



We are aware that you will receive other comments from some Finnish retailers and also from the Finnish Commerce Federation. They will provide more detailed concerns about your proposal.

As a summary, Stockmann has serious concerns related to the proposed lease accounting model as a whole. We truly do not see the reason why the Board is trying to re-invent the wheel in a situation where the "Existing Wheel" is working properly. With this kind of planned changes you are forcing companies to spend their energy and resources into topics, which do not help the business at all. You should allow the companies to use their resources in developing the real business and profitability, and make the "Existing Wheel" to run faster. Therefore, we encourage the Board to retain the existing IAS 17 Leases, and – if truly necessary - to improve the principles related to the classification of finance and operating leases. We support the Boards' view that when a lease contract is a financing transaction, a lease liability should be recognized in the lessee's balance sheet. We believe that improved classification criteria coupled with improved disclosure requirements would enable the users of the financial statements to understand the amount and timing of cash flows arising from both finance as well as operating leases.

Yours sincerely,

STOCKMANN plc

A handwritten signature in blue ink, appearing to be 'Pekka Vähähyppä', written over a faint, larger version of the same signature.

Pekka Vähähyppä
Executive Vice President and CFO