Stockmann Group in brief

• International multichannel retailer, founded in 1862
• Three business divisions: Department Store Division, Lindex and Seppälä
• Revenue EUR 2 005 million in 2011; over 16 000 employees
• Listed on Nasdaq OMX Helsinki; approx. 56 000 shareholders
### Three business divisions

<table>
<thead>
<tr>
<th>Brand</th>
<th>Share of revenue 2011</th>
<th>Share of operating profit 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department Store Division</strong></td>
<td>62%</td>
<td>34%</td>
</tr>
<tr>
<td>16 department stores, 40 stores in 4 countries, 3 distance retail stores in Finland</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lindex</strong></td>
<td>31%</td>
<td>57%</td>
</tr>
<tr>
<td>447 stores in 14 countries, online store in EU countries and Norway</td>
<td></td>
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</tr>
<tr>
<td><strong>Seppälä</strong></td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>229 stores in 6 countries, online store in Finland</td>
<td></td>
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</tr>
</tbody>
</table>
Department Store Division: More than I expected

• 16 department stores offering an extensive product range of international brands at competitive prices
  – Main product areas fashion, cosmetics, home, food, electronics, leisure and books in Academic Bookstores in Finland
• Hobby Hall, the leading distance retailer in Finland
• Stockmann Beauty cosmetics stores in Finland
• Stockmann, Academic Bookstore and Hobby Hall online stores
• Franchising stores (Zara in Finland, Bestseller in Russia)
Flagship stores in Helsinki and St Petersburg

**Helsinki department store**
- Opened originally in 1930
- Largest department store in the Nordic Countries
- Among the five largest department stores in Europe
- 12 million customers annually
- Approx. 50 000 m² of retail space, of which ~7 000 m² rented out
- Enlargement of 10 000 m² completed in 2010

**Nevsky Centre shopping centre**
- Opened in November 2010
- Property fully owned by Stockmann; commercial plot acquired in 2006
- Russia’s largest Stockmann department store (20 000 m²)
- Over 70 other stores and service companies, offices, and an underground car park
- Retail space of 50 000 m²
Lindex: Affordable inspiring fashion

- Ladies’ wear, lingerie, children’s wear and cosmetics
- Strong Nordic presence: Sweden, Norway, Finland
- Rapid expansion into Baltic countries, Russia and Eastern Europe
- Franchising stores in Saudi Arabia, United Arab Emirates (Dubai), Bosnia and Herzegovina, and Iceland
- Online store operating in the EU area and Norway
Seppälä: Your Own Life’s fashion house

- International fashion for women, men, and children at reasonable prices
- Clothing, accessories, shoes, and cosmetics
- The most extensive chain of fashion stores in Finland
- Long presence in Baltic countries, Russia and Ukraine
- Online store opened in Finland in November 2011
Stockmann today:
over 700 stores in 15 countries

FINLAND
- 7 Department stores
- 7 Academic Bookstores
- Hobby Hall mail order sales and 1 store
- 13 Stockmann Beauty stores
- 4 Zara stores
- 1 Outlet store
- 56 Lindex stores
- 138 Seppälä stores

SWEDEN
- 208 Lindex stores

NORWAY
- 97 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
- 17 Lindex stores
- 48 Seppälä stores
- 18 Bestseller stores
- 1 Outlet store

UKRAINE
- 2 Seppälä stores

CZECH REPUBLIC
- 13 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
- 2 Lindex franchising stores

ONLINE STORES
- stockmann.com in Finland
- akateemen.com in Finland
- hobbyhall.fi in Finland
- lindex.com in the EU area and Norway
- seppala.fi in Finland

Status as of 31 December 2011
Stockmann in Russia: Department stores, Seppälä, Lindex, and Bestseller

Department Stores
- Moscow 5
- St Petersburg 1
- Ekaterinburg 1

Seppälä 48
Lindex 17
Bestseller 18
Other stores 2 (outlet, concept)

11.1.2012
Revenue by market in 2011

Finland 51%
Sweden 18%
Russia 16%
Norway 7%
Estonia 4%
Latvia 3%
Lithuania, Czech Republic, Slovakia, Ukraine, Poland 1%
Sweden 18%
Over 56,000 shareholders on NASDAQ OMX Helsinki

- Two series of shares:
  - Series A: 10 votes
  - Series B: 1 vote
- Both series of shares are listed on the Helsinki stock exchange
- Series B share is more liquid on the stock market
- Market cap EUR 912 million as of 31 December 2011
<table>
<thead>
<tr>
<th>Largest shareholders</th>
<th>Votes %</th>
<th>Shares %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTT Holding Oy Ab</td>
<td>10.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Konstsamfundet</td>
<td>15.0</td>
<td>9.4</td>
</tr>
<tr>
<td>Svenska Litteratursällskapet</td>
<td>15.7</td>
<td>7.6</td>
</tr>
<tr>
<td>Niemistö Group</td>
<td>9.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Varma pension insurance company</td>
<td>1.0</td>
<td>4.7</td>
</tr>
<tr>
<td>Etola Group</td>
<td>6.1</td>
<td>4.3</td>
</tr>
<tr>
<td>Stiftelsen för Åbo Akademi</td>
<td>6.4</td>
<td>4.2</td>
</tr>
<tr>
<td>Folkhälsan</td>
<td>2.7</td>
<td>2.2</td>
</tr>
</tbody>
</table>

- The largest shareholders are represented in the Board of Directors.
- They are long-term owners of Stockmann and support the Group’s strategy.
Strategy
Historical investment program successfully completed

- Lindex acquisition in 2007
  - Capital expenditure EUR 850 million
- Enlargement of the Helsinki city centre department store 2006–2010
  - 10,000 m² new commercial premises and renovation work in the whole building
  - New underground customer car park and goods handling facilities
  - Capital expenditure EUR 200 million
- Nevsky Centre 2006–2010
  - 50,000 m² store and office space
  - Stockmann department store and over 70 other companies as tenants
  - Capital expenditure EUR 185 million
Financing the capital expenditure

2006 2007 2008 2009 2010 2011

Helsinki department store enlargement, capex EUR 200 million

Nevsky Centre in St Petersburg, capex EUR 185 million

Lindex acquisition EUR 850 million

Acquisition debt EUR 850 million Dec 2007

Directed equity issue EUR 137.4 million June 2008

Debt refinancing EUR 1 000 million, maturities 3–7 years Dec 2008

Capital releasing program EUR 84 million During 2009

Directed equity issue to Hartwall EUR 96 million Aug 2009

Rights issue to all shareholders EUR 44.9 million Sep 2009

Debt refinancing EUR 700 million, maturities 5 years, Jul 2010

Loyal Customer share subscriptions EUR 6 million Jun 2011

Debt refinancing EUR 50 million Jun 2011
Strategy 2012–2016: Heading for profit

• The slow market development affects the strategy, but the core remains as it is: profitable growth in present and new markets
• After the major investment program successfully completed, the capital expenditure will decrease and be clearly below depreciation in 2012–2014
• Now focus on utilizing the full potential of existing assets
• Close follow-up of costs and inventories
• Long-term financial targets remain unchanged, but understanding the big challenges, if the present market development continues

• Planned enlargements and renovations of current department stores: Tampere 2013, Tapiola 2016
• Expansion of Lindex to continue
  – Focus on Russia and Eastern Central Europe (Czech Republic, Poland, and Slovakia)
Financial development and future outlook
Stockmann Group’s revenue in Q3/2011

• Good revenue growth as a whole
  - Q3 revenue up 9.6% to EUR 461.3 million
• Newest units in Russia boosted the growth
  - St Petersburg department store strengthened its position as a shopping destination
  - Good start for the new Ekaterinburg department store
  - Favourable development in Moscow department stores
  - Lindex achieving a stronger presence in Russia
• Affordable fashion market was still weak, particularly in Sweden where total market was down 8%
  - Despite the increased market share, Lindex’s sales in Sweden were lower than in 2010
  - Lindex increased its revenue in new market areas and gained market share in all main markets
  - Seppälä improved after slow first half of the year; all market areas up in Q3
Quarterly revenue

[Chart showing quarterly revenue growth for 2009, 2010, and 2011, with percentage increases indicated for each quarter.]

- 1-3: +9%
- 4-6: +13%
- 7-9: +10%
- 10-12: +9%

EUR mill.
Earnings in Q3/2011

• Reasonable operating profit in the quarter, at EUR 15.2 million (EUR 18.4 million)
• Earnings trend turning into a positive direction
  – Department Store Division’s operating profit improved
  – Lindex and Seppälä still below 2010
• Relative gross margin in Q3 at 49.1% (50.0%)
  – Increased purchasing prices and actions to boost sales in affordable fashion
• Operating costs and depreciation increased due to expansion and the general cost increase
• Profit for the period EUR 5.7 million (EUR 13.4 million), partly due to high financial expenses
• Earnings per share EUR 0.08 (EUR 0.19)
Quarterly operating profit
## Revenue in December 2011

<table>
<thead>
<tr>
<th>EUR mill Exclusive of VAT</th>
<th>12/2011</th>
<th>Change %</th>
<th>1-12/2011</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Store Division, Finland</td>
<td>109.9</td>
<td>1.4</td>
<td>861.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Department Store Division, international operations</td>
<td>44.0</td>
<td>21.5</td>
<td>375.6</td>
<td>37.3</td>
</tr>
<tr>
<td>Department Store Division, total</td>
<td>153.9</td>
<td>6.4</td>
<td>1 236.8</td>
<td>12.4</td>
</tr>
<tr>
<td>Lindex, Finland</td>
<td>8.7</td>
<td>18.4</td>
<td>70.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Lindex, international operations</td>
<td>65.4</td>
<td>9.1</td>
<td>553.3</td>
<td>8.1</td>
</tr>
<tr>
<td>Lindex, total</td>
<td>74.1</td>
<td>10.1</td>
<td>624.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Seppälä, Finland</td>
<td>12.5</td>
<td>9.5</td>
<td>93.6</td>
<td>-0.8</td>
</tr>
<tr>
<td>Seppälä, international operations</td>
<td>5.1</td>
<td>8.1</td>
<td>50.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Seppälä, total</td>
<td>17.6</td>
<td>9.1</td>
<td>143.8</td>
<td>0.4</td>
</tr>
<tr>
<td>Other operations</td>
<td>0.0</td>
<td>0.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations in Finland, total</td>
<td>131.1</td>
<td>3.1</td>
<td>1 026.1</td>
<td>3.9</td>
</tr>
<tr>
<td>International operations, total</td>
<td>114.5</td>
<td>13.5</td>
<td>979.1</td>
<td>17.4</td>
</tr>
<tr>
<td>Stockmann Group total</td>
<td>245.6</td>
<td>7.7</td>
<td>2 005.2</td>
<td>10.1</td>
</tr>
</tbody>
</table>
Current market development and future outlook

- Stockmann Group’s Christmas season sales developed as expected, especially the fashion chains improved their performance
  - Lindex revenue +10%, Seppälä +9%
- Outlook for 2011 remains unchanged: Full-year operating profit expected to decline on 2010
- Capital expenditure in 2011 approximately EUR 65 million (EUR 165.4 mill)
  - Capital expenditure will remain clearly below depreciation also in 2012
- Market in Russia and Baltic countries likely to continue to grow; more uncertainty in Finland and Sweden
- Visibility very weak due to unsolved European debt crisis
- When the general market conditions improve, Stockmann is well placed for positive development in 2012
- Financial Statements Bulletin to be published on 9 February 2012
Thank you!