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Q3/2014

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Kesko Corporation

# Interim Report

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January-September 2014

**KESKO**

# KESKO'S INTERIM REPORT FOR THE PERIOD 1 JAN. TO 30 SEP. 2014

## Financial performance in brief:

- The Group's net sales for January-September €6,804 million, change -2.2%.
- Operating profit excluding non-recurring items €170.8 million (€172.0 million).
- Earnings per share excluding non-recurring items €1.23 (€1.09).
- Equity ratio 54.2% (52.9%).
- Kesko Group's net sales and operating profit excluding non-recurring items for the next 12 months are expected to remain at the level of the preceding 12 months.

## KEY PERFORMANCE INDICATORS

	1-9/2014	1-9/2013	7-9/2014	7-9/2013
Net sales, € million	6,804	6,953	2,304	2,374
Operating profit excl. non- recurring items, € million	170.8	172.0	84.0	83.6
Operating profit, € million	119.7	180.4	63.4	84.1
Profit before tax, € million	118.7	174.4	61.7	81.5
Capital expenditure, € million	150.8	124.9	51.7	35.4
Earnings per share, diluted, €	0.80	1.15	0.41	0.53
Earnings per share excl. non-recurring items, basic, €	1.23	1.09	0.59	0.53

	30.9.2014	30.9.2013
Equity ratio, %	54.2	52.9
Equity per share, €	22.25	22.39

## FINANCIAL PERFORMANCE

### NET SALES AND PROFIT FOR JANUARY-SEPTEMBER 2014

The Group's net sales for January-September 2014 were €6,804 million, which is 2.2% down on the corresponding period of the previous year (€6,953 million). The general economic situation and consumer demand remained weak during the reporting period especially in Finland. In the food trade, net sales decreased by 1.3%, in the home and speciality goods trade by 9.3% and in the machinery trade by 12.2%. In the building and home improvement trade, net sales in euros were at the previous year's level, net sales in local currencies increased by 3.7%. In the car trade, net sales increased by 2.5%. The Group's net sales in Finland decreased by 2.9% and in the other countries, net sales increased by 1.3% and by 8.2% in local currencies. International operations accounted for 18.8% (18.2%) of net sales.

1-9/2014	Net sales, € million	Change, %	Operating profit excl. non-recurring items, € million	Change, € million
Food trade	3,197	-1.3	155.7	+0.7
Home and speciality goods trade	923	-9.3	-48.3	-18.4
Building and home improvement trade	2,013	+0.1	45.8	+19.0
Car and machinery trade	796	-1.9	27.8	-2.8
Common operations and eliminations	-126	-0.4	-10.2	+0.2
<b>Total</b>	<b>6,804</b>	<b>-2.2</b>	<b>170.8</b>	<b>-1.2</b>

The operating profit excluding non-recurring items for January-September was €170.8 million (€172.0 million). Despite the decline in net sales, profitability remained at a good level due to significant cost savings. The profitability of the building and home improvement trade improved markedly and remained at a good level in the food trade and in the car and machinery trade. Profit was negatively impacted by the sales decrease of the home and speciality goods trade and especially by Anttila's loss-making business. Operating expenses excluding non-recurring items decreased by €16.8 million (1.3%).

Operating profit was €119.7 million (€180.4 million). The operating profit includes €-51.1 million (€8.4 million) of non-recurring items. The non-recurring items include a restructuring provision recognised for the reduction of the Anttila department store

network and an impairment charge on fixed assets related to the integration of K-citymarket non-food with Anttila, a total of €43.4 million. In addition, the non-recurring items include a restructuring provision of €5.3 million related to changes in the retail business of Byggmakker in Norway. The non-recurring items for the comparative period included €9.4 million of gains on the disposal of properties.

The Group's profit before tax for January-September was €118.7 million (€174.4 million).

The Group's earnings per share were €0.80 (€1.15). The Group's equity per share was €22.25 (€22.39).

In January-September, the K-Group's (i.e. Kesko's and the chain stores') retail and B2B sales (VAT 0%) were €8,472 million, down 1.8% compared to the previous year. The K-Plussa customer loyalty programme gained 48,052 new households in January-September. At the end of September, there was 2,271,367 K-Plussa households and 3.6 million K-Plussa cardholders.

### NET SALES AND PROFIT FOR JULY-SEPTEMBER 2014

The Group's net sales for July-September 2014 were €2,304 million, which is 2.9% down on the corresponding period of the previous year (€2,374 million). The decrease in net sales is mainly attributable to the decline in the net sales of the home and speciality goods trade and the machinery trade. In Finland, net sales were down 3.2% and 2.0% in the other countries. In the food trade, net sales decreased by 1.0%. In terms of euros, the net sales performance of the building and home improvement trade (-1.9%) was impacted by the weakening of the exchange rate of the Russian rouble, net sales in terms of local currencies were up 0.1%. International operations accounted for 20.4% (20.2%) of the Group's net sales.

7-9/2014	Net sales, € million	Change, %	Operating profit excl. non-recurring items, € million	Change, € million
Food trade	1,085	-1.0	56.3	+0.3
Home and speciality goods trade	323	-8.1	-7.4	-5.2
Building and home improvement trade	696	-1.9	29.6	+5.7
Car and machinery trade	240	-7.7	8.7	-1.1
Common operations and eliminations	-40	-6.6	-3.2	+0.8
<b>Total</b>	<b>2,304</b>	<b>-2.9</b>	<b>84.0</b>	<b>+0.4</b>

The operating profit excluding non-recurring items for July-September was €84.0 million (€83.6 million) representing 3.6% (3.5%) of net sales. Profitability was improved by the good profit performance of the foreign operations of the building and home improvement trade. As a result of the decline in sales, profitability weakened in the home and speciality goods trade, especially in Anttila. Due to enhancement measures, operating expenses excluding non-recurring items decreased by 1.6%

Operating profit was €63.4 million (€84.1 million). The operating profit includes €-20.7 million (€0.5 million) of non-recurring items. The item includes an impairment charge of €17.2 million on fixed assets related to the integration of K-citymarket non-food with Anttila and a restructuring provision of €5.3 million related to changes in the retail business of Byggmakker in Norway. The Group's profit before tax for July-September was €61.7 million (€81.5 million).

The Group's earnings per share were €0.41 (€0.53).

In July-September, the K-Group's (i.e. Kesko's and the chain stores') retail and B2B sales (VAT 0%) were €2,933 million, down 2.6% compared to the previous year.

### FINANCE

In January-September, the cash flow from operating activities was €167.4 million (€299.3 million). The cash flow from investing activities was €-143.6 million (€-113.3 million) including a €7.9 million (€16.6 million) amount of proceeds from the sale of fixed assets.

The Group's liquidity remained at an excellent level in January-September. At the end of the period, liquid assets totalled €503 million (€537 million). Interest-bearing liabilities were €500 million (€568 million) and interest-bearing net debt €-3 million (€31 million) at the end of September. Equity ratio was 54.2% (52.9%) at the end of the period.

In January-September, the Group's net finance costs were €1.1 million (€5.4 million). They include interest income on cooperative capital from Suomen Luotto-osuuskunta in the amount of €4.9 million (€4.0 million).

In July-September, the cash flow from operating activities was €133.5 million (€113.6 million). The cash flow from investing activities was €-51.2 million (€-33.3 million) including a €1.6 million (€2.6 million) amount of proceeds from the sale of fixed assets.

In July-September, the Group's net finance costs were €1.8 million (€2.6 million).

### TAXES

In January-September, the Group's taxes were €31.2 million (€52.3 million). The effective tax rate was 26.3% (30.0%).

In July-September, the Group's taxes were €16.2 million (€24.0 million). The effective tax rate was 26.2% (29.4%).

## CAPITAL EXPENDITURE

In January-September, the Group's capital expenditure totalled €150.8 million (€124.9 million), or 2.2% (1.8%) of net sales. Capital expenditure in store sites was €113.5 million (€92.5 million), in IT €24.2 million (€16.1 million) and other capital expenditure was €13.1 million (€16.3 million). Capital expenditure in foreign operations represented 42.3% (42.6%) of total capital expenditure.

In July-September, the Group's capital expenditure totalled €51.7 million (€35.4 million), or 2.2% (1.5%) of net sales. Capital expenditure in store sites was €39.1 million (€25.7 million), in IT €8.6 million (€4.0 million) and other capital expenditure was €4.0 million (€5.7 million). Capital expenditure in foreign operations represented 41.8% (43.7%) of total capital expenditure.

## KESKO'S STRATEGIC FOCUS AREAS

The key focus areas in Kesko's business operations are to strengthen sales growth and the return on capital in all divisions, to exploit business opportunities in e-commerce and in Russia, and to maintain good solvency and dividend payment capacity.

## PROFITABILITY PROGRAMME

Because of the further weakened economic situation and consumer demand, Kesko continues to implement the profitability programme with the key objective of improving the Group's cost-effectiveness. Cost savings will be implemented in all divisions and across all types of expense. The most significant measures will be targeted at operations with low profitability.

## KESKO SEEKS MORE COMPETITIVE MULTI-CHANNEL HOME AND SPECIALITY GOODS TRADE

In the home and speciality goods trade and the building and home improvement trade, the importance of e-commerce and online services has greatly increased and the improvement of competitiveness necessitates major renewal. In response to these requirements, Kesko is seeking synergies especially in the production of online services and the development of concepts. At the same time, a basis to improve profitability is formed, the organisational structure is evaluated, the integration of the building and home improvement division with the home and speciality goods division into the home improvement and speciality goods division is planned, and K-citymarket chain's non-food part, currently part of the home and speciality goods division, is planned to be integrated into Kesko Food to jointly form the grocery trade division starting from 1 January 2015.

The objective is to offer customers multi-channel building, interior decoration and home and speciality goods stores and services. The aim of the planned combination of resources is to achieve better customer satisfaction as well as improved competitiveness and profitability.

In order for a more detailed discussion of the change plans, cooperation negotiations were started in Kesko's home and speciality goods trade companies and building and home improvement trade companies in Finland, as well as in Kesko Food Ltd, Kesko Corporation and K-Plus Oy after the end of the reporting period. The planned changes would cause significant changes in the organisational structure and employees' job descriptions, especially in functions that support sales and purchasing operations. A total of approximately 2,800 people are included in the negotiations and the total reduction need in the companies is estimated at a maximum of 230 full-time equivalents.

The aim in Kesko Group's reporting is that starting from 1 January 2015, the reportable segments would be the grocery trade, the home improvement and speciality goods trade, and the car and machinery trade. Kesko will publish comparatives according to the new reporting structure in the first quarter of 2015.

## IMPROVING ANTILA'S PROFITABILITY

In order to improve Anttila's profitability, a decision was made in March to close eight Anttila department stores and four Kodin1 department stores operating in leased premises and to implement enhancement measures in the central units of Anttila Oy and K-citymarket Oy. By the end of the reporting period, six Anttila department stores had been closed.

Personnel reductions at Anttila department stores, Kodin1 department stores, the central unit and logistics operations totalled approximately 400 full-time equivalents. In addition to the renewal of Anttila's operating activities aimed at improving profitability, the option of selling Anttila Oy is also investigated.

## NET SALES TARGETS IN RUSSIA

In consequence of the weakening of the Russian business environment and the rouble, coupled with the availability of Russian store sites suitable for Kesko's operations, the growth targets for Kesko's Russian operations have been updated. The total net sales from the Russian operations are expected to exceed €1 billion in 2017 and the business result is expected to be positive. The capital expenditure in Russia is anticipated at approximately €100-150 million annually. The net sales target of the building and home improvement trade for 2017 is set at €500 million (previously €800 million). The objectives set for the food trade have not been changed; for 2017, the net sales target is €500 million and a positive business result.

## KESKO LOOKS INTO SETTING UP A REAL ESTATE FUND

Kesko is looking into selling some of its store sites to a fund to be set up with Kesko as one of its major investors. Kesko Group would continue its operations in the store sites under long-term leases signed in connection with their sales to the fund.

Kesko's objective is to set up a fund of mainly Kesko-owned store sites and shopping centres in Finland and Sweden with a maximum fair value of approximately €750 - 950 million.

Launching the real estate investment fund depends, in addition to investor interest, on whether it is possible for Kesko to achieve such terms and conditions in the arrangement that are commercially viable for it, taking the Group's strong financial position into account. Moreover, starting a real estate investment fund is subject to the authorisation of the Financial Supervisory Authority.

The possible fund is expected to be launched in the course of 2014.

## PERSONNEL

In January-September, the average number of employees in Kesko Group was 20,024 (19,481) converted into full-time employees. In Finland, the average decrease was 208 people, while outside Finland, there was an increase of 752 people.

At the end of September 2014, the number of employees was 23,459 (23,203), of whom 11,726 (12,159) worked in Finland and 11,733 (11,044) outside Finland. Compared to the end of September 2013, there was a decrease of 433 people in Finland and an increase of 689 people outside Finland.

In January-September, the Group's staff cost was €452.6 million, showing a 0.7% increase compared to the previous year. In July-September, staff cost decreased by 0.6% compared to the previous year and was €138.1 million.

## SEGMENT INFORMATION

### SEASONAL NATURE OF OPERATIONS

The Group's operating activities are affected by seasonal fluctuations. The net sales and operating profits of the reportable segments are not earned evenly throughout the year. Instead, they vary by quarter depending on the characteristics of each segment.

### FOOD TRADE

	1-9/2014	1-9/2013	7-9/2014	7-9/2013
Net sales, € million	3,197	3,239	1,085	1,095
Operating profit excl. non-recurring items, € million	155.7	155.0	56.3	56.0
Operating margin excl. non-recurring items, %	4.9	4.8	5.2	5.1
Capital expenditure, € million	72.0	67.9	25.3	24.0

Net sales, € million	1-9/2014	Change, %	7-9/2014	Change, %
Sales to K-food stores	2,391	-2.8	806	-1.8
Kespro	589	-1.8	209	+0.1
K-ruoka, Russia	77	+81.6	26	+30.1
Others	140	+3.2	44	-4.9
<b>Total</b>	<b>3,197</b>	<b>-1.3</b>	<b>1,085</b>	<b>-1.0</b>

#### January-September 2014

In the food trade, the net sales for January-September were €3,197 million (€3,239 million), down 1.3%. During the same period, the grocery sales of K-food stores in Finland decreased by 1.9% (VAT 0%). In the grocery market, retail prices are estimated to have changed by some +1% compared to the previous year (VAT 0%, Kesko's own estimate based on the Consumer Price Index of Statistics Finland), and the total market (VAT 0%) is estimated to have grown in January-September by some 1% compared to the previous year (Kesko's own estimate). The rise of consumer prices in the grocery trade has stopped during the reporting period. The performance of sales and profitability of the food stores in Russia were as planned despite the slowdown of the Russian economy and the weakening of the rouble.

In January-September, the operating profit excluding non-recurring items of the food trade was €155.7 million (€155.0 million), or €0.7 million up on the previous year. Profitability was improved by savings achieved from enhanced operations. Operating profit was €151.8 million (€159.7 million). Non-recurring expenses were €3.9 million (non-recurring income €4.8 million).

The capital expenditure of the food trade in January-September was €72.0 million (€67.9 million), of which €66.6 million (€60.0 million) in store sites.

#### July-September 2014

In the food trade, the net sales for July-September were €1,085 million (€1,095 million), down 1.0%.

In July-September, the operating profit excluding non-recurring items of the food trade was €56.3 million (€56.0 million), or €0.3 million up on the previous year. Operating profit was €54.4 million (€56.5 million). Non-recurring expenses were €1.9 million (non-recurring income €0.4 million).

The capital expenditure of the food trade in July-September was €25.3 million (€24.0 million).

In July-September 2014, one new K-supermarket was opened. Renewals and space modifications were made in a total of eight stores. In September, the fifth K-ruoka store in St. Petersburg was opened.

The most significant store sites being built are a K-citymarket in the Puuvilla shopping centre in Pori and K-supermarkets in Lauttasaari, Helsinki, and in Hanko, Hollola, Lappeenranta and Uusikaarlepyy. K-market Kreivintori in Raahe is being expanded into a K-supermarket and K-supermarket Laitila and K-supermarket Lautturi in Huittinen are being expanded.

Numbers of stores as at 30 September	2014	2013
K-citymarket	80	80
K-supermarket	220	215
K-market (incl. service station stores)	442	445
K-ruoka, Russia	5	3
Others*	166	178

\* incl. online stores

## HOME AND SPECIALITY GOODS TRADE

	1-9/2014	1-9/2013	7-9/2014	7-9/2013
Net sales, € million	923	1,018	323	351
Operating profit excl. non-recurring items, € million	-48.3	-29.9	-7.4	-2.2
Operating margin excl. non-recurring items, %	-5.2	-2.9	-2.3	-0.6
Capital expenditure, € million	12.0	16.8	4.6	3.0

Net sales, € million	1-9/2014	Change, %	7-9/2014	Change, %
K-citymarket, non-food	411	-5.3	143	-3.9
Anttila	215	-17.2	72	-19.3
Intersport, Finland	125	-8.2	48	-4.1
Intersport, Russia	12	-18.0	4	-7.8
Indoor	130	-4.0	45	-5.9
Musta Pörssi	16	-29.1	5	-5.5
Kenkäkesko	17	-6.8	7	-5.7
<b>Total</b>	<b>923</b>	<b>-9.3</b>	<b>323</b>	<b>-8.1</b>

### January-September 2014

In the home and speciality goods trade, the net sales for January-September were €923 million (€1,018 million), down 9.3%. Consumer demand in the home and speciality goods trade continued to weaken during the reporting period. Sales declined especially in the Anttila and Kodin1 department stores. Six Anttila department stores were closed during the reporting period. Musta Pörssi concentrates on e-commerce in accordance with its strategy and its sales performance was impacted by the discontinuation of the store site network. The sales of online stores were up from the previous year.

In January-September, the operating profit excluding non-recurring items of the home and speciality goods trade was €-48.3 million (€-29.9 million), down €18.4 million compared to the previous year. The performance was especially impacted by the loss increased by the decline in Anttila's sales. The profits of K-citymarket non-food, Intersport Finland and Indoor remained at a good level despite sales decline.

The operating profit of the home and speciality goods trade was €-92.1 million (€-25.5 million). The most significant non-recurring item was the restructuring provision recognised for the reduction of the Anttila department store network and an impairment charge on fixed assets related to the integration of K-citymarket non-food with Anttila, a total of €43.4 million.

The capital expenditure of the home and speciality goods trade in January-September was €12.0 million (€16.8 million).

### July-September 2014

In the home and speciality goods trade, the net sales for July-September were €323 million (€351 million), down 8.1%. Sales declined especially in the Anttila and Kodin1 department stores. The decrease in sales was partly attributable to the closure of six Anttila department stores. The decline in Musta Pörssi's net sales was impacted by the implemented network changes. The sales of online stores increased.

In July-September, the operating profit excluding non-recurring items of the home and speciality goods trade was €-7.4 million (€-2.2 million), down €5.2 million compared to the previous year. The performance was especially impacted by Anttila's weakened profitability. The operating profit of the home and speciality goods trade was €-20.0 million (€-2.1 million). The non-recurring items include a €17.2 million impairment charge on fixed assets related to the integration of K-citymarket non-food with Anttila.

The capital expenditure of the home and speciality goods trade was €4.6 million (€3.0 million).

In July-September, the Intersport.fi online store was opened in Finland and an Intersport store in St. Petersburg. In July-September, five Anttila department stores, five Musta Pörssi stores, an Intersport store in Itäkeskus, Helsinki (a new replacement store will open in November 2014), an Andiamo store at the Jumbo shopping centre, Vantaa and a Kookenkä store in Tapiola, Espoo were closed.

Numbers of stores as at 30 September	2014	2013
K-citymarket, non-food*	81	81
Anttila department stores*	25	31
Kodin1 department stores for interior decoration and home goods*	13	13
Intersport, Finland*	62	62
Budget Sport*	11	11
Asko and Sotka	87	84
Musta Pörssi*	1	6
Kookenkä*	44	46
Anttila, Baltics*	3	3
Intersport, Russia	19	20
Asko and Sotka, Baltics*	10	10

\* incl. online stores

## BUILDING AND HOME IMPROVEMENT TRADE

	1-9/2014	1-9/2013	7-9/2014	7-9/2013
Net sales, € million	2,013	2,012	696	710
Operating profit excl. non-recurring items, € million	45.8	26.8	29.6	23.9
Operating margin excl. non-recurring items, %	2.3	1.3	4.3	3.4
Capital expenditure, € million	43.7	26.4	16.4	4.8

Net sales, € million	1-9/2014	Change, %	7-9/2014	Change, %
Rautakesko, Finland	914	-0.3	288	-4.1
K-rauta, Sweden	152	-5.3	52	-9.4
Byggnakker, Norway	338	-8.6	118	-10.6
K-rauta, Estonia	59	+14.6	23	+10.8
K-rauta, Latvia	40	+2.9	15	-2.1
Senukai, Lithuania	226	+18.3	89	+15.1
K-rauta, Russia	190	-7.8	73	-7.2
OMA, Belarus	97	+22.2	40	+35.2
<b>Total</b>	<b>2,013</b>	<b>+0.1</b>	<b>696</b>	<b>-1.9</b>

### January-September 2014

In the building and home improvement trade, the net sales for January-September were €2,013 million (€2,012 million), up 0.1%. In terms of local currencies, the net sales growth in the building and home improvement trade was 3.7%.

In Finland, the net sales for January-September were €914 million (€916 million), a decrease of 0.3%. The building and home improvement products contributed €626 million to the net sales in Finland, an increase of 0.2%. The agricultural supplies trade contributed €287 million to the net sales, down 1.4%.

The retail sales of the K-rauta and Rautia chains in Finland were down by 0.5% to €786 million (VAT 0%). The sales of Rautakesko B2B Service increased by 0.6%. The K-Group's sales of building and home improvement products in Finland decreased by a total of 0.4% and the total market (VAT 0%) is estimated to have fallen by some 3% (Kesko's own estimate). The retail sales of the K-maatalous chain were €355 million (VAT 0%), up 1.0%.

In January-September, the net sales from the foreign operations of the building and home improvement trade were €1,100 million (€1,095 million), an increase of 0.4%. In terms of local currencies, the net sales from foreign operations increased by 7.1%. In Sweden and Norway, net sales in local currencies were at the previous year's level. In Russia, net sales in roubles

increased by 6.2%. Foreign operations contributed 54.6% (54.5%) to the net sales of the building and home improvement trade.

In January-September, the operating profit excluding non-recurring items of the building and home improvement trade was €45.8 million (€26.8 million), up €19.0 million compared to the previous year. Due to sales increase and enhancement measures, profit performance was clearly positive. The profit performance improved especially in foreign operations. The operating profit of the building and home improvement trade was €42.3 million (€25.9 million). Non-recurring items include a restructuring provision of €5.3 million related to changes in the retail business of Byggmakker in Norway.

In January-September, the capital expenditure of the building and home improvement trade totalled €43.7 million (€26.4 million), of which 73.4% (45.3%) abroad. Capital expenditure in store sites represented 85.6% of total capital expenditure.

#### July-September 2014

In the building and home improvement trade, the net sales for July-September were €696 million (€710 million), down 1.9%. In terms of local currencies, the net sales growth in the building and home improvement trade was 0.1%.

In Finland, net sales were €288 million (€301 million), a decrease of 4.1%. The building and home improvement products contributed €199 million to the net sales in Finland, a decrease of 4.4%. The agricultural supplies trade contributed €90 million to the net sales, down 3.5%. In July-September, the retail sales of the K-rauta and Rautia chains in Finland were down by 4.0% to €296 million (VAT 0%). According to Kesko's estimate, the market share of the building and home improvement trade increased in July-September. The sales of Rautakesko B2B Service decreased by 3.7%. The retail sales of the K-maatalous chain were €117 million (VAT 0%), up 1.7%.

The net sales from the foreign operations of the building and home improvement trade were €408 million (€409 million), a decrease of 0.3%. In terms of local currencies, the net sales from foreign operations increased by 3.2%. In Sweden, net sales in kronas were down by 3.8%. In Norway, net sales in kronas were down by 6.6%. In Russia, net sales in roubles increased by 3.2%. Foreign operations contributed 58.6% (57.6%) to the net sales of the building and home improvement trade.

In July-September, the operating profit excluding non-recurring items of the building and home improvement trade was €29.6 million (€23.9 million), up €5.7 million compared to the previous year due to sales increase and enhancement measures. The financial performance of the foreign operations of the building and home improvement trade improved. Operating profit was €23.5 million (€23.9 million).

The capital expenditure of the building and home improvement trade was €16.4 million (€4.8 million), of which 62.4% (36.3%) abroad.

In September, a replacement building and home improvement store was opened in St. Petersburg, Russia. In Belarus, the third building and home improvement store of Minsk was opened in September.

Numbers of stores as at 30 September	2014	2013
K-rauta*	42	42
Rautia*	97	99
K-maatalous*	81	83
K-rauta, Sweden	20	21
Byggmakker, Norway	86	91
K-rauta, Estonia	8	8
K-rauta, Latvia	8	8
Senukai, Lithuania	19	17
K-rauta, Russia	13	14
OMA, Belarus	11	9

In addition, the stores offer e-commerce services to their customers.

\* in 2014, 46 Rautia stores also operated as K-maatalous stores in 2013, 1 K-rauta store and 47 Rautia stores also operated as K-maatalous stores

## CAR AND MACHINERY TRADE

	1-9/2014	1-9/2013	7-9/2014	7-9/2013
Net sales, € million	796	811	240	260
Operating profit excl. non-recurring items, € million	27.8	30.6	8.7	9.8
Operating margin excl. non-recurring items, %	3.5	3.8	3.6	3.8
Capital expenditure, € million	11.6	11.8	2.2	3.0



Net sales, € million	1-9/2014	Change, %	7-9/2014	Change, %
VV-Auto	583	+2.5	173	+0.4
Konekesko	213	-12.2	68	-23.5
<b>Total</b>	<b>796</b>	<b>-1.9</b>	<b>240</b>	<b>-7.7</b>

#### January-September 2014

In the car and machinery trade, the net sales for January-September were €796 million (€811 million), down 1.9%.

VV-Auto's net sales for January-September were €583 million (€569 million), an increase of 2.5%. In January-September, the combined market performance of first time registered passenger cars and vans was +2.4%.

In January-September, the combined market share of passenger cars and vans imported by VV-Auto was 20.7% (20.5%). Volkswagen was the market leader in passenger cars and vans.

Konekesko's net sales for January-September were €213 million (€243 million), down 12.2% compared to the previous year. Net sales in Finland were €131 million, down 7.2%. The net sales from Konekesko's foreign operations were €83 million, down 18.9%. The net sales decline was especially impacted by the weak market performance of the agricultural machinery trade in Finland and the Baltic countries.

In January-September, the operating profit excluding non-recurring items of the car and machinery trade was €27.8 million (€30.6 million), down €2.8 million compared to the previous year. The adjustment of costs and inventories has been implemented as planned. Profitability in the car trade remained at a good level despite the weakened market situation.

The operating profit for January-September was €27.8 million (€30.6 million).

The capital expenditure of the car and machinery trade in January-September was €11.6 million (€11.8 million).

#### July-September 2014

In July-September, the net sales of the car and machinery trade were €240 million (€260 million), down 7.7%.

VV-Auto's net sales for July-September were €173 million (€172 million), an increase of 0.4%. In July-September, the combined market share of passenger cars and vans imported by VV-Auto was 19.9% (20.2%).

Konekesko's net sales for July-September were €68 million (€88 million), down 23.5% compared to the previous year.

In July-September, the operating profit excluding non-recurring items of the car and machinery trade was €8.7 million (€9.8 million), down €1.1 million compared to the previous year. Profitability was weakened by the decrease in sales. The operating profit for July-September was €8.7 million (€9.8 million).

The capital expenditure of the car and machinery trade in July-September was €2.2 million (€3.0 million).

Numbers of stores as at 30 September	2014	2013
VV-Auto, retail trade	10	10
Konekesko	1	1

## CHANGES IN THE GROUP COMPOSITION

No significant changes took place in the Group composition during the reporting period.

## SHARES, SECURITIES MARKET AND BOARD AUTHORISATIONS

At the end of September 2014, the total number of Kesko Corporation shares was 100,019,752, of which 31,737,007, or 31.7%, were A shares and 68,282,745, or 68.3%, were B shares. At 30 September 2014, Kesko Corporation held 1,004,106 own B shares as treasury shares. These treasury shares accounted for 1.47% of the number of B shares and 1.00% of the total number of shares, and 0.26% of votes carried by all shares of the company. The total number of votes carried by all shares was 385,652,815. Each A share carries ten (10) votes and each B share one (1) vote. The company cannot vote with own shares held as treasury shares and no dividend is paid on them. At the end of September 2014, Kesko Corporation's share capital was €197,282,584. During the reporting period, there were no changes in the number of shares.

The price of a Kesko A share quoted on Nasdaq Helsinki was €26.80 at the end of 2013, and €27.50 at the end of September 2014, representing an increase of 2.6%. Correspondingly, the price of a B share was €26.80 at the end of 2013, and €28.35 at the end of September 2014, representing an increase of 5.8%. In January-September, the highest A share price was €32.31 and the lowest was €26.15. The highest B share price was €33.33 and the lowest was €26.15. In January-September, the Nasdaq Helsinki All-Share index (OMX Helsinki) was up 4.5% and the weighted OMX Helsinki Cap index 4.0%. The Retail Sector Index was down 1.3%.

At the end of September 2014, the market capitalisation of A shares was €873 million, while that of B shares was €1,907 million, excluding the shares held by the parent company. The combined market capitalisation of A and B shares was €2,780 million, an increase of €119 million from the end of 2013. In January-September 2014, a total of 1.5 (0.8) million A shares were traded on Nasdaq Helsinki, up 99.0%. The exchange value of A shares was €44 million. The number of B shares traded was 34.5 (31.4) million, up 10.1%. The exchange value of B shares was €1,032 million. Nasdaq Helsinki accounted for 66%

of Kesko A and B share trading in January-September 2014. Kesko shares were also traded on multilateral trading facilities, the most significant of which were BATS Chi-X with 26% and Turquoise with 7% of the trading (source: Fidessa).

The company operated the 2007 option scheme for management and other key personnel, under which the share subscription period of 2007C share options ran from 1 April 2012 to 30 April 2014 (subscription period has expired). The share options were included on the official list of the Helsinki stock exchange from the beginning of the share subscription periods. A total of 94,859 2007C share options were traded during the reporting period at a total value of €1,688,524. The option scheme has expired and the share subscription periods of the 2007A, 2007B and 2007C share options under the option scheme and their trading on the official list have ended.

The Board has the authority, granted by the Annual General Meeting of 16 April 2012 and valid until 30 June 2015, to issue a total maximum of 20,000,000 new B shares. The shares can be issued against payment for subscription by shareholders in a directed issue in proportion to their existing shareholdings regardless of whether they consist of A or B shares, or, deviating from the shareholder's pre-emptive right, in a directed issue, if there is a weighty financial reason for the company, such as using the shares to develop the company's capital structure, and financing possible acquisitions, investments or other arrangements within the scope of the company's business operations. The amount paid for the shares is recognised in the reserve of invested non-restricted equity. The authorisation also includes the Board's authority to decide on the share subscription price, the right to issue shares against non-cash consideration and the right to make decisions on other matters concerning share issuances.

In addition, the Board had the authority, granted by the Annual General Meeting of 8 April 2013 and valid until 30 September 2014, to decide on the acquisition of a maximum of 500,000 own B shares. Kesko's Board of Directors made the decision in February 2014 to start acquiring own B shares. The decision to start acquisition was announced in a stock exchange release on 4 February 2014 and acquisition was started on 18 February 2014. The maximum amount of own B shares the Board was authorised to acquire, 500,000, was purchased by 31 March 2014, and the authorisation is thus fully used. Each purchase of own shares was announced in a stock exchange release at the end of the day on which the purchase was made. At 30 September 2014, Kesko Corporation held a total of 1,004,106 own B shares as treasury shares. In addition, the Board has the authority, valid until 30 June 2017, to decide on the issuance of the maximum of 1,000,000 own B shares held as treasury shares by the company.

On 4 February 2014, the Board decided to grant own B shares held by the company as treasury shares to persons included in the target group of the 2013 vesting period, based on the authority to issue own shares granted by the Annual General Meeting held on 8 April 2013, and the fulfilment of the vesting criteria of the 2013 vesting period of Kesko's three-year share-based compensation plan. The issuance of a total of 50,520 own B shares, referred to above, was announced in a stock exchange release on 24 March 2014 and on 25 March 2014. In January-September, a total of 5,642 shares granted based on the fulfilment of the vesting criteria of the 2011-2013 vesting periods were returned to the company in accordance with the terms and conditions of the share-based compensation plan. The shares returned during the reporting period were announced in a stock exchange notification on 7 February 2014, 23 May 2014 and 25 July 2014. Further information on the Board's authorisations is available at [www.kesko.fi](http://www.kesko.fi).

Based on the share-based compensation plan 2014-2016 decided by the Board, a total of 600,000 own B shares held by the company as treasury shares can be granted within a period of 3 years based on the fulfilment of the vesting criteria. The Board will separately decide on the vesting criteria and target group for each vesting period. The share-based compensation plan was announced in a stock exchange release on 4 February 2014.

At the end of September 2014, the number of shareholders was 40,549, which is 2,260 less than at the end of 2013. At the end of September, foreign ownership of all shares was 28%. At the end of September, foreign ownership of B shares was 40%.

## FLAGGING NOTIFICATIONS

Kesko Corporation did not receive flagging notifications during the reporting period.

## KEY EVENTS DURING THE REPORTING PERIOD

In the home and speciality goods trade and the building and home improvement trade, the importance of e-commerce and online services has greatly increased and the improvement of competitiveness necessitates major renewal. In response to these requirements, Kesko is seeking synergies especially in the production of online services and the development of concepts. At the same time, the planned changes will form a basis to improve profitability and the organisational structure will be evaluated. Also the integration of the building and home improvement trade with the home and speciality goods trade, as well as the integration of the non-food part of the K-citymarket chain, currently part of the home and speciality goods division, into Kesko Food operations, are planned. (Stock exchange release on 24 September 2014)

Kesko Corporation's Board of Directors has appointed Mikko Helander, Master of Science (Technology), as Kesko Corporation's Managing Director and Kesko Group's President and Chief Executive Officer as from 1 January 2015. Mikko Helander (b. 1960) joined Kesko as Executive Vice President and Member of the Group Management Board on 1 October 2014 and will take up the position of President and CEO on 1 January 2015. Starting from 1 January 2015, President and CEO Matti Halmesmäki will continue as a special advisor and in special assignments to be agreed with Kesko's Board of Directors until 31 May 2015 when he will retire. (Stock exchange release on 28 May 2014 and 19 September)

As a result of the cooperation negotiations to improve Anttila's profitability, the decision was made to close eight Anttila department stores operating in leased premises. The department stores to be closed have a total of some 210 employees. In addition, 25 full-time equivalents will be reduced in other Anttila department stores. Cooperation negotiations were also started in the Kodin1 chain and after their completion, the decision was made to close four Kodin1 department stores in the Kodin1 department store chain. Cooperation negotiations were also started in the central units of Anttila Oy and K-citymarket Oy. (Stock exchange release on 31 March 2014)

Kestra Kiinteistöpalvelut Oy, a subsidiary of Kesko Corporation, announced that it would not participate in further financing of Fennovoima Ltd's Hanhikivi 1 nuclear power project due to the related financial, contractual and schedule uncertainties. (Stock exchange release on 27 March 2014)

### EVENTS AFTER THE REPORTING PERIOD

Cooperation negotiations concerning the planned changes in Kesko's home and speciality goods trade, building and home improvement trade and food trade started. A total of approximately 2,800 people are included in the negotiations and the total reduction need in the companies is estimated at a maximum of 230 full-time equivalents. The impacts of the planned changes on personnel will be specified for the companies in more detail as the planning and the negotiations progress. (Stock exchange release on 7 October 2014)

### RESOLUTIONS OF THE 2014 ANNUAL GENERAL MEETING AND DECISIONS OF THE BOARD'S ORGANISATIONAL MEETING

Kesko Corporation's Annual General Meeting, held on 7 April 2014, adopted the financial statements for 2013 and discharged the Board members and the Managing Director from liability. The General Meeting also resolved, as proposed by the Board, to distribute €1.40 per share as dividends, or a total of €138,484,759.00. The dividend pay date was 17 April 2014. The General Meeting resolved that the number of Board members be unchanged at seven. In addition, the General Meeting resolved to leave the Board members' fees and the basis for reimbursement of expenses unchanged. The term of office of each of the seven (7) Board members elected by the Annual General Meeting on 16 April 2012, namely Esa Kiiskinen (Ch.), Seppo Paatelainen (Deputy Ch.), Ilpo Kokkila, Tomi Korpisaari, Maarit Näkyvä, Toni Pokela and Virpi Tuunainen, will expire at the close of the 2015 Annual General Meeting in accordance with Kesko's Articles of Association.

The General Meeting elected PricewaterhouseCoopers Oy as the company's auditor, with APA Johan Kronberg as the auditor with principal responsibility. The General Meeting also approved the Board's proposal that it be authorised to decide on donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual General Meeting to be held in 2015.

The organisational meeting of the company's Board of Directors, held after the Annual General Meeting, decided to keep the compositions of the Audit Committee and the Remuneration Committee unchanged.

The resolutions of the Annual General Meeting and the decisions of the Board's organisational meeting were announced in more detail in stock exchange releases on 7 April 2014.

### RESPONSIBILITY

In September, Kesko was included in the Dow Jones Sustainability Indices DJSI World and DJSI Europe for the 12th time. Kesko obtained its highest scores in risk and crisis management, codes of conduct and supply chain management.

The target of the Youth Guarantee in the K-Group programme, to employ 1,000 young people by the end of 2014, was achieved six months ahead of the deadline. By the end of August, 1,500 young people had found employment in Kesko and K-stores with the help of the Youth Guarantee.

The Rehabilitation Foundation and Kesko are implementing a joint project for supporting working ability and learning at the beginning of career. One of its aims is to identify learning difficulties and increase awareness of them.

K-food stores introduced a bottle return raffle from which proceeds are directed to the Mannerheim League for Child Welfare or the Association of Friends of the University Children's hospitals every six months. The objective is to extend the raffle to some 260 K-food stores this year.

### RISK MANAGEMENT

Kesko Group has an established and comprehensive risk management process. Risks and their management responses are regularly assessed within the Group and reported to the Group management. Kesko's risk management and risks associated with business operations are described in more detail on Kesko's website in the Corporate Governance section.

The most significant near-future risks in Kesko's business operations are associated with the general development of the economic situation and consumer confidence, as well as their impact on Kesko's sales and profit. Because of the continuing crisis in Ukraine, the country risks of Russia remain at a higher level than before. In other respects, no material change is estimated to have taken place in 2014 in the risks described in the report by the Board of Directors and financial statements for 2013 and the risks described on Kesko's website.

The risks and uncertainties related to economic development are described in the section future outlook of this release.

### FUTURE OUTLOOK

Estimates of the future outlook for Kesko Group's net sales and operating profit excluding non-recurring items are given for the 12 months following the reporting period (10/2014-9/2015) in comparison with the 12 months preceding the reporting period (10/2013-9/2014).

Future prospects for the general economic situation and consumer demand continue to be characterised by significant uncertainty. Due to the weakened economic situation and the decline in consumers' purchasing power, demand in the trading sector is expected to remain weak.

Kesko Group's net sales and operating profit excluding non-recurring items for the next 12 months are expected to remain at the level of the preceding 12 months.

Helsinki, 21 October 2014  
Kesko Corporation  
Board of Directors

The information in the interim report release is unaudited.

**Further information** is available from Jukka Erlund, Senior Vice President, Chief Financial Officer, telephone +358 105 322 113 and Eva Kaukinen, Vice President, Group Controller, telephone +358 105 322 338. A Finnish-language webcast from the media and analyst briefing on the interim report can be accessed at [www.kesko.fi](http://www.kesko.fi) at 11.00. An English-language web conference on the interim report will be held today at 14:30 (Finnish time). The web conference login is available at [www.kesko.fi](http://www.kesko.fi).

Kesko Corporation's financial statements for 2014 will be released on 10 February 2015. In addition, Kesko Group's sales figures are published each month. News releases and other company information are available on Kesko's website at [www.kesko.fi](http://www.kesko.fi).

## KESKO CORPORATION

Merja Haverinen  
Vice President, Group Communications

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### DISTRIBUTION

NASDAQ OMX Helsinki Ltd  
Main news media  
[www.kesko.fi](http://www.kesko.fi)

## TABLES SECTION:

### Accounting policies

This interim report has been prepared in accordance with the IAS 34 standard. The interim report has been prepared in accordance with the same accounting principles as the annual financial statements for 2013, with the exception of the following changes due to the adoption of new and revised IFRS standards and IFRIC interpretations:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interests in other entities

The above amendments to standards and interpretations do not have a material impact on the reported income statement and the statement of financial position. The amendment will have an impact on the notes to the financial statements.

### Consolidated income statement (€ million), condensed

	1-9/ 2014	1-9/ 2013	Change,%	7-9/ 2014	7-9/ 2013	Change,%	1-12/ 2013
Net sales	6,804	6,953	-2.2	2,304	2,374	-2.9	9,315
Cost of goods sold	-5,884	-6,020	-2.3	-1,989	-2,055	-3.2	-8,034
<b>Gross profit</b>	<b>919</b>	<b>933</b>	<b>-1.5</b>	<b>315</b>	<b>318</b>	<b>-1.0</b>	<b>1,281</b>
Other operating income	531	549	-3.3	180	182	-1.4	734
Staff cost	-453	-449	0.7	-138	-139	-0.6	-611
Depreciation and impairment charges	-133	-114	17.0	-56	-37	50.4	-153
Other operating expenses	-745	-738	0.8	-237	-240	-1.3	-1,003
<b>Operating profit</b>	<b>120</b>	<b>180</b>	<b>-33.6</b>	<b>63</b>	<b>84</b>	<b>-24.7</b>	<b>248</b>
Interest income and other finance income	11	15	-21.1	2	4	-40.7	20
Interest expense and other finance costs	-12	-15	-21.9	-4	-5	-15.0	-20
Exchange differences	-1	-5	-86.7	0	-2	-84.2	-6
Share of results of equity accounted investments	0	-1	(..)	0	0	(..)	0
<b>Profit before tax</b>	<b>119</b>	<b>174</b>	<b>-32.0</b>	<b>62</b>	<b>81</b>	<b>-24.2</b>	<b>242</b>
Income tax	-31	-52	-40.4	-16	-24	-32.6	-58
<b>Net profit for the period</b>	<b>87</b>	<b>122</b>	<b>-28.4</b>	<b>46</b>	<b>57</b>	<b>-20.8</b>	<b>185</b>
Attributable to							
Owners of the parent	79	114	-30.1	40	53	-23.3	173
Non-controlling interests	8	8	-5.0	5	5	6.1	12

### Earnings per share (€) for profit attributable to equity holders of the parent

Basic	0.80	1.15	-30.5	0.41	0.53	-23.7	1.75
Diluted	0.80	1.15	-30.3	0.41	0.53	-23.5	1.75

### Consolidated statement of comprehensive income (€ million)

	1-9/ 2014	1-9/ 2013	Change,%	7-9/ 2014	7-9/ 2013	Change,%	1-12/ 2013
Net profit for the period	87	122	-28.4	46	57	-20.8	185
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Actuarial gains/losses	-2	6	(..)	0	6	(..)	12
<b>Items that may be reclassified subsequently to profit or loss</b>							
Exchange differences on translating foreign operations	-8	-8	-5.3	-2	-2	1.4	-14
Adjustment for hyperinflation	4	1	(..)	1	-1	(..)	3
Cash flow hedge revaluation	1	-1	(..)	1	2	-37.7	-4
Revaluation of available-for-sale financial assets	-3	-3	-17.3	0	1	(..)	-5
Other items	0	0	-3.2	-	-	-	0
Total other comprehensive income for the period, net of tax	-8	-6	21.2	0	6	-99.3	-8
<b>Total comprehensive income for the period</b>	<b>80</b>	<b>116</b>	<b>-31.0</b>	<b>46</b>	<b>63</b>	<b>-27.7</b>	<b>177</b>
Attributable to							
Owners of the parent	69	108	-35.4	39	59	-34.5	166
Non-controlling interests	11	8	25.8	7	4	78.9	11
(..) Change over 100%							

**Consolidated statement of financial position  
(€ million), condensed**

	30.9.2014	30.9.2013	Change, %	31.12.2013
<b>ASSETS</b>				
Non-current assets				
Tangible assets	1,666	1,661	0.4	1,651
Intangible assets	180	187	-3.3	189
Equity accounted investments and other financial assets	106	105	0.7	104
Loans and receivables	13	83	-84.3	15
Pension assets	170	163	4.1	170
<b>Total</b>	<b>2,135</b>	<b>2,198</b>	<b>-2.9</b>	<b>2,131</b>
<b>Current assets</b>				
Inventories	803	776	3.4	797
Trade receivables	655	700	-6.4	617
Other receivables	149	160	-6.9	136
Financial assets at fair value through profit or loss	203	174	16.7	171
Available-for-sale financial assets	225	260	-13.6	398
Cash and cash equivalents	75	103	-27.1	112
<b>Total</b>	<b>2,110</b>	<b>2,173</b>	<b>-2.9</b>	<b>2,231</b>
Non-current assets held for sale	1	1	-	1
<b>Total assets</b>	<b>4,246</b>	<b>4,372</b>	<b>-2.9</b>	<b>4,362</b>
	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>Change, %</b>	<b>31.12.2013</b>
<b>EQUITY AND LIABILITIES</b>				
Equity	2,203	2,218	-0.7	2,279
Non-controlling interests	79	70	11.7	73
<b>Total equity</b>	<b>2,282</b>	<b>2,289</b>	<b>-0.3</b>	<b>2,352</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	345	358	-3.5	355
Non-interest-bearing liabilities	6	9	-30.8	10
Deferred tax liabilities	67	84	-20.5	68
Pension obligations	2	2	12.1	2
Provisions	27	20	35.0	17
<b>Total</b>	<b>447</b>	<b>472</b>	<b>-5.4</b>	<b>452</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	155	210	-26.3	199
Trade payables	891	911	-2.3	825
Other non-interest-bearing liabilities	423	454	-6.7	494
Provisions	48	35	35.7	38
<b>Total</b>	<b>1,517</b>	<b>1,611</b>	<b>-5.8</b>	<b>1,557</b>
<b>Total equity and liabilities</b>	<b>4,246</b>	<b>4,372</b>	<b>-2.9</b>	<b>4,362</b>

**Consolidated statement of changes in equity (€ million)**

	Share capital	Reserves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Non-controlling interests	Total
<b>Balance at 1.1.2013</b>	<b>197</b>	<b>442</b>	<b>-2</b>	<b>10</b>	<b>-19</b>	<b>1,578</b>	<b>67</b>	<b>2,272</b>
Shares subscribed with options		18						18
Treasury shares								
Share-based payments					2		0	2
Dividends						-118	-5	-122
Other changes		0				3		3
Net profit for the period						114	8	122
<b>Other comprehensive income</b>								
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						7		7
Items that may be								

reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	0	-7					-1	-8
Adjustment for hyperinflation						0	1	1
Cash flow hedge revaluation				-1				-1
Revaluation of available- for-sale financial assets				-3				-3
Others						0		0
Tax relating to other comprehensive income				0		-2		-2
Total other comprehensive income	0	-7	-4			6	0	-6
<b>Balance at 30.9.2013</b>	<b>197</b>	<b>460</b>	<b>-10</b>	<b>6</b>	<b>-18</b>	<b>1,583</b>	<b>70</b>	<b>2,289</b>
<b>Balance at 1.1.2014</b>	<b>197</b>	<b>461</b>	<b>-13</b>	<b>1</b>	<b>-18</b>	<b>1,651</b>	<b>73</b>	<b>2,352</b>
Shares subscribed with options	2							2
Treasury shares						-16		-16
Share-based payments					2			2
Dividends						-138	-5	-143
Other changes	0	0				5		5
Net profit for the period						79	8	87
<b>Other comprehensive income</b>								
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						-3		-3
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	0	-7				0	-1	-8
Adjustment for hyperinflation						0	4	4
Cash flow hedge revaluation				2				2
Revaluation of available-for-sale financial assets				-3				-3
Others						0		0
Tax relating to other comprehensive income				-1		1		0
Total other comprehensive income	0	-7	-2			-2	2	-8
<b>Balance at 30.9.2014</b>	<b>197</b>	<b>463</b>	<b>-20</b>	<b>0</b>	<b>-32</b>	<b>1,595</b>	<b>79</b>	<b>2,282</b>

**Consolidated statement of cash flows (€ million), condensed**

	1-9/ 2014	1-9/ 2013	Change,%	7-9/ 2014	7-9/ 2013	Change,%	1-12/ 2013
<b>Cash flows from operating activities</b>							
Profit before tax	119	174	-32.0	62	81	-24.2	242
Planned depreciation	113	112	0.2	37	37	-2.4	152
Finance income and costs	1	5	-79.0	2	3	-31.5	6
Other adjustments	34	-2	(..)	16	2	(..)	8
Change in working capital							
Current non-interest-bearing operating receivables, increase (-)/decrease (+)	-44	-5	(..)	94	112	-15.6	89
Inventories, increase (-)/decrease (+)	-12	29	(..)	23	29	-19.6	3
Current non-interest-bearing liabilities, increase (+)/decrease(-)	6	47	-86.7	-78	-123	-36.2	-1
Financial items and tax	-50	-61	-18.5	-21	-28	-24.1	-85
<b>Net cash from operating activities</b>	<b>167</b>	<b>299</b>	<b>-44.1</b>	<b>134</b>	<b>114</b>	<b>17.5</b>	<b>414</b>
<b>Cash flows from investing activities</b>							
Investing activities	-151	-130	16.0	-53	-36	45.9	-174
Sales of fixed assets	8	17	-52.6	2	3	-39.2	22
Increase in non-current receivables	-1	0	(..)	0	0	-56.7	0
<b>Net cash used in investing activities</b>	<b>-144</b>	<b>-113</b>	<b>26.7</b>	<b>-51</b>	<b>-33</b>	<b>53.6</b>	<b>-152</b>
<b>Cash flows from financing activities</b>							
Interest-bearing liabilities, increase (+)/decrease (-)	-50	-36	38.4	-37	-17	(..)	-47
Current interest-bearing receivables, increase (-)/decrease (+)	-1	0	(..)	1	-2	(..)	78
Dividends paid	-142	-122	16.2	-4	-5	-16.5	-122
Equity increase	2	18	-88.0	-	2	(..)	20
Acquisition of own shares	-16	-	-	-	-	-	-
Short-term money market investments, increase (-)/ decrease (+)	-36	-62	-42.6	-49	-62	-20.2	-91
Other items	6	3	74.1	1	4	-69.1	5
<b>Net cash used in financing activities</b>	<b>-236</b>	<b>-199</b>	<b>19.1</b>	<b>-89</b>	<b>-78</b>	<b>13.1</b>	<b>-159</b>
<b>Change in cash and cash equivalents</b>	<b>-213</b>	<b>-13</b>	<b>(..)</b>	<b>-6</b>	<b>2</b>	<b>(..)</b>	<b>103</b>
Cash and cash equivalents and current portion of available-for-sale financial assets at 1 Jan.	453	352	28.7	246	337	-27.0	352
Currency translation difference adjustment and revaluation	-1	-1	-4.4	0	0	-34.4	-2
Cash and cash equivalents and current portion of available-for-sale financial assets at 30 Sep.	239	338	-29.3	239	338	-29.3	453
(..) Change over 100%							



**Group's performance indicators**

	1-9/2014	1-9/2013	Change, pp	1-12/2013
Return on capital employed, %	6.7	9.8	-3.0	10.2
Return on capital employed, %, moving 12 mo	7.9	9.3	-1.4	10.2
Return on capital employed, excl. non-recurring items, %	9.6	9.3	0.3	9.8
Return on capital employed excl. non-recurring items, %, moving 12 mo	10.0	9.7	0.3	9.8
Return on equity, %	5.0	7.1	-2.1	8.0
Return on equity, %, moving 12 mo	6.6	6.5	0.1	8.0
Return on equity, excl. non-recurring items, %	7.5	6.8	0.7	7.7
Return on equity excl. non-recurring items, %, moving 12 mo	8.4	7.1	1.3	7.7
Equity ratio, %	54.2	52.9	1.3	54.5
Gearing, %	-0.1	1.4	-1.5	-5.4
			<b>Change, %</b>	
Capital expenditure, € million	150.8	124.9	20.7	171.5
Capital expenditure, % of net sales	2.2	1.8	23.4	1.8
Earnings per share, basic, €	0.80	1.15	-30.5	1.75
Earnings per share, diluted, €	0.80	1.15	-30.3	1.75
Earnings per share excl. non-recurring items, basic, €	1.23	1.09	12.8	1.68
Cash flow from operating activities, € million	167	299	-44.1	414
Cash flow from investing activities, € million	-144	-113	26.7	-152
Equity per share, €	22.25	22.39	-0.6	22.96
Interest-bearing net debt	-3	31	(..)	-126
Diluted number of shares, average for the reporting period	99,264	99,013	0.3	99,136
Personnel, average	20,024	19,481	2.8	19,489

<b>Group's performance indicators by quarter</b>	<b>1-3/2013</b>	<b>4-6/2013</b>	<b>7-9/2013</b>	<b>10-12/2013</b>	<b>1-3/2014</b>	<b>4-6/2014</b>	<b>7-9/2014</b>
Net sales, € million	2,159	2,420	2,374	2,362	2,129	2,371	2,304
Change in net sales, %	-6.9	-1.6	-3.1	-3.9	-1.4	-2.1	-2.9
Operating profit, € million	19.2	77.0	84.1	68.0	-13.0	69.4	63.4
Operating margin, %	0.9	3.2	3.5	2.9	-0.6	2.9	2.7
Operating profit excl. non-recurring items, € million	18.6	69.8	83.6	66.8	19.1	67.6	84.0
Operating margin excl. non-recurring items, %	0.9	2.9	3.5	2.8	0.9	2.9	3.6
Finance income/costs, € million	-3.3	0.4	-2.6	-0.4	-1.6	2.2	-1.8
Profit before tax, € million	15.8	77.2	81.5	67.9	-14.4	71.4	61.7
Profit before tax, %	0.7	3.2	3.4	2.9	-0.7	3.0	2.7
Return on capital employed, %	3.1	12.3	14.2	11.5	-2.2	11.5	10.9
Return on capital employed, excl. non-recurring items, %	3.0	11.1	14.1	11.3	3.2	11.2	14.4
Return on equity, %	1.9	9.5	10.2	10.8	-2.0	9.4	8.1
Return on equity, excl. non-recurring items, %	1.8	8.6	10.1	10.6	2.3	9.1	11.3
Equity ratio, %	51.7	50.5	52.9	54.5	53.2	52.3	54.2
Capital expenditure, € million	41.5	48.1	35.4	46.6	43.4	55.7	51.7
Earnings per share, diluted, €	0.11	0.50	0.53	0.60	-0.11	0.51	0.41
Equity per share, €	22.62	21.79	22.39	22.96	22.83	21.86	22.25

## Segment information

Net sales by segment (€ million)	1-9/ 2014	1-9/ 2013	Change %	7-9/ 2014	7-9/ 2013	Change %	1-12/ 2013
Food trade, Finland	3,120	3,197	-2.4	1,059	1,076	-1.5	4,316
Food trade, other countries*	77	42	81.6	26	20	30.1	71
<b>Food trade total</b>	<b>3,197</b>	<b>3,239</b>	<b>-1.3</b>	<b>1,085</b>	<b>1,095</b>	<b>-1.0</b>	<b>4,387</b>
- of which intersegment trade	127	127	0.0	41	44	-5.6	172
Home and speciality goods trade, Finland	901	993	-9.3	316	344	-8.1	1,424
Home and speciality goods trade, other countries*	22	25	-11.0	7	7	-6.1	33
<b>Home and speciality goods trade total</b>	<b>923</b>	<b>1,018</b>	<b>-9.3</b>	<b>323</b>	<b>351</b>	<b>-8.1</b>	<b>1,457</b>
- of which intersegment trade	10	12	-11.8	4	4	-2.3	17
Building and home improvement trade, Finland	914	916	-0.3	288	301	-4.1	1,173
Building and home improvement trade, other countries*	1,100	1,095	0.4	408	409	-0.3	1,435
<b>Building and home improvement trade total</b>	<b>2,013</b>	<b>2,012</b>	<b>0.1</b>	<b>696</b>	<b>710</b>	<b>-1.9</b>	<b>2,607</b>
- of which intersegment trade	0	0	-33.0	0	0	44.1	-1
Car and machinery trade, Finland	713	709	0.6	212	218	-2.8	921
Car and machinery trade, other countries*	82	102	-19.2	29	43	-32.8	116
<b>Car and machinery trade total</b>	<b>796</b>	<b>811</b>	<b>-1.9</b>	<b>240</b>	<b>260</b>	<b>-7.7</b>	<b>1,037</b>
- of which intersegment trade	1	1	-34.3	0	0	-84.5	1
Common operations and eliminations	-126	-126	-0.4	-40	-43	-6.6	-173
<b>Finland total</b>	<b>5,523</b>	<b>5,689</b>	<b>-2.9</b>	<b>1,835</b>	<b>1,895</b>	<b>-3.2</b>	<b>7,661</b>
<b>Other countries total*</b>	<b>1,281</b>	<b>1,264</b>	<b>1.3</b>	<b>469</b>	<b>479</b>	<b>-2.0</b>	<b>1,654</b>
<b>Group total</b>	<b>6,804</b>	<b>6,953</b>	<b>-2.2</b>	<b>2,304</b>	<b>2,374</b>	<b>-2.9</b>	<b>9,315</b>

\* Net sales in countries other than Finland

Operating profit by segment (€ million)	1-9/ 2014	1-9/ 2013	Change	7-9/ 2014	7-9/ 2013	Change	1-12/ 2013
Food trade	151.8	159.7	-7.9	54.4	56.5	-2.1	208.0
Home and speciality goods trade	-92.1	-25.5	-66.6	-20.0	-2.1	-17.9	-2.1
Building and home improvement trade	42.3	25.9	16.5	23.5	23.9	-0.4	24.8
Car and machinery trade	27.8	30.6	-2.8	8.7	9.8	-1.1	33.9
Common operations and eliminations	-10.2	-10.4	0.2	-3.2	-4.0	0.8	-16.3
<b>Group total</b>	<b>119.7</b>	<b>180.4</b>	<b>-60.7</b>	<b>63.4</b>	<b>84.1</b>	<b>-20.8</b>	<b>248.4</b>

Operating profit excl. non-recurring items by segment (€ million)	1-9/ 2014	1-9/ 2013	Change	7-9/ 2014	7-9/ 2013	Change	1-12/ 2013
Food trade	155.7	155.0	0.7	56.3	56.0	0.3	203.3
Home and speciality goods trade	-48.3	-29.9	-18.4	-7.4	-2.2	-5.2	-8.3
Building and home improvement trade	45.8	26.8	19.0	29.6	23.9	5.7	25.7
Car and machinery trade	27.8	30.6	-2.8	8.7	9.8	-1.1	33.9
Common operations and eliminations	-10.2	-10.4	0.2	-3.2	-4.0	0.8	-15.8
<b>Group total</b>	<b>170.8</b>	<b>172.0</b>	<b>-1.2</b>	<b>84.0</b>	<b>83.6</b>	<b>0.4</b>	<b>238.8</b>

Operating margin excl. non-recurring items by segment, %	1-9/ 2014	1-9/ 2013	Change pp	7-9/ 2014	7-9/ 2013	Change pp	1-12/ 2013	Moving 12 mo 9/2014
Food trade	4.9	4.8	0.1	5.2	5.1	0.1	4.6	4.7
Home and speciality goods trade	-5.2	-2.9	-2.3	-2.3	-0.6	-1.7	-0.6	-2.0
Building and home improvement trade	2.3	1.3	0.9	4.3	3.4	0.9	1.0	1.7
Car and machinery trade	3.5	3.8	-0.3	3.6	3.8	-0.2	3.3	3.0
<b>Group total</b>	<b>2.5</b>	<b>2.5</b>	<b>0.0</b>	<b>3.6</b>	<b>3.5</b>	<b>0.1</b>	<b>2.6</b>	<b>2.6</b>

<b>Capital employed by segment, cumulative average (€ million)</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>Change</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>Change</b>	<b>1-12/2013</b>	<b>Moving 12 mo 9/2014</b>
Food trade	775	833	-57	768	811	-43	821	782
Home and speciality goods trade	399	459	-60	395	424	-28	445	403
Building and home improvement trade	721	745	-24	722	712	10	732	714
Car and machinery trade	159	157	2	145	144	1	161	161
Common operations and eliminations	311	268	44	303	284	19	278	313
<b>Group total</b>	<b>2,366</b>	<b>2,461</b>	<b>-96</b>	<b>2,332</b>	<b>2,374</b>	<b>-41</b>	<b>2,438</b>	<b>2,373</b>
<b>Return on capital employed excl. non-recurring items by segment, %</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>Change pp</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>Change pp</b>	<b>1-12/2013</b>	<b>Moving 12 mo 9/2014</b>
Food trade	26.8	24.8	2.0	29.3	27.7	1.7	24.8	26.1
Home and speciality goods trade	-16.2	-8.7	-7.5	-7.5	-2.0	-5.4	-1.9	-6.6
Building and home improvement trade	8.5	4.8	3.7	16.4	13.4	3.0	3.5	6.3
Car and machinery trade	23.4	26.0	-2.7	24.0	27.2	-3.3	21.1	19.3
<b>Group total</b>	<b>9.6</b>	<b>9.3</b>	<b>0.3</b>	<b>14.4</b>	<b>14.1</b>	<b>0.3</b>	<b>9.8</b>	<b>10.0</b>
<b>Capital expenditure by segment (€ million)</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>Change</b>	<b>7-9/2014</b>	<b>7-9/2013</b>	<b>Change</b>	<b>1-12/2013</b>	<b>1-12/2013</b>
Food trade	72	68	4	25	24	1	92	92
Home and speciality goods trade	12	17	-5	5	3	2	23	23
Building and home improvement trade	44	26	17	16	5	12	38	38
Car and machinery trade	12	12	0	2	3	-1	15	15
Common operations and eliminations	11	2	9	3	1	3	4	4
<b>Group total</b>	<b>151</b>	<b>125</b>	<b>26</b>	<b>52</b>	<b>35</b>	<b>16</b>	<b>171</b>	<b>171</b>
<b>Segment information by quarter</b>	<b>1-3/2013</b>	<b>4-6/2013</b>	<b>7-9/2013</b>	<b>10-12/2013</b>	<b>1-3/2014</b>	<b>4-6/2014</b>	<b>7-9/2014</b>	
<b>Net sales by segment (€ million)</b>								
Food trade	1,045	1,099	1,095	1,148	1,007	1,106	1,085	
Home and speciality goods trade	345	322	351	439	312	288	323	
Building and home improvement trade	562	740	710	596	581	736	696	
Car and machinery trade	249	301	260	226	272	283	240	
Common operations and eliminations	-42	-41	-43	-46	-44	-42	-40	
<b>Group total</b>	<b>2,159</b>	<b>2,420</b>	<b>2,374</b>	<b>2,362</b>	<b>2,129</b>	<b>2,371</b>	<b>2,304</b>	
<b>Operating profit by segment (€ million)</b>	<b>1-3/2013</b>	<b>4-6/2013</b>	<b>7-9/2013</b>	<b>10-12/2013</b>	<b>1-3/2014</b>	<b>4-6/2014</b>	<b>7-9/2014</b>	
Food trade	48.2	55.1	56.5	48.3	45.4	52.0	54.4	
Home and speciality goods trade	-17.7	-5.6	-2.1	23.3	-54.5	-17.6	-20.0	
Building and home improvement trade	-16.1	18.0	23.9	-1.0	-9.7	28.6	23.5	
Car and machinery trade	7.8	13.0	9.8	3.3	8.2	10.9	8.7	
Common operations and eliminations	-3.0	-3.4	-4.0	-5.9	-2.5	-4.5	-3.2	
<b>Group total</b>	<b>19.2</b>	<b>77.0</b>	<b>84.1</b>	<b>68.0</b>	<b>-13.0</b>	<b>69.4</b>	<b>63.4</b>	
<b>Operating profit excl. non-recurring items by segment (€ million)</b>	<b>1-3/2013</b>	<b>4-6/2013</b>	<b>7-9/2013</b>	<b>10-12/2013</b>	<b>1-3/2014</b>	<b>4-6/2014</b>	<b>7-9/2014</b>	
Food trade	48.2	50.8	56.0	48.3	46.5	52.9	56.3	
Home and speciality goods trade	-17.8	-10.0	-2.2	21.6	-22.7	-18.3	-7.4	
Building and home improvement trade	-16.6	19.5	23.9	-1.1	-10.4	26.6	29.6	
Car and machinery trade	7.8	13.0	9.8	3.3	8.2	10.9	8.7	
Common operations and eliminations	-3.0	-3.4	-4.0	-5.4	-2.5	-4.5	-3.2	
<b>Group total</b>	<b>18.6</b>	<b>69.8</b>	<b>83.6</b>	<b>66.8</b>	<b>19.1</b>	<b>67.6</b>	<b>84.0</b>	

Operating margin excl. non-recurring items by segment, %	1-3/ 2013	4-6/ 2013	7-9/ 2013	10-12/ 2013	1-3/ 2014	4-6/ 2014	7-9/ 2014
Food trade	4.6	4.6	5.1	4.2	4.6	4.8	5.2
Home and speciality goods trade	-5.2	-3.1	-0.6	4.9	-7.3	-6.3	-2.3
Building and home improvement trade	-3.0	2.6	3.4	-0.2	-1.8	3.6	4.3
Car and machinery trade	3.1	4.3	3.8	1.5	3.0	3.8	3.6
<b>Group total</b>	<b>0.9</b>	<b>2.9</b>	<b>3.5</b>	<b>2.8</b>	<b>0.9</b>	<b>2.9</b>	<b>3.6</b>

**Change in tangible and intangible assets (€ million)**

	30.9.2014	30.9.2013
<b>Opening net carrying amount</b>	<b>1,840</b>	<b>1,870</b>
Depreciation, amortisation and impairment	-133	-114
Investments in tangible and intangible assets	160	127
Disposals	-14	-22
Currency translation differences	-6	-13
<b>Closing net carrying amount</b>	<b>1,847</b>	<b>1,847</b>

**Related party transactions (€ million)**

The Group's related parties include its key management (the Board of Directors, the Managing Director and the Group Management Board) and companies controlled by them, the Group's subsidiaries, associates as well as Kesko Pension Fund.

The following transactions were carried out with related parties:

	1-9/2014	1-9/2013
Sales of goods and services	59	56
Purchases of goods and services	17	15
Other operating income	9	8
Other operating expenses	23	20
Finance costs	0	0
	<b>30.9.2014</b>	<b>30.9.2013</b>
Receivables	10	10
Liabilities	20	19

**Fair value hierarchy of financial assets and liabilities (€ million)**

	Level 1	Level 2	Level 3	30.9.2014
<b>Financial assets at fair value through profit or loss</b>	<b>14.4</b>	<b>188.8</b>		<b>203.2</b>
<b>Derivative financial instruments at fair value through profit or loss</b>				
Derivative financial assets		6.9		6.9
Derivative financial liabilities		10.9		10.9
<b>Available-for-sale financial assets</b>	<b>60.6</b>	<b>164.0</b>	<b>13.1</b>	<b>237.7</b>

**Fair value hierarchy of financial assets and liabilities (€ million)**

	Level 1	Level 2	Level 3	30.9.2013
<b>Financial assets at fair value through profit or loss</b>	<b>14.1</b>	<b>160.0</b>		<b>174.1</b>
<b>Derivative financial instruments at fair value through profit or loss</b>				
Derivative financial assets		3.8		3.8
Derivative financial liabilities		16.3		16.3
<b>Available-for-sale financial assets</b>	<b>24.9</b>	<b>235.0</b>	<b>6.4</b>	<b>266.2</b>

Level 1 instruments are traded in active markets and their fair values are directly based on quoted market prices. The fair values of level 2 instruments are derived from market data. The fair values of level 3 instruments are not based on observable market data.

**Personnel, average and as at 30.9.**

<b>Personnel average by segment</b>	<b>1-9/2014</b>	<b>1-9/2013</b>	<b>Change</b>
Food trade	3,453	3,118	335
Home and speciality goods trade	5,535	5,771	-237
Building and home improvement trade	9,345	8,896	449
Car and machinery trade	1,253	1,257	-4
Common operations	438	439	-1
<b>Group total</b>	<b>20,024</b>	<b>19,481</b>	<b>543</b>

<b>Personnel at 30.9.* by segment</b>	<b>2014</b>	<b>2013</b>	<b>Change</b>
Food trade	3,782	3,505	277
Home and speciality goods trade	7,431	7,812	-381
Building and home improvement trade	10,522	10,118	404
Car and machinery trade	1,252	1,280	-28
Common operations	472	488	-16
<b>Group total</b>	<b>23,459</b>	<b>23,203</b>	<b>256</b>

\* total number incl. part-time employees

**Group's commitments (€ million)**

	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>Change %</b>
Own commitments	203	191	6.3
For associates	65	65	-
For others	12	11	4.4
Lease liabilities for machinery and equipment	25	25	0.9
Lease liabilities for real estate	2,214	2,372	-6.7

**Liabilities arising from derivative instruments (€ million)**

Values of underlying instruments at 30.9.	<b>30.9.2014</b>	<b>30.9.2013</b>	<b>Fair value 30.9.2014</b>
Interest rate derivatives			
Interest rate swaps	101	202	-0.78
Currency derivatives			
Forward and future contracts	375	245	3.65
Option agreements	9	3	
Currency swaps	50	100	-2.53
Commodity derivatives			
Electricity derivatives	26	41	-4.29

**Calculation of performance indicators**

Return on capital employed*, %	$\text{Operating profit} \times 100 / (\text{Non-current assets} + \text{Inventories} + \text{Receivables} + \text{Other current assets} - \text{Non-interest-bearing liabilities})$ on average for the reporting period
Return on capital employed, %, moving 12 mo	$\text{Operating profit for prior 12 months} \times 100 / (\text{Non-current assets} + \text{Inventories} + \text{Receivables} + \text{Other current assets} - \text{Non-interest-bearing liabilities})$ on average for 12 months
Return on capital employed excl. non-recurring items*, %	$\text{Operating profit excl. non-recurring items} \times 100 / (\text{Non-current assets} + \text{Inventories} + \text{Receivables} + \text{Other current assets} - \text{Non-interest-bearing liabilities})$ on average for the reporting period
Return on capital employed excl. non-recurring items, %, moving 12 months	$\text{Operating profit excl. non-recurring items for prior 12 months} \times 100 / (\text{Non-current assets} + \text{Inventories} + \text{Receivables} + \text{Other current assets} - \text{Non-interest-bearing liabilities})$ on average for 12 months
Return on equity*, %	$(\text{Profit/loss before tax} - \text{Income tax}) \times 100 / \text{Shareholders' equity}$
Return on equity, %, moving 12 months	$(\text{Profit/loss for prior 12 months before tax} - \text{Income tax for prior 12 months}) \times 100 / \text{Shareholders' equity}$
Return on equity excl. non-recurring items*, %	$(\text{Profit/loss adjusted for non-recurring items before tax} - \text{Income tax adjusted for the tax effect of non-recurring items}) \times 100 / \text{Shareholders' equity}$
Return on equity excl. non-recurring items, %, moving 12 months	$(\text{Profit/loss for prior 12 months adjusted for non-recurring items before tax} - \text{Income tax for prior 12 months adjusted for the tax effect of non-recurring items}) \times 100 / \text{Shareholders' equity}$
Equity ratio, %	$\text{Shareholders' equity} \times 100 / (\text{Balance sheet total} - \text{Prepayments received})$
Earnings/share, diluted	$(\text{Profit/loss} - \text{Non-controlling interests}) / \text{Average diluted number of shares}$
Earnings/share, basic	$(\text{Profit/loss} - \text{Non-controlling interests}) / \text{Average number of shares}$
Earnings/share excl. non-recurring items, basic	$(\text{Profit/loss adjusted for non-recurring items} - \text{Non-controlling interests}) / \text{Average number of shares}$
Equity/share	$\text{Equity attributable to equity holders of the parent} / \text{Basic number of shares at the balance sheet date}$
Gearing, %	$\text{Interest-bearing net debt} \times 100 / \text{Shareholders' equity}$
Interest-bearing net debt	$\text{Interest-bearing liabilities} - \text{Money market investments} - \text{Cash and cash equivalents}$

\* Indicators for return on capital have been annualised.

## K-Group's retail and B2B sales, VAT 0% (preliminary data):

K-Group's retail and B2B sales	1.1.-30.9.2014		1.7.-30.9.2014	
	€ million	Change,%	€ million	Change,%
<b>K-Group's food trade</b>				
K-food stores, Finland	3,420	-2.2	1,164	-1.3
Kespro	582	-1.9	206	0.1
K-ruoka, Russia	77	81.9	26	30.3
<b>Food trade total</b>	<b>4,081</b>	<b>-1.2</b>	<b>1,397</b>	<b>-0.7</b>
<b>K-Group's home and speciality goods trade</b>				
Home and speciality goods stores, Finland	986	-9.0	334	-8.8
Home and speciality goods stores, other countries	21	-9.4	7	-5.0
<b>Home and speciality goods trade total</b>	<b>1,008</b>	<b>-9.1</b>	<b>341</b>	<b>-8.8</b>
<b>K-Group's building and home improvement trade</b>				
K-rauta and Rautia	786	-0.5	296	-4.0
Rautakesko B2B Service	141	0.6	50	-3.7
K-maatalous	355	1.0	117	1.7
<b>Finland total</b>	<b>1,282</b>	<b>0.0</b>	<b>464</b>	<b>-2.6</b>
Building and home improvement stores, other Nordic countries	668	-6.4	244	-9.5
Building and home improvement stores, Baltic countries	328	16.0	128	12.3
Building and home improvement stores, other countries	287	0.6	113	4.5
<b>Building and home improvement trade total</b>	<b>2,565</b>	<b>0.1</b>	<b>948</b>	<b>-2.0</b>
<b>K-Group's car and machinery trade</b>				
VV-Autotalot	295	2.3	95	2.8
VV-Auto, import	305	3.8	82	-0.8
Konekesko, Finland	131	-7.0	39	-14.2
<b>Finland total</b>	<b>730</b>	<b>1.1</b>	<b>216</b>	<b>-2.1</b>
Konekesko, other countries	87	-17.3	31	-30.6
<b>Car and machinery trade total</b>	<b>817</b>	<b>-1.2</b>	<b>247</b>	<b>-6.8</b>
<b>Finland total</b>	<b>7,005</b>	<b>-2.4</b>	<b>2,385</b>	<b>-2.6</b>
<b>Other countries total</b>	<b>1,467</b>	<b>1.1</b>	<b>547</b>	<b>-2.6</b>
<b>Retail and B2B sales total</b>	<b>8,472</b>	<b>-1.8</b>	<b>2,933</b>	<b>-2.6</b>