5	250.4	43.9	350.0	−4.6	82.2	**1 055.6**	−0.0	**1 055.6**

* Adjusted with deferred tax liability

GROUP'S OPERATING SEGMENTS*

Revenue, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
Stockmann Retail	**232.6**	235.2	1 075.3
Fashion Chains	**142.3**	153.8	743.2
Real Estate	**14.6**	14.9	59.4
Segments total	**389.4**	403.8	1 877.9
Unallocated	**0.0**	0.1	0.1
Eliminations	**−9.0**	−8.3	−33.6
Group total	**380.4**	395.6	1 844.5
Operating profit/loss, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
Stockmann Retail	**−30.5**	−28.9	−68.6
Fashion Chains	**−23.0**	−20.3	0.0
Real Estate	**4.6**	3.9	15.9
Segments total	**−48.8**	−45.3	−52.6
Unallocated	**−1.0**	−1.5	−41.3
Group total	**−49.9**	−46.7	−93.9
Reconcilitation to reported operating profit/loss:			
Change in depreciation (IAS 16)		2.9	11.7
Reported Group total		−43.9	−82.2
Reconciliation to the item profit/loss before tax:			
Financial income	**0.1**	0.1	1.3
Financial expenses	**−5.4**	−5.6	−22.7
Consolidated profit/loss before tax, Group total	**−55.1**	−49.3	−103.6
Depreciation, amortisation and impairment losses, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
Stockmann Retail	**6.8**	6.4	25.3
Fashion Chains	**6.1**	7.0	26.7
Real Estate	**6.9**	7.0	27.8
Segments total	**19.8**	20.4	79.9
Unallocated	**0.6**	0.7	2.8
Group total	**20.4**	21.1	82.7
Capital expenditure, gross, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
Stockmann Retail	**10.4**	3.8	27.2
Fashion Chains	**5.8**	4.8	21.4
Real Estate	**0.1**	0.4	1.7
Segments total	**16.3**	9.0	50.3
Unallocated	**0.2**	0.4	3.5
Group total	**16.5**	9.4	53.8
Assets, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–31.12.2014
Stockmann Retail	**347.4**	420.2	316.6
Fashion Chains	**1 051.4**	1 111.3	1 050.2
Real Estate	**909.0**	928.1	908.3
Segments total	**2 307.8**	2 459.6	2 275.1
Unallocated	**27.7**	61.4	51.7
Non-current assets classified as held for sale	**71.4**		48.0
Group total	**2 406.9**	2 521.0	2 374.8

* Segment information for 2014 is adjusted for comparison purposes

INFORMATION ON MARKET AREAS

Revenue, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.32014	1.1.–31.12.2014
Finland 1)	**205.1**	190.6	882.8
Sweden and Norway 2)	**99.6**	104.5	513.7
Baltic countries and Central Europe 1) *	**33.7**	35.0	161.0
Russia 1)	**42.1**	65.4	286.9
Group total	**380.4**	395.6	1 844.5
Finland %	**53.9%**	48.2%	47.9%
International operations %	**46.1%**	51.8%	52.1%

Operating profit/loss, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.32014	1.1.–31.12.2014
Finland 1)	**−25.3**	−24.2	−95.7
Sweden and Norway 2)	**−4.5**	−4.5	38.6
Baltic countries and Central Europe 1) *	**−6.2**	−3.0	−1.1
Russia 1)	**−13.9**	−15.1	−35.8
Group total	**−49.9**	−46.7	−93.9
Finland %	**50.7%**	51.8%	101.8%
International operations %	**49.3%**	48.2%	−1.8%

Non-current assets, EUR mill.	**1.1.–31.3.2015**	1.1.–31.3.32014	1.1.–31.12.2014
Finland 1)	**796.5**	793.3	825.5
Sweden and Norway 2)	**805.0**	840.3	796.5
Baltic countries and Central Europe 1) *	**133.8**	120.8	124.6
Russia 1)	**223.4**	263.9	303.1
Group total	**1 958.7**	2 018.2	2 049.8
Finland %	**40.7%**	39.3%	40.3%
International operations %	**59.3%**	60.7%	59.7%

1) Stockmann Retail, Real Estate, Fashion Chains
2) Fashion Chains
* Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland
** Segment information for 2014 is adjusted for comparison purposes

EXCHANGE RATES OF EURO

Closing rate for the period	**31.3.2015**	31.3.2014	31.12.2014
RUB	**62.4400**	48.7800	72.3370
LTL	**1.0000**	3.4528	3.4528
NOK	**8.7035**	8.2550	9.0420
SEK	**9.2901**	8.9483	9.3930
Average rate for the period	**1.1.–31.3.2015**	1.1.–31.3.2014	1.1.–3112.2014
RUB	**71.0205**	48.0719	51.0421
LTL	**1.0000**	3.4528	3.4528
NOK	**8.7352**	8.3462	8.3561
SEK	**9.3804**	8.8570	9.0980

KEY FIGURES OF THE GROUP

	31.3.2015	31.3.2014	31.12.2014
Equity ratio, per cent	**43.9**	39.9	39.3
Net gearing, per cent	**84.3**	107.8	105.4
Cash flow from operating activities per share, EUR	**−0.91**	−1.57	0.41
Interest-bearing net debt, EUR mill.	**887.1**	849.3	799.4
Number of shares at the end of the period, thousands	**72 049**	72 049	72 049
Weighted average number of shares, thousands	**72 049**	72 049	72 049
Weighted average number of shares, diluted, thousands	**72 049**	72 049	72 049
Market capitalization, EUR mill.	**526.2**	768.3	460.1
Operating profit/loss, per cent of revenue	**−13.1**	−11.1	−4.5
Equity per share, EUR	**14.65**	11.44	10.55
Return on equity, rolling 12 months, per cent	**−12.3**	5.5	−12.1
Return on capital employed, rolling 12 months, per cent	**−4.7**	2.8	−4.9
Average number of employees, converted to full-time equivalents	**10 923**	11 056	11 094
Capital expenditure, EUR mill.	**16.5**	9.4	53.8

DEFINITIONS OF KEY FIGURES:

Equity ratio, per cent $= 100 \times \dfrac{\text{Equity + minority interest}}{\text{Total assets – advance payments received}}$

Net gearing, per cent $= 100 \times \dfrac{\text{Interest-bearing liabilities – cash and cash equivalents – non-current interest-bearing receivables}}{\text{Equity total}}$

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

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

Earnings per share, adjusted for share issue $= \dfrac{\text{Profit before tax – minority interest – income taxes}}{\text{Average number of shares, adjusted for share issue}}$

Return on equity, per cent, rolling 12 months $= 100 \times \dfrac{\text{Profit for the period (12 months)}}{\text{Equity + minority interest (average over 12 months)}}$

Return on capital employed, per cent, rolling 12 months $= 100 \times \dfrac{\text{Profit before taxes + interest and other financial expenses (12 months)}}{\text{Capital employed (average over 12 months)}}$

INFORMATION PER QUARTER

Consolidated income statement per quarter

EUR mill.	**Q1 2015**	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenue	**380.4**	548.5	405.0	495.3	395.6	607.8	454.4	543.6
Other operating income	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and consumables	**-208.7**	-308.3	-203.9	-256.8	-215.5	-307.1	-229.6	-276.5
Wages, salaries and employee benefits expenses	**-92.2**	-99.7	-87.3	-98.9	-97.5	-106.2	-89.6	-101.7
Depreciation, amortisation and impairment losses	**-20.4**	-17.3	-17.2	-18.2	-18.2	-19.2	-18.4	-18.3
Other operating expenses	**-109.0**	-150.3	-111.4	-117.8	-108.3	-127.0	-106.2	-117.0
Operating profit/loss, EUR mill.	**-49.9**	-27.1	-14.8	3.5	-43.9	48.3	10.7	30.1
Finance income	**0.1**	0.8	0.2	0.1	0.1	0.3	3.8	-1.0
Finance expenses	**-5.4**	-4.8	-4.9	-7.4	-5.6	-9.3	-7.9	-7.5
Total financial income and expenses	**-5.3**	-4.0	-4.7	-7.3	-5.5	-9.0	-4.1	-8.5
Profit/loss before tax	**-55.1**	-31.1	-19.5	-3.8	-49.3	39.3	6.5	21.6
Income taxes	**-1.0**	-7.0	5.9	-4.3	9.2	-2.8	22.4	-2.1
Profit/loss for the period	**-56.2**	-38.1	-13.6	-8.1	-40.1	36.5	28.9	19.5

Earnings per share per quarter

EUR	**Q1 2015**	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Undiluted	**-0.78**	-0.53	-0.19	-0.11	-0.56	0.51	0.40	0.27
Diluted	**-0.78**	-0.53	-0.19	-0.11	-0.56	0.51	0.40	0.27

Segment information per quarter **

EUR mill.	**Q1 2015**	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenue								
Stockmann Retail	**232.6**	345.5	207.5	287.0	235.2	392.1	245.2	325.1
Fashion Chains	**142.3**	196.9	190.9	201.6	153.8	215.9	209.4	218.7
Real Estate	**14.6**	15.0	14.8	15.2	14.9	0.0	0.0	0.0
Unallocated	**0.0**	-0.1	0.1	0.1	0.1	-0.1	-0.2	-0.2
Eliminations	**-9.0**	-8.8	-8.3	-8.5	-8.4	0.0	0.0	0.0
Group total	**380.4**	548.5	405.0	495.3	395.6	607.8	454.4	543.6
Operating profit/loss, EUR mill.								
Stockmann Retail	**-30.5**	-1.8	-23.6	-14.2	-28.9	34.0	-3.6	11.6
Fashion Chains	**-23.0**	2.9	4.2	13.2	-20.3	17.6	16.1	22.3
Real Estate	**4.6**	3.9	3.6	4.4	3.9	0.0	0.0	0.0
Unallocated	**-1.0**	-34.9	-2.1	-2.8	-1.5	-3.3	-1.8	-3.8
Group total	**-49.9**	-29.9	-17.9	0.6	-46.7	48.3	10.7	30.1

Information on market areas

EUR mill.	**Q1 2015**	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Revenue								
Finland 1)	**205.1**	280.8	179.9	231.4	190.6	307.5	206.0	258.3
Sweden and Norway 2)	**99.6**	137.8	129.0	142.4	104.5	149.7	140.1	148.9
Baltic countries and Central Europe 1) *	**33.7**	48.1	36.5	41.5	35.0	48.1	37.1	42.5
Russia 1)	**42.1**	81.9	59.6	80.0	65.4	102.5	71.3	93.9
Group total	**380.4**	548.5	405.0	495.3	395.6	607.8	454.4	543.6
Finland %	**53.9%**	51.2%	44.4%	46.7%	48.2%	50.6%	45.3%	47.5%
International operations %	**46.1%**	48.8%	55.6%	53.3%	51.8%	49.4%	54.7%	52.5%
Operating profit/loss								
Finland 1)	**-25.3**	-39.3	-17.6	-14.5	-24.2	16.5	-1.0	2.2
Sweden and Norway 2)	**-4.5**	12.9	10.2	19.9	-4.5	22.4	17.3	23.4
Baltic countries and Central Europe 1) *	**-6.2**	1.0	0.2	0.7	-3.0	4.5	0.7	1.0
Russia 1)	**-13.9**	-4.5	-10.8	-5.5	-15.1	4.9	-6.2	3.5
Group total	**-49.9**	-29.9	-17.9	0.6	-46.7	48.3	10.7	30.1

1) Stockmann Retail, Real Estate, Fashion Chains
2) Fashion Chains Division
* Estonia, Latvia, Lithuania, Czech Republic, Slovakia, Poland
** Segment information for 2014 is adjusted to comparable

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS OFF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Contingent liabilities of the Group, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Mortages on land and buildings	**1.7**	1.7	1.7
Pledges and guarantees	**8.0**	8.3	7.9
Liabilities of adjustments of VAT deductions made on investments to immovable property	**16.7**	19.5	19.9
Total	**26.4**	29.4	29.5

Lease agreements on the Group´s business premises, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	**180.4**	178.0	180.1
After one year	**760.1**	681.6	758.9
Total	**940.5**	859.6	939.0

Group´s lease payments, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Within one year	**0.6**	0.5	0.6
After one year	**1.3**	1.2	1.3
Total	**1.9**	1.7	1.9

Group´s derivate contracts, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Nominal value			
Currency derivatives	**483.6**	466.6	432.5
Electricity derivates	**2.1**	0.5	1.5
Total	**485.7**	467.1	434.1

CONSOLIDATED ASSETS AND GOODWILL

Assets, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Acquisition cost at the beginning of the period	**1 960.6**	2 060.6	2 060.6
Fair value valuation of the real estate	**438.3**		
Acquisition cost at the beginning of the period total	**2 398.9**	2 060.6	2 060.6
Translation difference +/-	**12.3**	−9.8	−59.8
Increases during the period	**16.5**	9.4	53.8
Decreases during the period	**−1.1**	−2.9	−92.6
Transfers between items during the period	**0.0**	−0.0	0.0
Transfers to non-current assets classified as held for sale	**−20.3**		−1.5
Acquisition cost at the end of the period	**2 406.4**	2 057.4	1 960.6
Accumulated depreciation and impairment losses at the beginning of the period	**−457.9**	−482.3	−482.3
Translation difference +/-	**−2.3**	0.6	6.9
Depreciation on reductions during the period	**0.5**	2.4	87.7
Accumulated depreciation on transfers to non-current assets classified as held for sale	**13.7**		0.6
Depreciation, amortisation and impairment losses during the period	**−20.4**	−18.2	−71.0
Accumulated depreciation and impairment losses at the end of the period	**−466.4**	−497.6	−457.9
Carrying amount at the beginning of the period	**1 502.7**	1 578.3	1 578.3
Carrying amount at the end of the period	**1 940.0**	1 559.8	1 502.7

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

Goodwill, EUR mill.	31.3.2015	31.3.2014	31.12.2014
Acquisition cost at the beginning of the period	**748.1**	793.2	793.2
Translation difference +/-	**8.3**	−7.9	−45.1
Acquisition cost at the end of the period	**756.4**	785.3	748.1
Carrying amount at the beginning of the period	**748.1**	793.2	793.2
Carrying amount at the end of the period	**756.4**	785.3	748.1

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

Financial assets, EUR mill.	Level	**Carrying amount 31.3.2015**	**Fair value 31.3.2015**	Carrying amount 31.3.2014	Fair value 31.3.2014	Carrying amount 31.12.2014	Fair value 31.12.2014
Derivative contracts, hedge accounting applied	2	**4.5**	**4.5**	0.4	0.4	4.4	4.4
Financial assets at fair value through profit or loss							
Derivative contracts, hedge accounting not applied							
Currency derivatives	2	**2.3**	**2.3**	4.2	4.2	6.6	6.6
Electricity derivatives	1						
Financial assets at amortized cost							
Non-current receivables		**3.3**	**3.3**	0.5	0.5	3.4	3.4
Current receivables, interest-bearing		**2.8**	**2.8**	39.9	39.9	2.4	2.4
Current receivables, non-interest-bearing		**71.8**	**71.8**	76.2	76.2	64.7	64.7
Cash and cash equivalents		**15.4**	**15.4**	17.9	17.9	29.3	29.3
Available-for-sale financial assets	3	**8.0**	**8.0**	7.9	7.9	7.8	7.8
Financial assets, total		**107.9**	**107.9**	147.0	147.0	118.6	118.6

Financial liabilities, EUR mill.	Level	**Carrying amount 31.3.2015**	**Fair value 31.3.2015**	Carrying amount 31.3.2014	Fair value 31.3.2014	Carrying amount 31.12.2014	Fair value 31.12.2014
Derivative contracts, hedge accounting applied	2	**0.0**	**0.0**	0.4	0.4		
Financial liabilities at fair value through profit or loss							
Derivative contracts, hedge accounting not applied							
Currency derivatives	2	**1.9**	**1.9**	0.8	0.8	0.4	0.4
Electricity derivatives	1	**0.2**	**0.2**	0.2	0.2	0.2	0.2
Financial liabilities at amortized cost							
Non-current interest-bearing liabilities	2	**650.2**	**647.0**	600.4	599.7	613.2	607.2
Current liabilities, interest-bearing	2	**257.8**	**258.0**	306.7	307.3	220.7	221.0
Current liabilities, non-interest-bearing		**240.6**	**240.6**	273.6	273.6	236.7	236.7
Financial liabilities, total		**1 150.6**	**1 147.7**	1 182.1	1 182.1	1 071.2	1 065.6

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

There haven't been any transfers between the levels during the financial year.

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

Change in fair value of available-for-sale financial assets, EUR mill.	**31.3.2015**	31.3.2014	31.12.2014
Carrying amount Jan. 1	**7,8**	7,9	7,9
Translation difference +/-	**0,0**	0,0	0,0
Increases	**0,3**	0,0	0,0
Sale of shares	**−0,1**	0,0	0,0
Total	**8,0**	7,9	7,8

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