



Interim report
January-March 2010
27 April 2010

KESKO

Kesko's interim report 1-3/2010

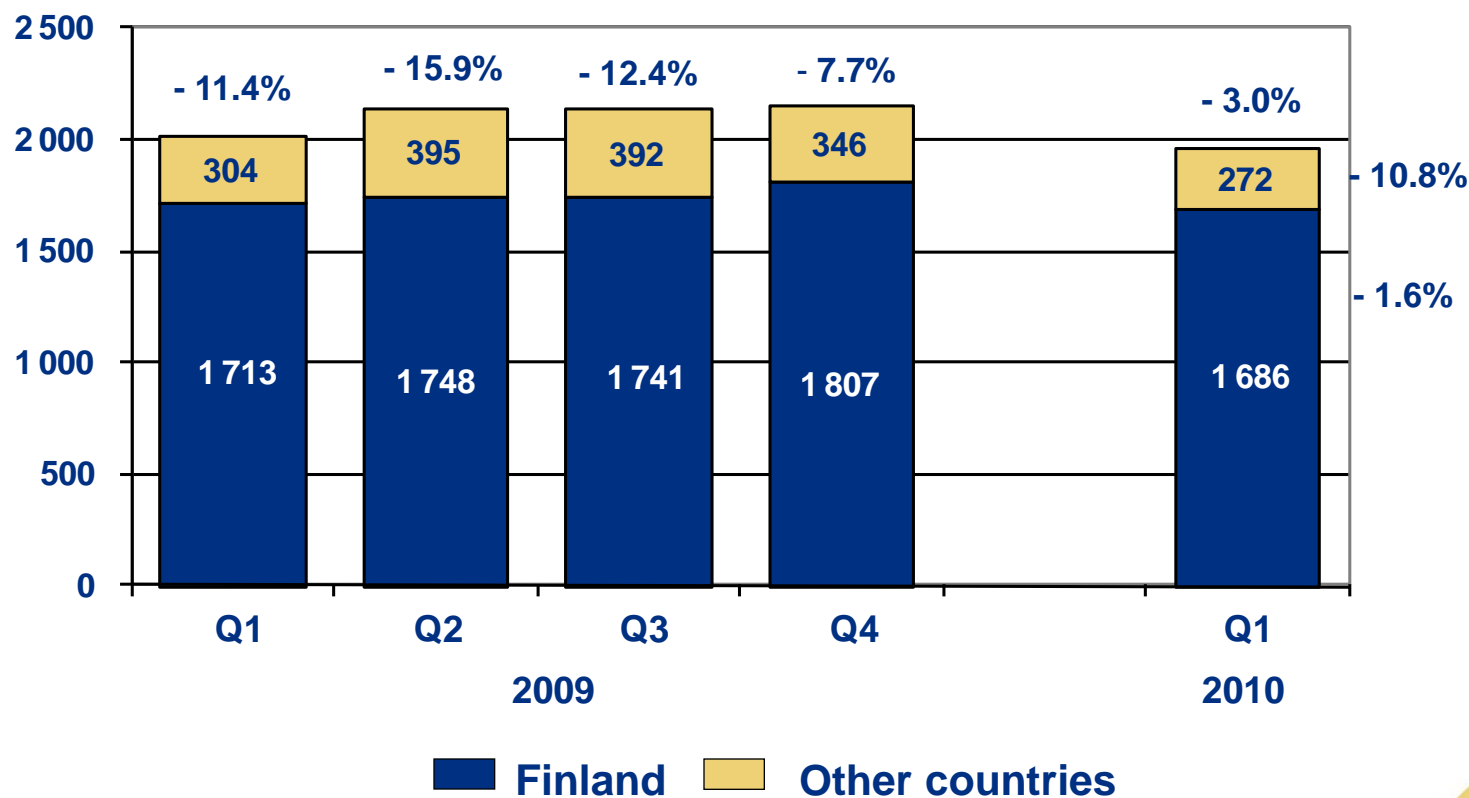
- Kesko's profit growth continued.
- K-food stores' healthy market share growth strengthened. Kesko Food's profit at a good level.
- K-citymarket's, Anttila's, Asko's and Intersport's profitability clearly improved.
- Seasonal nature of profitability of the building and home improvement trade was accentuated by weak market situation in the Baltics and Russia.
- Volkswagen, Audi and machinery trade achieved significant profit improvements. Exceptionally high car order books forecast sales growth.
- Solvency and liquidity at excellent levels, net finance income contributed to profit.
- Net sales and operating profit excluding non-recurring items are expected to grow during the next twelve months.

Net sales by division

1.1.-31.3. (M€)

	2010	2009	Change,%
Food trade	912	888	2.8
Home and speciality goods trade	355	346	2.6
Building and home improvement trade	495	529	-6.5
Car and machinery trade	236	296	-20.2
Common operations and eliminations	-40	-41	-1.5
Total	1,958	2,018	-3.0

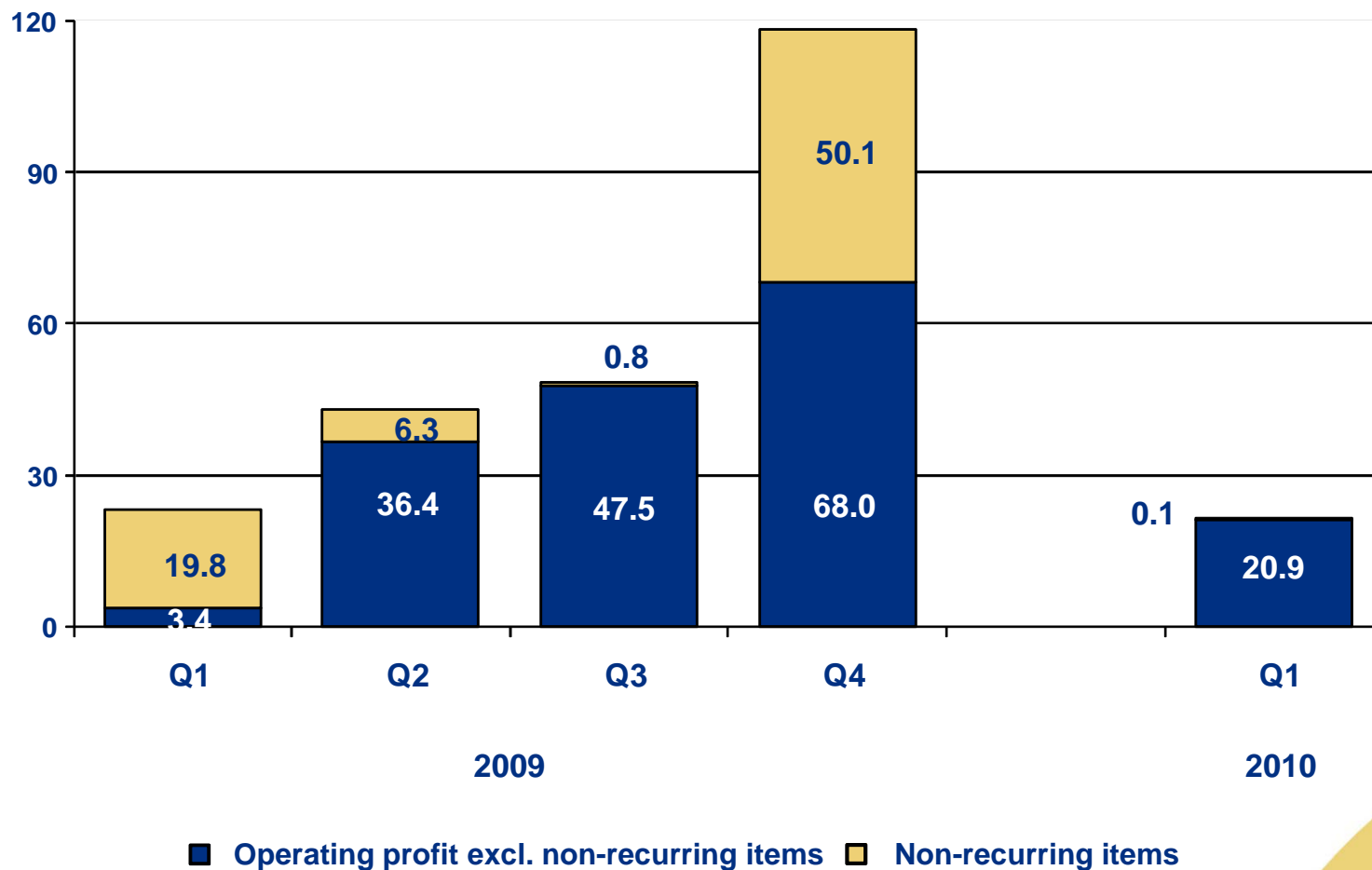
Group's net sales by quarter (M€)



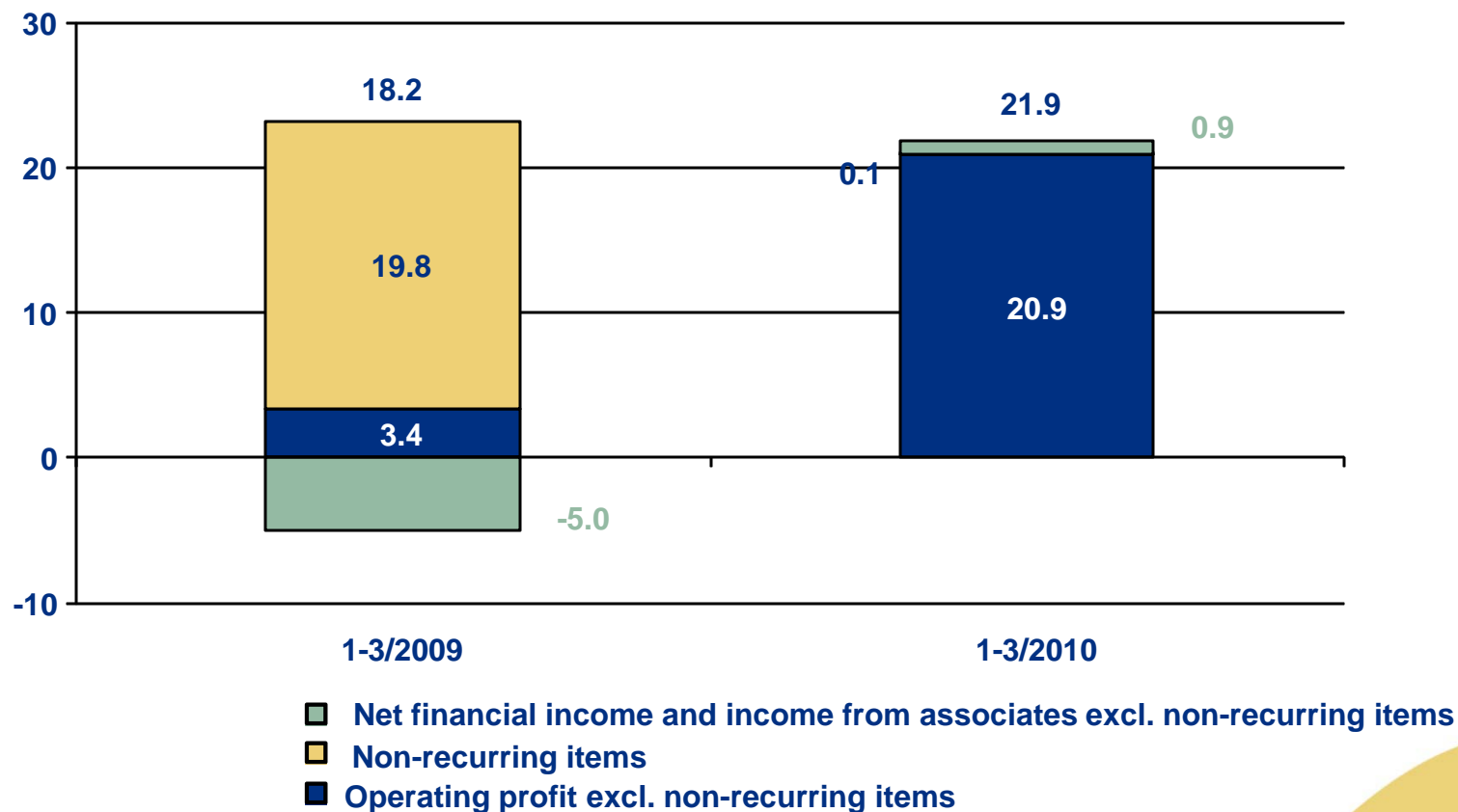
Operating profit excl. non-recurring items by division 1.1.-31.3. (M€)

	2010	2009	Change
Food trade	31.7	33.8	-2.2
Home and speciality goods trade	0.1	-10.7	10.8
Building and home improvement trade	-13.8	-9.1	-4.6
Car and machinery trade	6.4	-6.0	12.3
Common operations and eliminations	-3.4	-4.6	1.1
Total	20.9	3.4	17.5

Operating profit by quarter (M€)

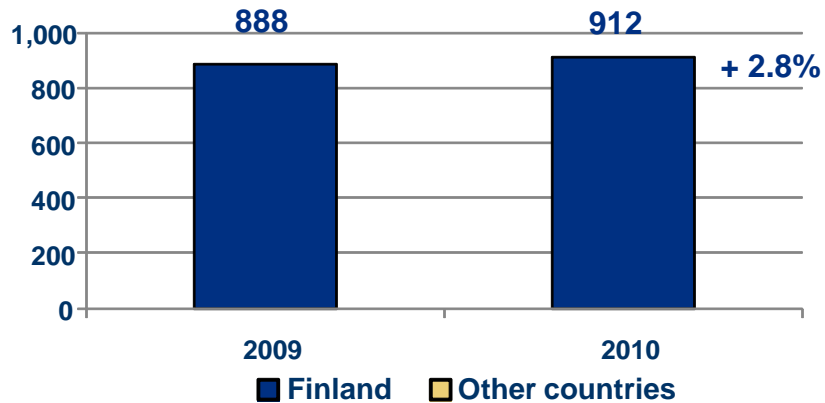


Group's operating profit before tax Q1/2010 (M€)



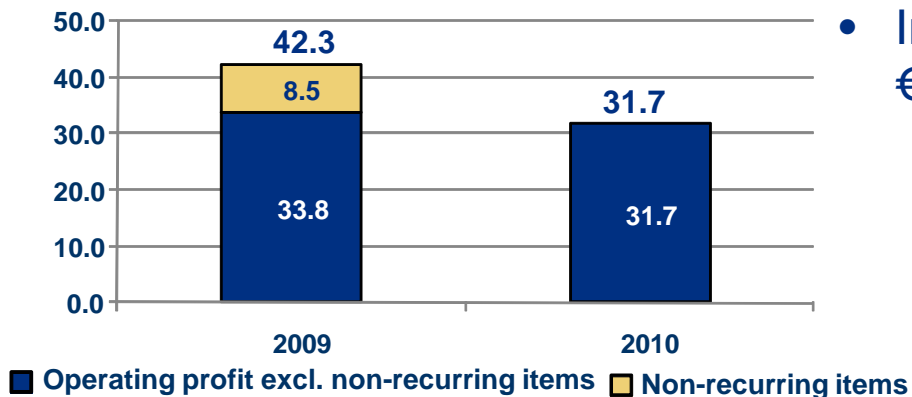
Food trade 1-3/2010

Net sales 1-3, M€



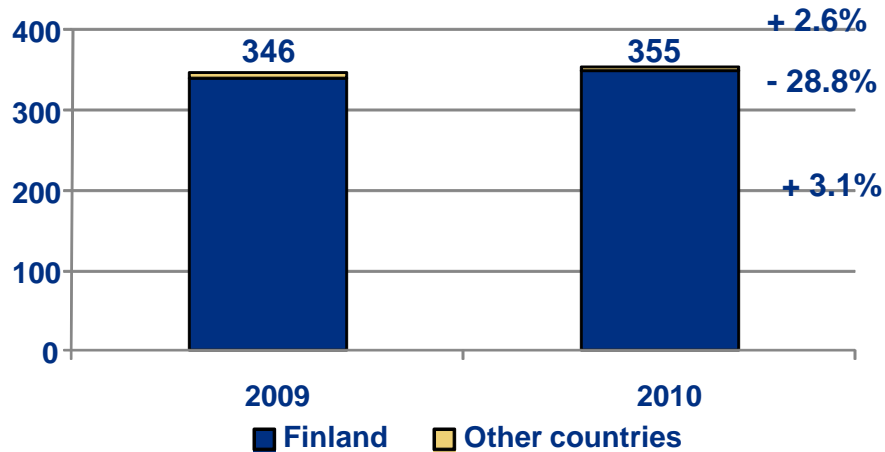
- K-food stores' grocery sales growth 4.1% (VAT 0%).
- Especially the K-citymarket and K-supermarket chains achieved good sales performance.
- K-Plussa customer loyalty programme gained 25,529 new households in January-March.
- Investments in store site network were €11.5 million (€17.4 million).

Operating profit 1-3, M€

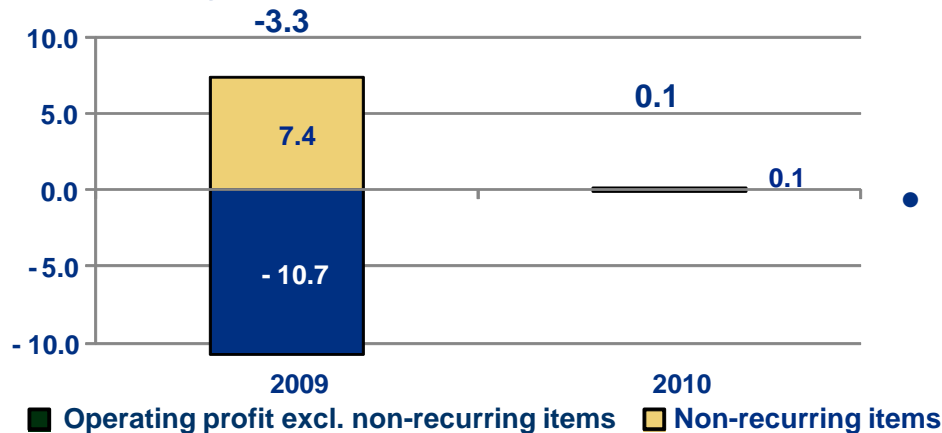


Home and speciality goods trade 1-3/2010

Net sales 1-3, M€



Operating profit 1-3, M€

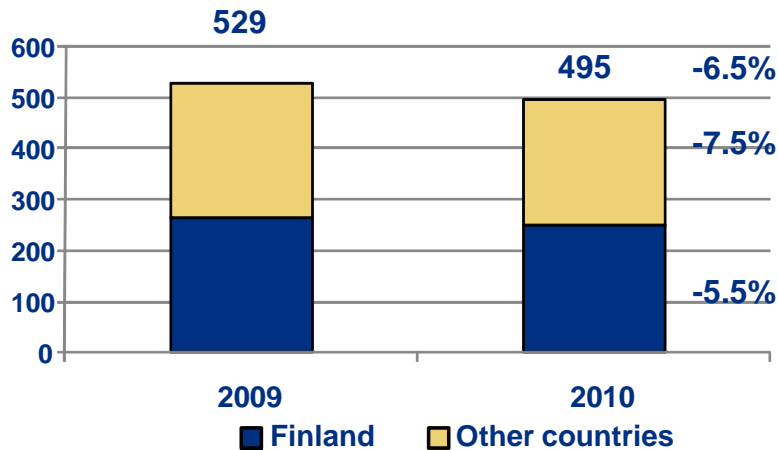


- K-citymarket's home and speciality goods sales increased by 11.1%.
- Asko's and Kodin Ykkönens' home decoration sales increased markedly.
- Intersport achieved good sales performance especially in winter sports equipment.
- Operating profit excluding non-recurring items clearly improved on the previous year owing to sales growth and more efficient inventory management.
- Investments in the home and speciality goods trade were €3.5 million (€9.8 million).

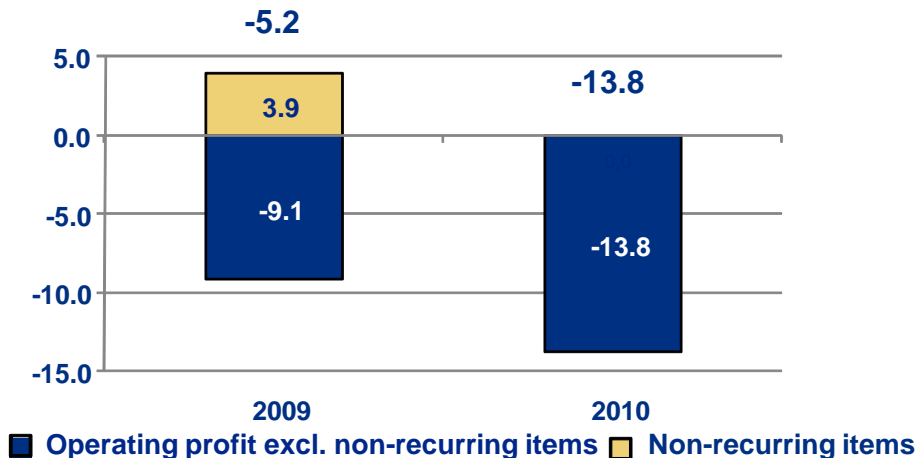


Building and home improvement trade 1-3/2010

Net sales 1-3, M€



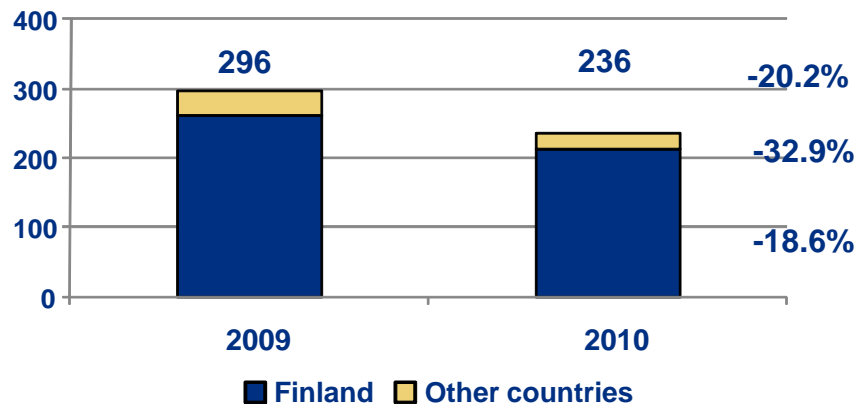
Operating profit 1-3, M€



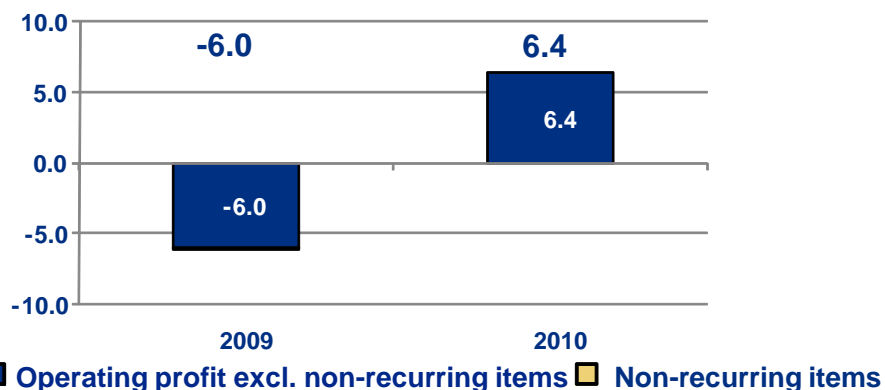
- Sales and profit of the building and home improvement trade declined.
- In addition to segment's seasonal nature, profitability was affected by the weakening Baltic market and investments in new store sites in Russia.
- Investments were €18.0 million (€19.5 million).
- A new K-rauta store opened in Jyväskylä and in Tula, Russia. In April, a new K-rauta opened in Kaluga, Russia and Stockholm, Sweden.

Car and machinery trade 1-3/2010

Net sales 1-3, M€



Operating profit 1-3, M€

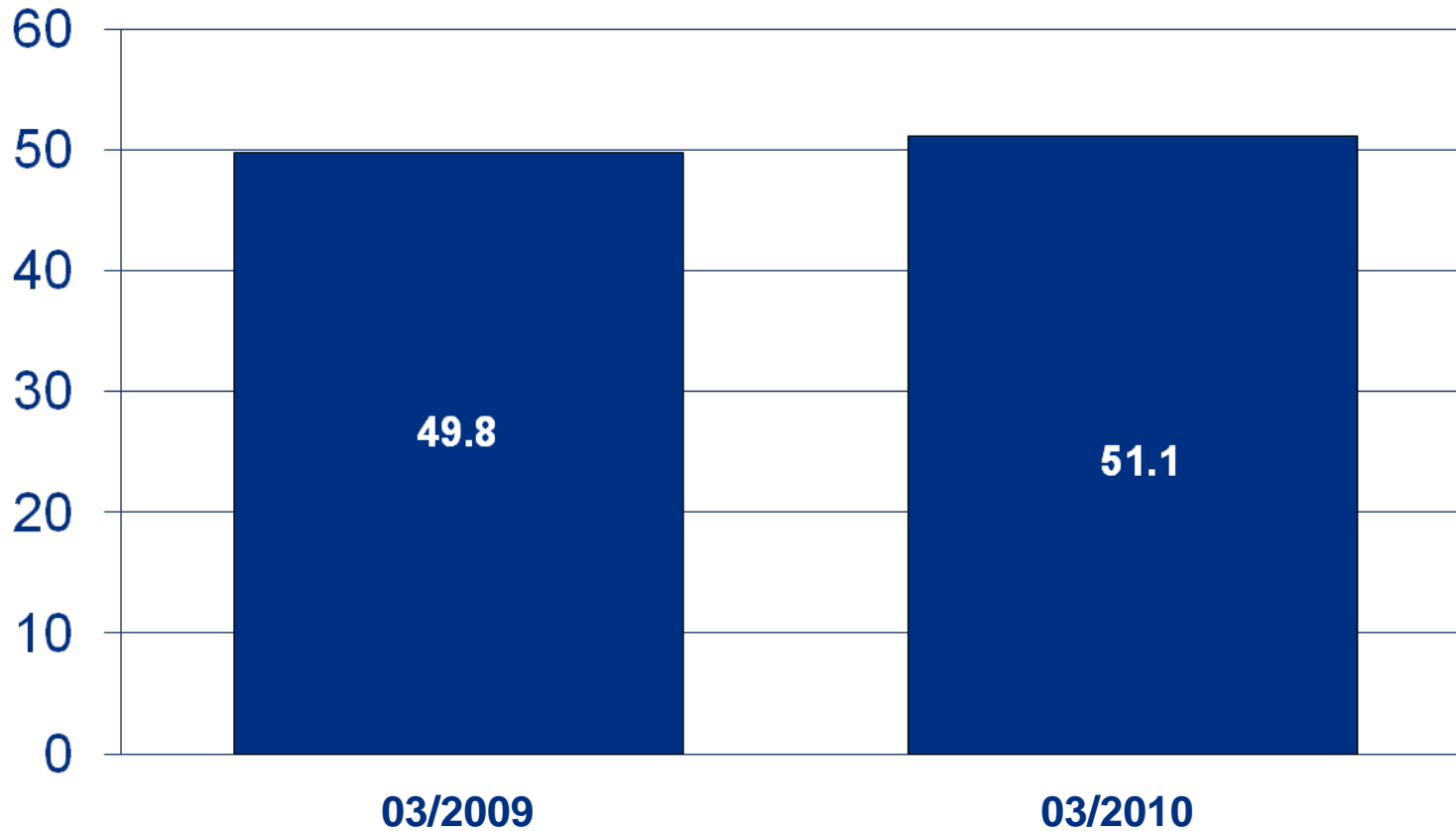


- VV-Auto's net sales, adjusted for the tax change, matched the level of the previous year.
- Combined market share of Audi, Volkswagen and Seat remained unchanged at 19%.
- Volkswagen Center Airport, based on a new concept, was opened in March in Vantaa.
- Konekesko's net sales were decreased by the discontinuation of the Baltic agricultural supplies trade.
- Cost adjustments contributed to profit improvement. The comparative period's profit included €9 million of expense provisions for the Baltic agricultural supplies trade.
- Investments in the car and machinery trade were €4.0 million (€1.8 million).

Group's investments (M€)

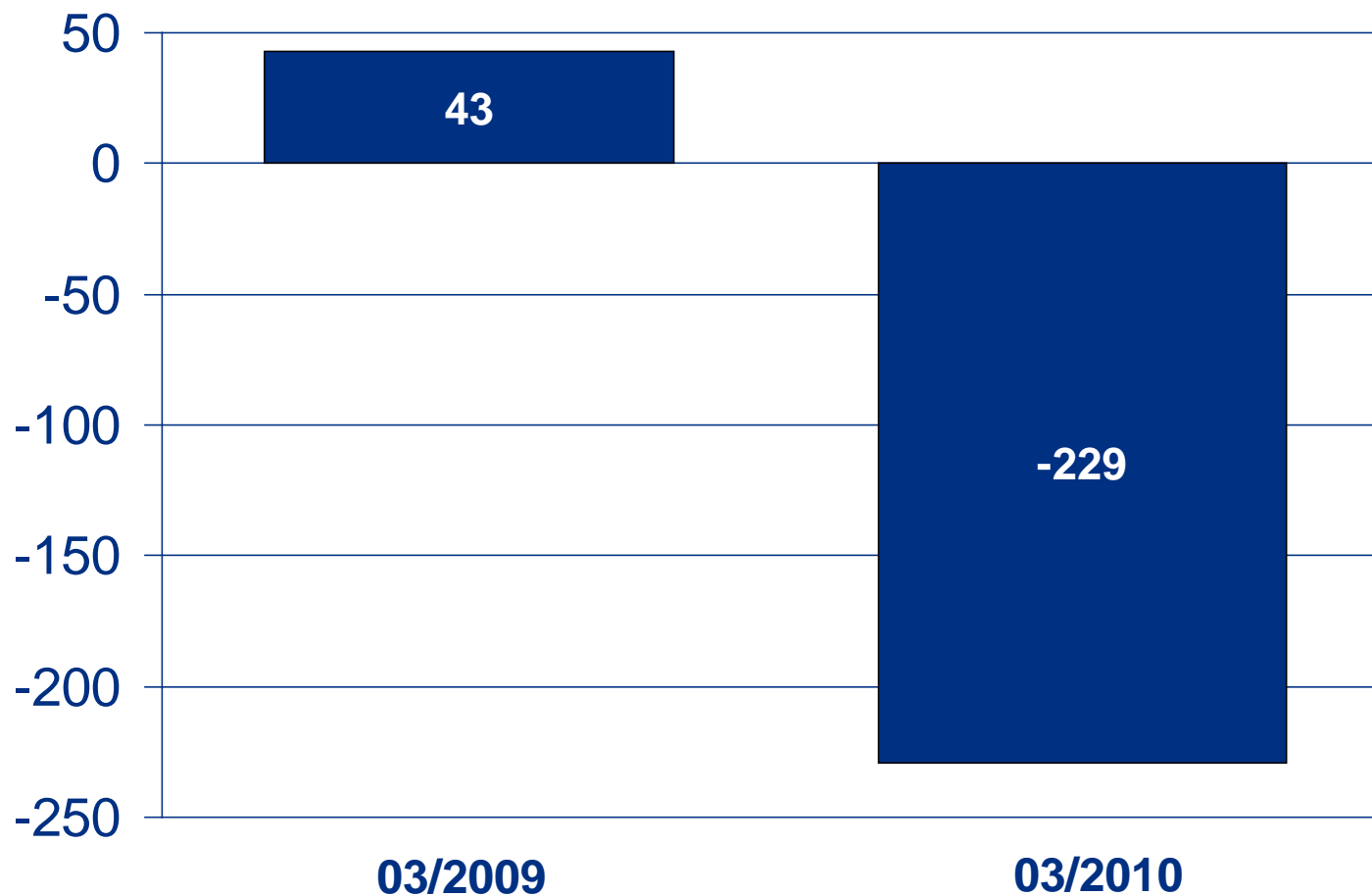


Equity ratio, %



Interest-bearing net liabilities

(M€)



Performance indicators

	1-3/2010	1-3/2009
Net sales, € million	1,958	2,018
Operating profit, € million	20.9	23.2
Operating profit excl. non-recurring items, € million	20.9	3.4
Group's profit before tax, € million	21.9	18.2
Investments, € million	42.0	51.5
Earnings/share, €, diluted	0.15	0.12
Earnings/share excl. non-recurring items, €, basic	0.15	-0.03
Equity/share, €	19.69	19.16
Equity ratio, %	51.1	49.8
Cash flow from operating activities, € million	8.0	-6.9
Cash flow from investing activities, € million	-41.5	5.8

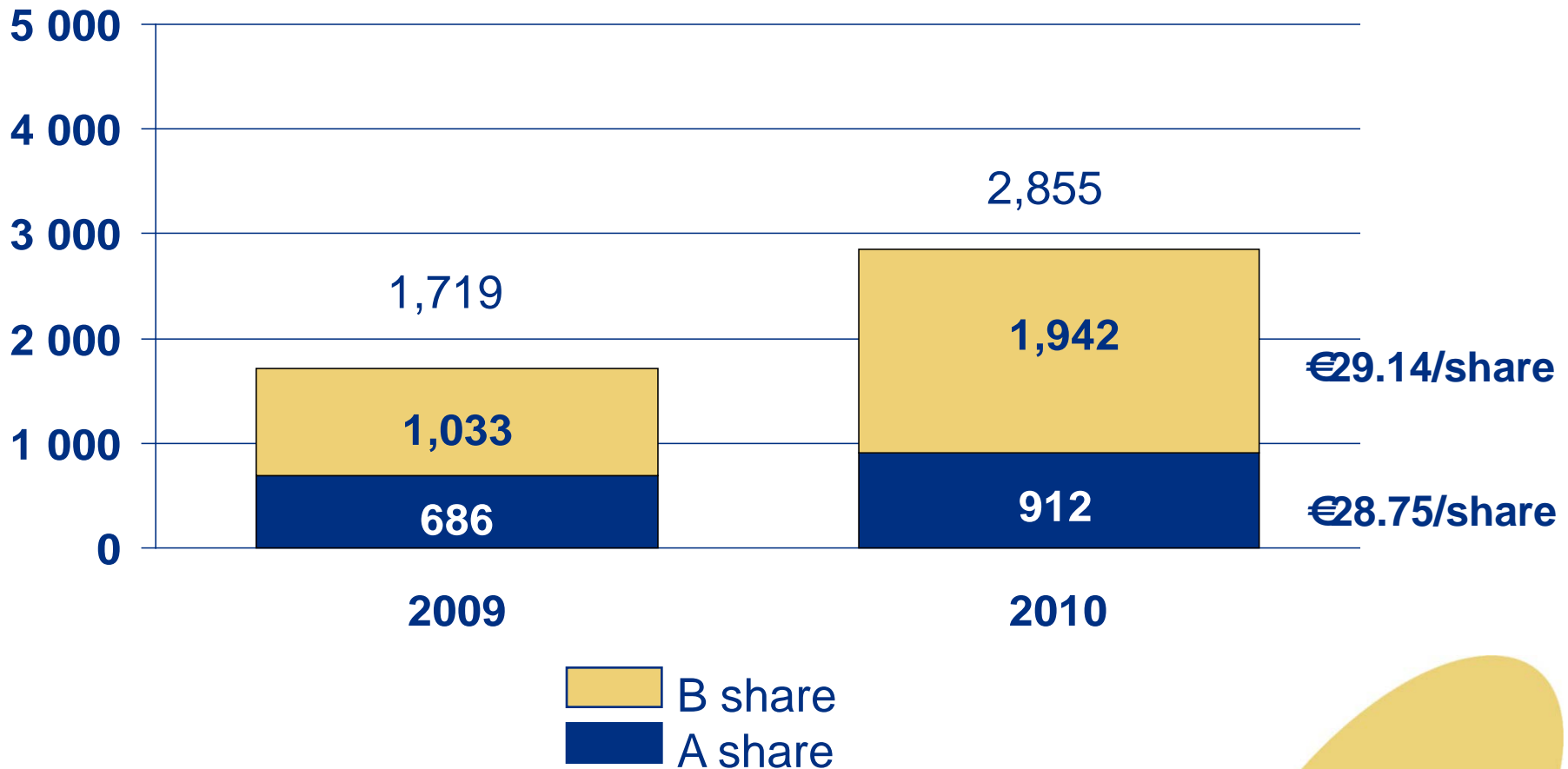
Share price trend 12 mo



KESKO

Market capitalisation

31.3. (M€)



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 (4/2010-3/2011) in comparison with the 12 months preceding the reporting period (4/2009-3/2010).

The trend in consumer demand continues to involve uncertainties caused by unemployment and a higher level of taxation, although consumer confidence has strengthened and the economic outlook is improving.

Grocery prices have turned down, which will dampen market growth in terms of euros, although the grocery trade performance is expected to continue its otherwise steady trend. The prolonged decline in the home and speciality goods trade has eased and the market is expected to return to growth. As a result of increased activity in the housing market and house building, the building and home improvement market is expected to grow in the Nordic countries and the decline is expected to ease in the other operating countries. In the car and machinery trade, new car sales are expected to increase, but the market situation in the machinery trade is expected to remain difficult.

The Kesko Group's net sales and operating profit excluding non-recurring items are expected to grow during the next twelve months.

A photograph of a forest floor covered in a dense carpet of white flowers, likely Anemone nemorosa, with vibrant green foliage. Tall, slender trees with light-colored bark stand in the background under a clear sky. A semi-transparent white rounded rectangle is overlaid on the left side of the image, containing the text "Thank you!".

Thank you!