



STOCKMANN

**Offer to the shareholders in AB Lindex
October 1st, 2007**

**Hannu Penttilä
CEO**



Transaction highlights

- **Stockmann has offered 116 SEK in cash for each share in Lindex, implying a total value for the offer of SEK 7,975 m***
 - **31 % premium compared to the average closing price of the Lindex share during the three months preceding the announcement of the offer by KappAhl on 13 August 2007**
 - **9 % premium compared to the closing price of the Lindex share on 28 September 2007**
- **The offer is subject to, among other things, Stockmann becoming the owner of more than 90 per cent of the total shares in Lindex**
- **The Board of Directors of Lindex has unanimously recommended Lindex's shareholders to accept the offer**
- **Lindex will consult with Stockmann with regard to the implementation and execution of the public re-cap transaction**
- **Shareholders representing approximately 34 % of the shares of Lindex support the offer**
- **Stockmann expects the acquisition to have a positive effect on the earnings per share for the accounting period ending 31 December 2008**



Overview of Stockmann



Sales 2006: EUR 1,553 m
Market capitalization: ~ EUR 1,900 m



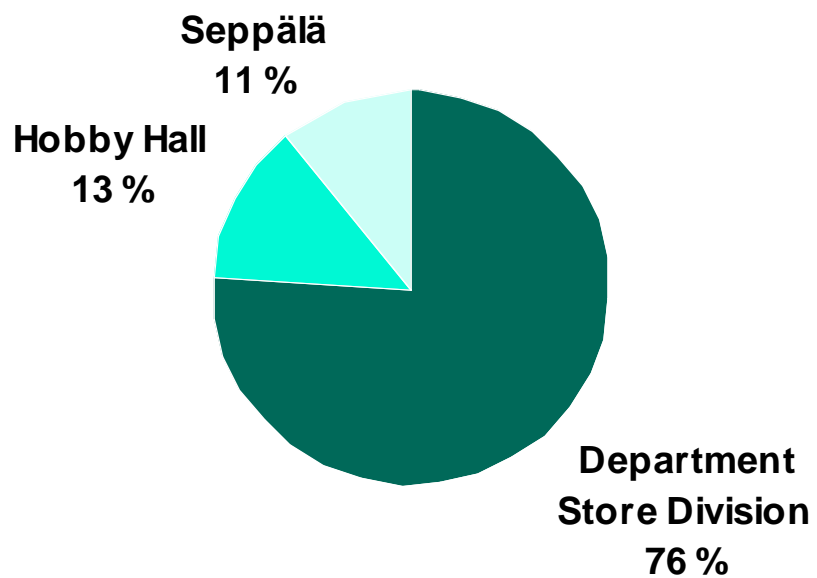
Note: Sales include VAT. Group sales include sales of presented divisions, unallocated sales and sales of discontinued operations, number of stores is the situation on August 31st, 2007



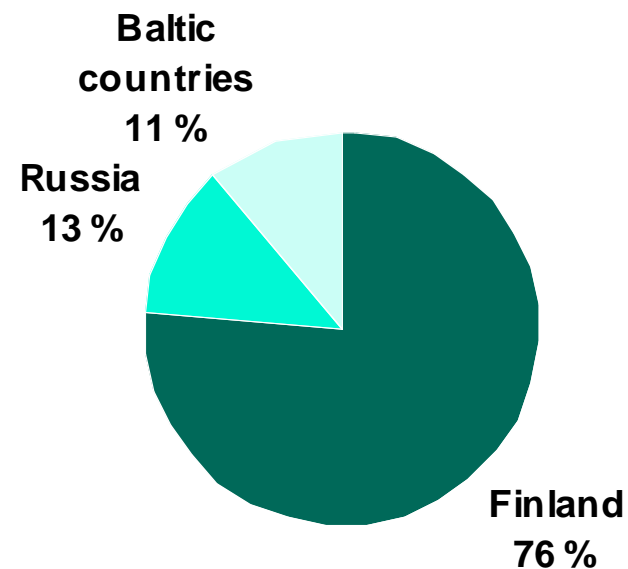


Overview of Stockmann (*continued*)

Sales by division 2006*



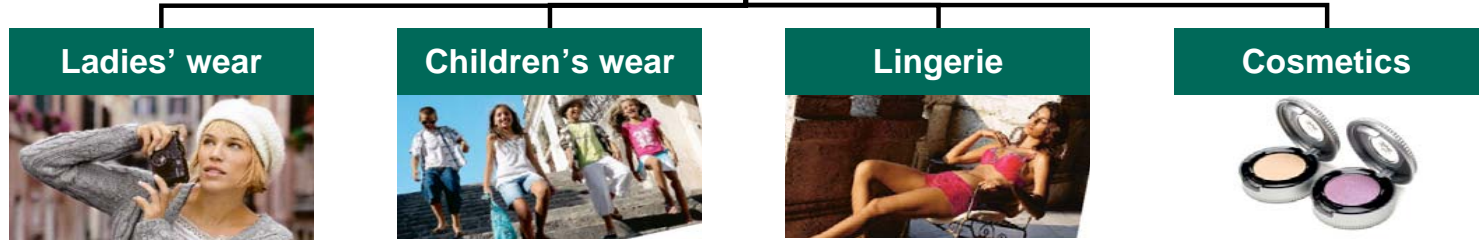
Sales by geography 2006*



* Continuing operations
Note: Sales include VAT








Lindex – Leading North European fashion retailer



	Ladies' wear	Children's wear	Lingerie	Cosmetics
Share of revenue 2005/2006	37 %	29 %	33 %	Included in Lingerie
Business in brief	<ul style="list-style-type: none"> • Lindex offers a broad collection of clothes from basic garment to high fashion garment • Number 3 overall in the Nordic region 	<ul style="list-style-type: none"> • Lindex offers a broad collection of children's clothes for school, playtime and festive occasions • Number one position in Sweden and a strong position in other Nordic countries 	<ul style="list-style-type: none"> • Lindex offers a broad collection of lingerie • Lindex sells lingerie under its own brands and leading external brands • Number one position in Sweden and Norway, and a strong position in Finland 	<ul style="list-style-type: none"> • Cosmetics are sold in approximately 180 stores in Sweden



Lindex – Strong Nordic presence

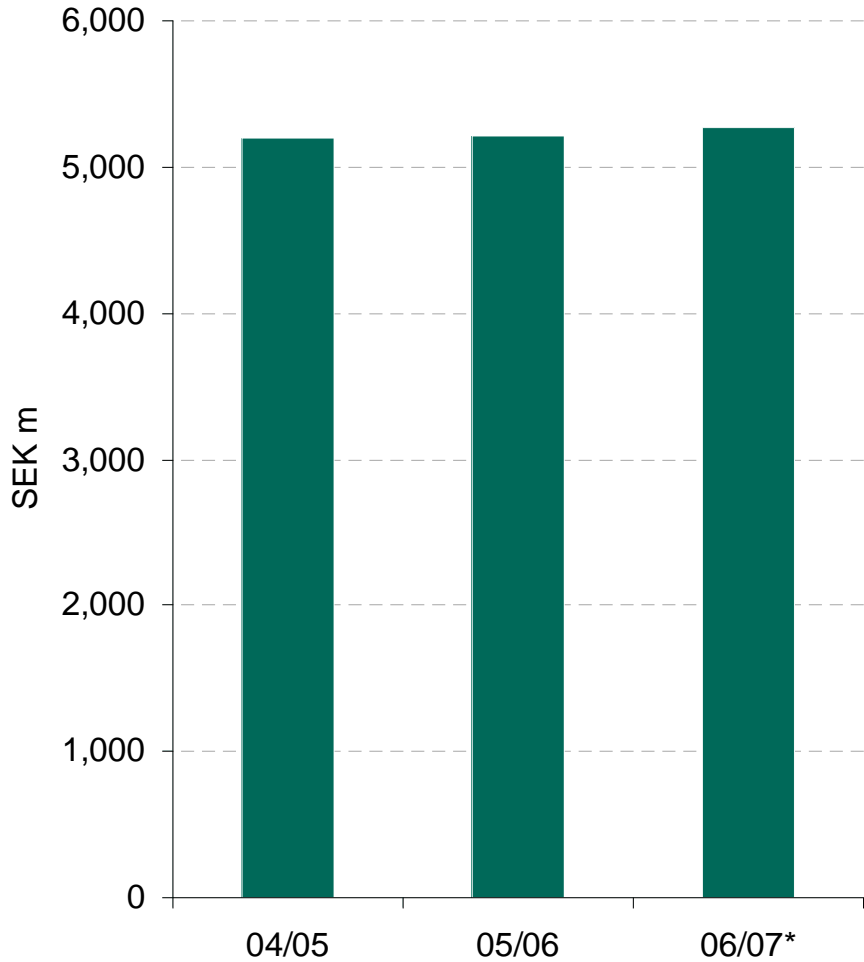
	 Sweden	 Norway	 Finland	 Baltics	 Czech
Market entry (year)	1954	1969	1987	2004	2007
Share of revenues 2005/2006*	61 %	25 %	13 %		0 %
Stores August 31, 2007	193 stores	87 stores	51 stores	10 stores (Estonia 3, Latvia 6 and Lithuania 1)	First store was opened September 20 th , 2007
Market share	<ul style="list-style-type: none"> Lingerie 20 % Childrens' wear 19 % Ladies' wear 7 % 	<ul style="list-style-type: none"> Lingerie 20 % Childrens' wear 12 % Ladies' wear 6 % 	<ul style="list-style-type: none"> Lingerie 14 % Childrens' wear 8 % Ladies' wear 4 % 	n.a.	n.m.

* Excluding Germany

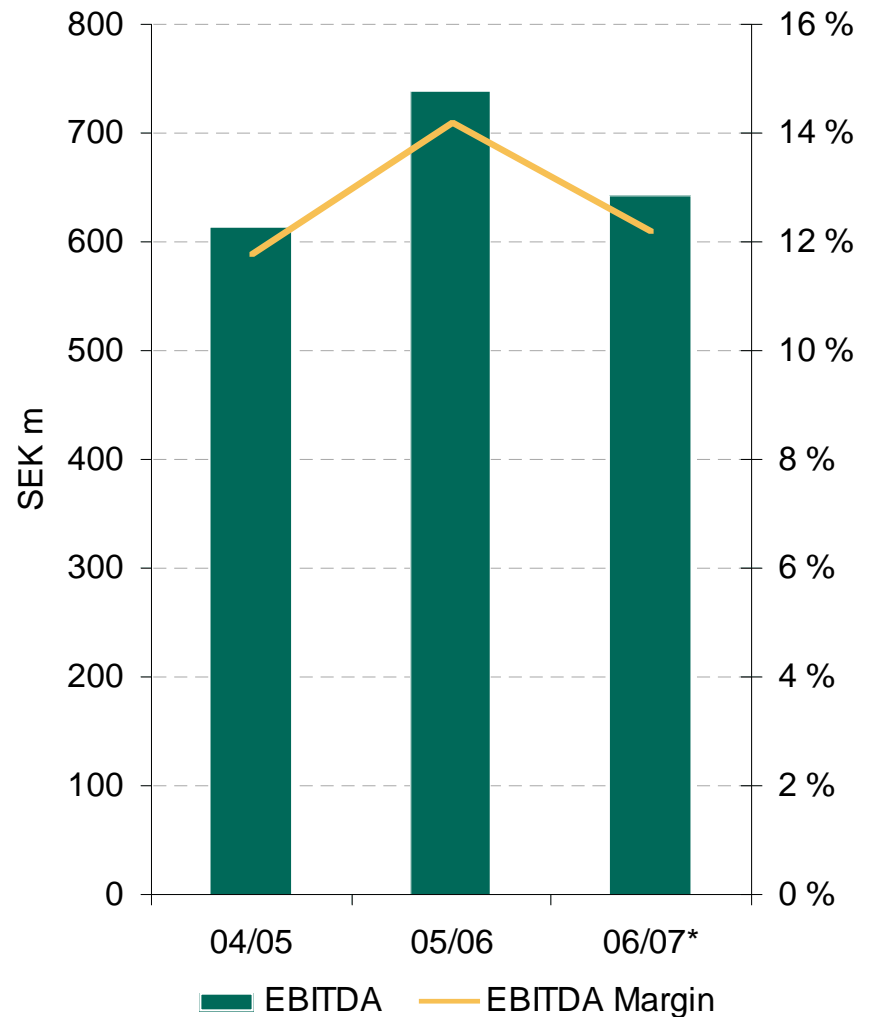


Lindex - Good profitability track record

Revenue 2004/2005-2006/2007



EBITDA and EBITDA margin 2004/2005-2006/2007



* Published but unaudited figures. A provision totaling SEK 91M has been charged to Lindex 06/07 EBITDA related to estimated closure costs for Lindex's German operations
Note: Revenue of Lindex is net of VAT





Stockmann's key rationale for the acquisition of Lindex

- 1) Further strengthen Lindex's market position in existing markets and maintain strong cash flow
- 2) Benefit from significant expansion opportunities in the Russian and other Eastern European markets
- 3) Benefit from cost synergies through increased scale and exchange of best practices





Strategic background to the acquisition

- **Lindex's strategic position is similar to Stockmann's: The majority of future growth is sought from new foreign markets**
- **With its experience of the Russian market Stockmann is in a good position to establish the Lindex concept in Russia**
- **Stockmann will expand the Lindex concept to selected countries in Eastern Europe**
 - **Lindex opened its first store in the Czech Republic on September 20th, 2007**
 - **Seppälä will enter Ukraine in 2008**
 - **Stockmann is investigating opportunities to establish other concepts in Ukraine**
- **Stockmann will strengthen Lindex's expansion in the Baltic countries, where Lindex already has established operations**



Strategic background to the acquisition (cont.)

- **By acquiring Lindex Stockmann will get a significant and sustainable position in Nordic markets**
 - **Lindex will continue operating with the strong Lindex brand**
- **Strong base in the Nordic countries supports the planned expansion into Russia and Eastern Europe**
- **Stockmann will carry out its planned expansion into eastern countries according to earlier plans**
- **While cost synergies are not the main driver for the acquisition, it is clear that there are attractive opportunities to be explored, especially in connection with expansion into new markets**
- **It is Stockmann's intention that Lindex's current management will continue in their positions with the objective to further improve the performance of the company as part of Stockmann**



Lindex as part of the Stockmann Group



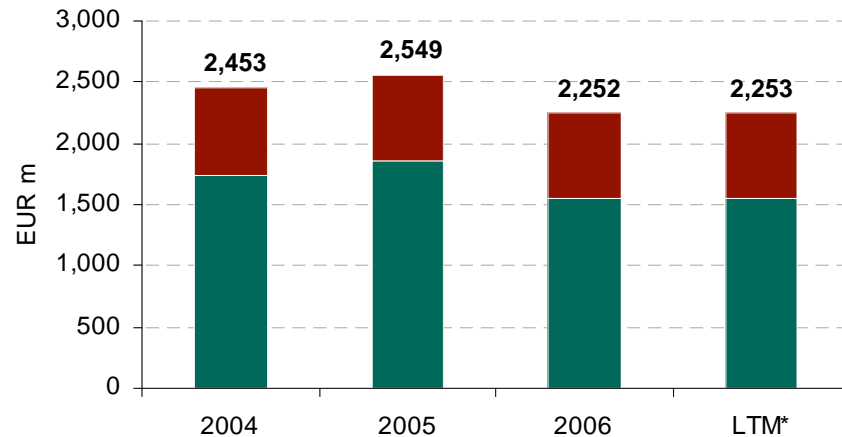
	Department stores	Seppälä	Hobby Hall	LINDEX®
Business description	<ul style="list-style-type: none"> Leading department store operator in Finland with growing presence in Russia and the Baltic countries 	<ul style="list-style-type: none"> Most extensive fashion store chain in Finland and Estonia, with expanding presence in the other Baltic countries and Russia 	<ul style="list-style-type: none"> Leading mail order sales company in Finland, Estonia and Latvia, with growing presence in Lithuania and Russia 	<ul style="list-style-type: none"> One of Northern Europe's largest fashion chains, focusing on lingerie, women's wear, children's wear, and cosmetics
Share of combined sales*	52%	7%	9%	31%
Share of combined operating profit	45%	12%	4%	39%

* Sales and operating profit of continuing operations of Stockmann 2006 combined with sales and operating profit of Lindex 2005/2006 excluding Germany. For comparison purposes, sales of Lindex has been estimated based on reported revenue added with an estimated VAT. Exchange rate EUR / SEK = 9.3

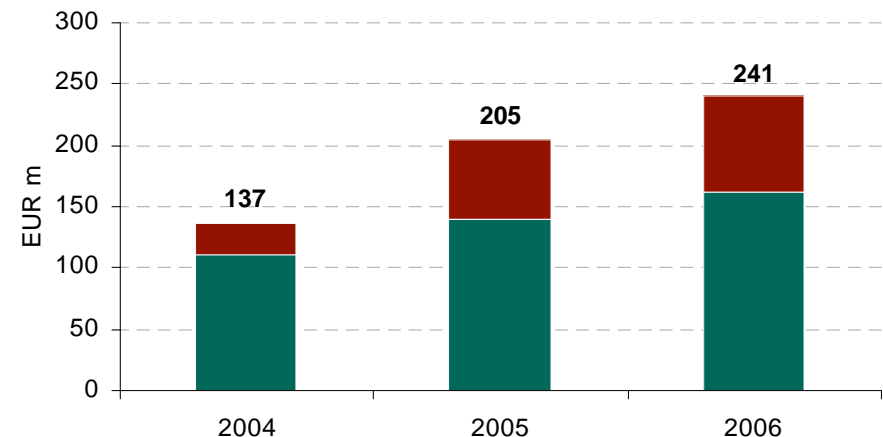


Contribution analysis – significant increase in scale

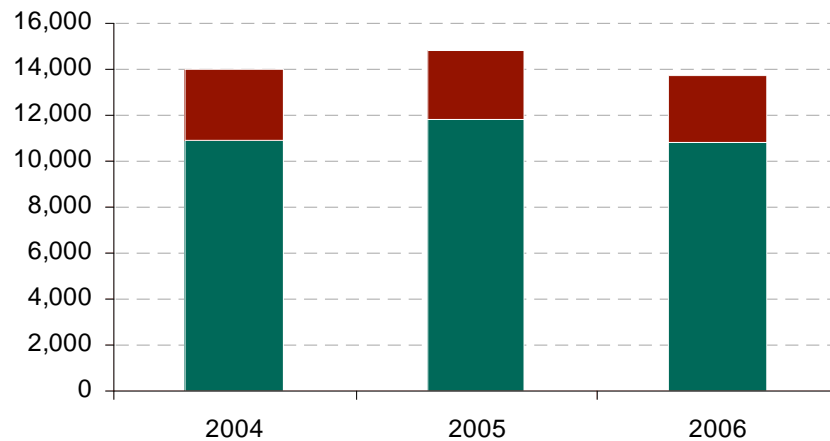
Sales 2004-2006 and LTM



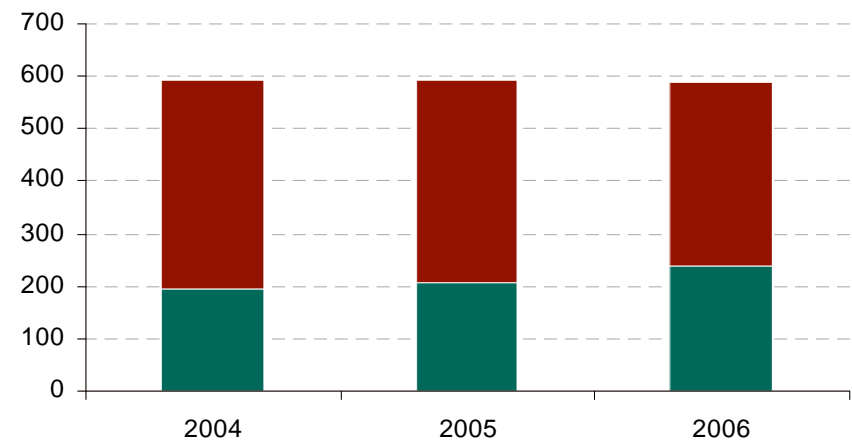
EBITDA 2004-2006



Number of employees 2004-2006**



Number of stores 2004-2006



■ Lindex
■ Stockmann

* Last twelve months ending August 31, 2007

** Stockmann year end situation combined with Lindex year average

Note: Financial year of Lindex ending in August has been combined with the financial year of Stockmann ending 4 months later. For comparison purposes, sales of Lindex has been estimated based on reported revenue added with an estimated VAT.

Exchange rate EUR / SEK = 9.3

STOCKMANN

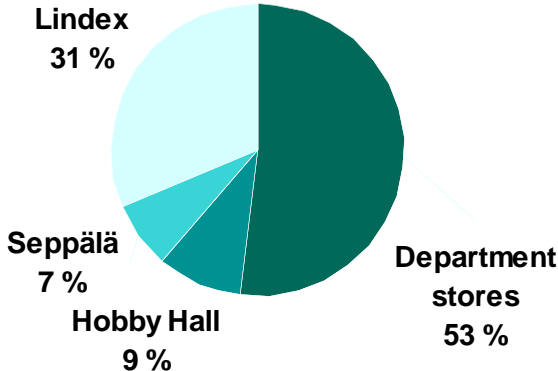
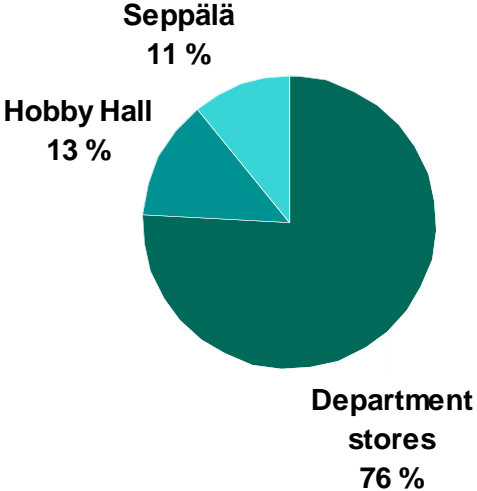


Strengthened international presence

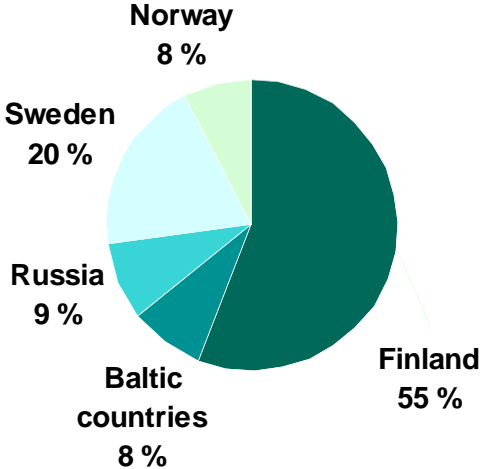
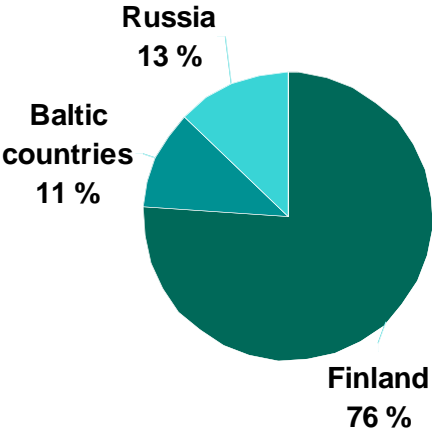
Stockmann prior to acquisition

Stockmann post acquisition

Sales by division



Sales by geography

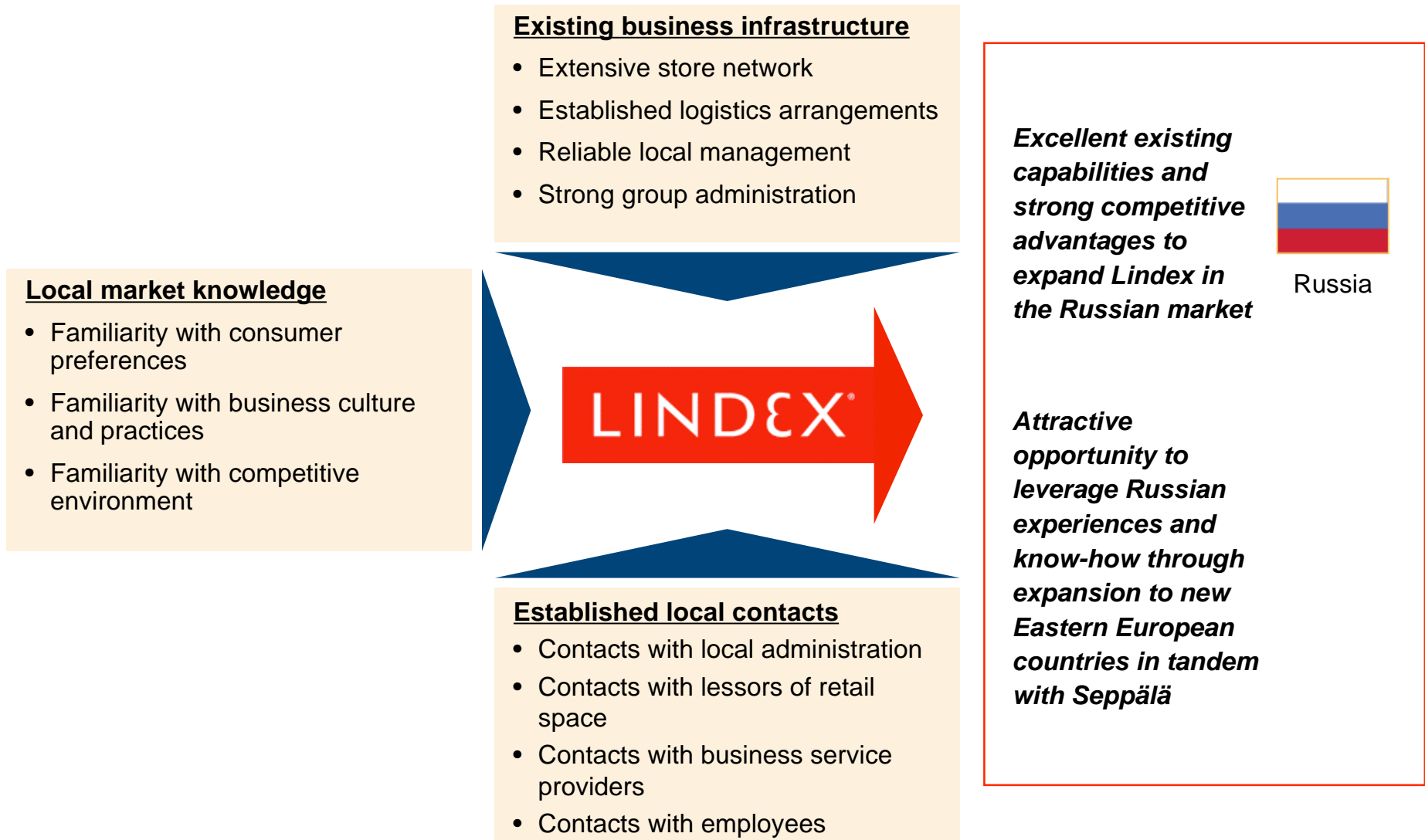


Note: Sales of continuing operations of Stockmann 2006 combined with sales and of Lindex during last twelve months ending July 31st, 2007 excluding Germany. For comparison purposes, sales of Lindex has been estimated based on reported revenue added with an estimated VAT. Exchange rate EUR / SEK = 9.3





Expansion opportunities in Russia





Broadened geographic footprint

Sweden

- **LINDEX**
 - 193 Lindex stores

Norway

- **LINDEX**
 - 87 Lindex stores

Baltic countries

- **STOCKMANN**
 - 2 department stores
 - 29 Seppälä stores
 - 1 Hobby Hall store
 - Hobby Hall distance retail business
- **LINDEX**
 - 10 Lindex stores

Czech Republic

- **LINDEX**
 - The first Lindex store was opened 20 September 2007 in the Czech Republic



Finland

- **STOCKMANN**
 - 127 Seppälä stores
 - 7 department stores
 - 6 Academic Bookstores
 - 4 Zara stores
 - 14 Stockmann Beauty stores
 - 2 Hobby Hall Stores
 - Hobby Hall distance retail business
- **LINDEX**
 - 51 Lindex stores

Russia

- **STOCKMANN**
 - 4 department stores
 - 16 Bestseller stores
 - 24 Seppälä stores
 - 2 Nike stores
 - 3 other stores
 - Hobby Hall distance retail business will be launched at end of 2007



Financing the acquisition

- **Stockmann has agreed on acquisition financing with banks**
 - **The equity ratio of Stockmann will after the offer amount to approximately 30 %**
- **Stockmann's Board of Directors is planning to initiate measures to increase shareholders' equity with the objective to maintain the equity ratio of Stockmann at a level of at least 40 – 50 %**



Thank you for your attention!