KESKO
Interim report
January – March 2012

26 April 2012
SVP, CFO Jukka Erlund

Kesko's sales growth exceeded 10%

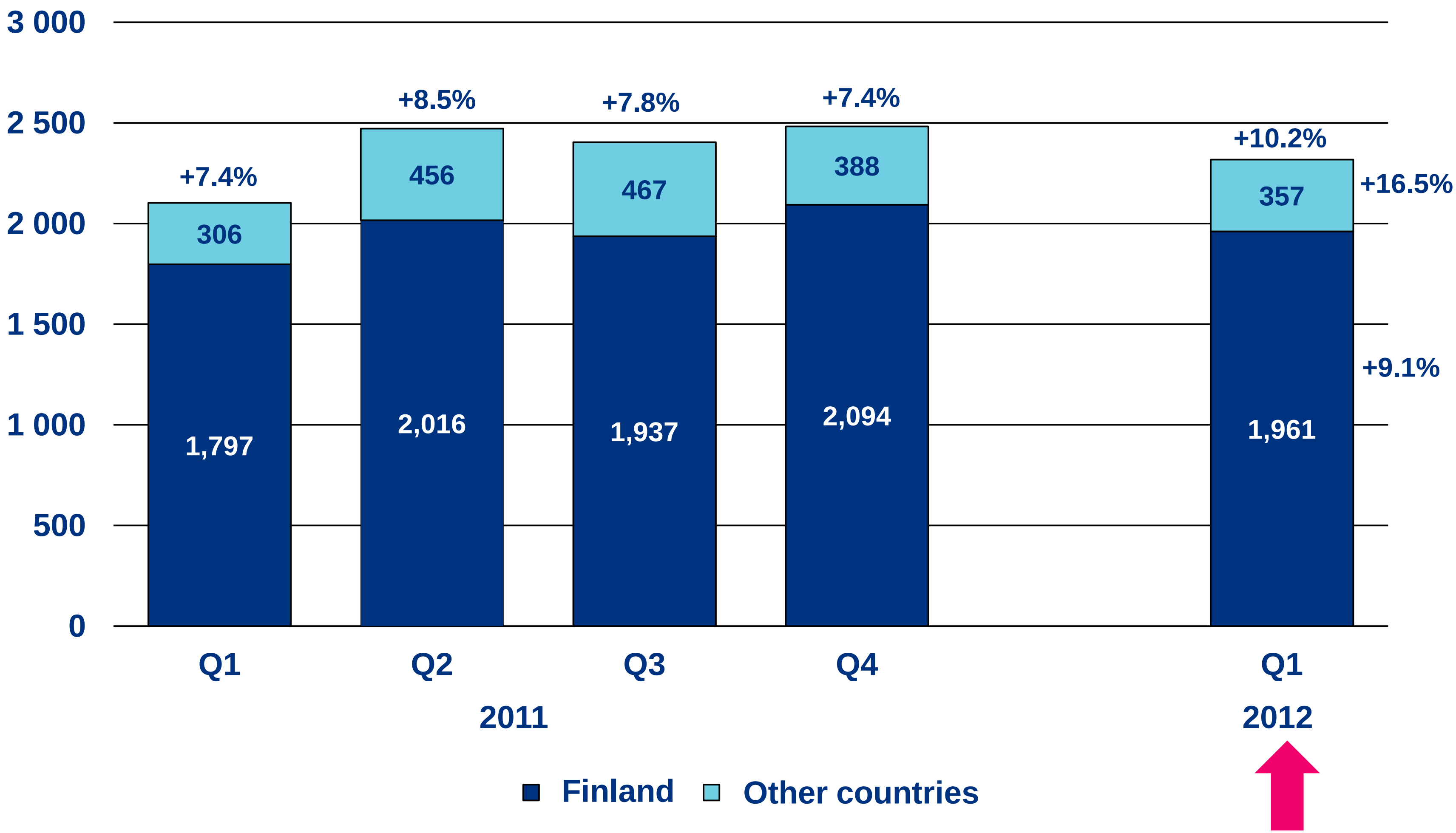
- K-Group's sales were €2.8 billion, up 10.4% (VAT 0%)
- Kesko's net sales for the first quarter €2.3 billion, up 10.2%
  - Sales of Audi, Volkswagen and Seat increased by 32%
  - The sales of the building and home improvement trade grew by 10%
- Operating profit excluding non-recurring items €23.6 million (€34.9 million)
  - Profitability was negatively impacted by the expansion of store site network and the expansion of Russian business operations
  - Profit was also weakened by the around €8 million write-offs, mainly on inventories, trade receivables and electricity derivatives
- Capital expenditure in the first quarter €104.1 million
  - In the food trade, five K-citymarkets and 14 K-supermarkets were opened or being built
  - In the building and home improvement trade, a K-rauta was opened in Moscow and Uppsala
- In order to improve profitability, the divisions have taken steps to prioritise capital expenditure, improve the use of working capital and make cost adjustments
- Kesko's solvency remained at an excellent level

KESKO

Net sales by division 1.1.-31.3. (M€)

	2012	2011	Change
Food trade	1,010	948	+7%
Home and speciality goods trade	369	348	+6%
Building and home improvement trade	629	570	+10%
Car and machinery trade	353	279	+26%
Group total	2,318	2,103	+10%

Group's net sales by quarter (M€)

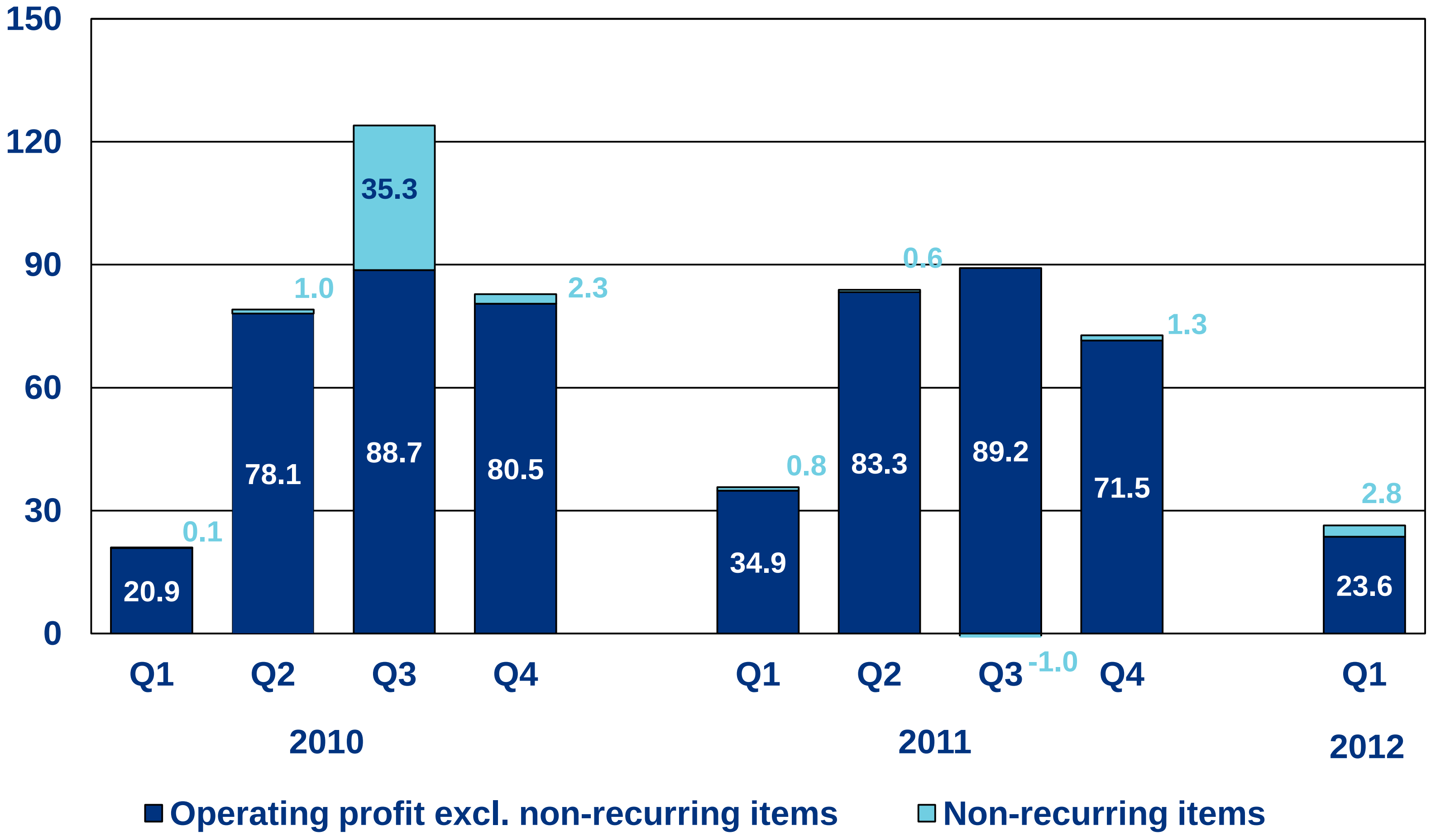


KESKO

Operating profit excl. non-recurring items by division 1.1.-31.3. (M€)

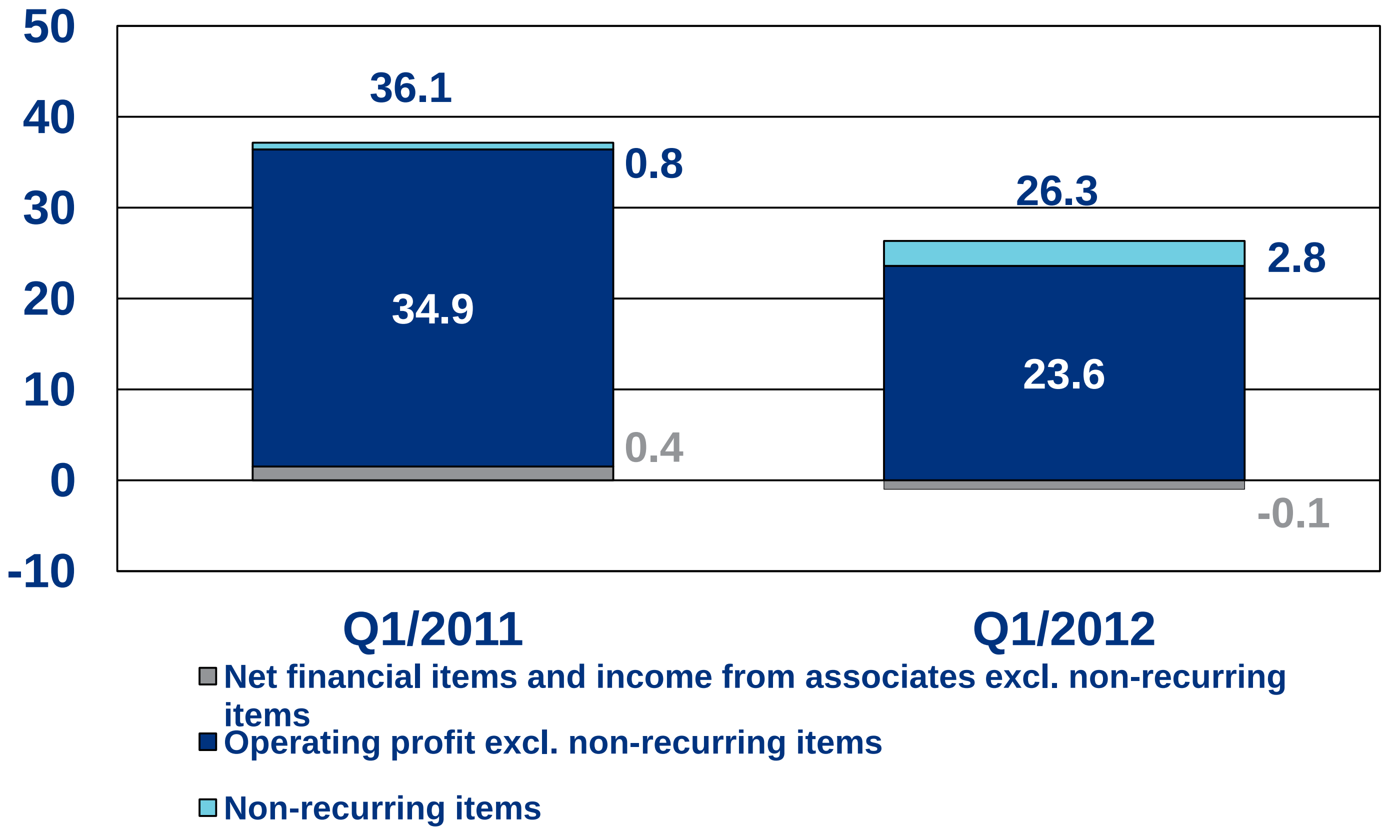
	2012	2011	Change, M€
Food trade	35	41	-6
Home and speciality goods trade	-13	-7	-5
Building and home improvement trade	-9	-9	0
Car and machinery trade	16	12	3
Group total	**24**	**35**	**-11**

Operating profit by quarter (M€)

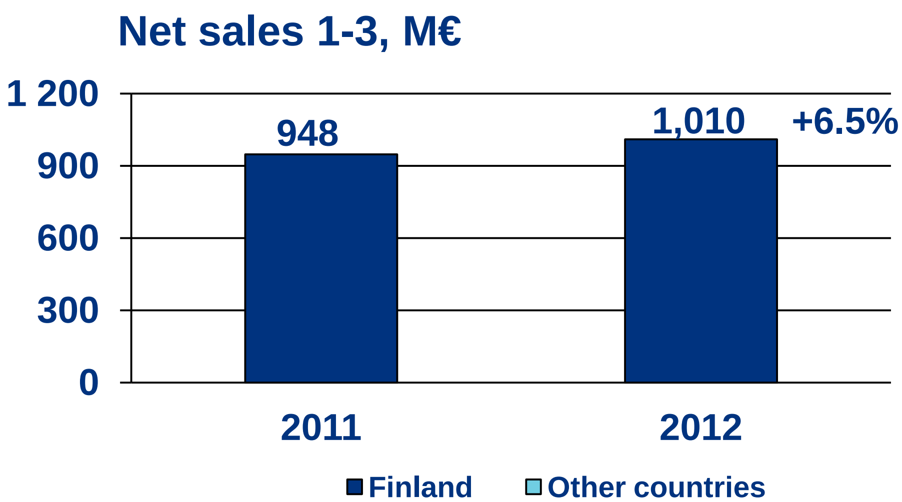


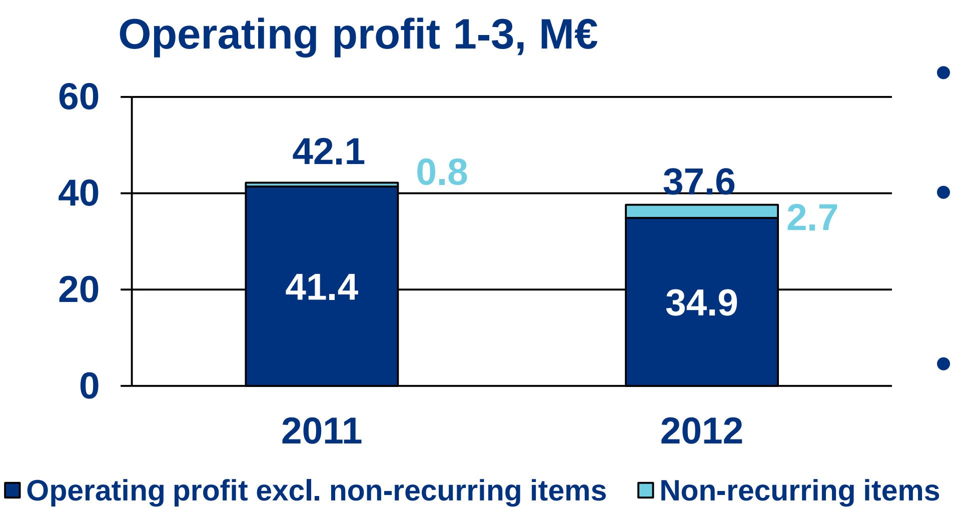
KESKO

Group's profit before tax Q1/2012 (M€)



Food trade 1-3/2012

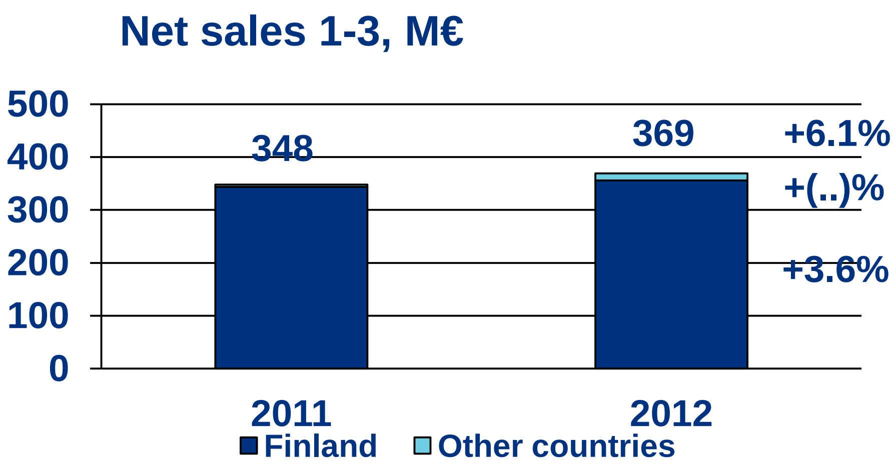


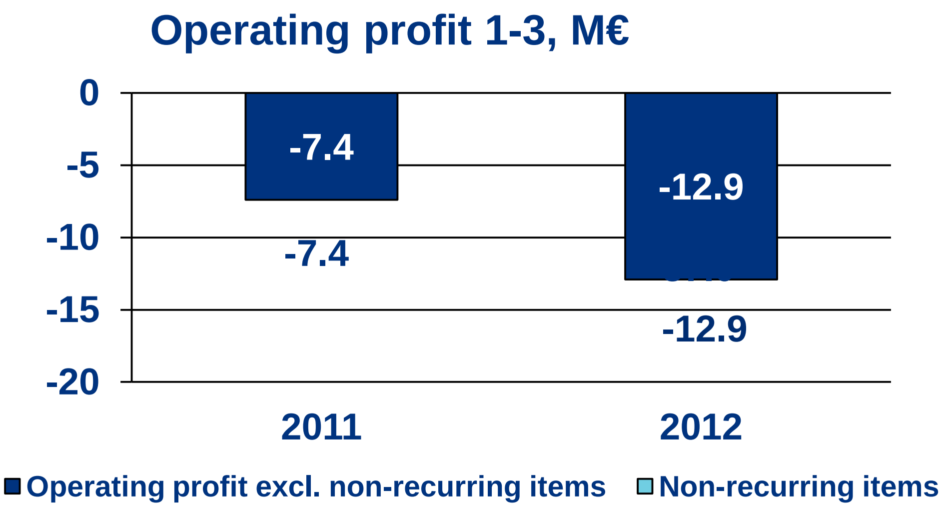


- Net sales increased by 6.5%
  - Sales of Pirkka products grew by 16%
- Operating profit performance was impacted by the launch of Russian operations and the expansion of store site network
  - Costs were also increased by a €1.8 million write-off on electricity hedges
- Capital expenditure on store sites was €56.5 million (€29.0 million)
- During the first quarter, one new K-citymarket and two K-supermarkets were opened
- Four new K-citymarkets and 12 K-supermarkets are being built

KESKO

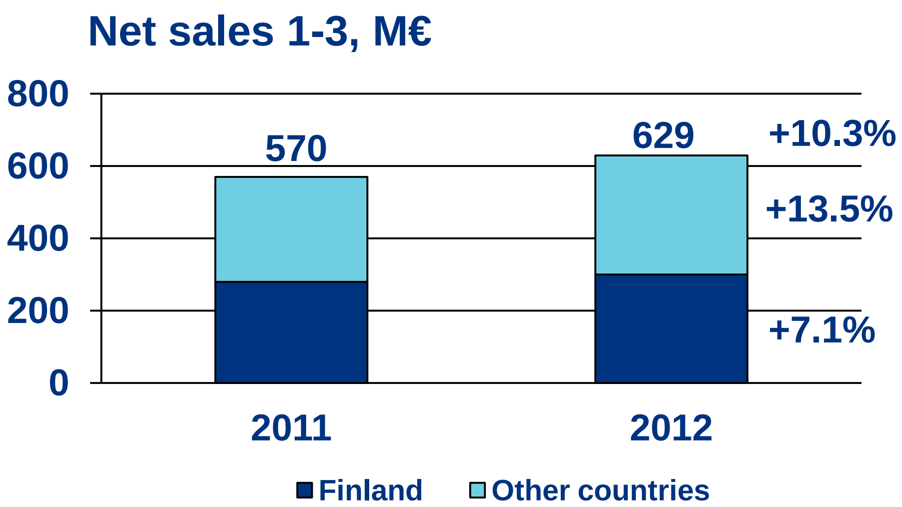
Home and speciality goods trade 1-3/2012

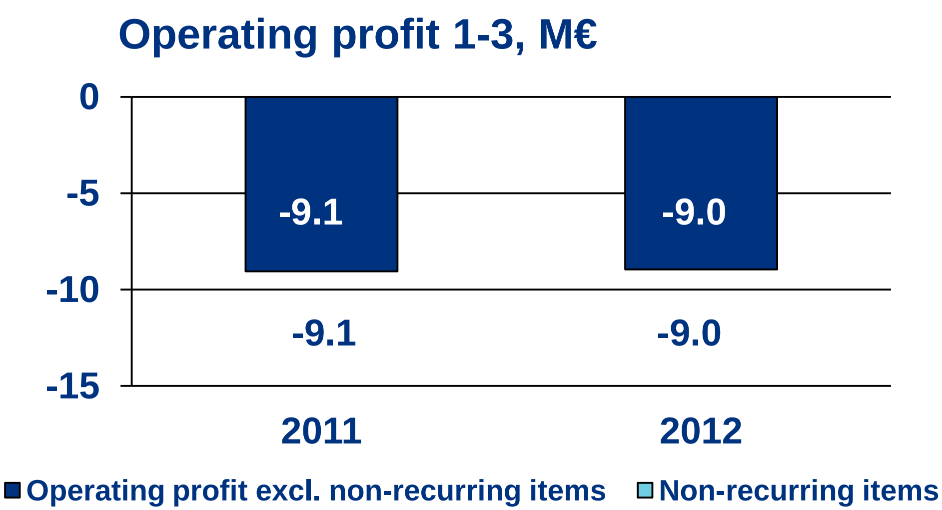




- Sales increased by 6.1%
  - Especially Intersport, Asko and Sotka achieved good sales performances
- Profitability was weakened by costs arising from the integration and development of the operations of K-citymarket and Anttila, the expansion of the store site network and the loss from Russian Intersport operations.
- Capital expenditure was €18.5 million (€8.1 million)
- One new K-citymarket, Anttila, Intersport, Asko and Konebox were opened
- Kookenkä concept reform was implemented successfully

Building and home improvement trade 1-3/2012

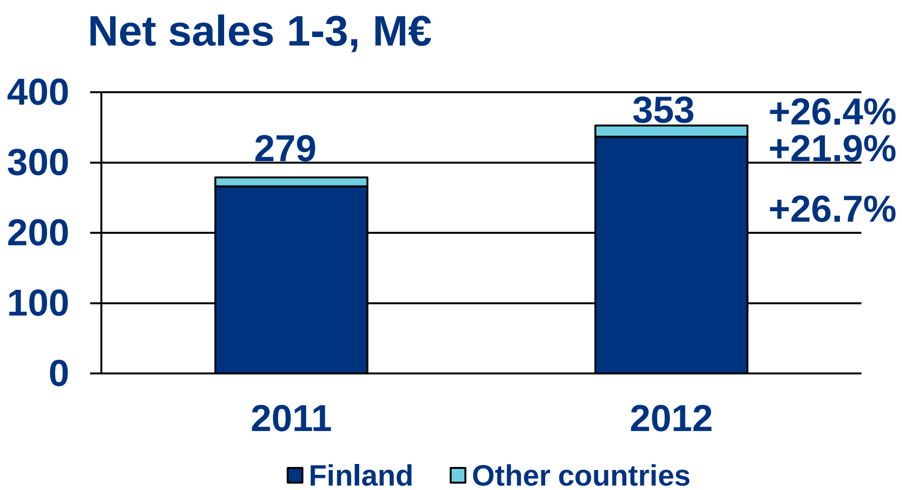


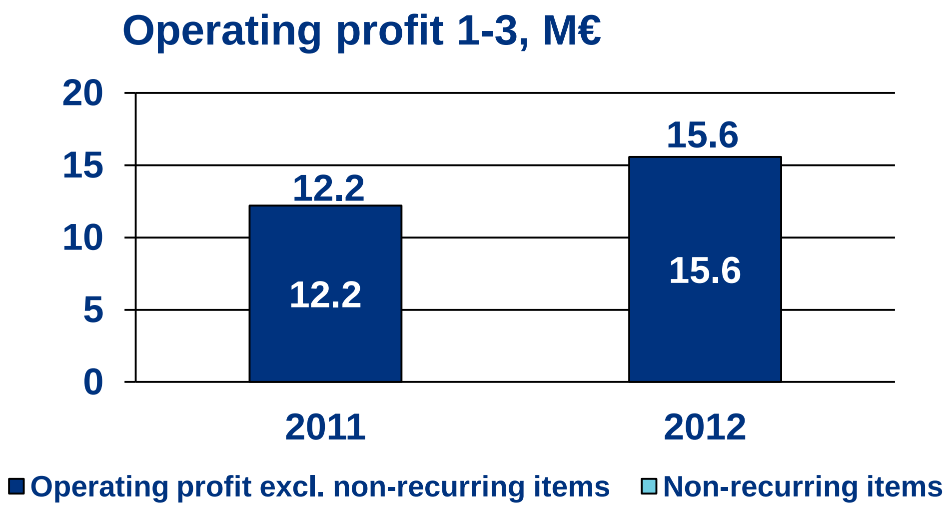


- The sales increased in all operating countries
  - Most significant growth in basic building supplies
- Operating profit at the level of the previous year. Profit performance was impacted by
  - New store site openings
  - Costs of the international ERP system
  - Write-offs on obsolete inventories and trade receivables
- Capital expenditure was €11.8 million (€18.7 million)
- A K-rauta was opened in Moscow and Uppsala

KESKO

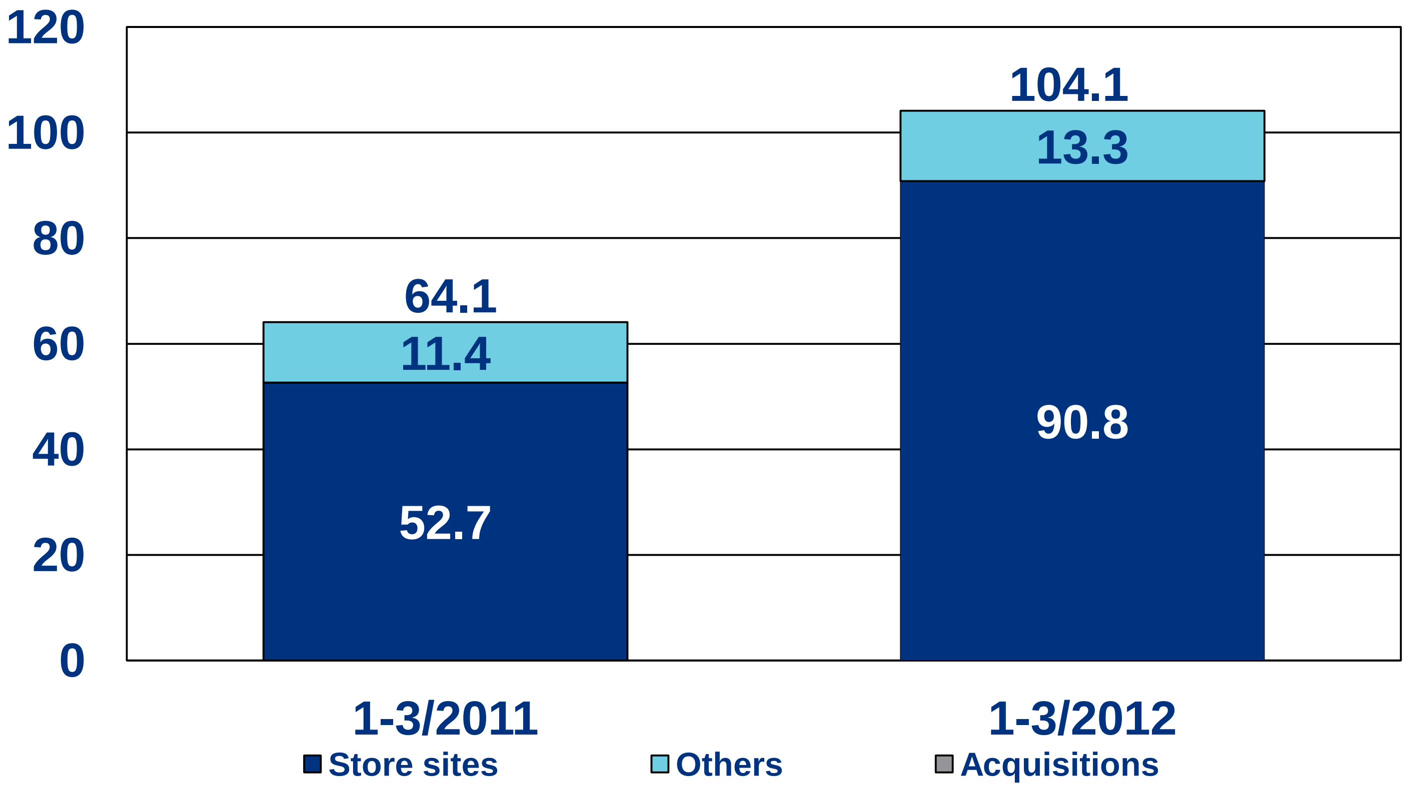
Car and machinery trade 1-3/2012



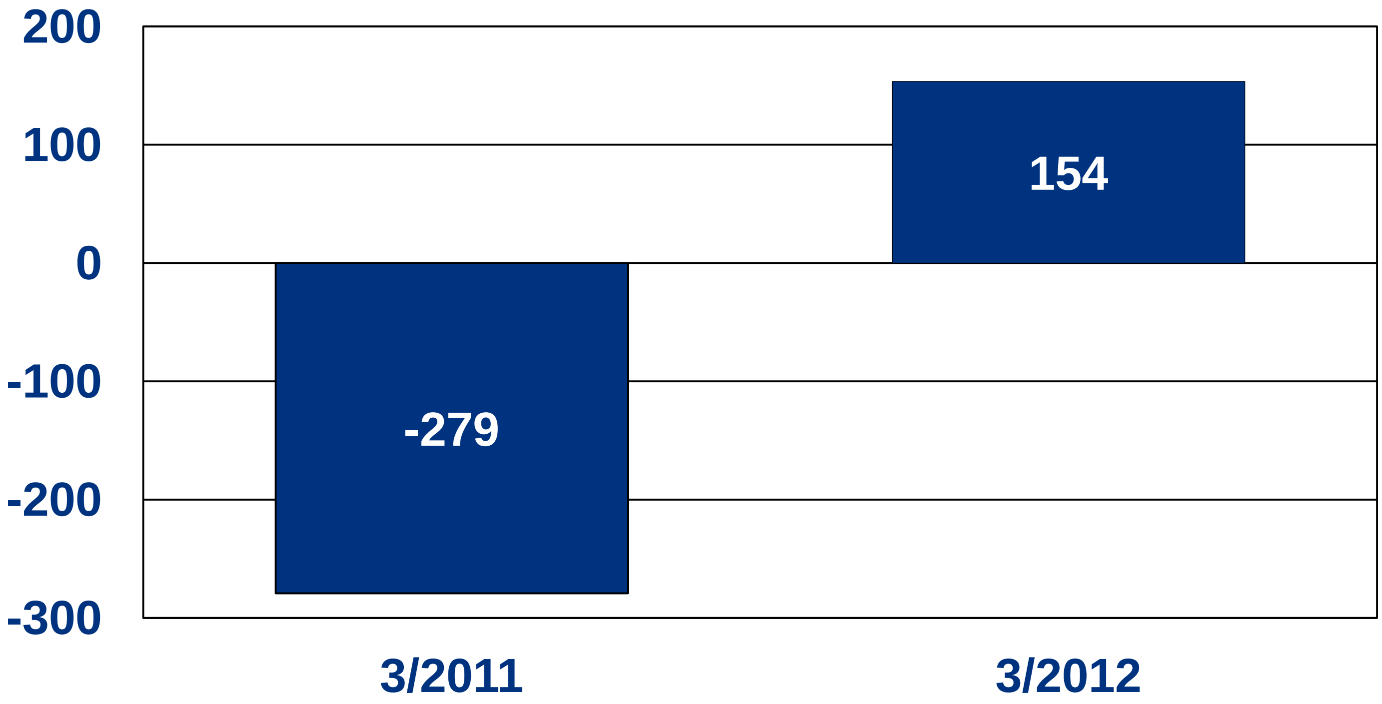


- Net sales increased by 26.4%
  - Sales and profit of the car trade at record levels, net sales up 32.4%. The growth was boosted by the car tax change effective 1 April 2012
- Market share of Audi, Volkswagen and Seat passenger cars and vans rose to 19.9% in January-March
- In the spring, a Volkswagen Center will be opened in Espoo and Turku
- Konekesko's net sales growth 5.6%

Group's capital expenditure (M€)

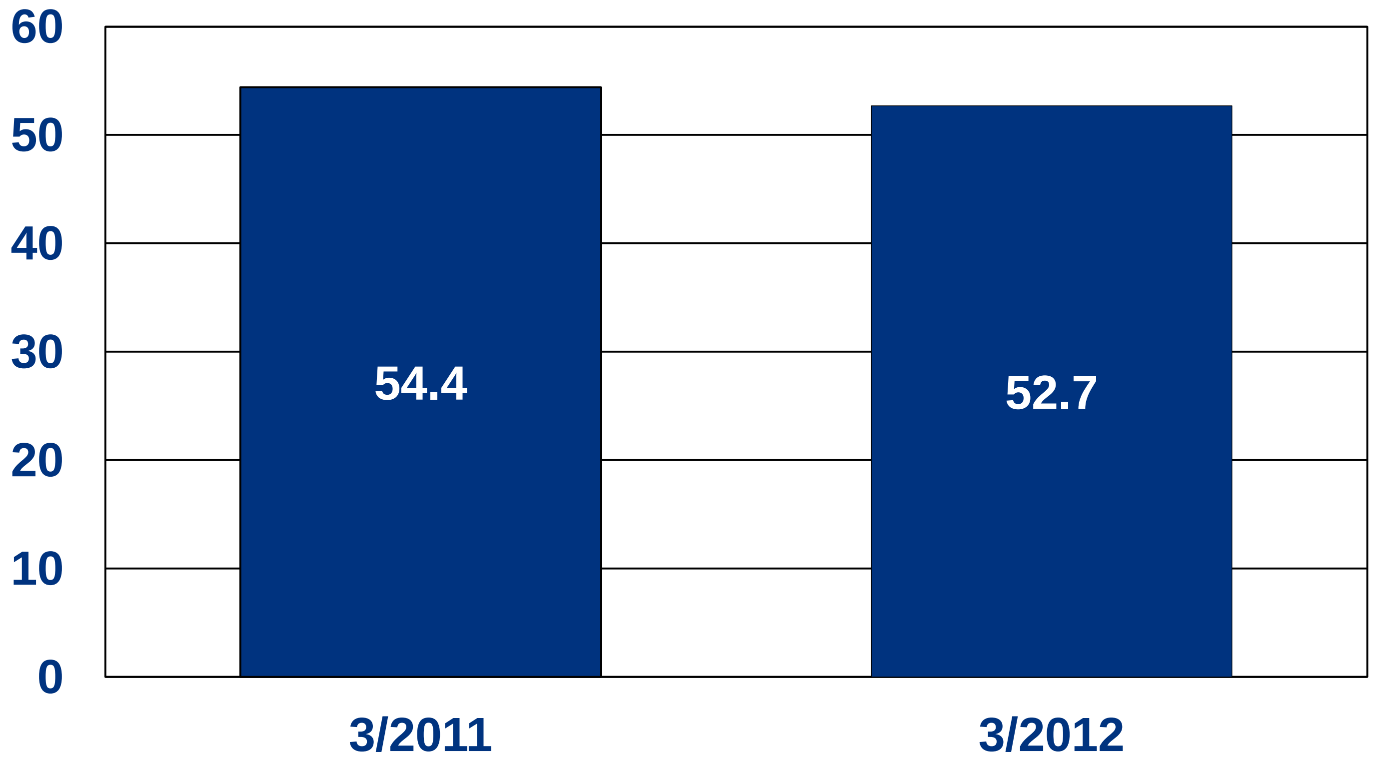


Interest-bearing net debt (M€)



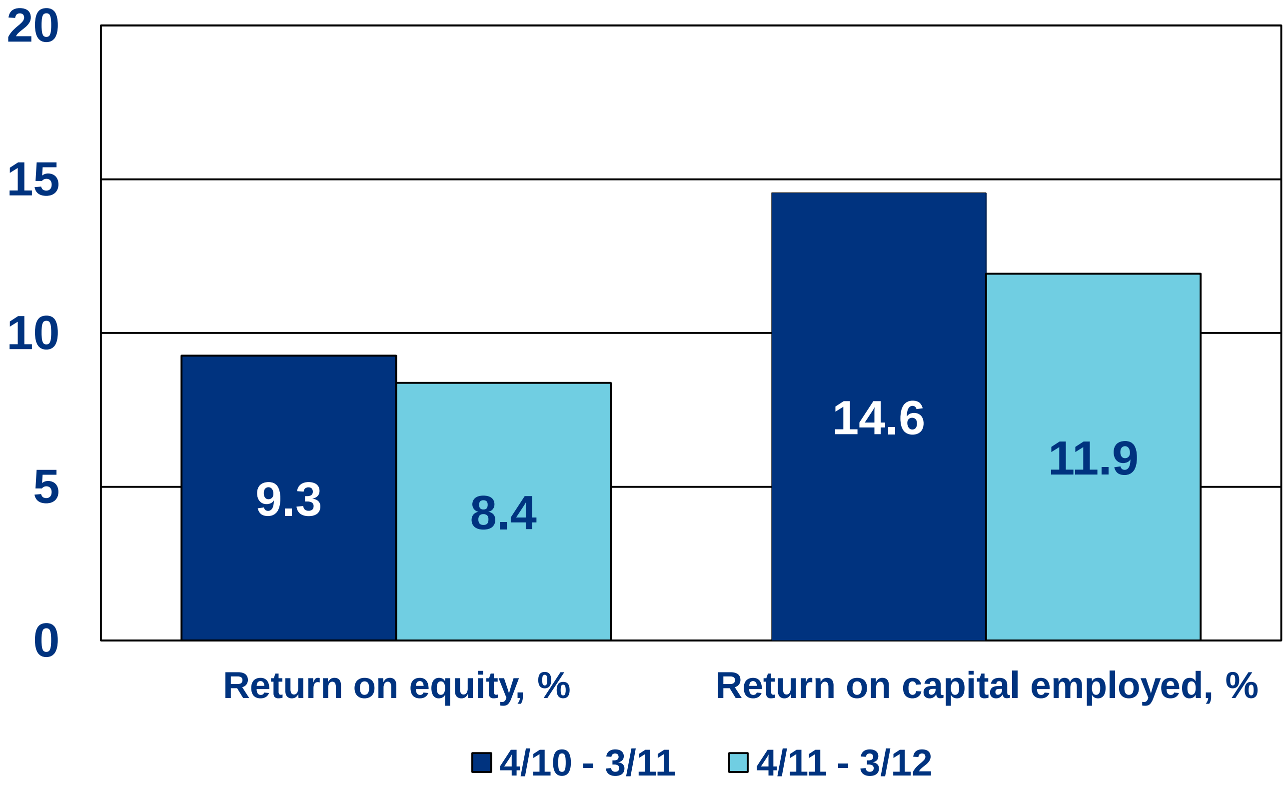
Liquid assets 3/2012: €293 million (3/2011: €724 million)

Equity ratio, %



KESKO

Return on capital excl. non-recurring items, moving 12 mo (%)



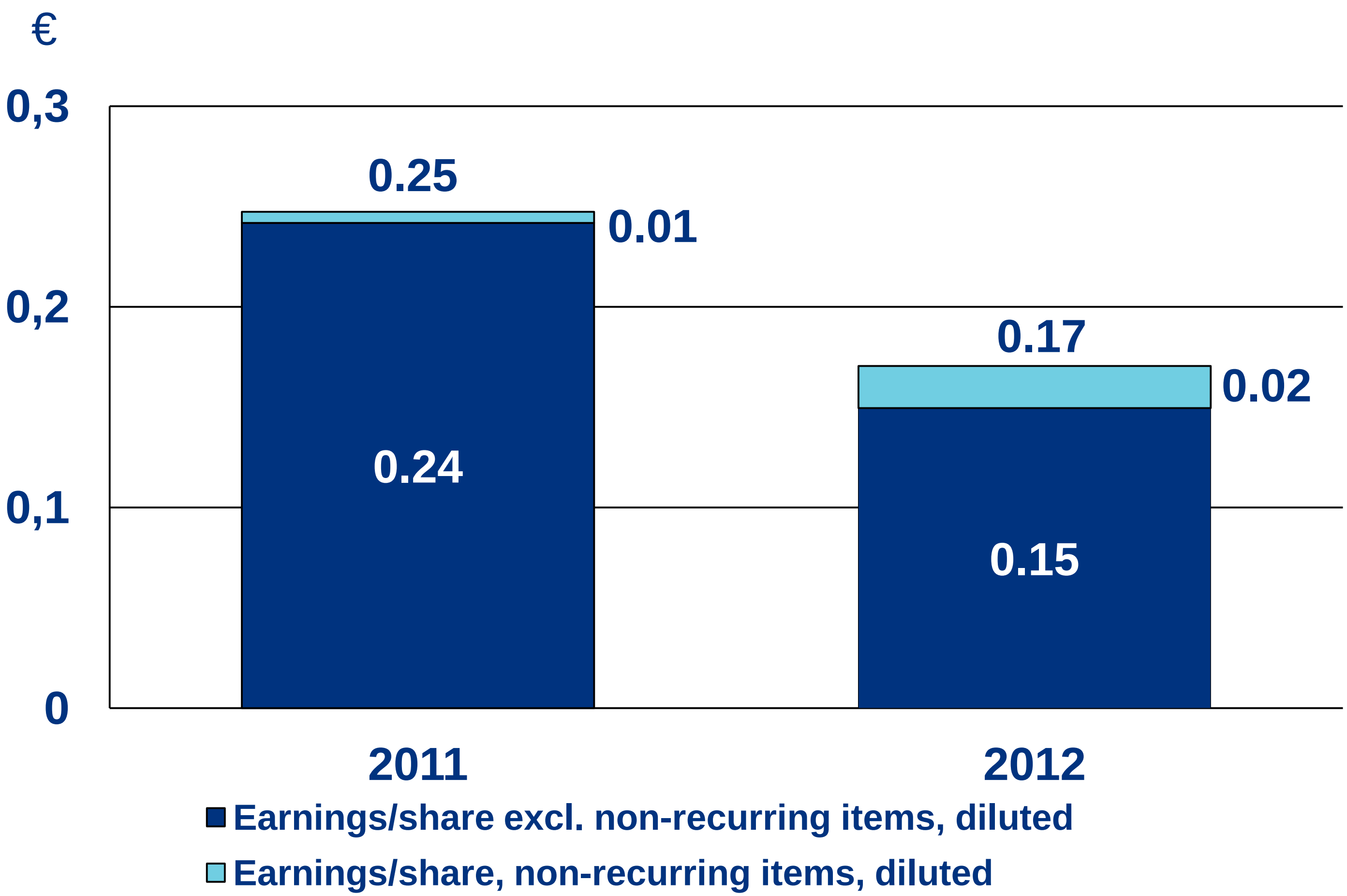
KESKO

Performance indicators

	1-3/2012	1-3/2011
Net sales, € million	2,318	2,103
Operating profit, € million	26	36
Operating profit excl. non-recurring items, € million	24	35
Group's profit before tax, € million	26	36
Capital expenditure, € million	104	64
Earnings/share, €, diluted	0.17	0.25
Earnings/share excl. non-recurring items, €, basic	0.15	0.24
Return on capital employed excl. non-recurring items, %, moving 12 mo	11.9	14.6
Return on equity excl. non-recurring items, %, moving 12 mo	8.4	9.3
Equity/share, €	22.42	22.04
Equity ratio, %	52.7	54.4
Cash flow from operating activities, € million	-5	-25
Cash flow from investing activities, € million	-92	-68

KESKO

Earnings/share
(diluted)



KESKO

Future outlook

Estimates of the future outlook for the Kesko Group's net sales and operating profit excluding non-recurring items are given for the 12 months following the reporting period (4/2012-3/2013) in comparison with the 12 months preceding the reporting period (4/2011-3/2012).

Resulting from the problems of European national economies, the outlook for the general economic situation continues to be characterised by significant uncertainty. In addition, cuts in public finances and tightening taxation increase the uncertainty about the development of consumer demand. However, the outlook for consumer demand as a whole has improved during the first months of 2012.

The steady growth in the grocery trade and the home and speciality goods trade is expected to continue. Growth in the building and home improvement trade in Finland is expected to even out as the growth of building construction slows down. In the car and machinery trade, the market is expected to turn down as a result of the car tax change effective 1 April 2012.

The Kesko Group's net sales are expected to grow during the next twelve months. Owing to the costs involved in the expansion of the store site network and Russian business operations, as well as a sales decrease in the car trade, we are prepared for the operating profit excluding non-recurring items for the next twelve months to be lower than the operating profit excluding non-recurring items for the preceding twelve months.

Thank you!

KESKO