

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other Opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of distribut-

able funds shown in the statement of financial position is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki, 9 February 2010
PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Kronberg
Authorised Public Accountant

Shares and shareholders

Dividend policy

On 4 February 2009, Kesko's Board of Directors decided to revise Kesko's dividend policy published on 6 April 2005. In addition to the financial position and the operating strategy, the new policy takes account of the nature of non-recurring items. According to Kesko Corporation's revised dividend policy, Kesko Corporation distributes at least 50% of its earnings per share excluding non-recurring items as dividends, taking however the company's financial position and operating strategy into account (stock exchange release 5 February 2009).

The financial objectives are presented on page 10.

Proposed dividends for the year 2009

Kesko Corporation's Board of Directors proposes to the Annual General Meeting that €88,547,166.90 or €0.90 per share, be distributed as dividends from the net profit for the year 2009, representing 70.5% of earnings per share and 126.8% of earnings per share excluding non-recurring items. During the past five years 83.4% of earnings per share excluding non-recurring items, on the average, has been distributed as dividends.

Basic information on the shares at 31 December 2009

A share

- shortname: KESAV (OMX)
- ISIN code: FI0009007900
- voting rights per share: 10 votes
- number of shares: 31,737,007
- market capitalisation: €749 million

B share

- shortname: KESBV (OMX)
- ISIN code: FI0009000202
- voting rights per share: 1 vote
- number of shares: 66,584,522
- market capitalisation: €1,537 million

Trading unit of both share series: 1 share

Total share capital: €196,643,058

Total number of shares: 98,321,529

Voting rights carried by all shares: 383,954,592

Market capitalisation: €2,286 million

Share series and share capital

Kesko Corporation's share capital is divided into A share series and B share series. The company's share capital was €196,643,058.

The minimum number of A shares is one (1) and the maximum number two hundred and fifty million (250,000,000) and the minimum number of B shares is one (1) and the maximum number two hundred and fifty million (250,000,000), provided that the total number of shares is at minimum two (2) and at maximum four hundred million (400,000,000). The total number of shares is 98,321,529, of which 31,737,007 (32.3%) are A shares and 66,584,522 (67.7%) are B shares.

Each A share entitles the holder to 10 votes and each B share to 1 vote. Both shares give the same dividend rights. The number of votes entitled by A shares is 83% and the number of votes entitled by B shares 17% of the total voting rights.

The shares are included in the book-entry securities system held by Euroclear Finland Ltd.

The right to receive distributions from the company and the right to subscribe for shares when the share capital is increased belongs only to those:

- who are registered as shareholders in the shareholder register on the record date
- whose right to receive funds has been entered by the record date into the book-entry securities account of the shareholder registered in the shareholder register, and registered in the shareholder register, and
- if a share has been registered in a nominee name, into whose book-entry securities account the share has been entered by

the record date, and whose custodian has been registered in the shareholder register as the custodian of the shares by the record date

Authorisations of the Board of Directors and treasury shares

Kesko's Annual General Meeting held on 30 March 2009 authorised the company's Board of Directors to decide about the issuance of new B shares. The new shares can be issued against payment either in a directed issue to the company's existing shareholders in proportion to their existing shareholdings regardless of whether they consist of A or B shares; or in a directed issue deviating from the shareholders' pre-emptive rights in order for the issued shares to be used as consideration in possible company acquisitions, other company business arrangements, or to finance investments. The company must have a weighty financial reason for deviating from the shareholders' pre-emptive rights. The authorisation is for the issuance of up to 20,000,000 new shares. The subscription price is recognised in the reserve of invested non-restricted equity.

The Board of Directors was also given the authority to decide about the subscription price of the shares, to issue shares against non-cash consideration, and to make decisions concerning any other matters relating to share issues. The share issue authorisation will be valid until 30 March 2012. The authorisation has not been used.

In addition, the company operates the 2003 and 2007 option plans. The exercise periods of the 2003 plan options have expired except for the 2003F options, whose exercise period will expire on 30 April 2010.

The Board of Directors has no other valid authorisations to issue shares, to increase share capital, or to acquire or assign the company's shares.

Kesko Corporation or its subsidiaries held no Kesko Corporation shares.

Shareholders

According to the register of Kesko's shareholders kept by the Euroclear Finland Ltd, there were 38,888 shareholders at the end of 2009 (38,080 at the end of 2008). The total number of shares registered in a nominee name was 19,352,409, accounting for 19.68% of the shares (18,909,587 and 19.33% respectively at the end of 2008). The number of votes entitled by these shares was 19,875,903 or 5.18% of the total voting rights (19,535,132 or 5.09% respectively at the end of 2008). A list of Kesko's largest shareholders, updated monthly, is available at www.kesko.fi/investors.

The 2003 stock option scheme

On 31 March 2003, the Annual General Meeting resolved to gratuitously issue a total of 1,800,000 stock options to the management of the Kesko Group as well as to a wholly-owned subsidiary of Kesko Corporation. A deviation was made from the shareholders' pre-emptive right to subscription since the stock options form a part of the incentive and commitment programme for the management. The scheme comprises approximately 60 persons.

Each stock option entitles its owner to subscribe for one Kesko Corporation B share. The stock options have been marked with shortnames 2003D (KESBVEW103, ISIN code FI0009609317), 2003E (KESBVEW203, ISIN code FI0009609325), and 2003F (KESBVEW303, ISIN code FI0009609333), in units of 600,000 stock options each.

The share subscription periods are:

- for stock option 2003D 1 April 2005 – 30 April 2008,
- for stock option 2003E 1 April 2006 – 30 April 2009, and
- for stock option 2003F 1 April 2007 – 30 April 2010.

The original share subscription price for stock option 2003D was the trade volume weighted average price of a Kesko Corporation B share on the Helsinki Stock Exchange between 1 to 30 April 2003 (€9.63), for stock option 2003E, the corresponding price between 1 to 30 April 2004 (€15.19) and for stock option 2003F, the corresponding price between 1 to 30 April 2005 (€19.08). From the prices of shares subscribed for with stock options shall be deducted the amount of the dividend per share distributed after the above period for the determination of the subscription price has ended but before the date of subscription for shares.

At the end of 2009, the subscription price of a B share subscribed for with stock option 2003F was €13.88. The subscription period for stock option 2003D ended on 30 April 2008, and for 2003E on 30 April 2009. Dividend rights and other shareholder rights of the share subscribed for with options take effect when the share capital increase has been entered in the Trade Register.

The 2007 stock option scheme

The Annual General Meeting of 26 March 2007 decided to grant a total of 3,000,000 stock options for no consideration to the Kesko Group management and other key Kesko personnel, and to a subsidiary wholly owned by Kesko Corporation. The company had a weighty financial reason for granting stock options because they are intended to be part of Kesko's share-based incentive system.

Each stock option entitles its holder to subscribe for one new Kesko Corporation B share. The stock options shall be marked with symbols 2007A, 2007B and 2007C in units of 1,000,000 options each.

The exercise periods of the options shall be:

- for stock option 2007A, from 1 April 2010 until 30 April 2012,
- for stock option 2007B, from 1 April 2011 until 30 April 2013 and
- for stock option 2007C, from 1 April 2012 until 30 April 2014.

The original subscription price for stock option 2007A was the trade volume weighted average quotation of a Kesko Corporation B share on the Helsinki Stock Exchange between 1 April and 30 April 2007 (€45.82), for stock option 2007B between 1 April and 30 April 2008 (€26.57), and for stock option 2007C between 1 April and 30 April 2009 (€16.84). The subscription prices of shares subscribed for with stock options shall be reduced by the amount decided after the beginning of the period for the determination of the subscription price but before the subscription as

at the record date for each dividend distribution or other distribution of funds.

If shares were subscribed for with all exercisable options, the shares subscribed for with all the 2003 and 2007 plan options would account for 4.67% of shares and 1.23% of all votes. The subscriptions made with stock options could raise the number of the company's shares to 101,688,793. As a result of the subscriptions, the voting rights carried by all shares could increase to 387,321,856 votes.

Share subscriptions made with stock options

In 2009, the share capital was increased four times corresponding to share subscriptions with the stock options of the 2003 option scheme. The increases were made on 11 February 2009 (€52,392), 5 May 2009 (€51,250), 5 June 2009 (€673,146) and 17 December 2009 (€216,562). In 2009, the share capital was increased by a total of €993,350 (496,675 shares).

By the end of 2009, 574,088 B shares had been subscribed for with the 2003D options (subscription period has ended), 576,000 with the 2003E options (subscription period has ended), and 232,736 with the 2003F options, or 1,382,824 B shares in aggregate. The subscribed shares have been included in the main list of the NASDAQ OMX Helsinki stock exchange for public trading.

Other special shareholding rights

The company has not issued other stock options, convertible bonds, bonds with warrants or other special rights to company shares.

Shares and options held by the management

At the end of 2009, the members of Kesko Corporation's Board of Directors, the President and CEO and the corporations under their control held 224,720 Kesko Corporation A shares (202,910 at the end of 2008) and 100,820 Kesko Corporation B shares (210,370), i.e. a total of 325,540 shares (413,280), which represented

0.33% (0.42%) of the company's total share capital and 0.61% (0.58%) of its voting rights.

At the end of 2009, the company's President and CEO held a total of 150,000 Kesko Corporation options (100,000 at the end of 2008), which represented 0.15% (0.10%) of the company's total share capital and 0.04% (0.03%) of voting rights, presuming that shares have been subscribed for with all of these options. No Board members held stock options at the end of 2009 (nor at the end of 2008).

Detailed information on shares and options held by the management at the beginning and at the end of 2009 is given on pages 66–69.

Trading in Kesko's shares and stock options in 2009

Kesko Corporation's shares are listed on the NASDAQ OMX Helsinki Ltd Helsinki stock exchange. Key information about share trading in 2009 is given in the tables and graphs on this double page spread. The price trends of both shares followed the general share price trend. The prices of liquid B shares rose by 30 percent and those of less liquid A shares by 7 percent, while the NASDAQ OMX Helsinki All Share Index was up 19 percent. The trading in B shares dropped by over one third, and the value traded almost halved. The number of A shares traded also decreased by about 30% compared with the previous year, and the value traded represented only about one half of last year's level. At the end of the year, the market capitalisation of A shares was €749 million and that of B shares €1,537 million. The total market capitalisation of the company was €2,286 million, an increase of €411 million, or 22% during the year.

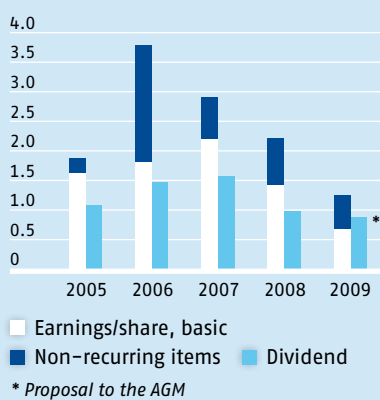
Flagging notifications

Kesko Corporation did not receive any flagging notification during 2009.

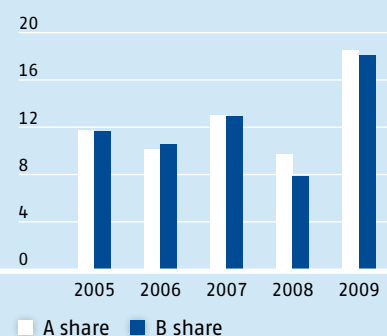
The company has not been informed of any agreements relating to its share ownership or the exercise of its voting rights.

Share performance indicators

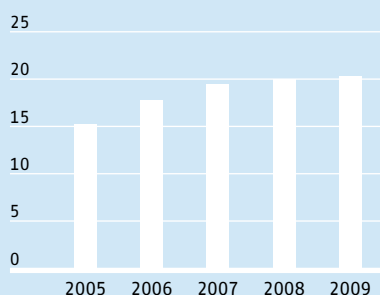
Earnings per share and dividend per share, €



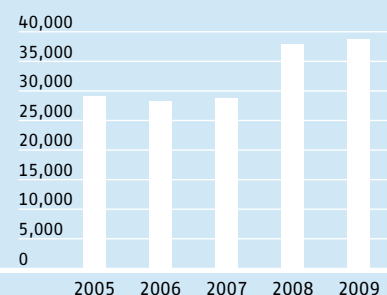
Share price per earnings, P/E ratio, at 31 Dec., adjusted



Equity per share, €, at 31 Dec., adjusted



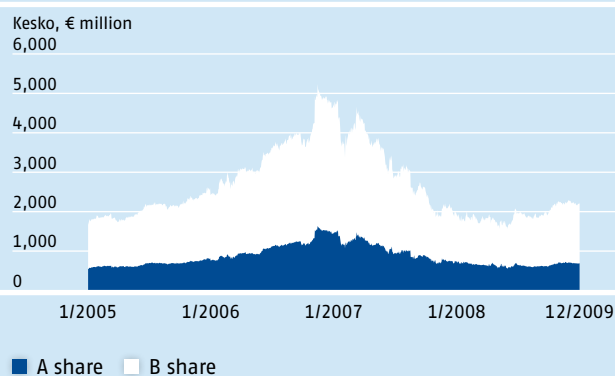
Number of shareholders, at 31 Dec.



Trading volume of Kesko B share



Market capitalisation of Kesko shares



The latest changes is share capital

Year	Subscription period	Subscription ratio and price per option type	Change	New share capital, €
2005	15.2.2005	1:1 à 8.87 € B stock option	€ 2,656,500	€ 190,337,584
		1:1 à 7.11 € C stock option		
2005	4.5.2005	1:1 à 7.87 € B stock option	€ 912,390	€ 191,249,974
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2005	8.6.2005	1:1 à 7.87 € B stock option	€ 536,600	€ 191,786,574
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2005	3.8.2005	1:1 à 7.87 € B stock option	€ 172,676	€ 191,959,250
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2005	28.9.2005	1:1 à 7.87 € B stock option	€ 588,700	€ 192,547,950
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2005	2.11.2005	1:1 à 7.87 € B stock option	€ 97,960	€ 192,645,910
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2005	20.12.2005	1:1 à 7.87 € B stock option	€ 321,942	€ 192,967,852
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2006	13.2.2006	1:1 à 7.87 € B stock option	€ 640,500	€ 193,608,352
		1:1 à 6.11 € C stock option		
		1:1 à 5.63 € D stock option		
2006	4.5.2006	1:1 à 7.87 € B stock option	€ 938,058	€ 194,546,410
		1:1 à 6.77 € B stock option		
		1:1 à 6.11 € C stock option		
		1:1 à 5.01 € C stock option		
		1:1 à 4.53 € D stock option		
2006	9.6.2006	1:1 à 4.53 € D stock option	€ 59,200	€ 194,605,610
		1:1 à 12.09 € E stock option		
2006	7.8.2006	1:1 à 4.53 € D stock option	€ 118,000	€ 194,723,610
		1:1 à 12.09 € E stock option		
2006	3.10.2006	1:1 à 4.53 € D stock option	€ 94,800	€ 194,818,410
		1:1 à 12.09 € E stock option		
2006	1.11.2006	1:1 à 4.53 € D stock option	€ 157,200 €	€ 194,975,610
		1:1 à 12.09 € E stock option		
2006	21.12.2006	1:1 à 4.53 € D stock option	€ 64,240	€ 195,039,850
		1:1 à 12.09 € E stock option		
2007	12.2.2007	1:1 à 4.53 € D stock option	€ 46,376	€ 195,086,226
		1:1 à 12.09 € E stock option		
2007	26.4.2007	1:1 à 3.03 € D stock option	€ 86,800	€ 195,173,026
		1:1 à 10.59 € E stock option		
2007	29.5.2007	1:1 à 3.03 € D stock option	€ 298,572	€ 195,471,598
		1:1 à 10.59 € E stock option		
		1:1 à 16.48 € F stock option		
2007	24.7.2007	1:1 à 3.03 € D stock option	€ 9,000	€ 195,480,598
		1:1 à 10.59 € E stock option		
2007	26.9.2007	1:1 à 3.03 € D stock option	€ 39,032	€ 195,519,630
		1:1 à 16.48 € F stock option		
2007	19.12.2007	1:1 à 3.03 € D stock option	€ 15,900	€ 195,535,530
		1:1 à 10.59 € E stock option		
2008	11.2.2008	1:1 à 3.03 € D stock option	€ 210	€ 195,535,740
		1:1 à 10.59 € E stock option		
2008	28.4.2008	1:1 à 3.03 € D stock option	€ 38,168	€ 195,573,908
		1:1 à 2.00 € D stock option		
		1:1 à 8.99 € E stock option		
2008	9.6.2008	1:1 à 2.00 € D stock option	€ 42,200	€ 195,616,108
		1:1 à 14.88 € F stock option		
2008	28.7.2008	1:1 à 8.99 € E stock option	€ 8,600	€ 195,624,708
2008	1.10.2008	1:1 à 8.99 € E stock option	€ 4,000	€ 195,628,708
2008	27.10.2008	1:1 à 8.99 € E stock option	€ 6,000	€ 195,634,708
2008	18.12.2008	1:1 à 8.99 € E stock option	€ 7,500	€ 195,649,708
2009	11.2.2009	1:1 à 8.99 € E stock option	€ 52,392	€ 195,702,100
2009	5.5.2009	1:1 à 8.99 € E stock option	€ 51,250	€ 195,753,350
		1:1 à 7.99 € E stock option		
2009	5.6.2009	1:1 à 7.99 € E stock option	€ 673,146	€ 196,426,496
		1:1 à 13.88 € F stock option		
2009	17.12.2009	1:1 à 13.88 € F stock option	€ 216,562	€ 196,643,058

Prices and trading of Kesko A and B shares on the Helsinki Stock Exchange in 2009

Share	Share price, € 31 Dec. 2008	Share price, € 31 Dec. 2009	Change, %	Lowest price, €	Highest price, €	Trading volume, 1,000 pcs	Total value traded, € million
A share	22.00	23.60	+7.3	18.73	25.00	993	21,955
B share	17.80	23.08	+29.7	14.99	24.00	78,189	1,500,605

During the year, the NASDAQ OMXHelsinki All Share Index rose by 19.5% and the NASDAQ OMXHelsinkiCAP Index by 36.2%, and the Helsinki Stock Exchange Consumer Staples Index by 30.8%. Up-to-date information on shares and shareholders is available at www.kesko.fi

10 largest shareholders by number of shares (A- and B-series) at 31.12.2009

	Number of shares, pcs	% of shares	Number of votes	% of votes
1 Kesko Pension Fund	4,438,885	4.51	35,388,850	9.22
2 The K-Retailers' Association	3,400,724	3.46	33,639,590	8.76
3 Vähittäiskaupan Takaus Oy	2,991,771	3.04	26,648,568	6.94
4 Ilmarinen Mutual Pension Insurance Company	1,938,980	1.97	3,916,838	1.02
5 Valluga-sijoitus Oy	1,340,439	1.36	13,404,390	3.49
6 Varma Mutual Pension Insurance Company	1,210,986	1.23	1,210,986	0.32
7 Tapiola Mutual Pension Insurance Company	1,019,858	1.04	1,019,858	0.27
8 Oy The English Tearoom Ab	1,008,400	1.03	1,008,400	0.26
9 Foundation for Vocational Training in the Retail Trade	936,085	0.95	7,989,898	2.08
10 The State Pension Fund	850,000	0.86	850,000	0.22
10 largest, total	19,136,128	19.45	125,077,378	32.58

Ownership structure 31.12.2009

All shares	Number of shares	% of all shares
Non-financial corporations and housing corporations	25,624,351	26.06
Financial and insurance corporations	6,101,976	6.21
General Government*	11,342,495	11.54
Households	28,889,275	29.38
Non-profit institutions serving households**	6,238,327	6.34
Rest of the world	772,696	0.79
Nominee registered	19,352,409	19.68
Total	98,321,529	100.00

A shares	Number of shares	% of A shares	% of all shares
Non-financial corporations and housing corporations	18,335,606	57.77	18.65
Financial and insurance corporations	1,384,377	4.36	1.41
General Government*	3,662,847	11.54	3.73
Households	6,677,770	21.04	6.79
Non-profit institutions serving households**	1,613,405	5.08	1.64
Rest of the world	4,836	0.02	0.00
Nominee registered	58,166	0.18	0.06
Total	31,737,007	100.00	32.28

B shares	Number of shares	% of B shares	% of all shares
Non-financial corporations and housing corporations	7,288,745	10.95	7.41
Financial and insurance corporations	4,717,599	7.09	4.80
General Government*	7,679,648	11.53	7.81
Households	22,211,505	33.36	22.59
Non-profit institutions serving households**	4,624,922	6.95	4.70
Rest of the world	767,860	1.15	0.78
Nominee registered	19,294,243	28.98	19.62
Total	66,584,522	100.00	67.72

* General government includes municipalities, the provincial administration of Åland, employment pension institutions and social security funds.

** Non-profit institutions include foundations awarding scholarships, organisations safeguarding certain interests, charitable associations.

10 largest shareholders by number of votes at 31.12.2009

	Number of shares	% of shares	Number of votes	% of votes
1 Kesko Pension Fund	4,438,885	4.51	35,388,850	9.22
2 K-Retailers' Association	3,400,724	3.46	33,639,590	8.76
3 Vähittäiskaupan Takaos Oy	2,991,771	3.04	26,648,568	6.94
4 Valluga-sijoitus Oy	1,340,439	1.36	13,404,390	3.49
5 Foundation for Vocational Training in the Retail Trade	936,085	0.95	7,989,898	2.08
6 Ilmarinen Mutual Pension Insurance Company	1,938,980	1.97	3,916,838	1.02
7 Ruokacity Myyrmäki Oy	389,541	0.40	3,895,410	1.01
8 K-Food Retailers' Club	351,822	0.36	3,518,220	0.92
9 Heimo Välinen Oy	313,707	0.32	2,961,570	0.77
10 Svenska litteratursällskapet i Finland r.f.	350,000	0.36	2,150,000	0.56
10 largest, total	16,451,954	16.73	133,513,334	34.77

Distribution of share ownership at 31.12.2009

All shares	Number of			
Number of shares	shareholders	% of shareholders	Shares total	% of shares
1-100	11,057	28.43	649,923	0.66
101-500	14,363	36.93	3,994,056	4.06
501-1 000	5,689	14.63	4,466,636	4.54
1 001-5 000	5,992	15.41	13,313,691	13.54
5 001-10 000	955	2.46	6,812,170	6.93
10 001-50 000	688	1.77	14,227,131	14.47
50 001-100 000	80	0.21	5,661,411	5.76
100 001-500 000	49	0.13	9,906,666	10.08
500 001-	15	0.04	39,289,845	39.96
Total	38,888	100.00	98,321,529	100.00

A shares	Number of	% of holders of A		
Number of shares	shareholders	shares	A shares total	% of A shares
1-100	1,707	26.41	86,919	0.27
101-500	1,378	21.32	365,747	1.15
501-1 000	977	15.11	841,461	2.65
1 001-5 000	1,610	24.91	3,973,792	12.52
5 001-10 000	405	6.27	2,856,168	9.00
10 001-50 000	334	5.17	7,030,846	22.15
50 001-100 000	35	0.54	2,471,378	7.79
100 001-500 000	13	0.20	2,559,208	8.06
500 001-	5	0.08	11,551,488	36.40
Total	6,464	100.00	31,737,007	100.00

B shares	Number of	% of holders of B		
Number of shares	shareholders	shares	B shares total	% of B shares
1-100	10,270	29.49	612,459	0.92
101-500	13,819	39.68	3,846,514	5.78
501-1 000	5,000	14.36	3,864,363	5.80
1 001-5 000	4,719	13.55	10,123,854	15.20
5 001-10 000	554	1.59	4,032,498	6.06
10 001-50 000	379	1.09	7,589,624	11.40
50 001-100 000	38	0.11	2,683,974	4.03
100 001-500 000	32	0.09	6,925,951	10.40
500 001-	11	0.03	26,905,285	40.41
Total	34,822	100.00	66,584,522	100.00

* General government includes municipalities, the provincial administration of Åland, employment pension institutions and social security funds.

** Non-profit institutions include foundations awarding scholarships, organisations safeguarding certain interests, charitable associations.

Share capital and shares

		2005	2006	2007	2008	2009
Share capital	€ million	193	195	196	196	197
Number of shares at 31 Dec.	1,000 pcs	96,483.9	97,519.9	97,767.8	97,824.9	98,321.5
Adjusted number of shares at 31 Dec	1,000 pcs	96,483.9	97,519.9	97,767.8	97,824.9	98,321.5
Adjusted average number of shares during the year	1,000 pcs	97,215.5	98,027.0	98,395.3	98,256.2	98,382.2
of which A shares	%	33	32	32	32	32
of which B shares	%	67	68	68	68	68
Market capitalisation, A share	€ million	768	1,220	1,201	698	749
Market capitalisation, B share	€ million	1,551	2,632	2,491	1,176	1,537
Number of shareholders at 31 Dec.	pcs	29,339	28,414	28,925	38,080	38,888
Share turnover						
A share	€ million	29	61	161	41	22
B share	€ million	1,383	2,410	5,294	2,859	1,501
Share turnover						
A share	million pcs	1	2	4	1	1
B share	million pcs	66	77	122	121	78
Turnover rate						
A share	%	4.1	6.4	11.5	4.5	3.1
B share	%	101.5	117.1	185.3	183.3	117.4
Change in turnover						
A share	%	7.6	57.2	78.8	-61.0	-30.4
B share	%	-24.0	15.4	58.8	-1.0	-35.4
Share price at 31 Dec.						
A share	€	24.19	38.43	37.85	22.00	23.60
B share	€	23.95	40.02	37.72	17.80	23.08
Average share price						
A share	€	21.93	30.10	43.85	28.30	21.92
B share	€	21.04	31.34	43.36	23.51	19.18
Highest share price during the year						
A share	€	24.60	38.99	53.44	38.20	25.00
B share	€	24.44	40.48	54.85	38.12	24.00
Lowest share price over the year						
A share	€	18.61	23.72	34.52	21.33	18.73
B share	€	17.80	23.80	34.40	15.31	14.99
Earnings per share, diluted	€	1.87	3.76	2.90	2.24	1.27
Earnings per share, basic	€	1.89	3.80	2.92	2.25	1.28
Equity per share, adjusted	€	15.35	17.94	19.53	20.09	20.39
Dividend per share	€	1.10	1.50	1.60	1.00	0.90*
Payout ratio	%	58.1	39.5	54.8	44.5	70.5*
Dividend as percentage of profit excl. non-recurring items	%	66.7	82.0	72.4	69.4	126.8*
Cash flow from operating activities per share, adjusted	€	3.07	3.35	2.52	1.37	3.86
Price per earnings ratio (P/E), A share, adjusted		11.86	10.22	13.07	9.84	18.54
Price per earnings ratio (P/E), B share, adjusted		11.74	10.64	13.02	7.96	18.13
Dividend yield, A share	%	4.6	3.9	4.2	4.6	3.8*
Dividend yield, B share	%	4.6	3.8	4.2	5.6	3.9*
Effective dividend yield of A share for the last five periods	%	15.4	29.3	26.6	10.9	9.2
Effective dividend yield of B share for the last five periods	%	29.2	42.8	36.1	12.9	10.3
for the last ten periods	%	18.6	22.7	18.7	11.7	14.9

*proposal to the Annual General Meeting

Information for shareholders

Financial reporting calendar and key dates in 2010

Year 2009 financial statements release	5 February 2010
Year 2009 Annual Report and audited financial statements	Week 9
Year 2010 Annual General Meeting	29 March 2010
Interim report for the first three months of 2010	27 April 2010
Interim report for the first six months of 2010	23 July 2010
Interim report for the first nine months of 2010	26 October 2010

In addition, the Kesko Group's sales figures are published monthly and the K-Group's retail sales figures are published in connection with the interim reports.

Annual General Meeting

The Annual General Meeting of Kesko Corporation will be held in the Helsinki Fair Centre's congress wing, Messuaukio 1 (congress wing entrance), Helsinki, on 29 March 2010 at 13.00.

All shareholders entered in the register of Kesko Corporation shareholders kept by Euroclear Finland Ltd on 17 March 2010 (Annual General Meeting record date) are entitled to attend the Annual General Meeting.

Shareholders wishing to attend the meeting should notify, not later than 24 March 2009 at 16.00, to Kesko Corporation/Legal Affairs, FI-00016 Kesko, by fax to +358 1053 23421, by telephone to +358 1053 23211, by e-mail to taina.hohtari@kesko.fi, or through the Internet at www.kesko.fi/investors. The notifications must be received by the end of the registration period. Any proxies authorising the holders to attend the Annual General Meeting shall be sent to the above mailing address by the end of the registration period. Holders of nominee registered shares are advised to request necessary instructions for registering in the shareholder register, submitting proxies and registering for the Annual General Meeting from their custodian banks.

More information about the Annual General Meeting, attendance and decision-making is given under the heading 'Corporate Governance' on pages 54–65.

The resolutions of the Annual General Meeting are published without delay after the meeting in a stock exchange release.

Payment of dividends

The Board of Directors has decided to propose to the Annual General Meeting that a dividend of €0.90 per share be paid for 2009. The dividend will be paid to all shareholders entered in the register of Kesko Corporation shareholders kept by Euroclear Finland Ltd on 1 April 2010 (record date for the payment of dividend). Registration practice takes three banking days, so the dividends are paid to those who hold the shares at the close of the date of the Annual General Meeting on 29 March 2010. Dividends of the shares traded on the date of the Annual General Meeting are paid to buyers.

According to the Board of Directors' proposal, the payment of dividends starts on 12 April 2010.

Financial publications

Kesko publishes a printed Annual Report in Finnish and English. The company maintains an Annual Report mailing list. Those who wish to be included on the mailing list may fill in the form at www.kesko.fi/material.

The financial statements release, three interim reports, monthly sales figures and other key releases are available on the company's website at www.kesko.fi/media.

Kesko publishes a printed Corporate Responsibility Report in Finnish and English.

Publications may be ordered from

Kesko Corporation/Corporate Communications and Responsibility
Satamakatu 3
FI-00016 Kesko
Tel. +358 1053 22404
www.kesko.fi/material

Changes of address

Shareholders should notify changes of address to the bank, brokerage firms or other account operator with which they have a book-entry securities account.

Information about Kesko for investors

Communications policy and principles

The purpose of Kesko's communications is to promote the business of the Group and its business partners by taking the initiative in providing stakeholders with correct information on Group objectives and operations. The general principles followed in providing communications also include openness, topicality and truthfulness. No comments are made on confidential or unfinished business, nor on competitors' affairs.

The primary objective of communications is to describe what added value Kesko and its cooperation partners generate to consumers and other customers, whose impressions and behaviour ultimately decide Kesko's success.

Investor relations

In line with its IR strategy, Kesko continually produces correct and up-to-date information for the markets as a basis for the formation of Kesko Corporation's share price. The aim is to make Kesko's activities better known and to increase the transparency of investor information and, therefore, the attraction of Kesko as an investment target.

In its investor communications, Kesko follows the principle of impartiality and publishes all investor information on its web pages in Finnish and English.

Kesko publishes the printed Annual Report in Finnish and English. The financial statements release and three interim reports are available on Kesko's web pages. The company maintains the Annual Report mailing list. Those who wish to be included on the mailing list may fill in the form at www.kesko.fi/material. Kesko's stock exchange and press releases sent by e-mail can also be ordered at www.kesko.fi/material.

Kesko arranges press conferences for analysts and the media at the time of publishing financial statements or other significant news, and holds Capital Market Days for analysts and institutional investors on various themes 1–2 times a year.

Kesko observes a two-week period of silence before publishing its results releases. At other times, we are happy to answer the enquiries of analysts and investors by phone or e-mail, or at the investor meetings arranged.

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Organisation, management and contact information

Kesko Corporation's Board of Directors and Corporate Management Board are presented on pages 66–67 and 68–69.

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Human Resources:

Senior Vice President Riitta Laitasalo

Legal Affairs, Risk Management and Internal Audit:

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Vice President Ari Svensk

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Brand Manager Lauri Haapala
Volkswagen commercial vehicles:
Brand Manager Carl-Gustaf Sergejeff (until
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Brand Manager Heikki Leskinen (since 1
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Glossary

In this glossary we have compiled a list of some key terms used in the Annual Report.

After-sales marketing refers in the car and machinery trade in particular to after-sales activities, such as maintenance, repairs, sales of spare parts, accessories and equipment.

AMS is an abbreviation of AMS Sourcing BV. Kesko Food works in cooperation with the leading European food chains in AMS, and is a partner in the World- Wide Retail Exchange. The WWRE is a business-to-business web marketplace.

Brand is a trademark, logo or branded product. It is an embodiment of all information relating to the company product or service. A brand is an image, created by the way of doing things, by quality and the willingness to reach the set destination.

Certification of goods sold by stores is an audit carried out by an independent third to verify the compliance of operating systems with certain criteria (e.g. with an ISO standard).

Chain agreement is a contract between the retailer and Kesko that enables the retailer join one of Kesko's retail store chains. Under the terms of the chain agreement, the retailer and Kesko agree on their rights and responsibilities regarding chain operations.

Chain concept is a comprehensive description of retail business operations and guidelines for their similar implementation in all stores of the chain.

Chain selection in the K-Group is that part of a selection which is the same in all stores of the chain. The chain unit makes decisions concerning the selection.

Chain unit is the Kesko unit responsible for store chain operations and chain concept development in the K-Group. It has decision-making power in matters concerning the chain.

Corporate responsibility refers to voluntary responsibility towards key stakeholders. It is measurable, based on the company's values and objectives, and is divided into economic, social and environmental responsibility.

Dealer, for instance in the car trade, is a company authorised by the importer to sell and service branded products. The dealer meets the quality standards set by the manufacturer and the importer.

Department store is a retail store that sells a wide variety of goods. Its sales area is at least 2,500 m². In a department store, no product category accounts for over half of the total sales area.

Distance sales refers to trading activities where customers do not visit store premises, but instead trade through the Internet, other electronic media or mail order.

Fair trade is a form of international trade, illustrated by a formalised parrot logo. The logo indicates that business is carried out directly with small producers of the third world without intermediaries. Producers receive a guaranteed price for their products that is usually significantly higher than the world market price. They are also given guarantees of long contracts and opportunities for advance financing.

Groceries refer to food and other everyday products that people are used to buying when they shop for food. Groceries include food, beverages, tobacco, home chemical products, household papers, magazines and cosmetics.

Grocery store is, in most cases, a self-service food store that sells the full range of the above groceries. Food accounts for about 80% of grocery stores' total sales.

Home and speciality goods stores include clothing, shoe, sports, home technology, home goods, furniture and interior decoration stores.

HoReCa is a category consisting of large customers in the food trade, including hotels, restaurants and other catering companies.

Hypermarket is a retail store selling a wide variety of goods mainly on the self-service principle. Its sales area exceeds 2,500 m². In a hypermarket, food accounts for about half of the total area, but sales focus on groceries (food and other everyday items).

K-Group consists of the K-retailers, the K-Retailers' Association and the Kesko Group.

K-retailer is an independent chain entrepreneur who, through good service, competence and local expertise, provides additional strength for chain operations. The K-retailer entrepreneurs are responsible for their stores' customer satisfaction, personnel and profitable business operations.

K-Retailers' Association is a body that looks after the interests of the K-retailers. Its key function is to promote and strengthen the conditions for the entrepreneurial activities of K-retailers. All the K-retailers – about 1,302 – are members of the K-Retailers' Association.

Logistics is a process in which information management is used to direct the goods flow and related services throughout the entire supply chain. Logistics help optimise the quality and cost-efficiency of operations.

Neighbourhood store is usually a small grocery store, located close to consumers and easily accessible by foot. It is usually a self-service store of less than 400 m². In Finland they have unrestricted opening hours even in town plan areas.

New establishment (greenfielding) refers to new store sites or business premises.

Operations control system (ERP Enterprise Resource Planning system) is an information system that supports the planning and control of business operations. It includes the information systems supporting the core processes of the company, such as category management and purchasing logistics in the trading sector, e.g. SAP R3.

Organic product is, according to the EU regulation on organic production, a product in which at least 95% of the raw materials of agricultural origin have been organically produced.

Private label (own brand, house brand) product is a branded product made for the trading company by a manufacturer and marketed as part of a larger product family under one brand name. A company markets its private label products through its own network.

Retail trade refers to sales to consumer customers.

Sales area refers to the store area reserved for sales, such as goods areas, aisles, service counters, checkout areas and air lock entrances.

Selection is the range of products sold for the same purpose, for instance a selection of bread. Speciality stores carry a deep selection in the category.

Self-control is an entrepreneur's own control system, the purpose of which is to prevent problems arising in food hygiene. In compliance with legislation, self-control is based on HACCP (Hazard Analysis and Critical Control Points) principles. The hazards related to products are assessed, the critical control points needed for hazard monitoring are identified and then controlled. The system is applied to the hygiene of manufacturing plants' machinery and equipment, the quality of raw materials and products, the effectiveness of manufacturing processes, and transportation and warehousing conditions.

Service company is an enterprise that offers all the products and services wanted or expected by customers at the same time. The service company provides customers with a combination of products and related services, taking care of product assemblies and other user functions that may be required.

Shopping centre houses many trading companies, but has joint management and marketing. A shopping centre has one or more main companies, but no individual store accounts for over 50% of the total business premises. A shopping centre has a minimum of 10 stores, in most cases joined by a common mall.

Store-specific selection in the K-Group is that part of the selection of a store that is adapted for the special needs of the local market.

Store site is a business property or premises where the chain concept and related auxiliary services are carried out.

Store site fee is the term used for the payment made by the retailer to Kesko as a compensation for the use of the store site under the chain agreement and the related services offered by Kesko. The store site fee is, as a rule, calculated as a percentage of the retailer's gross profit or net sales.

Strategy is a comprehensive plan of the means the organisation intends to use in order to achieve its visions and goals.

Supermarket is a grocery store that focuses on food sales and works on a self-service principle. Its sales area is at least 400 m², with food accounting for over half of the total sales area.

Wholesale trade is purchasing from suppliers in large quantities and then selling to enterprises engaged in the retail trade.