





STOCKMANN

ANNUAL REPORT 2000

Contents

* The words Stockmann or company refer to the parent company Stockmann plc together with all those companies in which the parent company has a direct or indirect holding of more than 50%.

Stockmann in Brief

Stockmann is a Finnish listed company which was established in 1862 and is engaged in the retail trade. It now has nearly 13 000 shareholders. Customer satisfaction is the central objective of Stockmann's trading in all its areas of business. Stockmann's four commercial divisions are the Department Store Division, the Automotive Sales Division, the Hobby Hall Division, which is specialized in mail order sales and e-commerce, and Seppälä, a chain of fashion stores. Stockmann operates in Finland, Russia, Estonia, Sweden and Latvia.

Stockmann's core values

Profit orientation

We are in business to make money; all our operations should support this goal. Healthy earnings mean a good return for investors and latitude of movement and risk-taking ability for the company. For good people who are committed to our common goals, it means a highly respected job and an opportunity for self-development.

Customer orientation

We earn money only by offering benefits which the customer perceives as real and better than those of our competitors. The sum total of these benefits is high customer satisfaction and loyalty. Competitive pricing, reliable quality and good customer service are vital elements in achieving these goals.

Efficiency

By performing better than our competitors, we boost sales, secure high cost-effectiveness and use capital efficiently.

Commitment

In all our activities, success calls for an understanding of the importance of Stockmann's company-wide success factors and the role of our own unit in achieving them as well as a commitment to the goals we all share together.

Respect for our people

We respect and value people's capacity for commitment, taking calculated risks and producing results. We reward success.

Stockmann in 2000

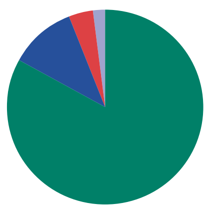
Key figures

		1996	1997	1998	1999	**2000**
Sales	EUR millions	1 248.0	1 394.2	1 461.4	1 583.9	**1 467.9**
	FIM millions	7 420.2	8 289.4	8 689.3	9 417.5	**8 727.8**
Net turnover	EUR millions	1 036.8	1 160.5	1 216.5	1 319.6	**1 220.5**
	FIM millions	6 164.5	6 900.0	7 233.2	7 845.9	**7 257.0**
Staff expenses	EUR millions	140.2	147.6	161.2	166.9	**164.8**
	FIM millions	833.6	877.3	958.6	992.1	**980.1**
Share of net turnover	%	13.5	12.7	13.3	12.6	**13.5**
Profit before extraordinary items	EUR millions	53.1	69.8	61.2	86.7	**41.2**
	FIM millions	315.9	415.2	364.0	515.6	**245.0**
Investment in fixed assets	EUR millions	56.0	53.0	85.8	64.1	**45.1**
	FIM millions	333.2	315.2	509.9	381.0	**268.0**
Share of net turnover	%	5.4	4.6	7.0	4.9	**3.7**
Total assets	EUR millions	613.2	654.2	752.0	773.6	**746.8**
	FIM millions	3 645.9	3 889.5	4 470.9	4 599.7	**4 440.4**
Share capital	EUR millions	48.5	48.6	86.4	86.4	**102.8**
	FIM millions	288.6	288.9	513.8	513.8	**611.0**
Market capitalization at December 31	EUR millions	674.4	846.9	970.1	777.1	**559.0**
	FIM millions	4 009.6	5 035.5	5 767.7	4 620.2	**3 323.7**
Dividend paid	EUR millions	18.2	21.9	43.2	30.8	**30.6** *
	FIM millions	108.2	130.0	256.9	183.3	**181.8** *
Dividend per share[1)]	EUR	0.39	0.47	0.84	0.60	**0.60** *
	FIM	2.32	2.78	5.00	3.57	**3.57** *
Earnings per share[1)]	EUR	0.79	1.07	0.97	1.14	**0.55** **
	FIM	4.67	6.37	5.79	6.78	**3.28** **
Equity ratio	%	54.0	55.6	65.1	65.3	**67.2**
Return on investment	%	14.2	16.6	12.9	15.8	**8.4**
Return on equity	%	11.4	14.4	11.1	11.8	**5.6**

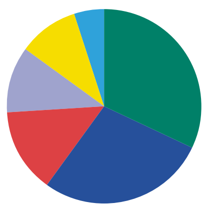
1) Adjusted for share issues
* Board proposal to the AGM. According to the proposal, a dividend of EUR 0.60 per share will be paid.
** The dilution effect of options has been taken into account.

Distribution of sales and commercial profit

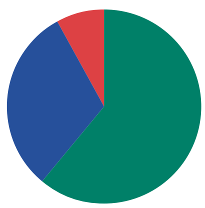
Distribution of commercial profit*



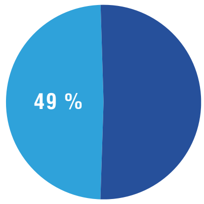
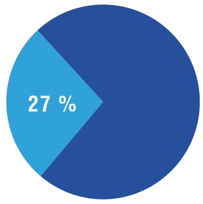
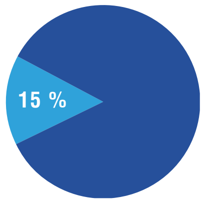
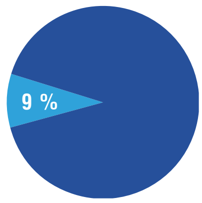
Sales by sector



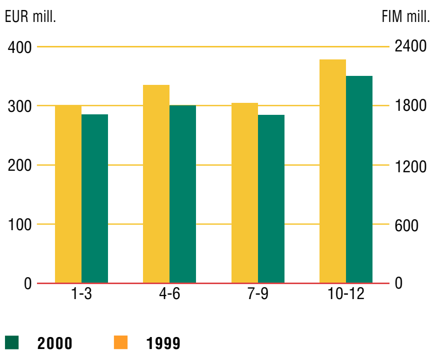
Sources of income



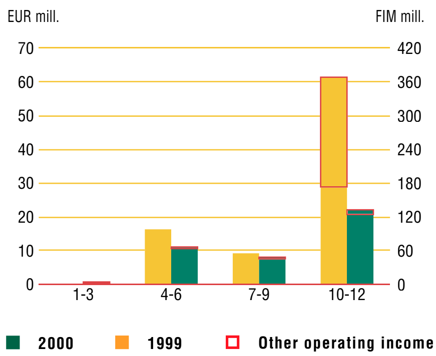
PROFILES OF THE COMMERCIAL DIVISIONS

Divisions and their management	Offerings	Locations	Shares of Stockmann's sales in 2000
DEPARTMENT STORE DIVISION Jukka Hienonen	Offers customers a knowledgeable shopping environment and good service in a congenial atmosphere. The key to Stockmann's success is a unique and broad assortment of good products at competitive prices.	5 department stores and Academic Bookstores in Finland. A sixth department store will be opened in Oulu in the autumn 2001. A department store in Tallinn, Estonia A department store in Moscow, another store in Moscow and 2 stores in St Petersburg	**712.7 EUR mill.**  **4 238 FIM mill.**
AUTOMOTIVE SALES DIVISION Aarno Pohtola	Offers a very wide range of high quality car makes and models. Reliable quality and customer service are especially important advantages within servicing, repair and spare parts for customers' vehicles.	10 full-service outlets in the Greater Helsinki area: Ford, Volkswagen, Audi, Mitsubishi and Skoda cars, a wide selection of used cars as well as vehicle servicing and repair centres. In addition, Stockmann has three separate vehicle servicing centres in the Greater Helsinki area. 2 outlets in Turku: Ford, Mitsubishi and Skoda dealerships An outlet in Tampere: Mitsubishi and Skoda dealerships	**402.2 EUR mill.**  **2 391 FIM mill.**
HOBBY HALL DIVISION Henri Bucht	Hobby Hall offers an easy, reliable and pleasant alternative for buying quality products at affordable prices. Its offerings consist primarily of household and leisure articles.	Finland's largest mail order sales company and leading online webstore. 4 stores in Finland: in Helsinki, Espoo, Vantaa and Tampere Estonia's largest mail order sales company, 2 stores in Tallinn A mail order sales company in Latvia	**214.9 EUR mill.**  **1 278 FIM mill.**
SEPPÄLÄ DIVISION Lars Eklundh	Offers customers women's, men's and children's apparel as well as cosmetics at reasonable prices. The collections are based on Seppälä's own product design and own brands. Seppälä's expertise rests on the correct combination of basic and trendy products.	Finland's and Estonia's largest chain of fashion stores 128 stores in Finland 10 stores in Estonia 5 stores in Sweden	**137.4 EUR mill.**  **817 FIM mill.**

Net turnover by quarter 1999-2000



Profit after financial items by quarter 1999-2000



Major Events in 2000

January
Construction works on the Oulu department store got under way. The objective is to open in the centre of Oulu a department store with about 12 000 square metres of retail space in the autumn 2001.

March
Stockmann together with Ilmarinen Mutual Pension Insurance Company announced that they had concluded an agreement according to which the department store in the centre of Helsinki will lease premises for sales use in the Rautatalo building located on the opposite side of Keskuskatu. The new premises, comprising more than 1 100 square metres of space, will be connected to the department store by a tunnel running under Keskuskatu. The premises will go into use in the late summer 2001.

The largest department store in the Baltic countries, the enlarged Tallinn Stockmann, celebrated its opening. It is the second largest of Stockmann's department stores. The department store was expanded by adding three floors, increasing the retail space from 5 500 square metres to 14 000 square metres. Adjacent to the department store, a 400-vehicle parking building was completed.

April
The Annual General Meeting resolved to alter the subscription terms for shares to be subscribed for on the basis of the 1999 Loyal Customer share options, making them considerably more favourable by extending the subscription period by three years, whereby holders of the options can elect to subscribe for shares at a later date, in May 2003, 2004 or 2005. The Annual General Meeting elected Professor Eva Liljeblom as a new member of the Board of Directors.

May
Hobby Hall's web store www.hobbyhall.fi was opened and it quickly developed into Finland's leading e-commerce site for consumers. Stockmann announced a reorganization of Hobby Hall's operations such that the Hobby Hall Division now forms two business units: a mail order Hobby Hall and a Hobby Hall Online unit which will focus on e-commerce. The objective of the new organizational structure is to make Hobby Hall better equipped to undertake internationalization and to further develop e-commerce.

August
In Stockholm, Seppälä opened the first of its stores in Sweden. During 2000 a total of five stores were opened in Stockholm County. On the basis of the positive feedback received, Stockmann decided to open new stores in Sweden in the first part of 2001.

Stockmann announced that the Board of Directors had approved the subscriptions under the 1999 share options that were targeted at Loyal Customers. The options were subscribed for by 52 897 Loyal Customers. On the basis of the option subscriptions made, a maximum of 1 382 524 Series B shares can be subscribed for during the period May 1, 2001 - May 31, 2005.

Hobby Hall announced that in February 2001 it was opening a store in Tampere with a retail space of about 1 600 square metres. Hobby Hall's other stores are located in the Greater Helsinki area and in Tallinn.

September
The opening of newly enlarged retail areas was celebrated at the Tampere department store. The project involved enlarging the Delicatessen Department and joining the department store to the completely renewed Academic Bookstore by building new retail space under Tuomiokirkonkatu. The department store's retail space now grew to about 10 500 square metres.

The first stage of the expansion of the department store in Helsinki's Itäkeskus shopping centre was completed. When the second stage of the expansion is completed in the spring 2001, the department store will have about 12 000 square metres of retail space.

October
The Helsinki Academic Bookstore's "Encounters", the scene of popular weekly meetings between writers and readers, celebrated its 30th birthday.

The Department Store Division opened its own Internet site as part of Stockmann's Internet home pages.

The Automotive Sales Division announced that it was expanding operations into the Tampere economic area. A full-service car dealership for Mitsubishi and Skoda vehicles will be opened in Tampere in the spring 2001.

November
The department store in the centre of Helsinki celebrated its 70th birthday.

The enlargement of the Turku department store was completed. A new third floor was added to the department store, yielding about 2 200 square metres of new retail space. The department store now has about 10 900 square metres of retail space. At the same time, refurbishing of the Delicatessen Department got started, with completion scheduled for the autumn 2001. This means that the department store's retail space will grow to 11 500 square metres.

Hobby Hall is expanding its mail order sales to Latvia and it carried out test marketing to a selected clientele. Full-scale mail order sales will be launched in Latvia in March 2001.

December
Henry Bucht, M.Sc. (Econ.), director of the Hobby Hall Division, was appointed as Stockmann's deputy managing director effective February 1, 2001. Deputy managing director Stig-Erik Bergström, D.Sc. (Econ.), retired on the same day.

INFORMATION FOR SHAREHOLDERS

Annual General Meeting
The 2001 Annual General Meeting of the shareholders of Stockmann plc will be held on Tuesday, April 3, at 4.00 p.m. in the Concert Hall of Finlandia Hall at the address Karamzininkatu 4, Helsinki.
Registrations for the meeting must be received no later than on March 29, 2001, at 4.00 p.m., telephone +358 9 121 3486, +358 9 121 3327, +358 9 121 5805 or +358 9 121 3398.
Those shareholders are entitled to participate in the Annual General Meeting, who have been entered, no later than on April 6, 2001, as shareholders in the Shareholder Register kept by Finnish Central Securities Depository Ltd.
Also a shareholder whose shares have not been transferred to the book-entry system has the right to participate in the Annual General Meeting if that shareholder has been registered in the company's Share Register before September 28, 1994. In this case the shareholder must present, at the Annual General Meeting, his share(s) or other documentation indicating that title to the shares has not been transferred to the book-entry system.

Payment of dividend
The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 or FIM 3.57 per share be paid for the 2000 financial year. The dividend decided by the Annual General Meeting will be paid to a shareholder who on the record date for dividend payment, April 6, 2001, has been entered in the Shareholder Register kept by Finnish Central Securities Depository Ltd. The Board proposes to the Annual General Meeting that the dividend be paid on April 18, 2001, upon termination of the record period.

Changes in name and address
We kindly request shareholders to report changes of address to the bank or to Finnish Central Securities Depository Ltd in accordance with the place where the shareholder's book-entry account is kept.

Financial information on Stockmann
Stockmann will publish the following financial reports in 2001:

January-March Interim Report	May 23, 2001
January-June Interim Report	August 16, 2001
January-September Interim Report	November 22, 2001

In addition to these reports, we will release a monthly report on the sales of the units.

Financial reports and bulletins are published in Finnish, Swedish and English.

All of Stockmann's stock exchange bulletins will be available on the Internet on their date of publication.
Address: http://www.stockmann.fi

Reports and bulletins can be ordered from:
STOCKMANN, Corporate Communications, P.O.Box 220, FIN-00101 Helsinki, Finland
Telephone +358 9 121 3089
Fax +358 9 121 3153
e-mail info@stockmann.fi

INFORMATION ON STOCKMANN FOR INVESTORS

According to information we have received, the analysts mentioned below follow Stockmann on their own initiative. The list may be incomplete. Stockmann does not assume responsibility for analysts' assessments.

Aktia Securities
Sabah Samaletdin
Mannerheimintie 14
FIN-00100 Helsinki
Tel. +358 10 247 5000

Alfred Berg/ABN Amro
Tia Lehto
Kluuvikatu 3
FIN-00100 Helsinki
Tel. +358 9 228 321

ArosMaizels Equities
Harri Laajala
Fabianinkatu 29 B
FIN-00100 Helsinki
Tel. +358 9 12341

D.Carnegie Ab
Finland Branch
Kim Nummelin
Eteläesplanadi 12
FIN-00130 Helsinki
Tel. +358 9 618 711

Conventum Securities
Ritva Karling
Aleksanterinkatu 44
FIN-00100 Helsinki
Tel. +358 9 549 930

Enskilda Securities Ab
Anders Antas
Eteläesplanadi 12
FIN-00130 Helsinki
Tel. +358 9 6162 8700

Credit Agricole Indosuez Cheuvreux
Frans Hoyer
St Helen's, 1 Undershaft
London EC3P3DQ

Evli Securities Plc
Antti Seppänen
Aleksanterinkatu 19 A
FIN-00100 Helsinki
Tel. +358 9 476 690

FIM Securities Ltd
Jari Westerberg
Pohjoisesplanadi 33 A
FIN-00100 Helsinki
Tel. +358 9 6134 6217

Gyllenberg Asset Management
Kimmo Havimo
Aleksanterinkatu 44
FIN-00100 Helsinki
Tel. +358 9 131 551

Handelsbanken Investment Banking
Karita Meling
Eteläranta 8
FIN-00130 Helsinki
Tel. +358 10 44 411

Mandatum Stockbrokers Ltd
Ari Laakso
Bulevardi 10 A
FIN-00120 Helsinki
Tel. +358 9 1667 2709

Opstock Ltd
Rami Kinnala
Teollisuuskatu 1 B
FIN-00510 Helsinki
Tel. +358 9 404 739

Embarking on our 140th year of operations

My warm thanks to our customers, shareholders and partners in cooperation for the confidence they have shown in us, and a further vote of thanks to all our Stockmann staff for a job well done.

Continuing inputs into business development and staking out new markets

The Stockmann Group's sales last year totalled FIM 8.7 billion, representing same-unit growth of FIM 274 million, or about 3.2 per cent.

The Department Store Division's sales grew well both in Finland and abroad. The Division's earnings improved by a hefty one third compared with the previous year. Hobby Hall's sales developed well too. Sales reported by our other divisions, however, remained at last year's level. The results of the Automotive Sales Division, Hobby Hall Division and Seppälä Division weakened. The biggest disappointment was the result posted by Seppälä, which has generated very good earnings for years now. Like other garment retailers, Seppälä suffered from the exceptional weather conditions last year, which weakened gross margins due to the need to make big price reductions.

The weakening in the Stockmann Group's result was partly attributable to the heavy investments in the future. This applies in particular to Hobby Hall.

Earnings from our mainline operations were FIM 229 million, down FIM 94 million on 1999.

The department stores rack up earnings

March saw the completion of our most important capital expenditure last year, the enlargement of our department store in Tallinn. The Tallinn Stockmann, which has risen to a height of five storeys from the previous two, is now the largest department store in the Baltic countries and is our company's second largest department store.

Despite tougher competition after the opening, sales have been in line with expectations.

Last year expansion works were also carried out in our department stores in Tampere, Turku and Helsinki's Itäkeskus shopping centre. They are still in progress in Turku and at Itäkeskus. This year it will be the turn of our department store in the centre of Helsinki, which will expand underneath the street into the Rautatalo Building. Our department store in Oulu will be opened next autumn, and it will widen the operating range of our department stores to this new fast-developing growth centre in Northern Finland.

With the completion of projects that were in progress, this year we have department stores which are more modern than ever before and are well equipped to meet the challenges of the future.

New bridgeheads

Last year our automotive sales operations also set about expanding into a new economic area when a decision was taken to open a new full-service Mitsubishi and Skoda car dealership in Tampere this spring.

In the spring 2000, Hobby Hall opened a webstore, Hobby Hall Online, which quickly developed into Finland's leading e-commerce site. Hobby Hall expanded its mail order sales to a new country, Latvia, where operations will get under way in earnest this spring. In February 2001 a Hobby Hall store also opened for business in Tampere. Hobby Hall is furthermore planning to establish a store in Turku.

Seppälä has continued to establish new stores both in Finland and Estonia. Its most recent new market is Sweden, where five stores were opened in the Stockholm County area towards the end of last year.

In January 2001 we signed a memorandum of intent which, if its conditions are fulfilled as planned, will lead to the opening of a full-scale Stockmann department store in Riga, Latvia's capital city, in the late autumn 2002. The department store will be centrally located and it has been designed as part of a unique complex that will also boast 15 cinemas, among other attractions.

New strategic challenges

Finland's retail sales have kept growing for eight years running. The growth has nevertheless slowed down over the past two years and it is forecast to slow further this year. Slipping sales figures and the retail trade's ongoing process of establishing large new units, notably in the Helsinki area, mean ever tougher competition. The new market areas which all our divisions have staked out, coupled with the expansion and renewal of our sites, are part of our response to tougher competition.

On the other hand, it must be admitted that the Stockmann Group faces major strategic challenges. We have made, and will continue to make, sizeable inputs into achieving growth. The Department Store Division has excellent potential for profitable growth in line with its chosen strategy both in Finland and abroad but also in new market areas.

The same can be said of the now successfully launched growth plan for Hobby Hall's mail order and in-store sales as well as Internet sales, though initially there will be tough challenges for maintaining profitability.

Seppälä and the Automotive Sales Division are in a different kind of situation. For years now, Seppälä has been one of Finland's most profitable companies. For reasons that are partly external and partly internal, Seppälä's profitability weakened significantly during 2000. Restoring Seppälä's profitability to an acceptable level must therefore be set as the short-term target. We have what it takes to do this.

The Automotive Sales Division's profitability has also weakened over the past couple of years, and in this highly competitive and low-margin field the return on investment has not been high enough. Improving the profitability of the Automotive Sales Division's present operations is a primary objective. Over the long term, competitors in the motor trade will experience major changes in step with trends taking place in the EU market and as the ownership of automobile manufacturers becomes consolidated in fewer and fewer hands.

Setting future priorities

In the midst of capital expenditures and action programmes aiming at achieving profitable growth, Stockmann must choose the priority areas for developing its operations. The purpose of the ongoing process of defining the Group-level strategy is to make sure that in coming years, as up to now, Stockmann is the market leader and a profitable and attractive company for its customers, owners and personnel alike.

Helsinki, March 1, 2001

Hannu Penttilä

A word of thanks from Ari Heiniö

Dear Stockmann team members. As I now conclude my career with Stockmann, I want to thank all of you for your good cooperation and wish you and our company every success and good fortune. May both of these come in good measure to my successor, Managing Director Hannu Penttilä.

Ari Heiniö

Board of Directors and Auditors

The members of Stockmann's Board of Directors and the personnel representatives on the Board. From the top down and from left to right: Lasse Koivu, Erkki Etola, Ari Heiniö, Eva Liljeblom, Kari Niemistö, Christoffer Taxell, Henry Wiklund, Anna-Liisa Heinsalmi and Sari Virtanen

Board of Directors

Chairman
Lasse Koivu (b. 1943), B.Sc.(Econ.), managing director, Föreningen Konstsamfundet rf. Member of the Board since 1991, due to resign in the spring 2003.

Vice Chairman
Erkki Etola (b. 1945), M.Sc.(Eng.), managing director, Oy Etola Ab. Member of the Board since 1981, due to resign in the spring 2002.

Ari Heiniö (b. 1945), LL.M. Member of the Board since 1989, due to resign in the spring 2001.

Eva Liljeblom (b. 1958), D.Sc. (Econ.), professor, Svenska Handelshögskolan. Member of the Board since 2000, due to resign in the spring 2003.

Kari Niemistö (b. 1962), M.Sc. (Econ.), managing director, Selective Investor Oy Ab. Member of the Board since 1998, due to resign in the spring 2001.

Christoffer Taxell (b. 1948), ministeri*, President and CEO, Partek Group. Member of the Board since 1985, due to resign in spring 2003.

Henry Wiklund (b. 1948), kamarineuvos*, managing director, Svenska litteratursällskapet i Finland rf. Member of the Board since 1993, due to resign in the spring 2002.

Personnel representatives on the Board, April 1, 2000 - March 31, 2001

Anna-Liisa Heinsalmi (b. 1946), senior occupational health nurse. Personnel representative on the Board, elected by Stockmann's senior salaried employees.

Sari Virtanen (b. 1967), salesperson, shop steward, Tampere department store. Personnel representative on the Board, elected by the Corporate Board.

Auditors

Krister Hamberg (b. 1943), B.Sc. (Econ.), Authorized Public Accountant. Stockmann's deputy auditor since 1988 and regular auditor since 1995.

Wilhelm Holmberg (b. 1950), M.Sc. (Econ.), Authorized Public Accountant. Stockmann's regular auditor since 2000.

Deputy auditor
KPMG Wideri Oy Ab

* a Finnish title

Management Committee. From the top down and from left to right: Hannu Penttilä, Henri Bucht, Pekka Vähähyyppä, Jukka Hienonen, Aarno Pohtola and Lars Eklundh.

Management Committee

Hannu Penttilä (b. 1953), LL.M., managing director.

Henri Bucht (b. 1951), M.Sc.(Econ.), deputy managing director with responsibility for the Hobby Hall Division.

Pekka Vähähyyppä (b. 1960), M.Sc.(Econ.), Chief Financial Officer.

Jukka Hienonen (b. 1961), M.Sc.(Econ.), director with responsibility for the Department Store Division.

Aarno Pohtola (b. 1956), LL.M., director, Automotive Sales Division.

Lars Eklundh (b. 1955), B.Sc. (Econ.), managing director, Seppälä Oy.


LANCÔME

Profits up a third

The Department Store Division's sales inclusive of VAT grew by 6 per cent and were EUR 712.7 million (FIM 4 238 million). Net turnover was EUR 599.1 million (FIM 3 562 million), up 6 per cent on the previous year.

Sales registered in the department stores in Finland and in the Academic Bookstores grew by EUR 22.9 million (FIM 136 million), or 4 per cent. International Operations reported a sales increase of EUR 17.3 million (FIM 103 million), or 21 per cent.

Sales in Russia grew by EUR 11.1 million (FIM 66 million), or 21 per cent, despite the closing of two speciality stores in Moscow. In Estonia, sales grew by EUR 6.2 million (FIM 37 million), also increasing by 21 per cent.

The department stores in Finland increased their sales, except for the Turku department store, whose sales were at the previous year's level. The best performance was reported by the department stores in the Greater Helsinki area, particularly in Tapiola and in the centre of Helsinki. Sales by the department store in the Itäkeskus Shopping Centre sputtered a bit in the first months of the year, but this unit too began growing at a good clip during the autumn following the refurbishing and expansion works in the Men's Clothing Department. Sales by the Tampere and Turku department stores were hampered to some extent by the enlargement works there. The enlargement of the Delicatessen Department in Tampere was completed in September. A new third floor which was added to the Turku department store and the renewed fashion departments on the lower floors went into use in November. In Turku the works on expanding the Delicatessen Department will continue up to the autumn 2001.

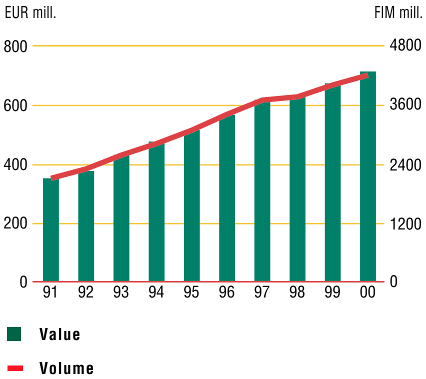
In Russia, sales by the department store in Moscow grew by more than 40 per cent and an even greater increase in sales was reported by the Nevsky Prospect store in St Petersburg.

The strong growth in sales in Russia is attributable not only to the growth in demand as a result of Russia's further improved economic situation but also to the considerable strengthening in the exchange rate of the dollar, which is used as the currency of pricing. Thanks to the improvement in the stock situation, Stockmann was able to wind up the operations of the Dolgoruky Street outlet for odd lots in May. The stand-alone supermarket had been closed in the summer 1999.

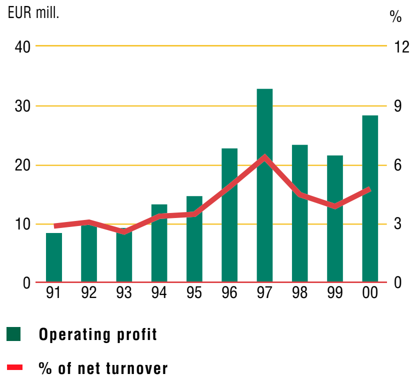
The project for enlarging the Tallinn department store was seen to completion at the end of March. The construction works badly hampered sales in the first three months of the year but sales shot up after the enlarged areas were opened. With three new floors added to it, the department store now has 14 000 square metres of retail space, making it Stockmann's second largest department store. The top floor has mainly been leased to other service companies, the largest single tenant being the Stockmann-owned Seppälä store.

The Department Store Division's gross margin improved markedly. This was due both to better stock management and, within International Operations, particularly to the rise in the exchange rate of the dollar. Since part of the Department Store Division's imports are nevertheless priced in dollars, the trend in the exchange rate of the dollar did not have a significant earnings-boosting effect at the level of the entire Department Store Di-

Development of the Department Store Division's sales 1991-2000



Development of the Department Store Division's operating profit 1991-2000



Stockmann's department stores and Academic Bookstores in the centre of Helsinki and in the Itäkeskus Shopping Centre in eastern Helsinki as well as in Tapiola in Espoo, Tampere and Turku offer customers a knowledgeable shopping environment and good service in a congenial atmosphere. The key to Stockmann's success is a unique and broad assortment of good products at competitive prices. The sixth department store in Finland will be opened in Oulu in the autumn 2001. International Operations include department stores in Tallinn and Moscow together with one speciality store in Moscow and two speciality stores in St Petersburg.

KEY FIGURES	2000	1999	change %
Sales, EUR mill.	**712.7**	672.5	6
Sales, FIM mill.	**4 237.5**	3 998.5	
Proportion of Group Sales, %	**48.6**	42.5	
Operating profit, EUR mill.	**28.2**	21.4	32
Operating profit, FIM mill.	**167.8**	127.5	
Return of investment, %	**16.3**	13.0	
Investments, EUR mill.	**14.7**	18.4	-16
Investments, FIM mill.	**87.5**	109.5	
Staff, December 31	**5 625**	5 347	5

vision. The comeback staged by International Operations can be considered the most gratifying event during the year, edging back into the black following the deep two-year dip caused by Russia's economic crisis. Combined with the improved earnings of the department stores in Finland as a consequence of good cost management, this meant that the entire division's operating profit grew by nearly a third compared with the previous year. The result is the second best ever for Stockmann's department stores and it falls only somewhat short of the record profits posted in 1997.

Market share gains for the department stores in Finland

Sales by the department stores in Finland and the Academic Bookstores were EUR 612.9 million (FIM 3 644 million), up 4 per cent on the figure a year earlier. Sales by the concessions operating in the department stores were EUR 45.9 million (FIM 273 million), representing an increase of 7 per cent.

Competition in the retail trade hotted up further as a number of foreign chains continued their expansion in Finland. The product areas where this had the strongest impact were fashion and household appliances and electronics. Traditional department store sales represented a smaller slice of the total retail market, but thanks to a strong name and long-term development work, the sales of Stockmann's department stores outpaced the average growth rate in the retail field.

Sales driven by consumer electronics and the Academic Bookstores

Although the biggest change in the competitive situation took place within household appliances and electronics as new international chains landed on Finland's shores, Stockmann's development in this area too was strong: sales grew by 10 per cent. The Academic Bookstores also turned in sales growth of 10 per cent, clearly exceeding the average for the sector. A major part of the growth in consumers' disposable income was nevertheless channelled into improving the comfort and attractiveness of their homes. This was reflected in the fast growth of the entire field and in the more than 7 per cent growth in Stockmann's sales of products for the home. The same growth rate was also reached by cosmetics sales, though consumers' purchasing habits were forecast to change even faster now that tax-free sales have come to an end in the EU countries. The 5 per cent increase in sales by Stockmann's Delicatessen Departments can also be considered good in view of the general trend in the industry.

In the fashion sales area, the stock overhang from the previous period was wound down in the first part of the year. Although the capricious weather in the second half of the year weakened sales, a healthy stock situation yielded better gross margins. Total sales of fashions remained at the previous year's level. The

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***1.** The Oulu Department Store will be completed in the autumn 2001. Oulu shoppers are eagerly awaiting Stockmann's arrival.*

***2.** Two Olympic medallists in sailing, Thomas Johanson (right) and Jyrki Järvi, were guest interviewees at the Helsinki Department Store. The interviewers were Annika Mannström and Pasi Pajunen.*

***3.** International collections and modern furnishing solutions highlight the trend-setting ambience of the revamped Boutique in the Helsinki Department Store.*

***4.** The expansion of the Delicatessen Department in the Tampere Department Store was completed in September, setting the stage for an improved palette of offerings and service.*

***5.** Stockmann is unrivalled as a clothier for men thanks to its international and domestic top-of-the-line brands, such as Boss, Armani, Valentino and Turo.*

***6.** The Academic Bookstore in Tampere took on a totally new look and its magazine department was also upgraded, presenting an attractive view right from Hämeenkatu, the high street.*

best trend was in men's fashion. The trend in sales of youth fashion clearly showed that young people's spending was tending towards other items than clothes.

Investing in the future

A number of important expansion investments were completed at the department stores in Finland in 2000.

As the last stage of the enlargement of the Tampere department store, a new expanded Delicatessen Department with an adjoining Alko store opened for business in September. At the same time a renewed Academic Bookstore was opened on the street level. Both proved to implement successful concepts.

The Turku department store too got an entirely new household goods floor, adding 2 200 square metres of new retail space, which was placed in use in November. Expansion of the Turku department store will continue further during 2001 when the Delicatessen Department expands into premises built under Yliopistonkatu. The new space will nearly double the Delicatessen's sales area. An Alko store will also be located adjacent to these sales areas.

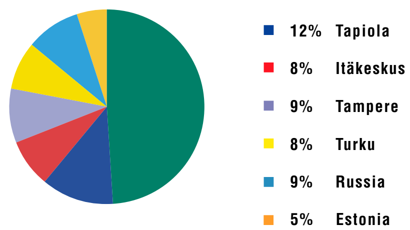
Sales by the Itäkeskus department store suffered somewhat from the enlargement work going on at the whole shopping centre. These works will be completed by the autumn 2001. Before this date, Stockmann will receive about 1 000 square metres of new retail space. Plans for building a free-standing Marks & Spencer at the Itäkeskus Shopping Centre have been shelved for the time being.

New retail space was not added to the department stores in Tapiola and Helsinki in 2000, but nevertheless sales by both units outstripped the general trend.

As 2000 wore on, the Stockmann department store being built in Oulu began to take shape and it has already become a landmark in the centre of Oulu. The department store's opening ceremony will be in the autumn 2001. Owing to the fast economic growth in the Oulu area and to the exceptional interest that Stockmann's arrival has awakened, the project has been expanded from its original proportions. While the project was moving ahead, Stockmann leased 1 800 square metres of retail sales area in the Pekurinkulma commercial centre right next to the department store, in addition to the original 10 200 square metres. It was furthermore decided to expand the car park adjacent to the department store, providing spaces for nearly 260 cars. Placing the extension in use will also make it possible to locate an Alko store in the building in the immediate vicinity of the Delicatessen Department.

The department store in the centre of Helsinki will also get 1 000 square metres of new retail space when the refurbishing works in the Rautatalo Building located opposite the department store are completed towards the end of 2001. One Way, a completely renewed youth fashion store, will be located in the space that has been leased in Rautatalo. The Cosmetics Department will expand into

Per cent distribution of the Department Store Division's sales in 2000 by unit



the vacated sales area on the first floor of the department store. Concurrently, a new tunnel passageway will be opened from the department store, running under Keskuskatu to the Rautatalo Building. The customer flows via the new tunnel will join the Academic Bookstore, the Rautatalo Building and the main department store building into a more tightly-knit store complex.

International Operations begins generating operating profit

Sales inclusive of VAT by International Operations totalled EUR 99.9 million (FIM 594 million), of which EUR 63.8 million (FIM 380 million) was generated in Russia and EUR 36.0 million (FIM 214 million) in Estonia. In addition, sales by the concessions operating in the Tallinn department store were about EUR 3.2 million (FIM 19 million).

After a good latter part of the year in 1999, expectations for 2000 were positive. Only a few remnants were left over from the excess stocks that piled up in the aftermath of the Russian crisis, and it was possible to close the outlet for odd lots in Dolgoruky Street at the end of May. The growth figures turned in by the Smolenskaya department store in Moscow in the first months of the year - despite the fact that they were partly due to the strong dollar - reinforced belief that the good trend will continue. By the autumn, the operational result of the units in Russia had moved into the black. Sales also went well towards the end of the year, and International Operations was able to keep discounts at a low level.

In St Petersburg, sales by the Nevsky Prospect fashion store grew strongly. The supermarket reported rising sales too.

Spurred by these factors and good cost management, operations in Russia edged into operating profit territory after a two-year hiatus. The Moscow department store almost reached the breakeven point in its second full year of trading. The result of operations in St Petersburg was positive.

The enlarged areas in the Tallinn department store were opened on schedule at the end of March. After the expanded facilities went into use, sales by the fashion and household areas showed the best growth. The relative positions of players in the supermarket goods sector were impacted by the new units which several competitors opened late in the autumn. This meant that the department store's food sales remained at the previous year's level.

The construction works that continued into the first part of the year coupled with the costs of opening the new retail areas and higher depreciation charges affected the result of operations, which fell slightly into the red for the first time despite good cost control and an increase in the gross margin.

The operating result of International Operations as a whole was slightly positive after two years in the red. Negotiations on enlarging the Moscow department store and leasing additional space

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***1-3.** A completely new and spacious Household floor was added to the Turku Department Store, opening up 2 200 square meters of new retail space. The extension went into use in November.*

***4-5.** The Tallinn Department Store rose to a height of five storeys from the previous two. It is now the largest department store in the Baltic countries and Stockmann's second largest.*

***6.** In September world-famous cartoonist Mort Walker, creator of the Beetle Bailey comic strip, made a guest appearance at Academic Bookstore's "Encounters", a thirty-year old tradition of meetings between readers and literary guests. The well-known cartoon figure Ms Buxley appeared on the flip chart in a trice as Walker told about his career.*

have been started with the aim of opening one new floor as early as the autumn 2001. This will mean an increase in the department store's retail space by a good third, totalling more than 7 000 square metres. The renewed Delicatessen Department which is to be opened in Tallinn in April 2001 will offer the city's widest assortments and knowledgeable service. Following the refurbishment, the largest department store in the Baltic countries will be poised to meet tougher competition in the supermarket trade too.

The Loyal Customer programme grows and develops - Crazy Days set new records

The number of Loyal Customers grew by 7 per cent. At the close of the year there were a total of 685 000 cards. Of these, cardholders in Finland amounted to 636 000, with 49 000 in Tallinn. Gauged by European standards, customer loyalty remained very high: significantly, well over half of the sales by the department stores in Finland come from Loyal Customers. Mailing of an exclusive special offer booklet was launched for a new special target group, which initially will consist of about 50 000 Loyal Customers who have subscribed for Loyal Customer share options. The objective is to develop rewarding extra bonuses and special offers for premium Loyal Customers. A Loyal Customer marketing programme will also be launched in Moscow in the early months of 2001.

Crazy Days have firmly established their position as Finland's premier retail campaign and there seems to be no end to their growth: new sales records were set in both the spring and the autumn. The newest craze, introduced by Stockmann as part of the autumn campaign, was the sale to London-lovers of 13 500 Buzz airline flight tickets at a spectrally crazy price.

Outlook for the future

In recent years the Department Store Division has made energetic inputs into developing and expanding its operations. The earnings trend has demonstrated that the decisions taken and the investments made have been correct. This expansion programme will continue ahead in Finland also after the Oulu department store has been opened and the other soon-to-be-made capital expenditures, such as the expansion of the department store to the Rautatalo Building in the centre of Helsinki, the enlargement of the Itäkeskus department store and the enlargement of the Delicatessen Department in Turku, have been realized.

Stockmann is currently in talks with the city of Helsinki and major property owners in the centre of town concerning long-term solutions aimed at making a significant improvement in traffic conditions in downtown Helsinki. At the same time, these solutions would offer opportunities to develop the services and retail sales area of the 70-year old Helsinki department store so that they serve customers better than ever before. The project revolves around the building under Keskuskatu of a logistics tunnel which would enable all goods traffic in the area to be routed underground. At the same time, space for about 300 additional cars would be excavated in the bedrock under the department store and the entire access ramp to the car park would be moved to the Mannerheimintie side. The office premises on the seventh and eighth floors of the department store and certain other areas would be made available for commercial use, turning them into unique "Beauty and Well-being" and "International Culinary Delights" worlds. This would also afford an opportunity to expand the Delicatessen Department, which currently operates in cramped premises, into the new retail space under Keskuskatu. Ultimately, all of Keskuskatu could be turned into a pedestrian precinct. This would give the area an attractive cachet and enhance the commercial vitality of the town centre. Provided that the agreement and licence issues move ahead favourably, the project might be completed during 2005.

Within International Operations, the near-term objective is to expand the Smolenskaya department store, which has gained an excellent foothold in Moscow. On the basis of a memorandum of intent signed in January, Stockmann will seek to bring about a solution that will create a framework for opening a department store in Riga, Latvia's capital city - in time for the Christmas market in 2002 - thereby strengthening Stockmann's footprint in the Baltic countries. The project is to be carried out jointly with Rautakirja Oyj, which will design a cinema centre for the same complex.

Although the opening of the Oulu department store with its attendant costs will burden the result of the Department Store Division in the current year, the Division is focussed single-mindedly on again improving earnings compared with the previous year.


Audi A2
TRANSIT

Car sales begin to slip

The total market for new cars began to slip after six consecutive years of rising sales. The motor trade had based its operational plans for 2000 on growth expectations of 7-8 per cent. For many companies in the field, the drop-off in growth caused considerable difficulties in adjusting to the situation, though right in the late spring the change in the market could be seen from the rate at which order agreements for new vehicles were concluded. In Finland slightly less than 135 000 new cars were sold in 2000, as against more than 136 000 a year earlier. The number of new vans registered was about 13 000, representing a drop of 8.2 per cent compared with the previous year.

In the Greater Helsinki area Stockmann's Automotive Sales Division lost a bit of market share. It nevertheless remained the market leader in new car sales, with a good 22 per cent slice of the market. The fall in market share, particularly in the latter half of the year, was due to model changeovers for Ford Mondeo and Volkswagen Passat: sales of the old model petered out as the range of cars ordered and stocked diminished and new orders could not be placed with the production plants. The new Passat had its premiere in December. The new Mondeo model was not available for sale in Finland until January 2001. Both new models have sold well. Sales of company-registered cars fell by more than 10 per cent. This trend had a clear impact on car sales in the Greater Helsinki area, where car sales to companies are considerably above the country average.

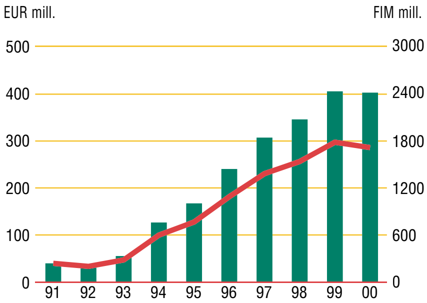
The Automotive Sales Division sold a total of 11 194 new cars, or 556 less than in 1999. The number of trade-in vehicles was 8 161 (down 1 018). The Ford product line sold 5 276 (down 817) the Volkswagen-Audi product line 4 736 (up 140) and the Mitsubishi-Skoda product line 1 182 (up 121) new cars. The average price of vehicles rose, and sales by the servicing and repair units grew strongly. Euro-denominated sales by the Automotive Sales Division reached the previous year's level despite the decrease in units sold. Sales amounted to EUR 402.2 million (FIM 2 391 million), down EUR 2.9 million (FIM 17.1 million) from the previous year. The division's original target was for sales of nearly EUR 40 million (over FIM 200 million) more. The division's net turnover came in at EUR 331.0 million (FIM 1 968 million), compared with EUR 333.3 million (FIM 1 982 million) a year earlier.

Thanks to the strong growth in servicing and repair operations, the gross margin of the entire Automotive Sales Division improved somewhat on the previous year. It was nevertheless not possible fully to adjust costs to the below-budget level of sales. Accordingly, operating profit fell by EUR 0.6 million (FIM 3 million) to EUR 3.8 million (FIM 23 million).

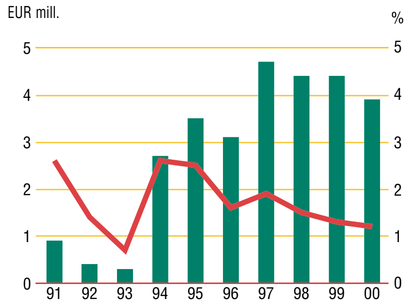
More Loyal Customer offers

The Automotive Sales Division increased the volume of its offers to Loyal Customers. During the year, special offers of new cars to Loyal Customers were made nine times, yielding total sales of 1 066 new cars to Loyal Customers via these

Development of the Automotive Sales Division's sales 1991-2000



Development of the Automotive Sales Division's operating profit 1991-2000



Stockmann's Automotive Sales Division serves its customers at ten full-service sales outlets in the Greater Helsinki area, at two outlets in the Turku economic area and, beginning in spring 2001, at one outlet in Tampere. The Division's success is based on high-quality products, a very wide range of makes and models, competitive prices thanks to large volumes and good and reliable customer service. The range of servicing and repair alternatives will be increased. Apart from present corporate and private customers, Loyal Customers are a special target group for these new services.

KEY FIGURES	2000	1999	change %
Sales, EUR mill.	**402.2**	405.0	-1
Sales, FIM mill.	**2 391.2**	2 408.3	
Proportion of Group Sales, %	**27.4**	25.6	
Operating profit, EUR mill.	**3.8**	4.4	-12
Operating profit, FIM mill.	**22.9**	25.9	
Return of investment, %	**7.1**	7.9	
Investments, EUR mill.	**2.5**	1.4	81
Investments, FIM mill.	**15.0**	8.3	
Staff, December 31	**786**	721	9

campaigns. There were three trade-in vehicle campaigns beamed at Loyal Customers, resulting in a total of 802 trade-in sales on campaign terms. In addition, there were monthly Loyal Customer offers of accessories and supplies for motorists and car use. The Automotive Sales Division took part in the Crazy Days in both the spring and the autumn, racking up sales of 183 new cars.

Offers to Stockmann's Loyal Customers will be increased and developed further. A new feature to be added is services connected with the use and upkeep of cars.

The possibilities of cooperating with Hobby Hall are also being explored. In particular, the Hobby Hall Online e-commerce website appears to offer interesting new potential.

Close cooperation with importers

The Automotive Sales Division is organized into three product lines according to its principals. Synergies and efficiency are obtained through chain-based operations and the centralized management of basic systems as well as administrative and support functions. Furthermore, inputs into developing the business will continue at a steady pace for the benefit of all. By operating in this way the division seeks better cost-effectiveness than its competitors have.

Cooperation with importers has shown very positive development in all product lines. True partnership that is based on continual interaction makes possible long-term development of operations. A concrete manifestation of this is improved customer satisfaction. In a survey of metropolitan Helsinki car dealerships carried out in the spring 2000 by Taloustutkimus, an economic research company, all three product lines of Stockmann's Automotive Sales Division ranked right near the top.

The objective of the Automotive Sales Division in future years too is to be the best distributor for each principal by whatever yardstick is used.

Servicing capacity is now sufficient

Within servicing and repair operations, the Automotive Sales Division has suffered from capacity problems for a number of years. This has led, among other things, to a lengthening in the times before vehicles can be brought in for servicing. Gauged by the number of staff, since 1996 the servicing capacity has been increased by 171 employees, 30 of whom were hired last year. At the end of 2000 Stockmann's servicing and repair staff numbered 467 employees. Last year servicing capacity was finally brought to the right level and the normal time for scheduling a servicing appointment was generally no more than a week. If a car could not be driven due to a mechanical problem, the repair slot was moved up.

An increased number of visitors to the website

The number of visitors to the Automotive Sales Division's website has grown. The site can be found at the address www.stockmannautot.fi and it serves customers in ways such as allowing them to search for contact and product information. By means of e-mail or an appointment scheduling form it is easy to send in to the dealer a request to get in touch or to make a servicing appointment. Furthermore, linking the website to the nationwide vehicle websites has brought additional customer contacts. During the past year the Internet pages have given more information not only on cars but also about timely offers. Loyal Customer offers, for example, can be found by visiting the Automotive Sales Division's website.

In the autumn the servicing functions introduced a text message service enabling customers to send in GSM or e-mail messages, say, to request staff to get in touch with them or for a cost estimate as well as for notification of when the servicing will be completed or the car is ready to be picked up.

New outlets

March 2000 saw the opening, in Takkatie in Helsinki's Pitäjänmäki district, of a new VW-Audi servicing and repair shop that will operate in leased premises and bring a significant increase in Stockmann's servicing capacity in the Greater Helsinki area. A body shop opened for business in the same premises in June. In addition, the Automotive Sales Division's spare parts sales to major customers and its central warehouse moved into the same location.

At the beginning of 2001 Stockmann began sales of Mitsubishi and Skoda vehicles in Lauttasaari, Helsinki. The dealership also offers servicing for these makes.

In March 2001 a new full-service Mitsubishi-Skoda dealership with about 3 000 square metres of floor space will be opened up in the Hatanpää area in Tampere. Prior to this the Automotive Sales Division has not had operations in the Tampere economic area.

Investments total EUR 2.5 million

The Automotive Sales Division made investments in 2000 amounting to EUR 2.5 million (FIM 15.0 million). The largest capital expenditure items were EDP systems and equipment as well as repair shop machines and equipment. The investments will serve to enhance operations and increase the servicing and repair shop capacity.

New servicing features

In 2001 the inputs aimed at beefing up the servicing and repair operations will be continued. New operational models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1. *Above and beyond. Audi allroad quattro.*

2. *The new Volkswagen Passat sports a completely new sleek-lined style, whilst its safety and comfort have been upgraded significantly. It offers true quality living — a new dimension of luxury.*

3. *Mitsubishi Pajero is a highly esteemed and innovative four-wheel drive vehicle. The new Pajero clearly ranks among the top offroad vehicles.*

4. *More and more of Stockmann's Loyal Customers are checking out the Automotive Sales Division's offerings. Last year a total of 1 249 new and 802 trade-in vehicles were purchased through Loyal Customer offers and during the Crazy Days.*

5. *Skoda is one of Europe's fastest growing makes of car. In 2001 a roomy new station wagon was added to the Fabia range.*

6. *The new Ford Mondeo is a hot favourite of the European automotive press.*

and service packages are also being developed for these functions, and they will be offered to all of Stockmann's Loyal Customers. An example of the new forms of service is seasonal storage of tyres, which was started in the spring 2001. Increasing the volume of servicing and repair operations will also have a positive impact on the Automotive Sales Division's ability to generate earnings. Owing to the costs of starting up the servicing function's new operational and service concepts, however, the total result of servicing operations will not improve just yet in 2001.

The total market for new cars will decline in 2001 and probably settle at a level of 125 000-130 000 new cars sold. The Automotive Sales Division has a revitalized and good range of cars on the strength of which it is seeking to boost its market share. Nonetheless, the Division's operating profit is estimated to fall somewhat short of the figure reported in 2000.

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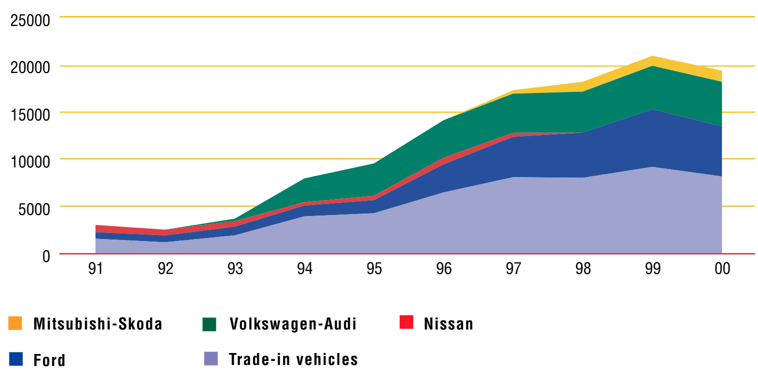
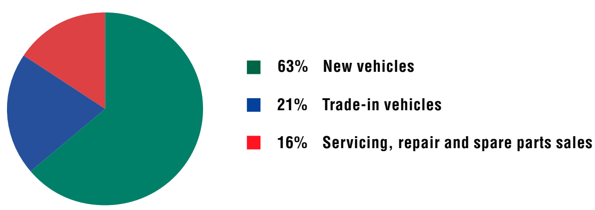
Development of the Automotive Sales Division's vehicle sales 1991-2000, number of vehicles



Distribution of the Automotive Sales Division's sales 2000




HOBBY HALL
online

Hobby Hall banks on strong growth in coming years

Sales by the Hobby Hall Division grew by 5 per cent to EUR 214.9 million (FIM 1 278 million). Net turnover also grew by 5 per cent, and was EUR 176.9 million (FIM 1 052 million). The volume of packages dispatched was 2.3 million, an increase of 3 per cent on the previous year.

The division posted operating profit of EUR 0.6 million (FIM 3.6 million). It fell markedly short of its target and earned EUR 8.6 million (FIM 51.4 million) less than a year ago.

The main reasons for the lower earnings were substantially higher expenses and the marked weakening in the relative gross margin. Expenses were up 9 per cent on the previous year, or EUR 9.0 million (FIM 53 million). This was due to the extra costs of starting up operations at the Viinikkala logistics centre, inputs into the online store in accordance with plans and to the substantial increase in customer returns, especially of unclaimed packages at post office locations. Whilst carrying out major changes in 2000, Hobby Hall made major outlays on ensuring that its customer service continues to run smoothly.

In addition to the growth in operating expenses, depreciation increased by EUR 0.8 million (FIM 4.8 million).

E-commerce sales develop rapidly

In 2000, Finland's aggregate mail order sales market grew by 3 per cent in value and the volume of mail order packages dispatched fell by 3 per cent. In Estonia the total market for mail order sales diminished markedly. Mail order sales are not forecast to grow significantly in Finland or Estonia in 2001.

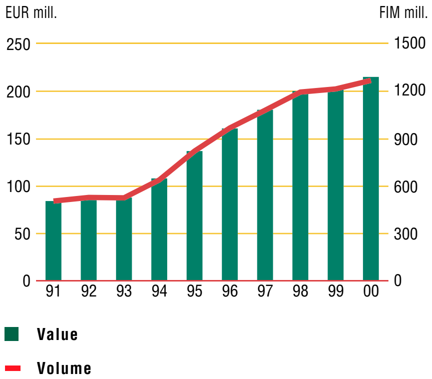
The total market for e-commerce sales has developed rapidly, though they still account for a fairly small share of Finland's entire retail sales. The fast growth in the market is expected to continue in coming years. According to a study, more than 60 per cent of Finnish Internet users feel that shopping via the Internet is a very interesting or fairly interesting alternative.

Organizational change

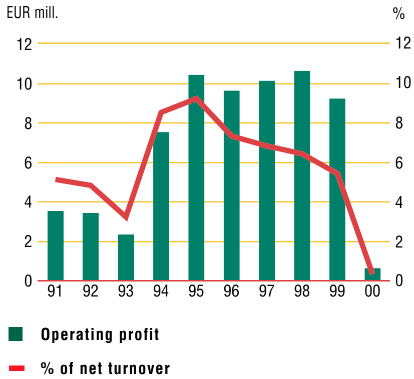
The decision to continue Hobby Hall's internationalization both as a mail order seller and by simultaneously tapping the potential for expanding e-commerce led to the reorganization of Hobby Hall's operations effective August 1, 2000. Henry Bucht, M. Sc. (Econ.), was appointed to run the Hobby Hall Division. Managing Director Veikko Syvänen was appointed head of the Hobby Hall business unit engaged in mail order sales and Pekka Polvinen, Lis. Sc. (Econ.), was made head of Hobby Hall Online, the e-commerce unit. Mr Bucht was appointed as Stockmann's deputy managing director effective February 1, 2001.

In accordance with the growth strategy that has been decided, the revamping of the Hobby Hall Division's busi-

Development of Hobby Hall's sales 1991-2000



Development of Hobby Hall's operating profit 1991-2000



Hobby Hall offers its customers products and services via mail order sales, a webstore and its own stores. Its offerings consist primarily of household and leisure products. The largest mail order retailer in Finland and Estonia and Finland's leading online merchant offers more than a million customers an easy, reliable and pleasant alternative for buying quality products at affordable prices. Operations in Latvia got started at the beginning of 2001.

KEY FIGURES	2000	1999	change %
Sales, EUR mill.	**214.9**	203.9	5
Sales, FIM mill.	**1 277.7**	1 212.3	
Proportion of Group Sales, %	**14.6**	12.9	
Operating profit, EUR mill.	**0.6**	9.2	-93
Operating profit, FIM mill.	**3.6**	55.0	
Return of investment, %	**0.7**	12.2	
Investments, EUR mill.	**3.9**	5.4	-27
Investments, FIM mill.	**23.4**	32.1	
Staff, December 31	**760**	638	19

ness idea was launched and its processes underwent a review, particularly in the subareas of customer management and logistics.

Sales in Finland up 7 per cent

The Hobby Hall Division's sales in Finland were EUR 188.9 million (FIM 1 123 million), up 7 per cent on the figure a year earlier. This sales trend can be considered good in the face of tougher competition in the retail trade - particularly in the latter half of the year, when the growth in sales was 10 per cent.

Textiles for the home continued to sell well. On the other hand, clothing sales were more difficult. This was true above all of branded clothes for young people. Sales of electronics, particularly home computers, did not meet targets. Offerings in the home furnishings area were increased, with good results. For example, more than 5 000 Finnish-made convertible sofas were sold.

Mail order product offerings will be increased further on a selective basis. The aim is to offer customers the most attractive alternative on the market in each product group - good selections together with the customer.

The leading online store

The ingredients for the success of an e-commerce site are smoothly running logistics and customers' trust, good relationships with suppliers and reliable payment systems. With the completion of the logistics centre in Viinikkala, Hobby Hall also has the logistics capability for embarking on e-commerce. The objective is to build a well functioning and easy-to-use webstore which customers will feel is Finland's best. A further aim of the online store is to land new customers for Hobby Hall and to provide a possibility of expanding the business into new product areas and markets.

Hobby Hall opened its webstore, www.hobbyhall.fi, on May 12, 2000. It rapidly became Finland's leading online store. Hobby Hall Online's sales rose to EUR 6.3 million (FIM 37 million) by the end of the year, in line with its target.

During 2000, 40 000 purchasing customers visited the online store. Compared with traditional mail order sales, the average purchase was nearly double, or about EUR 170 (approx. FIM 1 000). Sales were divided evenly amongst the different goods sectors, though sales of consumer electronics ranked highest.

The trend in new technology products, such as the wireless Internet and digital television, will have a great impact on the development of the total e-commerce market in the years ahead.

Major outlays will continue to be made on online sales this year. Hobby Hall Online's annual sales are expected to exceed EUR 17 million (FIM 100 million).

Developing the stores in Finland

Aggregate sales by the stores in Finland totalled EUR 31.4 million (FIM 187 million), representing growth of 14 per cent on the previous year. Sales reported by the store in Vantaa were EUR 15.7 million (FIM 93 million), up 13 per cent on the figure a year earlier. The Helsinki store increased its sales by 17 per cent to EUR 10.0 million (FIM 60 million). Sales by the store in Espoo amounted to EUR 5.7 million (FIM 34 million), an increase of 10 per cent.

The functionality and customer service of the stores was developed by overhauling the cash register systems in the autumn 2000.

In February 2001 the newest Hobby Hall store, with 1 600 square metres of retail space, was opened in leased premises in Tampere. Plans also call for opening a store in Turku.

The retail space of all the present stores will be increased during 2001. At the same time, the overall look of the stores will be revamped and harmonized.

Increased inputs into Baltic operations

After several years of strong growth, Hobby Hall's sales in Estonia have fallen somewhat over the past two years. Last year sales declined by 2 per cent to EUR 26.0 million (FIM 155 million). The best sales trend in Estonia was reported for gardening and leisure products. On the other hand, sales of electronics fell substantially owing to keener competition.

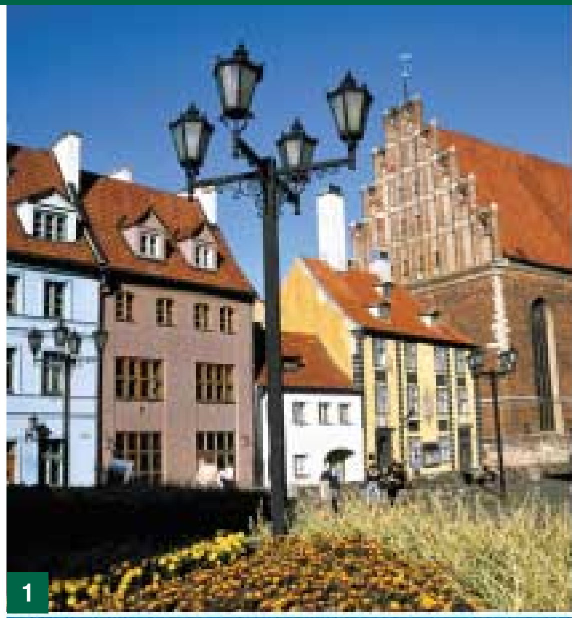
Hobby Hall's mail order sales in Estonia amounted to EUR 23.2 million (FIM 138 million), down 7 per cent on the previous year. Sales by Hobby Hall's two stores developed well in Estonia, rising by 80 per cent to EUR 2.8 million (FIM 17 million).

Despite the tougher competition, there is potential for increased sales in Estonia. In the current year Hobby Hall will enhance its marketing effort and sharpen its price competitiveness with the aim of achieving a strong increase in its customer base.

In Latvia successful test marketing of the mail order concept was carried out at the end of 2000 in cooperation with the Latvian Post Office. Full-scale operations got under way in the early months of 2001.

New logistics centre becomes operational

The logistics centre in the Viinikkala district of Vantaa finally went into operation and staff moved into the premises according to schedule in early 2000. At the same time new systems were placed in use and the staff were trained. The total capital expenditure on the new logistics centre was EUR 18 million (FIM 108 million). Concurrently, operations at the other logistics centre in Tammisto were modified. Smaller sized products are delivered



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1. Latvia is Hobby Hall's newest market area. The test marketing that was done towards the end of 2000 yielded good results, and mail order sales in Latvia got started in early 2001. Shown here is Riga, Latvia's capital city.

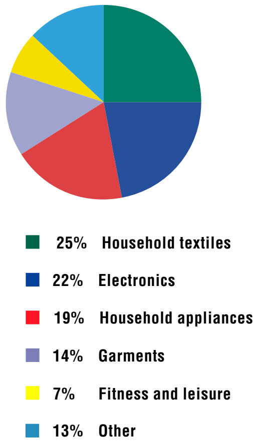
2. Hobby Hall Online staged a high visibility campaign to reach customers, and www.hobbyhall.fi rapidly achieved the position of Finland's leading webstore.

3. At peak times, Hobby Hall dispatches over 30 000 packages a day. Shown here is the new logistics centre in Viinikkala.

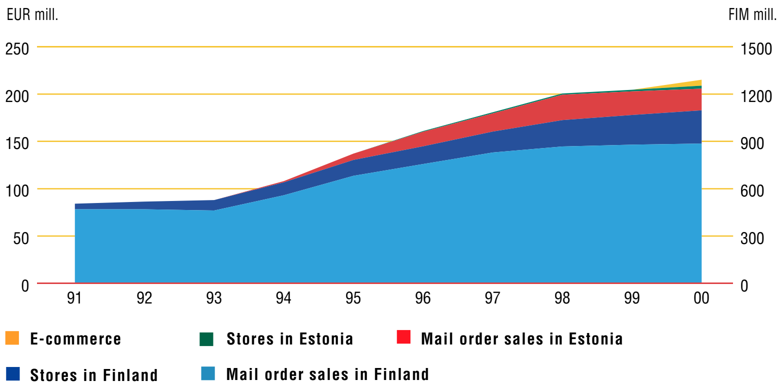
4. Consumer electronics is Hobby Hall Online's most popular product group.

5. Hobby Hall increased its offerings of home furnishings with good results.

Distribution of Hobby Hall's sales by merchandise sector in 2000



Development of Hobby Hall's sales



from Viinikkala whereas Tammisto will concentrate on the logistics for larger products.

Following the running-in stage, logistics operations got up to speed. At peak levels, more than 30 000 packages a day were sent to customers.

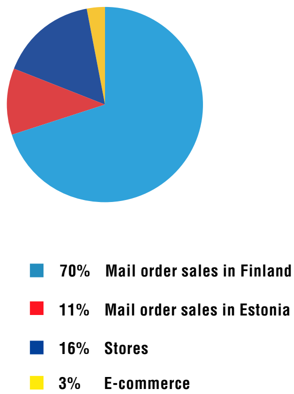
The capital expenditures which have been made on logistics will provide a good base for future growth and improved customer service.

The high-growth strategy rolls onward

The Hobby Hall Division is continuing to implement its strategy of seeking strong growth. The objective is to make outlays on growing the business, particularly within online sales but also in new goods sectors and markets. Further objectives are to strengthen Hobby Hall's position as the market leader within mail order sales in Finland and Estonia and to gain a strong foothold within mail order sales in Latvia. Feasibility studies are being done on the possibility of opening new stores in Finland in coming years.

The objective for 2001 is to achieve a substantial improvement in operating profit, though owing to the high-growth strategy, earnings will still come in below the level reported in 1999.

Distribution of Hobby Hall's sales by channel in 2000



Apparel for the whole family

The Seppälä Division had sales of EUR 137.4 million (FIM 817 million), falling 1 per cent short of the previous year's sales figure. Net turnover was EUR 112.9 million (FIM 671 million), down 1 per cent on 1999. Operating profit was EUR 1.4 million (FIM 8 million) a decrease of EUR 10.6 million (FIM 63 million) on the previous year's operating profit.

The weak sales trend and collapse of profits were due to a combination of several different factors.

The growth in consumer demand continued, but clothes have accounted for a diminishing share of consumer expenditure for years now. Foreign chains captured a bigger slice of total sales in the retail sector and the competition situation hotted up further. The second warmest autumn in a century together with a relatively cool summer reduced customers' inclination to buy. The resulting stock overhang was wound down by cutting prices, thereby reducing the relative gross margin. The rise in purchase prices due to the appreciation of the dollar could not be passed along fully into selling prices, and this also weakened the gross margin. Earnings were furthermore burdened by the costs of establishing new stores and refurbishing existing sites as well as outlays on developing a new market area - Sweden. In these conditions, Seppälä was not able to adjust operating costs to the weaker-than-planned trend in sales and the gross margin.

20 new stores

In line with its strategy, Seppälä expanded in all its market areas: Finland, Estonia and Sweden, which is a new market area. At the end of the year there were a total of 128 Seppälä stores in Finland, 10 in Estonia and five in Sweden. All in all, 20 new stores were opened in 2000.

Finland accounted for EUR 129.5 million (FIM 770 million) of the Seppälä Division's sales, Estonia for EUR 6.5 million (FIM 38 million) and Sweden for EUR 1.5 million (FIM 9 million).

Seppälä offers apparel for the whole family. Women's fashion accounted for 54 per cent of sales, men's fashion for 21 per cent, children's clothing for 20 per cent and cosmetics for 5 per cent. So far, cosmetics are sold only at the stores in Finland.

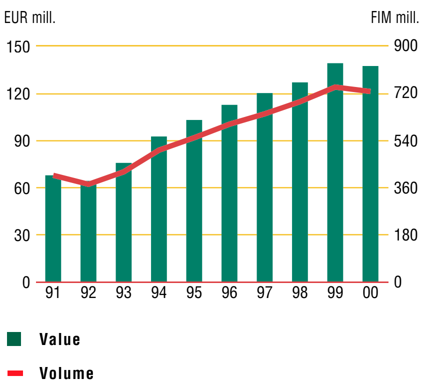
The largest in Finland and Estonia

Clothing sales grew by one per cent in Finland last year. The competition situation in the field changed. Two Finnish chains were acquired by new owners and went into other lines of business. The foreign chains continued their expansion, but at a more moderate rate than last year.

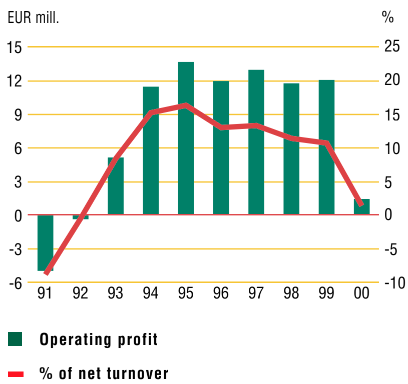
Sales by Seppälä's stores in Finland totalled EUR 129.5 million (FIM 770 million), down 4 per cent on the previous year. Seppälä's position in the Finnish market nevertheless remained strong. Seppälä is Finland's largest chain of clothing stores and is the market leader with a share of about 6.5 per cent.

Nine new stores were opened in Finland. A third store was opened in Kouvola, a second store in Joensuu, Oulu and Seinäjoki and stores were opened in Alajärvi, Kauhava, Kurikka, Lempäälä and Siilinjärvi. In addition, seven stores in Finland were enlarged and two stores were refurbished in line with the new furnishing concept. The largest and most

Development of Seppälä's sales 1991-2000



Development of Seppälä's operating profit 1991-2000



Seppälä is Finland's largest chain of fashion stores offering customers women's, men's and children's apparel as well as cosmetics at reasonable prices. The collections are based on Seppälä's own product design and own brands. Seppälä's expertise rests on the correct combination of basic and trendy products. Centralized chain-store operations guarantee affordable prices together with reliable quality. Seppälä is seeking growth through internationalization. In addition to its 128 stores in Finland, Seppälä has ten stores in Estonia and five in Sweden.

KEY FIGURES	2000	1999	change %
Sales, EUR mill.	**137.4**	139.2	-1
Sales, FIM mill.	**817.0**	827.4	
Proportion of Group Sales, %	**9.4**	8.8	
Operating profit, EUR mill.	**1.4**	12.0	-88
Operating profit, FIM mill.	**8.3**	71.1	
Return of investment, %	**6.7**	56.0	
Investments, EUR mill.	**5.2**	2.9	56
Investments, FIM mill.	**31.1**	17.1	
Staff, December 31	**1 026**	885	16

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__1-2.__ Seppälä's spring 2001 fashions were presented to the press in November at a showing held in the store in Helsinki's Aleksanterinkatu.

__3-4.__ Seppälä opened its first store in Sweden at the beginning of August in a shopping centre in Stockholm. The stores in Sweden use the name Spl.

significant store revamp was made at the Forum shopping centre in Helsinki, where the Seppälä expanded to occupy three floors. The renewal of the Forum store was seen to completion at the beginning of August.

Sales and earnings in Estonia grow

It is difficult to estimate the total level of the garment trade in Estonia. A considerable portion of the trade comes from sales in department stores and large markets. Seppälä is the largest fashion store chain in Estonia. Seppälä's sales in Estonia totalled EUR 6.5 million (FIM 38 million), representing growth on the previous year of 76 per cent. The result of operations in Estonia developed well.

Six new stores were opened in Estonia during the year, three of them in the Tallinn area: on the fifth floor of Stockmann's enlarged department store, in the Sikupilli shopping centre and in the Mustamägi shopping centre. A second store was opened in Tartu as well as stores in Kohtla-Järve and Narva.

Expansion to Sweden gets started under the name Spl

The total volume of Sweden's garment trade is double that of Finland's and in recent years the sector has developed strongly. Seppälä's first store in Sweden was opened on August 3, 2000, in the Skärholmen shopping centre in the south part of Stockholm. In its operations in Sweden, Seppälä uses the easier-to-learn abbreviated form Spl. The same acronym has previously been in use as Seppälä's own trademark.

During the autumn five stores were opened in Sweden, generating total sales by the end of the year of EUR 1.5 million (FIM 9 million). In addition to Skärholmen, in the area of Stockholm County stores were opened in the Sollentuna, Slagsta and Södertälje shopping centres as well as at the shopping centre in Arlandastad. The stores in Sweden are of different sizes and they are located in different types of shopping centres. This serves the aim of building up an ample amount of experience and information as a basis for carrying out future expansion plans. Country managers who will be responsible for local operations were appointed for Estonia and Sweden.

Highlighting own brands

Within marketing, the policy and image that were revamped in 1999 were continued. A Visual Marketing Group was set up for the Marketing Department. The group's task is to be in charge of the Seppälä chain's common visual identity in close cooperation with the purchasing departments.

The accent in developing assortments was again on Seppälä's own brands and on building its collection. The product design departments were strengthened.

Stockmann's Loyal Customer card was marketed through the Seppälä chain with good results. The Seppälä stores brought in a total of more than 5 000 new Loyal Customers during 2000. For the first time Seppälä also presented its own products regularly in the special offer booklet that is targeted at Stockmann's Loyal Customers.

More resources than ever before were channelled into training for the staff. The Seppälä Spirit training programme was started in the autumn. The objective of the programme is to emphasize the staff's role in generating Seppälä's earnings. The Seppälä Spirit programme involves Seppälä's entire staff and it will be carried out during 2001.

The garment trade continues to internationalize

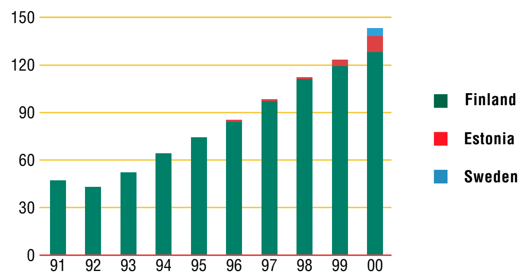
It is difficult to forecast the trend in the garment market over the next few years. As competition gets tighter, efficiently operating chains will be able to do good business in coming years too.

The internationalization of the garment trade is continuing. New and strong foreign chains will come to Finland in the years ahead, and the garment trade is also moving into ever-expanding hypermarkets. New chains from continental Europe are arriving on the Swedish market too. At present no significant changes are known to be on the way in Estonia, but the situation can nevertheless change.

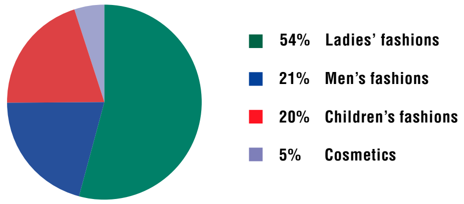
Seppälä's objective is to channel increasing resources into the design of its own collection, effective marketing and a well-functioning and cost-effective store concept. At the same time, it will concentrate on increasing the efficiency of overall operations.

Seppälä is pushing ahead with expansion in all its market areas. This year 5-8 new stores will be opened in Finland and 1-2 stores in Estonia. In Sweden plans call for opening four stores in the spring. It is estimated that the Seppälä Division's operating profit will be significantly better than it was in 2000.

Development of the number of Seppälä's stores 1991-2000



Distribution of Seppälä's sales in 2000 by merchandise sector



Stockmann's same-unit sales grew by 3.2 per cent to EUR 1 467.9 million (FIM 8 727.8 million). Profit after financial items was EUR 41.2 million (FIM 245.0 million), down EUR 45.5 million (FIM 270.6 million) on the previous year. This was due primarily to the fact that other operating income was EUR 29.7 million (FIM 176.6 million) smaller than in 1999. The Department Store Division succeeded in improving its result by a third. The Automotive Sales Division's earnings weakened somewhat compared with last year. On the other hand, the results reported by the Seppälä Division and Hobby Hall Division weakened substantially. Earnings per share were EUR 0.55 (FIM 3.28), as against EUR 1.14 (FIM 6.78) a year earlier. The Board of Directors is proposing that the dividend remain unchanged at EUR 0.60 (FIM 3.57) per share. Deputy managing director Hannu Penttilä was appointed as the company's new managing director effective March 1, 2001.

Stockmann's sales up 3.2 per cent

Stockmann's same-unit sales, eliminating the Sesto units that were divested towards the end of 1999, grew by 3.2 per cent, or EUR 46.1 million (FIM 273.9 million), to EUR 1 467.9 million (FIM 8 727.8 million). Aggregate sales diminished by EUR 116.0 million (FIM 689.7 million), or 7.3 per cent. Net turnover declined by EUR 99.1 million (FIM 588.9 million), or 7.5 per cent, and was EUR 1 220.5 million (FIM 7 257.0 million). The sales figure fell short of the original target.

In 2000 the Department Store Division reported the biggest increase in its sales, up 6 per cent on the previous year to EUR 712.7 million (FIM 4 237.5 million). The Department Store Division's sales grew by 4 per cent in Finland and 21 per cent abroad. The share of International Operations within the Department Store Division's sales increased to 14 per cent, from 12 per cent. The Hobby Hall Division's sales grew both in Finland and Estonia, totalling EUR 214.9 million (FIM 1 277.7 million), representing an increase of 5 per cent on the previous year. The Automotive Sales Division's sales were one per cent below the figure reported in 1999 and totalled EUR 402.2 million (FIM 2 391.2 million). The Seppälä Division's sales were also down one per cent on the figure reported a year earlier and were EUR 137.4 million (FIM 817.0 million).

Other operating income

Other operating income consisted of capital gains on the sale of shares included in non-current assets and amounted to EUR 2.8 million (FIM 16.4 million), compared with EUR 32.5 million (FIM 193 million) a year earlier.

Earnings trend

The relative gross margin of Stockmann's operations grew by 1.4 percentage point and was 30.6 per cent. The gross margins of the Department Store Division and the Automotive Sales Division grew both in comparative terms and relatively. The Hobby Hall Division's relative gross margin diminished, but the gross margin in cash terms grew somewhat. The Seppälä Division's gross margin was smaller than it was in 1999. Stockmann's aggregate gross margin nevertheless diminished by EUR 12.8 million (FIM 76.3 million), as a consequence of the absence of the gross margin contributed by Sesto. Costs increased by EUR 4.4 million (FIM 26.3 million). Depreciation decreased by EUR 0.9 million (FIM 5.3 million). As a consequence of the above-mentioned factors and the decrease of EUR 29.7 million (FIM 176.6 million) in other operating income, operating profit declined by EUR 46.1 million (FIM 273.8 million) and was EUR 35.7 million (FIM 212.4 million).

Net financial income was up EUR 0.5 million (FIM 3.2 million) on the previous year and totalled EUR 5.5 million (FIM 32.6 million).

Profit after financial items was EUR 41.2 million (FIM 245.0 million), compared with EUR 86.7 million (FIM 515.6 million) a year ago. Extraordinary expenses, EUR 0.6 million (FIM 3.5 million), came from the write-down made on shares in Polar Kiinteistöt Oyj. Profit before taxes was EUR 40.6 million (FIM 241.5 million), as against EUR 86.7 million (FIM 515.6 million) in the previous year.

Direct taxes decreased by EUR 15.3 million (FIM 91.2 million) to EUR 12.8 million (FIM 75.8 million).

Net turnover	**2000 EUR mill.**	1999 EUR mill.	change EUR mill.	change %	**2000 FIM mill.**	1999 FIM mill.	change FIM mill.
Department stores in Finland	**516.3**	496.5	19.8	4	**3 070.0**	2 952.0	118.0
International Operations	**82.7**	69.0	13.7	20	**491.9**	410.5	81.4
Department Store Division	**599.1**	565.5	33.5	6	**3 561.9**	3 362.5	199.4
Automotive Sales Division	**331.0**	333.3	-2.3	-1	**1 967.9**	1 981.8	-13.9
Hobby Hall	**176.9**	168.0	8.9	5	**1 051.8**	998.8	53.0
Seppälä	**112.9**	114.3	-1.4	-1	**671.3**	679.7	-8.4
Real Estate + others	**23.2**	25.7	-2.6	-10	**137.8**	153.0	-15.2
Eliminations	**-22.5**	-24.6	2.1	-9	**-133.9**	-146.5	12.6
Divested unit		137.4	-137.4			816.7	-816.7
Total	**1 220.5**	1 319.6	-99.1	-8	**7 257.0**	7 845.9	-589.1

Net profit for the financial year was EUR 27.9 million (FIM 165.7 million), compared with EUR 58.6 million (FIM 348.5 million) in 1999.

Earnings per share were EUR 0.55 (FIM 3.28), as against EUR 1.14 (FIM 6.78) a year earlier.

The return on investment was 8.4 per cent (15.8 per cent in 1999) and the return on equity was 5.6 per cent (11.8 per cent in 1999).

Equity per share was EUR 9.76 (FIM 58.06), compared with EUR 9.82 (FIM 58.41) a year earlier.

The company's market capitalization diminished by EUR 218.1 million (FIM 1 296.5 million) from the previous year and was EUR 559.0 million (FIM 3 323.7 million).

Earnings trend of the divisions

The Department Store Division's operating profit improved significantly both in Finland and abroad thanks to the good trend in sales and the gross margin and to effective cost management. The operating profit figures posted by the other divisions fell. The drop in the Automotive Sales Division's operating profit was attributable to the fact that it was not able fully to adjust costs to the lower level of sales. Hobby Hall and Seppälä reported a substantial decrease in operating profit. The smaller operating profit posted by the Hobby Hall Division was due to outlays made on e-commerce and to the costs of starting up the Viinikkala logistics centre, among other things. In addition, the Hobby Hall Division's relative gross margin weakened. The drop in the Seppälä Division's operating profit was due to lower sales, tough competition in the garment trade and the strong increase in costs resulting from the expansion of the chain of stores. Operating profit generated by real-estate diminished as a consequence of the absence of rental income from the properties that were sold along with the Sesto business.

The operating profit trend by division is shown in the accompanying table.

A good financial position

Stockmann maintained good liquidity. The amount of liquid funds diminished from EUR 85.3 million (FIM 507.5 million) at the end of 1999 to EUR 41.7 million (FIM 247.8 million).

Capital expenditures during the year totalled EUR 45.1 million (FIM 268.0 million). The total dividend payout was EUR 30.8 million (FIM 183.3 million). Loan repayments during the year amounted to EUR 54.0 million (FIM 320.8 million), and new long-term loans were drawn down in the amount of EUR 35.0 million (FIM 208.1 million). The amount of long-term loans at the end of the year was EUR 43.9 million (FIM 261.2 million).

The equity ratio at the end of the year was 67.2 per cent (65.3 per cent at the end of 1999).

Total contingent liabilities increased by EUR 12.3 million (FIM 73.5 million) from the end of 1999 and totalled EUR 52.7 million (FIM 313.5 million). Stockmann has no associated companies whose contingent liabilities must be disclosed.

Dividends

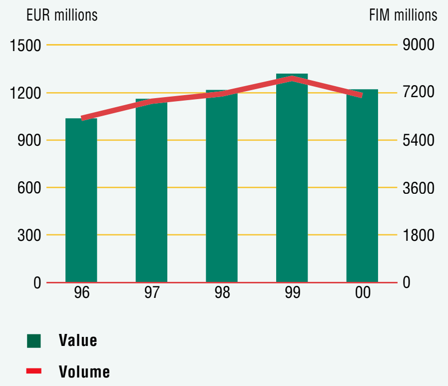
The dividend paid for the 1999 financial year was EUR 0.60 (FIM 3.57) per share, or a total dividend payout of EUR 30.8 million (FIM 183.3 million).

The Board of Directors will propose to the Annual General Meeting that the dividend for the 2000 financial year be equal in amount to the dividend paid for 1999, or EUR 0.60 (FIM 3.57) per share. The proposed dividend is 108.7 per cent of the earnings per share.

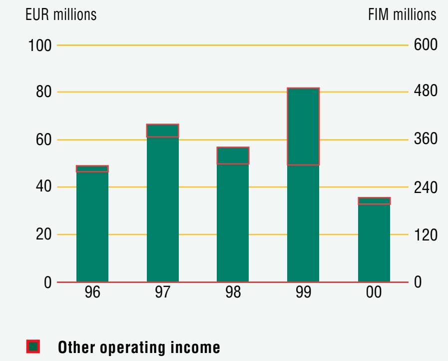
Capital expenditures

Capital expenditures amounted to EUR 45.1 million (FIM 268.0 million), compared with EUR 64.1 million (FIM 381.0 million) a year earlier.

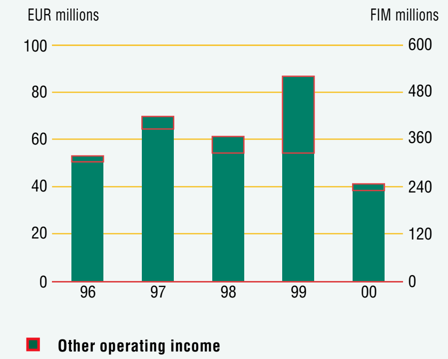
Net turnover 1996-2000



Operating profit 1996-2000



Profit after financial items 1996-2000



Operating profit	2000 EUR mill.	1999 EUR mill.	change EUR mill.	change %	2000 FIM mill.	1999 FIM mill.	change FIM mill.
Department Store Division	**28.2**	21.4	6.8	32	**167.8**	127.5	40.3
Automotive Sales Division	**3.9**	4.4	-0.5	-11	**22.9**	25.9	-3.0
Hobby Hall	**0.6**	9.2	-8.6	-93	**3.6**	55.0	-51.4
Seppälä	**1.4**	12.0	-10.6	-88	**8.3**	71.1	-62.8
Real Estate	**15.9**	17.1	-1.3	-7	**94.3**	101.8	-7.5
Other operating income	**2.8**	32.5	-29.7	-92	**16.4**	193.0	-176.6
Eliminations + others	**-17.0**	-15.6	-1.3	9	**-100.9**	-92.9	-8.0
Divested unit		0.8	-0.8			4.8	-4.8
Total	**35.7**	81.8	-46.1	-56	**212.4**	486.2	-273.8

Operating profit for the commercial units is presented according to management accounting.

Completion of the enlargement of the Tallinn department store was the most important capital expenditure item. Three new floors were added to the department store. The investment required an outlay of EUR 6.7 million (FIM 40 million) during the report year. The investment also comprises the parking building that was completed in the autumn 1999. The total costs of the Tallinn department store enlargement project were EUR 13.6 million (FIM 81 million).

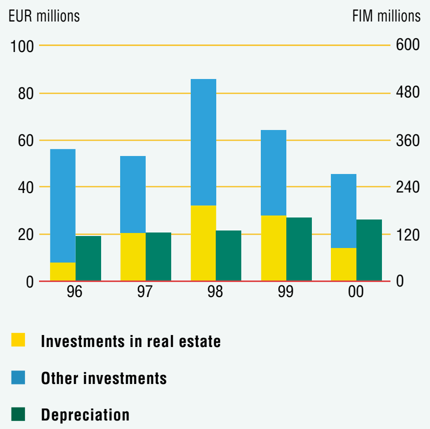
September saw the completion of a further enlargement of the Tampere department store, comprising an expanded Delicatessen Department leading underneath Tuomiokirkonkatu to the Academic Bookstore. The enlargement of the Turku department store, adding a new third floor to the building, was completed in November. These enlargement projects, which were implemented in cooperation with the landlords, required a total outlay during the report year of EUR 4.9 million (FIM 29.2 million).

Construction works on the Oulu department store got under way at the beginning of 2000, and the department store will be opened in the autumn 2001. An enlargement of the Delicatessen Department was started in the Turku department store in November and it will be completed in September 2001. These projects too are carried out in cooperation with the landlords, and they required an outlay during the report year of EUR 0.3 million (FIM 2.0 million). Stockmann's capital expenditures on the Turku department store will be about EUR 4.5 million (FIM 27 million) in total amount in 2000 and 2001. The corresponding investment in the Oulu department store will come to EUR 9.9 million (FIM 59 million).

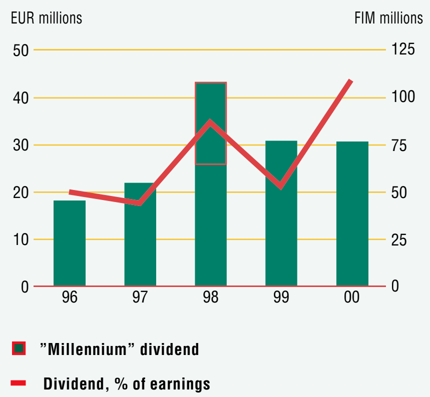
In July, business premises for the use of the Automotive Sales Division's VW-Audi service centre were acquired in Espoo for EUR 1.5 million (FIM 9.2 million).

Hobby Hall Online's Internet store system required an outlay during the report period of EUR 1.2 million (FIM 6.9 million), in addition to which marketing expenditure of EUR 2.1 million (FIM 12.2 million) went for the start-up of the webstore. The www.hobbyhall.fi webstore

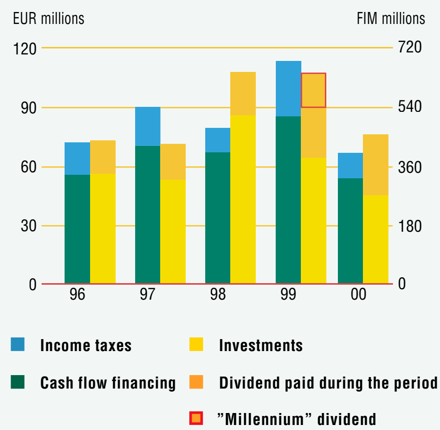
Investments and depreciation 1996-2000



Dividend paid 1996-2000



Cash flow financing, income taxes, dividend paid and investments 1996-2000



began doing business in the spring. It has quickly achieved the position of Finland's largest e-commerce site and is continuing its strong growth. By the end of 2000 the webstore has racked up more than a million visitors and has generated sales of EUR 6.3 million (FIM 37 million). The Seppälä Division's capital expenditures totalled EUR 5.2 million (FIM 31.1 million). During 2000 Seppälä opened nine new stores in Finland, six in Estonia and five in Sweden in the Stockholm County area. At the end of the year Seppälä had 128 stores in Finland, 10 in Estonia and 5 in Sweden.

Other capital expenditures totalled EUR 25.2 million (FIM 149.6 million). Of them, EUR 2.1 million (FIM 12.3 million) went for buildings, EUR 9.6 million (FIM 56.9 million) for machinery and equipment, EUR 3.5 million (FIM 20.8 million) for information technology systems included in intangible rights and EUR 0.8 million (FIM 4.6 million) for other non-current investments. Shares were purchased for a total of EUR 7.8 million (FIM 46.6 million). Of this amount, EUR 6.2 million went for the purchase of Stockmann's own shares (FIM 37 million).

The most important of the capital expenditures in 2001 is the above-mentioned founding of the Oulu department store. A significant capital expenditure project for the Hobby Hall Division is the start-up of mail order sales in Latvia in the first part of 2001. In Finland the Hobby Hall Division will develop the Hobby Hall Online Internet store system further. In addition, in February 2001 Hobby Hall opened a store in Tampere, and the founding of a store in Turku is in the planning stage. The Seppälä Division will open 5-8 new stores in Finland and 1-2 stores in Estonia in 2001. Plans call for opening 4-5 stores in Sweden, and during the year a decision will be taken on the possibility of further expansion. The Automotive Sales Division will expand its operating area by opening a full-service Mitsubishi and Skoda dealership in Tampere in March.

In January 2001 a memorandum of intent was signed on the transfer of tenancy rights to a plot of land located in Riga, Latvia's capital city, to a company owned by Stockmann and Rautakirja Oyj. Plans call for erecting on the plot a new building with total floor space of about 38 000 square metres. The building will house Stockmann's full-scale department store having about 11 000 square metres of retail space and, among other things, a 15-cinema film centre that is to be operated by a Latvian company belonging to the Rautakirja Group. If the terms of the memorandum of intent are carried out according to plans, the building will be completed in the late autumn 2002. Stockmann's total investment will be of the order of EUR 23.5 million (FIM 140 million).

Share capital and shares

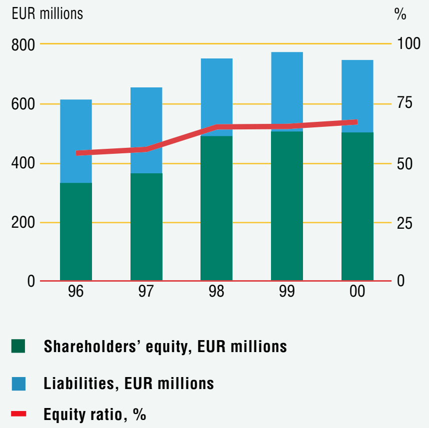
The number of the company's shares outstanding at the end of 2000 was 51 382 977, of which 24 868 893 were Series A shares and 26 514 084 were Series B shares. The company's share capital was redenominated in euros by a resolution of the Annual General Meeting, whereby the share capital was increased through an EUR 16 345 990.43 bonus issue to EUR 102 765 954. As a consequence of the bonus issue, the par value of the share increased to 2.00 euros. New shares were not floated in the share issue, nor did the number of the company's shares change.

At the end of 2000 Stockmann held 163 000 of its own Series A shares and 250 000 of its own Series B shares. They were purchased for a total price of EUR 6.2 million (FIM 37.0 million).

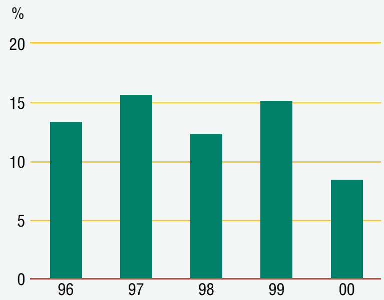
The par value of the Series A shares owned by the company totals EUR 326 000, and they represent 0.3 per cent of the share capital and 0.6 per cent of all the voting rights. The par value of the Series B shares owned by the company is EUR 500 000, and they represent 0.5 per cent of the share capital and 0.1 per cent of all the voting rights.

The Annual General Meeting approved an emendation of the subscription terms and conditions for shares to be subscribed for on the basis of the 1999 Loyal Customer share options, making them more favourable such that the subscription period was extended by 3 years. In oth-

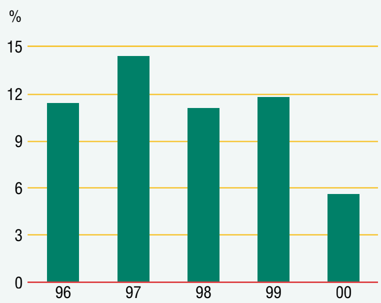
Equity ratio 1996-2000



Return on investment 1996-2000



Return on equity 1996-2000



er respects the terms and conditions remained unchanged, which means that the final subscription price will be lowered by the amount of all the dividends that are to be distributed after April 1, 1999, and before the expiry of the subscription period for the shares. The subscription period for the Loyal Customer share options ended on April 7, 2000. On the basis of the share option subscriptions made, a maximum of 1 382 524 Series B shares can be subscribed for during the period May 1, 2001-May 31, 2005. Share options were subscribed for by more than 50 000 Loyal Customers.

The Annual General Meeting approved the stock option programme targeted at key employees belonging to the senior and middle management of Stockmann or its subsidiaries. The programme comprises 2 500 000 stock options entitling their holders to subscribe for 2 500 000 Stockmann plc Series B shares.

The Board of Directors does not have valid authorizations to increase the share capital or to issue convertible bonds or bonds with warrants. The authorization to buy back and transfer the company's own shares, which was given by the Annual General Meeting on April 11, 2000, ends on April 10, 2001.

Personnel strength

Stockmann's payroll at the end of December 2000 was 8 287 employees, or 546 employees more than at the end of the previous year.

In 2000 Stockmann employed an average of 7 626 people, or 415 less than in the previous year, when the average payroll was 8 041 employees. Converted to full-time staff, the average number of employees fell by 290 and was 6 295. The parent company employed an average of 5 024 people. In the previous year the parent company had an average payroll of 5 661 employees, or 637 people less than in the corresponding period a year earlier. In the parent company, the average number of employees converted to full-time staff diminished by 447 people and was 4 034. The reduction in the average number of employees was attributable to the divestment of Sesto at the end of 1999. The number of staff working at other units grew in step with the expansions of the units' business operations.

At the end of 2000 the number of staff working abroad was 1 195 people. At the end of the previous year Stockmann had 1 078 people working abroad.

Preparations for introducing the euro

Stockmann will go over to using the euro as its accounting currency from the beginning of 2002 because the majority of Stockmann's customers are Finns and the bulk of the purchases and sales are made in markkaa.

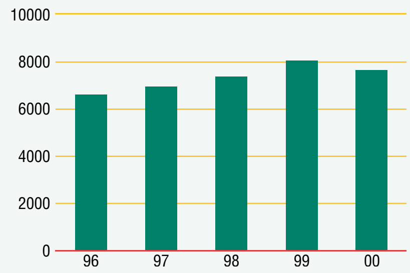
Preparations for introducing the euro have progressed according to the plans formulated by a project organization that was set up for this purpose. Most of the system modifications for the introduction of the euro have already been carried out during 1999 and 2000.

A new managing director at the helm from March 1, 2001

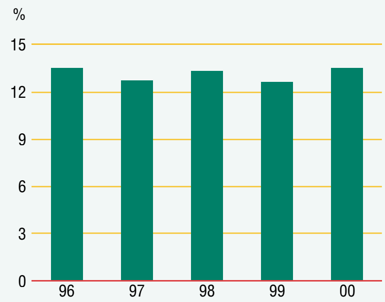
Stockmann's managing director of long standing, Mr Ari Heiniö, LL.M., will retire on March 1,2001. According to the terms of his employment contract as the company's managing director, Mr Heiniö has had the right to agree separately on the date of his retirement. He has been employed by Stockmann for over 30 years, 22 of which were spent in various senior management positions. For the past 12 years, he has served as the company's managing director.

The Board of Directors observes that under Ari Heiniö's leadership, Stockmann has expanded strongly both in Finland and abroad. The Board of Directors wishes to express its gratitude to Mr Heiniö for the outstanding contribution he has made on Stockmann's behalf throughout his career with the company.

Average number of staff 1996-2000



Staff costs 1996-2000, % of net turnover



Average number of employees, converted to full-time staff	2000	1999	Change
Department Store Division	**4 092**	3 959	133
Automotive Sales Division	**768**	703	65
Hobby Hall	**592**	532	60
Seppälä	**748**	659	89
Management and administration	**95**	144	-49
Divested unit		588	-588
Total	**6 295**	6 585	-290

On February 27, 2001, the Board of Directors appointed the company's deputy managing director, Mr Hannu Penttilä (47), LL.M., as Stockmann's managing director effective March 1, 2001. Mr Penttilä has worked for Stockmann since 1978 and served as general legal counsel, director of the Tapiola department store and the Helsinki department store and, most recently, from 1992, as director of the Department Store Division.

The company's deputy managing director since February 1, 2001, is Mr Henri Bucht (49), M.Sc. (Econ.). He is responsible for the Hobby Hall Division.

On February 27, 2001, the Board of Directors appointed Mr Jukka Hienonen (39), M.Sc. (Econ.), as director of the Department Store Division. Mr Hienonen began his career with Stockmann in 1995. His latest position was as director of the department stores in Finland, and previously he was director of International Operations.

Outlook for 2001

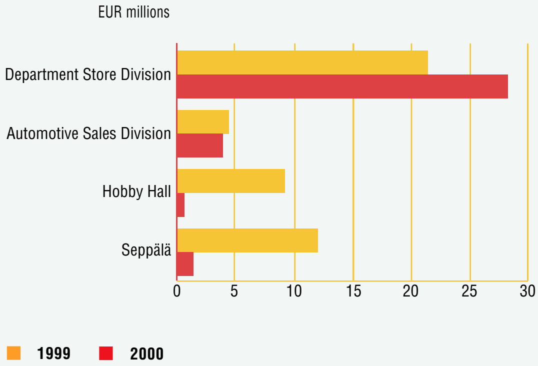
Retail sales are estimated to grow by about 4 per cent in Finland during 2001. The growth in Stockmann's sales is estimated to outpace this rate. Sales in 2001 are estimated to grow to more than EUR 1.6 billion, or over FIM 9.5 billion.

New capital expenditures and outlays on expanding business operations will continue to burden the financial result. Stockmann is seeking to report profit for 2001 after financial items that is higher than the corresponding result for the 2000 financial year.

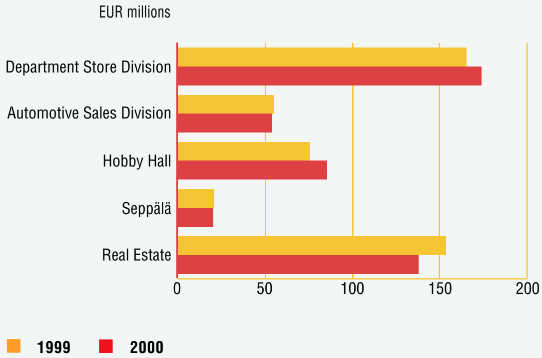
Board proposal for the distribution of profits

The Board of Directors' proposal for the parent company's dividend is on page 59 of the Annual Report.

Operating profit of the commercial units 1999-2000

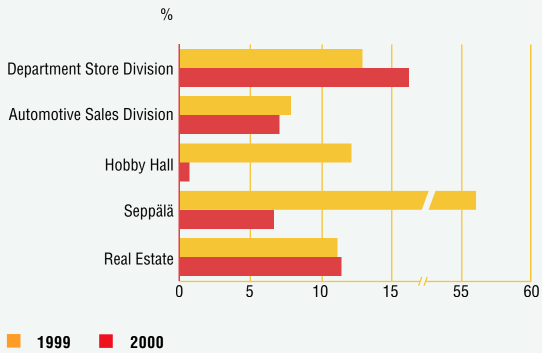


Capital invested 1999-2000



Return on investment, percentage* 1999-2000

*operating profit according to management accounting as a ratio of capital invested



Operating profit shown in management accounting

In calculating operating profit for management accounting purposes, the divisions are charged an internal rent for their own business premises in accordance with the prevailing market rent and they are also charged for centrally produced services. The divisions' operating profit includes the account servicing charges for the Stockmann account as well as the interest share of hire purchase and leasing income. Other operating income is not allocated to the commercial divisions.

Share capital and shares

The share capital of Stockmann plc is divided into Series A and Series B shares. Series A shares carry ten votes and Series B shares one vote. The par value of both series of shares is EUR 2.00. The shares of both series entitle their holders to an equal dividend.

Share capital

The company's shares are in the book-entry system. At the balance sheet date, 99.9% of the company's shares outstanding had been registered in the book-entry system.

The number of shareholders at December 31, 2000, was 12 664 (12 893 shareholders at December 31, 1999).

Share capital of Stockmann plc, December 31, 2000

Series A:	24 868 893 shares at EUR 2 each = EUR 49 737 786
Series B:	26 514 084 shares at EUR 2 each = EUR 53 028 168
Total:	51 382 977 shares at EUR 2 each = EUR 102 765 954

Changes in the share capital as from January 1, 1996

		Subscription period	Subscription price, EUR	Subscription price, FIM	Number of new shares, thousands	Additional share capital EUR mill.	Additional share capital FIM mill.	New total share capital EUR mill.	New total share capital FIM mill.	Holding %	Proportion of votes %
Subscribed											
1996	With warrants of the 1994 bond issue	Jan. 2, 1996-Oct. 31, 1996	35.88	213.34	15 B	0.1	0.3	48.5	288.6		
1997	With warrants of the 1994 bond issue	Jan. 2, 1997-Oct. 31, 1997	37.95	225.67	15 B	0.1	0.3	48.6	288.9		
1998	With warrants of the 1994 bond issue	Jan. 2, 1998-Apr. 12, 1998	40.37	240.00	240 B	0.8	4.8	49.4	293.7		
1998	Halving of par value	May 12, 1998			8 290 A						
					6 395 B			49.4	293.7		
1998	Bonus issue 2 A/B : 1 A/B	May 12, 1998			8 290 A	13.9	82.9				
					6 395 B	10.7	63.9	74.1	440.5		
1998	Share issue 4 A/B : 1 B	May 14, 1998-June 12, 1998	12.61	75.00	7 329 B	12.3	73.3	86.4	513.8		
2000	Bonus issue, increasing of the par value					16.3	97.2	102.8	611.0		
Coming issues with warrants*											
2000-2004	With warrants of the 1997 bond issue	Apr. 1, 2000-Jan. 31, 2004	16.75[1] less dividends after May 1, 1998	99.57[1]	1 260 B	2.5	15.0	105.3	626.0	2.4	0.5
2001-2005	Subscr. with 1999 Loyal Customer options	May 1, 2001-May 31, 2005	15.70[2] less dividends after April 1, 1999	93.35[2]	1 383 B	2.8	16.4	108.0	642.4	2.7	0.5
2003-2007	Subscr. with key employee options granted in 2000	Apr. 1, 2003-Apr.1, 2007	20.00 A[3]	118.91 A[3]	625 B						
			21.00 B[4]	124.86 B[4]	625 B						
			22.00 C[5]	130.81 C[5]	1 250 B						
			less dividends after April 11, 2000			5.0	29.7	113.0	672.1	4.6	0.9

*If all options are exercised

1 Subscription price after 2001 dividend payout proposed by the Board of Directors: EUR 14.71

2 Subscription price after 2001 dividend payout proposed by the Board of Directors: EUR 13.66

3 Subscription price after 2001 dividend payout proposed by the Board of Directors: EUR 18.80

4 Subscription price after 2001 dividend payout proposed by the Board of Directors: EUR 19.80

5 Subscription price after 2001 dividend payout proposed by the Board of Directors: EUR 20.80

Shares

General price development

Share prices fell by 10.6 per cent during the financial year as measured by the HEX General Index of Helsinki Exchanges and by 24.9 per cent as measured by the HEX Portfolio Index. The retail industry index fell by 16.9 per cent.

Price development of Stockmann's shares

	Closing prices Dec. 31, 2000		Closing prices Dec. 31, 1999		Change, %
	EUR	FIM	EUR	FIM	
Series A	11.39	67.72	16.00	95.13	-28.8%
Series B	10.40	61.84	14.30	85.02	-27.3%

Turnover of Stockmann's shares

	No. of shares	% of total shares outstanding	EUR	FIM	Average price EUR	Average price FIM
Series A	1 756 299	7.1	27 461 652	163 279 568	15.64	92.97
Series B	4 464 326	16.8	64 047 149	380 807 055	14.35	85.30
Total	6 220 625		91 508 801	544 086 623		

The total value of the Stockmann shares traded was 0.04% of the share turnover on the Helsinki Exchanges. The market capitalization of the company at December 31, 2000, was EUR 559 million (FIM 3 324 million). At December 31, 1999, the market capitalization was EUR 777 million (FIM 4 620 million).

The trading lot for both the Series A and Series B share is 50 shares.

Taxation values of Stockmann's shares in 2000

The taxation value of the Series A share in 2000 was EUR 8.40, or FIM 49.94, and the taxation value of the Series B share was EUR 7.70, or FIM 45.78.

Own shares

By an authorization granted by the Annual General Meeting in 2000, the Board of Directors took a decision empowering the company to buy back a maximum of 1 100 000 of its own Series A and Series B shares from May 24, 2000, to December 31, 2000. In accordance with the rules of Helsinki Exchanges, during the period May 24, 2000 - December 22, 2000 Stockmann bought back its own shares for a total of EUR 6.2 million. The share buybacks totalled 163 000 Series A shares at an average price of EUR 14.94 per share and 250 000 Series B shares at an average price of EUR 15.15 per share. The Series A shares owned by the company represent 0.3 per cent of the share capital and 0.6 per cent of all the voting rights. The Series B shares owned by the company represent 0.5 per cent of the share capital and 0.1 per cent of all the voting rights. The shares in the company's possession do not confer voting rights at general meetings of shareholders.

Shareholders

Ownership structure

	Shareholders		Percentage of shares
	no.	%	%
Households	11 819	93.3	17.0
Private and public corporations	401	3.2	17.7
Banks and insurance companies	34	0.3	7.9
Public sector entities and non-profit organizations	323	2.6	51.8
Foreign shareholders (incl. nominee registrations)	86	0.7	4.7
Unregistered shares		0.1	0.0
Shares owned by the company	1	0.01	0.8
Total	12 664	100.0	100.0

Numbers of shares

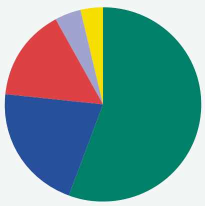
	Shareholders		Percentage of shares
	no.	%	%
1-100	2 988	23.6	0.3
101-1 000	7 501	59.2	5.8
1 001-10 000	1 961	15.5	10.0
10 001-100 000	167	1.3	9.4
100 001-	46	0.4	73.8
Shares owned by the company	1	0.0	0.8
Total	12 663	100.0	100.0

Major shareholders at December 31, 2000

	Percentage of votes	Percentage of shares
1 Föreningen Konstsamfundet	14.87	11.57
2 Svenska litteratursällskapet i Finland	13.88	8.57
3 Niemistö grouping	10.11	7.84
4 Etola companies	7.09	5.50
5 Stiftelsen för Åbo Akademi	6.69	4.96
6 Sampo-Varma Group	5.05	4.72
7 Samfundet Folkhälsan i svenska Finland	3.22	2.90
8 Wilhelm och Else Stockmanns Stiftelse	2.58	1.59
9 Jenny ja Antti Wihurin rahasto	2.43	2.44
10 Helene och Walter Grönqvists Stiftelse	1.61	1.09
11 Stiftelsen Bensows Barnhem Granhyddan	1.58	1.25
12 Stiftelsen Brita Maria Renlunds minne	1.00	0.81
13 Inez och Julius Polins fond	0.96	2.08
14 William Thurings stiftelse	0.87	0.66
15 Sigrid Jusélius Stiftelse	0.85	0.74
16 SFV-Foundation	0.56	0.41
17 Ilmarinen Mutual Pension Insurance Company	0.54	2.86
18 Merita Life Assurance Ltd	0.52	1.16
19 Signe och Ane Gyllenbergs stiftelse	0.39	0.24
20 Pension Fund Polaris	0.37	0.31
Total	74.80	61.39

The holdings in the personal ownership of the members of the company's Board of Directors and managing director as well as the ownership of institutions under their control and persons under their guardianship at December 31, 2000, was a total of 6 871 664 shares, which represents a total of 13.4 per cent of the shares outstanding and 17.2 per cent of the voting rights. (December 31, 1999: 7 042 746 shares, representing 13.7 per cent of the shares and 17.5 per cent of the voting rights) and 218 000 stock options. The stock options entitle their holders to subscribe for 218 000 Stockmann plc Series B shares, which would have been 0.4 per cent of the total shares outstanding and 0.08 per cent of all the voting rights on December 31, 2000.

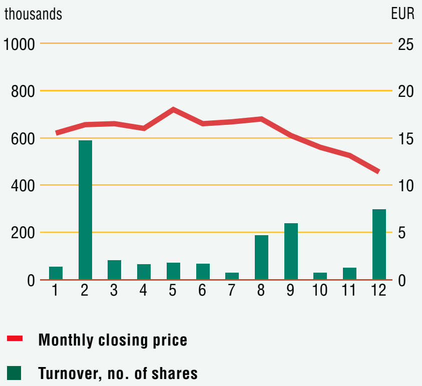
Distribution of votes



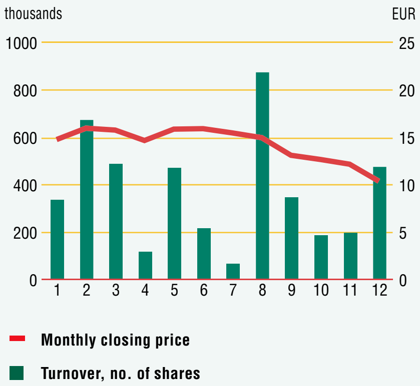
- 56% Public sector and non-profit organizations
- 21% Private and public corporations
- 15% Households
- 4% Foreign shareholders (incl. nominee registrations)
- 4% Banks and insurance companies

Share capital and shares

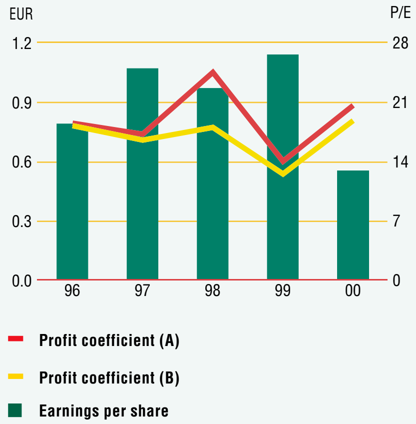
Turnover and price trend of Series A shares in 2000



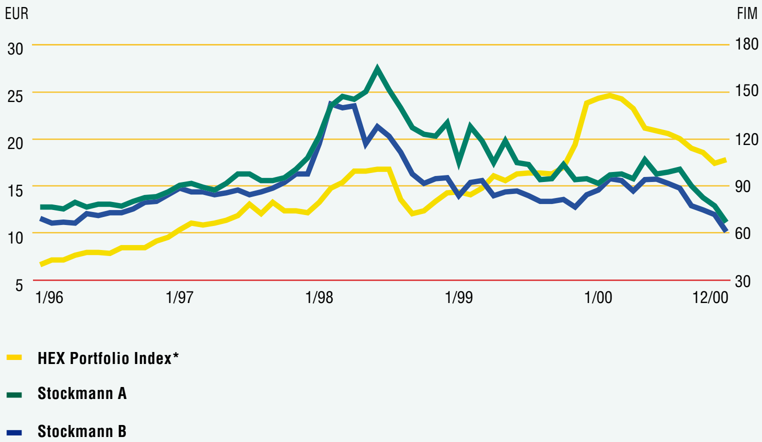
Turnover and price trend of Series B shares in 2000



Earnings per share and P/E ratio 1996-2000 (share-issue adjusted)

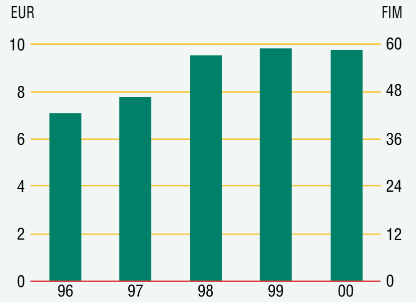


Price trend of Series A and Series B shares (share-issue adjusted) compared with the HEX Portfolio Index 1996-2000

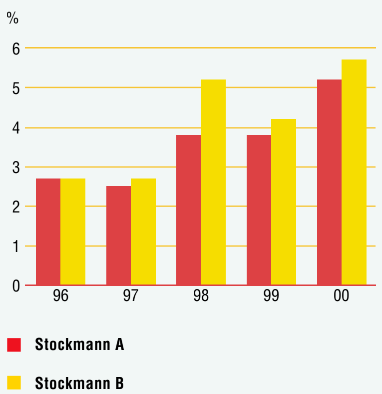


* The weighting of each company in the index is limited to a maximum of 10 per cent.

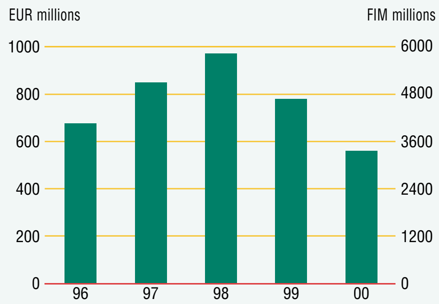
Equity per share 1996-2000



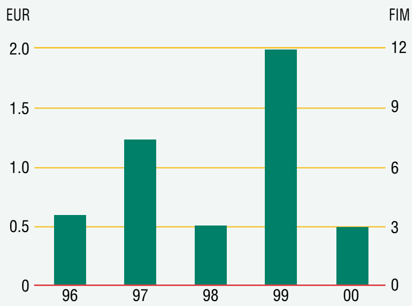
Effective yield of shares 1996-2000



Market capitalization 1996-2000



Cash flow per share 1996-2000



Key figures

		1996	1997	1998	1999	**2000**
Sales	EUR millions	1 248.0	1 394.2	1 461.4	1 583.9	**1 467.9**
Change on the previous year	%	18.7	11.7	4.8	8.4	**-7.3**
Net turnover	EUR millions	1 036.8	1 160.5	1 216.5	1 319.6	**1 220.5**
Change on the previous year	%	18.2	11.9	4.8	8.4	**-7.5**
Operating profit	EUR millions	49.0	66.4	56.8	81.8	**35.7**
Change on the previous year	%	17.3	35.4	-14.4	44.0	**-56.3**
Share of net turnover	%	4.7	5.7	4.7	6.2	**2.9**
Profit before extraordinary items	EUR millions	53.1	69.8	61.2	86.7	**41.2**
Change on the previous year	%	12.7	31.4	-12.3	41.6	**-52.5**
Share of net turnover	%	5.1	6.0	5.0	6.6	**3.4**
Profit before taxes	EUR millions	53.1	69.8	58.8	86.7	**40.6**
Change on the previous year	%	12.2	31.4	-15.8	47.5	**-53.2**
Share of net turnover	%	5.1	6.0	4.8	6.6	**3.3**
Share capital	EUR millions	48.5	48.6	86.4	86.4	**102.8**
Series A	EUR millions	27.9	27.9	41.8	41.8	**49.7**
Series B	EUR millions	20.7	20.7	44.6	44.6	**53.0**
Dividends	EUR millions	18.2	21.9	43.2	30.8	**30.6** *
Return on equity	%	11.4	14.4	11.1	11.8	**5.6**
Return on investment	%	14.2	16.6	12.9	15.8	**8.4**
Equity ratio	%	54.0	55.6	65.1	65.3	**67.2**
Gearing	%	19.7	19.9	9.0	0.7	**9.2**
Investment in fixed assets	EUR millions	56.0	53.0	85.8	64.1	**45.1**
Share of net turnover	%	5.4	4.6	7.0	4.9	**3.7**
Interest-bearing debtors	EUR millions	85.7	90.4	98.5	117.6	**123.2**
Interest-bearing liabilities	EUR millions	130.8	136.6	108.4	89.1	**87.8**
Interest-bearing net debt	EUR millions	-20.4	-17.9	-54.5	-114.0	**-77.1**
Total assets	EUR millions	613.2	654.2	752.0	773.6	**746.8**
Staff expenses	EUR millions	140.2	147.6	161.2	166.9	**164.8**
Share of net turnover	%	13.5	12.7	13.3	12.6	**13.5**
Personnel, average	persons	6 589	6 934	7 361	8 041	**7 626**
Net turnover per person	EUR thousands	157.4	167.4	165.3	164.1	**160.0**
Operating profit per person	EUR thousands	7.4	9.6	7.7	10.2	**4.7**
Staff expenses per person	EUR thousands	21.3	21.3	21.9	20.8	**21.6**

*) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.60 per share will be paid.

Definition of key indicators

Profit before extraordinary items = Operating profit + financial income and expenses

Profit before taxes = Profit before extraordinary items + extraordinary income and expenses

Return on equity, % = 100 x $\dfrac{\text{Profit before extraordinary items less income taxes}}{\text{Capital and reserves + minority interest (average over the year)}}$

Return on investment, % = 100 x $\dfrac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Total assets less deferred tax liability and other non-interest-bearing liabilities (average over the year)}}$

Equity ratio, % = 100 x $\dfrac{\text{Capital and reserves + minority interest}}{\text{Total assets less advance payments received}}$

Gearing, % = 100 x $\dfrac{\text{Interest-bearing liabilities less cash in hand and at banks less securities held in current assets}}{\text{Capital and reserves + minority interest}}$

Interest-bearing net debt = Interest-bearing liabilities less cash in hand and at banks less securities held in current assets less interest-bearing debtors

PER-SHARE DATA, EUR

Per-share data1)		1996	1997	1998	1999	2000	
Earnings per share	EUR	0.79	1.07	0.97	1.14	**0.55**	
Earnings per share, diluted	EUR	0.78	1.05	0.89	1.14	**0.55**	
Equity per share	EUR	7.09	7.78	9.53	9.82	**9.76**	
Dividend per share	EUR	0.39	0.47	0.84	0.60	**0.60**	*
Dividend per earnings	%	49.6	43.6	86.4	52.6	**108.7**	*
Cash flow per share	EUR	0.59	1.23	0.50	1.99	**0.49**	
Effective yield of shares	%						
Series A		2.7	2.5	3.8	3.8	**5.3**	
Series B		2.7	2.7	5.2	4.2	**5.8**	
P/E ratio of shares							
Series A		18.5	17.2	24.5	14.0	**20.6**	**
Series B		18.2	16.5	18.0	12.5	**18.8**	**
Share quotation at December 31	EUR						
Series A		14.58	18.48	21.86	16.00	**11.39**	
Series B		14.27	17.64	16.08	14.30	**10.40**	
Highest price during the period	EUR						
Series A		14.58	18.48	30.78	23.00	**18.20**	
Series B		14.27	18.16	25.94	17.95	**16.50**	
Lowest price during the period	EUR						
Series A		11.92	14.19	18.00	15.01	**10.52**	
Series B		11.10	13.70	14.30	12.50	**9.80**	
Average price during the period	EUR						
Series A		13.61	15.94	25.41	17.95	**15.64**	
Series B		12.57	15.04	19.36	14.00	**14.35**	
Share turnover	thousands						
Series A		1 692	2 732	2 924	2 479	**1 756**	
Series B		6 381	6 259	5 194	5 853	**4 464**	
Share turnover	%						
Series A		6.8	11.0	11.8	10.0	**7.1**	
Series B		31.4	28.6	19.6	22.1	**16.8**	
Market capitalization at December 31	EUR Millions	674.4	846.9	970.1	777.1	**559.0**	
Number of shares at December 31	thousands	46 684	46 733	51 383	51 383	**51 383**	
Series A		24 869	24 869	24 869	24 869	**24 869**	
Series B		21 815	21 864	26 514	26 514	**26 514**	
Weighted average number of shares	thousands	46 684	46 692	49 523	51 383	**51 237**	
Series A		24 869	24 869	24 869	24 869	**24 829**	
Series B		21 815	21 823	24 654	26 514	**26 408**	
Own shares	thousands					**413**	
Series A						**163**	
Series B						**250**	
Total number of shareholders at December 31		11 045	10 772	12 669	12 893	**12 664**	

1) Adjusted for share issues.

*) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.60 per share will be paid.

**) The dilution effect of options has been taken into account in the 2000 figures.

Definition of key indicators

Earnings per share	=	Profit before extraordinary items less income taxes / Average number of shares, adjusted for share issues
Equity per share	=	Capital and reserves / Number of shares at the balance sheet date, adjusted for share issues
Dividend per share	=	Dividend per share, adjusted for share issues
Dividend per earnings, %	= 100 x	Dividend per share / Earnings per share
Cash flow per share	=	Cash flow from operations / Average number of shares, adjusted for share issues
Effective yield of shares, %	= 100 x	Dividend per share, adjusted for share issues / Share quotation at December 31, adjusted for share issues
P/E ratio of shares	=	Share quotation at December 31, adjusted for share issues / Earnings per share
Share quotation at Dec. 31	=	Share quotation at the balance sheet date, adjusted for share issues
Highest share price during the period	=	Highest price of the company's shares during the period, adjusted for share issues
Lowest share price during the period	=	Lowest price of the company's shares during the period, adjusted for share issues
Average share price over the period	=	Share turnover in euro terms divided by the number of shares traded during the period, adjusted for share issues
Share turnover	=	Quantitative share turnover, adjusted for share issues
Market capitalization at December 31	=	Number of shares multiplied by the quotation for the respective share series on the balance sheet date

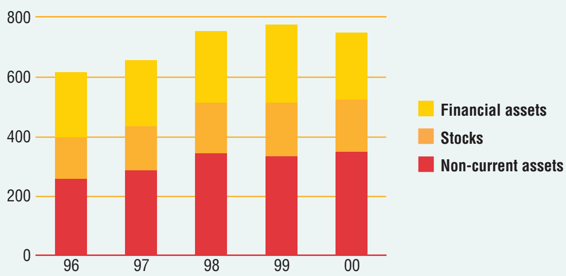
PROFIT AND LOSS ACCOUNT, EUR

PROFIT AND LOSS ACCOUNT, EUR millions		STOCKMANN				STOCKMANN plc			
	Ref.	**Jan.1- Dec. 31, 2000 EUR millions**	% of net turnover	Jan.1- Dec. 31, 1999 EUR millions	% of net turnover	**Jan.1- Dec. 31, 2000 EUR millions**	% of net turnover	Jan.1- Dec. 31, 1999 EUR millions	% of net turnover
NET TURNOVER	1	**1 220.5**	100.0	1 319.6	100.0	**848.1**	100.0	968.1	100.0
Other operating income	2	**2.8**	0.2	32.5	2.5	**11.5**	1.4	40.8	4.2
Raw materials and services									
Raw materials and consumables:	3								
Purchases during the financial year		**842.5**		943.8		**600.8**		718.2	
Variation in stocks, increase (-), decrease (+)		**5.0**		-10.1		**9.0**		-5.1	
Raw materials and services, total		**847.4**	69.4	933.7	70.8	**609.8**	71.9	713.1	73.7
Staff expenses	4	**164.8**	13.5	166.9	12.6	**124.3**	14.7	131.1	13.5
Depreciation and reduction in value	5	**25.8**	2.1	26.7	2.0	**16.7**	2.0	19.4	2.0
Other operating expenses	6	**149.5**	12.2	143.1	10.8	**75.1**	8.9	81.8	8.5
		1 187.6	97.3	1 270.3	96.3	**825.9**	97.4	945.5	97.7
OPERATING PROFIT		**35.7**	2.9	81.8	6.2	**33.7**	4.0	63.4	6.5
Financial income and expenses:									
Income from other investments held as non-current assets		**1.3**		0.8		**1.2**		0.7	
Interest and financial income from Group undertakings						**2.1**		1.4	
Interest and financial income from outside the Group	7	**11.7**		11.7		**11.0**		11.1	
Reduction in value of securities held in current assets		**-0.7**		-0.2		**-0.7**		-0.2	
Interest and other financial expenses for Group undertakings						**-2.8**		-2.5	
Interest and other financial expenses outside the Group	8	**-6.9**		-7.4		**-5.6**		-8.1	
Financial income and expenses, total		**5.5**	0.4	4.9	0.4	**5.2**	0.6	2.5	0.3
PROFIT BEFORE EXTRAORDINARY ITEMS		**41.2**	3.4	86.7	6.6	**38.9**	4.6	65.9	6.8
Extraordinary items	9								
Extraordinary income								0.6	
Extraordinary expenses		**-0.6**				**-0.6**			
Extraordinary items, total		**-0.6**				**-0.6**	-0.1	0.6	0.1
PROFIT BEFORE TAXES/		**40.6**	3.3	86.7	6.6				
PROFIT BEFORE APPROPRIATIONS AND TAXES						**38.3**	4.5	66.4	6.9
Appropriations	10					**-2.4**	-0.3	18.5	1.9
Income taxes	11,12								
For the financial year		**12.2**		31.2		**10.4**		23.8	
For previous financial years		**-0.5**		1.7		**0.0**		1.0	
Change in deferred tax liability		**1.0**		-4.8					
Income taxes, total		**12.8**	1.0	28.1	2.1	**10.4**	1.2	24.8	2.6
Minority interest		**0.0**		0.0					
PROFIT FOR THE FINANCIAL YEAR		**27.9**	2.3	58.6	4.4	**25.5**	3.0	60.1	6.2

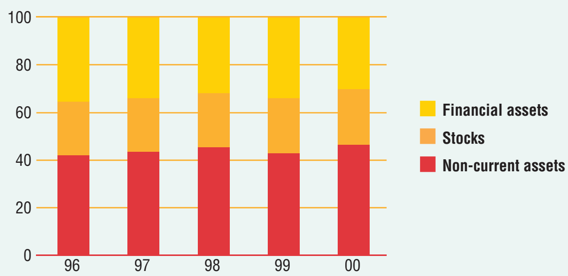
BALANCE SHEET, EUR

BALANCE SHEET, EUR millions		STOCKMANN		STOCKMANN plc	
ASSETS	Ref.	**Dec. 31, 2000 EUR millions**	Dec. 31, 1999 EUR millions	**Dec. 31, 2000 EUR millions**	Dec. 31, 1999 EUR millions
NON-CURRENT ASSETS					
Intangible assets	13				
Intangible rights		**9.6**	7.5	**5.5**	5.0
Goodwill arising on consolidation		**0.6**	1.0		
Goodwill		**0.2**	0.2	**0.1**	0.3
Other capitalized long-term expenses		**23.7**	23.7	**12.1**	11.5
Advance payments and projects in progress		**1.2**	1.4	**1.1**	1.1
Intangible assets, total		**35.1**	33.8	**18.8**	17.9
Tangible assets	14				
Land and water		**25.0**	23.2	**15.8**	14.4
Buildings and constructions		**173.9**	167.0	**153.0**	148.3
Machinery and equipment		**68.0**	60.7	**44.0**	41.0
Other tangible assets		**0.1**	0.1	**0.1**	0.1
Advance payments and construction in progress		**0.8**	5.1	**0.6**	4.8
Tangible assets, total		**267.8**	256.1	**213.6**	208.6
Investments	15				
Holdings in Group undertakings				**45.3**	43.7
Receivables from Group undertakings				**4.6**	3.7
Own shares		**6.2**		**6.2**	
Other shares and participations		**37.7**	41.6	**32.9**	36.9
Investments, total		**43.9**	41.6	**89.0**	84.3
NON-CURRENT ASSETS, TOTAL		**346.9**	331.6	**321.4**	310.8
CURRENT ASSETS					
Stocks					
Raw materials and consumables		**174.8**	179.8	**119.1**	128.2
Stocks, total		**174.8**	179.8	**119.1**	128.2
Non-current debtors	16				
Trade debtors		**0.8**	1.1	**0.8**	1.1
Loan receivables		**1.0**	1.0	**1.0**	1.0
Other debtors		**1.1**			
Non-current debtors, total		**2.9**	2.1	**1.8**	2.1
Current debtors	17				
Trade debtors		**155.5**	153.3	**88.3**	92.1
Amounts owed by Group undertakings				**67.8**	53.3
Loan receivables		**0.1**	0.1		
Other debtors		**17.0**	11.4	**11.5**	8.7
Prepayments and accrued income	18	**7.9**	10.1	**5.3**	7.1
Current debtors, total		**180.6**	174.9	**172.8**	161.2
Debtors, total		**183.5**	177.0	**174.6**	163.3
Securities held in current assets	19	**21.2**	73.5	**21.2**	73.5
Cash in hand and at banks		**20.5**	11.9	**8.7**	6.6
CURRENT ASSETS, TOTAL		**400.0**	442.1	**323.6**	371.5
TOTAL		**746.8**	773.6	**645.0**	682.3

Assets, M€



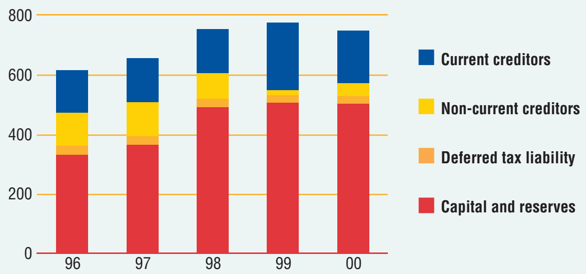
Assets, %



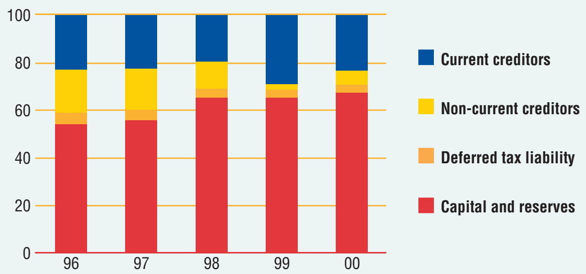
BALANCE SHEET, EUR

BALANCE SHEET, EUR millions		STOCKMANN		STOCKMANN plc	
LIABILITIES	Ref.	**Dec. 31, 2000 EUR millions**	Dec. 31, 1999 EUR millions	**Dec. 31, 2000 EUR millions**	Dec. 31, 1999 EUR millions
CAPITAL AND RESERVES	20,21				
Share capital		**102.8**	86.4	**102.8**	86.4
Premium fund		**133.1**	149.5	**133.1**	149.5
Fund for own shares		**6.2**		**6.2**	
Reserve fund		**0.1**	0.1		
Other funds		**43.7**	43.7	**43.7**	43.7
Retained earnings		**187.9**	166.4	**27.5**	4.5
Net profit for the financial year		**27.9**	58.6	**25.5**	60.1
CAPITAL AND RESERVES, TOTAL		**501.7**	504.8	**338.8**	344.2
MINORITY INTEREST		**0.2**	0.2		
ACCUMULATED APPROPRIATIONS					
Depreciation reserve				**75.5**	73.1
CREDITORS	24-26				
Deferred tax liability		**25.8**	24.8		
Non-current creditors					
Loans from credit institutions		**42.7**	16.6	**42.7**	16.6
Pension loans		**1.3**	1.5	**1.3**	1.5
Non-current creditors, total		**43.9**	18.1	**43.9**	18.1
Current creditors					
Bonds and notes			50.5		50.5
Loans from credit institutions		**8.9**	3.3	**8.9**	3.3
Pension loans		**0.3**	0.3	**0.3**	0.3
Trade creditors		**79.3**	92.5	**55.5**	71.7
Amounts owed to Group undertakings				**49.1**	54.0
Other creditors		**57.3**	40.1	**51.7**	36.0
Accruals and prepaid income		**29.4**	39.3	**21.3**	31.1
Current creditors, total		**175.2**	225.7	**186.8**	246.8
CREDITORS, TOTAL		**244.9**	268.7	**230.7**	264.9
TOTAL		**746.8**	773.6	**645.0**	682.3
Distributable funds		**198.3**	208.1	**96.7**	108.3

Financing, M€



Financing, %



FUNDS STATEMENT, EUR

FUNDS STATEMENT, EUR millions	STOCKMANN		STOCKMANN plc	
	2000 EUR millions	1999 EUR millions	**2000 EUR millions**	1999 EUR millions
CASH FLOW FROM OPERATIONS				
Payments from sales	**1 210.7**	1 322.0	**842.4**	970.9
Payments from other operating income		32.5	**8.8**	40.8
Payments for operating expenses	**-1 158.6**	-1 241.3	**-824.2**	-932.3
Cash flow from operations before financial items and taxes	**52.1**	113.2	**27.0**	79.3
Paid interest and payments for other operating financial expenses	**-7.7**	-9.8	**-9.1**	-12.5
Interest received from operations	**11.4**	13.1	**12.7**	13.5
Direct taxes paid	**-30.6**	-14.4	**-26.1**	-7.3
Cash flow before extraordinary items	**25.2**	102.2	**4.6**	73.1
Cash flow from operational extraordinary items (net)			**0.6**	8.4
CASH FLOW FROM OPERATIONS (A)	**25.2**	102.2	**5.1**	81.5
CASH FLOW INTO AND FROM INVESTMENTS				
Capital expenditures on tangible and intangible assets	**-38.4**	-62.2	**-22.2**	-49.0
Cash from tangible and intangible assets	**0.6**	33.4	**0.6**	32.8
Capital expenditures on other investments	**-3.8**	-6.0	**-6.3**	-6.2
Cash from other investments	**6.1**	8.6	**6.1**	8.6
Group companies acquired	**-2.5**		**-2.5**	
Group companies divested		6.0		6.0
Dividends from investments	**1.4**	0.6	**1.3**	0.5
CASH FLOW INTO AND FROM INVESTMENTS (B)	**-36.6**	-19.6	**-22.9**	-7.2
FINANCIAL CASH FLOW				
Change in loans granted, increase (-), decrease (+)	**0.0**	0.9	**0.0**	0.9
Change in short-term loans, increase (-), decrease (+)	**17.6**	-2.8	**17.5**	-1.0
Long-term loans drawn down	**35.0**	8.9	**35.0**	8.9
Repayments of long-term loans	**-54.0**	-25.4	**-54.0**	-20.1
Dividend paid and other distribution of profits	**-30.9**	-43.3	**-30.9**	-43.3
FINANCIAL CASH FLOW (C)	**-32.3**	-61.6	**-32.4**	-54.5
Change in cash funds (A+B+C) increase (+), decrease (-)	**-43.7**	21.0	**-50.2**	19.8
Cash funds at start of the financial year	**85.3**	64.4	**80.0**	60.2
Cash funds at end of the financial year	**41.7**	85.3	**29.9**	80.0

NOTES TO THE ACCOUNTS

ACCOUNTING POLICY

General principles

Stockmann's annual accounts have been prepared in accordance with the regulations of the Finnish Accounting Act which came into force on December 31, 1997.

Scope of the consolidated accounts

The consolidated accounts cover the parent company STOCKMANN plc and those companies in which the parent company controls, directly or indirectly, more than 50 per cent of the voting rights conferred by the shares as well as those property management companies in which the parent company controls, either directly or indirectly, at least 80 per cent of the voting rights conferred by the shares. The companies acquired during the year have been included in the consolidation from the time of acquisition.

Mutual real-estate management companies in which the Group has an interest of more than 20 per cent have not been treated as associated undertakings, nor do other associated undertakings belong to the Group.

Internal transactions

Transactions as well as debtors and creditors between Group companies have been eliminated.

Shares in subsidiaries

Shareholdings between Group companies have been eliminated by the purchase cost method. In carrying out eliminations, the acquired company's provisions at the time of acquisition excluding deferred tax liability are also considered to constitute the company's capital and reserves.

The difference between the purchase price of subsidiary shares and equity has been allocated in part to fixed assets. The proportion exceeding going values is shown as a separate goodwill item which is amortized on a straight-line basis over a period of five years.

Subsidiaries abroad

The consolidated accounts figures of foreign subsidiaries have been translated into Finnish markka amounts at the middle rate quoted by the Bank of Finland on the balance sheet date. The translation differences arising on the elimination of the capital and reserves of subsidiaries have been entered in capital and reserves. The annual account figures for Russian subsidiaries have been translated into Finnish markkaa using the monetary-non-monetary method according to which fixed assets, stocks and equity are translated into Finnish markkaa at the average rate quoted by commercial banks at the time of acquisition and the other balance sheet items at the average rate quoted by commercial banks on the balance sheet date and, furthermore, the profit and loss account is translated at the average monthly rate on a month-by-month basis.

Foreign currency-denominated debtors and creditors

Foreign currency-denominated debtors and creditors are valued according to the middle rates quoted by the Bank of Finland on the balance sheet date. Gains and losses on foreign exchange in financial operations are entered as net amounts under other financial income or other financial expenses.

Net turnover

Net turnover comprises sales income excluding indirect taxes, discounts granted and foreign exchange differences.

Other operating income

The items stated as other operating income are capital gains on the sale of non-current assets connected with business operations, compensation obtained from the sale of businesses as well as charges for services rendered to foreign subsidiaries.

Extraordinary income and expenses

The items stated as extraordinary income and expenses are non-recurring income and expenses that are not a part of ordinary operations.

Taxes

The direct taxes entered in the profit and loss account are the taxes corresponding to Group companies' net profits for the financial year as well as rectifications of taxes for previous financial years.

In the consolidated accounts the deferred tax liability is calculated for all the periodization differences between the annual accounts and taxation, applying the tax base for the next year, which has been confirmed at the balance sheet date.

Deferred tax liability is included in its entirety in the consolidated balance sheet.

Tangible and intangible assets and depreciation on them

Tangible and intangible assets are valued according to the original cost excluding planned depreciation. The balance sheet values furthermore include revaluations of land areas and buildings.

Revaluations have been made during the period from 1950 to 1984 and are based on then estimates of real-estate valuers. Revaluations are not depreciated.

Planned depreciation is based on the original cost and the estimated economically useful life of intangible and tangible assets as follows:

- Intangible assets: 5 years
- Goodwill and goodwill arising on consolidation: 5 years
- Other capitalized long-term expenses: 5-10 years
- Buildings: 20-50 years
- Machinery and equipment: 7-12 years
- Lightweight store furnishings, motor vehicles and data processing equipment: 5 years

Securities included in non-current assets are valued at acquisition cost or, if their market value has decreased permanently, at this lower value.

Current assets

Securities included in financial assets are valued at acquisition cost or, if their value is lower, at this lower value.

In the valuation of stocks the principle of lowest value has been used, i.e. the stocks have been entered in the balance sheet at the lowest of acquisition cost or a lower repurchase price or the probable market price. The acquisition cost of stocks has been defined applying the variable expenses incurred in making the purchase in accordance with the FiFo principle.

Appropriations

The parent company's appropriations comprise the depreciation difference. The change in deferred tax liability resulting from the change in appropriations has been stated in taxes in the consolidated accounts. Accumulated appropriations in the consolidated accounts are divided into a portion in deferred tax liability and a portion in capital and reserves.

NOTES TO THE PROFIT AND LOSS ACCOUNT	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
1. Net turnover				
Breakdown of net turnover by market area				
EUR millions				
Finland	**1 108.5**	1 224.8	**848.1**	968.1
Russia	**52.5**	43.8		
Estonia	**58.0**	51.0		
Latvia	**0.3**			
Sweden	**1.2**			
Total	**1 220.5**	1 319.6	**848.1**	968.1
2. Other operating income				
EUR millions				
Capital gains on the divestment of shares (NB Holding, TukoSpar, Aktia)	**2.8**		**2.8**	
Capital gain on the divestment of Sesto		32.5		32.5
Rental income from subsidiaries			**3.8**	2.9
Compensation for expenses, invoiced to Group companies			**4.9**	5.4
Total	**2.8**	32.5	**11.5**	40.8
3. Gross margin				
EUR millions				
Net turnover	**1 220.5**	1 319.6	**848.1**	968.1
Raw materials and consumables	**842.5**	943.8	**600.8**	718.2
Variation in stocks	**5.0**	-10.1	**9.0**	-5.1
Gross profit	**373.1**	385.9	**238.3**	255.0
Gross profit/net turnover (%)	**30.6**	29.2	**28.1**	26.3
4. Staff expenses				
EUR millions				
Salaries and emoluments paid to the boards of directors and managing directors	**0.9**	0.8	**0.4**	0.4
Other staff wages and salaries	**128.5**	132.5	**97.1**	104.8
Wages during sick leave	**3.2**	3.4	**2.4**	2.6
Pension expenses	**19.1**	16.5	**14.3**	12.5
Other staff costs	**13.1**	13.7	**10.1**	10.8
Total	**164.8**	166.9	**124.3**	131.1
Group and parent company staff, average				
Finland	**6 492**	6 977	**5 019**	5 648
Russia	**585**	680	**2**	9
Estonia	**533**	384	**3**	4
Latvia	**1**			
Sweden	**15**			
Total	**7 626**	8 041	**5 024**	5 661
Age breakdown of staff				
%				
Under 24 years old	**21.8**	23.0	**19.0**	21.7
25 -34 years old	**32.1**	32.3	**32.6**	32.2
35 -44 years old	**19.4**	18.5	**19.1**	17.9
45 -54 years old	**15.4**	16.1	**16.4**	16.9
55 -65 years old	**11.3**	10.1	**12.9**	11.3
Total	**100.0**	100.0	**100.0**	100.0
Loans to persons closely associated with the company				
EUR millions				
Loans granted to the managing directors and members of the boards of directors	**0.3**	0.2	**0.2**	0.2

The maturities are 5-6 years. The interest rate on the loans is tied to market interest rate.

Management pension liabilities

The agreed retirement age for Group company managing directors is 60-65 years.
The agreed retirement age for the parent company managing director is 55-60 years.

NOTES TO THE PROFIT AND LOSS ACCOUNT	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
5. Depreciation and reduction in value				
EUR millions				
Intangible rights	**2.3**	2.0	**1.8**	1.8
Goodwill arising on consolidation	**0.5**	0.5		
Goodwill	**0.1**	0.0	**0.2**	0.2
Other capitalized long-term expenses	**3.5**	3.4	**1.7**	1.7
Buildings and constructions	**5.3**	4.9	**4.3**	4.0
Machinery and equipment	**14.1**	15.9	**8.6**	11.7
Total	**25.8**	26.7	**16.7**	19.4
6. Other operating expenses				
EUR millions				
Site expenses	**60.1**	60.3	**35.9**	41.3
Marketing expenses	**37.9**	33.2	**12.9**	13.2
Goods handling expenses	**14.9**	14.8	**5.2**	5.2
Credit losses	**1.4**	1.6	**0.3**	0.1
Voluntary staff costs	**3.5**	3.5	**2.1**	2.5
Other costs	**31.7**	29.6	**18.8**	19.6
Total	**149.5**	143.1	**75.1**	81.8
7. Interest and financial income from outside the Group				
EUR millions				
From interest-bearing trade debtors	**8.7**	9.1	**8.7**	9.1
Other	**3.0**	2.6	**2.3**	2.0
Total	**11.7**	11.7	**11.0**	11.1
8. Interest and other financial expenses outside the Group				
EUR millions				
Foreign exchange losses and gains (net)	**0.0**	0.5	**0.0**	-0.2
Other interest and financial expenses paid to parties outside the Group	**6.8**	6.9	**5.6**	8.3
Total	**6.9**	7.4	**5.6**	8.1
9. Extraordinary items				
EUR millions				
Extraordinary income				
Group contribution				0.6
Extraordinary expenses				
Reduction in the value of shares in Polar Real Estate Corporation	**-0.6**		**-0.6**	
Total	**-0.6**		**-0.6**	0.6
10. Appropriations				
EUR millions				
Change in depreciation reserve				
Intangible rights			**0.2**	0.1
Other capitalized long-term expenses			**0.4**	0.1
Buildings and constructions			**-2.1**	15.7
Machinery and equipment			**-0.9**	2.6
Total			**-2.4**	18.5
11. Income taxes				
EUR millions				
Income taxes on ordinary operations for the financial year	**12.4**	31.2	**11.3**	18.6
Income taxes on extraordinary items	**-0.2**		**-0.2**	
Income taxes on ordinary operations from previous financial year	**-0.5**	1.7	**0.0**	1.0
Change in deferred tax liability	**1.0**	-4.8		
Tax payable on appropriations			**-0.7**	5.2
Total	**12.8**	28.1	**10.4**	24.8
12. Surplus taxes*				
EUR millions				
Unused surplus taxes	**50.4**	31.9	**11.8**	0.0

* Aggregate of assessed corporate taxes in excess of tax payable on distribution of dividends, which can be used to set off the tax liability based on future distribution of dividends.

NOTES TO THE BALANCE SHEET	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Non-current assets				
13. Intangible assets				
EUR millions				
Intangible rights				
Acquisition cost Jan. 1	**17.9**	14.7	**14.8**	13.1
Increases Jan. 1-Dec. 31	**4.4**	6.4	**2.3**	4.8
Decreases Jan. 1-Dec. 31	**0.0**	-3.2		-3.1
Acquisition cost Dec. 31	**22.3**	17.9	**17.1**	14.8
Accumulated depreciation Jan. 1	**10.4**	8.7	**9.8**	8.3
Depreciation for the financial year	**2.3**	2.0	**1.8**	1.8
Accumulated depreciation on reductions Jan. 1-Dec. 31		-0.3		-0.3
Accumulated depreciation Dec. 31	**12.7**	10.4	**11.6**	9.8
Book value Dec. 31	**9.6**	7.5	**5.5**	5.0
Goodwill arising on consolidation				
Acquisition cost Jan. 1 and Dec. 31	**2.4**	2.4		
Accumulated depreciation Jan. 1	**1.3**	0.9		
Depreciation for the financial year	**0.5**	0.5		
Accumulated depreciation Dec. 31	**1.8**	1.3		
Book value Dec. 31	**0.6**	1.0		
Goodwill				
Acquisition cost Jan. 1	**0.3**	0.2	**1.1**	1.1
Increases Jan. 1-Dec. 31		0.1		
Acquisition cost Dec. 31	**0.3**	0.3	**1.1**	1.1
Accumulated depreciation Jan. 1	**0.0**	0.0	**0.8**	0.6
Depreciation for the financial year	**0.1**	0.0	**0.2**	0.2
Accumulated depreciation Dec. 31	**0.1**	0.0	**1.0**	0.8
Book value Dec. 31	**0.2**	0.2	**0.1**	0.3
Other capitalized long-term expenses				
Acquisition cost Jan. 1	**32.2**	28.5	**16.7**	15.7
Increases Jan. 1-Dec. 31	**3.5**	5.4	**2.3**	2.9
Decreases Jan. 1-Dec. 31		-1.8		-1.8
Acquisition cost Dec. 31	**35.6**	32.2	**19.0**	16.7
Accumulated depreciation Jan. 1	**8.5**	6.5	**5.2**	4.9
Depreciation for the financial year	**3.5**	3.4	**1.7**	1.7
Accumulated depreciation on reductions Jan. 1-Dec. 31		-1.4		-1.4
Accumulated depreciation Dec. 31	**11.9**	8.5	**6.9**	5.2
Book value Dec. 31	**23.7**	23.7	**12.1**	11.5
Advance payments and projects in progress				
Acquisition cost Jan. 1	**1.4**	1.3	**1.1**	1.1
Increases Jan. 1-Dec. 31	**1.2**	1.4	**1.1**	1.1
Transfers between items	**-1.4**	-1.3	**-1.1**	-1.1
Book value Dec. 31	**1.2**	1.4	**1.1**	1.1
Intangible assets, total	**35.1**	33.8	**18.8**	17.9
14. Tangible assets				
EUR millions				
Land and water				
Acquisition cost Jan. 1	**17.3**	22.1	**8.5**	7.7
Increases Jan. 1-Dec. 31	**1.8**	0.9	**1.4**	0.8
Decreases Jan. 1-Dec. 31		-5.7		
Acquisition cost Dec. 31	**19.1**	17.3	**9.9**	8.5
Revaluations Jan. 1 and Dec. 31	**5.9**	5.9	**5.9**	5.9
Book value Dec. 31	**25.0**	23.2	**15.8**	14.4
Buildings and constructions				
Acquisition cost Jan. 1	**173.2**	168.2	**148.0**	144.3
Increases Jan. 1-Dec. 31	**12.2**	26.9	**9.1**	25.5
Decreases Jan. 1-Dec. 31		-21.9		-21.9
Acquisition cost Dec. 31	**185.4**	173.2	**157.0**	148.0
Accumulated depreciation Jan. 1	**32.7**	30.3	**26.2**	24.7
Depreciation for the financial year	**5.3**	4.9	**4.3**	4.0
Accumulated depreciation on reductions Jan. 1-Dec. 31		-2.5		-2.5
Accumulated depreciation Dec. 31	**38.1**	32.7	**30.5**	26.2
Revaluations Jan. 1 and Dec. 31	**26.5**	26.5	**26.5**	26.5
Book value Dec. 31	**173.9**	167.0	**153.0**	148.3

NOTES TO THE BALANCE SHEET	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Machinery and equipment				
EUR millions				
Acquisition cost Jan. 1	**128.9**	125.5	**93.0**	98.0
Increases Jan. 1-Dec. 31	**21.4**	27.4	**11.6**	19.1
Decreases Jan. 1-Dec. 31		-24.0		-24.2
Acquisition cost Dec. 31	**150.3**	128.9	**104.6**	93.0
Accumulated depreciation Jan. 1	**68.2**	65.8	**51.9**	53.7
Depreciation for the financial year	**14.1**	15.9	**8.6**	11.7
Accumulated depreciation on reductions Jan. 1-Dec. 31		-13.5		-13.5
Accumulated depreciation Dec. 31	**82.3**	68.2	**60.5**	51.9
Book value Dec. 31	**68.0**	60.7	**44.0**	41.0
Other tangible assets				
Acquisition cost Jan. 1	**0.1**	0.1	**0.1**	0.1
Increases Jan. 1-Dec. 31	**0.0**			
Decreases Jan. 1-Dec. 31		0.0		0.0
Acquisition cost Dec. 31	**0.1**	0.1	**0.1**	0.1
Book value Dec. 31	**0.1**	0.1	**0.1**	0.1
Advance payments and construction in progress				
Acquisition cost Jan. 1	**5.1**	8.3	**4.8**	6.3
Increases Jan. 1-Dec. 31	**0.8**	5.1	**0.6**	4.8
Transfers between items	**-5.1**	-8.3	**-4.8**	-6.3
Acquisition cost Dec. 31	**0.8**	5.1	**0.6**	4.8
Book value Dec. 31	**0.8**	5.1	**0.6**	4.8
Tangible assets, total	**267.8**	256.1	**213.6**	208.6

Revaluations included in balance sheet values

EUR millions				
Land and water	**5.9**	5.9	**5.9**	5.9
Buildings	**26.5**	26.5	**26.5**	26.5
Total	**32.4**	32.4	**32.4**	32.4

Revaluations of real-estate properties have been made during the period from 1950 to 1984 and are based on then estimates of real-estate valuers.

Taxation and fire insurance values

EUR millions				
Taxation values				
Land and water	**75.0**	66.7	**71.2**	63.7
Shares in subsidiaries			**117.0**	92.1
Other shares	**21.9**	20.4	**17.1**	17.7
Buildings				
Taxation values	**46.1**	34.3	**37.6**	26.2
Fire insurance values	**317.5**	290.8	**264.0**	247.6

If the taxation value has not been available, the book value has been given.

15. Investments

EUR millions				
Holdings in Group undertakings				
Acquisition cost Jan. 1			**43.7**	46.2
Increases Jan. 1-Dec. 31			**1.6**	0.0
Decreases Jan. 1-Dec. 31			**0.0**	-2.5
Book value Dec. 31			**45.3**	43.7
Receivables from Group undertakings				
Book value Jan. 1			**3.7**	3.7
Increases Jan. 1-Dec. 31			**0.9**	
Book value Dec. 31			**4.6**	3.7
Own shares				
Acquisition cost Jan. 1				
Increases Jan. 1-Dec. 31	**6.2**		**6.2**	
Book value Dec. 31	**6.2**		**6.2**	

NOTES TO THE BALANCE SHEET	STOCKMANN 2000	1999	STOCKMANN plc 2000	1999
Other shares and participations				
EUR millions				
Acquisition cost Jan. 1	**41.6**	50.1	**36.9**	45.4
Increases Jan. 1-Dec. 31	**1.3**	0.1	**1.3**	0.1
Decreases Jan. 1-Dec. 31	**-4.7**	-8.6	**-4.7**	-8.6
Reductions in value Jan. 1-Dec. 31	**-0.6**		**-0.6**	
Book value Dec. 31	**37.7**	41.6	**32.9**	36.9
Investments, total	**43.9**	41.6	**89.0**	84.3

Shares and participations

Group undertakings

Parent company holdings	Number	Shareholding %	Voting rights %	Currency	Par value in given currency/mill.	Book value, EUR millions	Shareholders' equity EUR millions
ZAO Kalinka-Stockmann, Moscow	583 450	100	100	RUR	58.3	3.6	-1.1
ZAO Stockmann-Krasnoselskaya, Moscow	100	100	100	RUR	0.1	0.0	0.0
Auto-Oriketo Oy, Turku	40 000	100	100	FIM	4.0	0.8	0.7
Espoon Autotalo Oy, Espoo	400	100	100	FIM	0.1	0.5	0.0
Tikkurilan Autocenter Oy, Helsinki	4 000	100	100	FIM	4.0	0.8	0.7
Kambrium Oy, Vantaa	50	100	100	FIM	0.1	0.2	0.0
Kiinteistö Oy Friisinkeskus II, Espoo	1 948	97	97	FIM	0.0	0.6	0.7
Kiinteistö Oy Hgin Valurinkatu 1, Helsinki	100	100	100	FIM	0.1	0.0	0.0
Kiinteistö Oy Luistelijanvuori, Vantaa	72	100	100	FIM	0.1	1.2	0.2
Kiinteistö Oy Länsi-Kaisla, Espoo	20	100	100	FIM	0.1	1.5	0.0
Kiinteistö Oy Muuntajankatu 4, Helsinki	50	100	100	FIM	0.1	3.3	2.2
Kiinteistö Oy Stävö, Helsinki	50	100	100	FIM	0.1	0.0	0.0
Kiinteistö Oy Vantaan Kiitoradantie 2, Vantaa	100	100	100	FIM	0.1	0.0	0.0
Kiinteistö Oy Vantaan Rasti, Vantaa	388	100	100	FIM	3.0	4.9	4.4
Kiinteistö Oy Vantaan Valimotie, Vantaa	400 000	80	80	FIM	4.0	0.7	0.8
Oy Hobby Hall Ab, Helsinki	120 000	100	100	FIM	60.0	18.8	56.9
Oy Hullut Päivät-Galna Dagarna Ab, Helsinki	40	100	100	FIM	0.1	0.0	0.0
Oy Suomen Pääomarahoitus- Finlands Kapitalfinans Ab, Helsinki	1 000	100	100	FIM	10.0	1.7	2.4
Seppälä Oy, Helsinki	30 000	100	100	FIM	30.0	5.0	66.9
O.Y. Akateeminen Kirjakauppa, Helsinki	50	100	100	FIM	0.1	0.0	0.0
SIA Stockmann, Riga	1 000	100	100	LVL	0.0	0.0	0.0
SIA Stockmann Centrs, Riga	1 000	100	100	LVL	0.0	0.0	0.0
Stockmann AS, Tallinn	1 800	100	100	EEK	18.0	1.1	4.0
TF-Autokeskus Oy, Vantaa	600	100	100	FIM	0.1	0.5	0.3
SPL Seppälä AB, Stockholm	1 000	100	100	SEK	0.1	0.0	0.0
Parent company holdings, total						45.3	139.2

Holdings of subsidiaries	Number	Shareholding %	Voting rights %	Currency	Par value in given currency/mill.	Book value, EUR millions	Shareholders' equity EUR millions
Bullworker Myynti Oy, Helsinki	100	100	100	FIM	0.1	0.0	0.2
Oy Concert Hall Society Ab, Helsinki	10	100	100	FIM	0.0	0.0	0.0
Hobby Hall AB, Sweden	1 000	100	100	SEK	0.1	0.0	0.0
ZAO Kalinka-Stockmann STP, St Petersburg	100	100	100	RUR	30.0	0.0	-0.4
Group undertakings owned by subsidiaries, total						0.0	-0.2
Group undertakings, total						45.3	139.0

Other undertakings

Parent company holdings	Number	Shareholding %	Currency	Par value in given currency/mill.	Book value, EUR millions
Oy Kamppiparkki Ab, Helsinki	50	6.1	FIM	1.0	1.6
Kesko Corporation, Helsinki	217 000	0.4	FIM	2.4	1.4
Kiinteistö Oy Raitinkartano, Espoo	1 029	15.6	FIM	0.5	5.5
Pitäjänmäen Kiinteistöt Oy, Helsinki	10 360	19.5	FIM	62.2	10.8
Polar Real Estate Corporation, Helsinki	3 627 100	3.1	FIM	18.1	0.7
Kiinteistö Oy Raitinkartano, Espoo Kiinteistö Oy Tapiolan Säästötammi Fastighets Ab, Espoo	3 125	37.8	FIM	1.5	6.2
TukoSpar Oy, Kerava	540	9.0	FIM	5.4	3.6
Others				11.5	3.0
Parent company holdings, total					32.9

NOTES TO THE BALANCE SHEET

Holdings of subsidiaries	Number	Shareholding %	Cur- rency	Par value in given currency/mill.	Book value, EUR millions
Arabian Kiinteistö Oy, Helsinki	5 174	51.3	FIM	0.1	2.5
Arabian Pienteollisuustalo Oy, Helsinki	1 590	12.0	FIM	0.0	1.0
Others					1.3
Other undertakings owned by subsidiaries, total					4.8
Other Group-owned undertakings, total					37.7

The market value of the other publicly traded shares owned by parent company and subsidiaries exceeded the book value by EUR 6.7 million on December 31, 2000.
The book value of the Stockmann own shares held by the parent company exceeded the market value on December 31, 2000, by EUR 1.8 million.

CHANGES IN GROUP STRUCTURE

In July 2000, Stockmann purchased from Uponor Oyj the shares outstanding in Kiinteistö Oy Länsi-Kaisla, which give the right of possession for the premises which are used by the Automotive Sales Division's VW-Audi service outlet as well as certain other premises in Espoo's Suomenoja district. The shares were purchased for EUR 1.5 million. In the summer 2000, SPL Seppälä AB was founded in Sweden to carry on Seppälä's operations in Sweden.

In connection with the divestment of Sesto's business operations, at the end of 1999, Stockmann sold the real-estate management companies Kiinteistö Oy Friisinkeskus, Upper Limit Oy, Aspius Oy as well as a 20 per cent interest in Vantaan Valimotie 11 Oy.
In 1999 Hobby Hall established the subsidiary Hobby Hall AB in Sweden.

Debtors

16. Non-current debtors

EUR millions	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Interest-bearing trade debtors	**0.8**	1.1	**0.8**	1.1
Interest-bearing loan receivables	**1.0**	1.0	**1.0**	1.0
Other debtors	**1.1**			
Non-current debtors, total	**2.9**	2.1	**1.8**	2.1

17. Current debtors

EUR millions	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Interest-bearing trade debtors	**121.1**	115.5	**38.6**	37.6
Non-interest bearing trade debtors	**34.4**	37.7	**49.6**	54.5
Trade debtors, total	**155.5**	153.3	**88.3**	92.1
Interest-bearing loan receivables	**0.1**	0.1		
Amounts owed by Group undertakings			**67.8**	53.3
Other debtors	**17.0**	11.4	**11.5**	8.7
Prepayments and accrued income	**7.9**	10.1	**5.3**	7.1
Current debtors, total	**180.6**	174.9	**172.8**	161.2

The Group's interest-bearing trade debtors include one-time credits on mail order sales of EUR 83.3 million in 2000 and EUR 79.1 million in 1999. The interest income on these debtors is entered in net turnover instead of in interest income because it is included in the sales price. Other interest-bearing trade debtors are Stockmann Account, hire purchase and leasing payment debtors for which interest income is entered in interest income.

18. Essential items in prepayments and accrued income

EUR millions	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Deferred annual discounts	**1.0**	2.2	**1.0**	2.2
Deferred interest	**0.5**	0.4	**0.5**	0.4
Deferred indirect employee costs	**0.5**	0.5	**0.5**	0.5
Deferred sales price		0.6		0.6
Other	**5.9**	6.3	**3.2**	3.4
Total	**7.9**	10.1	**5.3**	7.1

19. Difference between cost and market value of current assets, bonds and promissory notes
Securities held in current assets consist primarily of publicly traded bonds and notes.

EUR millions	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
Market value Dec. 31	**21.3**	73.5	**21.3**	73.5
Book value Dec. 31	**21.2**	73.5	**21.2**	73.5
Difference	**0.1**	0.0	**0.1**	0.0

NOTES TO THE BALANCE SHEET	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
20. Changes in capital and reserves				
EUR millions				
Share capital				
Series A shares Jan. 1	**41.8**	41.8	**41.8**	41.8
Bonus issue, increasing of the par value	**7.9**		**7.9**	
Series A shares Dec. 31	**49.7**	41.8	**49.7**	41.8
Series B shares Jan. 1	**44.6**	44.6	**44.6**	44.6
Bonus issue, increasing of the par value	**8.4**		**8.4**	
Series B shares Dec. 31	**53.0**	44.6	**53.0**	44.6
Share capital, total	**102.8**	86.4	**102.8**	86.4
Premium fund Jan. 1	**149.5**	149.5	**149.5**	149.5
Transfer to share capital	**-16.3**		**-16.3**	
Premium fund Dec. 31	**133.1**	149.5	**133.1**	149.5
Fund for own shares Jan. 1				
Own share buyback	**6.2**		**6.2**	
Fund for own shares Dec. 31	**6.2**		**6.2**	
Reserve fund Jan. 1	**0.1**	1.5		
To cover losses in Russia		-1.4		
Reserve fund Dec. 31	**0.1**	0.1		
Other funds Jan. 1 and Dec. 31	**43.7**	43.7	**43.7**	43.7
Retained earnings Jan. 1	**225.1**	208.4	**64.6**	47.8
Losses in Russia covered from the Reserve fund		1.4		
Distribution of profit	**-30.9**	-43.3	**-30.9**	-43.3
Own share buyback	**-6.2**		**-6.2**	
Total	**187.9**	166.4	**27.5**	4.5
Net profit for the financial year	**27.9**	58.6	**25.5**	60.1
Capital and reserves, total	**501.7**	504.8	**338.8**	344.2

Schedule of distributable funds Dec. 31				
EUR millions				
Other funds	**43.7**	43.7	**43.7**	43.7
Retained earnings	**187.9**	166.4	**27.5**	4.5
Depreciation difference entered in capital and reserves	**-61.3**	-60.7		
Net profit for the financial year	**27.9**	58.6	**25.5**	60.1
Total	**198.3**	208.1	**96.7**	108.3

Depreciation reserve		
EUR millions		
Accumulated depreciation difference included in capital and reserve	**61.3**	60.7
Deferred tax liability	**25.0**	24.8

21. The parent company's share capital is divided between share series as follows

Par value € 2,00	Number of shares	EUR millions
Series A shares (10 votes each)	24 868 893	49.7
Series B shares (1 vote each)	26 514 084	53.0
Total	51 382 977	102.8

22. Deferred taxes liability		
EUR millions		
Deferred tax liability from depreciation reserve	**25.0**	24.8
Periodization differences	**0.8**	
Total	**25.8**	24.8

23. Bonds with warrants

The EUR 0.1 million issue of bonds with warrants targeted at the key employees which was floated in 1997 was repaid in a bullet payment on April 21, 2000, in accordance with the terms and conditions of the issue. The subscription price of one share is EUR 17.18 less the per-share dividends paid after May 1, 1997.

The subscription periods are as follows: 315 000 shares from April 1, 2000, to January 31, 2004, 315 000 shares from April 1, 2001 to January 31, 2004 and 630 000 shares from April 1, 2002 to January 31, 2004.

The subscription price of the shares after the payment of the dividends for the 1997 - 1999 financial years and the proposed dividend payout for 2000 is EUR 14.71.

NOTES TO THE BALANCE SHEET	STOCKMANN 2000	STOCKMANN 1999	STOCKMANN plc 2000	STOCKMANN plc 1999
24. Loans with maturities longer than five years				
EUR millions				
Pension loans	**0.3**	0.5	**0.3**	0.5
Total	**0.3**	0.5	**0.3**	0.5
25. Essential items in accruals and prepaid income				
EUR millions				
Accrued salaries and wages	**5.0**	4.5	**4.2**	3.5
Accrued holiday pay	**15.2**	14.0	**11.0**	10.3
Accrued interest	**0.6**	1.0	**0.6**	0.8
Returns provision for mail order sales	**1.1**	1.1		
Accrued taxes	**0.4**	11.7		11.7
Accrued rents	**0.2**	0.8		
Other accruals	**7.0**	6.1	**5.6**	4.7
Total	**29.4**	39.3	**21.3**	31.1
26. Creditors				
EUR millions				
Deferred tax liability	**25.8**	24.8		
Non-current interest-bearing liabilities	**43.9**	18.1	**43.9**	18.1
Current interest-bearing liabilities	**43.8**	71.0	**43.2**	70.5
Current non-interest-bearing liabilities	**131.3**	154.7	**143.5**	176.3
Total	**244.9**	268.7	**230.7**	264.9
27. Security pledged, contingent liabilities and other commitments				
EUR millions				
Security pledged				
Liabilities for which mortgages on real-estate have been lodged as security				
Pension loans Dec. 31	**1.5**	1.8	**1.5**	1.8
Security given	**1.8**	1.9	**1.8**	1.9
Mortgages pledged as security, total	**1.8**	1.9	**1.8**	1.9
Other security pledged for loans of the company				
Mortgages given	**1.8**	1.8	**0.1**	
Security pledged	**0.1**	0.1	**0.1**	0.1
Total	**1.8**	1.8	**0.2**	0.1
Security pledged on behalf of Group undertakings				
Guarantees			**1.1**	0.4
Total			**1.1**	0.4
Leasing commitments				
Payable during the 2001 financial year	**0.4**	0.2	**0.3**	0.1
Payable at a later date	**0.4**	0.2	**0.2**	0.1
Total	**0.8**	0.4	**0.5**	0.2
Other own commitments				
Repurchase commitments for transferred leasing and hire purchase agreements	**48.3**	36.2	**48.0**	36.2
Total	**48.3**	36.2	**48.0**	36.2
Commitments, total				
Mortgages	**3.5**	3.6	**1.9**	1.9
Pledges	**0.1**	0.1	**0.1**	0.1
Guarantees			**1.1**	0.4
Other commitments	**49.1**	36.6	**48.6**	36.4
Total	**52.7**	40.4	**51.6**	38.8

28. Pension liabilities

The pension liabilities of Group companies are insured with outside pension insurance companies.
The international subsidiaries have taken care of the employee pension arrangements in accordance with local legislation.
The pension liabilities are fully covered.

29. Provisions

Compulsory provisions

In the 1999 and 2000 consolidated accounts, a compulsory provision was not made even though an application had been submitted to the Helsinki District Court in January 1998 according to which a claim for damages was filed against Stockmann following the company's withdrawal towards the end of 1994 from negotiations which concerned a department store project that was planned for St Petersburg. The company's management considers the claim for damages groundless and estimates that the company will not incur an obligation to pay damages in the case.

NOTES TO THE BALANCE SHEET

30. Financial risk management and derivative instruments
The purpose of Stockmann's financial risk management is to minimize the negative impact of foreign exchange, interest rate and share price risks on the Group's net profit, shareholders' equity and cash reserves as well as to ensure that counterparty and liquidity risks do not materialize. Financial risk management is handled on a centralized basis by the Treasury unit, with the exception of the risk management of sales financing, which is handled by the profit centre in question.
The risk management policy has been determined by the Board of Directors of Stockmann plc. Financial risk reporting is submitted to the Board of Directors quarterly, and monthly to top management.

Foreign exchange risk
Stockmann's foreign exchange risk has diminished following the introduction of the euro. Stockmann's foreign exchange risk arises from purchases made in foreign currencies, in which the main purchasing currencies are the USD, GBP, HKD and SEK as well as from sales receivables denominated in RUR and EEK. The management of foreign exchange risk primarily involves a unit-by-unit determination of the cash flow risks relating to individual currencies and on the monitoring of foreign exchange risk, via these units on a company-wide-basis, against the euro and thereby against the Finnish markka. In hedging against foreign exchange risk the Treasury unit uses forward agreements and options.

Interest rate and share price risk
Stockmann's interest rate risk derives from the effect of interest rate changes on the value of investments as well as from the fact that at the end of interest rate periods, assets and liabilities are susceptible to change in interest rates. The management of interest rate risk involves monitoring the relationship between assets and liabilities in different interest rate periods.
The hedging instruments used are bond futures, forward rate agreements and options as well as interest rate swaps.
Stockmann's share price risk arises from the effect of changes in the price of shares on the value of investments.
Stock futures and stock options are used in hedging investments in shares.

Counterparty risk
Counterparty risk is managed by making agreements only with the leading banks, financial institutions and brokers and by investing cash assets only in selected debt instruments of counterparties.

Derivative instruments

EUR millions	Underlying amount at the end of the period	Remaining open at the end of the period
Interest rate derivatives		
Forward agreements	102.0	
Foreign exchange derivatives		
Forward agreements	21.3	15.5

If all derivative instruments had been closed on December 31, 2000, the net result would have been EUR + 0.03 million.

The principles observed in calculating market value

Bond futures and forward rate agreements
Forward rate agreements are valued at mark-to-market values on the balance sheet date.

Foreign currency forward agreements
Foreign currency forward agreements are valued at mark-to-market values on the balance sheet date.

Key figures

		1996	1997	1998	1999	**2000**
Sales	FIM millions	7 420.2	8 289.4	8 689.3	9 417.5	**8 727.8**
Change on the previous year	%	18.7	11.7	4.8	8.4	**-7.3**
Net turnover	FIM millions	6 164.5	6 900.0	7 233.2	7 845.9	**7 257.0**
Change on the previous year	%	18.2	11.9	4.8	8.4	**-7.5**
Operating profit	FIM millions	291.4	394.6	337.7	486.2	**212.4**
Change on the previous year	%	17.3	35.4	-14.4	44.0	**-56.3**
Share of net turnover	%	4.7	5.7	4.7	6.2	**2.9**
Profit before extraordinary items	FIM millions	315.9	415.2	364.0	515.6	**245.0**
Change on the previous year	%	12.7	31.4	-12.3	41.6	**-52.5**
Share of net turnover	%	5.1	6.0	5.0	6.6	**3.4**
Profit before taxes	FIM millions	316.0	415.2	349.5	515.6	**241.5**
Change on the previous year	%	12.2	31.4	-15.8	47.5	**-53.2**
Share of net turnover	%	5.1	6.0	4.8	6.6	**3.3**
Share capital	FIM millions	288.6	288.9	513.8	513.8	**611.0**
Series A	FIM millions	165.8	165.8	248.7	248.7	**295.7**
Series B	FIM millions	122.8	123.1	265.1	265.1	**315.3**
Dividends	FIM millions	108.2	130.0	256.9	183.3	**181.8** *
Return on equity	%	11.4	14.4	11.1	11.8	**5.6**
Return on investment	%	14.2	16.6	12.9	15.8	**8.4**
Equity ratio	%	54.0	55.6	65.1	65.3	**67.2**
Gearing	%	19.7	19.9	9.0	0.7	**9.2**
Investment in fixed assets	FIM millions	333.2	315.2	509.9	381.0	**268.0**
Share of net turnover	%	5.4	4.6	7.0	4.9	**3.7**
Interest-bearing debtors	FIM millions	509.7	537.7	585.9	699.3	**732.6**
Interest-bearing liabilities	FIM millions	777.7	811.9	644.6	529.9	**521.8**
Interest-bearing net debt	FIM millions	-121.0	-106.7	-324.2	-677.9	**-458.5**
Total assets	FIM millions	3 645.9	3 889.5	4 470.9	4 599.7	**4 440.4**
Staff expenses	FIM millions	833.6	877.3	958.6	992.1	**980.1**
Share of net turnover	%	13.5	12.7	13.3	12.6	**13.5**
Personnel, average	persons	6 589	6 934	7 361	8 041	**7 626**
Net turnover per person	FIM thousands	935.6	995.1	982.6	975.7	**951.6**
Operating profit per person	FIM thousands	44.2	56.9	45.9	60.5	**27.8**
Staff expenses per person	FIM thousands	126.5	126.5	130.2	123.4	**128.5**

*) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.60 per share will be paid.

Definition of key indicators

Profit before extraordinary items = Operating profit + financial income and expenses

Profit before taxes = Profit before extraordinary items + extraordinary income and expenses

Return on equity, % = 100 x $\frac{\text{Profit before extraordinary items less income taxes}}{\text{Capital and reserves + minority interest (average over the year)}}$

Return on investment, % = 100 x $\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Total assets less deferred tax liability and other non-interest-bearing liabilities (average over the year)}}$

Equity ratio, % = 100 x $\frac{\text{Capital and reserves + minority interest}}{\text{Total assets less advance payments received}}$

Gearing, % = 100 x $\frac{\text{Interest-bearing liabilities less cash in hand and at banks less securities held in current assets}}{\text{Capital and reserves + minority interest}}$

Interest-bearing net debt = Interest-bearing liabilities less cash in hand and at banks less securities held in current assets less interest-bearing debtors

Per-share data, FIM

Per-share data1)		1996	1997	1998	1999	2000	
Earnings per share	FIM	4.67	6.37	5.79	6.78	**3.28**	
Earnings per share, diluted	FIM	4.62	6.22	5.32	6.78	**3.28**	
Equity per share	FIM	42.15	46.24	56.64	58.41	**58.06**	
Dividend per share	FIM	2.32	2.78	5.00	3.57	**3.57**	*
Dividend per earnings	%	49.6	43.6	86.4	52.6	**108.7**	*
Cash flow per share	FIM	3.52	7.31	2.98	11.83	**2.93**	
Effective yield of shares	%						
Series A		2.7	2.5	3.8	3.8	**5.3**	
Series B		2.7	2.7	5.2	4.2	**5.8**	
P/E ratio of shares							
Series A		18.5	17.2	24.5	14.0	**20.6**	**
Series B		18.2	16.5	18.0	12.5	**18.8**	**
Share quotation at December 31	FIM						
Series A		86.67	109.88	130.00	95.13	**67.72**	
Series B		84.84	104.89	95.60	85.02	**61.84**	
Highest price during the period	FIM						
Series A		86.67	109.88	183.00	136.75	**108.21**	
Series B		84.84	107.98	154.26	106.73	**98.10**	
Lowest price during the period	FIM						
Series A		70.88	84.38	107.00	89.25	**62.55**	
Series B		66.02	81.45	85.00	74.32	**58.27**	
Average price during the period	FIM						
Series A		80.93	94.76	151.08	106.72	**92.97**	
Series B		74.76	89.43	115.09	83.22	**85.30**	
Share turnover	thousands						
Series A		1 692	2 732	2 924	2 479	**1 756**	
Series B		6 381	6 259	5 194	5 853	**4 464**	
Share turnover	%						
Series A		6.8	11.0	11.8	10.0	**7.1**	
Series B		31.4	28.6	19.6	22.1	**16.8**	
Market capitalization at December 31	FIM millions	4 009.6	5 035.5	5 767.7	4 620.2	**3 323.7**	
Number of shares at December 31	thousands	46 684	46 733	51 383	51 383	**51 383**	
Series A		24 869	24 869	24 869	24 869	**24 869**	
Series B		21 815	21 864	26 514	26 514	**26 514**	
Weighted average number of shares	thousands	46 684	46 692	49 523	51 383	**51 237**	
Series A		24 869	24 869	24 869	24 869	**24 829**	
Series B		21 815	21 823	24 654	26 514	**26 408**	
Own shares	thousands					**413**	
Series A						**163**	
Series B						**250**	
Total number of shareholders at December 31		11 045	10 772	12 669	12 893	**12 664**	

1) Adjusted for share issues.

*) Board proposal to the AGM. According to the proposal, a dividend of EUR 0.60 per share will be paid.

**) The dilution effect of options has been taken into account in the 2000 figures.

Definition of key indicators

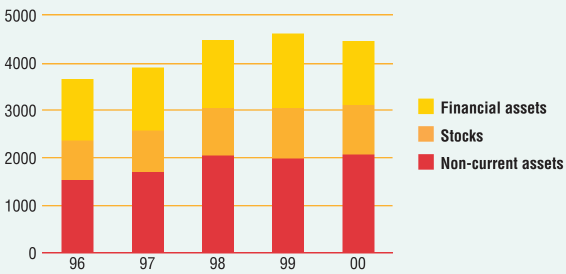
Earnings per share	=	Profit before extraordinary items less income taxes / Average number of shares, adjusted for share issues
Equity per share	=	Capital and reserves / Number of shares at the balance sheet date, adjusted for share issues
Dividend per share	=	Dividend per share, adjusted for share issues
Dividend per earnings, %	= 100 x	Dividend per share / Earnings per share
Cash flow per share	=	Cash flow from operations / Average number of shares, adjusted for share issues
Effective yield of shares, %	= 100 x	Dividend per share, adjusted for share issues / Share quotation at December 31, adjusted for share issues
P/E ratio of shares	=	Share quotation at December 31, adjusted for share issues / Earnings per share
Share quotation at Dec. 31	=	Share quotation at the balance sheet date, adjusted for share issues
Highest share price during the period	=	Highest price of the company's shares during the period, adjusted for share issues
Lowest share price during the period	=	Lowest price of the company's shares during the period, adjusted for share issues
Average share price over the period	=	Share turnover in markka terms divided by the number of shares traded during the period, adjusted for share issues
Share turnover	=	Quantitative share turnover, adjusted for share issues
Market capitalization at December 31	=	Number of shares multiplied by the quotation for the respective share series on the balance sheet date

PROFIT AND LOSS ACCOUNT, FIM millions	Ref.	STOCKMANN Jan.1- Dec. 31, 2000 FIM millions	% of net turnover	Jan.1- Dec. 31, 1999 FIM millions	% of net turnover	STOCKMANN plc Jan.1- Dec. 31, 2000 FIM millions	% of net turnover	Jan.1- Dec. 31, 1999 FIM millions	% of net turnover
NET TURNOVER	1	**7 257.0**	100.0	7 845.9	100.0	**5 042.4**	100.0	5 756.3	100.0
Other operating income	2	**16.4**	0.2	193.0	2.5	**68.4**	1.4	242.4	4.2
Raw materials and services									
Raw materials and consumables:	3								
Purchases during the financial year		**5 009.2**		5 611.5		**3 572.1**		4 270.1	
Variation in stocks, increase (-), decrease (+)		**29.5**		-60.2		**53.7**		-30.1	
Raw materials and services, total		**5 038.7**	69.4	5 551.3	70.8	**3 625.8**	71.9	4 240.1	73.7
Staff expenses	4	**980.1**	13.5	992.1	12.6	**739.0**	14.7	779.5	13.5
Depreciation and reduction in value	5	**153.3**	2.1	158.6	2.0	**99.3**	2.0	115.5	2.0
Other operating expenses	6	**888.9**	12.2	850.6	10.8	**446.6**	8.9	486.6	8.5
		7 061.0	97.3	7 552.7	96.3	**4 910.6**	97.4	5 621.7	97.7
OPERATING PROFIT		**212.4**	2.9	486.2	6.2	**200.3**	4.0	377.0	6.5
Financial income and expenses:									
Income from other investments held as non-current assets		**7.5**		4.7		**7.0**		4.4	
Interest and financial income from Group undertakings						**12.5**		8.4	
Interest and financial income from outside the Group	7	**69.9**		69.6		**65.4**		65.9	
Reduction in value of securities held in current assets		**-4.0**		-1.1		**-4.0**		-1.1	
Interest and other financial expenses for Group undertakings						**-16.5**		-14.8	
Interest and other financial expenses outside the Group	8	**-40.7**		-43.8		**-33.3**		-48.0	
Financial income and expenses, total		**32.6**	0.4	29.4	0.4	**31.1**	0.6	14.7	0.3
PROFIT BEFORE EXTRAORDINARY ITEMS		**245.0**	3.4	515.6	6.6	**231.3**	4.6	391.7	6.8
Extraordinary items	9								
Extraordinary income								3.3	
Extraordinary expenses		**-3.5**				**-3.5**			
Extraordinary items, total		**-3.5**				**-3.5**	-0.1	3.3	0.1
PROFIT BEFORE TAXES/		**241.5**	3.3	515.6	6.6				
PROFIT BEFORE APPROPRIATIONS AND TAXES						**227.8**	4.5	395.0	6.9
Appropriations	10					**-14.3**	-0.3	110.1	1.9
Income taxes	11,12								
For the financial year		**72.5**		185.5		**62.1**		141.6	
For previous financial years		**-2.7**		9.9		**-0.2**		5.8	
Change in deferred tax liability		**6.0**		-28.4					
Income taxes, total		**75.8**	1.0	167.0	2.1	**62.0**	1.2	147.5	2.6
Minority interest		**0.0**		0.0					
PROFIT FOR THE FINANCIAL YEAR		**165.7**	2.3	348.5	4.4	**151.6**	3.0	357.6	6.2

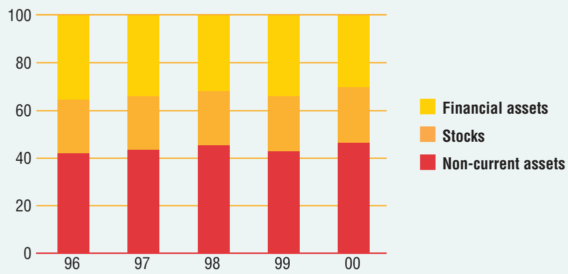
BALANCE SHEET, FIM

BALANCE SHEET, FIM millions		STOCKMANN		STOCKMANN plc	
ASSETS	Ref.	**Dec. 31, 2000 FIM millions**	Dec. 31, 1999 FIM millions	**Dec. 31, 2000 FIM millions**	Dec. 31, 1999 FIM millions
NON-CURRENT ASSETS					
Intangible assets	13				
Intangible rights		**56.9**	44.6	**32.5**	29.8
Goodwill arising on consolidation		**3.3**	6.1		
Goodwill		**1.0**	1.3	**0.4**	1.7
Other capitalized long-term expenses		**140.8**	140.9	**72.1**	68.3
Advance payments and projects in progress		**6.9**	8.2	**6.6**	6.7
Intangible assets, total		**208.9**	201.1	**111.7**	106.5
Tangible assets	14				
Land and water		**148.6**	138.1	**94.0**	85.7
Buildings and constructions		**1 033.8**	992.8	**909.9**	881.8
Machinery and equipment		**404.5**	361.1	**261.9**	244.1
Other tangible assets		**0.6**	0.6	**0.6**	0.6
Advance payments and construction in progress		**4.7**	30.1	**3.8**	28.3
Tangible assets, total		**1 592.2**	1 522.7	**1 270.2**	1 240.5
Investments	15				
Holdings in Group undertakings				**269.1**	259.8
Receivables from Group undertakings				**27.3**	22.0
Own shares		**37.0**		**37.0**	
Other shares and participations		**224.2**	247.5	**195.8**	219.2
Investments, total		**261.3**	247.5	**529.2**	500.9
NON-CURRENT ASSETS, TOTAL		**2 062.4**	1 971.3	**1 911.1**	1 847.9
CURRENT ASSETS					
Stocks					
Raw materials and consumables		**1 039.3**	1 068.8	**708.4**	762.1
Stocks, total		**1 039.3**	1 068.8	**708.4**	762.1
Non-current debtors	16				
Trade debtors		**5.0**	6.5	**5.0**	6.5
Loan receivables		**5.7**	5.7	**5.7**	5.7
Other debtors		**6.7**			
Non-current debtors, total		**17.4**	12.2	**10.7**	12.2
Current debtors	17				
Trade debtors		**924.5**	911.2	**524.8**	547.6
Amounts owed by Group undertakings				**403.0**	317.1
Loan receivables		**0.8**	0.7		
Other debtors		**101.0**	68.0	**68.4**	51.4
Prepayments and accrued income	18	**47.2**	60.0	**31.3**	42.3
Current debtors, total		**1 073.5**	1 039.9	**1 027.5**	958.5
Debtors, total		**1 090.9**	1 052.1	**1 038.2**	970.7
Securities held in current assets	19	**126.1**	436.8	**126.1**	436.8
Cash in hand and at banks		**121.7**	70.7	**51.4**	39.0
CURRENT ASSETS, TOTAL		**2 378.0**	2 628.4	**1 924.1**	2 208.7
TOTAL		**4 440.4**	4 599.7	**3 835.2**	4 056.6

Assets, FIM millions



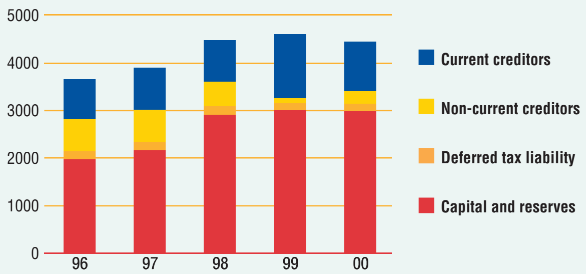
Assets, %



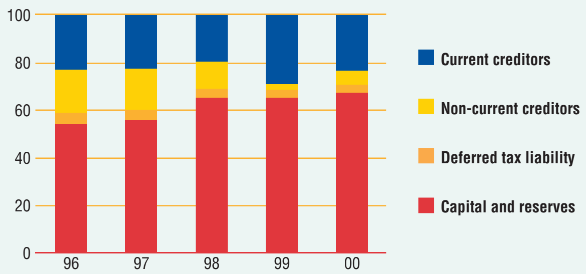
Balance sheet, FIM

BALANCE SHEET, FIM millions		STOCKMANN		STOCKMANN plc	
LIABILITIES	Ref.	**Dec. 31, 2000 FIM millions**	Dec. 31, 1999 FIM millions	**Dec. 31, 2000 FIM millions**	Dec. 31, 1999 FIM millions
CAPITAL AND RESERVES	20,21				
Share capital		**611.0**	513.8	**611.0**	513.8
Premium fund		**791.5**	888.7	**791.5**	888.7
Fund for own shares		**37.0**		**37.0**	
Reserve fund		**0.6**	0.6		
Other funds		**260.0**	260.0	**260.0**	260.0
Retained earnings		**1 117.3**	989.6	**163.3**	26.6
Net profit for the financial year		**165.6**	348.5	**151.6**	357.6
CAPITAL AND RESERVES, TOTAL		**2 983.2**	3 001.3	**2 014.5**	2 046.7
MINORITY INTEREST		**1.0**	1.0		
ACCUMULATED APPROPRIATIONS					
Depreciation reserve				**448.9**	434.6
CREDITORS	24-26				
Deferred tax liability		**153.4**	147.4		
Non-current creditors					
Loans from credit institutions		**253.7**	98.8	**253.7**	98.8
Pension loans		**7.5**	9.0	**7.5**	9.0
Non-current creditors, total		**261.2**	107.8	**261.2**	107.8
Current creditors					
Bonds and notes			300.0		300.0
Loans from credit institutions		**53.2**	19.3	**53.2**	19.3
Pension loans		**1.5**	1.5	**1.5**	1.5
Trade creditors		**471.2**	549.7	**330.2**	426.4
Amounts owed to Group undertakings				**292.0**	320.8
Other creditors		**340.7**	238.2	**307.1**	214.3
Accruals and prepaid income		**175.0**	233.4	**126.6**	185.1
Current creditors, total		**1 041.6**	1 342.1	**1 110.6**	1 467.5
CREDITORS, TOTAL		**1 456.3**	1 597.4	**1 371.8**	1 575.3
TOTAL		**4 440.4**	4 599.7	**3 835.2**	4 056.6
Distributable funds		**1 178.8**	1 237.2	**574.9**	644.2

Financing, FIM millions



Financing, %



FUNDS STATEMENT, FIM

FUNDS STATEMENT, FIM millions	STOCKMANN		STOCKMANN plc	
	2000 FIM millions	1999 FIM millions	**2000 FIM millions**	1999 FIM millions
CASH FLOW FROM OPERATIONS				
Payments from sales	**7 198.7**	7 860.4	**5 008.6**	5 772.8
Payments from other operating income		193.0	**52.1**	242.4
Payments for operating expenses	**-6 888.7**	-7 380.3	**-4 900.5**	-5 543.5
Cash flow from operations before financial items and taxes	**310.0**	673.1	**160.2**	471.7
Paid interest and payments for other operating financial expenses	**-45.9**	-58.0	**-53.9**	-74.3
Interest received from operations	**67.7**	78.1	**75.7**	80.4
Direct taxes paid	**-181.7**	-85.7	**-154.9**	-43.2
Cash flow before extraordinary items	**150.1**	607.5	**27.2**	434.6
Cash flow from operational extraordinary items (net)			**3.3**	50.0
CASH FLOW FROM OPERATIONS (A)	**150.1**	607.5	**30.4**	484.6
CASH FLOW INTO AND FROM INVESTMENTS				
Capital expenditures on tangible and intangible assets	**-228.4**	-370.1	**-131.9**	-291.5
Cash from tangible and intangible assets	**3.4**	198.6	**3.4**	194.9
Capital expenditures on other investments	**-22.8**	-35.5	**-37.3**	-36.6
Cash from other investments	**36.5**	51.3	**36.5**	51.3
Group companies acquired	**-14.6**		**-14.6**	
Group companies divested		35.8		35.8
Dividends from investments	**8.1**	3.5	**7.6**	3.1
CASH FLOW INTO AND FROM INVESTMENTS (B)	**-217.8**	-116.4	**-136.3**	-43.0
FINANCIAL CASH FLOW				
Change in loans granted, increase (-), decrease (+)	**-0.1**	5.4	**0.0**	5.5
Change in short-term loans, increase (-), decrease (+)	**104.6**	-16.6	**104.0**	-5.8
Long-term loans drawn down	**208.1**	53.2	**208.1**	53.2
Repayments of long-term loans	**-320.8**	-151.3	**-320.8**	-119.6
Dividend paid and other distribution of profits	**-183.7**	-257.3	**-183.7**	-257.3
FINANCIAL CASH FLOW (C)	**-191.9**	-366.5	**-192.4**	-323.9
Change in cash funds (A+B+C) increase (+), decrease (-)	**-259.7**	124.6	**-298.3**	117.7
Cash funds at start of the financial year	**507.5**	382.9	**475.8**	358.1
Cash funds at end of the financial year	**247.8**	507.5	**177.5**	475.8

Proposal for the distribution of parent company profit

According to the Consolidated Balance Sheet, the distributable funds at December 31, 2000, were FIM 1 178.8 million.

The parent company's distributable funds according to the balance sheet at December 31, 2000, were FIM 574.9 million.

According to the Parent Company Balance Sheet at December 31, 2000, the following amounts are at the disposal of the Annual General Meeting:

- retained earnings, including the Contingency fund	423 338 510.64
- net profit for the financial year	151 567 489.90
	574 906 000.54

The Board of Directors proposes that this amount be distributed as follows:

- a dividend of EUR 0.60 per share, corresponding FIM 3.57 per share, be paid for the 2000 financial year on the 50 969 977 shares owned by external parties	181 832 232.81
- to be set aside for benevolent purposes	500 000.00
- to be carried forward to the Contingency fund and Retained earnings	392 573 767.73
	574 906 000.54

Helsinki, February 27, 2001

BOARD OF DIRECTORS

Lasse Koivu

Erkki Etola	Ari Heiniö	Eva Liljeblom
Kari Niemistö	Christoffer Taxell	Henry Wiklund

Auditors' report

to the shareholders of Stockmann plc

We have audited the accounting records and the financial statements, as well as the administration by the Board of Directors and the Managing Director of Stockmann plc for the year ended 31 December 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets, cash flow statements and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and the company's administation.

We have conducted our audit in accordance with Finnish Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration has been to examine that the Board of Directors and the Managing Director have complied with the rules of the Finnish Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company result of operations, as well as of the financial position. Consolidated and parent company income statements and balance sheets can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal made by the Board of Directors on how to deal with the distributable funds is in compliance with the Finnish Companies Act.

Helsinki, 28 February 2001

Wilhelm Holmberg
Authorized Public Accountant

Krister Hamberg
Authorized Public Accountant

STOCKMANN MANAGEMENT AND ADMINISTRATION

Aleksanterinkatu 52 B
P.O.Box 220, FIN-00101 HELSINKI
Tel. +358 9 1211
Fax +358 9 121 3101
www.stockmann.fi
E-mail: first name.surname@stockmann.fi

Managing Director
HANNU PENTTILÄ

Deputy Managing Director
HENRI BUCHT, responsible for the Hobby Hall Division

Administration
Accounting Manager EVA MANSIKKA-MIKKOLA
Chief Financial Officer PEKKA VÄHÄHYYPPÄ
Company Lawyer JUKKA NAULAPÄÄ
Financial Manager PIRKKO SALMINEN
Information Technology, Director REIJO HAKAOJA
Internal Audit, Manager TAPIO HELLE
Corporate Communications, Manager JUHANA HÄME
Personnel Director MERJA LÖNNROTH-LAAKSONEN
Real Estate Manager KURT BLOMQVIST

DEPARTMENT STORE DIVISION

Kutomotie 1 C
P.O.Box 147, FIN-00381 HELSINKI
Tel. +358 9 121 51
Fax + 358 9 121 5812

Loyal Customer Service:
Tel. +358 203 50203
E-mail: loyalcustomer@stockmann.fi

Purchasing
Fax +358 9 121 5960 women's fashion, +358 9 121 5665 men's fashion, +358 9 121 5839 women's accessories and cosmetics, +358 9 121 5299 fashion for children and young people, home interior and household, sports and hobbies, +358 9 121 5671 food

Marketing
Fax +358 9 121 5512

Management

JUKKA HIENONEN, Director of the Department Store Division
JUSSI KUUTSA, International Operations
MAARET KUISMA, Marketing
LEENA LASSILA, Purchasing: Fashion
KARL W. STOCKMANN, Purchasing: Non-fashion Goods, International Operations
RISTO PENTTILÄ, Administration

Helsinki Department Store

Aleksanterinkatu 52
P.O.Box 220, FIN-00101 HELSINKI
Tel. +358 9 1211
Fax +358 9 121 3632

Export and Shopping Service
Fax +358 9 121 3781

Business to Business Service
Fax +358 9 121 3782

Itäkeskus Department Store

Itäkatu 1-5 C 124, FIN-00930 HELSINKI
Tel. +358 9 121 461
Fax +358 9 121 4655

ANJA TAINA, Director

Oulu Department Store

(Opening in autumn 2001)
Kirkkokatu 14, FIN-90100 OULU

PENTTI KORHONEN, Director

Tampere Department Store

Hämeenkatu 4
P.O.Box 291, FIN-33101 TAMPERE
Tel. +358 3 248 0111
Fax +358 3 213 3573

EIJA VARTILA, Director

Tapiola Department Store

Länsituulentie 5, FIN-02100 ESPOO
Tel. +358 9 121 21
Fax +358 9 121 2269

TARJA BERGHOLM, Director

Turku Department Store

Yliopistonkatu 22
P.O.Box 626, FIN-20101 TURKU
Tel. +358 2 265 6611
Fax +358 2 265 6714

JUHA OKSANEN, Director

International Operations

Joint Operations
Kutomotie 1 C
P.O.Box 147, FIN-00381 HELSINKI
Tel. +358 9 121 51
Fax +358 9 121 5250

JUSSI KUUTSA, Director

Russia
Moscow Office
ZAO Kalinka-Stockmann
Proezd Olminskogo 3 a
129085 MOSCOW, Russia
Tel. +7 095 974 0122
Fax +7 095 282 0189

Stores

Moscow:

ZAO Kalinka Stockmann
Smolenskaya Department Store
Smolenskaya Ploshad, 3/5
121099 MOSCOW, Russia
Tel. +7 095 785 2500
Fax +7 095 785 2505

JUSSI TUISKU, Director

Leninsky boutique
Leninsky Prospect 73
117296 MOSCOW, Russia
Tel. +7 095 134 3546
Fax +7 095 134 3546

St Petersburg:
Fashion Store
Nevsky Prospect 25
191186 ST PETERSBURG, Russia
Tel. +7 812 326 2638
Fax +7 812 326 2647

Supermarket
Finlandsky Prospect 1
194175 ST PETERSBURG, Russia
Tel. +7 812 542 2297
Fax +7 812 542 8866

Estonia
Stockmann AS
Tallinn Department Store
Liivalaia 53
EE-10145 TALLINN, Estonia
Tel. +372 6 339 500
Fax +372 6 339 556

MAISA HAKOLA, Director

Academic Bookstore

Keskuskatu 1
P.O.Box 128, FIN-00101 HELSINKI
Tel. +358 9 121 41
Fax +358 9 121 4245
www.akateeminen.com

STIG-BJÖRN NYBERG, Director

Bookstores
Helsinki centre, Itäkeskus, Tapiola, Tampere, Turku

AUTOMOTIVE SALES DIVISION

Kutomotie 1 A
P.O.Box 157, FIN-00381 HELSINKI
Tel. +358 9 121 51
Fax +358 9 121 5401

Management
AARNO POHTOLA, Director
FREDRIK EKLUNDH, Ford
JYRKI JAALA, Mitsubishi, Skoda
EERO LEMBERG, After Sales Development
MARKKU LÖNNQVIST, VW, Audi
KALEVI TIKKA, Trade-in-vehicles
TUIJA YLINEN, Financial Administration

FORD
Stockmann Auto
HELSINKI, Herttoniemi
Valurinkatu 1
FIN-00810 HELSINKI
Tel. +358 9 121 481
Fax +358 9 121 4848

HELSINKI, Herttoniemi, Van and Truck Centre
Valurinkatu 1
FIN-00810 HELSINKI
Tel. +358 9 121 481
Fax +358 9 121 4858

HELSINKI, Pitäjänmäki
Kutomotie 1 A
P.O.Box 157, FIN-00381 HELSINKI
Tel. +358 9 121 51
Fax +358 9 121 5401

ESPOO, Niittykumpu
Kotitontuntie 2
FIN-02200 ESPOO
Tel. +358 9 525 9300
Fax +358 9 412 3225

VANTAA, Tikkurila
Kuriiritie 17
FIN-01510 VANTAA
Tel. +358 9 825 4130
Fax +358 9 870 1707

TURKU
Satakunnantie 164
FIN-20320 TURKU
Tel. +358 2 273 6900
Fax +358 2 273 6940

MITSUBISHI, SKODA
AutoCenter Stockmann
HELSINKI, Herttoniemi
Mekaanikonkatu 17
FIN-00810 HELSINKI
Tel. +358 9 121 491
Fax +358 9 121 4949

HELSINKI, Lauttasaari
Vattuniemenkatu 27
FIN-00210 HELSINKI
Tel. +358 9 673 261
Fax +358 9 692 2045

VANTAA, Tikkurila
Kuriiritie 19
FIN-01510 VANTAA
Tel. +358 9 121 496
Fax +358 9 121 4996

TURKU, Oriketo
Piiskakuja 10
FIN-20380 TURKU
Tel. +358 2 255 0255
Fax +358 2 255 0256

TAMPERE, Hatanpää
(Opening in April 2001)
Lahdenperänkatu 3
FIN-33900 TAMPERE
Tel. +358 3 3140 1600
Fax +358 3 3140 1666

VOLKSWAGEN, AUDI
HELSINKI, Herttoniemi
Mekaanikonkatu 10
FIN-00810 HELSINKI
Tel. +358 9 121 721
Fax +358 9 121 7300

HELSINKI, Kruununhaka (Service)
Mariankatu 22
FIN-00170 HELSINKI
Tel. +358 9 121 51
Fax +358 9 121 5637

HELSINKI, Pitäjänmäki
Kutomotie 1 A
P.O.Box 157, FIN-00381 HELSINKI
Tel. +358 9 121 51
Fax +358 9 121 5401

HELSINKI, Pitäjänmäki (Service and Body Shop)
Takkatie 7 a
FIN-00370 HELSINKI
Tel. +358 9 121 645
Fax. +358 9 121 6464

ESPOO, Suomenoja
Isonniitynkuja 2
FIN-02270 ESPOO
Tel. +358 9 804 601
Fax +358 9 8046 0222

ESPOO, Suomenoja (Service)
Martinkuja 6
FIN-02270 ESPOO
Tel. +358 9 8046 0321
Fax +358 9 8046 0320

VOLKSWAGEN (Service also AUDI)
VANTAA, Seutula
Kiitoradantie 2
FIN-01530 VANTAA
Tel. +358 9 825 991
Fax +358 9 821 280

INSTITUTIONAL SALES OF SPARE PARTS
(all product lines)
HELSINKI, Pitäjänmäki
Takkatie 7 a
FIN-00370 HELSINKI
Tel. +358 9 121 6405
Fax. +358 9 121 6400

HOBBY HALL DIVISION

Hämeentie 157
FIN-00560 HELSINKI
Tel. +358 9 777 611
Fax +358 9 7776 1381
www.hobbyhall.fi
E-mail: first name.surname@hobbyhall.fi

Management
HENRI BUCHT, Director of Hobby Hall Division
VEIKKO SYVÄNEN, Mail Order Sales Finland, Estonia, Latvia
PEKKA POLVINEN, e-commerce
SEPPO JURVAINEN, Data Management
VESA TUURI, Logistics
TUOMAS SAHI, Development of Functions, stores in Finland
YRJÖ STENBERG, Finance

Customer Service
Tel. +358 106 7722
E-mail: asiakaspalvelu@hobbyhall.fi

Logistics centres
Tahkotie 2
FIN-01740 VANTAA
Tel. +358 9 777 611
Fax +358 9 7776 1481

Valimotie 11
FIN-01510 VANTAA
Tel. +358 9 777 611
Fax +358 9 7776 1597

Stores

Hämeentie 157
FIN-00560 HELSINKI
Tel. +358 9 7776 1286
Fax +358 9 7776 1290

Kuitinmäentie 27
FIN-02240 ESPOO
Tel. +358 9 7776 1606
Fax +358 9 7776 1657

Valimotie 11
FIN-01510 VANTAA
Tel. +358 9 7776 1425
Fax +358 9 7776 1614

Sammon valtatie 2
FIN-33530 TAMPERE
Tel. +358 3 3123 2000
Fax +358 3 3123 2010

Estonia:
Customer Service
Tel. +372 6 339 600
Fax +372 6 339 603

Stores
Maakri 25
EE-10145 TALLINN, Estonia
Tel. +372 6 339 624
Fax +372 6 339 603

Toompuiestee 33 A
EE-10149 TALLINN, Estonia
Tel. +372 6 684 260
Fax +372 6 684 269

Latvia
Customer Service
Tel. +371 7073 200
Fax +371 7073 215

SEPPÄLÄ

Tikkurilantie 146
P.O.Box 234, FIN-01531 VANTAA
Tel. +358 9 825 981
Fax +358 9 8259 8356

Management
LARS EKLUNDH, Director
AKIF BESHAR, Field Operations, Administration
KIRSTI LEHMUSTO-ERÄNEN, Marketing
MEMME ILMAKUNNAS, Children's Wear, Cosmetics
ANJA RISSANEN, Ladies' Wear
TIMO SINKKONEN, Men's Wear

Stores in Finland:
Alajärvi, Espoo (6), Forssa, Haukipudas, Hamina, Heinola, Helsinki (7), Hollola, Hyvinkää, Huittinen, Hämeenlinna (2), Iisalmi, Imatra (2), Joensuu (2), Jyväskylä (3), Jämsä, Järvenpää, Kaarina, Kajaani (2), Kangasala, Kankaanpää, Karhula, Kauhajoki, Kauhava, Kemi, Kemijärvi, Kempele, Kerava, Keuruu, Kirkkonummi, Klaukkala, Kokkola (2), Kotka, Kouvola (3), Kuopio (3), Kurikka, Kuusamo, Kuusankoski, Lahti (3), Lappeenranta (2), Lapua, Laukaa, Lempäälä, Lieksa, Lohja, Loimaa, Loviisa, Mikkeli, Muurame, Mäntsälä, Naantali, Nastola, Nivala, Nokia, Orimattila, Oulu (2), Palokka, Parainen, Pello, Pieksämäki, Pietarsaari, Pirkkala, Pori (2), Porvoo, Raahe, Rauma, Raisio, Riihimäki, Rovaniemi, Salo, Savonlinna, Seinäjoki (2), Siilinjärvi, Sodankylä, Tammisaari, Tampere (5), Tornio, Turku (6), Uusikaupunki, Vaasa, Valkeakoski, Vammala, Vantaa (5), Varkaus, Ylivieska, Ylöjärvi, Äänekoski.

Estonia
Seppälä
Viru Väljak 4
EE-10140 TALLINN, Estonia
Tel. +372 6 301 981
Fax +372 6 313 426

Other stores in Estonia:
Kohtla-Järve, Narva, Pärnu, Tallinn (3), Tartu (2), Viljandi

Sweden
SPL
P.O. Box 917/Cederströms Slinga
SE-195 86 ARLANDASTAD, Sweden
Tel. +46 8 5911 7290
Fax +46 8 5911 7295

Other stores in Sweden:
Gävle, Norrköping, Skärholmen, Slagsta, Sollentuna, Södertälje

Aleksanterinkatu 52 B
P.O. Box 220
FIN-00101 HELSINKI
FINLAND
Tel. +358 9 1211
www.stockmann.fi