

THE TIMING OF CRAZY DAYS CAMPAIGN IN FINLAND AND STRONG OUTLAYS ON FURTHERING GROWTH IN RUSSIA WEAKEN THE SECOND-QUARTER RESULT AS EXPECTED

In January-June, the Stockmann Group's sales from continuing operations grew by 6.5 per cent to EUR 722.4 million (EUR 678.4 million in 2006). Profit from continuing operations before taxes was EUR 21.4 million (EUR 28.9 million). The operational result from continuing operations in Finland and the Baltic countries improved. The costs of starting up new units and customs clearance problems in the first part of the year burdened earnings in Russia. The clear decrease in Hobby Hall's April sales owing to the adoption of a new accounting policy also affected the result. Owing primarily to significant other operating income in the comparison period, the entire Group's profit before taxes decreased in the report period. Earnings per share were EUR 0.29. The earnings estimate for 2007 is unchanged. The objective is to post improved operating profit from continuing operations in 2007 compared with 2006.

Key figures

		1-6/2007	1-6/2006	2006
Continuing operations				
Sales	EUR mill.	722.4	678.4	1 477.8
Revenue	EUR mill.	605.6	568.9	1 239.6
Operating profit	EUR mill.	22.3	29.6	99.9
Profit before taxes	EUR mill.	21.4	28.9	99.4
Earnings per share	EUR	0.29	0.40	1.39
Group total				
Equity per share	EUR	9.34	9.23	10.34
Cash flow from operating activities	EUR mill.	2.2	23.3	117.4
Gearing	per cent	17.4	2.1	-6.3
Equity ratio	per cent	66.7	77.3	74.5
Weighted average number of shares	thousands	55 486	54 111	54 310
Return on capital employed, rolling 12 months	per cent	16.3	26.2	22.9

Financial reporting

Stockmann adopted International Financial Reporting Standards (IFRS) on January 1, 2005. The Interim Report has been prepared in accordance with IAS 34 and the accounting policies and calculation methods used are the same as those applied in the 2006 financial statements. In the financial reporting for 2006, Stockmann Auto and the Zara business in Russia are treated as discontinued operations in accordance with IFRS 5. The figures are unaudited.

Sales and result

Operating profit from continuing operations fell by EUR 7.3 million to EUR 22.3 million (EUR 29.6 million). A non-recurring capital gain of EUR 4.7 million was booked in the comparison period. Stripping out the non-recurring item in the comparison period, earnings improved in Finland and the Baltic countries. Consolidated earnings were burdened by the costs of starting up a new department store in Moscow as well as by the energetic establishment of new Bestseller stores and Seppälä stores in Russia. Hobby Hall's sales and earnings were weakened by the change in the way sales are recorded, which has deferred the recording of part of sales. Furthermore, the customs clearance problems that hampered sales in Russia in the first part of the year caused a need for larger-than-normal discounts, thereby cutting into the gross margin and earnings in the second quarter. The trend in second-quarter sales and earnings was weakened by the timing of the Crazy Days campaign, which was run entirely in March in Finland.

Stockmann's consolidated sales, eliminating the Stockmann Auto business for the comparison period, were up 6.5 per cent. Net of the elimination, sales decreased by 4 per cent to EUR 722.4 million (EUR 753.3 million). The Group's sales abroad amounted to EUR 190.6 million, an increase of 19 per cent. Sales from continuing operations in Finland grew by 3 per cent to EUR 531.8 million. International operations accounted for an increased share of consolidated sales, rising from 24 per cent to 26 per cent. Revenue was EUR 605.6 million, as against EUR 568.9 million in the comparison period. There was no other operating income. In the comparison period, other operating income amounted to EUR 34.0 million, consisting mainly of capital gains on the transfer of discontinued operations.

The gross margin on the Group's operations rose by EUR 12.0 million to EUR 249.9 million and the relative gross margin was 41.3 per cent (37.8 per cent). The Department Store Division and Seppälä reported an improved relative gross margin on their operations. For the Group as a whole, the relative gross margin was improved by the discontinuance of low-margin vehicle sales as from the beginning of March 2006.

Operating expenses increased by EUR 13.7 million and depreciation by EUR 1.2 million. Primarily owing to the impact of the EUR 34.0 million of other income on operations during the comparison period, consolidated operating profit was down by EUR 36.9 million to EUR 22.3 million.

Net financial income and expenses decreased by EUR 0.3 million and were EUR 0.9 million negative (EUR 0.6 million negative).

Profit before taxes was EUR 21.4 million, down EUR 37.1 million on the figure a year earlier. Direct taxes were EUR 5.0 million, decreasing by EUR 2.0 million on the figure a year earlier. In the comparison period, earnings included EUR 29.3 million of tax-free capital gains. The Group's second-quarter net profit was EUR 10.2 million, compared with EUR 43.1 million a year earlier.

Earnings per share in the report period were EUR 0.29 (EUR 0.95) and diluted for options they were likewise EUR 0.29 (EUR 0.94). Equity per share was EUR 9.34 (EUR 9.23).

Sales and earnings trend by business segment

The Department Store Division's sales grew by 7 per cent to EUR 542.2 million. The operational result grew by 11 per cent. Sales in Finland were up 4 per cent. International Operations' sales were increased by the good

like-for-like retail performance by the department stores in Russia and the Baltic countries, a fourth department store that was opened in Moscow in mid-February as well as the new Bestseller stores. In Russia, the problems encountered in goods imports in the early months of the year led to a temporary shortfall of merchandise, slowing sales growth. The department stores in Estonia and Latvia reported an excellent sales trend. Sales by International Operations grew by 16 per cent and its share of the Group's sales rose to 28 per cent (25 per cent). The relative gross margin improved in the report period. The Department Store Division's operating profit in the first half of the year came to EUR 19.3 million (EUR 22.1 million). Earnings in the comparison period include a non-recurring capital gain of EUR 4.7 million that was booked in the second quarter. Earnings generated by the businesses in Finland and the Baltic countries were on a positive trend in the report period. Earnings from International Operations were burdened by the start-up costs of the department store that was opened in Moscow in February and the new Bestseller and Nike stores as well as the larger-than-normal discounts in the second quarter due to delays in customs clearance at the start of the year. Running the entire Crazy Days campaign in March exerted a drag on the growth in second-quarter sales and earnings in Finland. The division's operating profit in the second quarter was EUR 11.5 million (EUR 22.2 million).

Hobby Hall reported sales growth of 3 per cent to EUR 101.7 million (EUR 98.8 million). Sales increased in the Baltic countries, and in Finland they remained at the same level as in the previous year. Hobby Hall's relative gross margin was at the level of a year earlier. Hobby Hall's second-quarter sales figures were affected by the new information system that went into operation in April, whereby the recording of sales was deferred during the change-over month. Online sales continued to grow strongly, accounting for 60 per cent of Hobby Hall's distance retailing in Finland (45 per cent). Online sales were buoyant in the Baltic countries as well, amounting to 26 per cent of Hobby Hall's distance retailing in the Baltic area (18 per cent). Earnings were affected by the clearly lower sales figures in April compared with a year ago because of the adoption of a new accounting policy. Hobby Hall's operating profit in the first half of the year amounted to EUR 0.5 million (EUR 1.6 million). The second-quarter operating result was EUR 0.9 million negative (EUR 0.6 million).

Seppälä's sales increased by 8 per cent on the same period of last year and were EUR 78.1 million. Sales grew strongly in Russia and the Baltic countries, where they were boosted by the new stores that were opened towards the end of 2006 and at the beginning of 2007 as well as by the good like-for-like sales trend. Sales abroad grew by 42 per cent and their share of Seppälä's total sales rose to 27 per cent (21 per cent). The relative gross margin improved, but fixed costs and depreciation also increased because of the heavy investments in opening new stores, especially in Russia. Seppälä's operating profit in the report period was EUR 6.6 million (EUR 8.4 million). Second-quarter operating profit amounted to EUR 5.8 million (EUR 7.6 million).

Financing and capital employed

Liquid assets totalled EUR 20.2 million at the end of June, as against EUR 14.8 million a year earlier and EUR 59.2 million at the end of 2006.

Interest-bearing liabilities at the end of June were EUR 110.6 million (EUR 25.5 million), of which EUR 30.2 million consisted of long-term borrowings (EUR 23.4 million). EUR 20.0 million of new long-term

borrowings were drawn down during the report period. Capital expenditures amounted to EUR 63.9 million. Net working capital amounted to EUR 224.8 million at the end of June, as against EUR 245.0 million a year earlier and EUR 194.5 million at the end of 2006. Dividend payouts totalled EUR 72.1 million. Subscriptions made by exercising the share options for the year 2006 added EUR 3.1 million to shareholders' equity. The equity ratio was 66.7 per cent (77.3 per cent) at the end of June. The equity ratio at the end of 2006 was 74.5 per cent. Gearing was 17.4 per cent at the end of June (2.1 per cent). At the end of 2006, gearing was 6.3 per cent negative.

The return on capital employed over the past 12 months was 16.3 per cent (22.9 per cent at the end of 2006). In step with the hefty capital expenditure programme, the Group's capital employed increased by EUR 103.6 million from June of the previous year and stood at EUR 630.9 million towards the end of the report period (EUR 595.0 million at the end of 2006).

Capital expenditures and current projects

Capital expenditures during the report period totalled EUR 63.9 million (EUR 32.5 million).

The construction works for the major enlargement and transformation project for the department store in the centre of Helsinki are continuing. The project involves expanding the department store's commercial premises by about 10 000 square metres by converting existing premises to commercial use and by building new retail space. In addition, completely new goods handling, servicing and customer parking areas will be built. After the enlargement the Helsinki department store will have a total of about 50 000 square metres of retail space. The total cost estimate for the project is approximately EUR 145 million. The works will be carried out stage by stage and are estimated to reach completion in 2010. During the report period, the project required an investment of about EUR 28.6 million. Stockmann has succeeded in carrying out the extensive project without hampering the department store's profitability. The department store's sales increased during the report period.

A new Stockmann Beauty store was opened in Joensuu in February. The fifteenth store in the Stockmann Beauty chain will be opened in Rovaniemi in the latter part of the year.

In February 2007, the Department Store Division opened a fourth department store in Moscow, in the Mega Shopping Centre on the south-east side of town. The department store has over 10 000 square metres of retail space. Stockmann's portion of the total investment in the department store, which was built in leased premises, was EUR 16.5 million, of which EUR 5.8 million was an outlay in the report period. Operations have started up according to plan.

Five new Bestseller stores were opened in Russia in the report period: two in St Petersburg and one store each in Moscow, Kazan and Samara. Stockmann now has a total of 16 Bestseller stores in Russia. Later this year, a second store will be opened in Samara, as well as one store each in Rostov-on-Don and Novosibirsk.

The first two Stockmann Nike stores were opened in St Petersburg in February. Towards the end of the year, a third store will be opened in St

Petersburg as well as one store each in Rostov-on-Don, Nizhny Novgorod, Novosibirsk and Samara.

In 2006, Stockmann purchased a 10 000-odd square metre commercial plot on Nevsky Prospect, St Petersburg's high street. The plot is located next to the Vosstaniya Square underground station, in the immediate vicinity of Moscow Station. On this plot, Stockmann will erect the Nevsky Centre shopping centre that will have about 100 000 square metres of gross floor space, of which about 50 000 square metres will be store and office space. A full-scale Stockmann department store with about 20 000 square metres of retail space has been planned for the shopping centre, along with other retail stores, office premises and an underground car park. In June, an agreement was concluded with Technopolis Plc, under which the company will take out a lease on the shopping centre's approx. 4 300 square metre office section for subletting to its customer companies. The department store and shopping centre investment will have a price tag of about EUR 135 million. On the plot for the Nevsky Centre development, the old buildings have been torn down, and construction works are under way. Stockmann's objective is to open the department store and commercial centre in spring 2009. During the report period, the project required an investment of about EUR 13.3 million.

Stockmann has signed a preliminary agreement on opening Moscow's fifth Stockmann department store in leased premises in the Metropolis Shopping Centre that is being built right near the city's centre. The department store will have a total of about 8 000 square metres of floor space, and Stockmann's investment in the project will be about EUR 12 million. The objective is to open the department store in autumn 2008. Stockmann is engaged in negotiations on opening several new department stores in Russia.

The Department Store Division's capital expenditures totalled EUR 56.6 million.

Hobby Hall's capital expenditures amounted to EUR 1.4 million. Hobby Hall launched distance retailing in Lithuania in February and will start a similar launch in Russia towards the end of the year. Hobby Hall is also planning to start up online sales in Sweden during 2008. In April, Hobby Hall introduced a new distance retailing information system that will increase the efficiency of the company's commercial and administrative functions.

Seppälä's capital expenditures came to EUR 5.6 million. In the report period, Seppälä opened one store in Tampere, Finland, one in Pärnu, Estonia, and one in Vilnius, Lithuania. In Russia, Seppälä opened six stores: three in St Petersburg as well as one in Moscow, Samara and Yaroslavl. Seppälä is seeking to open a total of 7 new stores in Russia during the latter part of the year. The start-up of operations in Ukraine is also in the pipeline, but because of the poor availability of commercial sites, it is estimated that this will be done in 2008. Seppälä is presently upgrading its cash register system, which went into operation in Finland in the spring.

Other capital expenditures in the report period amounted to EUR 0.3 million.

Shares and share capital

The company's market capitalization at the end of June was EUR 1 776.8 million (EUR 1 732.4 million). At the end of 2006 the market capitalization was EUR 2 028.6 million.

Stockmann's share prices underperformed both the OMX Helsinki index and the OMX Helsinki Cap index during the report period. At the end of June the stock exchange price of the Series A share was EUR 31.90, compared with EUR 36.40 at the end of 2006, and the Series B share was selling at EUR 31.50, as against EUR 36.48 at the end of 2006.

The 192 865 Stockmann shares subscribed for in December 2006 with the share options for the year 2000 were entered in the Trade Register on February 28, 2007, and they were admitted to public trading on the Helsinki Stock Exchange together with existing shares on March 1, 2007.

Share options for 2000 were exercised in March to subscribe for 238 709 shares. Of these, 18 000 shares were entered in the Trade Register on April 10, 2007, and 220 709 shares on May 14, 2007. They were accepted for public trading on the Helsinki Stock Exchange together with the old shares on April 11, 2007 and May 15, 2007. As a consequence of the subscriptions, the share capital was increased by EUR 477 418. Following the increase, the share capital was EUR 112 187 224.

A total of 2 500 000 new Series B shares were eligible for subscription on the basis of the share options for 2000. During the subscription period, a total of 2 499 800 Stockmann Series B shares were subscribed for with the share options. The subscription period ended on April 1, 2007.

At June 30, 2007, Stockmann had 24 564 243 Series A shares and 31 529 369 Series B shares.

Stockmann held 369 560 of its own Series B shares (treasury shares) at the end of June 2007. They comprised 0.7 per cent of all the shares outstanding and 0.1 per cent of all the votes. The shares were bought back at a total price of EUR 5.6 million.

The Annual General Meeting in 2007 authorized the Board of Directors to decide on the transfer of the company's own Series B shares in one or more instalments. The authorization will be valid for five years. The company's Board of Directors does not have valid authorizations to increase the share capital, to float issues of convertible bonds or bonds with warrants, or to buy back its own shares.

Personnel strength

During the report period the Stockmann Group had an average payroll of 10 435 employees, or 441 more than in the comparison period. The number of employees was raised by the department stores and other stores in Russia and the Baltic countries, but lowered by the disposal of Stockmann Auto at the beginning of March 2006. Stockmann's average number of employees, converted to full-time staff, increased by 379 and was 8 367.

At the end of June 2007 the number of staff working abroad was 3 976 people. At the end of June of last year Stockmann had 3 175 people working abroad. Their proportion of the total personnel was 37 per cent (32 per cent).

Full-year outlook

Major changes have not occurred in the operating environment, nor have operational risks changed materially from what was stated in the Annual Report.

Retail sales are estimated to increase by 3-4 per cent in Finland in 2007. The markets in Russia and the Baltic countries are set to continue growing faster than the Finnish market. Stockmann's sales are estimated to be just over EUR 1.6 billion.

The result from continuing operations in the third quarter of 2007 is estimated to be on a par with the previous year, and fourth-quarter earnings are set to exceed last year's figure.

Earnings in 2006 included substantial non-recurring items as a consequence of the disposal of businesses. In 2007, these will be markedly smaller than in the previous year. The Group is carrying out a number of major investments. The start-up costs of the investments that will become operational during the year will be a factor burdening the result for 2007. Because of the decrease in non-recurring items, the Group's profit before taxes will come in lower than in 2006. The objective still is to post improved operating profit from continuing operations compared with 2006.

Balance sheet, Group EUR millions	30.6.07	30.6.06	31.12.06
ASSETS			
Non-current assets			
Intangible assets	11.2	5.9	6.3
Property, plant and equipment	392.0	278.9	352.2
Available-for-sale investments	6.5	6.0	6.5
Non-current receivables, interest-bearing		0.2	
Deferred tax assets	2.5	3.4	2.5
Non-current assets, total	412.1	294.5	367.5
Current assets			
Inventories	156.2	145.7	155.0
Receivables, interest-bearing	98.5	105.0	98.9
Receivables, non interest-bearing	93.5	89.0	87.0
Cash and cash equivalents	20.2	14.8	59.2
Current assets, total	368.5	354.5	400.1
Assets, total	780.6	649.0	767.6
EQUITY AND LIABILITIES			
Equity			
Minority interest	0.0	0.0	0.0
Equity, total	520.3	501.8	571.6
Non-current liabilities, interest-bearing			
Deferred taxes liabilities	30.2	23.4	23.4
Current liabilities			
Current liabilities, interest-bearing	26.2	26.9	26.2
Current liabilities, non interest-bearing	80.4	2.1	
Current liabilities, total	123.5	94.8	146.4
Equity and liabilities, total	203.8	96.8	146.4
	780.6	649.0	767.6
Equity ratio, per cent	66.7	77.3	74.5
Gearing, per cent	17.4	2.1	-6.3
Cash flow from operations per share, EUR	0.04	0.43	2.15
Interest-bearing net debt, EUR mill.	-8.1	-94.6	-134.7
Number of shares at June 30, thousands	56 094	54 768	55 662
Weighted average number of shares, thousands	55 486	54 111	54 310
Weighted average number of shares, diluted, thousands	55 752	54 867	55 178
Market capitalization, EUR mill.	1 776.8	1 732.4	2 028.6
Equity ratio, per cent = 100 x (Equity + minority interest) / Total assets less advance payments received			
Gearing, per cent = 100 x Interest-bearing liabilities less cash and cash equivalents / Equity total			
Interest-bearing net debt = Interest-bearing liabilities less cash and cash equivalents less interest-bearing liabilities			
Market capitalization, EUR mill. = Number of shares multiplied by the quotation for the respective share series on the balance sheet date			
Cash flow statement, Group EUR millions			
Cash flows from operating activities	1-6/2007	1-6/2006	1-12/2006
Net profit for the financial year	16.3	51.5	104.7

Adjustments:			
Depreciation	17.5	16.4	32.1
Other operating income		-34.0	-34.4
Financial expenses	1.5	1.2	2.3
Financial income	-0.6	-0.6	-1.8
Taxes paid	5.0	7.0	24.3
Other adjustments	1.3	0.1	1.7
Changes in working capital:			
Change in trade and other receivables	0.4	19.7	1.7
Change in inventories	-1.2	14.6	5.2
Change in trade payables and other liabilities	-26.3	-35.9	11.2
Interest paid	-0.8	-1.4	-2.5
Interest received	0.5	0.5	1.1
Taxes paid	-11.6	-15.9	-28.2
Net cash from operating activities	2.2	23.3	117.4
Cash flows from investing activities			
Investments in tangible and intangible assets	-62.2	-32.2	-112.2
Acquisition of subsidiary net cash acquired			-12.7
Disposal of subsidiaries less cash at date of disposal		81.6	105.0
Capital expenditures on other investments			-0.5
Cash from tangible assets			8.4
Cash from other investments		0.1	0.9
Dividends received	0.1	0.1	0.1
Net cash used in investing activities	-62.1	49.6	-11.0
Cash flows from financing activities			
Proceeds from issue of share capital	5.8	4.3	17.2
Change in short-term loans, increase (+), decrease (-)	67.3	-31.5	-33.3
Long-term loans, increase (+), decrease (-)	20.0	10.0	10.0
Dividends paid	-72.1	-59.3	-59.5
Net cash used in financing activities	21.0	-76.5	-65.6
Change in cash and cash equivalents	-38.9	-3.5	40.8
Cash and cash equivalents at start of the period	59.2	18.4	18.4
Cash and cash equivalents at end of the period	20.2	14.8	59.2

Income statement, Group, EUR millions	1-6/2007		Total
	Continuing operations	Discontinued operations	
Revenue	605.6		605.6
Other operating income			
Materials and consumables	-355.6		-355.6
Wages, salaries and employee benefits expenses	-103.3		-103.3
Depreciation	-17.5		-17.5
Other operating expenses	-106.9		-106.9
Operating profit	22.3		22.3
Finance income and expenses	-0.9		-0.9
Profit before tax	21.4		21.4
Income taxes	-5.0		-5.0
Profit for the period	16.3		16.3

Earnings per share, EUR	0.29	0.29
Earnings per share, diluted, EUR	0.29	0.29
Operating profit, per cent	3.7	3.7
Equity per share, EUR		9.34
Return on equity, per cent, moving 12 months		13.6
Return on capital employed, per cent, moving 12 months		16.3
Average number of employees, converted to full-time staff	8 367	8 367
Investments	63.9	63.9

Income statement, Group, EUR millions	1-6/2006		Total
	Continuing operations	Discontinued operations	
Revenue	568.9	61.1	630.0
Other operating income	4.7	29.3	34.0
Materials and consumables	-339.5	-52.5	-392.0
Wages, salaries and employee benefits expenses	-97.1	-5.4	-102.5
Depreciation	-16.1	-0.3	-16.4
Other operating expenses	-91.4	-2.6	-94.0
Operating profit	29.6	29.6	59.1
Finance income and expenses	-0.6	0.0	-0.6
Profit before tax	28.9	29.6	58.5
Income taxes	-6.9	-0.1	-7.0
Profit for the period	22.0	29.5	51.5

Earnings per share, EUR	0.40	0.55	0.95
Earnings per share, diluted, EUR	0.40	0.54	0.94
Operating profit, per cent	5.2	48.4	9.4
Equity per share, EUR			9.23
Return on equity, per cent, moving 12 months			23.3
Return on capital employed, per cent, moving 12 months			26.2
Average number of employees, converted to full-time staff	7 760	228	7 988
Investments	32.5		32.5

Income statement, Group, EUR millions	1-12/2006		Total
	Continuing operations	Discontinued operations	
Revenue	1 239.6	61.1	1 300.7
Other operating income	5.1	29.3	34.4
Materials and consumables	-721.1	-52.5	-773.6
Wages, salaries and employee benefits expenses	-199.3	-5.4	-204.7
Depreciation	-31.8	-0.3	-32.1
Other operating expenses	-192.6	-2.6	-195.1
Operating profit	99.9	29.6	129.5
Finance income and expenses	-0.5	0.0	-0.6
Profit before tax	99.4	29.6	128.9
Income taxes	-24.2	-0.1	-24.3
Profit for the period	75.2	29.5	104.7

Earnings per share, EUR	1.39	0.54	1.93
Earnings per share, diluted, EUR	1.37	0.53	1.90
Operating profit, per cent	8.1	48.4	10.0
Equity per share, EUR			10.34
Return on equity, per cent, moving 12 months			19.4
Return on capital employed, per cent, moving 12 months			22.9
Average number of employees, converted to full-time staff	7.923	114	8.037
Investments	125.5		125.5

Earnings per share, EUR = (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)

SEGMENT INFORMATION

Segments

Sales, EUR millions	1-6/2007	1-6/2006	Change per cent	1-12/2006
Department Store Division	542.2	506.6	7	1 119.0
Hobby Hall	101.7	98.8	3	199.8
Seppälä	78.1	72.6	8	158.1
Shared	0.4	0.5	-10	0.9
Continuing operations, total	722.4	678.4	6	1 477.8
Discontinued operations		74.8		74.8
Group	722.4	753.3	-4	1 552.6

Revenue, EUR millions	1-6/2007	1-6/2006	Change per cent	1-12/2006
Department Store Division	455.9	425.9	7	941.3
Hobby Hall	84.4	82.0	3	165.9
Seppälä	64.8	60.1	8	130.8
Shared	0.5	0.9	-45	1.7
Continuing operations, total	605.6	568.9	6	1 239.6
Discontinued operations		61.1		61.1
Group	605.6	630.0	-4	1 300.7

Operating profit, EUR millions	1-6/2007	1-6/2006	Change per cent	1-12/2006
Department Store Division	19.3	22.1	-13	79.5
Hobby Hall	0.5	1.6	-67	7.1
Seppälä	6.6	8.4	-21	21.1
Shared	-4.0	-3.3		-8.0
Eliminations	-0.2	0.8		0.2
Continuing operations, total	22.3	29.6		99.9
Discontinued operations		29.6		29.6
Group	22.3	59.1	-62	129.5

Investments, gross, EUR millions	30.6.07	30.6.06	Change per cent	31.12.06
Department Store Division	56.6	28.5	99	115.3
Hobby Hall	1.4	1.6	-14	3.2
Seppälä	5.6	1.8	214	6.1
Shared	0.3	0.6	-52	0.9
Continuing operations, total	63.9	32.5	97	125.5
Discontinued operations Group	63.9	32.5	97	125.5

Assets, EUR millions	30.6.07	30.6.06	Change per cent	31.12.06
Department Store Division	594.6	442.7	34	557.9
Hobby Hall	107.7	102.1	5	104.0
Seppälä	40.3	29.3	37	38.0
Shared	38.1	74.8	-49	67.7
Continuing operations, total	780.6	649.0	20	767.6
Discontinued operations Group	780.6	649.0	20	767.6

Non-interest-bearing liabilities, EUR millions	30.6.07	30.6.06	Change per cent	31.12.06
Department Store Division	89.9	80.2	12	122.0
Hobby Hall	21.2	10.7	97	13.9
Seppälä	9.3	6.4	45	10.9
Shared	29.3	24.4	20	25.8
Continuing operations, total	149.7	121.7	23	172.6
Discontinued operations Group	149.7	121.7	23	172.6

Market areas		1-6/2007		
		Continuing operations	Discontinued operations	Total
Sales, EUR millions				
Finland 1)		531.8		531.8
Baltic states 2)		88.5		88.5
Russia 3)		102.1		102.1
Group		722.4		722.4
Finland, per cent		73.6		73.6
International operations, per cent		26.4		26.4

		Continuing operations	Discontinued operations	Total
Revenue, EUR millions				
Finland 1)		443.1		443.1
Baltic states 2)		75.2		75.2
Russia 3)		87.3		87.3
Group		605.6		605.6
Finland, per cent		73.2		73.2
International operations, per cent		26.8		26.8

		Continuing operations	Discontinued operations	Total
Operating profit, EUR millions				
Finland 1)		24.3		24.3
Baltic states 2)		7.0		7.0
Russia 3)		-9.0		-9.0
Group		22.3		22.3

Finland, per cent
International operations, per cent

Investments, gross, EUR millions	30.6.2007		Total
	Continuing operations	Discontinued operations	
Finland 1)	33.5		33.5
Baltic states 2)	1.2		1.2
Russia 3)	29.2		29.2
Group	63.9		63.9
Finland, per cent	52.4		52.4
International operations, per cent	47.6		47.6

Assets, EUR millions	30.6.2007		Total
	Continuing operations	Discontinued operations	
Finland 1)	535.6		535.6
Baltic states 2)	72.9		72.9
Russia 3)	172.1		172.1
Group	780.6		780.6
Finland, per cent	68.6		68.6
International operations, per cent	31.4		31.4
1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä			
2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä			
3) Department Store Divisions and Seppälä			

Market areas	1-6/2006		Total
	Continuing operations	Discontinued operations	
Sales, EUR millions			
Finland 1)	518.4	74.8	593.2
Baltic states 2)	75.4		75.4
Russia 3)	84.6		84.6
Group	678.4	74.8	753.3
Finland, per cent	76.4		78.8
International operations, per cent	23.6		21.2

Revenue, EUR millions	1-6/2006		Total
	Continuing operations	Discontinued operations	
Finland 1)	432.3	61.1	493.4
Baltic states 2)	64.2		64.2
Russia 3)	72.5		72.5
Group	568.9	61.1	630.0
Finland, per cent	76.0		78.3
International operations, per cent	24.0		21.7

Operating profit, EUR millions	1-6/2006		Total
	Continuing operations	Discontinued operations	
Finland 1)	20.1	7.7	27.8
Baltic states 2)	9.9		9.9
Russia 3)	-0.4	21.9	21.5
Group	29.6	29.6	59.1
Finland, per cent	68.0		47.0
International operations, per cent	32.0		53.0

Investments, gross, EUR millions	30.6.2006		Total
	Continuing operations	Discontinued operations	
Finland 1)	24.2		24.2
Baltic states 2)	0.5		0.5
Russia 3)	7.8		7.8
Group	32.5		32.5
Finland, per cent	74.5		74.5
International operations, per cent	25.5		25.5

Assets, EUR millions			Total
	Continuing operations	Discontinued operations	
Finland 1)	493.4		493.4
Baltic states 2)	74.1		74.1
Russia 3)	81.5		81.5
Group	649.0		649.0
Finland, per cent	76.0		76.0
International operations, per cent	24.0		24.0
1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä			
2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä			
3) Department Store Divisions and Seppälä			

Market areas	1-12/2006		Total
	Continuing operations	Discontinued operations	
Sales, EUR millions			
Finland 1)	1 123.7	74.8	1 198.6
Baltic states 2)	165.3		165.3
Russia 3)	188.8		188.8
Group	1 477.8	74.8	1 552.6
Finland, per cent	76.0		77.2
International operations, per cent	24.0		22.8

Revenue, EUR millions			Total
	Continuing operations	Discontinued operations	
Finland 1)	937.5	61.1	998.5
Baltic states 2)	140.6		140.6
Russia 3)	161.6		161.6
Group	1 239.6	61.1	1 300.7
Finland, per cent	75.6		76.8
International operations, per cent	24.4		23.2

Operating profit, EUR millions			Total
	Continuing operations	Discontinued operations	
Finland 1)	75.2	7.7	82.9
Baltic states 2)	21.0		21.0
Russia 3)	3.8	21.9	25.6
Group	99.9	29.6	129.5
Finland, per cent	75.2		64.0
International operations, per cent	24.8		36.0

Investments, gross, EUR millions	31.12.2006		Total
	Continuing operations	Discontinued operations	

	operations	operations	
Finland 1)	64.0		64.0
Baltic states 2)	1.8		1.8
Russia 3)	59.7		59.7
Group	125.5		125.5
Finland, per cent	51.0		51.0
International operations, per cent	49.0		49.0

	Continuing operations	Discontinued operations	Total
Assets, EUR millions			
Finland 1)	594.8		594.8
Baltic states 2)	69.7		69.7
Russia 3)	103.1		103.1
Group	767.6		767.6
Finland, per cent	77.5		77.5
International operations, per cent	22.5		22.5

1) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä

2) Department Store Divisions, Stockmann Auto, Hobby Hall and Seppälä

3) Department Store Divisions and Seppälä

Statement of changes in equity	Equity*	Share premium fund	Legal reserve
Group, EUR millions			
Equity December 31, 2005	109.0	166.5	0.2
Options exercised	0.6	3.5	
Share bonus		0.2	
Transfer to other funds			
Dividends			
Translation differences			
Profit for the period			
Equity June 30, 2006	109.5	170.2	0.2
Equity December 31, 2006	111.7	183.4	0.2
Options exercised	0.5	2.6	
Share bonus		0.2	
Transfer to other funds			0.0
Cost of share issue			
Dividends			
Translation differences			
Profit for the period			
Equity June 30, 2007	112.2	186.2	0.2
* including share issue			

Statement of changes in equity	Other funds**	Trans-lation reserve	Retained earnings
Group, EUR millions			
Equity December 31, 2005	43.9	0.0	185.7
Options exercised			
Share bonus			0.2
Transfer to other funds	0.0		
Dividends			-59.5
Translation differences		0.0	0.0
Profit for the period			51.5
Equity June 30, 2006	43.9	0.0	177.9

Equity December 31, 2006	43.9	0.0	232.3
Options exercised			
Share bonus			0.2
Transfer to other funds			
Cost of share issue			0.9
Dividends			-72.1
Translation differences		0.0	0.0
Profit for the period			16.3
Equity June 30, 2007	43.9	0.1	177.7
** excluding deferred tax liability			

Statement of changes in equity		Minority	
Group, EUR millions	Total	interest	Total
Equity December 31, 2005	505.2	0.0	505.3
Options exercised	4.1		4.1
Share bonus	0.4		0.4
Transfer to other funds	0.0		0.0
Dividends	-59.5		-59.5
Translation differences	0.0		0.0
Profit for the period	51.5	0.0	51.5
Equity June 30, 2006	501.8	0.0	501.8
Equity December 31, 2006	571.6	0.0	571.6
Options exercised	3.1		3.1
Share bonus	0.4		0.4
Transfer to other funds	0.0		0.0
Cost of share issue	0.9		0.9
Dividends	-72.1		-72.1
Translation differences	0.0		0.0
Profit for the period	16.3	0.0	16.3
Equity June 30, 2007	520.3	0.0	520.3

Contingent liabilities, Group EUR millions	30.6.07	30.6.06	31.12.06
Mortgages on land and buildings	1.7	1.7	1.7
Guarantees	1.5		1.5
Pledges		0.1	0.1
Total	3.2	1.7	3.2

Lease agreements on business premises, EUR millions			
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	68.3	65.3	69.6
After one year	337.8	341.0	351.5
Total	406.1	406.3	421.1

Lease payments			
Within one year	1.0	0.9	1.1
After one year	1.0	0.8	0.9
Total	2.0	1.7	2.0

Derivative instruments
 Nominal value
 Interest rate derivatives

5.2

Exchange rates

Country	Currency	30.6.07	30.6.06	31.12.06
Russia	RUB	34.8070	34.2400	34.6800
Estonia	EEK	15.6466	15.6466	15.6466
Latvia	LVL	0.6963	0.6961	0.6972
Lithuania	LTL	3.4528	3.4528	3.4528

Income statement

quarterly, Group, EUR millions	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Continuing operations				
Revenue	294.2	311.4	389.6	281.1
Other operating income			0.4	0.0
Materials and consumables	-164.0	-191.6	-215.6	-166.1
Wages, salaries and employee benefits expenses	-52.6	-50.8	-57.9	-44.2
Depreciation	-8.4	-9.1	-7.9	-7.9
Other operating expenses	-55.1	-51.7	-58.1	-43.0
Operating profit	14.1	8.2	50.5	19.8
Finance income and expenses	-0.8	-0.2	-0.5	0.5
Profit before tax	13.3	8.0	50.1	20.4
Income taxes	-3.2	-1.9	-12.3	-5.0
Profit for the period, continuing operations	10.2	6.1	37.8	15.4
Discontinued operations				
Profit for the period, discontinued operations				
Profit for the period	10.2	6.1	37.8	15.4

Earnings per share,
 continuing operations, EUR

Basic	0.18	0.11	0.70	0.29
Diluted	0.18	0.11	0.69	0.28

Earnings per share,
 discontinued operations,
 EUR

Basic			0.00	-0.01
Diluted			-0.01	0.00

Earnings per share, total,
 EUR

Basic	0.18	0.11	0.70	0.28
Diluted	0.18	0.11	0.68	0.28

	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Sales, EUR millions				
Department Store Division	261.0	281.2	363.4	249.0
Hobby Hall	46.0	55.6	55.5	45.5
Seppälä	43.5	34.6	45.3	40.2

Shared	0.2	0.2	0.2	0.2
Continuing operations, total	350.7	371.7	464.4	334.9
Discontinued operations Group	350.7	371.7	464.4	334.9
Revenue, EUR millions				
Department Store Division	219.6	236.3	305.5	209.8
Hobby Hall	38.1	46.2	46.1	37.8
Seppälä	36.1	28.7	37.5	33.2
Shared	0.4	0.1	0.5	0.2
Continuing operations, total	294.2	311.4	389.6	281.1
Discontinued operations Group	294.2	311.4	389.6	281.1
Operating profit, EUR millions				
Department Store Division	11.5	7.8	44.3	13.1
Hobby Hall	-0.9	1.5	3.4	2.1
Seppälä	5.8	0.8	7.3	5.4
Shared	-2.1	-1.8	-3.8	-0.9
Eliminations	-0.1	0.0	-0.6	0.1
Continuing operations, total	14.1	8.2	50.6	19.8
Discontinued operations Group	14.1	8.2	50.6	19.8
Income statement quarterly, Group, EUR millions				
	Q2	Q1	Q4	Q3
	2006	2006	2005	2005
Continuing operations				
Revenue	299.5	269.4	379.3	262.0
Other operating income	4.7	0.0	7.0	0.0
Materials and consumables	-170.8	-168.7	-214.3	-155.7
Wages, salaries and employee benefits expenses	-48.9	-48.3	-56.5	-41.8
Depreciation	-8.1	-8.0	-8.7	-6.7
Other operating expenses	-47.7	-43.7	-52.8	-40.2
Operating profit	28.7	0.8	53.9	17.5
Finance income and expenses	-0.9	0.2	-2.0	0.6
Profit before tax	27.9	1.1	52.0	18.2
Income taxes	-6.6	-0.3	-13.3	-4.7
Profit for the period, continuing operations	21.2	0.8	38.6	13.5
Discontinued operations				
Profit for the period, discontinued operations	21.9	7.6	3.7	2.0
Profit for the period	43.1	8.4	42.4	15.4
Earnings per share, continuing operations, EUR				
Basic	0.39	0.01	0.72	0.25
Diluted	0.39	0.01	0.71	0.25
Earnings per share, discontinued operations,				

EUR				
Basic	0.41	0.14	0.07	0.04
Diluted	0.40	0.14	0.07	0.04
Earnings per share, total, EUR				
Basic	0.80	0.15	0.79	0.29
Diluted	0.79	0.15	0.78	0.29
	Q2	Q1	Q4	Q3
Sales, EUR millions	2006	2006	2005	2005
Department Store Division	270.8	235.8	344.3	228.4
Hobby Hall	46.2	52.6	63.4	43.9
Seppälä	40.2	32.4	45.1	40.1
Shared	0.3	0.2	0.2	0.2
Continuing operations, total	357.6	320.9	453.1	312.6
Discontinued operations Group	357.6	74.8 395.7	117.4 570.5	109.6 422.3
Revenue, EUR millions				
Department Store Division	227.4	198.5	289.0	191.9
Hobby Hall	38.4	43.6	52.6	36.4
Seppälä	33.3	26.8	37.3	33.1
Shared	0.4	0.5	0.5	0.6
Continuing operations, total	299.5	269.4	379.3	262.0
Discontinued operations Group	299.5	61.1 330.5	96.4 475.7	89.9 351.9
Operating profit, EUR millions				
Department Store Division	22.2	-0.1	37.8	12.1
Hobby Hall	0.6	1.0	4.3	0.9
Seppälä	7.6	0.8	14.5	6.9
Shared	-1.9	-1.4	-3.3	-1.4
Eliminations	0.2	0.6	0.6	-0.9
Continuing operations, total	28.7	0.8	53.9	17.5
Discontinued operations Group	21.9	7.7 8.5	4.1 58.0	1.9 19.5

STOCKMANN plc

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CEO

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A press and analyst conference will be held today, August 9, 2007, at 14.00 at the World Trade Center, Aleksanterinkatu 17, Helsinki.