STOCKMANN GROUP'S
INTERIM REPORT Q2/2011

STOCKMANN GROUP'S INTERIM REPORT, 1 January - 30 June 2011

Revenue continued to grow, operating result yet below last year

April - June 2011:
Consolidated revenue grew by 13.0 per cent to EUR 510.2 million (EUR 451.7 million).
Operating profit was EUR 25.6 million (EUR 30.9 million).

January - June 2011:
Consolidated revenue grew by 11.4 per cent to EUR 917.9 million (EUR 824.3 million).
Operating result was EUR -4.4 million (EUR 21.8 million).
Result for the period was EUR -20.1 million (EUR 27.9 million).
Earnings per share came to EUR -0.28 (EUR 0.39).

CEO Hannu Penttilä:
"The Stockmann Group continued increasing its revenue in the second quarter of 2011. The good level of consumer confidence, combined with our recently opened new department stores in St Petersburg and Ekaterinburg, boosted growth in the Department Store Division. In Finland the department stores gained market share in fashion in particular.

The market for affordable fashion is still weak and resulted in lower than anticipated revenue for our fashion chains, Lindex and Seppälä. Despite this, Lindex was able to gain market share in its main markets of Sweden, Norway, and Finland.

Our Q2 operating profit fell below that of last year as revenue growth was not sufficient to cover increased depreciation and the costs of expansion and accelerating inflation, nor the lower relative gross margin. The earnings trend has turned in a positive direction, however. We expect the second half of 2011, and especially the last quarter, to outperform the previous year. Despite the weak first half-year, the Group is still targeting a full-year operating profit that is above the previous year's figure. This is a challenging target, however, and can only be realized if there is no significant slowdown in economic growth for the rest of 2011."

Key figures

	4-6/ 2011	4-6/ 2010	1-6/ 2011	1-6/ 2010	1-12/ 2010
Revenue, EUR mill.	510.2	451.7	917.9	824.3	1 821.9
Revenue growth, %	13.0	5.1	11.4	5.3	7.3
Relative gross margin, %	49.5	51.3	48.6	50.1	49.9
Operating profit, EUR mill.	25.6	30.9	-4.4	21.8	88.8
Net financial costs, EUR mill.	9.2	3.2	17.5	3.8	14.6
Profit before tax, EUR mill.	16.4	27.8	-21.9	18.0	74.2
Profit for the period, EUR mill.	14.7	25.7	-20.1	27.9	78.3
Earnings per share, undiluted, EUR	0.21	0.36	-0.28	0.39	1.10
Equity per share, EUR			11.31	11,71	12,45
Cash flow from operating activities, EUR mill.	70.9	57.8	-74.6	-16.1	91.8
Capital expenditure, EUR mill.	15.2	34.1	39.0	72.7	165.4
Net gearing, %			114.9	93.1	87.7
Equity ratio, %			39.1	43.3	43.1
Number of shares, undiluted, weighted average, 1 000 pc			71 150	71 094	71 120
Return on capital employed, rolling 12 months			3.8	6.7	5.8
Personnel, average	16 072	15 104	15 812	14 607	15 164

REVENUE AND EARNINGS

The global economy as a whole continued to develop favourably during the reporting period but the uncertainty in the market has affected consumer behaviour and consumer demand in certain product categories. The demand for affordable fashion was lower than last year particularly in Sweden. In Russia the Group's market share grew mainly due to new department stores. The positive market development in the Baltic countries strengthened.

The Stockmann Group's January-June revenue grew by 11.4 per cent to EUR 917.9 million (1-6/2010: EUR 824.3 million). Revenue in Finland was up by 4.3 per cent to EUR 471.0 million. Revenue in other countries amounted to EUR 446.9 million, an increase of 19.9 per cent. Growth was strong in Russia in particular, mainly due to the Nevsky Centre shopping centre and the St Petersburg department store which were opened in November 2010. Revenue abroad grew to 48.7 per cent (45.2 per cent) of the Group's total revenue.

The Group's January-June gross margin grew by EUR 32.9 million, to a total of EUR 446.1 million (EUR 413.2 million). The relative gross margin was 48.6 per cent (50.1 per cent). Expansion and accelerating inflation have raised the costs. Operating costs increased by EUR 50.5 million and depreciation by EUR 8.6 million. The consolidated operating result for January-June was down by EUR 26.2 million, to EUR -4.4 million (EUR 21.8 million).

The Stockmann Group's April-June revenue grew by 13.0 per cent to EUR 510.2 million (4-6/2010: EUR 451.7 million). The relative gross margin was 49.5 per cent (51.3 per cent). Operating costs increased by EUR 22.8 million and depreciation by EUR 3.7 million. The operating profit for the quarter was EUR 25.6 million (EUR 30.9 million).

Net financial expenses during the reporting period grew by EUR 13.7 million, reaching EUR 17.5 million (1-6/2010: EUR 3.8 million). The growth was due to increased interest-bearing liabilities and the rise in the market interest rates. In addition, net financial expenses were burdened by non-recurring foreign exchange losses of EUR 1.7 million. A year earlier, net financial expenses were reduced by non-recurring foreign exchange gains of EUR 4.8 million.

The result before taxes for the period was EUR -21.9 million (EUR 18.0 million). A tax credit of EUR 1.8 million was booked on the loss posted for the period. In the previous year, the positive effect of taxes on earnings was EUR 9.9 million which includes a tax credit due to an unrealised exchange rate loss. The result for the period was EUR -20.1 million (EUR 27.9 million).

Earnings per share for January-June amounted to EUR -0.28 (EUR 0.39) and, diluted for options, EUR -0.28 (EUR 0.39). Equity per share was EUR 11.31 (EUR 11.71).

REVENUE AND EARNINGS PERFORMANCE BY OPERATING SEGMENT

Department Store Division

The Department Store Division's revenue in January-June was up by 14.4 per cent to EUR 562.4 million (EUR 491.5 million). Revenue in Finland was up by 5.6 per cent to EUR 396.1 million (EUR 375.2 million). Revenue grew clearly in fashion, particularly at the enlarged department store in Helsinki city centre.

Euro-denominated revenue from international operations grew by 42.9 per cent. Revenue in international operations accounted for 29.6 per cent (23.7 per cent) of the Division's total revenue. Revenue in Russia was up significantly due to the new department stores in St Petersburg and Ekaterinburg and the strong performance of the newest department stores in Moscow. In the Baltic countries, the revenue of department stores also developed favourably.

The January-June relative gross margin remained at a good level, at 40.6 per cent (41.0 per cent). The Department Store Division's operating result amounted to EUR -7.2 million (EUR 0.6 million).

Costs and depreciation were clearly higher than in the same period a year earlier due to the expansion.

Revenue in April-June grew by 15.3 per cent to EUR 306.0 million (EUR 265.5 million). The relative gross margin was 41.3 per cent (42.1 per cent). The operating profit for the quarter was EUR 7.6, compared to EUR 8.8 million a year earlier.

Lindex

Lindex's January-June revenue totalled EUR 288.9 million, which was 9.5 per cent more than a year earlier (EUR 263.7 million). Revenue in Finland was up by 3.8 per cent and in other countries up by 10.3 per cent. Measured in like-for-like local currencies, revenue was up by 2.7 per cent. Revenue growth remained strong in the new markets in Central Europe and Russia. In Sweden the euro-denominated revenue grew due to the strengthening of the Swedish krona.

The relative gross margin for the review period decreased to 61.8 per cent (64.3 per cent). At the end of June, Lindex had 434 stores or 22 stores more than a year earlier. Due to the expansion of the store network, fixed costs and depreciation grew faster than the increase in the gross margin. Lindex's January-June operating profit was EUR 9.4 million (EUR 21.6 million).

Revenue in the second quarter grew by 11.8 per cent to EUR 165.6 million (EUR 148.1 million). Revenue in Sweden and Norway developed relatively well despite the weak general market. Measured in like-for-like local currencies, revenue was up by 6.5 per cent. The relative gross margin was down at 61.6 per cent (64.3 per cent), however, due to actions to boost sales and increased purchasing prices. The operating profit for the quarter was EUR 17.3 million, compared to EUR 19.5 million a year earlier.

Seppälä

Seppälä's revenue in the reporting period decreased by 3.4 per cent compared with the previous year, to EUR 66.2 million (EUR 68.5 million). Revenue was down by 5.4 per cent in Finland and up 0.5 per cent in other countries. The growth was strongest in the Baltic countries. Deliveries to the Russian market were delayed in the start of the reporting period due to capacity issues in the Far East procurement market. Revenue abroad accounted for 35.8 per cent (34.3 per cent) of Seppälä's total revenue. At the end of June, Seppälä had 228 stores which is 9 stores more than a year earlier.

The relative gross margin for January-June was 58.6 per cent (59.9 per cent). The decrease was due to actions to boost sales at the beginning of the reporting period and higher purchasing prices compared to the previous year, in particular. Seppälä's January-June operating result was EUR -2.3 million (EUR 3.9 million).

Revenue in the second quarter grew by 1.6 per cent to EUR 38.3 million (EUR 37.7 million). The relative gross margin remained at a good level and was 62.1 per cent (62.5 per cent). The operating result for the quarter was EUR 2.6 million, compared to EUR 4.8 million a year earlier.

FINANCING AND CAPITAL EMPLOYED

Cash and cash equivalents totalled EUR 34.1 million at the end of June 2011, as against EUR 31.9 million a year earlier. Cash flow from operating activities came to EUR -74.6 million (EUR -16.1 million) in January-June and EUR 70.9 million (EUR 57.8 million) in April-June.

Net working capital grew and amounted to EUR 191.2 million at the end of June, as against EUR 140.4 million a year earlier. Opening of the new units and timely autumn deliveries from Far East increased the inventories. Strengthening of Swedish and Norwegian currencies also had an effect on the increase. Due to seasonal variation the Group's net working capital is lowest at the end of the year. Net working capital stood at EUR 79.5 million at the end of 2010.

Interest-bearing liabilities at the end of June were EUR 967.4 million (EUR 807.4 million), of which EUR 553.4 million (EUR 541.2 million) was long-term debt. In addition, the Group has EUR 357.9 million in undrawn, long-term committed credit facilities. At the close of 2010, interest-bearing liabilities amounted to EUR 813.3 million, of which EUR 521.3 million was long-term debt.

The 2010 dividend of EUR 58.3 million, decided by the Annual General Meeting on 22 March 2011, was paid in April.

At the end of June, the equity ratio was 39.1 per cent (43.3 per cent). Net gearing at the end of June was 114.9 per cent (93.1 per cent).

The return on capital employed over the past 12 months was 3.8 per cent (5.8 per cent in 2010). The Group's capital employed increased by EUR 136.7 million from the previous year's June, standing at EUR 1 778.8 million on 30 June 2011 (EUR 1 642.0 million).

CAPITAL EXPENDITURE

Capital expenditure in the first six months of the year totalled EUR 39.0 million (EUR 72.7 million) and in April-June EUR 15.2 million (EUR 34.1 million). Depreciation was EUR 38.0 million (EUR 29.4 million) in the reporting period and EUR 18.9 million (EUR 15.2 million) in the second quarter.

Stockmann opened a new department store in Ekaterinburg in Russia on 30 March 2011. The department store operates in leased premises in the Greenwich shopping centre and its retail space amounts to approximately 7 800 square metres. Stockmann invested EUR 14.7 million in the project, of which EUR 8.4 million was recognised in the reporting period.

The Department Store Division's new Russian logistics centre in Moscow was completed in the reporting period. The capital expenditure on the new centre totalled EUR 4.7 million and was fully recognised in January-June.

In December 2010, a decision was taken by the Department Store Division to acquire a new enterprise resource planning (ERP) system. This extensive project was launched in March 2011 and will last several years. A total of EUR 2.8 million was spent on the project during January-June.

Stockmann and the construction company OOO CSCEC ("Kitai Stroi"), which was responsible for building the Nevsky Centre shopping centre in St Petersburg, agreed in May 2011 on the final value of the contract for the construction project. The arbitration process in the International Court of Arbitration in Stockholm has been cancelled. Stockmann's final investment on the Nevsky Centre project, EUR 185 million, was according to the cost estimate.

The Department Store Division's capital expenditure during the first six months of the year totalled EUR 23.8 million (EUR 59.1 million).

Lindex opened nine stores during January-June, of which three in the second quarter: one in Russia, one in Poland and one in Finland. One store was closed down in Finland. In January, Lindex opened its online store in the entire area of the EU and in Norway in April. Lindex's fashion can now be purchased over the Internet in 28 European countries. Lindex's capital expenditure totalled EUR 11.4 million (11.6 million) in January-June.

Seppälä opened four new stores in the second quarter: one in Finland and three in Russia. One store in Finland was closed in the first quarter. Seppälä's capital expenditure totalled EUR 2.5 million (1.7 million).

The Group's other capital expenditure came to a total of EUR 1.4 million (EUR 0.4 million). The Group's financial management systems will be replaced gradually in connection with the renewal of the Department Store Division's ERP system.

NEW PROJECTS

The capital expenditure for the 2011 financial year is estimated to amount to approximately EUR 70 million (EUR 165.4 million in 2010) and to remain below the estimated depreciation for the full year.

Stockmann signed in 2010 a contract for the enlargement of its Tampere department store, which operates in leased premises. The enlargement of 4 000 square metres will increase the department store's retail space to 15 000 square metres. Stockmann's investment will be approximately EUR 6 million. The target for completing the enlargement is the year 2013.

In June 2011 Stockmann signed a preliminary agreement on the renewal of the Stockmann department store in Tapiola. The objective of the agreement is to open an enlarged and completely renewed department store in 2016 in a new building owned by the Tapiola Group, close by the existing department store property. The project is a part of a larger renewal plan for the Tapiola area and is taken further together with the owner of the property. The plans will be finalized during the city planning and building permit process.

Lindex estimates to open about 20 new stores during the rest of the year, bringing the number of new stores in 2011 to 30 stores, including franchising stores. Most of the new stores will be opened in Central Europe and in Russia. The first franchising store in Iceland will be opened at the end of this year.

Seppälä's target is to open three more stores in 2011, located in Russia and Finland. In total seven new stores will be opened during 2011.

SHARES AND SHARE CAPITAL

Stockmann has two series of shares. Series A shares each confer 10 votes, while Series B shares each confer one vote. The shares carry an equal right to dividends. The par value is EUR 2.00 per share. As of the end of the period, Stockmann had 30 627 563 Series A shares and 41 201 094 Series B shares, or a total of 71 828 657 shares.

In the reporting period 682 657 Series B shares were subscribed with the 2008 Loyal Customer share options. The subscription right was used by 17 510 Stockmann loyal customers. The new shares became subject to trade on the Nasdaq OMX Helsinki together with the old shares on 30 June 2011. As a consequence, Stockmann's share capital was increased by EUR 1 365 314. The share capital now totals EUR 143 657 314. The remaining 2008 Loyal Customer share options give a possibility to subscribe to 566 082 Series B shares in May 2012.

The company's market capitalization at the end of June 2011 was EUR 1 435.7 million. At the end of 2010 the market capitalization stood at EUR 2 047.1 million.

At the end of June, the price of Stockmann's Series A shares was EUR 20.59, compared with EUR 29.40 at the end of 2010, and the Series B shares were selling at EUR 19.54, as against EUR 28.30 at the end of 2010. A total of 0.2 million (0.7 million) A shares and 8.9 million (9.4 million) B shares were traded during January-June. This corresponds to 0.5 per cent of the average number of A shares and 21.6 per cent of the average number of B shares.

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

At the end of June 2011, Stockmann had 55 916 shareholders, compared with 44 155 a year earlier. The subscription of shares with Loyal Customer share options increased the number of shareholders. Stockmann did not receive any flagging announcements due to changes in major shareholdings in the reporting period.

PERSONNEL

The Stockmann Group's average number of personnel in January-June was 15 812, an increase of 1 205 employees on the same period in 2010. The average number of employees, in terms of full-time equivalents, increased by 938, to 12 018. The growth was mainly due to the opening of new department stores in Russia.

The Group's wages and salaries amounted to EUR 153.7 million, compared with EUR 139.3 million a year earlier. The employee benefits expenses totalled EUR 196.9 million (EUR 176.2 million) which accounted for 21.5 per cent (21.4 per cent) of revenue.

At the end of June 2011, the Group had 15 699 employees (14 825). The number of personnel working outside of Finland was 8 901 (8 120) which was 57 per cent (55 per cent) of the total.

The Group's CSR report for 2010 which includes the report on personnel was published in May 2011.

RISK FACTORS

Besides Finland, Sweden, Norway, Russia and the Baltic countries, the Stockmann Group also has business operations in the Czech Republic, Slovakia, Poland and Ukraine, in each of which operations are at their start-up phase. The general economic development is influencing consumers' purchasing behaviour and purchasing power in all of the Group's market areas. Rapid and unexpected movements in markets and the recent world events may influence the behaviour of both financial markets and consumers. In addition, increasing prices of necessity goods such as food and energy will increase inflation and can decrease the consumers' purchasing power. Consumer demand has still not recovered to its pre-downturn level.

Business risks in Russia are greater than in the Nordic countries or the Baltic countries, and the operating environment is less stable owing to factors such as the undeveloped state of business culture and the country's infrastructure. The role of the grey economy, particularly in the importation of consumer goods, is still considerable and plays a part in distorting competition. Russia's possible membership in the World Trade Organisation (WTO) would probably bring greater clarity to the competition environment, for instance via reductions in excise duties. The energy prices, mainly oil prices, have a significant impact on the development of the Russian economy.

China's growing role in the global economy and its rapidly developing domestic market have heated up the Far East procurement markets. Production capacity problems have eased but productions costs are still high.

Fashion accounts for over half of the Group's revenue. An inherent aspect 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. The Group addresses these factors as part of its day-to-day management of operations. With the exclusion of major exceptional situations, these factors are not expected to have a significant effect on the Group's revenue or earnings.

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

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

OUTLOOK FOR THE REST OF 2011

World economic growth has continued to stay relatively well on track, but concerns over the debt crises in the euro zone and the USA have made it more challenging to forecast how the markets will develop. This uncertainty can affect the purchasing behaviour of consumers, even though there is still a good level of consumer confidence in their own household economy within the Stockmann Group's main markets. When finance has been available, the focus of private consumption over the last six months has been particularly on the acquisition of large consumer durables such as apartments and cars. The grocery trade has also developed favourably, partly due to strong cost inflation.

The Russian markets are expected to continue to grow faster than those in the Nordic countries, while the positive growth of the consumer markets in the Baltic countries is also expected to continue. However, higher inflation will affect consumers' purchasing power in all markets.

The market for affordable fashion started more slowly in 2011 compared to the strong first quarter of 2010. Demand is expected to improve in the rest of the year, and to outperform the weak growth of the final months of 2010. The production capacity problems of the Far East procurement markets have eased, which means that the autumn deliveries have taken place on time and the Group's companies will not face the same kind of delivery delays as in autumn 2010. Price rise pressures have also decreased recently.

The capital expenditure projects of Stockmann's Department Store Division, completed in autumn 2010 and early 2011, will positively affect revenue for 2011. Several of the department stores in Russia are still in their start-up phase, however. The effect of these investments on the division's operating profit will only become visible from the last quarter of 2011 onwards.

The Stockmann Group expects its revenue to continue to grow for the rest of the year. In 2010, the Group's earnings improved substantially in the first half-year and particularly in the first quarter, whereas the earnings trend for the final months was unsatisfactory. Stockmann estimates that operating profit for the second half of 2011, and especially for its final quarter, will outperform the previous year.

The Group is still targeting an operating profit for 2011 that is up on the previous year. Its achievement will be challenging due to the weak earnings realized in the first half of the year and requires that there will be no significant slowdown in economic growth for the rest of 2011.

The Group's total capital expenditure in 2011 is estimated to be approximately EUR 70 million (EUR 165.4 million in 2010) and to remain below the estimated depreciation for the full year.

ACCOUNTING POLICIES

This Interim Report has been prepared in compliance with IAS 34. The accounting policies and calculation methods applied are the same as those in the 2010 financial statements. The figures are unaudited.

Helsinki, Finland, 10 August 2011
STOCKMANN plc

Board of Directors

Income statement, Group, EUR millions	1-6/2011	1-6/2010	1-12/2010
REVENUE	**917.9**	**824.3**	**1 821.9**
Other operating income	0.0	0.0	0.0
Materials and consumables	-471.8	-411.1	-913.0
Wages, salaries and employee benefits expenses	-196.9	-176.2	-361.9
Depreciation and amortisation	-38.0	-29.4	-61.8
Other operating expenses	-215.6	-185.8	-396.4
OPERATING PROFIT	**-4.4**	**21.8**	**88.8**
Finance income and expenses	-17.5	-3.8	-14.6
PROFIT/LOSS BEFORE TAX	**-21.9**	**18.0**	**74.2**
Tax on income from operations	1.8	9.9	4.2
PROFIT/LOSS FOR THE PERIOD	**-20.1**	**27.9**	**78.3**

Other comprehensive income, EUR mill.	1-06/2011	1-06/2010 *	1-12/2010
PROFIT/LOSS FOR THE PERIOD	**-20.1**	**27.9**	**78.3**
Other comprehensive income			
Exchange differences on translating foreign operations	-2.1	4.2	8.5
Cash flow hedges	0.2	1.6	-0.9
Other comprehensive income for the year net of tax	**-1.8**	**5.9**	**7.6**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-21.9**	**33.7**	**85.9**
Total comprehensive income attributable to:			
Equity holders of the parent	-21.9	33.7	85.9
Non-controlling interest	0.0	0.0	0.0

Key figures	30.6.2011	30.6.2010 *	31.12.2010
EPS undiluted (EUR), adjusted for share issue *	-0.28	0.39	1.10
EPS diluted (EUR), adjusted for share issue *	-0.28	0.39	1.09
Operating profit, per cent of turnover	-0.5	2.6	4.9
Equity per share, EUR	11.31	11.71	12.45
Return on equity, per cent, moving 12 months	3.7	11.3	9.0
Return on capital employed, per cent, moving 12 months	3.8	6.7	5.8
Average number of employees, converted to full-time staff	11 880	11 080	11 503
Investments, EUR millions	39.0	72.7	165.4

**) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Statement of financial position, EUR mill.	30.6.2011	30.6.2010 *	31.12.2010
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	119.9	112.5	122.3
Goodwill	766.0	737.7	783.8
Property, plant, equipment	718.9	668.2	726.0
Non-current receivables	0.7	0.6	0.8
Available for sale investments	5.0	5.0	5.0
Deferred tax asset	10.7	5.6	8.7
NON-CURRENT ASSETS	**1 621.1**	**1 529.6**	**1 646.7**
CURRENT ASSETS			
Inventories	258.5	210.1	240.3
Interest bearing receivables	63.5	64.1	41.4
Non-interest bearing receivables	102.8	88.9	88.7
Cash and cash equivalents	34.1	31.9	36.7
CURRENT ASSETS	**458.8**	**395.0**	**407.1**
ASSETS	**2 080.0**	**1 924.6**	**2 053.8**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	812.2	833.2	885.7
Non-controlling interest	-0.0	-0.0	-0.0
SHAREHOLDERS' EQUITY	**812.2**	**833.2**	**885.7**
LONG-TERM LIABILITIES			
Deferred tax liability	66.3	59.9	63.8
Long-term liabilities, interest-bearing	553.4	541.2	521.3
Provisions	0.5	1.4	0.2
NON-CURRENT LIABILITIES	**620.2**	**602.5**	**585.2**
CURRENT LIABILITIES			
Short-term interest-bearing liabilities	414.0	266.2	292.0
Short term interest-free liabilities	233.6	222.7	290.9
CURRENT LIABILITIES	**647.6**	**488.9**	**582.9**
TOTAL EQUITY AND LIABILITIES	**2 080.0**	**1 924.6**	**2 053.8**

Key figures	30.6.2011	30.6.2010 *	31.12.2010
Equity ratio, per cent	39.1	43.3	43.1
Net gearing, per cent	114.9	93.1	87.7
Cash flow from operations per share, EUR	-1.05	-0.23	1.29
Interest-bearing net debt, EUR mill.	869.8	711.4	735.1
Number of shares in the end of the period, thousands	71 829	71 146	71 146
Weighted average number of shares, thousands *	71 150	71 094	71 120
Weighted average number of shares, diluted, thousands *	71 496	71 780	71 897
Market capitalization, EUR mill.	1 435.7	1 852.1	2 047.1

**) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

STATEMENT OF CASH FLOWS, IFRS EUR millions	06/2011	06/2010	12/2010
Cash flows from operating activities			
Profit/loss for the period	**-20.1**	27.9	78.3
Adjustments for:			
Depreciation, amortisation & impairment loss	**38.0**	29.4	61.8
Gains (-) and Losses (+) of disposals of fixed assets and other non-current assets	**0.0**	0.0	0.1
Interest and other financial expenses	**17.7**	8.8	22.8
Interest income	**-0.2**	-5.0	-8.2
Tax on income from operations	**-1.8**	-9.9	-4.2
Other adjustments	**0.9**	0.4	-1.1
Working capital changes:			
Increase (-) / decrease (+) in inventories	**-20.0**	-8.6	-34.3
Increase (-) /decrease(+) in trade and other receivables	**-19.3**	-9.3	-1.1
Increase (+) / decrease (-) in short-term interest-free liabilities	**-52.2**	-30.9	15.7
Interest and other financial expenses paid	**-15.3**	-8.9	-22.5
Interest received	**0.1**	0.5	0.8
Other financing items	**0.0**	0.3	0.0
Income taxes paid	**-2.4**	-10.6	-16.4
Net cash from operating activities	**-74.6**	**-16.1**	**91.8**
Cash flows from investing activities			
Purchase of tangible and intagible assets	**-34.9**	-71.6	-166.7
Proceeds from sale of tangible and intangible assets	**0.2**	0.2	0.7
Purchase of investments			0.1
Loans granted	**-0.2**	0.0	0.0
Dividends received	**0.1**	0.2	0.3
Net cash used in investing activities	**-34.8**	**-71.3**	**-165.7**
Cash flows from financing activities			
Proceeds from issue of share capital	**6.1**	1.5	1.5
Proceeds from short-term borrowings	**166.4**	186.8	236.8
Repayment of short-term borrowings	**-76.7**	0.0	-50.3
Proceeds from long-term borrowings	**90.4**	9.4	518.8
Repayment of long-term borrowings	**-20.1**	-204.6	-721.8
Payment of finance lease liabilities	**-1.0**	-0.7	-1.5
Dividends paid	**-58.3**	-51.2	-51.2
Group contribution received and paid	**0.0**	0.0	0.0
Net cash used in financing activities	**106.8**	**-58.8**	**-67.7**
Net increase/decrease in cash and cash equivalents	**-2.6**	**-146.1**	**-141.6**
Cash and cash equivalents at beginning of the period	**36.7**	176.3	176.3
Cheque account with overdraft facility	**-0.3**	-0.5	-0.5
Cash and cash equivalents at beginning of the period	**36.4**	**175.8**	**175.8**
Net increase/decrease in cash and cash equivalents	**-2.6**	-146.1	-141.6
Effects of exchange rate fluctuations on cash held	**-0.3**	1.3	2.2
Cash and cash equivalents at the end of the period	**34.1**	31.9	36.7
Cheque account with overdraft facility	**-0.5**	-0.9	-0.3
Cash and cash equivalents at the end of the period	**33.5**	**31.0**	**36.4**

Statement of changes in equity, Group EUR millions 1 - 06 / 2010	Share capital*	Share premium fund	Hedging reserve**	Reserve for invested un restricted equity	Other reserves	Trans lationdiffe rences***	Retained earnings ***	Total	Non-controlling interest	Total
BALANCE AT BEGINNING OF THE PERIOD	142.2	186.1	0.0	243.3	44.1	-5.0	238.1	848.8	0.0	848.8
Changes in equity for										
Dividend distribution							-51.1	-51.1		-51.1
New share issue	0.1							0.1		0.1
Options exercised							0.4	0.4		0.4
Share premium				1.3				1.3		1.3
Total comprehensive income for the year	**0.0**		**1.6**			**4.3**	**27.7**	**33.6**	**0.0**	**33.6**
Other changes										
Deferred taxes' share of period movements										
Other changes							0.0	0.0		0.0
SHAREHOLDERS' EQUITY TOTAL 06 / 2010	**142.3**	**186.1**	**1.7**	**244.6**	**44.1**	**-0.7**	**215.2**	**833.2**		**833.2**

Statement of changes in equity, Group EUR millions 1 - 06 / 2011	Share capital*	Share premium fund	Hedging reserve**	Reserve for invested un restricted equity	Other reserves	Trans lationdiffe rences	Retained earnings	Total	Non-controlling interest	Total
BALANCE AT BEGINNING OF THE PERIOD	142.3	186.1	-0.6	244.6	43.8	3.5	266.0	885.7	0.0	885.7
Changes in equity for										
Dividend distribution							-58.3	-58.3		-58.3
New share issue	1.5							1.5		1.5
Options exercised							0.6	0.6		0.6
Share premium				4.6				4.6		4.6
Total comprehensive income for the year	**0.0**		**0.2**			**-2.1**	**-20.1**	**-21.9**	**0.0**	**-21.9**
Other changes										
Deferred taxes' share of period movements										
Other changes					0.1		0.0	0.1		0.1
SHAREHOLDERS' EQUITY TOTAL 06 / 2011	**143.8**	**186.1**	**-0.4**	**249.2**	**43.9**	**1.4**	**188.2**	**812.2**		**812.2**

**Including share issue.*
*** Adjusted with deferred tax liability.*
****) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Contingent liabilites, Group EUR millions	30.6.2011	30.6.2010	31.12.2010
Mortages on land and buildings	**201.7**	201.7	201.7
Pledges	**0.1**	0.3	0.5
Liabilities of adjustments of VAT deductions made on investments to immovable property	**34.6**	37.6	41.4
Total	**236.4**	**239.6**	**243.5**

Lease agreements on business premises, EUR millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	**135.2**	165.0	174.2
After one year	**653.3**	621.7	651.9
Total	**788.5**	786.7	826.0

Derivate contracts, EUR millions			
Within one year	**7.3**	5.8	7.3
After one year	**9.7**	15.8	12.8
Total	**17.0**	21.6	20.2

Derivate contracts, EUR millions			
Nominal value			
Currency derivatives	**515.9**	533.1	517.8
Electricity derivates	**2.7**	2.8	3.2
Total	**518.6**	535.9	521.0

Exchange rates				
Country				
Russia	RUB	**40.4000**	38.0282	40.8200
Latvia	LVL	**0.7093**	0.7093	0.7094
Lithuania	LTL	**3.4528**	3.4528	3.4528
Norway	NOK	**7.7875**	7.9725	7.8000
Sweden	SEK	**9.1739**	9.5259	8.9655

Segment information, Group EUR millions

Operating segments

Revenue	**1.1.-30.6.2011**	1.1.-30.6.2010	Change %	1.1.-31.12.2010
Department Store Division	562.4	491.5	14	1 099.9
Lindex	288.9	263.7	10	578.7
Seppälä	66.2	68.5	-3	143.2
Unallocated	0.4	0.5	-22	0.0
Group	**917.9**	**824.3**	**11**	**1 821.9**

Operating profit	**1.1.-30.6.2011**	1.1.-30.6.2010	Change %	1.1.-31.12.2010
Department Store Division	-7.2	0.6		32.9
Lindex	9.4	21.6		54.8
Seppälä	-2.3	3.9		9.0
Unallocated	-4.3	-4.3		-7.9
Eliminations	0.0	0.0		0.0
Group	**-4.4**	**21.8**		**88.8**

Investments, gross	**1.1.-30.6.2011**	1.1.-30.6.2010	Change %	1.1.-31.12.2010
Department Store Division	23.8	59.1	-60	131.1
Lindex	11.4	11.6	-2	28.2
Seppälä	2.5	1.7	47	4.7
Unallocated	1.4	0.4	281	1.4
Group	**39.0**	**72.7**	**-46**	**165.4**

Assets	**1.1.-30.6.2011**	1.1.-30.6.2010 **	Change %	1.1.-31.12.2010
Department Store Division	914.7	826.6	11	904.4
Lindex	1 005.8	952.2	6	1 005.9
Seppälä	107.2	107.5	0	108.3
Unallocated	52.2	40.1	30	35.2
Group	**2 080.0**	**1 926.4**	**8**	**2 053.8**

Information from market areas

Revenue	**1.1.-30.6.2011**	1.1.-30.6.2010	Change %	1.1.-31.12.2010
Finland 1)	471.0	451.6	4	987.8
Sweden and Norway 2)	237.8	219.1	9	480.6
Baltic states and Central Europe 1) *	62.9	56.1	12	123.7
Russia and Ukraine 1)	146.2	97.5	50	229.8
Group	**917.9**	**824.3**	**11**	**1 821.9**
Finland, %	*51.3*	*54.8*		*54.2*
International operations, %	*48.7*	*45.2*		*45.8*

Operating profit	**1.1.-30.6.2011**	1.1.-30.6.2010	Change %	1.1.-31.12.2010
Finland 1)	-0.9	10.7		44.9
Sweden and Norway 2)	14.9	23.2		57.1
Baltic states and Central Europe 1) *	-1.4	-2.0		1.0
Russia and Ukraine 1)	-17.0	-10.2		-14.2
Group	**-4.4**	**21.8**		**88.8**
Finland, %	*20.2*	*49.2*		*50.6*
International operations, %	*79.8*	*50.8*		*49.4*

1) Department store division, Lindex, Seppälä

2) Lindex

** Estonia, Latvia, Lithuania, Czech Republic. Slovakia, Poland*

***) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

Income statement, Group, quarterly, EUR millions	**Q1 2011**	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009 *	Q3 2009
Revenue	**510.2**	407.7	576.9	420.7	451.7	372.6	526.3	389.3
Other operating income	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Materials and consumables	**-257.5**	-214.3	-291.7	-210.2	-220.2	-190.9	-262.7	-201.0
Wages, salaries and employee benefits expenses	**-98.9**	-98.0	-102.9	-82.7	-90.4	-85.8	-90.8	-74.3
Depreciation and amortisation	**-18.9**	-19.1	-17.1	-15.3	-15.2	-14.2	-15.1	-14.0
Other operating expenses	**-109.3**	-106.2	-116.6	-94.0	-95.0	-90.8	-96.8	-82.3
Operating profit (loss)	**25.6**	-29.9	48.5	18.4	30.9	-9.2	60.8	17.7
Finance income and expenses	**-9.2**	-8.3	-4.2	-6.6	-3.2	-0.6	-5.2	-8.8
Profit (loss) before tax	**16.4**	-38.3	44.3	11.9	27.8	-9.8	55.6	8.9
Income taxes	**-1.7**	3.5	-7.3	1.5	-2.1	12.0	-17.0	8.0
Profit for the period	**14.7**	-34.8	37.1	13.4	25.7	2.2	38.6	16.9

Earnings per share, EUR								
Basic	**0.21**	-0.49	0.52	0.19	0.36	0.03	0.58	0.27
Diluted	**0.20**	-0.48	0.52	0.18	0.36	0.03	0.58	0.27

Revenue, EUR millions								
Department Store Division	**306.0**	256.4	373.4	235.0	265.5	226.0	332.0	215.6
Lindex	**165.6**	123.3	165.6	149.4	148.1	115.7	155.3	136.5
Seppälä	**38.3**	27.9	37.9	36.8	37.7	30.8	38.4	36.7
Unallocated	**0.3**	0.1	0.0	-0.5	0.5	0.1	0.5	0.6
Group	**510.2**	407.7	576.9	420.7	451.7	372.6	526.3	389.3

Operating profit (loss), EUR millions								
Department Store Division	**7.6**	-14.8	30.9	1.4	8.8	-8.2	33.5	-2.8
Lindex	**17.3**	-7.9	17.1	16.2	19.5	2.1	24.2	18.1
Seppälä	**2.6**	-4.9	2.8	2.2	4.8	-0.9	4.9	2.9
Unallocated	**-1.9**	-2.3	-2.3	-1.4	-2.2	-2.1	-1.7	-0.5
Group	**25.6**	-29.9	48.5	18.4	30.9	-9.2	60.8	17.7

**) Period's reference data has been adjusted by correction of mistake in financial periods 2008-2009. For more information: Stockmann financial statement 2010, note 30.*

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Assets

EUR mill.	**30.6.2011**	**30.6.2010**	**31.12.2010**
Acquisition cost at the beginning of the period	**1 125.5**	964.8	964.8
Translation difference +/-	**-2.8**	11.0	19.3
Increases during the period	**39.0**	72.7	165.4
Decreases during the period	**-8.1**	-18.0	-23.9
Transfers between items	**0.0**	-0.2	0.0
Acquisition cost at the end of the period	**1 153.6**	1 030.3	1 125.5
Accumulated depreciation at the beginning of the period	**-277.2**	-237.0	-237.0
Translation difference +/-	**0.0**	-1.1	-1.5
Depreciation on reductions	**0.4**	18.0	23.1
Depreciation during the period	**-38.0**	-29.4	-61.8
Accumulated depreciation at the end of the period	**-314.8**	-249.6	-277.2
Carrying amount at the beginning of the period	**848.3**	727.8	727.8
Carrying amount at the end of the period	**838.8**	780.7	848.3

Goodwill

EUR mill.	**30.6.2011**	**30.6.2010**	**31.12.2010**
Acquisition cost at the beginning of the period	**783.8**	685.4	685.4
Translation difference +/-	**-17.8**	52.2	98.4
Acquisition cost at the end of the period	**766.0**	737.7	783.8
Carrying amount at the beginning of the period	**783.8**	685.4	685.4
Carrying amount at the end of the period	**766.0**	737.7	783.8
Total	**1 604.7**	1 518.4	1 632.1

Definitions to key figures:

Equity ratio, per cent = 100 x Equity + minority interest / Total assets less advance payments received

Net gearing, per cent = 100 x Interest-bearing net financial liabilities / Equity total

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

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

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

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

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