

STOCKMANN plc, QUARTERLY REPORT JAN. 1 -SEP. 30, 2008

Balance sheet, Group EUR millions	Ref.	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
ASSETS				
Non-current assets				
Intangible assets	1,2	838,4	10,7	844,5
Property, plant and equipment	1,2	550,4	409,7	476,8
Available-for-sale investments		6,6	6,6	6,5
Non-current receivables		1,7		1,7
Deferred tax assets		6,0	2,5	5,3
Non-current assets, total		1 403,1	429,5	1 334,8
Current assets				
Inventories		281,4	202,7	244,4
Receivables, interest-bearing		51,2	97,2	98,8
Receivables, non interest-bearing		108,5	75,4	112,5
Cash and cash equivalents		23,0	21,2	33,2
Current assets, total		464,1	396,5	488,9
Assets, total		1 867,3	826,0	1 823,7
EQUITY AND LIABILITIES				
Equity		676,2	544,2	593,8
Minority interest		0,0	0,0	0,0
Equity, total		676,2	544,2	593,8
Non-current liabilities, interest-bearing		113,4	30,2	855,4
Reserves		2,5		5,3
Non-current liabilities, total		115,9	30,2	860,7
Deferred taxes liabilities		56,5	26,2	57,3
Current liabilities				
Current liabilities, interest-bearing		793,7	88,0	50,1
Current liabilities, non interest-bearing		225,1	137,3	261,7
Current liabilities, total		1 018,8	225,4	311,8
Equity and liabilities, total		1 867,3	826,0	1 823,7
Equity ratio, per cent		36,2	65,9	32,6
Net gearing, per cent		130,7	17,8	146,9
Cash flow from operations per share, EUR		0,66	0,39	2,16
Interest-bearing net debt, EUR mill.		832,9	-0,1	773,6
Number of shares at Sep. 30, 2008, thousands		61 703	56 094	56 094
Weighted average number of shares, thousands		57 693	55 566	55 606
Weighted average number of shares, diluted, thousands		57 693	55 790	55 815
Market capitalization, EUR mill.		1 063,2	1 894,5	1 659,8
Equity ratio, per cent	= 100 x		Equity + minority interest	Total assets less advance payments received
Net gearing, per cent	= 100 x		Interest-bearing net financial liabilities	Equity total
Interest-bearing net debt	=		Interest-bearing liabilities less cash and cash equivalents less interest-bearing liabilities	
Market capitalization	=		Number of shares multiplied by the quotation for the respective share series on the balance sheet date	

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Cash flow statement, Group EUR millions	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
Cash flows from operating activities			
Net profit for the financial year	19,2	39,8	88,4
Adjustments:			
Depreciation	47,2	26,4	36,9
Profit (-) and loss (+) from sales of non-current assets	-4,0		
Financial expenses	39,6	2,5	7,0
Financial income	-2,2	-1,0	-1,3
Taxes paid	6,9	13,1	31,1
Other adjustments	3,3	1,8	1,2
Changes in working capital:			
Change in trade and other receivables	72,1	17,5	-11,0
Change in inventories	-39,8	-47,7	-12,5
Change in trade payables and other liabilities	-22,0	-11,9	8,8
Interest paid	-34,1	-1,7	-6,5
Interest received	0,6	0,8	1,3
Income taxes paid	-48,6	-17,8	-23,5
Net cash from operating activities	38,1	21,8	119,9
Cash flows from investing activities			
Investments in tangible and intangible assets	-127,7	-88,5	-113,2
Acquisition of subsidiary net cash acquired	-18,9		-852,5
Capital expenditures on other investments	0,1		
Cash from tangible assets	5,0		
Dividends received	0,1	0,1	0,1
Net cash used in investing activities	-141,3	-88,4	-965,6
Cash flows from financing activities			
Proceeds from issue of share capital	135,4	5,8	5,8
Change in short-term loans, increase (+), decrease (-)	111,1	74,9	35,5
Long-term loans, increase (+), decrease (-)	-80,2	20,0	835,6
Dividends paid	-75,2	-72,1	-72,1
Net cash used in financing activities	91,1	28,6	804,8
Change in cash and cash equivalents	-12,1	-37,9	-40,9
Cash and cash equivalents at start of the period	33,2	59,2	59,2
Translation differences in cash and cash equivalents	0,2		0,4
Cheque account on credit at start of the period	-14,6		
Cash and cash equivalents	23,0	59,2	33,2
Cheque account on credit at end of the period	-16,2		-14,6
Cash and cash equivalents at end of the period	6,8	21,2	18,6

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**Income statement,
Group, EUR millions**

	1-09/2008	1-09/2007	Change %	1-12/2007
Revenue	1 337,4	914,3	46	1 398,2
Other operating income	4,0	9,7		9,7
Materials and consumables	-698,2	-535,4	30	-791,2
Wages, salaries and employee benefits expenses	-257,6	-150,9	71	-224,1
Depreciation	-47,2	-26,4	79	-36,9
Other operating expenses	-275,0	-156,9	75	-230,6
Operating profit (loss)	63,5	54,3	17	125,2
Finance income and expenses	-37,4	-1,5		-5,7
Profit (loss) before tax	26,1	52,9	-51	119,4
Income taxes	-6,9	-13,1		-31,1
Profit (loss) for the period	19,2	39,8	-52	88,4
Earnings per share, EUR	0,33	0,72		1,59
Earnings per share, diluted, EUR	0,33	0,71		1,58
Operating profit, per cent	4,7	5,9		9,0
Equity per share, EUR	11,02	9,77	13	10,66
Return on equity, per cent, moving 12 months	11,1	14,6	-24	15,2
Return on capital employed, per cent, moving 12 months	12,2	17,2	-29	12,1
Average number of employees, converted to full-time staff	11 843	8 519	39	8 979
Investments	126,0	89,1	41	977,4

Earnings per share = 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	1-09/2008	1-09/2007	Change %	1-12/2007
Department Store Division	847,1	817,7	4	1218,1
Lindex	496,9			68,1
Hobby Hall	137,3	147,5	-7	206,5
Seppälä	131,1	123,6	6	174,7
Shared	0,6	0,6	-10	0,8
Group	1 613,0	1 089,5	48	1 668,3

Revenue, EUR millions	1-09/2008	1-09/2007	Change %	1-12/2007
Department Store Division	713,0	688,1	4	1025,0
Lindex	399,2			54,7
Hobby Hall	114,7	122,5	-6	171,7
Seppälä	109,1	102,6	6	145,1
Shared	1,4	1,0	36	1,7
Group	1 337,4	914,3	46	1 398,2

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Operating profit (loss), EUR m	1-09/2008	1-09/2007	Change %	1-12/2007
Department Store Division	19,0	44,9	-58	91,8
Lindex	38,4			15,0
Hobby Hall	-0,8	3,0	-125	5,7
Seppälä	10,4	12,1	-14	20,7
Shared	-2,8	-5,1	-45	-7,5
Eliminations	-0,8	-0,6		-0,7
Group	63,5	54,3	17	125,2

Investments, gross, EUR millic	30.9.2008	30.9.2007	Change %	31.12.2007
Department Store Division	98,2	78,4	25	111,5
Lindex	20,5			853,1
Hobby Hall	1,9	2,0	-5	3,5
Seppälä	4,8	7,6	-37	9,3
Shared	0,7	1,1	-40	
Group	126,0	89,1	41	977,4

Assets, EUR millions	30.9.2008	30.9.2007	Change %	31.12.2007
Department Store Division	682,1	641,2	6	652,4
Lindex	987,4			992,9
Hobby Hall	96,5	108,1	-11	102,7
Seppälä	49,0	40,0	23	44,7
Shared	52,4	36,8	42	30,9
Group	1 867,3	826,0	126	1 823,7

Non-interest-bearing liabilities EUR millions	30.9.2008	30.9.2007	Change %	31.12.2007
Department Store Division	101,5	105,2	-4	125,9
Lindex	86,9			100,8
Hobby Hall	20,8	21,8	-5	14,5
Seppälä	7,6	7,3	5	11,5
Shared	67,2	29,3		71,7
Group	284,1	163,6	74	324,3

Market areas Sales, EUR millions	1-09/2008	1-09/2007	Change %	1-12/2007
Finland 1)	852,3	793,8	7	1171,5
Sweden and Norway 2)	426,1			59,5
Baltic states and Czech Republic1)	152,2	133,5	14	194,1
Russia 3)	182,3	162,2	12	243,2
Group	1 613,0	1 089,5	48	1 668,3
Finland, %	52,8	72,9		70,2
International operations, %	47,2	27,1		29,8

Revenue, EUR millions	1-09/2008	1-09/2007	Change %	1-12/2007
Finland 1)	711,4	662,0	7	977,6
Sweden and Norway 2)	340,9			47,5
Baltic states and Czech Republic1)	129,4	113,5	14	165,0
Russia 3)	155,8	138,7	12	208,0
Group	1 337,4	914,3	46	1 398,2
Finland, %	53,2	72,4		69,9
International operations, %	46,8	27,6		30,1

Operating profit (loss), EUR m	1-09/2008	1-09/2007	Change %	1-12/2007
Finland 1)	40,3	53,8	-25	96,3
Sweden and Norway 2)	37,4			14,4
Baltic states and Czech Republic1)	6,7	11,8	-43	21,1
Russia 3)	-21,0	-11,3	86	-6,6
Group	63,5	54,3	17	125,2
Finland, %	63,5	99,0		76,9
International operations, %	36,5	1,0		23,1

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Investments, gross,

EUR millions	30.9.2008	30.9.2007	Change %	31.12.2007
Finland 1)	73,4	53,3	38	80,2
Sweden and Norway 2)	16,5			847,0
Baltic states and Czech Republic1)	4,7	1,5	210	5,1
Russia 3)	31,5	34,3	-8	45,0
Group	126,0	89,1	41	977,4
Finland, %	58,2	59,8		8,2
International operations, %	41,8	40,2		91,8

Assets, EUR millions

	30.9.2008	30.9.2007	Change %	31.12.2007
Finland 1)	624,2	568,4	10	585,2
Sweden and Norway 2)	967,8			975,7
Baltic states and Czech Republic1)	75,6	74,3	2	75,8
Russia 3)	199,7	183,3	9	187,0
Group	1 867,3	826,0	126	1 823,7
Finland, %	33,4	68,8		32,1
International operations, %	66,6	31,2		67,9

1) Department Store Divisions, Lindex, Hobby Hall and Seppälä

2) Lindex

3) Department Store Divisions, Hobby Hall and Seppälä

Statement of changes in equity

Group, EUR millions	Equity*	Share pre- mium fund	Legal reserve	Fair value reserve**	Reserve for invested unrestricted equity	Translation reserve	Retained earnings	Total	Minority interest	Total
Equity December 31, 2006	111,7	183,4	44,1	0,0	0,0	0,0	232,3	571,6	0,0	571,6
Options exercised	0,5	2,6						3,1		3,1
Share bonus		0,2					0,2	0,4		0,4
Transfer to other funds			0,0					0,0		0,0
Cost of share issue							1,4	1,4		1,4
Dividends							-72,1	-72,1		-72,1
Translation differences						0,0	0,0	0,0		0,0
Profit for the period							39,8	39,8	0,0	39,8
Equity Sep. 30, 2007	112,2	186,2	44,1	0,0	0,0	0,0	201,6	544,2	0,0	544,2
Equity December 31, 2007	112,2	186,0	44,1	0,5	0,0	0,0	250,9	593,8	0,0	593,8
Options exercised	0,0							0,0		0,0
Rights Issue	11,2				126,2			137,4		137,4
Share bonus							0,1	0,1		0,1
Cost of share issue					-2,0			-2,0		-2,0
Cash flow hedges				1,3				1,3		1,3
Cost of share issue							1,4	1,4		1,4
Dividends							-75,2	-75,2		-75,2
Translation differences				0,0		0,1	0,0	0,1		0,1
Profit for the period							19,2	19,2	0,0	19,2
Equity Sep. 30, 2008	123,4	186,0	44,1	1,8	124,2	0,1	196,5	676,2	0,0	676,2

*including share issue

**excluding deferred tax liability

Contingent liabilities, Group EUR millions

	30.9.2008	30.9.2007	31.12.2007
Mortgages on land and buildings	1,7	1,7	1,7
Guarantees		0,1	
Pledges	0,2		0,1
Total	1,9	1,8	1,8

Lease agreements on business premises, EUR millions

	30.9.2008	30.9.2007	31.12.2007
Minimum rents payable on the basis of binding lease agreements on business premises			
Within one year	85,5	67,7	124,6
After one year	455,7	323,4	449,3
Total	541,2	391,1	573,8

Lease payments

	30.9.2008	30.9.2007	31.12.2007
Within one year	1,3	1,0	1,4
Within 1-5 years	1,1	1,0	1,3
Total	2,4	2,1	2,8

Derivative contracts

	30.9.2008	30.9.2007	31.12.2007
Nominal value			
Currency derivatives	224,4		67,8
Electricity derivatives	3,0		1,5
Total	227,4		69,3

Exchange rates

Country	Currency	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
Russia	RUB	36,4095	35,3490	35,9860
Estonia	EEK	15,6466	15,6466	15,6466
Latvia	LVL	0,7086	0,7038	0,6964
Lithuania	LTL	3,4528	3,4528	3,4528
Sweden	SEK	9,7943	9,2147	9,4415

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**Income statement,
Group, EUR millions
quarterly, EUR millions**

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Continuing operations								
Revenue	440,8	483,3	413,4	483,9	308,6	294,2	311,4	389,6
Other operating income	0,3	-0,1	3,8	0,0	9,7			0,4
Materials and consumables	-224,7	-242,6	-231,0	-255,8	-179,8	-164,0	-191,6	-215,6
Wages, salaries and employee benefits expenses	-82,3	-90,2	-85,1	-73,2	-47,6	-52,6	-50,8	-57,9
Depreciation	-13,2	-18,7	-15,2	-10,5	-8,9	-8,4	-9,1	-7,9
Other operating expenses	-86,2	-100,3	-88,5	-73,7	-50,0	-55,1	-51,7	-58,1
Operating profit (loss)	34,6	31,4	-2,5	70,8	32,1	14,1	8,2	50,5
Finance income and expenses	-12,8	-13,3	-11,3	-4,3	-0,5	-0,8	-0,2	-0,5
Profit (loss) before tax	21,8	18,1	-13,8	66,5	31,6	13,3	8,0	50,1
Income taxes	-6,2	-2,9	2,2	-17,9	-8,1	-3,2	-1,9	-12,3
Profit for the period	15,6	15,2	-11,6	48,6	23,5	10,2	6,1	37,8

Earnings per share, continuing operations, EUR

Basic	0,27	0,27	-0,21	0,87	0,43	0,18	0,11	0,70
Diluted	0,27	0,27	-0,21	0,87	0,42	0,18	0,11	0,69

Earnings per share, discontinued operations, EUR

Basic								
Diluted								-0,01

Earnings per share, total, EUR

Basic	0,27	0,27	-0,21	0,87	0,43	0,18	0,11	0,70
Diluted	0,27	0,27	-0,21	0,87	0,42	0,18	0,11	0,68

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Sales, EUR millions								
Department Store Division	264,8	306,4	275,9	400,4	275,5	261,0	281,2	363,4
Lindex	174,9	183,8	138,3	68,1				
Hobby Hall	41,6	48,3	47,4	58,9	45,9	46,0	55,6	55,5
Seppälä	50,1	45,2	35,7	51,2	45,4	43,5	34,6	45,3
Shared	0,2	0,2	0,2	0,2	0,2	0,2	0,2	0,2
Group	531,5	583,9	497,5	578,8	367,0	350,7	371,7	464,4

Revenue, EUR millions

Department Store Division	223,1	257,3	232,7	336,9	232,2	219,6	236,3	305,5
Lindex	140,6	147,6	111,0	54,7				
Hobby Hall	34,7	40,4	39,7	49,2	38,2	38,1	46,2	46,1
Seppälä	41,7	37,6	29,7	42,5	37,8	36,1	28,7	37,5
Shared	0,6	0,4	0,4	0,7	0,5	0,4	0,1	0,5
Group	440,7	483,3	413,4	483,9	308,6	294,2	311,4	389,6

Operating profit (loss), EUR millions

Department Store Division	13,5	4,1	1,5	46,9	25,7	11,5	7,8	44,3
Lindex	15,7	23,8	-1,2	15,0				
Hobby Hall	0,7	0,7	-2,1	2,7	2,5	-0,9	1,5	3,4
Seppälä	5,9	5,1	-0,6	8,6	5,5	5,8	0,8	7,3
Shared	-0,7	-2,2	0,2	-2,4	-1,1	-2,1	-1,8	-3,8
Eliminations	-0,5	0,0	-0,3	0,0	-0,5	-0,1	0,0	-0,6
Group	34,6	31,4	-2,5	70,8	32,1	14,1	8,2	50,6

This Interim Report is unaudited.

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STOCKMANN

1. ASSETS

EUR mill.	30.9.2008	30.9.2007	31.12.2007
Acquisition cost Jan. 1	813,8	551,7	551,7
Translation difference +/-	-6,1	-0,2	0,0
Acquisitions through business combinations (investment)	0,0		
Translation difference +/-			
Increases Jan. 1-Sep. 30	124,9	88,5	125,9
Decreases Jan. 1-Sep. 30	-6,8		-18,4
Acquisition cost Sep. 30 / Dec. 31	925,7	640,0	813,8
Accumulated depreciation Jan. 1	212,5	193,2	193,2
Translation difference +/-	-0,8	-0,1	0,0
Depreciation on reductions	-4,5		-17,6
Depreciation for the financial year	47,2	26,4	36,9
Accumulated depreciation Sep. 30 / Dec. 31	254,3	219,6	212,5
Book value Jan. 1	601,3	601,3	601,3
Book value Sep. 30 / Dec. 31	671,4	420,4	601,3

Goodwill

EUR mill.	30.9.2008	30.9.2007	31.12.2007
Acquisition cost Jan. 1	720,0		
Acquisitions through business combinations (investment)			721,7
Translation difference +/-	-25,9		-1,7
Increases Jan. 1-Sep. 30	23,3		
Acquisition cost Sep. 30 / Dec. 31	717,4		720,0
Book value Jan. 1	720,0		0,5
Book value Sep. 30 / Dec. 31	717,4		720,0

Total	1 388,8	420,4	1 321,3
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2. ACQUIRED OPERATIONS, 2007

Lindex acquisition, precision of preliminary acquisition cost in 30.09.2008

Acquired companies	Carrying amounts before business combination	Fair values recognized in business combination	Carrying amounts after business combination
EUR mill.			
Intangible assets			
Trademarks	18,4	78,2	96,6
Rights over leased premises	0,0		0,0
Customer relationships		2,4	2,4
Supplier relationships		4,3	4,3
EDP software	10,3		10,3
Goodwill	7,6	-7,6	0,0
Property, plant and equipment	41,1		41,1
Other financial assets	2,6		2,6
Deferred tax assets	3,0		3,0
Inventories	72,6	4,2	76,8
Trade and other receivables	14,6		14,6
Cash and cash equivalents	9,0		9,0
Assets, total	179,2	81,5	260,8
Deferred taxes liabilities	1,7	25,0	26,7
Pension liabilities	3,4		3,4
Other provisions	2,5		2,5
Current account with overdraft facility	29,0		29,0
Other liabilities	69,9	23,3	93,2
Liabilities, total	106,5	48,3	154,8
Net assets	72,7	33,2	106,0
Acquisition cost			850,9
Goodwill		745,0	745,0