January - March 2012 in brief

- Uncertainties in the market did not significantly affect consumer behaviour
- Market continuously good in Russia and the Baltic countries
- Affordable fashion market improving – finally growth also in Sweden
- Revenue growth in all Stockmann Group’s divisions and market areas
- Operating result up EUR 13.7 million thanks to improvements in all divisions
- Seppälä’s operations in Ukraine to be closed by the end of 2012
- Good position for the rest of 2012
Revenue in Q1 2012

- Revenue up 10.4% to EUR 450.3 million
- Revenue in Finland up 5.6%
  - Lindex and Seppälä increased their market shares
  - Department Store Division improved towards the end of the quarter
- International operations up 15.7%
  - In like-for-like exchange rates up 14.7%
  - St Petersburg department store leading the growth; all department stores in Russia and the Baltic countries improved
  - Strong growth for Lindex in all countries except Sweden with modest growth
  - Revenue abroad 50.2% (48.0%) of the Group’s total revenue
Revenue by market in Q1 2012

- Finland: 50%
- Sweden and Norway: 25%
- Russia and Ukraine: 18%
- Baltic countries and Central Europe: 7%
Quarterly revenue

EUR mill.

2010  2011  2012

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

+10%
Earnings in Q1 2012

• Relative gross margin at 48.0% (47.4%)
  – Improvements in Department Store Division and Seppälä
  – Lindex on the previous year’s good level
• Operating costs up 4.7%
  – Increase slower than the revenue growth
  – Provision of EUR 0.5 million for non-recurring expenses due to closure of operations in Ukraine
• Depreciation slightly down on Q1 2011
• Operating result EUR -16.2 million (EUR -29.9 million)
  – All divisions improved, in particular department stores in Russia and Lindex
• Net financial expenses EUR 8.7 million (EUR 8.3 million)
• Result for the quarter EUR -20.9 million (EUR -34.8 million), or EUR -0.29 per share (EUR -0.49)
Quarterly operating profit, Stockmann Group
Key figures in Q1 2012

<table>
<thead>
<tr>
<th></th>
<th>1-3/2012</th>
<th>1-3/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>EUR mill.</td>
<td>450.3</td>
</tr>
<tr>
<td>Operating profit</td>
<td>EUR mill.</td>
<td>-16.2</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>EUR mill.</td>
<td>-24.9</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>EUR</td>
<td>-0.29</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>EUR mill.</td>
<td>-75.3</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>%</td>
<td>38.5</td>
</tr>
<tr>
<td>Gearing</td>
<td>%</td>
<td>112.5</td>
</tr>
<tr>
<td>ROCE</td>
<td>%</td>
<td>4.8</td>
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</tbody>
</table>
Stockmann today: over 700 stores in 15 countries

**Finland**
- 7 department stores
- 7 Academic Bookstores
- 7 Hobby Hall mail order sales and 1 store
- 12 Stockmann Beauty stores
- 4 Zara stores
- 1 outlet store
- 55 Lindex stores
- 137 Seppälä stores

**Sweden**
- 209 Lindex stores

**Norway**
- 96 Lindex stores

**Estonia**
- 1 department store
- 7 Lindex stores
- 20 Seppälä stores
- 1 outlet store

**Latvia**
- 1 department store
- 7 Lindex stores
- 11 Seppälä stores

**Lithuania**
- 10 Lindex stores
- 10 Seppälä stores

**Russia**
- 7 department stores
- 1 shopping centre
- 1 concept store
- 18 Lindex stores
- 47 Seppälä stores
- 14 Bestseller stores
- 1 outlet store
- 18 Lindex franchising stores

**Ukraine**
- 2 Seppälä stores

**Czech Republic**
- 14 Lindex stores

**Slovakia**
- 4 Lindex stores

**Poland**
- 4 Lindex stores

**Bosnia and Herzegovina**
- 3 Lindex franchising stores

**Iceland**
- 1 Lindex franchising store

**Saudi Arabia**
- 18 Lindex franchising stores

**United Arab Emirates**
- 5 Lindex franchising stores

**Online stores**
- stockmann.com in Finland
- akateeminen.com in Finland
- hobbyhall.fi in Finland
- lindex.com in the EU area and Norway
- seppala.fi in Finland

**Stockmann today:**
- Over 700 stores in 15 countries

Status as of 31 March 2012
Crazy Days in April 2012 – revenue growth in total 13%
Outlook for the rest of 2012

• Challenging to assess the outlook, especially long-term retail market, due to unstable world economy and the unresolved European debt crisis
• Market sentiment currently more positive than earlier this year
• Market in Russia likely to continue to perform better than in the Nordic countries; growth in the Baltic countries expected to continue
  – High uncertainty and low consumer confidence may affect consumers' willingness to purchase in all markets
• Indications of improving affordable fashion market in 2012
• Discontinuation of Bestseller franchising business by the end of 2012 to improve operating profit from 2013 onwards
  – Targeting a positive full-year operating profit, excluding Bestseller operations, in Russia in 2012
• Capital expenditure clearly below depreciation, approx. EUR 50 million
• Stockmann Group’s revenue and operating profit expected to be above the figures for 2011, provided that market sentiment does not significantly worsen
Current topics

• Stockmann plc’s CEO, Hannu Penttilä, will not exercise the entitlement to retire at the age of 60
  – Will continue as CEO from April 2013 onwards under an agreement that remains valid until further notice

• Stockmann Group’s CSR report 2011 published
  – Available at stockmanngroup.fi

• Analyst day on Wednesday 12 September 2012
  – Please save the date from 12 pm onwards
Department Store Division

Maisa Romanainen
Executive Vice President
Director of Department Store Division
Revenue in Q1 2012

• Revenue up 9.4% to EUR 280.5 million (EUR 256.4 million)
• Revenue in Finland up 4.2%
  - Relatively low sale stock resulted in a modest start for the year, with increasing growth towards the end of the quarter
• International operations up 22.2%
  - 32.9% (29.4%) of the division’s total revenue
  - Strong revenue growth in the St Petersburg department store
  - Also all other department stores in Russia and the Baltic countries showed very positive development
• Major investment projects of the past years are all clearly contributing to the improved revenue
Quarterly revenue, Department Store Division

EUR mill.

+9%
Operating profit in Q1 2012

- Operating result increased by EUR 8.3 million to EUR -6.5 million (EUR -14.8 million).
- Relative gross margin improved to 40.4 per cent (39.7 per cent).
  - Improvement mostly due to healthy opening stock, early arrival of new season’s products and strong rouble
- Operating costs increased clearly slower than the revenue
  - Strong cost control and no new openings during the quarter
- Stock situation remained good with a well functioning logistics chain in all markets
Quarterly operating profit, Department Store Division

EUR mill.

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

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

2010 2011 2012

STOCKMANN
Investment projects

- Itäkeskus department store will move to a new location inside the Itis shopping mall by the end of 2013
  - Premises and concept will be completely renewed in co-operation with the landlord, who will mainly carry the investment
  - Retail space to remain at approx. 11 000 sqm
- Tapiola and Tampere department store enlargement projects proceed as planned
- Remaining 14 Bestseller franchising stores in Russia will be closed by the end of 2012, as earlier announced
Crazy Days 18–22 April 2012

REVENUE GROWTH
Spring 2012 vs. spring 2011

- Finland: +5%
- Baltic countries: +4%
- Russia: +38%
- Total: +13%
Outlook for the rest of 2012

• Akateeminen.com online store will be renewed and re-opened in the summer
• Stockmann.com web store is under constant development and growth is clearly exceeding market growth in Finland
• ERP project is proceeding as planned with the first Oracle implementations targeted for the end of the year
• Department store performance is now comparable for the first time in five years – after a major investment programme
Göran Bille
Managing Director
Highlights in Q1 2012

- Stock level higher than in 2011 when entering Q1; sold out well but at higher markdowns

- Successful launch of the spring collection and campaign with the talented actor and fashion icon, Gwyneth Paltrow

- Sales improved strongly in the quarter
Quarterly revenue, Lindex

In local currencies, revenue increased by 10.2% in Q1 2012

EUR mill.
Revenue in Q1 2012

- Euro-denominated revenue increased by 12.1% to EUR 138.2 million (EUR 123.3 million)
  - In local currencies up 10.2%
  - In comparable stores up 7.8%
- Increased sales in all business areas
- Revenue growth strongest in the new markets (Central Europe and Russia)
- Increased market shares in all main markets
Quarterly operating profit, Lindex

Quarterly operating profit:
- Quarter 1-3: -10 EUR mill.
- Quarter 4-6: 0 EUR mill.
- Quarter 7-9: 5 EUR mill.
- Quarter 10-12: 10 EUR mill.

Yearly overview:
- 2010: 
- 2011: 
- 2012: 

EUR mill.
Operating profit in Q1 2012

• Operating result up by EUR 5.3 million to EUR -2.5 million (EUR -7.9 million)

• Gross margin at the previous year’s level, at 61.9% (62.1%)

• Effect of the cost cutting programme of 2011 continued to improve the ratio between revenue and costs

• Stock level at the end of quarter is healthy but slightly higher than in 2011 due to new stores
International expansion

- Lindex stores:
  - 7 openings and 2 closures during Q1
  - 451 stores in total at the end of March
  - Target for the full year 2012: approximately 20 new stores + franchise stores
Outlook for the rest of 2012

- Exciting design collaboration coming in the autumn
- Strong summer campaigns and collections
- Market environment in Sweden is estimated to improve towards the end of the year
Nina Laine-Haaja
Managing Director
Revenue in Q1 2012

• Q1 revenue up 12.3% to EUR 31.3 million (EUR 27.9 million)
  - Up 12.1% in Finland
  - Up 12.7% abroad

• Good sales development in all markets

• Market share increased in Finland

• Increased customer flows in all markets
Quarterly revenue, Seppälä

EUR mill.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tr>
<td>1-3</td>
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<td>+12%</td>
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<td>10-12</td>
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Operations in Ukraine

• Seppälä will close its operations in Ukraine by the end of 2012

• Ukrainian operations were started in 2008 and currently Seppälä has 2 stores in the market

• EUR 0.5 million provision of non-recurring expenses booked in Q1 2012
Operating profit in Q1 2012

- Operating profit EUR -4.2 million (EUR -4.9 million) excluding closing expenses of operations in Ukraine
  - EUR -4.7 million with the non-recurring expenses
- Relative gross margin 54.2% (53.8%)
- Season started with a higher sale stock than in 2011
- Sales of new products have been satisfactory
- Positive profit development in Finland and the Baltic countries
- Russia still challenging: sales level too low in relation to costs, due to increased store rents
- Stock level at the end of quarter somewhat higher than in 2011
Quarterly operating profit, Seppälä

EUR mill.

-5 -4 -3 -2 -1 0 1 2 3 4 5

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

Non-recurring expenses

2010 2011 2012
International expansion

• One store opening (Russia) and three closings (2 Russia, 1 Finland) in Q1
• Number of stores on 31 March 2012:
  - Finland 137
  - Estonia 20
  - Latvia 11
  - Lithuania 10
  - Russia 47
  - Ukraine 2
  - TOTAL 227

• One store opened and one closed in April, after the reporting period
• Some closings and openings mainly in Finland and Russia during the rest of 2012
Outlook for the rest of 2012

• Strong spring and summer campaigns
• Developing purchase processes
• Better stock control
• Tight cost control to continue