Stockmann Group in Q2/2008

• Good Q2

• Sales were up 66%
  - consolidation of Lindex sales
  - timing of Crazy Days in Finnish department stores
  - Smolenskaya department store in Moscow was closed down on May 13
  - April and May were good months, business slowed down in June

• Operating profit more than doubled to EUR 31.4 million
  - despite of reservation of EUR 14 million made for closing down the Smolenskaya store
  - Lindex and Hobby Hall increased their operating profit
  - operating profit of the Department Store Division (incl. reservation) and Seppälä declined
Stockmann Group 1–6/2008

- Sales EUR 1 081.5 million (+50%)
- Growth in Finland 9% and abroad 164%
- 53% of sales came from Finland and 47% from abroad
- Operating profit EUR 28.8 million (EUR 22.3 million in 2007)
- Gross margin of the Group increased according to plan to 47.2% (41.3 in 2007)
  - consolidation of Lindex
  - increased gross margin in Lindex, Hobby Hall and Seppälä
- Net financing cost increased by EUR 23.7 million based on Lindex acquisition
- Reservation of EUR 14 million made for closing down the Smolenskaya store
- Profit for 1–6/2008: EUR 3.6 million (EUR 16.3 million in 2007)
Sales, Stockmann Group

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td></td>
<td></td>
<td>+34%</td>
</tr>
<tr>
<td>4-6</td>
<td></td>
<td></td>
<td>+66%</td>
</tr>
<tr>
<td>7-9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EUR mill.
Operating profit, Stockmann Group

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

Other operating income
Reservation for closing down the Smolenskaya dpt store
Profit before taxes, Stockmann Group

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

Other operating income
Reservation for closing down the Smolenskaya dpt store
Directed share issue in June

- Board used the authorization of the AGM and organized accelerated book building to domestic and foreign institutional investors
- 5.6 million shares were issued at 24.50 euro/share
- Capital increase of EUR 137 million was used to repay part of the loan for acquisition of Lindex
- Equity ratio 36.3% in June
- Net gearing down to 131.1%
New long term financial targets

- In June, the Board confirmed the strategy of Stockmann.
- Company will continue its strong profitable growth both in Finland and abroad in present and new markets.
- Integration of Lindex has proceeded well.
- Yearly economic scale advantages will increase to EUR 12–15 million within 2 to 3 years.
- Goal for the new Stockmann Group is to grow faster than the market in average in all markets.
- To achieve a 12% operating margin and a 20% return on capital employed (ROCE) in 2013.
- Based on the very ambitious investment program, ROCE will in the first years be lower than previously.
- Equity ratio minimum target is 40%.
- Stockmann continues its shareholder friendly dividend policy. The target is to pay out over 50% of the profit on ordinary operations.
Outlook for the end of the year

1.

• Insecurity increased strongly in the world economy
• Inflation pressure based on energy and food prices and increase in salaries and wages
• Consumer confidence weakened also in Nordic countries and the Baltics, which has to some extent reflected to sales in those markets (June, July)
• No signs of any weakening in Russia
• Growth of consumer demand will continue, but in the Nordic and the Baltic countries at a slower pace
• In Russia growth remains stronger
Outlook for the end of the year

• Lindex will be a part of Stockmann for the whole year – strong sales growth
• Stockmann Group sales are estimated to be nearly EUR 2.4 billion, in case the Smolenskaya department store cannot be opened
• Operating profit for Q3 will be higher than in 2007
• Full-year sales and results are heavily depending on the development of consumer demand in the second half of the year
• Increased insecurity in the Nordic and the Baltic markets makes it difficult to estimate the whole year, therefore full-year divisional estimates will not be provided
• Sales in July were sluggish, beginning of August has been very good in all markets
• Full-year operating profit is estimated to grow
• Despite of increased financial costs, our target is even to increase the profit in 2008 compared to 2007
<table>
<thead>
<tr>
<th>Sales figures in July 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Store Division, Finland</td>
</tr>
<tr>
<td>Department Store Division, international operations</td>
</tr>
<tr>
<td>Department Store Division, total</td>
</tr>
<tr>
<td>Lindex, Finland</td>
</tr>
<tr>
<td>Lindex, international operations</td>
</tr>
<tr>
<td>Lindex, total</td>
</tr>
<tr>
<td>Hobby Hall, Finland</td>
</tr>
<tr>
<td>Hobby Hall, international operations</td>
</tr>
<tr>
<td>Hobby Hall, total</td>
</tr>
<tr>
<td>Seppälä, Finland</td>
</tr>
<tr>
<td>Seppälä, international operations</td>
</tr>
<tr>
<td>Seppälä, total</td>
</tr>
<tr>
<td>Real estate + others</td>
</tr>
<tr>
<td>Operations in Finland, total</td>
</tr>
<tr>
<td>International operations, total</td>
</tr>
<tr>
<td>Stockmann, total</td>
</tr>
</tbody>
</table>

Sales by Lindex reported as from December 6, 2007.
Situation of the Smolenskaya department store

• The store is closed and Stockmann has removed and transferred merchandise into other stores in Moscow

• Most of the personnel has been placed to other stores

• Majority of the management group of the Smolenskaya department store will start as a management group of the new Metropolis department store which will be opened in October

• Smolensky Passage shopping mall has lost its customers, Stockmann’s premises are empty

• Stockmann claims compensation of USD 75 million for damages from Moststoiekonomombank and its subsidiary Smolensky Passage

• The case will be handled by International Arbitration Court of Moscow (ICAC)
Sales, Department Store Division

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-6</td>
<td></td>
<td></td>
<td>+17%</td>
</tr>
<tr>
<td>7-9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EUR mill.
Sales 1–6/2008, Department Store Division

• Sales up 7%; in Finland 4% and abroad 16%
• Q2 sales growth was 17%, boosted by Crazy Days in Finland and on the other hand, diminished by closing down the Smolenskaya Department Store in May
• Good sales growth in the department stores which are in operation in Russia
Operating profit, Department Store Division

EUR mill.

- 0
- 5
- 10
- 15
- 20
- 25
- 30
- 35
- 40
- 45
- 50

1-3 4-6 7-9 10-12

- Yellow: 2006
- Orange: 2007
- Green: 2008

- Red square: Other operating income
- Purple square: Reservation for closing down the Smolenskaya dpt store

16
Result 1–6/2008, Department Store Division

• Operative result on the previous year’s level, EUR 19.6 million, taking into account the reservation of EUR 14 million for closing down the Smolenskaya department store

• Relative gross margin slightly lower than in the previous year
  - higher price reductions in the Baltic countries
Investment projects in Helsinki and St Petersburg

• Forthcoming milestones in Helsinki
  • November 2008: new customer service area to be opened on the 8th floor
  • December 2008: new servicing areas ready, testing logistics to be started
  • April 2009: World of Beauty and Health to be opened on the 7th floor
  • April 2009: the first phase of Restaurant World to be opened on the 8th floor
  • June 2009: The Mannerheimintie car park (600 parking places) to be opened and the old car park to be closed down

• Situation in St Petersburg: pilework in progress, the foundation stone to be laid in October
Forthcoming openings: Metropolis October 25, 2008, Rostokino and Ekaterinburg autumn 2009

Metropolis
Stockmann MasterCard
Outlook for the end of the year

• Strong sales development in Russia will continue

• Sales in Finland and in the Baltics will grow, however the growth will be somewhat slower than anticipated earlier

• Because of the non-recurring items, the Department Store Division’s result will decrease from the previous year; 2007: EUR +9.7 mill. and 2008 EUR -14 mill.
  - in 2007 the profit was increased by a non-recurring profit of EUR 9.7 mill. (item which relates to the new Stockmann MasterCard)
  - the profit in 2008 is burdened by a non-recurring cost of EUR 14 mill. for closing down the Smolenskaya department store in Moscow
Göran Bille
CEO
Sales, Lindex

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2007 Pro forma</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>150</td>
<td>-2%</td>
</tr>
<tr>
<td>4-6</td>
<td>200</td>
<td>±0%</td>
</tr>
<tr>
<td>7-9</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>10-12</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>
Sales development in Q2 per business area

- In Q2, Lindex sales (excl. Germany) per business area developed as follows:
  - Ladies’ wear dropped in sales, due to decline in market
  - Lingerie increased in sales
  - Children’s wear increased in sales
  - Cosmetics increased in sales

- Development in different markets:
  - Sweden & Finland dropped in sales
  - Norway & the Baltics showed sales increase

- Stock
  - Inventory level decreased by 4.8% from EUR 76.3 million to EUR 72.6 million
Q1/2008 operating profit is burdened by EUR 4.5 mill. IFRS related expenses
Expansion – new Lindex store developments in 2008

New Lindex stores, total:
2008 - approximately 25 new stores
2009 - approximately 30–35 new stores

*) Opened or confirmed stores
Major Events in 2008

- Focus on product and store development
- Distribution Centre up and running
- Improvements in stock-turnover through better supply chain management
- Russia
- Saudi Arabia, franchising
- Norway, refurbishment
- Finland, refurbishment
- Integration with Stockmann
- Tax case regarding German losses will be appealed
Terhi Okkonen
Managing Director
Sales 1–6/2008, Seppälä

• Sales EUR 80.9 million, growth 4%

• Abroad
  - sales were up 26%
  - sales in Russia grew particularly well
    - new stores have started as planned
    - good comparable growth
  - share of sales abroad rose to 33% (26%)

• Finland
  - sales were down 5% from the previous year
  - Q2 sales were down 2% from the previous year
    - April and May satisfactory but June disappointment
Sales, Seppälä

EUR mill.

+3%
+4%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7-9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Operating profit 1–6/2008, Seppälä

• Good operating profit EUR 4.5 million (EUR 6.6 million)
• Best ever gross margin; 58% → increased by 1.3 percentage units from the previous year
• Fixed costs and depreciation grew faster than sales because of investments in new stores (6 stores) and refurbishing the existing stores (5 stores)
• Since the turn of the year, new stores have been opened in
  - St Petersburg and Adygea in Russia
  - Võru in Estonia
  - Siauliai in Lithuania
  - Rovaniemi and Tuulos in Finland
Operating profit, Seppälä
Gross margin %, Seppälä

January–June

% of revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>52.3</td>
</tr>
<tr>
<td>2005</td>
<td>57.6</td>
</tr>
<tr>
<td>2006</td>
<td>55.9</td>
</tr>
<tr>
<td>2007</td>
<td>56.7</td>
</tr>
<tr>
<td>2008</td>
<td>58.0</td>
</tr>
</tbody>
</table>
Full-year outlook, Seppälä

• Profitable growth will continue
• At least 10 new stores to be opened during the rest of the year
• A couple of new stores to be opened in Finland and in the Baltic countries
• In Finland 6 removals and store concept updates
• In Russia, new stores will be opened in cities where Seppälä already is operating, as well as in three new cities
• The first store in Ukraine is planned to be opened on September 14
Today Seppälä has 192 stores in over a hundred localities in five countries

- Finland: 129 stores
- Russia: 31 stores
- Estonia: 16 stores
- Latvia: 9 stores
- Lithuania: 7 stores

Localities:
- St Petersburg: 12 stores
- Moscow: 6 stores
- Moscow: 12 stores
- Moscow: 6 stores
- Yaroslavl: 1 store
- Lipetsk: 1 store
- Lipetsk: 1 store
- Latvia: 9 stores
- Estonia: 16 stores
- Lithuania: 7 stores
- Rostov-on-Don: 1 store
- Voronezh: 1 store
- Adygea: 1 store
- Ukraine: Kharkov
- Kolomna: 1 store
- Nizhny Novgorod: 2 stores
- Kazan: 2 stores
- Ekaterinburg: 2 stores
- Novosibirsk: 1 store
- Omsk
- Volgograd
- Volzhskiy
Seppälä by Hanna Sarén
HOBBY HALL

Tuija Pesonen
Acting Managing Director
Sales Q2/2008 and 1–6/2008, Hobby Hall

- Q2 sales EUR 48.3 million (+5%)
  - growth was in Finland 6% and abroad 5%
- 1–6 sales EUR 95.8 million (-6%)
  - decrease was in Finland 4% and abroad 12%
  - digitalization affected previous year’s figures increasing the sales of electronics in Finland
  - some product groups of electronics have suffered from price erosion
  - some changes in arrangements of campaigns compared to 2007
- Share of sales abroad 19%
Sales, Hobby Hall

EUR mill.

1-3: -15%
4-6: +5%
7-9
10-12

2006
2007
2008

STOCKMANN
1–6/2008 share of online sales 62% of distance retail in Finland and Estonia

• Q2 online sales in Finland were on the previous year’s level
  - strong growth a year ago in Q2/2007
  - share of online sales was 60% (64% Q2/2007)

• Share of online sales in Estonia was 39% in Q2/2008 (41% Q2/2007)
Share of online sales of distance retail

Finland and Estonia
Operating profit Q2/2008 and 1–6/2008, Hobby Hall

Q2
- Operating profit was EUR 0.7 million (EUR -0.9)
- Positive development in sales and relative gross margin

1–6/2008
- Operating profit was EUR -1.4 million (EUR 0.5 million)
- Affected by lower sales during Q1 and start-up costs for operations in Russia
- Relative gross margin increased compared to 2007
Operating profit, Hobby Hall

EUR mill.

2006 2007 2008

1-3 4-6 7-9 10-12

Other operating income
Hobby Hall’s own high quality brands just presented

- FLO offers stylish and coordinated women’s outfits for everyday life
- KLIPPER collection for toddlers is easy to care and nice to wear
Full-year outlook, Hobby Hall

• Sales are expected to develop positively during the latter part of the year
• Development projects continue and are in good shape
  - cost effective utilization of the Customer Relationship Management system will improve marketing
  - revamped online store will be tested during the end of the summer
  - implementation starts from the Baltics after the tests have been completed
  - new cash register system and telephone systems will start in autumn
• Strong focus on developing and improving business in Russia
• Head office will move to new premises in September 2008