Interim Report
1 January – 30 September 2010

Hannu Penttilä
CEO
Stockmann Group Q3/2010

- Q3 roughly as planned
- Sales growth continued, revenue up 8.1% to EUR 420.7 million
  - revenue increased in the Department Store Division (up 9.0%)
    and Lindex (up 9.5%), Seppälä on a par with the previous year
- Delays in autumn deliveries from the Far East (especially China and Bangladesh)
  - overheated supplier market and lack of raw materials (cotton, polyester) \(\rightarrow\) negative impact on sales
- Operating profit increased somewhat to EUR 18.4 million (EUR 17.7 million in 2009)
  - clear improvement in the Department Store Division while Lindex and Seppälä somewhat down on Q3/2009
- Q2 and Q3 are burdened by pre-opening costs for Nevsky Centre, Helsinki enlargement and stockmann.com
Stockmann Group 1–9/2010

- Revenue up 6.2 % to EUR 1 245 million
- Operating profit up 66% to EUR 40.2 million (EUR 24.3 million)
  - Department Store Division operating profit EUR 1.9 million (EUR -10.7 million)
  - Lindex operating profit EUR 37.8 million (EUR 38 million)
  - Seppälä operating profit EUR 6.2 million (EUR 3.1 million)
- Relative gross margin improved to 50.1% (47.3%)
- Stock levels well under control
- Net financial expenses down to EUR 10.4 million (EUR 18.8 million)
- PBT up to EUR 29.8 million (EUR 5.5 million)
- EPS 0.58 EUR (EUR 0.24)
Revenue, Stockmann Group

EUR mill.

- 1-3: +6%
- 4-6: +5%
- 7-9: +8%
- 10-12:
Operating profit, Stockmann Group

Q1/2008 operating profit is burdened by Lindex’s EUR 4.5 mill. IFRS related expenses

Other operating income

Provision for closing down the Smolenskaya dpt store
# Key figures, Stockmann Group

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (EUR mill.)</td>
<td>1,245.0</td>
<td>1,172.2</td>
<td>1,698.5</td>
</tr>
<tr>
<td>Operating profit (EUR mill.)</td>
<td>40.2</td>
<td>24.3</td>
<td>85.3</td>
</tr>
<tr>
<td>Profit before taxes (EUR mill.)</td>
<td>29.8</td>
<td>5.5</td>
<td>61.3</td>
</tr>
<tr>
<td>Earnings per share* (EUR)</td>
<td>0.58</td>
<td>0.24</td>
<td>0.82</td>
</tr>
<tr>
<td>Cash flow from operating activities (EUR mill.)</td>
<td>-16.4</td>
<td>-8.1</td>
<td>146.8</td>
</tr>
<tr>
<td>Equity ratio (%)</td>
<td>41.7</td>
<td>43.4</td>
<td>44.1</td>
</tr>
<tr>
<td>Gearing (%)</td>
<td>97.8</td>
<td>94.0</td>
<td>72.1</td>
</tr>
<tr>
<td>ROCE (%)</td>
<td>6.7</td>
<td>5.2</td>
<td>5.8</td>
</tr>
</tbody>
</table>

* Figures 2009 have been adjusted for 2009 share issue.
Distribution of revenue by market 1–9/2010, Stockmann Group
Stockmann Group, outlook for 2010

1. Last quarter will end the historic investment phase of the Group
Stockmann.com has been opened
Nevsky Centre to be opened 11 November 2010
Helsinki enlargement to be completed in November
Stockmann Group, outlook for 2010

- Consumer confidence at a high level in main markets
- Even in the Baltic countries the market has begun to show moderate growth after a major drop in 2008-2009
- Once again, the Department Store Division’s Crazy Days campaign in October set a new sales record in all markets, sales grew by 22%
- Completion of major investment projects will boost sales in Q4
- Overheated supplier market, lack of capacity and raw materials have had a negative impact on the autumn sales
- Specified operating profit target for the full year 2010: operating profit is estimated to be approximately 15-30% up on the previous year
• Q3 revenue increased by 9% exclusive of Hobby Hall’s closed operations abroad. Q3 revenue was EUR 235.0 million

• Revenue increased by 7% in Finland and by 14% in international operations

• Revenue abroad accounted for 25% (24% in Q3/2009)

• Revenue 1-9/2010 up 5% to EUR 726.6 million exclusive of Hobby Hall’s closed operations abroad. Revenue increased by 4% in Finland and by 9% in international operations

+ Revenue increased in all markets, including the Baltic department stores, compared to Q3/2009

+ Helsinki above average revenue growth in Finland, enlarged areas perform well

+ Boston campaign in September sold very well in all markets – contributing to all product areas, especially fashion and food
Operating profit, Department Store Division

- Q3 operating profit was EUR 1.4 million, up EUR 4.2 million (EUR -2.8 million in 2009)
- Operating profit 1-9/2010 EUR 1.9 million, up EUR 12.6 million (EUR -10.7 million in 2009)

+ Positive profit trend continued in all markets
+ Stock situation remains healthy although new openings increase stock levels prior to opening
+ Stock turnover continues to improve on 2009
+ Investment projects on schedule, capital expenditure in Q3 EUR 26 million
+ stockmann.com opened for loyal customers in September, public launch in the end of October

- Costs related to major investment projects (St Petersburg, Helsinki and stockmann.com) burden the result from Q2 onwards. Cost level as planned.
Helsinki Department Store, All-Time Stockmann project

• Renovated and enlarged food department fully open in the beginning of September. The total space of 4500 sqm in full use.

• Direct lifts to Q-Park now completed, 4 additional elevators in use

• Visible changes in cosmetics, gardening, furniture, bedding, electronics

• Full opening 28 November for Christmas season
Delicatessen, Helsinki department store
Nevsky Centre, St Petersburg

• Opening on 11 November 2010 as targeted; grand opening evening
• All retail premises handed over to tenants, fit out works in full flow
• Installations in department store premises at final stages
• Commissioning goes on according to plans
• First office premises leased, 17% of the offices signed up
Nevsky Centre, St Petersburg
Nevsky Centre, St Petersburg
Nevsky Centre, St Petersburg
Nevsky Centre, St Petersburg
www.stockmann.com

Assortment:
- Fashion
- Leisure
- Home
- Electronics

- 250 brands
- 6000 products
- 17 000 items
Other projects

• Central warehouse in Moscow to move to new premises in the Moscow region in Q1/2011

• Opening of the Ekaterinburg department store planned for end of March 2011

• Plans for Tampere enlargement proceed, aim to open 2012
Q4 marketing activities
All-time record for Crazy Days - again!

• Five-day campaign in all markets
• Increased product selection especially for the weekend

+ Revenue increased by 22% – 12% in Finland, 32% in the Baltics and 58% in Moscow
+ Growth was achieved even on comparable days in all markets – and also compared to 2008
+ Number of customers and average purchase increased
+ New premises in Helsinki supported the growth – further potential for future Crazy Days
Crazy Days marketing campaign, autumn 2010

Daily print ads

Crazy Days catalogue bigger than ever:
220 pages in Finland,
88 pages in IO

Marketing in Facebook

Newsletters in all markets

Animated internet banners
• Lindex’s euro-denominated revenue increased by 9%

• In local currencies, revenue increased by 0.3%

• All business areas on a par with the previous year

• Continued positive trend in Lindex’s new markets, Russia and the Czech Republic

• The revenue has been negatively affected by late deliveries from Asia. Stock level significantly lower than in the previous year.

In SEK revenue increased by +0.3% during Q3
Operating profit, Lindex

• Very strong gross margin
• Operating profit affected negatively by:
  - late deliveries from Asia
  - strong expansion (+22 stores compared to previous year)

Q1/2008 operating profit is burdened by EUR 4.5 mill. IFRS related expenses
Estimated number of new stores 2010

- 2010: 22 new stores opened during the year
- 16 new stores to be opened before the expiry of 2010
- Total in 2010: 38 more stores
Expansion – new stores in Q3/2010

• 5 new stores opened during Q3
• Further expansion in all markets during 2010-2011:
  - international e-commerce in EU
  - Poland
Expansion

Lindex Shop Online

Lindex Shop Online to be launched in EU on 1 December. Lindex fashion will then be available online in 27 countries.

Poland

In the beginning of March 2011, Lindex will open the first store in Walbrycz, Poland. Poland will be an important market for the company's continued expansion.
Fall favourites

- Successful "Round Up" campaign for Pakistan in August. Lindex and its customers raised EUR 160 000 to the Red Cross Society.

- In October, the American top designer designed "Pink Collection with Narciso Rodriguez". The collection was sold to raise money to benefit breast cancer research. The event has created a good buzz in fashion press and bloggers throughout the Nordic countries.

- Lindex is nominated as the best e-commerce site in Sweden by the fashion magazine Habit.

- Affordable Luxury by Ewa Larsson will be launched on 8 December. This is an exclusive collection, which in addition to sophisticated lingerie consists of luxurious lounge wear and spectacular jewellery.
Seppälä

Terhi Okkonen
Managing Director
• Revenue 1-9/2010
  EUR 105.3 million +4.2%

• Revenue increased by
  +2.0% in Finland and
  +8.5% in international operations

• Share of revenue abroad 35% (33%)

• Revenue 7-9/2010
  EUR 36.8 million +0.4%

• Revenue on a par with the previous
  year in Finland and up +2.1% in
  international operations
Revenue 2010, Seppälä

+ Good sales growth continued in ladies’ clothing
+ Especially good growth in ladies’ shoes in Q3
+ Positive sales trend in men’s clothing
+ Good growth in Russia in sales of new products
+ Seppälä gained market share in women’s fashion
+ Less merchandise on sale

- Revenue still weak in the Baltic countries, but showing some positive signs
- Sales in children’s clothing at low level
- September sales at low level
• Operating profit doubled in 1-9/2010 to EUR 6.2 million (EUR 3.1 million)
• Operating profit decreased in Q3 to EUR 2.2 million (EUR 2.9 million)

+ Good sales of new products
+ Fewer discount campaigns
+ Gross margin at good level
+ Continued cost control
+ Stock level
- Late autumn deliveries from Far East
- Shortage of volume products in Q3
- Outerwear did not start to sell in Q3
New stores, refurbishment

• Store openings in 1-9/2010: Finland 3, Russia 3, Estonia 2
• 3-4 new stores to be opened in Russia
• 20 stores to be renovated according to the new store concept in 2010
Seppälä has 221 stores in over a hundred cities in six countries.
Seppälä – Fashion House of Its Own Life
A unique Finnish fashion story since 1930
Outlook for 2010, Seppälä

• Consumer confidence strengthened, increased demand for fashionable low price categories

• Limited collection by Seppälä launch = home textiles in Xmas collection

• Optimizing the product mix → more volume products for Xmas

• Moderate investments

• Continued cost control

• Shortage of capacity and raw materials increase buying prices from Asia