Q1/2015

Kesko Corporation

Interim Report

January-March 2015

KESKO

Kesko’s interim report for the period 1 January to 31 March 2015: Profitability improved and balance sheet remained strong, Anttila sold during the reporting period

Financial performance in brief:
** The Group's net sales for January-March €2,082 million, change -2.2%. Anttila excluded, net sales growth 0.7% in local currencies.*
** Operating profit excluding non-recurring items €26.5 million (€19.1 million).*
** Earnings per share excluding non-recurring items €0.19 (€0.15).*
** Equity ratio 51.5% (53.2%).*
** Kesko Group's net sales for the next 12 months are expected to be lower than the level of the preceding 12 months and the operating profit excluding non-recurring items for the next 12 months is expected to exceed the level of the preceding 12 months.*

KEY PERFORMANCE INDICATORS

	1-3/2015	1-3/2014
Net sales, € million	2,082	2,129
Operating profit excl. non- recurring items, € million	26.5	19.1
Operating profit, € million	-103.6	-13.0
Profit before tax, € million	-103.7	-14.4
Capital expenditure, € million	51.5	43.4
Earnings per share, diluted, €	-1.11	-0.11
Earnings per share excl. non-recurring items, basic, €	0.19	0.15

	31.3.2015	31.3.2014
Equity ratio, %	51.5	53.2
Equity per share, €	21.30	22.83

PRESIDENT AND CEO MIKKO HELANDER:

”Kesko improved its profit for the first quarter of the year, although the operating environment continued to be difficult. Profitability improved markedly in the home improvement and speciality goods trade. Likewise in the grocery trade, profitability remained at a good level. Profit improvement was achieved through the enhancement of operating efficiency. The divestment of Anttila will significantly improve Kesko’s profitability, but it did not yet have a material impact on the profit for the first quarter. Anttila’s divestment supports Kesko’s objective to be an increasingly focused group in the future.

Kesko’s financial position is very strong too. At the end of the reporting period, liquid assets were approximately €500 million. The preparatory work for the real estate arrangement progresses and the project is expected to be implemented during the first part of 2015, provided that the terms and conditions are acceptable to Kesko.

The general economic situation and the expected trend in consumer demand vary in Kesko’s different operating countries. In Finland, demand in the trading sector is expected to be weak also in the current year and the tight competitive situation in the grocery trade and the speciality goods trade is expected to continue. In Sweden, Norway and the Baltic countries, the growth in demand in the trading sector is expected to continue. In Russia, the economic situation and consumers’ purchasing power will weaken. Kesko Group's net sales for the next 12 months are expected to be lower than the level of the preceding 12 months and the operating profit excluding non-recurring items for the next 12 months is expected to exceed the level of the preceding 12 months.

In Kesko’s grocery trade, the key objective is to stop the decline of market share and turn the trend upward in Finland. The first signs of a turnaround were already seen in February-March in both customer flows and sales. The partnership agreement with the world’s leading coffee house chain, Starbucks, announced in April is a good example of the different ways in which K-food stores can deliver the most exciting experiences in the market.

The market position of Kesko’s building and home improvement trade strengthened in Finland and profitability is being improved further in the Nordic and the Baltic countries. In Russia too, sales performance in local currencies has been strong despite the challenging market situation.

Kesko’s strategy work is underway and the new strategy will be published within the next few months. It has been prepared since the beginning of the year by some 40 people and the whole personnel has been invited to express their ideas through different channels. Kesko will be a more focused and unified group in the future. The strategy will guide Kesko’s future direction for several years to come and it will play a key role in the continuation of Kesko’s 75-year-long success story.”

FINANCIAL PERFORMANCE

NET SALES AND PROFIT FOR JANUARY-MARCH 2015

The Group's net sales for January-March 2015 were €2,082 million, which is 2.2% down on the corresponding period of the previous year (€2,129 million). Anttila excluded, net sales performance was +0.7% in local currencies. The general economic situation and consumer demand in Finland remained weak during the reporting period. In the grocery trade, net sales performance was +0.1%. In the home improvement and speciality goods trade, net sales decreased by 5.2%, but Anttila excluded, they increased by 2.2% in local currencies. In the car and machinery trade, net sales were down 4.2%. The Group's net sales in Finland decreased by 1.5% and in the other countries by 5.7%; in local currencies, net sales abroad increased by 6.0%. The weakening of the Russian rouble impacted net sales performance in euros especially in the home improvement and speciality goods trade. International operations accounted for 15.7% (16.3%) of net sales.

1-3/2015	Net sales, € million	Change, %	Operating profit excl. non-recurring items, € million	Change, € million
Grocery trade	1,103	+0.1	34.9	-10.5
Home improvement and speciality goods trade	722	-5.2	-11.4	+20.0
Car and machinery trade	261	-4.2	7.0	-1.3
Common operations and eliminations	-3	-47.5	-4.0	-0.9
Total	**2,082**	**-2.2**	**26.5**	**+7.4**

The operating profit excluding non-recurring items for January-March was €26.5 million (€19.1 million). Profitability improved markedly in the home improvement and speciality goods trade, in which profit performance strengthened especially in the building and home improvement trade in Finland, Sweden and Norway. The operating loss of Anttila was also clearly smaller than in the previous year. Profitability was at a good level also in the grocery trade and in the car and machinery trade despite the tightened competitive situation.

Operating profit was €-103.6 million (€-13.0 million). The operating profit includes €-130.1 million (€-32.2 million) of non-recurring items. The most significant non-recurring item is the €130 million loss on the divestment of Anttila. The non-recurring items in the comparative period included a €30.0 million restructuring provision recognised on measures taken to improve Anttila's profitability.

The Group's profit before tax for January-March was €-103.7 million (€-14.4 million). The Group's earnings per share were €-1.11 (€-0.11). The Group's equity per share was €21.30 (€22.83).

In January-March, the K-Group's (i.e. Kesko's and the chain stores') retail and B2B sales (VAT 0%) were €2,475 million, down 3.1% compared to the previous year. The K-Plussa customer loyalty programme gained 16,021 new households in January-March 2015. At the end of March, there were 2.3 million K-Plussa households and 3.6 million K-Plussa cardholders.

FINANCE

In January-March, the cash flow from operating activities was €-74.8 million (€-94.8 million). The cash flow from investing activities was €-64.5 million (€-43.7 million).

The Group's liquidity remained at an excellent level in January-March. At the end of the period, liquid assets totalled €506 million (€532 million). Interest-bearing liabilities were €548 million (€557 million) and interest-bearing net debt was €41 million (€25 million) at the end of March. The equity ratio was 51.5% (53.2%) at the end of the period.

In January-March, the Group's net finance costs were €0.3 million (€1.6 million).

TAXES

In January-March, the Group's taxes were €7.0 million. In the comparative period, taxes were €2.5 million positive due to deferred tax assets recognised on non-recurring costs.

CAPITAL EXPENDITURE

In January-March, the Group's capital expenditure totalled €51.5 million (€43.4 million), or 2.5% (2.0%) of net sales. Capital expenditure in store sites was €40.1 million (€27.8 million), in IT €4.7 million (€10.8 million) and other capital expenditure was €6.6 million (€4.8 million). Capital expenditure in foreign operations represented 53.4% (37.2%) of total capital expenditure.

KESKO'S STRATEGY WORK PROGRESSES

Kesko's strategy will be published and implemented across the Group within the next few months. The new strategy aims to achieve profitable growth in selected areas. All business operations will be developed in order to increase shareholder value. Synergies will be fully exploited at both customer interface and in internal operations. Special themes in the strategy include digitalisation, strengthening of retailer entrepreneurship, customer experience and identity. Kesko will be an increasingly focused and unified operator in the future.

SALE OF ANTTILA'S SHARES WAS IMPLEMENTED

On 16 March 2015, Kesko sold the department store chain Anttila Oy to the German investment fund 4K INVEST at a price of €1 million. The transaction included all assets and liabilities in Anttila Oy. Anttila Oy's approximately 1,500 employees continue in the employment of the company. The date of the transaction was 16 March 2015. Kesko recorded a €-130 million non-recurring item on the transaction for the first quarter of 2015 relating to the financing, working capital and fixed assets of Anttila. The transaction will improve Kesko's profitability and make Kesko's operations more focused.

KESKO CONTINUES PREPARATIONS FOR REAL ESTATE ARRANGEMENT

The intention is to sell some of the store sites owned by Kesko to a joint venture to be set up. The arrangement is expected to be implemented during the first part of 2015, provided that the terms and conditions of the transaction are acceptable to Kesko.

Kesko's objective is to set up a limited liability company (a joint venture) to own and manage mainly Kesko-owned store sites and shopping centres with Kesko as one of its significant investors. If the joint venture is set up, Kesko Group would continue operating on the store sites under long-term leases to be signed in connection with their sale. The fair value of store sites planned to be sold to the joint venture in Finland and Sweden is approximately €670 million at maximum. If implemented, the sale of store sites is estimated to generate a significant non-recurring profit.

PERSONNEL

In January-March, the average number of employees in Kesko Group was 19,058 (19,619) converted into full-time employees. In Finland, the average decrease was 877 people, while outside Finland, there was an increase of 316 people.

At the end of March 2015, the number of employees was 21,489 (23,428), of whom 9,829 (12,155) worked in Finland and 11,660 (11,273) outside Finland. Compared to the end of March 2014, there was a decrease of 2,326 people in Finland and an increase of 387 people outside Finland. The number of personnel at Anttila, sold on 16 March 2015, was approximately 1,500.

The Group's employee benefit expenses were €144 million (€156 million) in January-March.

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.

GROCERY TRADE

	1-3/2015	1-3/2014
Net sales, € million	1,103	1,102
Operating profit excl. non-recurring items, € million	34.9	45.4
Operating margin excl. non-recurring items, %	3.2	4.1
Capital expenditure, € million	37.6	19.7

Net sales, € million	1-3/2015	Change, %
Sales to K-food stores	758	+0.9
K-citymarket, non-food	132	-1.1
Kespro	185	+1.7
K-ruoka, Russia	21	-15.9
Others	9	-26.2
Total	**1,103**	**+0.1**

<u>January-March 2015</u>

The net sales of the grocery trade for January-March were €1,103 million (€1,102 million), with a performance of +0.1%. Easter falling at the beginning of April increased the wholesale of groceries at the end of the reporting period. In January-March, the grocery sales of K-food stores in Finland decreased by 1.1% (VAT 0%). In the grocery market in Finland, retail prices are estimated to have changed by approximately -0.5% 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 been at the previous year's level in January-March (Kesko's own estimate). Kespro's sales and market position remained at a good level. The weakening of the rouble decreased the sales in euros of the food stores in Russia. In roubles, net sales increased by 24%.

In January-March, the operating profit excluding non-recurring items of the grocery trade was €34.9 million (€45.4 million). Profitability remained at a good level despite the measures taken to improve K-food stores' competitiveness. Kespro's market share increased and profitability remained at a good level. Operating profit was €35.2 million (€44.3 million). Non-recurring items were €0.3 million (€-1.1 million).

The capital expenditure of the grocery trade in January-March was €37.6 million (€19.7 million), of which €34.2 million (€16.7 million) in store sites.

In January-March 2015, the sixth K-ruoka store in St. Petersburg and one new K-supermarket, as well as two new K-markets in Finland were opened. Renewals and space modifications were made in a total of seven stores.

The most significant store sites being built are the new K-supermarkets in Lauttasaari, Helsinki, in Oulu, Raasepori, Savonlinna, Uusikaarlepyy and the two new K-supermarkets in Lappeenranta. Two new food stores are being built in Russia.

Numbers of stores as at 31 March	2015	2014
K-citymarket	81	80
K-supermarket	218	219
K-market (incl. service station stores)	444	441
K-ruoka, Russia	6	4
Others*	161	172

* incl. online stores
In addition, several K-food stores offer e-commerce services to their customers.

HOME IMPROVEMENT AND SPECIALITY GOODS TRADE

	1-3/2015	1-3/2014
Net sales, € million	722	761
Operating profit excl. non-recurring items, € million	-11.4	-31.4
Operating margin excl. non-recurring items, %	-1.6	-4.1
Capital expenditure, € million	9.5	14.2

Net sales, € million	1-3/2015	Change, %
Rautakesko, Finland	280	-3.5
K-rauta, Sweden	40	+3.7
Byggmakker, Norway	97	-3.3
K-rauta, Estonia	17	+18.6
K-rauta, Latvia	11	+9.6
Senukai, Lithuania	60	+3.8
K-rauta, Russia	39	-21.0
OMA, Belarus	22	-6.4
Intersport, Finland	49	+8.7
Intersport, Russia	3	-35.5
Indoor	44	+4.7
Musta Pörssi	4	-37.0
Kenkäkesko	6	-4.4
Anttila	53	-30.7
Total	**722**	**-5.2**

January-March 2015
The net sales of the home improvement and speciality goods trade for January-March were €722 million (€761 million), down 5.2%. Net sales excluding Anttila increased by 2.2% in local currencies.

The net sales of the home improvement and speciality goods trade for January-March in Finland were €432 million (€461 million), a decrease of 6.3%. Anttila excluded, net sales decreased in Finland by 1.6% despite the positive performance of Indoor and Intersport.

The K-Group's sales of building and home improvement products in Finland decreased by a total of 3.7% and the total market (VAT 0%) is estimated to have fallen by approximately 5.4% (Kesko's own estimate). The K-Group's market share is estimated to have grown during the first months of the year. The retail sales of the K-maatalous chain were down by 2.2%.

In January-March, the net sales from the foreign operations of the home improvement and speciality goods trade were €290 million (€300 million), a decrease of 3.5%. In local currencies, the net sales from foreign operations increased by 6.7%. In Sweden, net sales in kronas grew by 9.9% and in Russia, net sales in roubles grew by 14.8%. In Norway, net sales in krones were at the previous year's level. Market position strengthened in Sweden and the Baltic countries. Foreign operations contributed 40.2% (39.5%) to the net sales of the home improvement and speciality goods trade.

In January-March, the operating profit excluding non-recurring items of the home improvement and speciality goods trade was

€-11.4 million (€-31.4 million), up €20.0 million compared to the previous year. Anttila's operating profit, €-12.7 million (€-22.2 million) is included in the profit of the home improvement and speciality goods trade. Anttila and non-recurring items excluded, the operating profit of the home improvement and speciality goods trade was €1.3 million, up €10.6 million on the previous year. The clearly improved profitability is attributable to a sales increase in foreign currency terms, coupled with the growth of sales margin and the implemented cost savings. Profit improved especially in the building and home improvement trade in Finland, Sweden and Norway. In Russia, the operating profit excluding foreign exchange impacts increased. The operating profit of the home improvement and speciality goods trade was €-141.8 million (€-62.5 million). Non-recurring items include a €130 million loss on the sale of Anttila.

In January-March, the capital expenditure of the home improvement and speciality goods trade totalled €9.5 million (€14.2 million), of which 36.1% (65.0%) was abroad. Capital expenditure in store sites represented 53.6% of total capital expenditure.

In January-March, an Intersport store in Vaasa and the Sotka.fi online store were opened and two Intersport stores were closed in St. Petersburg. The most significant store sites being built are the K-rauta stores in Kokkola, Lahti and Imatra.

Numbers of stores as at 31 March	2015	2014
K-rauta	42	42
Rautia*	93	98
K-maatalous*	81	83
K-rauta, Sweden	20	20
Byggmakker, Norway	84	86
K-rauta, Estonia	8	8
K-rauta, Latvia	8	8
Senukai, Lithuania	19	18
K-rauta, Russia	13	13
OMA, Belarus	11	10
Intersport, Finland**	62	63
Budget Sport**	11	11
Asko and Sotka**	87	87
Musta Pörssi**	1	6
Kookenkä**	41	46
Intersport, Russia	17	20
Asko and Sotka, the Baltics**	10	10

* in 2015, 46 (47) Rautia stores also operated as K-maatalous stores
** incl. online stores
In addition, the building and home improvement stores offer e-commerce services to their customers.

CAR AND MACHINERY TRADE

	1-3/2015	1-3/2014
Net sales, € million	261	272
Operating profit excl. non-recurring items, € million	7.0	8.2
Operating margin excl. non-recurring items, %	2.7	3.0
Capital expenditure, € million	2.9	2.9

Net sales, € million	1-3/2015	Change, %
VV-Auto	206	-3.7
Konekesko	55	-6.2
Total	**261**	**-4.2**

January-March 2015
The net sales of the car and machinery trade for January-March were €261 million (€272 million), down 4.2%.

VV-Auto's net sales for January-March were €206 million (€214 million), a decrease of 3.7%. In January-March, the combined market performance of first time registered passenger cars and vans was -3.0%.

In January-March, the combined market share of passenger cars and vans imported by VV-Auto was 18.8% (20.9%).

Konekesko's net sales for January-March were €55 million (€58 million), down 6.2% compared to the previous year. Net sales in Finland were €38 million, up 4.9%. The net sales from Konekesko's foreign operations were €17 million, down 24.3%. 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-March, the operating profit excluding non-recurring items of the car and machinery trade was €7.0 million (€8.2 million), down €1.3 million compared to the previous year. The profitability of the car trade remained at a good level despite the weakened market situation.

The operating profit for January-March was €7.0 million (€8.2 million).

The capital expenditure of the car and machinery trade in January-March was €2.9 million (€2.9 million).

Numbers of stores as at 31 March	2015	2014
VV-Auto, retail trade	10	10
Konekesko	1	1

CHANGES IN THE GROUP COMPOSITION

During the reporting period, Kesko Corporation sold its subsidiary Anttila Oy. (Stock exchange release on 16 March 2015)

SHARES, SECURITIES MARKET AND BOARD AUTHORISATIONS

At the end of March 2015, 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 31 March 2015, Kesko Corporation held 996,076 own B shares as treasury shares. These treasury shares accounted for 1.46% of the number of B shares, 1.00% of the total number of shares, and 0.26% of votes attached to all shares of the company. The total number of votes attached to 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 by it as treasury shares and no dividend is paid on them. At the end of March 2015, Kesko Corporation's share capital was €197,282,584.

The price of a Kesko A share quoted on Nasdaq Helsinki was €28.56 at the end of 2014, and €36.76 at the end of March 2015, representing an increase of 28.7%. Correspondingly, the price of a B share was €30.18 at the end of 2014, and €39.77 at the end of March 2015, representing an increase of 31.8%. In January-March, the highest A share price was €38.08 and the lowest was €28.52. The highest B share price was €40.66 and the lowest was €29.95. In January-March, the Nasdaq Helsinki All-Share index (OMX Helsinki) was up 16.2% and the weighted OMX Helsinki Cap index 16.7%. The Retail Sector Index was up 28.6%.

At the end of March 2015, the market capitalisation of A shares was €1,167 million, while that of B shares was €2,676 million, excluding the shares held by the parent company. The combined market capitalisation of A and B shares was €3,843 million, an increase of €905 million from the end of 2014. In January-March 2015, a total of 0.8 million (0.6 million) A shares were traded on Nasdaq Helsinki, an increase of 41.7%. The exchange value of A shares was €27 million. The number of B shares traded was 17.3 million (14.6 million), an increase of 18.8%. The exchange value of B shares was €598 million. Nasdaq Helsinki accounted for 59% of Kesko A and B share trading in January-March 2015. Kesko shares were also traded on multilateral trading facilities, the most significant of which were BATS Chi-X with 34% and Turquoise with 7% of the trading (source: Fidessa).

The Board had the authority, granted by the Annual General Meeting of 16 April 2012, to issue a total maximum of 20,000,000 new B shares, which was intended to expire on 30 June 2015. The shares could be issued against payment for subscription by shareholders in a directed issue in proportion to their existing holdings of the company shares regardless of whether they consisted of A or B shares, or, deviating from the shareholder's pre-emptive right, in a directed issue, if there had been a weighty financial reason for the company, such as using the shares to develop the company's capital structure and financing possible acquisitions, capital expenditure or other arrangements within the scope of the company's business operations. The amount paid for the shares would have been recognised in the reserve of invested non-restricted equity. The authorisation also included 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 issues.

On 13 April 2015, the Annual General Meeting approved a share issue authorisation which cancels the above authority granted by the General Meeting of 16 April 2012. In consequence, the Board has the authority, granted by the Annual General Meeting of 13 April 2015 and valid until 30 June 2018, to issue a total maximum of 20,000,000 new B shares. The shares can be issued against payment to be subscribed by shareholders in a directed issue in proportion to their existing holdings of the company shares regardless of whether they hold 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, capital expenditure 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 for non-cash consideration and the right to make decisions on other matters concerning share issues.

In addition, the Board has the authority, valid until 30 June 2017, to decide on the transfer of a maximum of 1,000,000 own B shares held by the company as treasury shares. On 9 February 2015, the Board decided to grant own B shares held by the company as treasury shares to persons included in the target group of the 2014 vesting period, based on the valid authority to issue treasury shares granted by the Annual General Meeting held on 8 April 2013 and the fulfilment of the vesting criteria of the 2014 vesting period of Kesko's three-year share-based compensation plan. This transfer of a total of 120,022 own B shares was announced in a stock exchange release on 1 April 2015 and 7 April 2015. Based on the 2014-2016 share-based compensation plan decided by the Board, a total maximum of 600,000 own B shares held by the company as treasury shares can be granted within a period of three 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.

In January-March, a total of 761 shares granted based on the earlier share-based compensation plan (the 2011-2013 share-based compensation plan) was returned to the company in accordance with the terms and conditions of the share-based compensation plan. The return during the reporting period was notified in a stock exchange notification on 23 March 2015.

At the end of March 2015, the number of shareholders was 39,612, which is 257 less than at the end of 2014. At the end of March, foreign ownership of all shares was 27%. At the end of March, foreign ownership of B shares was 39%.

FLAGGING NOTIFICATIONS

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

KEY EVENTS DURING THE REPORTING PERIOD

M.Sc. (Econ.) Anni Ronkainen, 48, was appointed Kesko's Chief Digital Officer responsible for business development, digital business environment and marketing, and a member of the Group Management Board. (Stock exchange release on 26 January 2015)

Kesko sold the department store chain Anttila Oy to the German investment fund 4K INVEST at a price of €1 million. The transaction includes all assets and liabilities in Anttila Oy. Anttila Oy's approximately 1,500 employees continue in the employment of the company. The date of the transaction was 16 March 2015. (Stock exchange release on 16 March 2015)

On 20 March 2015, at http://kesko2014.kesko.fi/en, Kesko published its first annual report that makes use of the <IR> integrated reporting framework. The annual report includes a business review, GRI indicators, the financial statements for 2014, the Corporate Governance Statement and the Remuneration Statement.

RESOLUTIONS OF THE 2015 ANNUAL GENERAL MEETING AND DECISIONS OF THE BOARD'S ORGANISATIONAL MEETING

Kesko Corporation's Annual General Meeting, held on 13 April 2015, adopted the financial statements and the consolidated financial statements for 2014 and discharged the Board members and the Managing Director from liability. The General Meeting also resolved to distribute a dividend of €1.50 per share as proposed by the Board, or a total amount of €148,715,547.00. The dividend pay date was 22 April 2015. The General Meeting resolved to leave the number of Board members unchanged at seven. The General Meeting resolved to elect retailer, Business College Graduate Esa Kiiskinen, Master of Science in Economics, retailer Tomi Korpisaari, retailer, Secondary School Graduate Toni Pokela, eMBA Mikael Aro (new member), Master of Science in Economics Matti Kyytsönen (new member), Master of Science in Economics Anu Nissinen (new member) and Master of Laws Kaarina Ståhlberg (new member) as Board members for a three-year term expiring at the close of the 2018 Annual General Meeting in accordance with the Articles of Association. In addition, the General Meeting resolved to leave the Board members' fees and the basis for reimbursement of expenses unchanged.

The General Meeting elected the firm of auditors PricewaterhouseCoopers Oy, Authorised Public Accountants, as the company's auditor, with APA Mikko Nieminen as the auditor with principal responsibility. The General Meeting also approved the Board's proposals for the Board's authorisation to issue of a total maximum of 20,000,000 new B shares until 30 June 2018, and its authorisation 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 2016.

After the Annual General Meeting, Kesko Corporation's Board of Directors held an organisational meeting in which it elected retailer, Business College Graduate Esa Kiiskinen as its Chair and eMBA Mikael Aro as its Deputy Chair. Master of Laws Kaarina Ståhlberg (Ch.), eMBA Mikael Aro (Dep. Ch.) and Master of Science in Economics Matti Kyytsönen were elected to the Board's Audit Committee. Esa Kiiskinen (Ch.), Mikael Aro (Dep. Ch.) and Master of Science in Economics Anu Nissinen were elected to the Board's Remuneration Committee.

The resolutions of the 2015 Annual General Meeting and the decisions of the Board's organisational meeting were announced in more detail in stock exchange releases on 13 April 2015.

RESPONSIBILITY

The target of the Youth Guarantee in the K-Group programme was to employ 1,000 young people during 2013-2014. By the end of 2014, nearly 1,800 young people were employed by K-stores and Kesko in different parts of Finland.

The Blue and White Footprint campaign of the Association for Finnish Work continues in 2015 with K-rauta and Rautia stores joining K-food stores in the campaign. The campaign is aimed to increase the sales of Finnish products and the awareness of the positive impacts of buying Finnish work.

Kesko is the best food and staples retailer in the 2015 Global 100 Most Sustainable Corporations in the World list published in January rising to the fifth place on the list.

Plan, an international development organisation promoting children's rights, and Kesko started a common research project on the position of Cambodian immigrant workers in Thailand in February 2015. The aim is to find out ways to improve the working conditions of Cambodian migrant workers and children's education and protection in Thailand. The results of the research will be published in May 2015.

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 especially in Finland and Russia, as well as their impact on Kesko's sales and profit. In other respects, no material change is estimated to have taken place during the first months of the year in the risks described in the Report by the Board of Directors and the financial statements for 2014 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 (4/2015-3/2016) in comparison with the 12 months preceding the reporting period (4/2014-3/2015).

The general economic situation and the expected trend in consumer demand vary in Kesko's different operating countries. In Finland, demand in the trading sector is expected to be weak also in the current year and the tight competitive situation in the grocery trade and the speciality goods trade is expected to continue. In Sweden, Norway and the Baltic countries, the growth in demand in the trading sector is expected to continue. In Russia, the economic situation and consumers' purchasing power will weaken.

Kesko Group's net sales for the next 12 months are expected to be lower than the level of the preceding 12 months and the operating profit excluding non-recurring items for the next 12 months is expected to exceed the level of the preceding 12 months.

Helsinki, 27 April 2015
Kesko Corporation
Board of Directors

The information in the interim report 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 of the media and analyst briefing on the interim report can be accessed at www.kesko.fi, at 11.00. An English-language audio conference on the interim report will be held today at 14.30 (Finnish time). The audio conference login is available on Kesko's website at www.kesko.fi.

Kesko Corporation's interim report for January-June will be published on 22 July 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.

KESKO CORPORATION

Merja Haverinen
Vice President, Group Communications

ATTACHMENTS: TABLES SECTION
Accounting policies
Consolidated statement of comprehensive income
Consolidated statement of financial position
Consolidated statement of changes in equity
Consolidated statement of cash flows
Group's performance indicators
Net sales by segment
Operating profit by segment
Operating profit excl. non-recurring items by segment
Operating margin excl. non-recurring items by segment
Capital employed by segment
Return on capital employed excl. non-recurring items by segment
Capital expenditure by segment
Segment information by quarter
Change in tangible and intangible assets
Related party transactions
Fair value hierarchy of financial assets and liabilities
Personnel average and at the end of the reporting period
Group's commitments
Calculation of performance indicators
K-Group's retail and B2B sales

DISTRIBUTION
NASDAQ OMX Helsinki Ltd
Main news media
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 principles as the annual financial statements for 2014.

Consolidated income statement (€ million), condensed

	1-3/ 2015	1-3/ 2014	Change%	1-12/ 2014
Net sales	2,082	2,129	-2.2	9,071
Cost of goods sold	-1,812	-1,850	-2.0	-7,832
Gross profit	**270**	**279**	**-3.3**	**1,238**
Other operating income	169	165	2.4	729
Employee benefit expense	-144	-156	-7.8	-614
Depreciation and impairment charges	-35	-39	-10.5	-195
Other operating expenses	-364	-262	38.8	-1,007
Operating profit	**-104**	**-13**	**(..)**	**151**
Interest income and other finance income	2	2	14.5	14
Interest expense and other finance costs	-3	-4	-21.9	-16
Exchange differences	1	1	18.3	-4
Share of results of equity accounted investments	0	0	-11.4	0
Profit before tax	**-104**	**-14**	**(..)**	**145**
Income tax	-7	3	(..)	-37
Net profit for the period	**-111**	**-12**	**(..)**	**108**
Attributable to				
Owners of the parent	-110	-11	(..)	96
Non-controlling interests	-1	-1	50.8	12
Earnings per share (€) for profit attributable to equity holders of the parent				
Basic	-1.11	-0.11	(..)	0.97
Diluted	-1.11	-0.11	(..)	0.97

Consolidated statement of comprehensive income (€ million)

	1-3/ 2015	1-3/ 2014	Change%	1-12/ 2014
Net profit for the period	-111	-12	(..)	108
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains/losses	28	8	(..)	-20
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	5	-6	(..)	-28
Adjustment for hyperinflation	-1	2	(..)	4
Cash flow hedge revaluation	0	-2	(..)	1
Revaluation of available-for-sale financial assets	1	1	71.7	-3
Other items	-	-	-	0
Total other comprehensive income for the period, net of tax	33	3	(..)	-45
Total comprehensive income for the period	**-78**	**-9**	**(..)**	**63**

Attributable to				
Owners of the parent	-75	-9	(..)	49
Non-controlling interests	-3	-1	(..)	14

(..) Change over 100%

Consolidated statement of financial position (€ million), condensed

	31.3.2015	**31.3.2014**	**Change, %**	**31.12.2014**
ASSETS				
Non-current assets				
Tangible assets	1,630	1,645	-0.9	1,624
Intangible assets	172	194	-11.5	178
Equity accounted investments and other financial assets	109	105	3.5	105
Loans and receivables	16	16	2.4	11
Pension assets	182	181	0.1	147
Total	2,108	2,141	-1.5	2,066
Current assets				
Inventories	764	840	-9.1	776
Trade receivables	704	720	-2.3	584
Other receivables	207	195	6.4	173
Financial assets at fair value through profit or loss	213	183	16.3	219
Available-for-sale financial assets	228	263	-13.2	272
Cash and cash equivalents	65	86	-24.2	107
Total	2,181	2,287	-4.6	2,131
Non-current assets held for sale	1	1	-	1
Total assets	**4,289**	**4,429**	**-3.1**	**4,198**

	31.3.2015	**31.3.2014**	**Change, %**	**31.12.2014**
EQUITY AND LIABILITIES				
Equity	2,110	2,259	-6.6	2,184
Non-controlling interests	79	72	8.7	82
Total equity	2,188	2,331	-6.1	2,265
Non-current liabilities				
Interest-bearing liabilities	310	351	-11.8	319
Non-interest-bearing liabilities	4	10	-58.5	11
Deferred tax liabilities	70	68	3.1	67
Pension obligations	1	2	-32.5	2
Provisions	20	28	-29.1	27
Total	405	459	-11.7	426
Current liabilities				
Interest-bearing liabilities	238	206	15.4	180
Trade payables	938	940	-0.2	795
Other non-interest-bearing liabilities	483	446	8.1	490
Provisions	37	46	-19.2	42
Total	1,696	1,639	3.5	1,506
Total equity and liabilities	**4,289**	**4,429**	**-3.1**	**4,198**

Consolidated statement of changes in equity (€ million)

	Share capital	Res-erves	Currency translation differences	Revaluation reserve	Treasury shares	Retained earnings	Non-control-ling interests	Total
Balance at 1.1.2014	**197**	**461**	**-13**	**1**	**-18**	**1,651**	**73**	**2,352**
Shares subscribed with options		1						1
Treasury shares					-15			-15
Share-based payments					2			2
Other changes		0	0			0	0	0
Net profit for the period						-11	-1	-12
Other comprehen-sive income								
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						10		10
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations		0	-5			0	-1	-6
Adjustment for hyperinflation						0	1	2
Cash flow hedge revaluation				-2				-2
Revaluation of available-for-sale financial assets				1				1
Tax related to comprehensive income				0		-2		-2
Total other comprehensive income		0	-5	-1		8	0	3
Balance at 31.3.2014	**197**	**462**	**-18**	**0**	**-31**	**1,648**	**72**	**2,331**
Balance at 1.1.2015	**197**	**463**	**-38**	**-1**	**-31**	**1,594**	**82**	**2,265**
Shares subscribed with options								
Treasury shares								
Share-based payments					1			1
Other changes		0	0				0	0
Net profit for the period						-110	-1	-111
Other comprehensive income								
Items that will not be reclassified subsequently to profit or loss								
Actuarial gains/losses						34		34
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations		0	6			0	-1	5
Adjustment for hyperinflation						0	-1	-1
Cash flow hedge revaluation				0				0
Revaluation of available-for-sale financial assets				1				1
Tax related to comprehensive income				0		-7		-7
Total other comprehensive income		0	6	1		27	-2	33
Balance at 31.3.2015	**197**	**463**	**-32**	**0**	**-31**	**1,511**	**79**	**2,188**

Consolidated statement of cash flows (€ million), condensed

	1-3/ 2015	**1-3/ 2014**	**Change,%**	**1-12/ 2014**
Cash flows from operating activities				
Profit before tax	-104	-14	(..)	145
Planned depreciation	35	39	-10.5	151
Finance income and costs	0	2	-83.3	6
Other adjustments	126	20	(..)	63
Change in working capital				
Current non-interest-bearing operating receivables, increase (-)/decrease (+)	-188	-158	18.9	32
Inventories,increase (-)/decrease (+)	-54	-48	12.7	-7
Current non-interest-bearing liabilities, increase (+)/decrease(-)	123	80	54.0	-21
Financial items and tax	-13	-15	-8.4	-65
Net cash from operating activities	**-75**	**-95**	**-21.1**	**304**
Cash flows from investing activities				
Investing activities	-49	-45	8.1	-194
Sales of fixed assets	-16	2	(..)	11
Increase in non-current receivables	1	0	(..)	0
Net cash used in investing activities	**-64**	**-44**	**47.5**	**-182**
Cash flows from financing activities				
Interest-bearing liabilities, increase (+)/ decrease (-)	39	5	(..)	-46
Current interest-bearing receivables, increase (-)/decrease (+)	0	-3	(..)	-1
Dividends paid	-	-	-	-143
Equity increase	-	1	-100.0	2
Acquisition of own shares	-	-15	(..)	-16
Short-term money market investments, increase (-)/ decrease (+)	-16	-16	4.5	-57
Other items	7	3	(..)	7
Net cash used in financing activities	**30**	**-25**	(..)	**-254**
Change in cash and cash equivalents	**-109**	**-164**	**-33.2**	**-131**
Cash and cash equivalents and current portion of available-for-sale financial assets at 1 Jan.	313	453	-30.8	453
Currency translation difference adjustment and revaluation	0	-1	(..)	-8
Cash and cash equivalents and current portion of available-for-sale financial assets at 31 Mar.	204	288	-29.1	313

(..) Change over 100%

Group's performance indicators

	1-3/2015	1-3/2014	Change, pp	1-12/2014
Return on capital employed, %	-18.1	-2.2	-15.9	6.4
Return on capital employed, %, moving 12 mo	2.6	8.9	-6.4	6.4
Return on capital employed excl. non-recurring items, %	4.6	3.2	1.4	9.9
Return on capital employed excl. non-recurring items, %, moving 12 mo	10.2	9.9	0.3	9.9
Return on equity, %	-19.9	-2.0	-17.8	4.7
Return on equity, %, moving 12 mo	0.4	7.0	-6.6	4.7
Return on equity excl. non-recurring items, %	3.1	2.3	0.8	7.6
Return on equity excl. non-recurring items, %, moving 12 mo	7.9	7.8	0.1	7.6
Equity ratio, %	51.5	53.2	-1.7	54.5
Gearing, %	1.9	1.1	0.8	-4.4
			Change, %	
Capital expenditure, € million	51.5	43.4	18.7	194.0
Capital expenditure, % of net sales	2.5	2.0	21.3	2.1
Earnings per share, basic, €	-1.11	-0.11	(..)	0.97
Earnings per share, diluted, €	-1.11	-0.11	(..)	0.97
Earnings per share excl. non-recurring items, basic, €	0.19	0.15	28.1	1.65
Cash flows from operating activities, € million	-75	-95	-21.1	304
Cash flows from investing activities, € million	-64	-44	47.5	-182
Equity per share, €	21.30	22.83	-6.7	22.05
Interest-bearing net debt, € million	41	25	63.7	-99
Diluted number of shares, average for the reporting period, 1,000 pcs	99,024	99,524	-0.5	99,161
Personnel, average	19,058	19,619	-2.9	19,976

(..) Change over 100%

Group's performance indicators by quarter	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-3/ 2015
Net sales, € million	2,129	2,371	2,304	2,267	2,082
Change in net sales, %	-1.4	-2.1	-2.9	-4.0	-2.2
Operating profit, € million	-13.0	69.4	63.4	31.7	-103.6
Operating margin, %	-0.6	2.9	2.7	1.4	-5.0
Operating profit excl. non- recurring items, € million	19.1	67.6	84.0	61.9	26.5
Operating margin excl. non-recurring items, %	0.9	2.9	3.6	2.7	1.3
Finance income/costs, € million	-1.6	2.2	-1.8	-5.0	-0.3
Profit before tax, € million	-14.4	71.4	61.7	26.4	-103.7
Profit before tax, %	-0.7	3.0	2.7	1.2	-5.0
Return on capital employed, %	-2.2	11.5	10.9	5.5	-18.1
Return on capital employed, excl. non-recurring items, %	3.2	11.2	14.4	10.7	4.6
Return on equity, %	-2.0	9.4	8.1	3.7	-19.9
Return on equity, excl.non-recurring items, %	2.3	9.1	11.3	8.0	3.1
Equity ratio, %	53.2	52.3	54.2	54.5	51.5
Capital expenditure, € million	43.4	55.7	51.7	43.2	51.5
Earnings per share, diluted, €	-0.11	0.51	0.41	0.17	-1.11
Equity per share, €	22.83	21.86	22.25	22.05	21.30

Segment information

Net sales by segment (€ million)	1-3/ 2015	1-3/ 2014	Change,%	1-12/ 2014
Grocery trade, Finland	1,082	1,077	0.5	4,650
Grocery trade, other countries*	21	25	-15.9	103
Grocery trade, total	**1,103**	**1,102**	**0.1**	**4,754**
- of which intersegment trade	7	10	-31.8	34
Home improvement and speciality goods trade, Finland	432	461	-6.3	1,854
Home improvement and speciality goods trade, other countries*	290	300	-3.5	1,470
Home improvement and speciality goods trade total	**722**	**761**	**-5.2**	**3,324**
- of which intersegment trade	1	0	(..)	0

Car and machinery trade, Finland	244	250	-2.5	916
Car and machinery trade, other countries*	17	22	-24.0	96
Car and machinery trade total	**261**	**272**	**-4.2**	**1,011**
- of which intersegment trade	1	0	(..)	1
Common operations and eliminations	-3	-6	47.5	-19
Finland total	**1,755**	**1,781**	**-1.5**	**7,401**
Other countries total*	**328**	**347**	**-5.7**	**1,669**
Group total	**2,082**	**2,129**	**-2.2**	**9,071**

(..) Change over 100%
* net sales in countries other than Finland

Operating profit by segment (€ million)	**1-3/ 2015**	**1-3/ 2014**	**Change**	**1-12/ 2014**
Grocery trade	35.2	44.3	-9.1	216.2
Home improvement and speciality goods trade	-141.8	-62.5	-79.3	-52.6
Car and machinery trade	7.0	8.2	-1.3	29.4
Common operations and eliminations	-4.0	-3.1	-0.9	-41.6
Group total	**-103.6**	**-13.0**	**-90.6**	**151.4**

Operating profit excl. non-recurring items by segment (€ million)	**1-3/ 2015**	**1-3/ 2014**	**Change**	**1-12/ 2014**
Grocery trade	34.9	45.4	-10.5	223.2
Home improvement and speciality goods trade	-11.4	-31.4	20.0	-0.3
Car and machinery trade	7.0	8.2	-1.3	29.6
Common operations and eliminations	-4.0	-3.1	-0.9	-19.9
Group total	**26.5**	**19.1**	**7.4**	**232.6**

Operating margin excl. non-recurring items by segment, %	**1-3/ 2015**	**1-3/ 2014**	**Change, pp**	**1-12/ 2014**	**Moving 12 mo 3/2015**
Grocery trade	3.2	4.1	-1.0	4.7	4.5
Home improvement and speciality goods trade	-1.6	-4.1	2.6	0.0	0.6
Car and machinery trade	2.7	3.0	-0.4	2.9	2.8
Group total	**1.3**	**0.9**	**0.4**	**2.6**	**2.7**

Capital employed by segment, cumulative average (€ million)	**1-3/ 2015**	**1-3/ 2014**	**Change**	**1-12/ 2014**	**Moving 12 mo 3/2015**
Grocery trade	1,018	1,019	-1	1,007	1,013
Home improvement and speciality goods trade	840	869	-29	876	869
Car and machinery trade	167	169	-2	162	161
Common operations and eliminations	270	317	-47	310	302
Group total	**2,295**	**2,375**	**-80**	**2,354**	**2,344**

Return on capital employed excl. non-recurring items by segment, %	**1-3/ 2015**	**1-3/ 2014**	**Change, pp**	**1-12/ 2014**	**Moving 12 mo 3/2015**
Grocery trade	13.7	17.8	-4.1	22.2	21.0
Home improvement and speciality goods trade	-5.4	-14.5	9.0	0.0	2.3
Car and machinery trade	16.7	19.5	-2.8	18.3	17.7
Group total	**4.6**	**3.2**	**1.4**	**9.9**	**10.2**

Capital expenditure by segment (€ million)	**1-3/ 2015**	**1-3/ 2014**	**Change**	**1-12/ 2014**
Grocery trade	38	20	18	98
Home improvement and speciality goods trade	9	14	-5	71
Car and machinery trade	3	3	0	14
Common operations and eliminations	1	7	-5	11
Group total	**52**	**43**	**8**	**194**

Segment information by quarter

Net sales by segment (€ million)	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-3/ 2015
Grocery trade	1,102	1,202	1,190	1,260	1,103
Home improvement and speciality goods trade	761	890	877	796	722
Car and machinery trade	272	283	240	216	261
Common operations and eliminations	-6	-5	-3	-5	-3
Group total	**2,129**	**2,371**	**2,304**	**2,267**	**2,082**

Operating profit by segment (€ million)	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-3/ 2015
Grocery trade	44.3	54.4	58.3	59.1	35.2
Home improvement and speciality goods trade	-62.5	8.4	-0.5	2.0	-141.8
Car and machinery trade	8.2	10.9	8.7	1.6	7.0
Common operations and eliminations	-3.1	-4.4	-3.1	-31.0	-4.0
Group total	**-13.0**	**69.4**	**63.4**	**31.7**	**-103.6**

Operating profit excl. non-recurring items by segment (€ million)	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-3/ 2015
Grocery trade	45.4	55.3	60.3	62.2	34.9
Home improvement and speciality goods trade	-31.4	5.8	18.2	7.1	-11.4
Car and machinery trade	8.2	10.9	8.7	1.8	7.0
Common operations and eliminations	-3.1	-4.4	-3.1	-9.3	-4.0
Group total	**19.1**	**67.6**	**84.0**	**61.9**	**26.5**

Operating margin excl. non-recurring items by segment, %	1-3/ 2014	4-6/ 2014	7-9/ 2014	10-12/ 2014	1-3/ 2015
Grocery trade	4.1	4.6	5.1	4.9	3.2
Home improvement and speciality goods trade	-4.1	0.6	2.1	0.9	-1.6
Car and machinery trade	3.0	3.8	3.6	0.8	2.7
Group total	**0.9**	**2.9**	**3.6**	**2.7**	**1.3**

Change in tangible and intangible assets (€ million)

	31.3.2015	31.3.2014
Opening net carrying amount	**1,802**	**1,840**
Depreciation, amortisation and impairment	-35	-39
Investments in tangible and intangible assets	51	45
Disposals	-22	-3
Currency translation differences	6	-5
Closing net carrying amount	**1,802**	**1,839**

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 and joint ventures as well as Kesko Pension Fund.

The following transactions were carried out with related parties:

	1-3/2015	1-3/2014
Sales of goods and services	18	20
Purchases of goods and services	5	7
Other operating income	3	3
Other operating expenses	8	7

	31.3.2015	31.3.2014
Receivables	8	11
Liabilities	26	19

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

	Level 1	Level 2	Level 3	31.3.2015
Financial assets at fair value through profit or loss	**25**	**188**		**213**
Derivative financial instruments at fair value through profit or loss				
Derivative financial assets		17		17
Derivative financial liabilities		12		12
Available-for-sale financial assets	**89**	**140**	**16**	**245**

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

	Level 1	Level 2	Level 3	31.3.2014
Financial assets at fair value through profit or loss	**14**	**169**		**183**
Derivative financial instruments at fair value through profit or loss				
Derivative financial assets		5		5
Derivative financial liabilities		25		25
Available-for-sale financial assets	**61**	**203**	**17**	**280**

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 31.3.

Personnel average by segment

	1-3/2015	1-3/2014	Change
Grocery trade	6,065	5,979	86
Home improvement and speciality goods trade	11,336	11,994	-658
Car and machinery trade	1,186	1,228	-42
Common operations	471	417	54
Group total	**19,058**	**19,619**	**-561**

Personnel as at 31.3.* by segment

	2015	2014	Change
Grocery trade	7,858	7,764	94
Home improvement and speciality goods trade	11,900	13,912	-2,012
Car and machinery trade	1,217	1,267	-50
Common operations	514	485	29
Group total	**21,489**	**23,428**	**-1,939**

* total number incl. part-time employees

Group's commitments (€ million)

	31.3.2015	31.3.2014	Change, %
Own commitments	207	198	4.3
For associates and joint ventures	65	65	-
For others	10	10	0.2
Lease liabilities for machinery and equipment	26	25	4.3
Lease liabilities for real estate	2,103	2,312	-9.0

Liabilities arising from derivative instruments (€ million)

Values of underlying instruments at 31.3.	**31.3.2015**	**31.3.2014**	**Fair value 31.3.2015**
Interest rate derivatives			
Interest rate swaps	101	202	0.46
Currency derivatives			
Forward and future contracts	240	331	5.17
Option agreements	4	-	-0.09
Currency swaps	50	100	5.56
Commodity derivatives			
Electricity derivatives	18	27	-5.89

Calculation of performance indicators

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

* Indicators for return on capital have been annualised.

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

	1.1.-31.3.2015	
K-Group's retail and B2B sales	**€ million**	**Change, %**
K-Group's grocery trade		
K-food stores, Finland	1,072	-1.6
K-citymarket, non-food	131	-0.2
Kespro	183	1.8
K-ruoka, Russia	21	-15.9
K-Group's grocery trade, total	**1,406**	**-1.3**
K-Group's home improvement and speciality goods trade		
K-rauta and Rautia	172	-4.3
Rautakesko B2B Service	40	-1.2
K-maatalous	89	-2.2
Speciality goods trade, Finland	182	-10.6
Finland, total	**484**	**-6.2**
Home improvement and speciality goods trade, other Nordic countries	166	-4.6
Home improvement and speciality goods trade, the Baltics	92	6.4
Home improvement and speciality goods trade, other countries	64	-17.5
Home improvement and speciality goods trade, total	**805**	**-5.6**
K-Group's car and machinery trade		
VV-Autotalot	95	-5.0
VV-Auto, import	114	-4.1
Konekesko, Finland	37	4.2
Finland total	**247**	**-3.3**
Konekesko, other countries	17	-27.3
Car and machinery trade, total	**264**	**-5.3**
Finland total	**2,116**	**-2.5**
Other countries, total	**359**	**-6.8**
Retail and B2B sales, total	**2,475**	**-3.1**